

Thereupon, the Senate, at 12:30 p.m., recessed until 2:30 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

SERVICE MEMBERS HOME OWNERSHIP TAX ACT—Continued

THE PRESIDING OFFICER. The Senator from Montana is recognized.

MR. BAUCUS. Mr. President, I have control of the Democratic block of time, and I yield 25 minutes to the good Senator from Rhode Island.

MR. REED. Mr. President, I thank the chairman for yielding me the time and also thank him for his great effort on this legislation.

It is a profound privilege to have the opportunity to serve the people of Rhode Island and in that capacity to support the legislation before us. This effort has been decades in the making. Every year that passes without health insurance reform has made the task more difficult and, the need for reform, more essential.

Rhode Islanders have seen their health care costs double in just the last decade. In 2000, the average employer-sponsored family health insurance policy cost about \$6,700. In 2008, the same plan cost nearly \$12,700. Without reform, by 2016, that family will pay over \$24,000 in premiums, consuming 45 percent of their projected median income. Such a course is unsustainable by the families of Rhode Island.

Soaring health care costs are hurting family budgets, small businesses, and the national economy. In 1980, Americans spent \$253 billion on medical bills. Today, we are paying \$2.5 trillion on medical bills. That pressure is pushing Medicare toward collapse and 750,000 Americans into bankruptcy each year.

This legislation will help contain health costs, extend insurance to millions, and give health consumers more protection against discriminatory insurance practices. By shifting the balance of power from insurance companies to consumers, we will make health care more affordable for individuals and businesses and provide families with greater health care access and stability.

This bill is fiscally responsible. It is fully paid for. We trimmed wasteful programmatic spending and imposed new fees on drugmakers, reined in entitlement spending, and imposed taxes on things such as tanning beds, which lead to health care costs. But we also provided every American family with greater health care stability and extended affordable health insurance to 30 million more of our fellow citizens.

The nonpartisan, independent Congressional Budget Office—the CBO—estimates this bill will reduce the deficit by \$132 billion over the next decade and \$1.2 trillion over the following 10 years.

We need urgent action. The delay tactics and the procedural obstacles employed by the other side are hurting our fellow citizens. Every day, 14,000 more Americans lose their health cov-

erage, and every day we remain here delaying this measure, 14,000 more Americans will lose their coverage. We have to, I think, reverse that trend and begin to fix our broken health care system.

Since 1999, Rhode Island's uninsured population has nearly doubled, growing from 6.1 percent to 11.8 percent in 2008, and it has soared up to about 15 percent today in the wake of unprecedented economic issues. But while some of us have made this debate about trying to fix a broken health care system, others have made it clear their real intention was to use this issue to "break President Obama" and make health reform his "Waterloo." Partisanship must not come before providing access to life-saving health care to children, families, and seniors.

I also don't understand how some party loyalists who spent the past 8 years helping George W. Bush drive our economy into the ground and inflate the deficit to record levels are now obstructing every reasonable effort to fix these problems. How could they help George W. Bush double our national deficit, running it up more in 8 years than all 42 Presidents before him, and then turn around and claim President Obama isn't doing enough to control it?

How could they say this \$800 billion insurance reform bill—which is fully paid for and reduces costs to consumers—is too expensive, but the \$1.2 trillion prescription drug bill they passed—which was financed through deficit spending and amounted, in many respects, to a giveaway to drug companies—was somehow good policy?

How can they rail against health care reform right after overseeing the largest expansion of our government in decades? How will they change their approach when, through hard work, we do, in fact, extend coverage and reduce cost and begin to deal with the deficit that has to be dealt with in the years ahead?

Health insurance reform hasn't always been this partisan. Indeed, many Republicans have said they support a great deal of what is in this bill but, for whatever reason, they refuse to support it. Indeed, by my count, this bill increases competition, which Republicans said they wanted. Indeed, by my count, this bill lowers cost, which Republicans said they wanted. Indeed, by my count, this bill does not contain a public option. I regret that, but that is the position I think most of the Republicans—not all—supported. And, indeed, this bill provides Americans with tax credits to purchase insurance, which Republicans said they wanted.

So the bill we will pass seeks to tear down the inefficiencies in the current system, curb the cost, and reduce the waste and abuse Rhode Islanders and Americans experience every day.

It is our responsibility to enact meaningful health reform. Just saying no may be a powerful political weapon, but this country is built on hope and a better future, not fear.

Health insurance reform will offer Rhode Islanders access to stable and affordable health insurance coverage. Here are some of the changes that will happen immediately with the enactment of this bill:

Insurance coverage for the uninsured with preexisting conditions will be provided through a high-risk pool within 6 months of this bill being signed into law. In my State, one plan already acts as the insurer of last resort and provides coverage for those who have preexisting conditions. This bill will support their efforts. And, all insurers will be prevented from denying coverage to children immediately due to a preexisting condition.

There will be no lifetime limits on coverage for all new policies. This means no one will exhaust their coverage plan, no matter how sick they become.

There will be restrictions on annual limits for all new policies. Insurance companies will have more difficulty denying care in the middle of treatment.

All new policies sold will cover children up to the age of 26. This is particularly helpful since graduates from college often—particularly in this economy—have a hard time finding employment with health care benefits.

Insurers will no longer be able to rescind coverage upon illness—when treatments, checkups, screenings, and medication are absolutely critical.

Insurance companies will be required to cover—free of charge—preventive care for new policyholders.

Beginning next year, in 2011, small businesses will be eligible for a tax credit to purchase insurance for employees.

Then, in 2014, after allowing the States a time to design and develop and prepare themselves, our bill will extend affordable coverage to over 30 million uninsured Americans through a new health insurance exchange which promises to expand choice, increase competition, and rein in cost.

Rhode Islanders without a job will be able to purchase insurance on a newly established and government-regulated health insurance market. Many will receive Federal support for the purchase of coverage.

Rhode Islanders employed by a company that does not provide insurance—or inadequate insurance—will be able to purchase insurance on this new market exchange.

Small business owners will be able to easily compare the cost of insurance coverage offered by a multitude of plans through a new health insurance exchange, and it will allow small business owners to pick the coverage that fits the needs and budget of their employees.

Rhode Islanders on Medicare will no longer have to pay out of pocket for important preventive services and no longer spend portions of the year in the so-called doughnut hole without paid drug coverage.

Low-income adults, without children, will have access to Medicaid, which

will provide them with insurance at reasonable costs.

Having access to health insurance is important. Individuals, employers, employees, and families will have access to new insurance options after reform, which is important. However, affordability—the amount a family has to pay—is also critically important.

We have examples of States that have already enacted insurance reform that covers their entire population, and what we found is, premiums have gone down significantly since this reform was enacted. We have learned a lot from their efforts, and Federal reform will improve upon those efforts for the rest of the country.

As I suggested before, the average premium for a Rhode Island family is \$12,700. If we don't do something, experts predict this premium will double in just 6 or 7 years. Rhode Islanders will be looking at health insurance bills—just the bills of annual premiums—of over \$25,000. Again, that is not sustainable. It will literally bankrupt the families of Rhode Island, and they will make a very difficult choice: paying this much money—which for many, if not most, is extraordinarily difficult—or not having insurance or doing other things, such as limiting the access their children have for college or not saving for their retirement. We can change that today by moving forward with this legislation.

The Congressional Budget Office has also analyzed the effect of this bill on the premiums that Rhode Islanders pay, and they expect premiums to decrease anywhere from 14 to 20 percent. CBO found these decreases will result from an influx of enrollees with below-average spending for health care.

One of the problems we have in the health care system today is, healthy, young people—unless they are offered health insurance through their employer—don't typically purchase it. They are the classic free riders. If they get hurt in an accident, they will go to the emergency room and be treated for free. They will not have paid into the system that cares for them. The whole principle of insurance is spreading risk across the largest population to reduce cost. That is precisely what we are doing. This is fundamental to any insurance program.

So this approach will actually lower the cost, as the CBO has reported. Additionally, the bill will provide permanent tax credits for Rhode Islanders to purchase insurance.

Depending on income, individual Rhode Islanders can expect a \$500 to \$3,000 break on their insurance costs because of these tax credits. Rhode Island families can expect to save much more—\$1,400 to \$8,500—on their insurance through these credits. Everyone should recognize the insurance reforms in this bill will mean people will get better coverage at lower costs.

The bill also mitigates the costs facing small businesses, which in my State accounts for 95 percent of all

businesses. Every year, these business owners face increasing premiums of 15 to 20 percent. They do not have much choice. Two companies control 80 percent of the market in Rhode Island, and you either accept what is offered or you go without insurance. Every year, they see double-digit increases. Again, this is not sustainable, not only over the long term but over the next several years.

Starting a business and finding the right personnel is a challenging and expensive proposition. Innovation and entrepreneurship is risky. Often startup companies have difficulty hiring qualified individuals because the business owners can't face these increasing costs of health insurance. In Rhode Island, these kinds of pressures have led to the loss of employer-sponsored health care or reduction in premium assistance from employers.

What has happened over the last several years is, real wages have been flat because health care has been taking all the extra money that in other times would have gone to increased wages. As a result, if you are a middle-income American and you look around through all the struggle and all the work you are doing and you have this sense that you haven't made a lot of real progress in terms of additional wealth or additional money put aside, it is no wonder. You have been paying the indirect costs of an ineffective, inefficient health care system. The money is going into health care. The money is going into—in many respects—health care that is not efficient or effective and it is not going into the paycheck of working Americans.

The reforms set forth in the Patient Protection and Affordable Care Act will strengthen the employer-sponsored health insurance market. There has been some suggestion that this is going to create no opportunities or options for employers to continue to provide health insurance for their workers. But, according to the CBO, 83 percent of the privately insured Americans will be insured through their employers. That is a dramatic change, nearly double the total of Americans insured through their employer today.

What we are going to see is not a decrease in employer insurance but an increase. I think this is something that will match the best aspects of our economy—individual business men and women making judgments about what plan is best for them and providing that benefit in a cost-effective way to their employees. It will occur because of a few simple changes:

First, as I mentioned, small business owners will actually receive a tax credit to purchase insurance for employees, should they choose, beginning next year, 2011. I will repeat, small businesses will get a tax credit, a tax break which they are not getting now, to help provide insurance for their workers.

Second, individuals will have the option of finding affordable insurance on their own with increased competition

to drive down costs, as more people shop effectively for health care insurance.

Third, there will be lower administrative overhead and greater simplification of insurance as a result of this legislation.

Under the proposal we are considering, premiums for small businesses will stop the never-ending trend of increase after increase and will begin to come down. Making health insurance more affordable for small business owners will help them by defraying their startup costs and ensuring individuals can seek employment regardless of the benefit options.

It will foster innovation and put companies in a situation where they have an edge over foreign competitors and can win in the global marketplace. American companies today are competing against nations around the globe that either have a national system, which does not directly affect their balance sheet in terms of health insurance costs, or they have no health insurance at all, and as a result, that is not on the balance sheet of these companies. Every one of our businesses is, in some way or another, competing against other countries that heavily subsidize their insurance, that provide an advantage, a competitive advantage. We want to in some small way diminish—in fact, in a large way at least begin to diminish that advantage.

While there have been many ill-founded claims about the reform package, the simple fact is that the tax credits provided in this bill is the largest health tax credit bill that has ever been considered in Congress. Over \$400 billion in tax credits will be provided to Americans in order to increase affordability.

Since health insurance reform will provide Rhode Islanders access to affordable health coverage, our providers should no longer face the financial pressure from uncompensated care. Hospitals will care for patients with insurance, and doctors will be able to prescribe preventive measures to patients so they do not become ill. Today, it is estimated that of all the private insurance premiums we pay in Rhode Island, at least \$1,000 dollars of those premiums is to pay for uncompensated care in our hospitals, in our clinics throughout the State. When we have a significant number—95, 94-plus percent—of Rhode Islanders covered, those uncompensated costs won't be uncompensated. There will be an insurance program behind these individuals, so they can seek preventive care and they can pay for emergency care and pay for regular care.

Each one of the hospitals in my state is contributing in our efforts to insure more Americans and doing so with the knowledge that they can potentially benefit from the fact that people will not be showing up in their emergency rooms without insurance but will bring their insurance card, and the support their card ensures, to the emergency room.

In addition, the safety net providers throughout the country, our community health centers, will find great support in this legislation.

There will be direct improvements for physicians in Rhode Island. The looming 21 percent Medicare payment reduction will be eliminated, as it is impending. We will continue to look for permanent solutions, not only to this issue of Medicare payments but also a payment formula used to pay doctors in a more equitable and more appropriate way.

I am also pleased that we have taken steps to improve and enhance training of a new generation of primary care physicians who will be necessary to fill the increased demand. These improvements will help our overall efficiency.

This bill will also provide seniors with an improved Medicare Program. Nearly one-fifth of my State is on Medicare; over 180,000 Rhode Islanders rely on Medicare. Seniors have paid into Medicare during their lifetime. They deserve a program that will provide comprehensive coverage at the lowest cost without risk of coverage being terminated. However, that is not the Medicare coverage Rhode Islanders always receive today. Here is what Medicare does today. Medicare frequently allows the same test for the same complaint to be performed multiple times. This costs money, but it doesn't necessarily improve patient care. Medicare leaves over 31,000 Rhode Islanders without prescription drug coverage for parts of the year. This costs them money. And Medicare today is on the path toward insolvency in just 8 short years, which will affect every senior in Rhode Island.

Instead of allowing Medicare to go bankrupt, the comprehensive health reform bill we are currently debating would extend Medicare solvency for at least 5 additional years. Some predict it will be extended for nearly a decade. This is important for seniors enrolled in the program today and those who will soon enroll in the program.

Solvency is extended by reforming the system. Seniors in my State will not have to make multiple trips to their doctors' offices for the same test for the same complaint because we will eliminate unnecessary duplication and tests and services. They will not fear being readmitted to a hospital after discharge because we will encourage care coordination after discharge. And they will not put off important preventive care because the out-of-pocket costs are just too great because the cost-sharing component for preventive care will be eliminated.

Many of my seniors are on the Medicare Advantage Program, which is a privatized version of traditional Medicare. Over 65,000 seniors in my State have elected to enroll in this option, and there has been an effort to characterize the changes to this program as undermining that program. The private insurance companies have been saying that for over a month now. Why? Be-

cause they profit very handsomely from Medicare Advantage. They spent months telling seniors health reform will take away their coverage. These claims are inaccurate.

We will eliminate excessive overpayments to private insurance companies. In my State, Medicare Advantage plans are paid over 20 percent more per beneficiary than traditional Medicare fee-for-service. This overpayment is particularly astounding given the fact that the Government Accountability Office found that 19 percent of Medicare Advantage beneficiaries pay more than traditional Medicare for home health care and 16 percent pay more for inpatient services. Seniors should be angry and upset at insurance companies, that they continue to profit from the Medicare system while simultaneously taking more money from seniors' pocketbooks as they charge extra for these services. This was not the intent of the program. In fact, the intent of the program—the argument the insurance companies made is: Give us the flexibility to manage Medicare patients, and we will lower costs. Very shortly after that, it became clear that they were not managing the costs that well.

Of course, the bill is going to target waste, fraud, and abuse. For every \$1 we spend in this effort—and you have to invest in this fraud detection—we expect to recover \$17.

Our efforts will improve health care of seniors and will stabilize Medicare.

Also, we should note that we will be doing significant amounts with respect to children. I particularly applaud Senator BOB CASEY's amendment to ensure that Rhode Islanders on Rite Care will not have to fear losing their safety net coverage.

Finally, it is important to note, as I mentioned before, that these reforms are paid for. This is a stark contrast to others. We voted on the Medicare prescription bill in 2003, which I opposed. It was unpaid for, and it was more costly than the amendment which was originally presented to us.

We voted on countless measures outside the normal process of budgeting to fund the wars in Iraq. We voted tax cut after tax cut for the wealthy, which has left my State not prosperous and wealthy but 13 percent of my State unemployed and 15 percent of my neighbors are uninsured.

We are moving forward to reduce the deficit with this bill, to provide valuable coverage, to ensure the promise of health care in the United States is fulfilled, not denied.

I yield the floor.

Mr. BAUCUS. Mr. President, pending a potential unanimous consent request by the two leaders, I now yield such time as the Senator from Massachusetts desires.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KIRK. I ask unanimous consent to speak as in morning business, the time to be counted postclosure.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. KIRK are printed in today's RECORD under "Morning Business.")

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. UDALL of Colorado). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that all postclosure time be considered expired on H.R. 3590 at 8 a.m., Thursday, December 24, if cloture is invoked, and that immediately the bill, as amended, be read a third time, and the Senate vote on passage; that after passage of H.R. 3590, as amended, the Senate then proceed to the immediate consideration of Calendar No. 245, H.R. 4314, an act to permit continued financing of government operations; that no amendments be in order; that the bill be read a third time, and the Senate then proceed to vote on passage; that passage require an affirmative 60-vote threshold; and if that threshold is achieved, then the motion to reconsider be considered made and laid upon the table; further, that on Wednesday, January 20, 2010, at a time to be determined by the majority leader, following consultation with the Republican leader, the Finance Committee be discharged of H.J. Res. 45, increasing the statutory limit on the public debt and the Senate then proceed to the measure; that immediately after the joint resolution is reported, the majority leader or his designee be recognized to offer a substitute amendment and that the following be the only first-degree amendments in order to the joint resolution: Thune, TARP; Murkowski, endangerment EPA regs; Coburn, rescissions package; Sessions, spending caps; McConnell, relevant to any on the list; Reid, one relevant to any on the list; Reid, pay-go; Baucus, three relevant to any on the list; Conrad-Gregg, fiscal task force; that each of the listed amendments be subject to an affirmative 60-vote threshold and that if any achieve that threshold, then they be agreed to and the motion to reconsider be laid upon the table; that if they do not achieve the 60-vote threshold, then they be withdrawn; that upon disposition of all amendments, the substitute amendment, as amended, if amended, be agreed to, the joint resolution, as amended, be read a third time and the Senate then proceed to vote on passage; further, that passage also be subject to an affirmative 60-vote threshold; further, as in executive session, I ask unanimous consent that on Wednesday, January 20, 2010, after a period of morning business, the Senate proceed to executive session to consider Calendar No. 421, the nomination

of Beverly Martin to be a U.S. circuit judge for the Eleventh Circuit; that there be 60 minutes of debate with respect to the nomination, with the time equally divided and controlled between Senators LEAHY and SESSIONS or their designees; that upon the use or yielding back of time, the Senate then proceed to vote on confirmation of the nomination; that upon confirmation, the motion to reconsider be considered made and laid upon the table, no further motions be in order, the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

The PRESIDING OFFICER. Is there objection?

The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, reserving the right to object, and I will not be objecting, I wish to make sure the Senate is aware of an understanding the majority leader and I have that the substitute amendment referred to in paragraph 1 will be limited to an actual amount when it is offered.

Mr. REID. That is right. And if there are any amendments here that pass, of course, they would automatically be part of it.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, reserving the right to object, I wish to inquire whether, under that consent request that is being propounded, secondary amendments would be in order to any of the first-degree amendments on that list.

Mr. REID. No.

Mr. BAUCUS. I do not object.

The PRESIDING OFFICER. Hearing no objection, without objection, it is so ordered.

The Republican leader is recognized.

THANKING SENATE PAGES MARTIN CHARBONEAU AND MIKHAILA FOGEL

Mr. MCCONNELL. Mr. President, I wish to recognize two young pages who are actually on the floor with us today. Martin Charboneau and Mikhaila Fogel are the pages who energetically volunteered to stay until the Senate adjourns and actually have sacrificed some of their Christmas vacation. Also, they both volunteered their service over the weekend before the Thanksgiving break.

We typically have seven pages at a time on each of the sides, the Democratic side and the Republican side, but both Martin and Mikhaila marvelously have worked hard and dutifully, on both sides of the floor—both the Democratic side and the Republican side—to make a 14-person job work with just two people.

One can imagine how hard a task it must be for just two individuals to prepare for the numerous speeches we have had over the course of the past week. I know Senator REID joins me in thanking them for their gracious and impeccable service to the Senate.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I wish to begin by recognizing the work on this legislation of Leader REID, Chairman BAUCUS, Chairman HARKIN, and Chairman DODD.

I believe, when the history of this bill is written, it will be recognized what a remarkable job of leadership Senator REID has provided, bringing together a disparate caucus around extraordinarily complex issues to accomplish something that will be seen in the future as a leap forward for America in reforming the health care system in this country.

Chairman BAUCUS—no one has made a deeper, more committed, personal sacrifice than Senator BAUCUS in advancing this legislation. His commitment to getting this bill done and getting it done right will stand the test of history.

Chairman HARKIN, who succeeded Chairman Kennedy, made major contributions on the wellness provisions.

Chairman DODD, who filled in for Chairman Kennedy and continued in the role of handling this legislation, even while being chairman of the Banking Committee, provided an example of legislative leadership that is unmatched.

The four of them have done a superb job in putting together the pieces of the bill that I believe will lead the way to a dramatically improved health care system in our country.

If we reflect, objectively, on the package before us, it is an entirely reasonable and responsible approach. There is no government takeover of health care, no rationing, no cuts to guaranteed Medicare benefits, no benefits for illegal immigrants, and the bill sets a goal of no taxpayer funding for abortion beyond the Hyde amendment provisions in current law.

In fact, this bill does much of what Republicans said they want in a health care plan. It is fully paid for, and it reduces deficits in both the short and the long term. It expands coverage and provides assistance to help families and small businesses afford health insurance. It sets new rules to stop insurance company abuses. It reforms the delivery system to control costs and improve quality. It allows for the sale of insurance across State lines. It supports medical malpractice reforms.

Those are facts. Every one of those elements is in this bill. This is an approach that Senators on both sides of the aisle, who want solutions rather than slogans, should embrace.

The need to act is clear. The status quo is simply unsustainable. Health care costs are crushing families, businesses, and even the government. The premiums for individuals and families are rising three times as fast as wages. You can see where we are headed. It is as clear as it can be.

Without action, families will see average health care premiums rise to \$22,000 a family by 2019—\$22,000, on average, for family health care premiums in 2019, unless we act.

It does not stop there. Premiums, as I have indicated, are skyrocketing, and national health care costs are skyrocketing right along with them. Without action, total health care spending will equal 38 percent of the gross domestic product of the country by 2050. Thirty-eight percent of the gross domestic product for health care? That would be one in every two and half dollars in this economy. Already, we are consuming one in every six in this economy on health care, and that is an unsustainable course. These costs are driving our long-term fiscal imbalances, threatening our future economic prosperity.

Without action, Federal spending on Medicare and Medicaid will reach 12.7 percent of GDP by 2050. This chart I have in the Chamber makes it very clear. In 1980, the two programs were consuming 2 percent of gross domestic product, but on the current trend line, by 2050, these two—Medicare and Medicaid—will consume more than 12 percent of our GDP—one in every eight dollars in our economy.

The growth in health care costs threatens to bankrupt Medicare. Medicare went cash negative last year. Without action, Medicare will be bankrupt in 2017. The trustees have just told us that will happen. That is 2 years earlier than forecast just last year. Again, Medicare went cash negative already. That means more money is going out than is coming in, in the Medicare accounts, and it will be insolvent—broke—in 8 years. This legislation extends its life by 9 years.

These health care costs are hurting our competitive position in the world. We are spending far more than other countries on health care, leaving less money for research and development, investment, and higher wages for Americans. In fact, as a percentage of our gross domestic product, we spend twice as much as most other advanced countries.

Here it is, as shown on this chart. We are now even higher than 16 percent of our GDP. The latest numbers indicate we have gone to 17 percent of our GDP for health care. That is one in every six dollars. Look at other countries. Japan and the United Kingdom are half as much; Belgium, Germany, Switzerland, France, a little over half as much as we are paying.

But even with the fact that we are spending more, we are actually performing worse on virtually every metric on health care outcomes. We are ranked 19th in preventable deaths, 22nd in infant mortality, 24th in life expectancy; and we still leave 46 million people without insurance.

Continuing the status quo is not an option. America can do better, and this bill proves it. The bill before us is fiscally responsible. The nonpartisan Congressional Budget Office—the official scorekeeper, relied on by both sides of the aisle—tells us the bill reduces the deficit by \$130 billion over the first 10 years.

Now, those aren't my numbers, those aren't the numbers of the chairman of the Finance Committee, those aren't the Democratic leader's numbers. Those are the numbers of the nonpartisan Congressional Budget Office. They say this bill will reduce the deficit by \$130 billion over the first 10 years.

The savings in the following decade are even more impressive: between \$650 billion and \$1.3 trillion. The Congressional Budget Office says:

All told, CBO expects that the legislation, if enacted, would reduce Federal budget deficits over the decade after 2019 relative to those projected under current law—with a total effect during that decade that is in a broad range between one-quarter percent and one-half percent of gross domestic product.

One-quarter and one-half percent of GDP for that second 10 years is \$650 billion to \$1.3 trillion. Shame on those who get up on the other side and say this is going to increase the deficit. Where is their evidence, other than claims, other than assertions? We are talking about the considered judgment of the Congressional Budget Office that is nonpartisan and is the official scorekeeper for the Congress of the United States.

The bill bends the cost curve for the Federal commitment to health care in the long term. In its December 19 estimate, CBO reports that the proposal would generate a reduction in the Federal budgetary commitment to health care during the decade following the 10-year budget window. So, yes, it bends the cost curve for the Federal expenditure during that period.

This legislation also reforms the insurance market. We have all heard the horror stories. I have loads of letters in my office from constituents telling me about what has happened to them: being dropped because they got sick, even after paying years of premiums; being denied coverage because of preexisting conditions, in many cases preexisting conditions that had nothing to do with the illness for which they now need assistance; and being denied even though they have paid the premiums. This is serious business.

This bill puts a stop to these abuses. It prohibits insurers from denying coverage for preexisting conditions on new policies. It prohibits insurers from rescinding coverage when people become sick after they have paid premiums for years on new plans. It bans insurers from lifetime caps and annual limits on health care benefits, and it prevents insurers from charging more based on health status.

It also expands choice and competition. The bill before us builds on our current market-based system and makes it better. It is not government-run health care. Instead, it embraces choice and competition. It sets up a new health exchange where consumers can shop for the best value. It creates consumer-run, co-op health plans not government-run plans but plans run by the members. It allows for insurance

sales across State lines to further increase competition.

The managers' amendment also creates a new national plan. The Office of Personnel Management, the same agency that currently oversees health plans for all Federal employees, including Members of Congress, would select private health insurance carriers to offer plans that would be available nationwide. These plans would provide new competition for State-based health plans, particularly in areas where just one or two insurers currently dominate the market. At least one multistate plan would have to be a not-for-profit insurer, such as one of the newly created co-ops. I am particularly excited by this development.

When we look around the world at the countries with the best outcomes and the lowest cost, one feature stands out: these countries rely on primarily not-for-profit insurance. Germany, France, Switzerland, Belgium, Japan, all have adopted this model. They don't have government-run health care, but they do have universal coverage. They do have extremely high-quality health care outcomes and much lower costs than we do. So I believe the not-for-profit national plans and the co-op option may, in the long run, play a key role in transforming our system into a more efficient, higher quality system.

This legislation also expands coverage. According to the Congressional Budget Office, it covers 94 percent of the American people. It creates State-based exchanges for individuals and small businesses. It provides \$476 billion in tax credits to help working Americans and small businesses buy coverage. You don't hear that much from the other side about this \$467 billion of tax assistance for people to afford better health care coverage. It also reforms the delivery system to focus on quality and not quantity. The bill before us slows cost growth while improving quality. The sad fact is that 30 percent of current health care spending does nothing to improve health care outcomes. We are wasting about \$750 billion a year on unnecessary and counterproductive procedures. Again, that is not a congressional estimate; that comes from a Dartmouth nationwide survey that concluded 30 percent of health care expenditure in this country is wasted. This bill reforms the delivery system in a fundamental way. It contains every delivery system reform health care experts believe is needed to provide better care while slowing cost growth.

This proposal also extends the solvency of Medicare. Medicare's actuary says the Senate bill extends the life of Medicare by 9 years. Some on the other side say that because Medicare is heading toward insolvency, we can't have Medicare savings. What? What are they talking about?

Perhaps the oddest thing I have seen in this debate is the contrast with the last year of the Bush administration. The previous administration sent up a

proposal to have nearly \$500 billion in savings under Medicare, and we didn't hear one peep from the other side, not one. In fact, they all said it was critically important to do. Now all of a sudden it is the death of Medicare.

What is even more bizarre about their argument is that now there is an offset for the savings from Medicare providers. The offset is they are going to get 30 million new customers, 30 million Americans who haven't had insurance who will now have it so their uncompensated care costs will go down, making it more affordable for providers to provide these savings.

Most of these savings have been negotiated with providers. Why have they been willing to agree to savings—hospitals, nursing homes, and home health care? It is because they know they are going to get substantially expanded business—30 million customers with insurance who previously did not.

This is important legislation. These Medicare reforms don't hurt seniors. Some on the other side have said you can't reduce the growth in Medicare costs without taking benefits away from seniors. That is just scare tactics. The Medicare savings provisions lower cost growth without harming beneficiaries.

This legislation also helps my State. I am proud to say it. Some have said the Medicare changes will hurt North Dakota providers. Clearly, they haven't read the bill. Right now, we get paid way below the average for Medicare reimbursement. In fact, we are the second or third lowest State in the country in Medicare reimbursement. North Dakota providers get \$5,000 a year per Medicare beneficiary.

In Miami, they get three times as much, more than \$16,000 a year to take care of seniors there. Now I would be the first to say it may cost more to provide medicine in Miami than it does in Minot, but it doesn't cost three times as much. The fact is, moving to a system that is based on outcomes rather than procedures will benefit, not hurt, a State such as North Dakota.

In addition, this legislation includes the frontier States provision that Senator DORGAN and I offered as an amendment. Our provision puts a floor under payments to North Dakota providers and in other States like ours that are rural States that have not received fair levels of reimbursement. It will mean an additional \$66 million a year in Medicare payments to my State.

Overall, this bill is a win for North Dakota, a win for the Nation. It reduces the deficit, it controls costs, it saves Medicare—or at least extends its life for at least 9 years—it embraces choice for American consumers and competition and expands coverage. It reforms the insurance industry, and it rewards quality and efficiency.

This legislation is an excellent start. I urge my colleagues to allow it to continue because we all know this isn't the last step. Next we go to the conference committee where we will have

a chance to write the final legislation. No doubt this bill will be further improved as it has been at every step of the process.

Again, let me conclude as I began by thanking the leadership who has made this bill a possibility: Senator REID, who has done a remarkable job of bringing people together; Senator BAUCUS, who has spent more than a year and a half in as dedicated an effort as I have ever seen by a committee chairman in this body to bring major legislation to conclusion; Senator DODD, who filled in for Senator Kennedy on a pinch hit basis but worked so hard to produce a result in that committee; and Senator HARKIN, the new chairman of the committee, for all of his assistance in getting the job done.

When the history of this legislation is written, those four will be recognized as producing something that was critically important for this country. We should salute them.

I thank the Chair and yield the floor.

Mr. BAUCUS. Mr. President, I very much thank my good friend from North Dakota for his generous statements. As he knows, this is all teamwork. We are all in this together, all Senators, especially on this side of the aisle, with the President, to get health care reform finally passed for all Americans. Teddy Roosevelt started this many years ago, and many Presidents since have been unable to get health care reform passed. I think finally this time we are going to do it, and it is a moment of which we are all very proud.

Mr. President, I yield the remainder of my time to the Senator from Washington. I don't know how much that is, but whatever it is, it is all hers.

The PRESIDING OFFICER. The Senator from Montana has 7½ minutes remaining.

The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I thank my colleague from Montana, the chairman of the Finance Committee, who, I remember, months ago, with a smile on his face, said we can get this done. We are on the verge, and we owe him a huge debt of gratitude. So I thank the Senator very much.

As this debate now moves forward, it has become apparent that some of our colleagues are losing sight of what we are working on. What should be a robust debate about a critical issue that is facing all of our families and businesses is being bogged down by distractions and political gimmicks and obstructions and a lot of delay while American families watch and wait and wonder where they exactly fit into this conversation. So I want to be clear with my colleagues and with Americans across the country today: This bill is about you. It is about your loved ones. It is about the people just like you across the country to bring down your premiums, expand your options, and increase your stability.

It is about helping our economy and creating jobs by reducing the drag that

has been created by the skyrocketing premiums and unlocking the potential for new health care careers. It is about supporting the doctors and the nurses, the hospitals and the clinics that work every day to take care of you. It is about helping you or your father or your mother, your grandfather or your grandmother, by increasing benefits, cutting waste, and strengthening the Medicare on which you depend. And it is about Katerina.

Katerina is a woman from Redmond, WA, and she is one of my more than 10,000 constituents from my home State who have sent me their stories about their experiences with our broken health care system. Katerina is a single mom. She has a good education, she told me, and she has a good job and a solid middle-class lifestyle. But like a lot of Americans this year, struggling in the toughest economy since the Great Depression, she was laid off from her job, and she lost her employer-provided health care. She was able to scrape enough money together to pay for COBRA coverage, but she told me she didn't dare go to the doctor because she knew she wouldn't be able to afford the copays. So though she was technically covered right now, in practice, neither she nor her child have access to true health care or preventive services. She found that living that way had some real consequences.

Last month she told me she got an eye infection and eventually had to go to the doctor for treatment. She said after all of her out-of-pocket costs and still with no job and no income, she had to make some very serious and very tough choices about her family's food and clothing budget. Who knows what would have happened if Katerina or her child got seriously ill.

Our broken health insurance system is failing Katerina, and she is not alone. Millions of people have lost jobs in this current recession.

Millions of families have been tossed out of their employers' plans—families who had health care, who felt secure, all of a sudden understand how broken the system really is and how few options they actually have today for affordable care. That is why we need health insurance reform for Katerina and millions of Americans in similar situations and the hundreds of millions of Americans who may switch jobs or move or start small businesses or who just want more options for high-quality affordable health care.

Mr. President, let me talk for a minute about how this bill will specifically help Katerina and many others. Our plan sets up a market where people can shop for and purchase insurance, where insurance companies would have to compete for your business, and where people such as Katerina would be able to choose a plan that fits her family best from among a range of options in an open marketplace.

It would inject competition into the insurance market, it will lower costs, and it will give families, such as

Katerina's, more choices. That means instead of just having one choice when she is laid off, which was to purchase high-priced COBRA, Katerina will be able to compare the price and performance of plans and make a decision for her family with the benefit of true options.

That will increase stability and keep insurance companies accountable. Never again will insurance companies be able to drop a family's plan simply because somebody got sick. No longer will losing your job mean losing access to affordable coverage, and no longer will people such as Katerina have to choose between food, clothing, and health care for herself and her child.

It will also keep families secure by ensuring that all insurance plans offer an adequate level of coverage, including free preventive care that will keep them healthy and ensure that minor, inexpensive medical issues can be treated before they become major, expensive medical problems.

Our plan will increase options, enhance security and stability, and it will reduce costs for people such as Katerina by providing credits and premium assistance. So families will no longer have to worry about their coverage if they lose a job, switch jobs, move, or get sick.

Mr. President, that is what this plan is about. It is about Katerina, it is about her child, and it is about the millions of Americans in similar situations.

If the status quo wins out, things will only get worse. If some of my colleagues continue to play politics with this issue, Katerina will continue to struggle.

If we continue to have delay and distraction and obstruction, families will pay more for less, they will lose coverage, and they will be denied treatment and continue to have to fight insurance company redtape to get the care they deserve.

That is what this is all about. I am going to continue to stand up and tell the stories of families and small business owners from Washington because they are counting on us to fix this broken system. I urge my colleagues to focus on their States' families and join with us to pass true health insurance reform.

Before I yield, I want to take this opportunity to make an additional point. As everybody knows, we have been working incredibly demanding schedules in recent weeks. Senators have seen this floor at every conceivable hour—late at night, early in the morning, in the face of a blizzard. Far too frequently, we forget that every time we are here, there are literally hundreds of staff forced to be here along with us. In fact, they are often here long before we arrive and long after we leave. This body could not function without the tireless dedication of these men and women.

Many of them are here now: the clerks, Parliamentarians, cloakroom

staff, doorkeepers, Capitol Police officers, and the maintenance workers. They work very long hours, nights, mornings, and weekends—with no regard to a government closure, dangerous snowstorms, or the need to complete their holiday shopping. If we are here, they are here. They deserve our thanks.

I want to express my gratitude to every one of them and to my own staff as well. It hasn't been an easy time. You should all know we are deeply appreciative of your service.

I, for one, am strongly supportive of bringing this debate to a close so that each one of you can be home with your families enjoying some well-deserved time off for the holidays.

I yield the floor.

FURTHER CHANGES TO S. CON. RES. 13 PURSUANT

Mr. CONRAD. Mr. President, section 301(a) of S. Con. Res. 13, the 2010 budget resolution, permits the chairman of the Senate Budget Committee to adjust the allocations of a committee or committees, aggregates, and other appropriate levels and limits in the resolution, and make adjustments to the pay-as-you-go scorecard, for legislation that is deficit-neutral over 11 years, reduces excess cost growth in health care spending, is fiscally responsible over the long term, and fulfills at least one of eight other conditions listed in the reserve fund.

I have already made two adjustments pursuant to section 301(a). The first adjustment was on November 21, for S.A. 2786, the Patient Protection and Affordable Care Act, an amendment in the nature of a substitute to H.R. 3590. The second adjustment was on December 1, for S.A. 2791, an amendment to S.A. 2786 to clarify provisions relating to first dollar coverage for preventive services for women.

The Senate today adopted S.A. 3276, an amendment to S.A. 2786 to improve the bill. I find that in conjunction with S.A. 2786, as modified, that this amendment also satisfies the conditions of the deficit-neutral reserve fund to transform and modernize America's health care system. Therefore, pursuant to section 301(a), I am further revising the aggregates in the 2010 budget resolution, as well as the allocation to the Senate Finance Committee. Along with those adjustments, I have also adjusted the aggregates and committee allocation to reflect changes to the original score of S.A. 2786 as a result of a provision included in H.R. 3326, the Department of Defense Appropriations Act, 2010. That provision uses savings also counted in the score of S.A. 2786. In total, as a result of Congress clearing H.R. 3326 on December 19, the amount of savings in S.A. 2786 is \$1 billion lower over the 2010–2014 period.

I ask unanimous consent to have printed in the RECORD the following revisions to S. Con. Res. 13.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2010—S. CON. RES. 13; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 301(a) DEFICIT-NEUTRAL RESERVE FUND TO TRANSFORM AND MODERNIZE AMERICA'S HEALTH CARE SYSTEM

[In billions of dollars]

Section 101	
(1)(A) Federal Revenues:	
FY 2009	1,532,579
FY 2010	1,614,258
FY 2011	1,936,811
FY 2012	2,140,785
FY 2013	2,321,087
FY 2014	2,563,018
(1)(B) Change in Federal Revenues:	
FY 2009	0.008
FY 2010	-51,728
FY 2011	-151,820
FY 2012	-219,608
FY 2013	-194,250
FY 2014	-70,640
(2) New Budget Authority:	
FY 2009	3,675,736
FY 2010	2,905,487
FY 2011	2,845,236
FY 2012	2,835,568
FY 2013	2,988,308
FY 2014	3,206,647
(3) Budget Outlays:	
FY 2009	3,358,952
FY 2010	3,017,021
FY 2011	2,965,551
FY 2012	2,867,235
FY 2013	2,993,112
FY 2014	3,184,357

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[In millions of dollars]

Current Allocation to Senate Finance Committee:	
FY 2009 Budget Authority	1,178,757
FY 2009 Outlays	1,166,970
FY 2010 Budget Authority	1,249,836
FY 2010 Outlays	1,249,342
FY 2010–2014 Budget Authority	6,824,817
FY 2010–2014 Outlays	6,818,925
Adjustments:	
FY 2009 Budget Authority	0
FY 2009 Outlays	0
FY 2010 Budget Authority	-5,220
FY 2010 Outlays	-6,670
FY 2010–2014 Budget Authority	20,950
FY 2010–2014 Outlays	3,720
Revised Allocation to Senate Finance Committee:	
FY 2009 Budget Authority	1,178,757
FY 2009 Outlays	1,166,970
FY 2010 Budget Authority	1,244,616
FY 2010 Outlays	1,242,672
FY 2010–2014 Budget Authority	6,845,767
FY 2010–2014 Outlays	6,822,645

Mr. LEAHY. Mr. President, the urgent need for comprehensive reform of our health care system has not stopped opponents from launching spurious attacks. I understand that the junior Senator from Nevada recently raised a constitutional point of order against the pending health care reform bill. As chairman of the Senate Judiciary Committee, I would like to respond to those who have called into question whether Congress has the authority under the Constitution to enact health insurance reform legislation. The authority of Congress to act is well-established by the text and the spirit of the Constitution, by the long-standing precedent

established by our courts, by prior acts of Congress and by the history of American democracy. The legislative history of this important measure should leave no doubt with respect to the constitutionality of our actions.

The Constitution of the United States begins with a preamble that sets forth the purposes for which “We the People of the United States” ordained and established it. Among the six purposes set forth by the Founders was that the Constitution was established to “promote the general Welfare.” It is hard to imagine an issue more fundamental to the general welfare of all Americans than their health.

The authority and responsibility for taking actions to further this purpose is vested in Congress by article I of the Constitution. In particular article I, section 8, sets forth several of the core powers of Congress, including the “general welfare clause,” the “commerce clause” and the “necessary and proper clause.” These clauses form the basis for Congress’s power, and include authority to reform health care by containing spiraling costs and ensuring its availability for all Americans. The necessary and proper clause of the Constitution provides that “The Congress shall have Power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States or in any Department or Officer thereof.”

Any serious questions about congressional power to take comprehensive action to build and secure the social safety net have been settled over the past century. According to article I, section 8, “The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States.” This clause has been the basis for actions by Congress to provide for Americans’ social and economic security by passing Social Security, Medicare and Medicaid. Those landmark laws provide the well-established foundation on which Congress builds today by seeking to provide all Americans with access to quality, affordable health care.

The Supreme Court settled the debate on the constitutionality of Social Security more than 70 years ago in three 1937 decisions. In one of those decisions, *Helvering v. Davis*, Justice Cardozo wrote that the discretion to determine whether a matter impacts the general welfare “is not confined in the courts” but falls “within the wide range of discretion permitted to the Congress.” Turning then to the “nation-wide calamity that began in 1929” of unemployment spreading from State to State throughout the Nation, leaving older Americans without jobs and security, Justice Cardozo wrote of the Social Security Act: “The hope behind this statute is to save men and women from the rigors of the poor house as well as from the haunting fear that