

speaking without notes. I stated that under the Republican budget plan the national debt will increase by \$700 billion in the next 7 years. I would like now to correct that to be the precise number, which is \$669 billion. That is how much more we will borrow.

I surely cannot think of any figure more explicitly to state the irresponsibility of a \$245 billion tax cut. We will borrow every penny of that tax cut. If that were not the last thing to say, it turns out that the tax cut is a tax increase on average for taxpayers with income up to \$30,000—half of all taxpayers—because of the reduction in the earned income tax credit. For the rest the bill reduces taxes. And we will borrow every penny of the tax cut, and persons working, paying taxes, and trying to get along will pay for every cent of the tax increase.

Mr. President, there is no way to get rid of a \$5 trillion debt. I hope we know. Once again, to say, if it were not for that Contract With America, we would not be talking about a \$245 billion tax cut on this floor, in this Chamber. We know it. We all know it. And I need not repeat it again.

I thank the Chair. I appreciate the courtesy.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

#### MEDICARE

Mr. ROCKEFELLER. Mr. President, I have a motion here in my hand. It is a motion to recommit with instructions. And I would like to say to every one of my colleagues on both sides of the aisle that the first amendment that we deal with today in the U.S. Senate—that we are dealing with today, the day that we meant for dealing with amendments of absolutely enormous importance to the future of our country—is going to be the Medicare amendment.

I do not care how many meetings are held in the majority leader's office, I do not care how many long speeches are given, I do not care how many morning businesses are taken, and I do not care even to the fact that no Democrat, other than the chairmen of the Budget Committee and the Finance Committee, has been able to say a word on this day, the day we meant to be devoting an hour to a series of extraordinarily important amendments on Medicare, EITC, Medicaid, and other matters, this amendment is going to be the first amendment laid down. It will recommit the Republican \$270 billion cut in Medicare to the Finance Committee for further work.

I just want my colleagues to be fully aware of that fact. That will be the first amendment, the Medicare amendment. And it will come regardless of what tactics are used or whatever dilatory procedures are adopted.

I will say that the reason we on the Democratic side are laying this motion down is that the Republicans are cutting three times as much out of Medi-

care as they need to do in order to make the hospital insurance trust fund solvent to the year 2006. There is no need to do \$270 billion of cuts.

So between the \$89 billion that the trustees of the trust fund say is needed to make the Medicare hospital insurance trust fund solvent, which is what all the rhetoric is around here, to make the thing solvent—they all say, the trustees, that is, \$89 billion—and the majority party taking \$270 billion out of Medicare to do the work for which only \$89 billion is required, therefore, there is a gap of \$181 billion, to which I would think an ordinary inquiring citizen would say: What is this \$181 billion for if all we need is \$89 billion to make the Medicare trust fund solvent? And the answer, of course, is oft proclaimed, oft denied on the other side but a matter of irrefutable fact, and that is that it is going to be used to give in part an enormous tax break to families and institutions of wealth, and that emanates from the fact that this was part of the contract. It had its genesis when NEWT GINGRICH on a sunny day went with a band of very committed, newly elected House Members and in front of all kinds of American flags pronounced the 10 commandments, of which the greatest was a tax cut, the crown jewel was a tax cut.

That having been done, obviously no less could be done in this body and so the \$245 billion, or \$225 billion tax cut became the mantra. So that tax cut has to be achieved. We do not have that kind of money laying around, nor does the average American family, and therefore where do we get it? We go to Medicare and to Medicaid, and we cut them egregiously in order to do that.

I have no idea of how I am going to explain the damage done to the people of West Virginia, to the seniors of West Virginia, to the health institutions of West Virginia, to the veterans of West Virginia by this Medicare cut. And I will be talking at length about that at the time we actually do lay the amendment down. But the amendment is simply to say on our side we will not accept a \$270 billion cut when \$89 billion will do the job, stamped and approved by those whose responsibility it is to do the job, the trustees of the hospital insurance trust fund, in order to not have to do the \$270 billion cut which the majority party is doing for the purpose of raising enough money to give a tax cut to those who do not need it.

I find this extraordinary. I find it certainly worth the meager 1 hour that we are going to be able to have on each side to discuss the Medicare amendment. But the Medicare amendment there will be, and it will be the first one and it will happen.

I thank the Presiding Officer.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time do we have? I see my friends from Minnesota and North Dakota. How much time do we have on this side under the consent agreement?

The PRESIDING OFFICER. There are 9 minutes and 20 seconds.

Mr. KENNEDY. I will yield myself 3 minutes. I think Senator MIKULSKI wanted time.

I yield myself 3 minutes, Mr. President.

#### IGNORING THE RECOMMENDATION OF THE MEDICARE TRUSTEES

Mr. KENNEDY. Mr. President, for 2 hours I have been on the floor of the Senate and the one thing we did not hear, which is at the heart of this whole program, is how our Republican friends possibly justify not taking the recommendation of the trustees, which is the amount to ensure solvency for Medicare is \$89 billion, and for them to justify a \$270 billion cut. For 2 hours we have waited to hear the reasons for that. We have not heard it. There is silence on the other side for the reasons that the Senator from West Virginia will point out and the reasons why we will have an opportunity to vote.

The Republican proposal is to provide not just the \$87 billion, not just solvency for the Medicare Program but lavish tax breaks for the wealthiest individuals. That is what this is about. The Republicans have not made that case. They have not justified why that is necessary and what the impact is going to be on senior citizens. It will be double their deductible, double their copay, a raise in the premium, and raise the age eligibility from 65 to 67.

Have you heard that explained by our Republican colleagues? No, you have not, Mr. President. And squeeze the elderly so they will no longer have a choice of doctors. That is what this legislation is about. We want answers. We want answers from those who are trying to jam this through the Senate of the United States.

Why should we accept it? We will have an opportunity to reject it, and I hope that the Senate will speak for the American people and seniors this afternoon.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes.

#### CHANGES IN MEDICARE PROVISIONS

Mr. GRASSLEY. Mr. President, I want to touch on portions of this reconciliation bill that deal very effectively with the changes in Medicare provisions that are very good nationally and provisions that are very good for rural America.

The bill will put the financial situation of the Medicare Program, particularly the part A hospital trust fund, but also part B for physician services, on a sounder, more sustainable footing. This will ensure that current and future Medicare beneficiaries in Iowa and

elsewhere can continue to depend on the program.

In addition to putting the program in good shape financially so that it lasts into the future, for the baby boomers particularly, we also create a new reformed Medicare alongside this traditional Medicare Program that we have known for the last 30 years.

The Medicare reforms in the Senate bill will increase substantially the per capita payments that Medicare programs make to low-reimbursement States like my State of Iowa, and other rural States of our Nation.

This is a very important component of this Medicare reform. If we are able to retain this reform by getting it through the Senate, by getting it through conference with the House, it would be a great benefit to rural communities of my State and of the United States—all of them. The critically important issue is whether Medicare's per capita payment will be reformed. I have to emphasize that. Reform of Medicare's per capita payment is the essential element of bringing fairness and soundness to the system. The payment Medicare makes to health plans for those who enroll is the core element in the new reform program.

Currently, those per capita payments vary greatly from one part of the country to another. The per capita payments in the highest reimbursement areas are as much as 300 percent greater than the per capita payments in the low-reimbursement areas.

I would now refer my colleagues to this map. Many of the counties on this map are in darker colors. All of those with darker colors are way below the national average in per capita reimbursement for Medicare.

The red areas make up only 10 percent of the counties. Dade County, FL, counties in California, counties in the metropolitan area of the East, and metropolitan counties of the South, particularly Texas and Louisiana. Those counties in red are the highest per capita reimbursement counties in the United States. The variation from the dark, low-reimbursement counties to the high-reimbursement counties, can be as much as 300 percent from the county with the highest per capita payment to the county with the lowest.

Now, remember that this map shows per capita reimbursement. So the rating of our counties from low-reimbursement to high-reimbursement does not depend in any way upon the numbers of Medicare beneficiaries in the area. There are differences in input prices around the country, of course. But those differences cannot account for the very substantial reimbursement differences between the low-cost areas, the dark areas, versus the red areas, the very high-cost reimbursement areas.

The differences then reflect the fact that providers in those high-cost counties, high-reimbursement counties, are getting more money for each beneficiary that passes through the system. The more you go through the system,

the more services allowed, the more times you see the doctor, the more times you go to the hospital, the more payment you get.

There is no rational justification for such gross payment disparities from one region to another under the present Medicare system. This bill reforms that. Furthermore, I might say, the citizens in the low-reimbursement areas pay the same payroll taxes and the same Medicare premiums and the same deductibles as their cocitizens in the higher reimbursement areas. This is a problem that we should fix and fix soon. We have gone a long way toward fixing it in this bill. And if we can retain that through the House-Senate conference, we will have very good provisions for most of the United States because most of the United States is rural.

On the traditional Medicare side, the bill does call for a spending slowdown, but it contains several provisions which I helped get in this bill which will help sustain health care services in rural America. We reinstated the Medicare-dependent hospital program, which will provide additional reimbursement for Iowa's 30 small rural counties that are very dependent on Medicare programs and in a lot of other States as well.

We establish a critical access hospital program which will help the very smallest hospitals in rural America, including Iowa, redefine their mission, receive better reimbursement and thereby continue to provide services in their communities.

We increase next the bonus payment for physicians who work in communities where there is a physician shortage. We do that from a 10 percent to a 20 percent bonus.

Next, we included for the third time in legislation sent from the Senate to the House my legislation which would reimburse physicians' assistants and nurse practitioners at 85 percent of the physician's rate when they provide the same services. I hope and believe that the bonus payment and the physician's assistance, nurse practitioner legislation will increase the availability of primary health care services in rural America, including my State of Iowa.

Finally, we authorize a program of telemedicine grants which could be very helpful in Iowa with our developing telemedicine services. And, of course, Medicare beneficiaries may continue to participate in the traditional Medicare Program and continue to choose their own doctors if that is what they want to do. They are going to have a choice for the first time, a choice of keeping exactly what the Government has offered for 30 years or a choice of choosing an HMO, a medical savings account, or their traditional association or union plan that they had where they last worked when they retired.

So, Mr. President, if we can hold the line in discussions with the House on these provisions, this Medicare reform could be good for the United States but

also very good for our low-reimbursement rural counties.

Mr. President, how much time do I have left of the 10 minutes that I allotted myself?

The PRESIDING OFFICER. One minute fifteen seconds.

Mr. GRASSLEY. Mr. President, I want to respond to a point made by the distinguished Senator from New York earlier, Senator MOYNIHAN, when he said you cannot balance the budget by cutting taxes. I do not respond just to what Senator MOYNIHAN said; I respond to this point because it is made continually by people on the other side of the aisle.

First of all, it certainly is ironic to be getting lectures from the other side about how to balance the budget. The only alternative on their side was voted down yesterday 96 to 0. That was the President's budget. And it would never balance. A chimpanzee with a typewriter will bang out by accident the entire Encyclopedia Britannica before the President's budget would be balanced.

The question is whether or not Republicans then can walk and chew gum at the same time. And, of course, we can. We can balance the budget and then cut taxes at the same time. We must do this. We can do this with minimal risk because we use very conservative and very credible CBO estimates, unlike the President who has been afflicted, like some of his predecessors, with the narcotic of optimism.

I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself 3 minutes.

#### SAVING MEDICARE

Ms. MIKULSKI. Mr. President, I rise in strong support of a Democratic leadership amendment that will be offered to save Medicare. I support it because it will save lives and save American seniors from bankruptcy.

The Republican budget reconciliation before us would cut Medicare by \$270 billion. And it does so for one reason: to pay for tax breaks for the wealthy.

In contrast, the Democratic amendment would eliminate all but \$89 billion of this Medicare cut. This would guarantee enough savings to keep Medicare solvent, but we would eliminate the provisions which the Republicans have proposed as a new tax cut on senior citizens.

We want to eliminate the Republican plan to double Medicare premiums. We want to eliminate the Republican plan to double the out-of-pocket deductibles for seniors. We want to eliminate the Republican plan to force seniors who want to keep their own doctor to pay for higher charges for Medicare care. We believe that the American senior citizens should get to pick their own