billion. We have difficult choices to make, but this budget fails. It is time to try again.

We can balance the Federal budget, but we have to set some priorities here. We cannot, indeed must not, balance the budget on the backs of children and the elderly. It is not right and it is not the American way. This amendment seeks to reduce the burden of this budget on those who need it most. I offer my wholehearted support.

Thank you Mr. President.

REPUBLICAN BUDGET PLANS AND MEDICARE CUTS

Mr. LEAHY. Mr. President, I believe the current debate in Congress on the budget is the most important action Congress will take this year. The Republican budget proposals are indeed monumental. The debate over how we balance our Federal budget will have repercussions to State and local governments for years to come.

I agree with several things in the Republican budget plans. I agree we need to continue to reduce the deficit and achieve a balanced budget. The Federal deficit and its resulting interest payments on the growing national debt put a heavy drag on our economy. In 1990 and 1993, I cast politically unpopular votes that cut about $1 trillion from the projected deficit. Since 1992, the deficit has been reduced from $290 to $176 billion this year—a drop of one-third. And more savings must be made.

But as Ross Perot would say: ''The devil is in the details.'' How we balance the Federal budget is just as important as balancing it.

I am extremely disappointed that the Republican budget would reduce Medicare spending by the largest amount in history—$256 billion in the Senate version and $288 billion in the House.

These numbers are big, but what do they really mean to Vermonters? Under the Senate Republican budget proposal, the average Medicare spending per Vermont beneficiary would be reduced from today's level by over $4,000 over the next 7 years.

Over the next 7 years, Vermont will lose $339 million in Medicare funding, $79 million in the year 2002 alone. If this loss of funds is split 50–50 between Medicare recipients and providers, in the year 2002 Medicare beneficiaries will be paying about $500 in increased copayments, premiums, and deductibles. Hospitals, doctors, and other health care provides will be receiving $500 less from each Medicare recipient.

These reductions result from slowing the projected growth of Medicare to 7 percent a year instead of the projected increase of 10 percent a year. Some claim that these reductions are not really cuts. I fail to understand that logic.

For the 83,000 Vermonters on Medicare and in particular the 12 percent of Vermont seniors who live below the poverty level, does it make any difference what we call these reductions? Over the next 7 years, Vermont seniors, or the hospital, or the doctor will have to come up with over $4,000 to maintain their current level of benefits.

Ask the elderly couple that is retired and living on a fixed income if they can afford this slowing of growth? Ask the family down the road that has a grandparent who was just diagnosed with Alzehiemers whether they will be able to afford this slowing of growth? Ask the rural doctor who is already having trouble covering costs whether he or she can afford this slowing of growth?

Ask the typical rural hospital that currently receives only 91.5 cents on the dollar for the cost of each Medicare participant whether it can afford this slowing of growth. Ask the Vermonter with private health insurance that is currently paying that remaining 8.5 cents on every dollar on hospital costs alone due to cost shifting whether they can afford this slowing of growth?

The scariest part about the Senate Republican budget resolution is that it ignores the fact that it is not just Medicare costs that are rising. All health care costs are rising. And by just cutting Medicare—and Medicaid for that matter—a huge cost-shift of medical expenses will result and make sure that all Vermonters pay more for health care.

Vermonters need to realize that the magic number of $256 billion in the Senate and $288 billion in the House will do nothing for the long-term solvency of the Medicare trust fund. It extends the trust fund's life another 3 years from the current projection of it going broke in 2002. Since the first trustees' report in 1970, there always has been a date certain for the trust fund's insolvency. It is interesting to note that last year the insolvency date was projected at 2001, yet Republicans at that time saw no such urgency in shoring up the trust fund or dealing with the real problem of overall health care costs.

The Republican Medicare cuts are short-sighted. Simply cutting Medicare does not make its problems go away. To reduce Medicare costs, we must reduce health care costs throughout the system, which can only be achieved by true health care reform. But the Republicans have no plan to curb Medicare costs except to cut the program.

I hope in the coming months that Members from both sides of the aisle hammer out a plan to deal with the issue of comprehensive health care reform. But in the meantime, simply cutting Medicare is not the answer.

Mr. BIDEN. Mr. President, this Republican budget sets the wrong priorities. The goal is right—steady movement toward a balanced budget—but how the Republicans propose to get there is wrong. More than half of all the cuts in this budget come from just two programs—Medicare and Medicaid. Specifically, the Republican budget would cut $256 billion from Medicare over the next 7 years and another $175 billion from Medicaid, about $58 billion of which would come from long-term care for the elderly. This would be, without a doubt, the largest Medicare cut in history—three times larger than any previous cut.

This was not part of the Republican Contract With America. In fact, some have forgotten about an earlier contract—the contract we made with the senior citizens of America—those who worked hard and played by the rules. Cutting health care for those who are at an age when they need health care the most is simply wrong. To cut Medicare as much as the Republicans are proposing violates the long-standing contract with America's seniors.

And, why? So that the wealthy can be guaranteed a tax cut and so that rich billionaires can continue to renounce their U.S. citizenship in order to avoid paying taxes.

I believe we should have a tax cut—one that is targeted to middle-class families for the cost of education. And, I will discuss that issue in more detail later. But, the Republicans in the House have already passed their tax cut. Families making less than $30,000 would get a tax cut of $124—less than 50 cents a day—while families making over $200,000 would get a tax cut of over $11,000.

I am not saying we should raise taxes on the wealthy. And I am not saying that we should give a tax cut to everyone but the wealthy. But, Mr. President, do our richest 1 percent, or 5 percent, need a tax cut more than our retirees on a fixed income need protection against skyrocketing health care costs. I do not think so. I do not think we should provide a tax cut for guys like me—and I am the poorest one around this place—while we are increasing my mother's health care costs. And, I certainly do not believe that billionaires who renounce their American citizenship should have priority over the seniors who gave so much to this country.

I know what the Republicans are saying. They are claiming that they are not cutting Medicare and Medicaid—only reducing the rate of increase. Technically, true. But, for those seniors whose costs go up because Medicare pays for less, is that not a cut? For those seniors who have less access to health care services because Medicare providers refuse to take new Medicare patients, is that not a cut? For those seniors who may no longer qualify for Medicaid nursing home care because Medicaid payments to States are restricted, is that not a cut? Call it what you want. The fact is, seniors will pay more—much, much more.

Assuming that half of the Medicare cuts will come from seniors themselves, this Republican budget means that the average senior citizen will pay between $800 and $900 more in out-of-pocket costs—premiums, deductibles, and copayments—in 2002 than they would otherwise pay. Over the course of the next 7 years, the elderly would

have to pay a total of about $3,200 more in out-of-pocket costs. That is on top of the average senior already expecting to pay about $25,000 in premiums, copayments, and deductibles for Medicare between now and 2002. The Republican budget would result in a 13-percent increase in out-of-pocket Medicare payments by America's seniors. And, on average, seniors already pay 21 percent of their income on health costs.

I know what else the Republicans are saying. They are claiming that we need to cut Medicare in order to save it. They argue that Medicare will go bankrupt in 2002, and they just want to protect the program for posterity. Mr. President, this budget does not reform Medicare; it cuts Medicare. Not one single proposal has been offered to save Medicare. Instead, the budget establishes an arbitrary number of $256 billion and says that is how much is going to be cut regardless of the actual cost of medical services or the total number of people who qualify. Between now and the year 2002, the number of seniors eligible for Medicare will increase by 4 million—15,000 in my State of Delaware. The Medicare funds will not keep pace. Someone gets cut.

If the Republicans were interested in saving Medicare, they would attack the causes of why Medicare is going bankrupt. But, they do not. If the Republicans were interested in saving Medicare, they would come to the table with the goal of saving Medicare. Instead, they want Democrats to come to the table after they have pulled an arbitrary number out of thin air.

And, where have the Republicans been? We have known since 1985 that the Medicare trust fund would become insolvent near the turn of the century. And, yet, for 7 years, Republican Presidents Reagan and Bush never proposed saving Medicare from bankruptcy. In 1993, not one single Republican in either the House or the Senate voted for President Clinton's proposal to shore up the Medicare trust fund. And, last fall, Republicans were so concerned about saving Medicare that they forgot to include it as part of the Contract With America.

Let us stop the charade. Republicans are cutting Medicare to balance the budget and to provide tax cuts to the wealthy. That is their priority. They are wrong. Democrats have alternatives that will achieve the same goal—a balanced budget in 2002—without taking this much from Medicare. For example, Senators ROCKEFELLER and LAUTENBERG have an amendment to return part of any economic dividend that results from a balanced budget back to the Medicare and Medicaid Programs. We ought to adopt the Democratic amendments and fulfill the original Contract With America—the contract with America's seniors.

Mr. BINGAMAN. Mr. President, I rise in support of the amendment offered by my distinguished colleague from West Virginia, Senator ROCKEFELLER, to restore $100 billion of the $426 billion proposed cuts in the Medicare and Medicaid programs over the next 7 years.

Mr. President, virtually everyone—Members of Congress, the President, program administrators and even current beneficiaries of the Medicare and Medicaid Programs—agree that changes, including slower spending, need to be made to the current system. The cost of health care is growing too fast and too high. Medicare, for example, currently is expanding by more than 10 percent per year, or three times CPI. These escalating costs simply are unsustainable.

President Clinton and many of us here in Congress spent 2 years trying to deal with this problem in a responsible, comprehensive way. Had we been successful, the Medicare Program would be more secure and access to affordable health care would have been a reality for all Americans, young and old alike. But at the time, my colleagues on the other side of the aisle were not interested in working with us to help make the Medicare Program secure. We heard repeatedly that there was no crisis, no need for Congress to act.

So here we are, with the Medicare Program in real trouble and the chairman of the Senate Budget Committee proposing to save it by cutting the program $256 billion over 7 years. Along with the Medicare cuts are $170 billion in cuts to the Medicaid program, which often serves as a long-term care safety net for seniors and the disabled.

My first question is ''What do cuts of this magnitude mean to my homestate of New Mexico?'' Unfortunately, Mr. President, States like New Mexico are going to be hit especially hard. This is due to a combination of factors:

First, New Mexico has a growing senior population.

Second, New Mexico has a high poverty rate; a high rate of seniors living in or near poverty; and low per capita income level.

Third, New Mexico's hospitals and providers are heavily dependent on Medicare and Medicaid revenue, more so than most other States.

SENIOR POPULATION—DEPENDENCY ON MEDICARE

In New Mexico, more than 212,000 seniors, disabled children, and disabled adults currently depend on Medicare. By 2002, more than 257,000 New Mexicans are anticipated to be eligible for the program. Looking at seniors alone, New Mexico's over-65 population grew by 37.8 percent between 1980 and 1990. The senior population is expected to grow by another 11 percent by 2000—to 204,000—and by more than 21 percent by 2010—to 247,000. Our over-65 growth rate, which is currently at 11 percent, is one of the highest in the country.

What do the proposed cuts mean to these seniors? According to an AARP study, to the average Medicare beneficiary in New Mexico it means $3,237 more in out-of-pocket expenses over the next 7 years, or $462 per person per year. This is $462 per person more in higher premiums, higher deductibles, higher copays, and more services not covered.

SENIORS IN POVERTY—TIE BETWEEN MEDICARE AND MEDICAID

A cost shift of this type is especially tough on New Mexico's seniors and their families because so many in my State are living at or near poverty. In fact, at 22.4 percent, New Mexico has one of the highest poverty rates in the country. One in every five New Mexicans—including about 26,000 seniors—lives in poverty.

Mr. President, the majority of my constituents are barely making ends meet today. And then along comes the majority in Congress with an significant increase in the obligation of beneficiaries—all beneficiaries, regardless of income level—to pay more out-of-pocket for their health care. How can poor, elder New Mexicans possibly come up with an additional $3,200 for their health care? The simple answer is that they will not be able to.

Through the Medicaid Program, the State typically would pick up the extra cost. But to do so, the State must raise additional revenue, either by cutting services elsewhere or by raising taxes. Under the budget plan before us today, the situation is even more grim for the States: before even beginning to address the new costs they will face, States must first come up with revenue to cover the initial shortfall they will face from the $170 billion in proposed cuts to the Medicaid Program itself.

If New Mexico or any other State will not or cannot raise the revenue needed to keep the safety net in place without Federal assistance, the results will be tragically clear: hundreds of seniors will have to go without health care; and hundreds of families will be forced to shoulder even more of the costs and burdens of providing long-term care for an elderly parent or relative. Those least able to afford it and most vulnerable among us—the very poor, frail elderly—will be hurt most.

The very bad news does not end there, however. I want to turn for a moment to the situation facing seniors with income levels above the poverty line. In New Mexico, our per capita income is $14,709, or more than $5,000 below the national average. Per capita income for New Mexico's seniors is even lower, estimated at around $12,000 per year by AARP, with between 20–25 percent being spent on health care.

If Senator ROCKEFELLER's amendment does not pass, the message to New Mexico's seniors will be that they will have to spend even more on their health care. The Senate will be telling New Mexico's seniors that they must spend more of their $12,000 to $14,000 annual income on health care. To many, this will simply be impossible.

I have just described the impact of the proposed Medicare cuts on New Mexico's Medicare beneficiaries. The adverse impact on our State does not stop there. Just as the cuts hurt New

Mexico seniors more than seniors in many other States—because many of our seniors are living at or near poverty and our per capita income level is low—the cuts will also hit New Mexico's hospitals and health care providers harder than hospitals and providers in other States.

NEW MEXICO'S HOSPITALS AND PROVIDERS

The proposed Medicare and Medicaid cuts will be tough on our hospitals and providers, particularly in rural areas, because they are disproportionately dependent on Medicare and Medicaid for their revenue. Most NM hospitals/providers depend on the programs for 70 to 80 percent or more of their revenue. Nationally, 60 percent or less of all revenue comes from Medicare and Medicaid.

A hospital with a 60 percent or lower Medicare revenue share can compensate for lost Medicare-Medicaid dollars by cost-shifting to private insurers. NM hospitals and providers cannot. They depend on reimbursement from Medicare and Medicaid. Even a slight cut to rural providers could represent a serious financial threat to the providers and a very real threat to health care for rural New Mexicans.

Mr. President, I believe we can find a more equitable way to achieve the kind of savings and fiscal accountability we need. We can agree, for example, that we can develop ways for fairly changing many variables contributing to higher health care costs. Fraud, waste, and inefficiency can all be identified, targeted, and changed. We can improve case management, increase use of cost-effective, quality managed care where appropriate, and focus more on prevention and early detection.

I believe the amendment put forth by Senator ROCKEFELLER represents a more equitable, more reasonable approach to the challenges we face. I will support it, and I urge my colleagues to do likewise.

Mr. KENNEDY. Mr. President, in crafting this budget resolution, the Republican majority has made a great show of its pledge to protect Social Security. But when the American people look behind the rhetoric, they will find that the Republican budget plan is a sneak attack on Social Security, and a violation of our Government's compact with its citizens.

As every senior citizen knows, the Medicare part B premium is deducted directly from their Social Security check. When that premium goes up, Social Security benefits go down. The Republican budget will raise those premiums and reduce Social Security checks by more than $1,750 per senior over the life of this budget plan. For an elderly couple, the reduction in the Social Security check will be $3,500. Next year alone, as a result of this Republican budget, seniors will see a premium increase of $134 compared to current law. In effect, that will eliminate more than half the average COLA increase of $237. Lower income seniors will lose 83 percent of their COLA.

Senior citizens rely on their annual cost of living adjustments to pay for the increased costs of food, housing, fuel, and clothing that they face every year. But under this Republican budget, the majority of that COLA will be stolen to pay for tax cuts for the wealthy. The last time the Republicans tried to cut the Social Security COLA they were forced to back down. Now they are trying to do it by stealth—but it is not going to work.

It is not only through the increase in the Medicare premium that the Republicans are attacking Social Security. In the House budget, the Republicans have arbitrarily assumed an unprecedented, unilateral reduction of the CPI of .6 percent. That change is designed to cut Social Security COLA's by another $23 billion over the next 7 years.

At the most basic level, the harsh cuts in Medicare contained in this budget resolution are a repudiation of our historic commitment to Social Security, because the distinction between Medicare and Social Security is a false one. Medicare is part of the same compact between the Government and the people as Social Security. That compact says ''Contribute during your working years, and we will guarantee basic income and health security in your retirement years.''

Any senior citizen who has been hospitalized or who suffers from a serious chronic illness knows that there is no retirement security without Medicare; the cost of illness is too high. A week in an intensive care unit can cost more than the total yearly income of many senior citizens.

It is the low- and moderate-income elderly who will suffer most from these Medicare cuts. Eighty-three percent of all Medicare spending is for older Americans with annual incomes below $25,000; two-thirds is for those with incomes below $15,000.

How can any budget plan that purports to be part of a Contract With America break America's contract with the elderly? It is bad enough to propose these deep cuts in Medicare at all. It is even worse to make these cuts in order to pay for an undeserved and unneeded tax cut for the wealthiest Americans.

The cuts in Medicare are unprecedented—$256 billion over the next 7 years. By the time the plan is fully phased in, the average senior citizen is likely to pay $900 more a year in Medicare premiums and out-of-pocket costs. An elderly couple would have to pay $1,800. Over the life of this budget, they have to pay $6,400 in additional costs.

The part B deductible could double under this Republican plan, raising the amount a senior citizen would have to pay before they can see a doctor by an additional $100.

A typical senior citizen needing home health services could have to pay an additional $1,200. Anyone who is sick enough to need the full home care benefit could have to pay $3,200.

Seniors could lose the freedom to select their own doctor, or face unaffordable costs if they refuse to give up their family physician.

The fundamental unfairness of this proposal is plain. Because of gaps in Medicare, senior citizens already pay too much for the health care they need. Average elderly Americans pay an astounding one-fifth of their income to purchase health care—more than they paid before Medicare was even enacted 30 years ago. And the reason we enacted Medicare then was because the elderly faced a health care crisis then.

Lower income, older seniors pay even more than a fifth of their income for health care. Medicare doesn't cover prescription drugs. Its coverage of home health care and nursing home care is limited.

Unlike private insurance policies, Medicare doesn't have a cap on out-of-pocket costs. It doesn't cover eye care or foot care or dental care. Yet this budget plan piles additional medical costs on every senior citizen—while the Republican tax bill that has already passed the House gives a tax break of $20,000 to people making more than $350,000 a year.

It is interesting to compare the generous benefits that the authors of this resolution enjoy under the FEHBP plan available to every Member of Congress to the much less adequate benefits provided by Medicare to senior citizens. Medicare has no coverage at all for outpatient prescription drugs, but they are fully covered under Blue Cross-Blue Shield Standard, the most popular FEHBP plan. The combined deductible for doctor and hospital services under Blue Cross/Blue Shield is $350. For Medicare, the combined deductible is $816. Blue Cross/Blue Shield covers unlimited hospital days with no co-payments. Under Medicare, seniors face a $179 per day copayment after 60 days and $358 after 90 days. After 150 days, Medicare pays nothing at all. Medicare covers a few preventive services, but it does not cover screening for heart disease, colorectal cancer, and prostate cancer—all FEHBP benefits. Dental services are covered for Members of Congress—but not for senior citizens. Members of Congress are protected against skyrocketing out-of-pocket costs by a cap on their total liability, but there is no cap on how much a senior citizen has to pay for Medicare copayments on deductibles.

Members of Congress earn $133,600 a year. The average senior's income is $17,750. For the limited Medicare benefits they receive, seniors pay $46.10 a month, but for their comprehensive insurance coverage Members of Congress pay a grand total of $44.05 a month—$2.00 less than seniors must pay out of incomes one-eighth as large.

The Republican sponsors of this resolution do not seem to understand that the average senior citizen has an income of only $17,750 a year. Because of this budget, millions of elderly Americans will be forced to go without the health care they need. Millions more will have to choose between food on the

table, adequate heat in the winter, paying the rent, and paying for medical care. These proposals are cruel—and they are unjust. Senior citizens have earned their Medicare benefits, they have paid for them, and they deserve them. Yet our Republican friends would deny them.

How do they explain this to senior citizens? This is a budget that Marie Antoinette would love—let them eat cake.

The Medicare cuts in this resolution harm more than senior citizens. These proposals will strike a severe blow to the quality of American medicine, by damaging hospitals and other health care institutions that depend heavily on Medicare.

These institutions provide essential health care for Americans of all ages, not just senior citizens. Progress in medical research and training of health professionals depend on the financial stability of these institutions. Academic health centers, public hospitals, and rural hospitals will bear an especially heavy burden. As representatives of the academic health centers that guarantee our world-renowned excellence in health care said of this budget, ''Every American's quality of life will suffer as a result.'' Health care providers from the American Hospital Association, to the American Medical Association, to the Catholic Health Association have warned of the devastating effects of these cuts on the quality of care.

In addition, these massive cuts will inevitably impose a hidden tax on workers and businesses, as the National Association of Manufacturers has warned. The private sector will face increased costs and higher insurance premiums, as physicians and hospitals shift even more costs to the nonelderly. According to recent statistics, Medicare now pays only 68 percent of what the private sector pays for comparable physicians' services; for hospital care, the figure is 69 percent. The proposed Republican cuts will widen this already ominous gap.

During the course of this debate we have heard a number of arguments that attempt to defend this fundamentally indefensible proposal. We heard them over and over again during the course of this debate—as if repetition would somehow make them right.

The first argument is that deep cuts are needed to save Medicare from bankruptcy. The hypocrisy of this claim is astonishing. Just a few weeks ago—before they began to feel the political heat on Medicare cuts—the Republicans passed a tax bill through the House that took almost $90 billion in revenues out of the Medicare hospital insurance trust fund over the next 10 years—and brought it that much closer to insolvency. We did not hear a word then about the impending bankruptcy of Medicare.

We also did not hear about it when last year's Medicare trustee's report was issued. Republicans were too busy last year blocking health reform and pretending there was no health care crises at all.

This year's trustees report actually shows the Medicare trust fund to be in a stronger financial position than last year. The newfound Republican concern for the solvency of the Medicare trust fund is a sham—a convenient pretext to rob Medicare to pay for tax breaks for tycoons. Medicare is nowhere near as bankrupt as Republican priorities.

It is true that the April 3 report of the Medicare Trustees projects that the Medicare Hospital Insurance Trust Fund will run out of money by 2002. But few if any Republicans would be talking about Medicare cuts of this magnitude, absent the need to finance their tax cuts for the wealthy. As the Medicare Trustees themselves noted in their report, modest adjustments can keep Medicare solvent for an additional decade—plenty of time to find fair solutions for the longer term.

Similar projections of Medicare insolvency have been made numerous times in the past, but adjustments enacted by Congress were able to deal with the problem without jeopardizing beneficiaries. Now is no different. For example, an estimated 20 percent of all Medicare hospitalizations could be avoided with better preventive services and more timely primary and outpatient care. As much as 10 percent of all Medicare expenditures may be due to fraud, and could be reduced or eliminated by better oversight. A simple technical change that would shift primary responsibility for home health services from the Hospital Insurance Trust Fund to the Supplementary Insurance Fund would keep the Hospital Insurance Fund solvent until 2008, without reducing benefits or increasing Government costs. This single adjustment would actually keep the Trust Fund solvent a year longer than all the draconian Republican cuts put together.

Some Republicans have accused Democrats of attempting to scare America's senior citizens. Senior citizens do have reason to fear what this budget resolution will do to their Medicare benefits. But the real fear-mongers are those who attempt to cloak their unfair, misguided budget in phony dire warnings about the bankruptcy of Medicare.

We don't have to destroy Medicare in order to save it. Congress will never allow the Medicare Trust Fund to become bankrupt. I know it. The Members on the other side of the aisle know it. And the American people know it.

Another false Republican argument in defense of Medicare cuts is that they are not really a cut, because the total amount of Medicare spending will continue to grow. The fact is that the Republican plan calls for spending $250 billion less on Medicare that the Congressional Budget Office says is necessary to maintain the current level of services to the elderly.

Every household in America knows that if the cost of your rent, the cost of your utilities, and the cost of your food go up—and your income stays the same—you have taken a real cut in your living standard.

Only in Washington could someone contend with a straight face that making senior citizens pay $900 a year more for their medical needs is not a cut in their benefits. Every senior citizen understands that.

Republicans speak of a cut in defense, even though defense spending has stayed stable. Apparently, the same Republican logic doesn't apply to senior citizens that applies to spending on guns and tanks. Well, I say to them—a cut is a cut is a cut—whether it's in Medicare or Social Security or national defense.

To try to defend their no cut argument the Republicans have even resorted to quoting President Clinton speaking in favor of his health reform plan. This plan included a reduction in Medicare growth as part of an overall reform that slowed cost growth throughout the system. What they have conveniently ignored is that the Clinton plan put every dollar taken out of Medicare back into expanded benefits to senior citizens. This Republican budget takes money from senior citizens to fund tax cuts for the wealthy. And under the Republican budget, the already dangerous gap between what Medicare pays and the private sector pays for comparable services will continue to widen, while under the Clinton plan total Medicare spending would actually have increased at a faster rate than private sector spending.

The third specious Republican argument is that Medicare costs can be cut by encouraging senior citizens to join managed care. True, such care may help bring Medicare costs under control—in the long run. Enrollment by senior citizens in managed care is already increasing rapidly. it is up 75 percent since 1990. But no serious analyst believes that increased enrollment in managed care will substantially reduce Medicare expenditures in the time frame of the proposed Republican cuts.

In fact, according to the General Accounting Office, Medicare now actually loses money on managed care, because the healthiest senior citizens tend to enroll in managed care and the payment formula is too generous. This kind of problem can easily be worked out, and will help to restore the fiscal stability of the program. But the only way to save serious money in the short-term on managed care is to penalize those who refuse to join. This option has already been suggested by the Republican health task force in the House of Representatives.

But I say right now to my Republican colleagues—it is wrong to force senior citizens to give up their freedom to choose their own doctors and hospitals. It is wrong to penalize them financially if they refuse to enroll in managed care.

The American people will never accept a policy that tells senior citizens they have no right to go to the hospital and doctor of their choice, or that puts unfair financial pressure on senior citizens to give up that right.

The fourth Republican argument is that deep cuts in Medicare are necessary to balance the budget. That argument refutes itself. All it proves is that Republican priorities are wrong. Democrats favor a balanced budget, and under President Clinton, we had been making real progress toward that goal. There is a right way to balance the budget, and a far-right way. And unfortunately, the Republicans have picked the latter.

It is true that we need to bring health care spending under control. But that applies to all health spending, not just Medicare and Medicaid. As President Clinton told the White House Conference on Aging last week, 40 percent of the projected increase in Federal spending in coming years will be caused by escalating health costs.

But what this Republican budget fails to recognize is that the current growth in Medicare spending is a symptom of the underlying problems in the entire health care system—not a defect in Medicare.

In fact, Medicare has done a better job than the private sector in restraining costs in recent years. Since 1984, Medicare costs have risen at an annual rate that is 24 percent lower than comparable private sector health spending. As a result, Medicare now pays only 68 percent of what the private sector charges for comparable physicians' services; for hospital care, the figure is 69 percent.

Slashing Medicare unilaterally is no way to balance the budget. It will simply shift costs from the budget of the Federal Government to the budgets of senior citizens, their children, and their grandchildren. That is not a real saving.

Moreover, senior citizens will also face greater discrimination from physicians and hospitals less willing to accept them as patients, because Medicare reimbursements are already much lower than the reimbursements available under private insurance. Previous cuts in Medicare have already led to serious cost shifting, as physicians and hospitals seek to make up their reduced income from Medicare patients by charging higher fees to other patients. The result has been higher health costs and health insurance premiums for everyone, as cost shifting becomes a significant hidden tax on individuals and businesses.

The right way to slow rising Medicare costs in the context of broader health reforms that will slow health cost inflation in the economy as a whole. That is the way to bring Federal health costs under control, without cutting benefits of shifting costs to working families. In the context of broader reform, the needs of academic health centers, rural hospitals, and inner city hospitals can also be met. Unilateral Medicare cuts alone, by contrast, could reduce the availability and quality of care for young and old alike.

The President has said that he is willing to work for bipartisan reform of the overall health care system, but the Republicans have said no. The only bipartisanship they seem to be interested in is the kind that says, ''Join us in slashing Medicare.'' That is not the bipartisanship the American people want or the elderly deserve.

The cuts in Medicaid proposed in this budget are equally unfair—a total of $175 billion over 7 years—a devastating 30-percent reduction from the current spending levels. The double whammy of huge Medicare cuts and huge Medicaid cuts will hit hospitals and other health care providers even harder than Medicare cuts alone. Struggling State governments and State and local taxpayers will also face heavy burdens. Massachusetts would lose $4.4 billion in Federal matching funds over the next 7 years. By the year 2002, we would need to increase State spending by 26 percent to maintain current program levels.

Other States with higher Federal matching rates would be hit even harder. New Mexico would lose $1.3 billion, and would have to increase program spending by a massive 87 percent. Nationally, State and local taxpayers would have to increase program spending by 35 percent by the year 2002 to maintain program levels.

States cannot afford these huge increases. And the impact of these arbitrary cuts on real people is even more disturbing. Medicaid is a key part of the safety net for senior citizens, the disabled, and children. Two-thirds of all Medicaid spending is for senior citizens and the disabled. If an elderly American becomes sick enough to need long-term nursing home care, Medicaid is the only source of funding after personal savings are exhausted. Cuts in Medicaid will mean that needed care for senior citizens is denied. Heavy additional burdens will be imposed on their children and grandchildren.

Children also depend on Medicaid. Eighteen million children—more than a quarter of all children in our country—receive health care under Medicaid. More than half of these children are members of working families. Their parents work hard—most of them 8 hours a day, 40 hours a week, 52 weeks a year. Without Medicaid's help, all their hard work will not buy their children the health care they need.

We often hear that the reason to balance the budget is for America's children. A budget that denies health care to millions of children is the wrong way to express concern for their future.

The recent V-E Day ceremonies reminded us that today's senior citizens have stood by America in war and peace. America must stand by them now. Senior citizens have worked hard. They've played by the rules. They contributed to Medicare. They have earned their Medicare benefits, and they deserve to have them. Yet this Republican budget proposes to take those benefits away.

The amendment we are offering will restore a large part of these unfair cuts. I urge the Senate to adopt it.

Mr. DODD. Mr. President, I hope all of my colleagues will take a step back from this debate and examine what these cuts in Medicare and long-term care would mean in real terms for real people. I believe that these reductions are simply wrong. They violate our American values of fairness.

These are not just numbers on a page. We are talking about injecting fear into the lives of people who deserve to spend their retirement years in peace. The cuts seem all the more callous given that they are being made to finance tax cuts for the most affluent Americans.

Let us talk about people, not programs, for a moment. The people we are discussing fought the wars, paid the taxes and built the wealth that all of us here have enjoyed. We just marked the 50-year anniversary of V-E Day. Many of the people who won that war for us are now on Medicare. The least they deserve is to live their last years in dignity. In their twilight years, they deserve better than this budget gives them.

There is no way these cuts would not hit people of modest means. Medicare is not a program for the rich. Today, Medicare serves 35 million seniors, who have a median income of $17,000. Seventy-eight percent earn less than $25,000 a year. The typical senior already spends 21 percent of his or her income on out-of-pocket health costs. That compares to 8 percent for nonseniors. Should we really be jacking up those out-of-pocket costs to pay for a $20,000 tax cut for people making over $350,000 a year?

CUTS WOULD BE PAINFUL

Despite all the rhetoric on the other side of the aisle, these cuts would be painful. This is what Robert Reischauer, the highly respected former director of the CBO, had to say about the reductions:

> There's no way to do this without imposing real sacrifice and real pain, and both beneficiaries and providers will feel it. The notion that this can be squeezed out of the system with greater efficiencies is wishful thinking.

Taking a hacksaw to medicare, as this budget proposes, would be devastating. Recipients of care would pay $3200 more over the next seven years. That is an enormous hardship for seniors living on modest, fixed incomes.

Businesses and workers who have private insurance would be hurt, too. Without overall reform, cutting medicare would not necessarily cut the actual cost of visiting a doctor or hospital. So doctors and hospitals would in all likelihood try to shift costs of $40 to $50 billion from medicare patients to privately insured businesses and workers. That is nothing but a hidden tax

that private businesses and their employees neither deserve nor can afford.

LONG-TERM CARE

The cuts in this budget resolution would also decimate the long-term care protection that Medicaid provides seniors. Working families with a parent who needs long-term care would face nursing home bills of an average of $38,000 a year without Medicaid's long-term care protection. Where will our seniors who have spent down all their savings and now rely on Medicaid to pay for their nursing home care go without such protection?

IMPACT ON HOSPITALS

These cuts would particularly hit rural and innercity hospitals with large concentrations of elderly and low-income patients. In my own state of Connecticut, home to many urban hospitals, Medicare makes up 40 percent of all hospital revenue. Half of the hospitals in Connecticut are teaching hospitals, which rely heavily on Medicare to train tomorrow's physicians.

Many of these hospitals already operate on the edge: some may have to close their doors if such an important source of financing is slashed. Nearly 10 million Medicare recipients live in rural America, where there is often only one hospital serving a county. Draconian Medicare cuts like those proposed by the Republicans could force many of those rural hospitals out of business.

A DIFFERENT COURSE

We must do something to control Medicare spending, but we cannot do it in isolation. The problems of Medicare are the same problems facing the entire health care system. To focus only on Medicare puts its recipients at risk and would have unintended consequences for the rest of the health care system.

We need honest, thorough health care reform, and I invite our Republican colleagues to begin a dialogue with us on this important subject. But I also ask them to step back from the draconian cuts in Medicare and long-term care. I hope my colleagues will support the pending amendment.

Mr. BRADLEY. Mr. President, I come to the floor today to express my very serious concerns about the cuts to Medicare and Medicaid which are contained in the budget resolution.

Mr. President, my colleagues across the aisle have stated repeatedly that they are not touching Social Security. But at the same time over a third of the cuts which they have proposed, including over 40 percent of the cuts in the year 2002, come from Medicare and Medicaid. Mr. President, I would like to spend a few minutes discussing what the proposed Medicare and Medicaid cuts will mean to our most vulnerable citizens. As I discuss these impacts, I would like my colleagues to ask themselves how they can credibly claim that this budget does not reduce these people's security.

Let me start with Medicare. This budget cuts spending for the Medicare program by $256 billion over 7 years. I would like to spend a minute discussing what these numbers mean in human terms. They mean that seniors will have to find an average of $3,447 more to pay for their health care over the next 7 years. In my home State of New Jersey, seniors will have to come up with an additional $932 in the year 2002 alone just to pay for the additional Medicare costs which this budget imposes on them. For many seniors across the country, these new costs will be extremely difficult to bear. In 1992, the median income of seniors in this country was only about $17,000 a year, and about a quarter of elderly households had incomes under $10,000. Of these incomes, seniors already spend more than one of every five dollars on medical costs. For the millions of seniors across the country who live on fixed incomes, finding an additional $3,447 over 7 years will mean having to give up something else which is important to them. It is estimated that there are already nearly 8 million seniors nationwide who are forced to choose each month between paying for their medications and paying for food. I can't help wondering how many millions more seniors will be faced with this horrible choice once the proposed cuts go into place.

An increased financial burden on seniors is only one of the negative consequences which will result from the proposed Medicare cuts. Along with having to pay more, seniors will likely find that their ability to choose their own doctor is restricted—perhaps not explicitly, but because financial limitations leave them with no choice but to join a managed care plan. Also, doctors, hospitals, and others providers are all likely to face reduced payments. They already receive far lower payments from Medicare than from private insurers, and if Medicare rates are reduced much further some may find that they can no longer afford to take Medicare patients. Those who do keep accepting Medicare will be forced to shift even more costs onto their privately insured patients, creating a hidden tax on employers and individuals.

And that's just Medicare. In addition, this budget cuts Medicaid by $175 billion. That's an 18 percent cut, relative to what spending would be if there were no change in law. I think it is very important that we all understand exactly who these cuts will affect. Medicaid now insures about one of every four American children. It pays for roughly one of every three births in this country. And it pays for over three-fifths of the people who need long-term care services, either in nursing homes or at home. Over half of Medicaid funds go for persons who are either elderly, blind, or disabled. Most elderly recipients of Medicaid are people who spent their whole lives as members of the middleclass. But when faced with nursing home costs averaging almost $40,000 a year, it doesn't take long for their entire life savings to disappear. Once they reach this point, these people have nowhere else to turn. Thank goodness Medicaid has been there to provide a safety net for them.

This resolution caps Federal Medicaid spending at an average annual growth rate of 5 percent. We all know that Medicaid spending is expected to grow much faster than that in the future. By setting a 5 percent cap, the Federal Government is essentially saying to the States: ''It's all your problem now. We can't figure out how to deal with the growing number of uninsured and the rising costs of health care, so you do it. We wash our hands of any responsibility to help you deal with these critical needs.'' But, if we are honest with ourselves, we must admit that States can't cope with these problems alone.

So, Mr. President, let me tell you what is expected to happen once these proposed Medicaid cuts go into effect. By the year 2002, the number of uninsured children in American is predicted to rise by more than 6 million. By that same year, there will be an additional 3 million persons who need—but can not get assistance with—the costs of long-term care. These will be people who will be required to leave nursing homes, or will never be able to enter one, despite the fact that they need more care than their family and friends are able to provide, either financially or physically. As I stated earlier, many of these people are now members of the middle-class, but the astronomical costs of long-term care will impoverish them rapidly. For those persons who are able to enter and remain in nursing homes the picture is not much brighter. Medicaid now pays significantly less than the private sector for long-term care. When Medicaid cuts these payments even further—as it will have to do in response to the budget cuts—nursing homes will have to do even more with less. This means that staff will be stretched even thinner, and each resident will receive even less personal attention. The proposed cuts will mean that the quality of life of nursing home residents will deteriorate even further.

Mr. President, I hope that my remarks have helped put a human face on all the numbers which have been floating around the floor of this chamber the last few days. I recognize that reducing the deficit will require painful choices. But in making these choices, we can not ignore how these decisions, will impact the persons whom we have been elected to represent. My colleagues across the aisle claim that they are concerned about the impact of deficit reduction on our oldest and most vulnerable citizens. They have stated repeatedly that Social Security is ''off the table'' — that it has not been cut. To them I respond: Medicare and Medicaid are vital parts of our social security system. They provide security at a time when people are most vulnerable—when they are sick. To

take over a third of your proposed cuts out of Medicare and Medicaid is to deny security when it is most needed.

Mr. SARBANES. Mr. President, I rise to express my strong support for the amendment offered by my colleagues, Senators ROCKEFELLER and LAUTENBERG, to restore critical funding to the Medicare Program.

In order to provide a significant tax cut to the very wealthy, Senate Republicans have proposed a budget resolution which includes draconian cuts in many important programs, including a substantial cut in Medicare. In my view, drastic cuts on the spending side, in order to create room for a tax cut, are not appropriate and do not reflect the priorities of this Senator. I oppose the Senate Republican budget proposal and feel very strongly that the resolution before us directly threatens the health and well-being of our Nation's seniors citizens.

Over half the people who receive Medicare are older Americans with incomes below $15,000 a year. The Republican budget with its deep Medicare cuts lay the basis for tax cuts for the very wealthy. This is the situation before us.

The proposed Senate Republican budget resolution would cut Medicare by $256 billion over the next 7 years. I know it is asserted that the actual dollar amounts for Medicare will not drop, but rather will increase gradually over the next 7 years. However, if the proposed dollar increases are not proportional to increases in Medicare enrollees and increases in the costs of medical care, the end result is massive cost shifting and cuts in services for beneficiaries.

Mr. President, in my view, it is essential that we recognize that Medicare is not a system unto itself. The Medicare Program is, instead, a large component of our Nation's health care system and it is illogical to assume that isolated cuts in Medicare will not adversely effect all Americans.

First and foremost, these ill-conceived cuts would harm our senior citizens. The Health Care Finance Administration [HCFA] estimates that Medicare payments account for 45 percent of health care spending by our Nation's elderly. Under the GOP budget plan, out-of-pocket costs to seniors are expected to increase by an average of $900 per person per year by the year 2002. Over a 7-year period, the typical beneficiary would pay an estimated $3,200 in additional out-of-pocket costs. While this might not sound like much to some, these numbers become more significant when you factor in statistics which indicate that 60 percent of program spending was incurred on behalf of those with incomes less than twice the poverty level, and 83 percent of program spending was on behalf of those with annual incomes of less than $25,000.

Clearly, when we talk about Medicare recipients, we are not talking about our Nation's wealthiest citizens. Many seniors live on fixed incomes. In fact, a large number of Medicare recipients depend on Social Security benefits for much of their income. According to HCFA, about 60 percent of the elderly rely on Social Security benefits for 50 percent or more of their income and 32 percent of the elderly rely on Social Security for 80 percent or more of their income. It is also estimated that as many as 2 million seniors can expect to see the value of their Social Security COLA's decline as increased Medicare costs consume 40 to 50 percent of Social Security COLA's by 2002. Requiring these individuals to pay more for their health care will directly undercut their standard of living. In my view, it is simply unacceptable to create a situation where more and more seniors will see their resources stretched to the degree that they will have to choose between food and health care.

As a result of the proposed cuts in the Republican budget resolution, seniors may also end up paying more for the services they currently receive. The number of Medicare recipients is expected to increase over the next several decades just as the baby boomer generation reaches retirement age. The Republican budget proposal fails to account for this projected growth. Therefore, in order to make ends meet, hospitals and other health care centers will have to shift costs to other payers or cut valuable services which are supported, in part, by Medicare reimbursements. According to the American Hospital Association, costly but crucial services like trauma care units, burn units and intensive care units would have to be closed in many hospitals. Teaching hospitals, which receive a higher rate of reimbursement for Medicare patients than nonteaching hospitals, will suffer losses in revenue certain to impact the fiscal integrity of these institutions. Reductions in funding to such institutions will result in less support for services, research, and education. Such consequences impact us all and illustrate clearly the danger of arbitrarily cutting this critical program.

In addition, businesses and working Americans could see increased health care costs and higher premiums as health care providers and institutions shift a larger portion of costs to the nonelderly in an attempt to cover rising medical costs and provide quality services with limited resources. Communities could also see increases in State and local taxes in order to assist financially strapped hospitals and health care providers.

Mr. President, the Medicare Program does not operate in a vacuum. Cuts of the magnitude being proposed by the Republicans will impact us all. I am not suggesting that the Medicare system does not need to be reformed. What I am suggesting is that there is a right way and a wrong way to make changes in the system and how we go about doing so provides a clear picture of what kind of society we are going to be.

In his 1941 message to Congress, Franklin Roosevelt articulated a second bill of rights which established a basic standard of security and prosperity for all Americans. Among these rights is ''the right to adequate medical care and the opportunity to achieve and enjoy good health.'' The proposed Republican budget resolution seriously threatens this basic standard and I urge my colleagues to join me in support of the Rockefeller-Lautenberg amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Are the yeas and nays requested?

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1112. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] and the Senator from Texas [Mr. GRAMM] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. FAIRCLOTH] would vote ''nay.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—46

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Jeffords	Reid
Byrd	Johnston	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Wellstone
Exon	Leahy	
Feingold	Levin	

NAYS—52

Abraham	Gorton	Murkowski
Ashcroft	Grams	Nickles
Bennett	Grassley	Packwood
Bond	Gregg	Pressler
Brown	Hatch	Roth
Burns	Hatfield	Santorum
Campbell	Helms	Shelby
Chafee	Hutchison	Simpson
Coats	Inhofe	Smith
Cochran	Kassebaum	Snowe
Cohen	Kempthorne	Specter
Coverdell	Kerrey	Stevens
Craig	Kyl	Thomas
D'Amato	Lott	Thompson
DeWine	Lugar	Thurmond
Dole	Mack	Warner
Domenici	McCain	
Frist	McConnell	

NOT VOTING—2

Faircloth	Gramm

So the amendment (No. 1112) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATING JAMES R. KETCHUM AS CURATOR EMERITUS OF THE U.S. SENATE

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 122) designating James R. Ketchum as Curator Emeritus of the United States Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 122) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

H.S. RES. 122

Whereas James R. Ketchum will retire from the United States Senate after 25 years as Senate Curator, and 35 years of Government service;

Whereas he has dedicated his Senate service to preserving the works of art, history, and traditions of the Senate;

Whereas he has contributed immeasurably to the restoration of the Old Senate Chamber, the Old Supreme Court Chamber, the President's Room, and other historic rooms in the Capitol;

Whereas he has developed exhibitions and educational programs detailing the rich heritage of the Senate for all to enjoy;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection, and esteem of the United States Senate: Now, therefore, be it

Resolved, That, effective July 1, 1995, as a token of the appreciation of the Senate for his long and faithful service, James R. Ketchum is hereby designated as Curator Emeritus of the United States Senate.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RETIREMENT OF GERALD A. HACKETT

Mr. DOLE. Mr. President, I send a resolution to the desk relating to the retirement of Gerald Hackett and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 123) relating to the retirement of Gerald A. Hackett.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 123) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 123

Whereas Gerald A. Hackett will retire from the United States Senate after 33 years of service, the last 29 years as Executive Clerk;

Whereas his dedication to the United States resulted in the computerization of the nomination and treaty processes,and the on-line publishing of the Executive Journal;

Whereas he has performed the duties of his office with remarkable diligence, perseverance, efficiency, and intelligence;

Whereas he has faithfully performed his duties serving all Members of the Senate with great professional integrity and dedication; and

Whereas Gerald A. Hackett has earned the respect, admiration and esteem of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate commends Gerald A. Hackett for his long, faithful, and exemplary service to his country and to the Senate.

SEC. 2. The Secretary shall transmit a copy of this resolution to Gerald A. Hackett.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RETIREMENT OF FREDERICK R. BROOMFIELD, SR.

Mr. DOLE. Mr. President, I send a resolution to the desk relating to the retirement of Frederick R. Broomfield and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 124) relating to the retirement of Frederick R. Broomfield, Sr.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 124) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 124

Whereas on June 30, 1995, Frederick R. Broomfiled, Sr. will retire from service as a member of the Department of Office Services staff within the Office of the Secretary of the Senate after almost 20 years;

Whereas he has upheld the high standards and traditions of the Office of the Secretary of the Senate with abiding devotion; and

Whereas he has gained the trust, confidence, and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate expresses its deep appreciate and gratitude to Frederick R. Broomfield, Sr., for his years of faithful and exemplary service to his country and to the United States Senate.

SEC. 2. The Secretary shall transmit a copy of this resolution to Frederick R. Broomfield, Sr.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 1116

(Purpose: To express the sense of the Senate regarding losses of trust funds due to fraud and abuse in the Medicare program)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 1116.

Mr. COHEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 94, after line 21, add the following new section:

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the medicare program under title XVIII of the Social Security Act during fiscal year 1994 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to financial crises of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and, if established, the Bipartisan Commission on the Solvency of