that have derailed past efforts? But maybe equally as important: Will this Congress and our President dare to pass real reform?

The pitfall, as I see it, is that too often we have been afraid of failure. If we draft legislation with an eye only on what we think can get passed, on what we think the American people will buy, if we play it too safe, my fear is that we will miss the opportunity for real reform. I believe that passing a reform bill that does not reform the health care system is about as wrong as not passing any bill at all.

President Obama said yesterday he will only support legislation that ''earns the title of reform.'' I agree with the President, which is why I am going to use this morning to lay down a similar marker for what I believe is necessary to ''earn the title of real reform.''

First, real reform means that all of us, and especially the powerful interest groups, must accept changes resisted in the past. Insurers are going to have to change the way they do business. Pharmaceutical companies will have to be more responsive to purchasers that insist on more value and transparency. Doctors and hospitals will be held accountable for the quality of care they provide. Malpractice suits will be held to stricter standards.

Individuals will have to take greater responsibility for their health. Real health reform means changing the way business is done in the private insurance market. It means an end to insurance companies cherry-picking, a practice where the companies take the healthy people and send sick people over to government programs more fragile than they are. No longer should anyone make money by denying care to someone who needs it. That is wrong, and this Congress will make it illegal.

Real reform means everyone is guaranteed coverage by their choice of insurer. Under any new system, insurance companies must be required to cover everyone and they must be required to price with fairness so you do not get discriminated against because of your gender or your health status or your age. It means you will no longer be denied coverage or charged more because you were sick 5 years ago or today or you might be sick 5 years from now.

Real health reform guarantees that all Americans can choose their doctor and their health plan. The President said yesterday: Real reform will give every American access to the insurance exchange where they can choose to keep the care they have or pick a better plan that meets their families' needs. That means if you like the care you have, you can keep it. But it also means that if you do not like the care you have, you can reject it. You can reject it and choose a better plan.

Real reform would not only cover the uninsured, but it will make the lives of all of those who have insurance coverage better. Right now the majority of Americans who are lucky enough to have employer coverage have no choice in where they get their insurance. I believe these Americans deserve choices too.

Some might say that this undermines the employer-based system. No, it does not. Rather, it makes the employer-based system more accountable at the same time that it makes health care more portable. Real health reform means that if you leave your job or your job leaves you, you will not lose your health care coverage.

Real reform will once and for all end the entrepreneurial tax in which Americans are afraid to go into business for themselves because they cannot take their health care with them. The President himself said it best when he wrote in 2006, ''With Americans changing jobs more frequently, more likely to go through spells of unemployment, and more likely to work part time or to be self-employed, health insurance can't just run through employers anymore, it must be portable.''

Real reform will guarantee that all Americans can afford quality health care. No longer should families be forced to pay more for their health insurance premiums than they pay for their housing. Our goal should not be to exempt those Americans who cannot afford to pay, our goal should be to guarantee that every American can afford the health care they need.

Real reform will be affordable for the Nation and for our taxpayers. It will reduce current costs and bring the rate of health care inflation in line with economic growth. Failure to meet this test would result in massive new government obligations and no means to pay for them.

Real reform must end the health care caste system in which low-income Americans are treated as second-class citizens. No longer should low-income Americans have less access to doctors than their Member of Congress or any other American. Today, 37 million adults and 10 million children effectively lack access to a primary care physician. Those are Americans who have health insurance but who cannot find a doctor to care for them. Real reform means ending the caste system in America that, in my view, discriminates against the most vulnerable and most impoverished among us. Real reform means that when you need a doctor you will be able to see one.

Real reform will reward Americans for making smart choices. Americans should be rewarded for choosing the right insurer for their families, and they should be rewarded for choosing a healthy lifestyle. This means creating a health system that no longer focuses primarily on sick care, but puts a priority on prevention as well.

Real reform will change the incentives that drive behavior in the American health system. It will reduce the demand and desire for unnecessary health care services. Health care institutions will no longer profit from the quantity of procedures they run up but will instead be rewarded for quality care.

Real reform will take an axe to administrative costs. Americans will sign up just once for health care. They will have their premiums taken from their withholding so they do not have to worry about making payments. They will go into large efficient groups so they are no longer left on their own in the individual market.

In today's non-system, people are an afterthought to the self-perpetuating bureaucracy of medical billing, reimbursement fights, coverage fights, and outright fraud, waste, and abuse. Like the President said yesterday, real reform will: ''Replicate best practices; incentivize excellence; close cost disparities.'' In effect, he wants to see health care dollars go to pay for quality, efficient health care. And that is what I have described today.

Real reform means providing care. It means guaranteeing that all Americans have good, quality, affordable coverage, coverage that is portable. It means ensuring we end the caste system so all Americans can see doctors when they need one. And it means creating a system that is more intent on keeping people healthy than profiting from illness.

The central question, when it comes to real reform, is not who pays, but how we pay. Because everyone knows that ultimately the American taxpayer is the one footing the bill. It is now Congress's job to create an accountable system that puts the focus where it belongs, not on misguided incentives, not on shedding risk, not on quarterly profits, but on providing quality, efficient care for all our people.

That is what Americans want from this debate about health care reform. That is what I think can bring Democrats and Republicans together, working with the President under the banner of real reform. The country deserves it. It is time for this Congress to give it to our people.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

HEALTH CARE

Mr. MCCAIN. Mr. President, tomorrow the Committee on Health, Education, Labor and Pensions will begin consideration of a 615-page bill that seeks to reform our Nation's health care system. This bill, introduced by Senator KENNEDY and others last week, has very great ambitions.

We all agree that health care reform is necessary. We all agree that Congress must act. But we must not act recklessly. We must not act with haste and political expediency. Health care reform will affect each and every American and we must do it right. I strongly believe that we have to start over and act in a truly bipartisan manner to address the issue.

Unfortunately, the legislation before that committee seeks to enact a massive government-run health care program that intrudes into the lives of all Americans by making decisions on each American's choice of doctors, employer health plans, and insurance providers, and it leaves major questions unanswered.

Every American should know the answer to how much will this massive expansion of government cost. And every taxpayer should have a clear answer to how are taxpayers going to pay for this massive government expansion.

Yesterday the Congressional Budget Office released a letter which stated that the Kennedy bill, the bill now pending for markup beginning tomorrow in committee, would insure only one-third—would insure only one-third—of the 47 million Americans who are currently uninsured, for a cost of $1 trillion—$1 trillion—over 10 years.

Again that only insures one-third of the uninsured. Let me quote from the Congressional Budget Office report. It says:

> Once the proposal [that is the bill that we are now considering in the HELP Committee] was fully implemented, about 39 million individuals would obtain coverage through the new insurance exchanges. At the same time, the number of people who had coverage through an employer would decline by about 15 million or roughly 10 percent, and coverage from other sources would fall by about 8 million. So the net decrease in the number of people uninsured would be about 16 million, because 47 million are without health insurance in America.

So this matches an executive summary entitled ''The Impact of the 2009 Affordable Health Choices Act'' which was completed by the HSI Network, done by Steve Parente, Ph.D., and Lisa Tornai, M.S.

I ask unanimous consent that this report be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MCCAIN. This study authenticates the Congressional Budget Office, because what it says is, if you want to insure every American, it is going to be $4 trillion—not $1 but $4 trillion—over a 10-year period.

So to insure coverage for all Americans, as proposed in the legislation, it would cost $460 billion annually or $4 trillion over the next 10 years, according to a report issued last week, as I mentioned.

The best we can tell, the cost of the legislation that we are now considering is $4 trillion. How are we going to pay for that? How are we going to pay for it? Is there a proposal yet, besides eliminating fraud, abuse, and waste?

It is unacceptable. It is not health care reform. I believe the CBO letter should be a wake-up call to all of us in this Chamber to scrap the current bill and start all over, and start all over in a bipartisan fashion with true negotiations.

Yesterday the President of the United States said the opponents of his legislation or his proposal were fear mongering. I cannot agree with that assessment nor do I accuse the proponents of this bill of that motivation. This is not health care reform. Any bill that strips 23 million Americans of their current health care coverage and insures a mere third of the 47 million uninsured Americans is not what Americans are looking for in legislation.

Let me say, Americans are not calling for a massive government expansion. They are not calling for a new government insurance plan that will do away with existing private insurance plans or an act of a broad government panel exerting command and control of individual, small group and large employer health care plans. They are not calling for new tax cuts to health care services or penalties to individuals or small businesses if health coverage does not comply with Washington's standards. They are not calling for $1 to $4 trillion to be spent to fund the appetite of some who are hungry for more government intrusion into the daily lives of Americans.

Americans need health insurance, good and complete health care coverage, the security of knowing they have a job, and even better, a job where an employer can afford to provide health care coverage. If the employer does not provide coverage, we need to make it easier and affordable to get health care coverage for an American.

Two ideas: One, give every American family a $5,000 refundable tax credit and let them go out and get an insurance policy that meets their needs. And let them go across State lines if they feel like doing it. That is pretty simple. It is not real complicated. It can be done in a bipartisan way in a matter of weeks.

That is not what is happening here, despite all of their calls, along with the President's, for bipartisanship. But it can be done if we wanted to solve the problem for the American people.

I believe it is time for Democrats and Republicans to come together and draft a bill that gets Americans the health care coverage needed at affordable rates. This should be our goal, ensuring that all Americans have coverage, not just 16 million as the Congressional Budget Office study indicates, but have everybody covered, not an unsustainable government expansion.

Again, I am calling on the White House and the Democrats to scrap this unsustainable bill and sit down and let us start from scratch. According to news reports in New York, Robert Gibbs states this morning, ''This is not the Administration's bill,'' after the CBO letter came out.

Well, where is the administration's bill? We are supposed to be enacting legislation before the end of July. Where is the administration's bill?

We cannot afford this one. We cannot afford the one that is supposedly going to be enacted into legislation that will come to the floor of this Senate. It does not do justice to our taxpayers and their children. Forty-two percent of U.S. voters say cutting the deficit is the most important priority for the country. The bill that is being considered tomorrow in the HELP Committee is an extraordinary step in the wrong direction.

So let me just say, scrap this bad bill. Pay attention to the Congressional Budget Office. Understand it does not achieve the goal of coverage. Understand the costs would be around $4 trillion over a 10-year period for which, so far, there is almost no provision to pay for it. Let's sit down together and work together in order to provide Americans with the health care they need at a reasonable cost.

EXHIBIT 1

EXECUTIVE SUMMARY

2009 AFFORDABLE HEALTH CHOICES ACT

Independent Assessment by HSI Network LLC, for Public Dissemination

SUMMARY SNAPSHOT

The Senate Committee on Health, Education, Labor and Pensions (HELP) have proposed a health reform bill called the Affordable Health Choice Act (AHC) that seeks to reduce the number of uninsured and increase health system efficiency and quality. The draft legislation was introduced on June 9th, 2009. The proposal provided adequate information to suggest what the impact would be of AHC using the ARCOLA™ simulation model. AHC would include an individual mandate as well as a pay or plan provision. In addition, it would include a means-tested subsidy with premium supports available for those up to 500% of the federal poverty level. Public plan options in three tiers: Gold, Silver and Bronze are proposed in a structure similar to that of the Massachusetts Connector, except that it is called The Gateway. These public plan options would contain costs by reimbursing providers up to 10% above current reimbursement rates. There is no mention of removing the tax exclusion associated with employer sponsored health insurance. There is also no mention of changes to Medicare and Medicaid, other than fraud prevention, that could provide cost-savings for the coverage expansion proposed. Below, we summarize the impact of the proposed plan in terms of the reduction on uninsured, the 2010 cost, as well as the ten year cost of the plan in 2010 dollars.

HELP Affordable Health Choices Act

Insurance is reduced by 99% to cover approximately 47,700,000 people.

Subsidy − Tax Recovery = Net cost: $279,000,000,000 subsidy to the individual market; $180,000,000,000 subsidy to the ESI market with; Net cost: $460,500,000,000 (annual); Net cost: $4,098,000,000,000 (10 year)

Private sector crowd out: ~79,300,000 lives.

The underlying simulation model used is ARCOLA™, a proprietary version of a health reform coverage and cost assessment analytic engine. A peer-reviewed presentation of the core model structure is summarized in the journal Health Affairs and a longer version is available as a DHHS report at www.ehealthplan.org

SCORING COMPONENTS

Major policy components considering for scoring:

Employers would have to offer health insurance or pay a tax not as yet specified.

Individuals would have to be covered by a qualified plan or pay a tax.

Medicaid for everyone up to 150% of poverty.

Sliding scale subsidy from 150% to 500% of poverty.

The government would define a qualified plan with 3 levels of coverage: gold, silver and bronze. We assume the subsidy would be priced at the silver level of benefit design.

All plans must use modified community rating: premiums can vary only by geographic region (to be defined), family structure, actuarial value of benefits, and age (maximum 2:1 range).

Public plan that pays Medicare rates +10%.
Small-employer tax subsidy

SUMMARY

The plan lowers the uninsured significantly, to less than 1% of the population, but not without a cost of over four trillion dollars over 10 years. There are no provisions in the legislation to offset this course. Even if the most generous estimate of the employer sponsored tax exclusion ($300 billion per year, including collecting FICA contributions from employers) where used and combined with fraud estimates and block granting all of Medicaid (acute and long term care), this would be a challenging proposal to finance with budget neutrality. Finally, the public plans will be quite successful in recruiting large numbers of Americans. They will also likely crowd out at 79 million individual contracts with existing private insurers.

Detailed Breakout of AHC Legislation Impact from ARCOLA™

		Affordable Health Choices Act Impact		
Individual Market	Status Quo Population	Proposal Population	2010 Total Impact	Population Impact
Insured	16,182,877	57,513,571	$279,903,791,139	11,572,054
Uninsured	41,843,646	501,918	0	-41,341,728
		Subtotal	$279,903,791,139	
Group Market				
Insured	162,665,411	168,980,727	$180,626,259,236	-70,763,315
Uninsured	6,773,521	443,524	$0	-6,329,997
		Subtotal	$180,626,259,236	
		Total	$460,530,050,376	
Total Market				
Insured	178,848,288	226,494,298	$460,530,050,376	
Uninsured	48,617,167	945,442	0	-47,671,725

2009 Affordable Health Choices Act
2010 Dollar Estimates by Plan Choices

Individual Market	Status Quo Population	2010 Population	2010 Fiscal Impact	Delta
HSA	6,764,409	8,837,503	$24,523,097,130	2,073,094
Public Gold	0	21,634	$38,352,668	
Public Silver	0	15,384,939	$85,340,451,551	
Public Bronze	0	14,352,067	$80,151,337,191	
PPO High	57,525	1,121,641	$7,691,906,410	1,064,116
PPO Low	9,009,693	6,569,646	$18,899,814,008	-2,440,047
PPO Medium	351,250	11,226,141	$63,258,832,181	10,874,891
Uninsured	41,843,646	501,918	$0	-41,341,728
			$279,903,791,139	
Group Market				
HMO	38,902,944	25,212,667	$18,220,965,760	-13,690,277
HRA	4,628,425	3,584,030	$2,636,475,136	-1,044,395
Employer-sponsored HSA	141,186	57,501	$43,016,344	-83,684
Opt-out HSA	277,905	2,261,246	$6,230,527,020	1,983,341
Public Gold	0	11,159,097	$4,940,047,142	
Public Silver	0	38,123,622	$47,241,576,558	
Public Bronze	0	27,795,913	$32,108,463,133	
Opt-out PPO Low	245,762	651,234	$398,087,278	405,472
PPO High	17,286,666	19,528,447	$26,951,344,787	2,241,781
PPO Low	2,023,263	996,385	$424,070,922	-1,026,878
PPO Medium	87,320,502	38,739,485	$41,431,685,157	-48,581,017
Turned Down - Other Private	11,838,759	871,099	$0	-10,967,659
Turned Down - No insurance	6,773,521	443,524	$0	-6,329,997
			$180,626,259,236	
		Total Subsidy:	$460,530,050,376	

ARCOLA™ TECHNICAL DOCUMENTATION

The ARCOLA™ model is a national health policy impact micro-simulation model designed to estimate the impact of health policy proposals at federal and state levels. The model predicts individual adult responses to proposed policy changes and generalizes to the US population with respect to: (1) health insurance coverage and (2) financial impact of the proposed changes.

This model was first used for the Office of the Assistant Secretary (OASPE) of the Department of Health and Human Services (DHHS) to simulate the effect of the Medicare Modernization Act of 2003 (MMA) on take-up of high-deductible health plans in the individual health insurance market (Feldman, Parente, Abraham et al, 2005; Parente et al, Final Technical Report for DHHS Contract HHSP233200400573P, 2005). The model was later refined to incorporate the effect of prior health status on health plan choice—a necessary step if one wants to predict enrollment more accurately. The latest model also used insurance expenditures from actual claims data to refine premiums and then predict choices again with the new premiums. The model then iterates the choice model until premiums and choices converge, and then finds an equilibrium state. A subsequent change to the model permitted state-specific predictions of policy changes as well as total federal health policy impact.

MODEL COMPONENTS & DATA SOURCES

There are three major components to the ARCOLA™ model: (1) Model Estimation; (2) Choice Set Assignment and Prediction; and (3) Policy Simulation. Often, more than one database was required to complete the task. Integral to this analysis was the use of consumer directed health plan data from four large employers working with the study investigators.

The model estimation had several steps. As a first step, we pooled the data from the four employers offering CDHPs to estimate a conditional logistic plan choice model similar to our earlier work (Parente, Feldman and Christianson, 2004). In the second step we used the estimated choice-model coefficients to predict health plan choices for individuals in the MEPS–HC. In order to complete this step, it was necessary first to assign the number and types of health insurance choices that are available to each respondent in the MEPS–HC. For this purpose we turned to the smaller, but more-detailed MEPS Household Component-Insurance Component linked file, which contained the needed information. The third step was to populate the model with appropriate market-based premiums and benefit designs. The final step was to apply plan choice models coefficients to the MEPS data with premium information to get final estimates of take up and subsidy costs.

Mr. MCCAIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. GILLIBRAND). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

TRAVEL PROMOTION ACT

Mr. MARTINEZ. Madam President, this week the Senate will be considering the Travel Promotion Act, which is an important bill for my home State of Florida.

Every year, millions of tourists travel to the United States from overseas, helping our economy, generating revenues for States and communities, and creating job opportunities for millions of Americans. But for most of this last decade there has been a huge dropoff in visitors to the United States from other countries. Between 2000 and 2008, the U.S. tourism industry has experienced an estimated 58 million lost arrivals, $182 billion in lost spending, $27 billion in lost tax receipts, and $47 billion in lost payroll. We have also lost 245,000 jobs. One in eight Americans is directly or indirectly employed by the travel industry. The industry contributes $1.3 trillion to the U.S. economy, and the industry contributes $115 billion in tax revenue.

In Florida, home to Walt Disney World, Universal Studios, many beautiful beaches, the Everglades, some of the best fishing and snorkeling in the world, and the oldest settlements in North America, the tourism industry employs no less than 750,000 Floridians and accounts for nearly 25 percent of all of the State's sales tax collections. Last year, the United States had 633,000 fewer international travelers than we had in the year 2000. Florida has taken a harder hit, losing 1.3 million visitors over that same period of time.

Numbers do not lie. Our lack of attention to self-promotion is costing us money, jobs, and opportunities. And it is not that people are not traveling. The fact is, people are traveling to some destinations other than the United States. The world competition for the travel dollar is keen. Countries all over the world are doing all they can to attract visitors to their countries. We are competing in a world marketplace.

This is an alarming trend we are seeing in the United States, and it clearly hurts our economy. But it also has an impact on our image around the world. Studies show a person's opinion of our country is greatly improved when they visit our country. We are our own best ambassadors. But when fewer people visit here, there are fewer opportunities for others to see what our Nation has to offer and what we are all about. So increased travel to the United States is not only good for our Nation, it is also good for the way in which we portray ourselves to the world.

One of the best ways to address this is to create a comprehensive campaign to promote the United States as a travel destination. This is a way of reversing this current trend. This is a way of bringing back some of the declines to a better day so we can increase jobs and opportunities in our country.

Here is an example of what other nations spend to promote themselves in the tourism market around the world. Here is what we are competing against. This is what the United States is up against as we look to compete for the travel dollar. Our close neighbor of Mexico spent $149 million promoting travel to Mexico. Our other close neighbor, Canada, spent $58 million in promoting travel to its country. China spent $60 million in promoting travel to its country. Australia spent $113 million. The countries of the European Union collectively spent $800 million on self-promotion. How much has the United States spent? We have spent absolutely nothing. We spend nothing in promoting our tourism.

For years, sectors within the agricultural industry have used so-called checkoff programs to promote their products. We have heard the slogans: ''Pork, the other white meat.'' ''Beef, it's what's for dinner.'' ''Milk, it does a body good.'' These are familiar slogans created by industry-sponsored campaigns. Producers kick in their own money to create a marketing campaign that benefits all producers. We need the same thing for our tourism, which is why I urge my colleagues to support moving forward on the Travel Promotion Act. It will benefit our economy, it will complement our Nation's diplomatic efforts and, perhaps most importantly, it will help to create new jobs.

The Travel Promotion Act will enable the United States to become its own ambassador by establishing a public-private campaign to promote tourism abroad. The campaign would be led by an independent, not-for-profit corporation governed by an 11-member board of individuals appointed by the Secretary of Commerce. Each would represent the various regions around the Nation and bring their expertise in promoting international travel. The program will not use taxpayer money but will instead rely on user fees paid by foreign tourists and in-kind contributions from corporate partners.

Additionally, the act will increase coordination among the Commerce, State, and Homeland Security Departments to streamline the entry and departure procedures for our foreign tourists. You see, not only are we not promoting ourselves, we are also doing a lot to complicate travel to our country. Because of those things which were done as a necessity post-9/11, we have created a lot of layers of complication for foreign travelers to visit our country. We have to continue to have the kind of protection about who visits our land to protect our homeland, but at the same time we need to use some common sense about how this is done and incorporate some modern technologies to ensure that the travel experience to the United States is not cumbersome, is not complicated, and that it is transparent and enjoyable for those who come to visit us.

In today's economy, every visitor counts. In the competitive world we live in, every competitive dollar that can be spent out there promoting travel to the United States will inure to the benefit of the job creation we will see in places such as my home State.