

HEALTH CARE REFORM

Ms. KLOBUCHAR. Madam President, health care reform is a very personal matter for me and a personal matter for so many people in my State. I first got interested in this issue, as I think many of us did, after something happened to me when my daughter was born. When she was born, she was very sick. She could not swallow. Back then, insurance companies had a rule that new moms and their babies were kicked out after 24 hours. After she had been in intensive care, I was kicked out of the hospital after 24 hours. As my husband wheeled me out in a wheelchair, I remember thinking: This wouldn't have happened to the wife of the head of the insurance company, but it happened to me.

I went to the legislature, along with a lot of other mothers, and said we have to change this to at least guarantee new moms and their babies a 48-hour hospital stay. Minnesota was one of the first States in the country to adopt that rule, which later, under President Bill Clinton, became national policy.

I remember going to the legislature and standing there at the conference committee, and some of the insurance companies were there trying to make sure the implementation of this 48-hour rule was delayed. I decided to take all the pregnant women I knew to the conference committee. We outnumbered the lobbyists two to one. So when the legislators said, When should this new bill take effect which guarantees new moms and babies 48 hours, all the pregnant moms said, "Now." And that is what happened. That is my experience, and that is how I got involved in this issue.

As I have traveled our State, I have heard from Minnesotans about the importance of doing something about health care. They want cost-effective health care. We have one of the best health care systems in the country. The President has lauded Minnesota. We know it is good. We have something like 93 percent coverage, and it tends to be run a lot more efficiently.

But still there are people in my State, as there are all over the country, who are saying: We can't have the status quo because we know our premiums are going up and up. Maybe we can afford it this year, but we are not going to be able to afford it next year; or, if I lose my job, I am not going to have health care tomorrow.

That is what the people in my State are saying. I heard from Dawn in Staples, MN, who is struggling to afford the prescription drugs necessary to treat her multiple sclerosis, and John in Oakdale, MN, who has insurance for his wife and three sons but ends up paying thousands of dollars in deductibles and coinsurance if one of his boys gets sick.

Meanwhile, a new study by the White House Council of Economic Advisers found that small businesses pay up to more than 18 percent—18 percent

more—to provide health insurance for their employees, often forcing these businesses to lay off employees or cut back on their coverage.

I was up in Two Harbors, MN, about a month ago visiting a little backpack company that has done amazing things. They are actually making some of the backpacks now for our troops in Iraq and Afghanistan. They said that their health care premiums now are something like \$20,000 for a family of four—small businesses paying that much, for one family, for health care insurance. It cannot go on.

I was down in southern Minnesota in the southeastern corner of our State and met with one of the clinic heads there, someone who heads up one of the hospitals in Wisconsin and Minnesota. He said they had three emergency appendectomies in just a 2-week time period and they should not have happened at that point, they should have been caught earlier. When they talked with the three people who showed up for the emergency appendectomies, they said: Why are you here? Two said: We are in small businesses, and we thought if we came in too early—we thought we could just get over this because we were afraid what it would do to the premiums. The third person who had the emergency appendectomy said: I just don't have the money to pay for this.

That is what we are hearing all over our State, in a State that tends to have one of the best health care systems in the country.

The American people know inaction is not an option. If we do not act, costs will continue to skyrocket and 14,000 Americans will continue to lose health insurance every single day. That is the status quo. We must not waiver in our efforts to enact a uniquely American solution to our Nation's health care problems. We must keep what works and fix what is broken. We must also level the playing field between consumers and insurance companies, preserve choice, expand access, and provide safeguards so that people do not lose their coverage if they lose or change their jobs, have preexisting medical conditions, or simply grow older.

As we prepare to take up landmark health reform legislation, many in Washington are looking to Minnesota as a national leader. In Minnesota, we have developed a health care system that rewards quality, not quantity. It promotes coordinated, integrated care, and it focuses on prevention and disease management and controls costs. That is why we tend to have healthier people in our State. That is why we tend to have more people covered. That is why we tend to have more quality health care, because we focus on the system as a whole.

Congressional Budget Office Director Doug Elmendorf recently testified before the Senate Budget Committee that to truly contain health care spending, Congress must change the way Medi-

care pays providers in an effort to encourage cost-effectiveness in health care.

I couldn't agree more. Shifting to a value-based system is critical to controlling health care costs. Because you know what—and people would be shocked by this—when you look at States that have some of the highest quality, they tend to have some of the lowest costs, and States that have the highest costs tend to have the lowest quality care. That is messed up.

Most health care is purchased on a fee-for-service basis, so more tests and more surgeries—if not done appropriately, with the patient in mind—can mean more money; quantity, not quality, pays. According to researchers at Dartmouth Medical School, nearly \$700 billion per year is spent on unnecessary or ineffective health care. That is 30 percent of total health care spending.

To rein in costs we need to have all health care providers aiming for high-quality, cost-effective results, as they do in Minnesota. That is why I have introduced legislation, along with Senator MARTINEZ, that would create a value index as part of a formula used to determine Medicare's fee schedule. This indexing will help reduce unnecessary procedures because those who produce more volume will need to also improve care or the increased volume will negatively impact fees.

To correct myself, that legislation was actually introduced with Senator GREGG, and Senator MARTINEZ and I have introduced a bill to focus on Medicare fraud.

Linking rewards to the outcomes for the entire payment area creates the incentive for physicians and hospitals to work together to improve quality and efficiency. In too many places patients must struggle against a fragmented delivery system where providers duplicate services and sometimes work at cross-purposes.

We must also look at other areas where we can help reduce inefficient health care spending because, in the end, this is about focusing on quality care and getting that care to the patients who need it. It is focusing on the patients instead of all the insurance providers and all the other people who feed off the system. It is focusing on what works best for the patients. Recent studies show if all the hospitals in the country followed the protocol the Mayo Clinic uses in the last 4 years of a chronically ill patient's life—lives where the quality index is incredibly high—I think most people in this country and their families would love to have that kind of health care. If we used the model the Mayo Clinic uses, we would save \$50 billion every 5 years in Medicare spending. That money can be used to bring more people into the system. That money can be used to make health care more affordable for the people of this country.

That is what we are talking about when we talk about health care reform. The bill we have on Medicare costs and

Medicare fraud—the bill I have with Senator MARTINEZ—would require direct depositing of all payments to providers under Medicare and Medicaid so they are not ripping off the system or scamming the system; that it is going to the people who need it. The bill has been endorsed by the AARP, the National Association of District Attorneys, and the Credit Union National Association. Representative PATRICK MURPHY is carrying the legislation in the House.

It is no small task, but we must reform America's health system. I strongly believe in reaching this goal to reform, making sure we don't have the status quo, where it is becoming harder and harder and harder for people in this country to afford health care. We need a system that depends on rewarding and controlling costs, that rewards quality and stopping fraud and making the system work for the people of this country.

For the sake of our fiscal health and for the sake of the millions of Americans struggling to afford the care they need, enacting effective health care reform in this country is essential. We know it is not easy and it will not happen overnight. It is 17 percent of this economy. But we also know that doing nothing and saying no to everything and calling things names, when we are effectively trying to find a solution, is the wrong way to go.

I hope my colleagues in the Senate will start working on this bill constructively so we can get something done for the people of this country.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Madam President, I see the Senator from Nevada is on the floor, and I would like to ask, before I seek recognition here—I would be happy to yield the floor to the Senator, with the understanding that I would follow him, if the Senator from Nevada would give me an indication of how long he might be speaking.

Mr. ENSIGN. At the most, 10 minutes.

Mr. DURBIN. Madam President, I ask unanimous consent, following the morning business statement of the Senator from Nevada, that I be recognized.

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

HEALTH CARE REFORM

Mr. ENSIGN. Madam President, I thank the assistant leader from the Democratic side, the Senator from Illinois, for that courtesy.

I rise today to talk about health care reform. It is critical in our system that we address the issue of cost. We have the finest quality health care system in the world, but it is too expensive for too many Americans, and because of that, many Americans are uninsured. Not only are too many Americans un-

insured, for a lot of folks who have insurance, especially those who receive insurance through their employer, they probably haven't received the kind of raises they would have otherwise received simply because employers are paying more and more for their employees' health insurance and there isn't money left over to provide higher wages.

It is critical for many reasons that we address the cost issue. We spend about \$2 trillion a year in the United States on health care. Some people say we need to spend more, but I disagree with that. I actually think we spend plenty of money in the United States on health care, we just don't spend it in the right ways. We need to eliminate waste and the bureaucratic spending of our health care dollars and get that money to the patients.

There are five different committees between the House and the Senate that are working on health care reform proposals—three in the House, two in the Senate. Let me quickly address the HELP Committee bill, which is one of the committees in the Senate that has passed a bill. The HELP bill was passed on a straight party line vote. I think the reasons for that, which I will point out, are the flaws that are in that bill.

First of all, the bill is not paid for. Second of all, it is too expensive and it doesn't cover enough people, especially for the money it spends. Two hundred times in the bill the Secretary of Health and Human Services is given new powers to establish programs, parameters, appropriate moneys, and otherwise dictates the course of one-sixth of our economy—200 different times. The HELP bill is around 600 pages. If each one of those times where it detailed or gave powers to the Secretary of Health and Human Services—if that was actually written in bill form at that point, the bill would probably have been about 5,000 pages. That is how incredibly complex our health care system is and how even more complex some people are trying to make it.

This bill creates 50 new offices, bureaus, commissions, programs, and bureaucracies, with 87 new government programs created in the Community Transformation Grants Program alone. The Democrats rejected by party-line vote, an amendment that would have prevented the bill from spending funds on sidewalks, parks, bike paths, and street lights. We all like those kinds of things. I actually ride bikes. I like to see bike paths and things such as that. But certainly there is not a place for that in the health care reform bill that we are trying to work out before the Senate and the House of Representatives.

Furthermore, the final cost of the bill has not been released. I serve on the Finance Committee, and there is a group of bipartisan Senators trying to work together to come up with an agreement. They have not been able to do that, and the big reason for that is they are trying to finalize the details.

The details are extraordinarily challenging because of how complex our health care system is today.

That is why we need to take our time and get it right. You don't mess with one-sixth of the economy of the United States and get it wrong. There are no do-overs when it comes to health care reform. If we mess it up, we literally can mess up our country. We can mess up the economy of our country and potentially threaten the very existence of our system of government because we can bankrupt our country.

We all know Medicare and Medicaid are threatening to bankrupt our system of government as it stands today. All that the HELP Committee bill and the other that have been introduced bills do so far, is accelerate how fast Medicare and Medicaid can bring economic collapse to the United States.

I am working on other proposals. There are examples out there where things are being done right in the health care system. I have told this story to my colleagues many times. Safeway is a company that saw their health care costs skyrocketing year after year. With 200,000 employees, they were spending about \$1 billion a year on health care expenses, with costs increasing every year. When a company is only making \$200 million to \$300 million a year, and their costs are going up 20 percent a year, you can see the writing on the wall. They were going to bankrupt their company with health care costs alone.

Safeway set out on a new course and focused on four areas. They incentivized their employees through lower premiums, if they didn't smoke or they would quit smoking, they provided smoke cessation products. They focused on the area of obesity with weight management. If employees were in the proper body mass index or if they lost weight, they would give them a lower health care premium. They also focused on cholesterol and hypertension. They didn't penalize employees for having high cholesterol, but they rewarded them for keeping their cholesterol under control and they rewarded them for keeping their blood pressure under control.

Rewarding healthy choices actually works. Safeway is a very good example. What happened to Safeway in the last 4 years, compared to the rest of the United States, is that Safeway has been able to lower their health care costs by 40 percent.

Unfortunately, the Congressional Budget Office, which is the official scorekeeper around here and determines how much money is going to be saved, does not have a model that works with something like the Safeway program. CBO's economic models don't work that way. The bean counters around here, unfortunately, don't know how to put that in application for the rest of the country. That is unfortunate because I believe, if we used some of the same modeling Safeway did for the rest of the country, we could save