and families making over $75,000 would see their taxes go up under this bill. Even after taking into account the premium tax credit, the subsidy that the government will provide to help people offset the cost of health insurance, when this bill is fully in effect, more than 42 million individuals and families or 25 percent—one-quarter of all tax returns under $200,000—will see on average their taxes go up as a result of this bill.

In addition, based on the same information, the Joint Committee on Taxation identified two groups of taxpayers. The first are those individuals and families who are not eligible to receive the premium tax credit to purchase health care, and second are those individuals and families whose taxes will increase first before they then see some type of tax reduction as a result of their premium tax credit. Taking these two groups together, the number is even more disturbing: 73 million individuals and families or 43 percent of all tax returns under $200,000 will on average see their taxes increase under this bill, says the Joint Committee on Taxation.

To put it another way, under this bill, for every one individual or family that benefits from the tax credit to purchase insurance, this bill raises taxes on three middle-income individuals and families. These tax increases are on top of those I discussed earlier, such as the new taxes on FSAs, so the estimates I have already mentioned understate the tax impact, again, on middle-income taxpayers. The JCT the Joint Committee on Taxation—has confirmed that these additional taxes, such as the FSA tax, will likely further raise the taxes of middle-income Americans.

All Americans, and middle-class taxpayers especially, need to take notice of what these higher taxes will mean for them and their families. They need to know these taxes will be used in part to pay for a vast expansion of the role of government in health care and more government intrusion into families health care choices.

Paying for health care on the backs of the middle-class and working Americans is the wrong solution for health care, violates the President's pledge to these taxpayers, and is terribly counterproductive in regard to the No. 1 issue facing this country, and that is jobs and the economy.

I urge my colleagues—I plead with my colleagues—to support the Crapo motion to prevent the enormous tax hike this bill inflicts on middle-class Americans.

Mr. President, I appreciate your indulgence. I know you are ready to go to your conference.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida.) The majority leader is recognized.

## RECESS

Mr. REID. Mr. President, I ask unanimous consent the Senate stand in recess until 6:15 p.m. today; that upon reconvening at 6:15, the Senate continue in debate-only posture for an additional hour under the same conditions and limitations specified under previous orders.

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

Mr. REID. Mr. President, I would also tell everyone here there will be no more votes tonight. I don't think we can arrange any.

Thereupon, the Senate, at 5:06 p.m., recessed until 6:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BROWN.)

## SERVICEMEMBERS HOME OWNERSHIP TAX ACT OF 2009—Continued

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. GRAHAM. Mr. President, I assume it is our turn to talk a bit.

Mr. BAUCUS. Mr. President, I remind all Senators that we have an hour, equally divided, with each Senator able to speak up to 10 minutes each.

Mr. GRAHAM. I appreciate that. I appreciate the effort to try to solve a hard problem. It is easy to criticize in this business, and it is hard to bring folks together. Maybe one day we can solve a hard problem where we get 70 or 80 votes. I don't think this is that day.

One thing I will point out about the process is that somehow between the time this started until now, something went wrong. This is what happened. This is what was said by Candidate Obama in January 2008:

That's what I will do in bringing all parties together. Not negotiating behind closed doors, but bringing all parties together and broadcasting these negotiations on C–SPAN so that the American people can see what the choices are.

In November 2007, he talked about, in his Presidency:

We are going to have a big table and everybody is going to be invited—labor, employers, doctors, nurses, hospital administrators, patients, and advocate groups. The drug and insurance companies, they will also get a seat at the table, and we will work on this process publicly. It will be on C–SPAN. It will be streaming over the Net.

March 2008:

But here's the difference: I'm going to do it all on C–SPAN so the American people will know what's going on.

August 2008:

When we come together around this health care system, I am going to do it all in the open. I am going to do it on C–SPAN.

August 2008:

I am going to have all the negotiations around the big table. We will have the negotiations televised on C–SPAN.

The truth is, Mr. President, I am not so sure negotiating on C–SPAN is the way to find a solution to hard problems. But being at the table with all parties represented is probably a very good idea. And the process, as I understand it now, is that our Democratic colleagues are trying to negotiate among themselves to get to 60 votes. There was an announcement made last night by the majority leader that we have had a breakthrough. He said, ''I can't tell you what it is, but it is good.''

Mr. President, that is not the way we want to change one-sixth of the economy. I argue that is not the best process by which to make major decisions that affect the quality of Americans' lives.

The idea of Medicare being changed so dramatically by one party is probably not a good idea. What have we done on the Medicare front? The actual bill that has been proposed increases spending by $800-something billion. To pay for that, there are cuts in Medicare of close to $400 billion to $500 billion. The money that would be taken out of the Medicare system is not plowed back into Medicare but used to fund other aspects of this bill. This is at a time when Medicare—the trust fund—is $36 trillion underfunded and will begin to be exhausted in 2017.

I argue that both parties should be trying to find a way to save Medicare from the pending bankruptcy and do something about entitlements in general, Social Security and Medicare, to make them solvent so that, one, they don't run out of money and we don't have to raise taxes in the future or cut benefits for young people because those are the choices we will pass on to the next generation if we do nothing.

Instead of coming together to save Medicare from bankruptcy, we are actually reducing the amount of money going to an already-strapped system and using it for something else. There is another idea floating around that one of the solutions that may come out of this deal, which we don't know the details of yet, is we are going to allow more people to buy into Medicare under the age of 65, and we will be expanding the number of people going into a system that is already about to go bankrupt. If we add new people to the system, approaching insolvency, something has to give. Who will be coming into the system from 55 to 64? I argue those people are going to be in as a result of the process of adverse selection, people who have health care problems. It is going to put more pressure on a system that can't stand one more drop of pressure. That doesn't make a whole lot of sense to me.

We know this Medicare system is very much under siege, that the baby boomers are about to come into the system by the millions. There are three workers for every retiree today, and in 20 years there are going to be two. So what do we do? We take money out of the Medicare system and use it for other things, and we are adding more people into the system that are going to drive up the cost overall to those already on Medicare.

So if you are over 65, your ability to receive treatment is going to be compromised because now we have to accommodate more people. If you don't believe me, ask the hospitals and doctors who are very worried. The Medicare reimbursement system now makes it very difficult for doctors and hospitals to pay the bills. So the hospital association, the Mayo Clinic, and others have warned Congress: Please don't expand Medicare because we can't survive on the reimbursement rates we have today.

If we add more people, we create more stress on a system that is hanging by a thread. I argue that is not change we can believe in or accommodate. If you had run for President on the idea that you are going to put more people on Medicare and expand that system, not reform it, take money out of it and use it for another purpose, you would have never had a chance of getting elected. No one during the campaign for President ever suggested any of these ideas.

I just hope we will, as a Congress, stop and think about what we are doing and realize if we do this—if we cut Medicare and expand the number of people who will be in the system—we make it impossible to save it down the road and make it difficult for people coming behind us to have the same quality of life we have enjoyed. Between Medicare and Social Security and other entitlement programs, we are about $50 trillion short of the money we are going to need in the next 75 years to pay the bills.

In trying to reform health care, we have taken a weak system and almost made it impossible to reform. We have expanded taxes at a time when the economy can't bear any more tax burdens because part of the bill raises taxes by about $500 billion. You will never convince me or anybody else that if you raise $500 billion in taxes to pay for this new health care bill, it would not affect the economy in general. There has to be a better way.

I am on the Wyden-Bennett bill. I am a Republican who agrees with mandated coverage for everybody. Senators WYDEN and BENNETT have a comprehensive proposal that is revenue neutral. We would take the tax deductions given to business over a period of time and give them to individuals so that all of us would have tax deductions to go out and purchase health care in the private sector. We would have exchanges where we can go shop for health care that is best for us.

If you are single and 22, you would want a plan that is different than if you were 45 and had 3 kids. The tradeoff is that the Republicans, on the Wyden-Bennett bill, would agree to mandate coverage. The Democrats would allow people to purchase health care in the private sector. We would all use the Tax Code to fund those purchases. If you didn't make enough money to have the tax deductions, you would get a subsidy. That makes perfect sense to me.

I want to solve the problem. I want to make sure everybody is covered because a lot of us are paying health care bills for those who are not covered that could afford to pay—about 7 million or 8 million people make over $75,000 a year, and they don't pay anything for health care of their own. So the rest of us have to pay it when they get sick. That is not right.

There is a better way, in my view. I just hope we will understand that what we are doing with one-sixth of the economy is going to have a lasting effect on the quality of American life, and now is not the time to cut Medicare or add more people to it. Now is the time to come together in a bipartisan fashion to save Medicare from impending bankruptcy. Now is not the time to raise taxes.

I hope our colleagues will understand that there is a better way.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I ask unanimous consent that the Senator from Ohio be recognized following my statement.

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

Mr. REID. Mr. President, I had a conversation earlier today with the distinguished Republican leader. It appears now that we are going to get the appropriations bill from the House of Representatives. The bill is bipartisan, and everybody has worked hard. There are some conference reports we have completed. Yet we didn't find them to work on the floor, for reasons everyone understands. That bill will come over from the House tomorrow. We can move to that with a simple majority vote, and then if I have to file cloture on it tomorrow, we would have a Saturday cloture vote. Thirty hours after that—sometime Sunday morning—we would have a vote on the conference report.

I have indicated to the Republican leader that it would probably be to everyone's advantage if we allow people to go home for the weekend, rather than going through all these procedural gyrations.

We have worked hard. I had a Senator come to me and say she hadn't been home in 2 or 3 weeks, and it was not a good situation. That Senator said if we have to be here this weekend, she will be here. We need to not be doing things just to delay. I understand the Republican leader doesn't want to do health care. I appreciate that, and we have different positions on that issue.

I see no reason to punish everybody this weekend. I hope the minority will give strong consideration to the proposal I have made. We are waiting for a score to come back from CBO anyway. Anybody who has had experience with CBO knows that will take a matter of days. So I hope the minority will allow a little bit of time to go by so that we can have our respite from the tedious work we have been doing on the Senate floor.

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Ohio is recognized.

Mr. BROWN. Madam President, I have come to the floor most days reading letters from people in Ohio—from Springfield to Mansfield to Marion—who thought they had good insurance a year or two ago, if you asked them, but found out their insurance was not so good when they had a preexisting condition or when they got very sick and the costs were high and the insurance companies cut them off. In some cases, as the Presiding Officer knows, in my State and across the country, women so often are paying higher premiums than men.

Our bill will fix a lot of those things. One of the things the bill still needs to fix—and we have gotten letters on this—is what happened with the price of prescription drugs. There are many things I like about the bill and a few I don't. Here is one.

I rise to support the Dorgan amendment No. 2793. I will start with a story.

About a decade ago, maybe a little more than that—I live in northern Ohio—and I used to take a bus load of senior citizens every couple of months—maybe a dozen times—from Elyria to Sandusky into Toledo and into Detroit and into Ontario—across the river into Windsor, Ontario. I did that so seniors could buy less expensive prescription drugs. I would go into a drugstore in Windsor—same drug, same packaging and dosage, but the price would be one-half, sometimes one-third of what seniors paid in the United States. In many ways, it broke my heart that, as a Federal official, I was going to another country to buy something that was more often than not made in the United States, when the drug companies charge twice or three times that to the United States as in Canada. But I thought it made sense for seniors in my State—congressional district in those days—to go to Canada and be able to get those prescriptions.

They then would be able to get a refill every 3 or 6 months at least a couple times with that doctor's signature they got in Canada to buy those drugs.

I appreciate Senator DORGAN and Senator SNOWE offering this amendment. I hope it is signed into law as part of health care reform. If the drug companies were struggling and not making any money, it would be a different situation. Drug companies earn higher profits than almost any other industry in America. In fact, they have been one of the three most profitable industries in our Nation for decades.

Just last year, the pharmaceutical industry was the third most profitable industry in America, ranking right up there with the oil conglomerates.

Let's face it, to call these corporations American is a stretch. Most of them are multinational, and most reap huge profits from around the globe.

It is true they earn higher profits in our country than in any other, but that hardly qualifies them as patriotic.

As drugmakers earn billions, U.S. drug spending is fueling double-digit increases in health insurance premiums. There is a reason health insurance premiums go up. Certainly, the insurance industry is one of the reasons. We know about insurance industry profits. We know about insurance industry executive salaries. In the 10 largest health insurance companies in this country, CEO's average around $11 million in income. That is part of the reason.

Another reason is drug prices continue to fuel the high cost of health insurance. Drug prices continue to drain tax dollars out of the Federal Treasury, and drug spending is undermining the financial security of millions of seniors and other Americans, of course, but especially seniors who can ill afford to be the piggy bank for big PhRMA's—that is a drug company trade association—global operations.

Because we do not allow importation—a decision our government has reached in all too close consultation with the drug lobby—Americans are forced to pay more for the same drugs than everyone else in the world.

It is not about safety. We know that. The equivalent of the Food and Drug Administration in Canada or in France or in Germany or in Israel or in Japan knows how to make sure drugs are safe in their country. It is not a question of safety. It is a question of industry profits.

Prohibiting importation has cost American consumers and taxpayers dearly. It has driven up the cost of insurance premiums and it has driven up the cost of Medicare, paid by taxpayers, Medicaid, paid by taxpayers, TRICARE, paid by taxpayers, and all Federal health care programs, again paid by taxpayers.

It has reduced—and this is equally important—not just the cost, but it reduces access to lifesaving medicines. Some people simply cannot afford the cost of these drugs. It has reduced seniors' budgets to the point where they buy groceries or heat their homes or purchase prescription drugs but not both. Too often seniors cut their pills in half, take their prescriptions in smaller doses, and that, obviously, is jeopardizing health also.

This amendment is a step in the right direction for increasing access to those drugs.

In 2008, the pharmaceutical industry had more than a 19-percent profit margin and had sales of $300 billion. I am way more interested in protecting U.S. consumers, U.S. taxpayers, and U.S. small businesses that are burdened by these high drug costs than I am U.S. drugmakers and their inflated drug prices.

The CBO estimates this amendment will save the government $20 billion over the next 10 years—$20 billion. I wish to encourage more competition. I do not want this body, again, to come down on the side of preserving monopolies.

As it stands now, the U.S. Government permits the drug industry to hold American consumers hostage. Meanwhile, the largest drug companies—Pfizer, Merck, and others—continue to outsource operations abroad to cut costs and increase profit margins.

Here is what happens: It is OK for big PhRMA to look abroad to cut costs and boost profits while American consumers and businesses are stuck paying the bill. The drug industry is trying to convince us—the Senate, the House and, more importantly, trying to convince the American people—that importation is unsafe. Wait a second. They go to China—I had hearings about this in the Health, Education, Labor, and Pensions Committee. We have had hearings, which Senator Kennedy, a couple years ago, asked me to chair, involving American drug companies outsourcing their production to China. They could not tell us about the entire supply chain that supplied the ingredients to these drug operations in China that later made their way back to the United States. We know about Heparin, a drug that killed several people in Toledo, OH, because it was contaminated with who knows what ingredients that came from China.

So these drug companies are arguing these products are unsafe, these drugs you can buy in Windsor, Ontario, or pharmaceuticals you can buy in Bristol, England, or pharmaceuticals you can buy in Marseilles, France, or pharmaceuticals you can buy in Dusseldorf. They are saying those are unsafe, but they are unwilling to import drugs themselves.

Lipitor, one of the best-selling drugs in the United States, for years, was made in Dublin. They can import their drugs from abroad. They can import ingredients from China, which has nothing like the Food and Drug Administration, and they are going to hire all their lobbyists and they are going to go around desk to desk, Member to Member, office to office—435 House Members, 100 Senate Members—and they are going to tell us these drugs are unsafe? We know better than that.

This amendment would simply make imported medicines available to consumers. It is a free-market mechanism. Open it so people can compete, giving customers more purchasing power so they can pay lower prices. The drug industry should not be protected from the same competition that every other industry faces in a global marketplace.

I urge my colleagues to support the bipartisan amendment of Senator DORGAN from North Dakota, Senator SNOWE, Senator GRASSLEY, and Senator MCCAIN—all three Republicans from Maine, Iowa, and Arizona. This amendment makes sense for taxpayers. It makes sense for consumers. It makes sense for businesses. It makes sense for our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Madam President, I wish to speak to a couple issues this evening. The first one has to do with what we understand to be the evolving so-called deal that is being worked out by the other side on the public option/government plan and the attempt to try and reach 60 votes on the other side, in what appears to be a process that continues to unravel and break down because every single day there is a new story about some new gimmick thrown out there to attract the requisite number of Senators to get to that threshold of 60.

The most recent one—and, of course, as I said, I cannot verify all of this because we have not been privy or included in any of the discussions that have occurred behind closed doors. In fact, one of those meetings just occurred earlier this evening.

We read from press reports that one of the proposals contemplated by the majority to get that requisite number of votes is the expansion of the Medicare Program. What is interesting about that is that has engaged organizations that prior to this time had essentially been at the table and negotiated their own kind of agreement. But that has gotten the interest level up of the American Hospital Association, the Federation of American Hospitals, the AMA, the physician group, and I even have something here from the Mayo Clinic.

It is interesting that would be considered now as an alternative to what previously had been discussed in terms of a public option. Here is why. Medicare, as we all know, is destined to be bankrupt in the year 2017. It is a very large program that benefits a lot of seniors across the country. We all support reforming it, making it more sustainable, putting it on a pathway to where it will be solvent well beyond that date and extending its lifespan.

What this would appear to do is allow people younger than 65 or 62, down to 55, to buy into Medicare. Essentially, you would allow more people to participate in a program that, as I said before, is destined to be bankrupt in the year 2017. So what you are doing with this proposal—because we all know the underlying bill cuts Medicare reimbursements to hospitals, nursing homes, hospices, home health agencies, and to Medicare Advantage beneficiaries by about $1 trillion over 10 years, when it is fully implemented—you are going to take $1 trillion of revenue out of Medicare—remember, this is a program that is already destined to be bankrupt in 2017—you are going to take $1 trillion of revenue out of it over the 10-year period, when it is fully implemented, and expand and add the number of people who are going to be on it. It is equivalent to putting more people on a sinking ship. In fact, that is what has gotten the attention of provider groups around the country.

Hospitals, as we know, cannot recover their costs with the reimbursements they are currently receiving under Medicare. In most States, it varies a little bit—80 to 90 cents on the

dollar. So hospitals, every time they serve a Medicare patient, shift that cost over to the private payers and increase costs for everybody who is receiving insurance in the private market.

Essentially, what you will be doing is expanding the government-run Medicare Program which underreimburses hospitals, physicians and other health care providers and forcing even more of a cost shift. You are exacerbating the cost shift already occurring, making it worse and getting all the provider hospital groups—the American Hospital Association, the American Medical Association—engaged in this debate because they see what a train wreck it would be for them.

Frankly, what that means is you would have a lot of providers that would not be able to make ends meet. They would have to shut their doors and go out of business because many of them are very dependent on Medicare patients.

In my State of South Dakota, most of our hospitals, especially in rural areas, are heavily dependent—70 percent or thereabouts—between Medicare and Medicaid. If they are not a critical access hospital and still getting reimbursed under the traditional Medicare Program, they are going to have a very hard time making ends meet because right now what they do is what all hospitals do. They shift costs over to the private payers.

Here is what AMA said about the proposal:

> AMA has a longstanding policy of opposing expansion of Medicare given the projections for the future.

That is what the doctors group said.

The American Hospital Association urged all Senators to reject expansion of Medicare and Medicaid as part of the public option, saying Medicare pays hospitals just 91 cents of each dollar of care provided. This again would expand the number of people they would have to cover and shrink the private-payer market and lump more and more of the costs on those so everybody else's premiums would go up.

The Federation of American Hospitals, which is the private hospitals across the country, said any Medicare buy-in would invariably lead to crowdout of the private health insurance market, placing more people into Medicare. Such a policy will further negatively impact hospitals after we have already agreed to contribute a maximum level to sustainable reductions in the deal they struck earlier. It seems to me these deals have fallen off the table.

This latest proposal—if, in fact, what we are reading is true—I think they recognize would be a disaster. Here is what the Mayo Clinic in their letter said:

> Any plan to expand Medicare, which is the government's largest public plan, beyond its current scope does not solve the nation's health care crisis, but compounds it.

They go on to say:

> Expanding the system to persons 55 to 64 years old would ultimately hurt patients by accelerating the financial ruin of hospitals and doctors across the country. A majority of Medicare providers currently suffer great financial loss under the program. Mayo Clinic alone lost $840 million last year under Medicare. As a result of these types of losses, a growing number of providers have begun to limit the number of Medicare patients in their practices.

That is what we are talking about. If you expand this program and you have a reimbursement system that currently does not cover the cost of hospitals, they are going to cease covering Medicare patients in the same way they currently are not covering Medicaid patients.

They say about 50 percent of physicians today have chosen not to accept Medicaid patients. So you compound the access problem that many people in rural areas already experience.

There are big problems with this proposal. I have to come back to what Congressman Anthony Weiner said about this issue:

> Extending this successful program to those between 55 and 64, a plan I proposed in July, would be the largest expansion of Medicare in 44 years and would perhaps get us on the path to a single payer model.

Therein, I think, lies the ultimate goal, and that is to expand Medicare to where we have a whole government-run health care system in this country on the way to single-payer status. That is precisely what many of our colleagues on the other side want to see happen.

Ironically, there are some who have expressed concern about this. Our colleague from North Dakota, the chairman of the Senate Budget Committee, Senator CONRAD, said when asked about this proposal:

> It's got many of the same problems I have with previous versions of the public option. That then ties you to Medicare levels of reimbursements for a whole new population.

He contended that the hospitals in his State would go bankrupt. His State of North Dakota is not unlike my State of South Dakota. Hospitals are not going to be able to make it if these reimbursement levels that are currently afforded them under Medicare are extended to a whole new population.

I hope this is a bad idea that is just being thrown out as one of these things that is being thrown at a wall and hoping it sticks in a desperate effort to get to 60 on the other side because this is a bad idea and the provider groups are weighing in heavily against it.

It is pretty clear it would be a disaster for health care delivery in rural areas of the country and, for that matter, Mayo Clinic and many of the providers that weighed in on this. It would literally make it more difficult for people to have access to health care and exacerbating the cost-shifting issue that already exists with regard to the private-payer market and make their costs and everybody else's costs go up more.

I want to shift gears for a moment because tomorrow Senator HUTCHISON and I will be offering a motion to commit. Basically, what it deals with is the whole tax component of this health care reform bill. In very simple terms—and I will demonstrate exactly why this is a relevant issue—if you look at the cost of this health care proposal, the Reid proposal before us, you can see what the costs are in the early years and then you can see how the costs explode in the outyears. There is a reason for that. The revenues kick in right away. The tax increases start coming in right away, but the spending proposals and many of the benefits that will go out under this bill don't occur until much later.

So what we have is a 10-year budgetary picture and cost for this program that completely understates what the true cost of the program is. If you look at this particular chart, look at the years 2010 to 2019, you can see how, particularly in the early years, it doesn't look like there is that much spending. In fact, the number in the first 10 years is $1.2 trillion in spending. However, if you look at the cost of this when it is fully implemented—take the year 2014 and extend it through the year 2023—you can see how the costs explode, and the total fully implemented cost over a 10-year period is $2.5 trillion.

There is a reason for that, as I said. A lot of budgetary gimmicks were used to understate the cost, particularly in the first 10 years, so people could say it costs only $1 trillion. In fact, as you can see, when it is fully implemented, it is $2.5 trillion. One of the major reasons for that is because the tax increases in the bill take effect 23 days from now—January 1 of the year 2010. That is when many of the tax increases in this legislation go into effect. But the spending and the benefits that are going to be distributed—the exchanges and the premiums, the premium subsidies, and that sort of thing, the tax credits—don't begin to kick in until the year 2014 or 1,484 days later. So for those 1,484 days—well, back out the 23 days from that—so for those 1,461 days, taxes are going to be assessed and levied against people in this country—on small businesses, families, and individuals—but you will not see any benefits for over 1,000 days, almost 1,500 days.

What the Hutchison-Thune motion to commit does is it aligns the tax increases, the fees—the taxes included in this proposal—with the benefits in terms of timeline so that the tax increases and the benefits occur at the same time. In other words, we would delay the tax increases in this bill until such time as the benefits package and structure would kick in so that they are in sync.

Right now, there is essentially 4 years—at least 4 years—of tax revenues coming in, tax increases being borne by people all across this country, including businesses. Incidentally, there is a lot of discussion now about job creation and the need to grow the economy. The worst thing you can do to small businesses, when you are trying

to create jobs, is to levy new taxes on them. But that is what this bill does. And, by the way, in that first 4 years, almost $72 billion of taxes will be collected. I say the first 4 years, I think that is through the year 2014. But you have all these taxes that kick in on January 1 of 2010—less than 23 days from now—and then actually you have this amount of time—as I said, almost 1,500 days—before the benefits begin to pay out.

So all we are saying in our motion to commit is let's align the tax increases and the benefits structure so you don't have this period of 4 years where people are paying taxes and receiving literally no benefits under this health care reform bill.

The advantage that has is that it accurately reflects the cost of this program in the first 10 years, rather than understating it because of the revenues that kick in immediately and the benefits that don't kick in until much later. It is very straightforward, very simple, very understandable. Tax increases that are designed to kick in on January 1 of this next year would not kick in until such time as the benefits kick in. So the fees, the taxes, and the tax increases in this bill are all aligned and sync'd up, so to speak, with when the spending under the bill begins.

Of course, what that does is give us a more accurate reflection of the overall cost of the bill. And many of these tax increases which will kick in 3 weeks from now, or a little over 3 weeks from now, on January 1 of next year, are going to be distributed across a wide range of businesses, but most will be passed on to consumers across this country. In fact, the CBO, in a letter to Senator EVAN BAYH on November 30 of this year, said essentially that all these fees and taxes in the bill—and there are fees on medical devices, there are fees on prescription drugs, there are fees on health care plans—all these fees would tend to raise insurance premiums. In testimony in front of the Finance Committee, the CBO, when this question was posed during the deliberations at the Finance Committee level as to what all these fees would do to insurance premiums, they said, roughly, it would increase premiums dollar for dollar.

So we have the taxes and fees that will kick in immediately, and that will have an upward impact on premiums so that people across the country will begin to see those premium increases take effect. The tax increases, of course, are taking effect on medical device manufacturers and on prescription drugs, and there is a whole other range of taxes in here—there is the tax on high-cost insurance plans, there is a health insurer fee, there is a Botox tax, which starts January 1 of 2010, and you can kind of go down the list. There are limits on FSAs, flexible spending accounts, which is something people use to put aside money so they can buy a high-deductible plan and have dollars available to deal with the incidental health care costs they have. So the taxes are going to go up on those. You can go through this whole list of taxes, all of which, as I said, are going to go into effect in the near term, but none of the benefits kick in until many years later.

Unfortunately for the American public, they are going to see the premium increases that will come as these taxes are imposed on all these various sectors of the health care economy and which will all be passed on to consumers in the form of higher premiums. So the American consumer—the American public, the taxpayers of this country—are going to see the costs immediately and won't see the benefits for 5 years. That is not fair. It is not the right way to set policy here in Washington, DC. It is much more transparent if we have these dates of the tax increases and the fees and the taxes in this bill sync'd up—synchronized, aligned—with the benefits when they begin so that everything starts at the same time.

So the motion to commit is, again, simply a motion to commit this back to the Finance Committee, and to create a level playing field where the revenues that are raised under the bill don't begin to kick in until the benefits start to kick in and the spending starts to kick in. That will give us the true picture, the actual picture of the cost which, as I said before, is $2.5 trillion over 10 years when it is fully implemented, and not the $1 trillion, or under $1 trillion that is being used by the other side. You have to look at the full picture over a 10-year period, when it is fully implemented. Obviously, that gives you a very different perspective about the overall true cost of this particular proposal.

The basic contours of this bill we have in front of us have not changed, nor do we expect them to change. They will tweak around with this government plan. There was already a vote on the issue of abortion, which I happen to believe taxpayer funds should not be used to finance. We have had that vote. There will be some other votes on individual aspects. But some of those things are not going to affect the fundamental core elements of this plan, which have stayed the same throughout the entire process. And those core elements are a massive expansion of Federal spending—$2.5 trillion over 10 years when it is fully implemented—massive cuts to Medicare—about $1 trillion over 10 years, when fully implemented, affecting hospitals, nursing homes, home health agencies, hospices, and beneficiaries of Medicare Advantage, of which there are about 11 million across the country—and it is also financed with increases in taxes, which I have mentioned. Those are the basic components of this bill. Seventy new government programs are called for. All the new spending, all the new bureaucracy, all the new taxes, and all the Medicare cuts, those things have not changed since this bill first started being debated several months ago.

That is where we are today. That is why I believe this is such a bad proposal for the future of this country. Because even after all that, if you look at the impact it has on premiums, according to the Congressional Budget Office, 90 percent of Americans end up the same or worse off. When I say the same, I mean year over year increases in their insurance premiums that are double the rate of inflation. So if you are buying in the small-group market today, or the large-group market, according to the Congressional Budget Office, you are going to see your insurance premiums continue to go up over time. If you buy in the individual market, you are going to see them continue to go up, but way more—a 10- to 13-percent increase in premiums for people who buy in the individual marketplace, above and beyond the rate of inflation that will impact people in the large- and small-group markets.

So the bottom line is, if you are looking for reform, if you are the average American citizen out there, the person I represent in South Dakota, who is hearing about health care reform, to them it means a couple of things. It means affordable access to health insurance for people across this country; and something that most of us—at least here on our side—think ought to be a part of this, and that is measures or proposals that actually bend the cost curve down rather than up. But what we have seen consistently throughout the course of this debate, with all the spending and all the tax increases and all the Medicare cuts, is no positive impact on premiums. The best that 90 percent of Americans can hope for is to maintain the status quo—stay where you are—which is double your increases year over year, double the rate of inflation in your health insurance premiums or, worse yet, increases of 10 to 13 percent above and beyond that. That is what 90 percent of Americans are looking at as a result of the health care reform proposal that is currently before the Senate.

There is a better way, and we believe the way to get this right is to start over and to actually focus on solutions that will drive down the cost of health insurance, that will bend that cost curve down, such as interstate competition, allowing pooling for small businesses, medical malpractice reform. We have a whole series of things that we think represent the consensus view of the people in this country. There is common ground we can all stand on. But regrettably, we have not been included in any of the discussions, nor have any of our ideas been a part of those discussions. Rather, they have chosen to pursue this course of a big spending program, with the higher taxes, and the Medicare cuts and the higher premiums.

I truly hope there will be support, as this process moves forward and we get onto the critical votes ahead of us, for a more rational step-by-step approach, doing this right, getting away from

this huge massive expansion of the Federal Government here in Washington, DC, and seriously focusing on solutions that actually do bend the cost curve down, that don't rely on these huge cuts to Medicare, that don't rely on these huge tax increases, but that actually find savings. And they can be achieved in the market by putting policies in place that will constrain costs and put downward pressure on the prices most people pay for health insurance in this country. It can be done. But it is going to require some boldness on the part of some of our colleagues on the other side.

I think our side is pretty well united. This is a bad policy, a bad prescription, if you will, for America's future. But we are going to need some help from a courageous Democrat or two to make sure this massive expansion of the Federal Government is defeated and that we can go back, start over, do this in a step-by-step way—the right way—and in a way that actually does lower costs for people in this country. I certainly think that is what my constituents in South Dakota expect, and I think that is what most Americans expect. They deserve to have health care reform that gives them that outcome—lower cost and access to affordable health care.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BEGICH). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BROWNBACK. Mr. President, I ask for 10 minutes to be allotted to me under the minority time.

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

Mr. BROWNBACK. Mr. President, in the past few months this body has been forced to stand aside as Senator REID and a few others crafted a 2,000-page bill behind closed doors, the one we are on right now. Unfortunately, the product that was resolved at the closed-door meetings—at least the one we have now, I don't know about a future one—still raises taxes by $½ trillion. Probably under any new bill that comes out you are going to have taxes going up $½ trillion, cut Medicare by $½ trillion, raise premiums on American families, fail to bend the cost curve down, and expand government's encroachment further and further into people's health care decisions.

What I want to go through is a series of charts about how inflation is going to end up being the tax collector's best friend in this overall plan and how the tax of inflation is going to be one of the key features of how the overall bill is paid for.

I hope most people remember when we had inflation. A lot of people maybe don't remember when we had significant inflation. It is a cruel tax. It is a very cruel tax on people on fixed income, a very cruel tax on people in low-income status because constantly the dollars you have stay pretty stable, and everything you are buying goes up. So inflation kills you. It kills you in the pocketbook and is one of the things we have to be concerned about, particularly with the amount of money that is out in the money supply today and the likelihood of this moving forward and how it is built in to pay for this huge expansion that we can't afford in this bill.

I am joining my colleagues today in speaking against the $500 billion in new taxes that are in the Democrats' proposal to levy on the American people and the job-creating small businesses this is going to be put on, in an attempt to pay for this big 2,000-page bill.

This monstrous bill is flawed economic policy. I will develop that point for you as well. It fails to lower health care premiums, fails to bend the cost curve down, and will further cripple the struggling economy with massive and burdensome tax increases.

This careless legislation reminds me of a cautionary tale that is still being played out in another part of the world. That is what happened in the early 1990s in Japan. Japan, a surging economic giant at the time, suffered a severe economic recession in the early 1990s, of which the effects are still lingering even today in Japan.

During Japan's ''lost decade,'' from 1991 to 2003, their gross national product grew a paltry 1.4 percent annually, creating a decade of stagflation—that is where you have a stagnant overall growth but inflation in the economy—and limited economic growth. Most economists believe that Japan's economic recession would not have lasted nearly as long as it did had it not been for one fatal error that the Japanese government made. In the late 1990s, as their economy was recovering and appearing to be pulling out of its economic slump—so the economy is just getting going, starting to pull out of the economic slump—the Japanese government made a catastrophic decision to raise taxes. The result was that this one decision aborted the strong recovery the Japanese economy was starting to experience and plunged it back further into an economic downturn that lasted for many more years, the hangover from which is still on them today.

What are we doing here today, discussing a $2.5 trillion government entitlement expansion that raises taxes $½ trillion, plays budget gimmicks with our $12 trillion deficit and raises health premiums and costs for all Americans in the middle of the country's economic recession? What are we even talking about, why are we doing it? That is what I get from the people back home. They say why are you talking about this while are we in this recession? Why are you talking about this with the health care situation the way it is, to raise the cost, raise the insurance premiums, cutting Medicare when Medicare needs more, not money taken out of it? Now is not the time, this is not the bill, and this is not the way the American people want to see their health care reformed. What the American people want is for this body to lower health care costs and induce an economic recovery that creates jobs, not kills them, and grows the American economy, not thwarts it.

The way to do that is not to raise taxes, as is evidenced by what happened in Japan. Increased mandates, increased regulations, and increased taxes are a recipe for disaster. It is a recipe that kills jobs. In fact, President Obama's chief economic advisor, Dr. Christina Romer, stated earlier this year that as many as 5.5 million jobs could be lost due to the Democrats' new tax proposal in this 2000-page government takeover of health care. Nothing can be worse at a time when the Nation is already experiencing a 10-percent unemployment, a 26-year high. This bill will impose $28 billion in new taxes on employers that will ultimately be paid by American workers in the form of reduced wages and lost jobs.

Under this burdensome legislation employees will face stunted wages and the loss of their benefits as their employers attempt to find ways to fund these newly imposed mandates. As small businesses struggle to keep their doors open, tough decisions will have to be made on whether to raise prices, cut wages, or let go workers in order to find the funds necessary to comply with the Federal mandates imposed in this bill.

Furthermore, this bill will kill jobs by penalizing small businesses who are looking to grow—and small businesses are the growth engine for the country. In this bill, firms with more than 50 workers that did not offer coverage would have to pay a penalty or a tax to the Federal Government for each full-time worker if any of their workers obtain subsidized coverage through the government-run exchange.

What businessman would decide to hire that 50th employee, knowing full well if he did that the government would penalize his business and slam him with a new costly tax? So now people try to stay under this limit rather than constantly looking to grow the business.

Furthermore, under certain circumstances, firms with relatively few employees and relatively low average wages would be eligible for tax credits to cover portions of their health insurance premiums. That is relatively few would be eligible.

I ask, what employer would decide to increase the number of employees or increase the amount of their wages if they stand to lose government handouts, supports, subsidies, or face an increased tax burden? They simply will not be willing to do it.

One of the most disturbing aspects of this legislation is the use of inflation

to fund it—the use of inflation, a hidden tax increase on working families, to fund it.

I am the ranking member on the Joint Economic Committee and we look at these aspects a great deal. The use of inflation is built into the base of this to fund it. We know the consumer, the individual taxpayer, pays all taxes. No matter how the government claims to assess those taxes, they are paid by individuals.

I have a couple of examples I want to show. First, I want to talk about: High-cost Plans Tax Hits the Middle Class. Let me talk about that. This is the tax on the so-called Cadillac health insurance plans.

We know that insurance policies and benefit plans will be altered to avoid that tax. In other words, if you get an insurance plan that is up above a certain level you get taxed on that higher end, that so-called Cadillac plan. So in all probability most groups will not provide this high-quality health care because they say you are going to get taxed on it.

Benefits that taxpayers with insurance currently receive on a pretax basis—right now they get it so the company is paying for it, is pretax to the individual—will gradually shift to after-tax benefits resulting in higher payroll and income taxes. So now that you have cut this Cadillac plan to get underneath it being taxed, and then the company says OK, we will pay you in wages or we will do this somewhat differently. Then you have to go around and supplement or have a lower quality of health insurance. You are going to have to pay for it with after-tax dollars. That will result in more taxes, but you don't get more benefits from this. This is a big tax hit on the middle class of people who are going to have to pay this as their higher income or their higher based insurance plans are taxed.

Here is what the Joint Committee on Taxation said about the distribution impact of the high-cost tax plans: Despite the President's promises the majority claims—91 percent of taxpayers will be affected by this tax earning under $200,000. The tax will hit married filers more severely than singles; 62 percent of the high-cost plans tax impact will fall on married filers compared to 25 percent on single filers. Why are we building the marriage penalty back into the insurance? We worked a long time in this body to get rid of key portions of the marriage penalty, saying we should not tax marriage, we should support this institution. It is being built back into this plan.

This bill also imposes an additional Medicare tax on wage and salary—or certain types of business incomes of single taxpayers with incomes above $200,000 and married taxpayers with incomes of more than $250,000. Right off the bat there is a new marriage penalty. People living together but unmarried making $150,000 each won't pay the tax. Two married people paying the same amount will. What is right about that?

Making matters worse, the thresholds are not indexed for inflation—no indexing for inflation. Inflation is a cruel tax and unfortunately in this situation it is not only going to be inflation, but you are going to be taxed, then, as you get inflated into these categories. From 2013 to 2019, the number of returns of people earning under $200,000 in today's dollars will rise from 75,000 to 345,000 under the current trajectory on inflation. We are making the tax man's best friend inflation. That is wrong. So you are going to move 75,000 to 345,000 for new tax revenue. Married couples will be hit hard, as I mentioned earlier. Then you are looking at inflation: 2013, 2015, 2017, 2019—the number of people growing into this taxable category affected by this Medicare tax that will increase in 2009 dollars from $75,000 to $345,000.

If you want to think about this, think about when the alternative minimum tax was first put in place. The alternative minimum tax was supposed to be on very wealthy individuals. That was all it was going to be on. But it was not indexed for inflation. Now you get whole swatches of people hit by it and this body regularly tries to change that or deal with it on a 1-year basis because it was not indexed for inflation. What you build into the base of this bill is, if you want to pay for the bill, you want inflation. So you get inflation and it hurts people on fixed incomes and you get more people taxed than you started off with. You didn't tell them about it at the outset.

This plan clearly should be indexed for inflation. We know that should take place. Yet this is where a major part of the money for the bill comes from—inflation. Is that something the Federal Government should be banking on, that we will get inflation to pay for this health care bill? I don't think the American public wants to see that taking place.

To put this in context, let's not just look at returns under $200,000, let's look at all returns and how this tax will spread. According to the Census Bureau estimates, between 2013 and 2019, the working-age population of the country will grow by 1.6 percent. Joint Tax estimates that the number of returns that will be affected by this tax will grow by 52.6 percent and revenue collected as a result of the tax will grow by more than 54 percent. Over time, the Reid bill Medicare tax isn't just for the wealthy. Comparing the increase in taxes with growth in the working-age population, this is how many more people will be impacted. Inflation becomes the tax man's key friend.

During Japan's lost decade, from 1991 to 2003, their gross national product grew a paltry 1.4 percent annually, creating a decade of stagflation and limited economic growth. It was because of policies such as this where you have inflation, where you have tax increases put in place. These are the things that caused that to take place. It should not be done.

I will just add as a final note, when I am talking with people back home, all the time they raise this health care bill. They talk about it constantly. If they are small businesspeople, they are talking about not doing anything until the political environment is more stable in their estimation, about how much taxes we are talking about, about how much regulation we will be talking about.

You have what is going on with a climate change debate and regulations in Copenhagen. That tells a lot of people in my area who are energy users and producers, don't do anything until this stabilizes. When you talk about tax increases or inflation being a part of this proposal, you have a bunch of people saying: Don't do anything. Just stay on the sideline. That is a prescription for no job growth. That is a prescription for killing jobs. You want people out there investing and creating jobs and opportunities. You want them to see a stable political environment where they are not worried about increasing taxes, not worried about increasing regulation but, rather, saying: This is a stable environment in which we can invest and grow. That is not what they are doing today. That is repeating the lesson the Japanese learned of raising taxes when you are coming out of a recession. It is harmful. It is the wrong economic strategy. It should not be a part of this bill.

I yield the floor.

Mr. ENZI. Mr. President, I voted to support Senator MCCAIN's motion to commit the bill back to the Finance Committee to protect all seniors from the Medicare cuts in this bill.

Section 3201(g) of the Reid bill shields Florida from the sweeping payment reductions to Medicare Advantage plans. Democratic Senators from Florida, New York, Oregon and Pennsylvania have also reportedly sought carve outs to protect seniors in their States from these cuts.

It is unfair to protect only seniors in Florida from these cuts. President Obama said if you like what you have, you can keep it. I believe that principle should apply to all Medicare beneficiaries.

At least some of my Democratic colleagues are honest about what they are doing. The New York Times yesterday quoted the Senator from Florida as saying, ''It would be intolerable to ask senior citizens to give up substantial health benefits they are enjoying under Medicare . . . I am offering an amendment to shield seniors from those benefit cuts.''

Bloomberg News also quoted that same Senator as saying, ''We're trying to grandfather in seniors so that they don't lose the benefits they have.''

Now, I disagree with these sweetheart deals. But I understand the motivation behind them. We should not be

taking benefits away from Medicare beneficiaries.

What I don't understand is how other Democrats can deny that the Reid bill cuts Medicare benefits. I have heard my Democratic colleagues repeatedly argue that there no cuts of any ''guaranteed benefits'' in the Reid bill.

I was not familiar with the term ''guaranteed benefits,'' so I asked my staff to review the Medicare statute. They searched through the entire Social Security Act, which governs Medicare, and could not find that term anywhere. That is because the term doesn't exist. The other side just made it up.

Medicare Advantage plans provide extra benefits to beneficiaries who enroll in these plans. These are the benefits that will be cut under the Reid bill. Clearly the Senator from Florida understands the value of these benefits. That is why he and other Democrats are fighting tooth and nail to undo the cuts in their States.

At the same time, other Democratic Senators continue to argue that Medicare Advantage is neither Medicare nor an advantage.

That is false. Medicare Advantage is Part C of Medicare. If you go to the Web site of the Department of Health and Human Services, it says Medicare Advantage is part of Medicare.

As to the ''advantage'' part, Medicare Advantage does provide extra benefits, and seniors place great value on them. It's that simple. That is why the Senator from Florida and others are trying to get carve outs for seniors in their States.

Under the Reid bill, seniors will lose vision benefits. Apparently, the other side does not think vision care is an advantage.

The Reid bill will cut dental benefits for seniors. These are also apparently not an advantage for seniors.

The Reid bill will cut hearing benefits for seniors. These are apparently not an advantage for seniors.

The Reid bill will cut home care for seniors with chronic illnesses. The other side thinks these benefits are not an advantage.

The Reid bill will cut disease management programs for seniors. These benefits are also apparently not an advantage.

The Reid bill will cut nurse help hotlines for seniors. The majority apparently does not believe this is an advantage.

The Reid bill will end reduced cost sharing for primary care physician visits. This is apparently not an advantage for seniors.

The Reid bill will eliminate reduced premiums for Part B. This is apparently not an advantage for seniors.

The Reid bill will eliminate reduced cost sharing for breast cancer screening. This is apparently not an advantage for seniors.

The Reid bill will eliminate reduced cost sharing for prostate cancer screening. This is apparently not an advantage for seniors.

Most disturbing of all, the Reid bill will cut seniors' protections against catastrophic costs under Medicare Advantage. The other side says they want to keep medical bills from driving folks into bankruptcy. At the same time, they are eliminating Medicare Advantage benefits that actually protect Medicare beneficiaries from catastrophic medical costs.

How is catastrophic coverage not an advantage to seniors? It seems to me few things could be more advantageous than not losing your life savings because of medical bills.

It is obvious to anyone who listened to the list I just read that these are real benefits. Furthermore, it should be equally clear that the Reid bill will take these benefits away from millions of Medicare beneficiaries.

Anyone who doubts what affect the Reid bill will have on Medicare beneficiaries should look at the last time that Congress made cuts like this. The impact was severe.

Congress enacted the Balanced Budget Act of 1997, which included similar types of cuts. Once it took effect, nearly one out of every four of the plans, then known as Medicare+Choice, pulled out of the program.

According to an article in the Fort Lauderdale Sun Sentinel, when the Prudential Medicare+Choice plan withdrew from Florida, nearly 12,000 seniors in Broward, Palm Beach and Miami-Dade lost their coverage of prescription drugs, eyeglasses, hearing aids or other benefits.

You can bet seniors in Broward, Palm Beach and Broward counties haven't forgotten these cuts, losing their plans, sometimes their doctors, and certainly those benefits.

According to the Baton Rouge Advocate, over 50,000 Louisiana seniors lost the extra benefits that had been provided by Medicare+Choice plans. The cuts were so disruptive and confusing that State Insurance Commissioner Jim Brown had to air public service announcements. You can bet Louisiana seniors remember those cuts.

After these cuts went into effect, the Chicago Daily Herald reported that the Senior Health Insurance Program run by the Illinois Department of Insurance was ''deluged with phone calls from senior citizens affected by the move of some health maintenance organizations to drop Medicare.''

By that time, United Healthcare had decided to no longer offer Medicare+Choice plans in DuPage, Kane, Lake and Will counties. This affected 12,000 seniors in these Chicago suburbs.

By 2000, the Daily Herald reported that Aetna and Humana were also pulling out, dropping coverage for 2,794 beneficiaries in Lake County and 6,180 Aetna enrollees in Cook, Lake, Kane and DuPage counties. All of these beneficiaries lost the extra benefits they had previously received from their plans.

Brian Carey, director of Senior Services for Schaumburg Township, was quoted as saying, ''It's just thrown so many people into, in some cases, a complete state of panic.''

By 2002, the Chicago Tribune quoted CMS administrator Tom Scully as saying there were no—that's zero—Medicare plans serving Chicago and its suburbs.

If the Reid bill is passed, we will again see millions of Medicare beneficiaries lose the benefits they currently receive from Medicare Advantage.

Medicare beneficiaries understand this program provides real advantages to those who enroll in the program. They do not want to lose these benefits.

I hope that all of my colleagues support the McCain amendment and ensure that these seniors continue to receive these benefits.

Mr. JOHNSON. Mr. President, today I rise to recognize the overwhelming need for health care reform. Earlier this year I asked South Dakotans to share their personal health care stories with me, the good and the bad, so that I could share these with my colleagues and ensure that the people of South Dakota have a voice in this national debate. Thousands have responded to my request and through their stories I have gained immeasurable insight into the challenges my constituents face in our current health care system. The experiences of these hard working families, business leaders, patient advocates, and health care providers poignantly demonstrate the urgent need for health care reform.

David, a farmer in Madison, SD, was forced to sell his land when a heart attack left him with $60,000 in medical bills. His wife Patty wrote to me to tell me his story. As a farmer, David couldn't afford to buy private health insurance in the individual market but didn't qualify for public programs. Insurance companies refused him coverage after his heart attack because he now had a serious preexisting condition. Last year he suffered a second heart attack and accrued another $100,000 in medical bills. Struggling to pay this debt, Patty and David exhausted all their resources. David feels he has no hope of finding insurance coverage for his heart health, the very condition that requires treatment the most. Patty and David live in fear of a serious illness knowing that, like many families, adequate health insurance is beyond their reach.

The situation Patty and David find themselves in is not unique. A recent study by the Access Project found that 44 percent of ranchers and farmers in South Dakota get their health insurance on the nongroup market, where they pay on average $10,395 for coverage. For the past few decades, premium rates have been rapidly outpacing increases in incomes. According to the study, almost half of those surveyed spent over 10 percent of their income on health care. Like Patty and David, one in four of the farmers and

ranchers surveyed had to dip into savings, retirement funds, or take loans against their farms or ranches to cover health care costs.

Managing heart disease requires regular checkups and treatments to manage the disease, improve overall health and prevent future complications. Without access to these services, Patty fears what will happen to their family and their farm in the event David suffers another heart attack.

There are several provisions in the Patient Protection and Affordable Care Act to benefit Americans like Patty and David. It will extend access to affordable and meaningful health insurance for all Americans. The bill stands up on behalf of the American people and puts an end to insurance industry abuses that have denied coverage to hardworking Americans when they need it most. According to the non-partisan Congressional Budget Office, the Senate reform proposal will extend coverage to 31 million more Americans when fully enacted.

Immediately after enactment, a new program will be created to provide affordable coverage to Americans with preexisting conditions who have been denied the coverage they need. People like David will be guaranteed health insurance coverage after years of struggling without this basic security.

In addition, this legislation will create health insurance exchanges in every State through which those limited to the individual market will have access to affordable and meaningful coverage. The exchange will provide easy-to-understand information on various health insurance plans, help people find the right coverage to meet their needs, and provide tax credits to significantly reduce the cost of purchasing that coverage. No matter what plan you have, every American will have the added security of knowing that your insurance company will no longer be able to deny coverage for preexisting conditions and won't be able to drop your coverage if you get sick. Patty, David, and all Americans deserve this basic security.

The PRESIDING OFFICER. The Senator from Montana.

## MORNING BUSINESS

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

## CLIMATE CHANGE

Mr. CARDIN. Mr. President, we live in a world that is being poisoned by greenhouse gases of our own making. If we do not act, we face irreversible, catastrophic climate change. My grandchildren face a world where there will be not enough food, water, or fuel, a world that is less diverse, less beautiful, less secure. As I speak today, we are witnessing a critical moment in our fight against global warming both at home and abroad.

This past Monday, the Environmental Protection Agency acted by releasing its final determination that ''greenhouse gases threaten the public health and welfare of the American people.'' This was an action required by law and ordered by the Supreme Court. This finding will require EPA regulate greenhouse gas emissions under the Clean Air Act.

Monday's endangerment finding is a critical step in our country's efforts to stop global warming, which not only poses a threat to public health and welfare but to our national security. I am proud of the strong science-based actions taken by this administration to live up to its Clean Air Act obligations to protect our health. But I strongly believe that the best way for our country to solve the problem of greenhouse gas emissions is through comprehensive legislation enacted in the Congress of the United States. Legislation that invests in clean energy and new, high-tech infrastructure will bring us to long-sought goals: energy independence, good jobs for our citizens, and a healthy planet for our children and grandchildren.

We are now closer to that kind of legislation than we have ever been. The House has passed a bill that puts a limit on the pollution in our air. It dedicates funding to develop new domestic sources of clean energy. It invests in a new infrastructure that is less dependent on foreign fuels and creates American jobs. And we need those jobs. Here in the Senate, we have improved on our colleagues' work. Senate legislation makes additional investments in clean transportation. It provides additional oversight and accountability and support for developing countries. It ensures we do not add one penny to our national deficit. This legislation is consistent with the budget of our country to try to help reduce the deficit and yet make us energy independent, create jobs, and be sensitive to our environment.

But because climate change is a global problem, we need a global solution. This past Monday was also an important day in the international effort. The international community began a 2-week meeting in Copenhagen, Denmark, to work on an international agreement to address climate change.

The international community has set the right objectives to make the meeting a success: a political agreement that promises both immediate action and contains the structure for a future formal treaty.

The agreement reached in Copenhagen should include the following points: specific near-term greenhouse gas emission reduction targets—a critical part—the support the developed countries will provide to the developing world to adapt to a changing industrial economy and a changing climate—we have a responsibility to help the developing world—the core elements that will make up the final treaty; and a timeline for reaching that agreement within the next year. We cannot put this off. It is critical we act timely.

The administration has taken several very important actions over the past few weeks to help us secure a global agreement in Copenhagen. EPA's endangerment finding sends an important signal to the world about the United States commitment to take decisive action.

Similarly, the President's announcement that the United States will commit to an emissions reduction in the range of 17 percent below 2005 levels by 2020 and his pledge to contribute the fair share of the United States of $10 billion a year in financial support for the developing world by 2012 demonstrate that we are prepared to be serious partners in the fight against climate change.

That is the type of action we want to see, not only in the United States but in other countries that are major emitters.

Many of my colleagues, however, have legitimate concerns that if the United States enacts strong carbon standards, carbon-intense imports will have an unfair advantage in our market. We need to make sure we accomplish our goals internationally and also have a level playing field.

To address this fear, I believe it is critical that our international negotiators include in Copenhagen strong verification and compliance procedures that will make it clear that every state has a responsibility to take action to reduce greenhouse gases.

I have seen too many international agreements that include the highest ambitions for labor, environmental, and human rights protections that fail to achieve those goals in the absence of any consequences for violations of those principles.

The groundwork for achieving a final international agreement in Copenhagen must ensure that major emitting Nations take on clearly defined emissions reductions targets, adopt standardized systems to measure, report, and verify actions and commitments, and it must provide for consequences if countries fail to meet those commitments. Inclusion of these principles in the Copenhagen agreement allows us to pursue these critical components in any final agreement, and sends an important signal that all party countries are committed to real emissions reductions.

I am proud that the Senate Foreign Relations Committee climate change bill introduced by Senator KERRY last week includes language I authored that makes clear our expectations that any international agreement should include strong verification and compliance mechanisms, along with emission reduction targets, and a strong commitment to provide assistance to the developing world.