Mr. GORTON. Indian programs even in the Department of the Interior are not cut 27 percent but 16 percent. But the point is from the perspective of the country as a whole, how much money is being reduced from Indian programs? In this bill, 8 percent; for everyone else, more than 12 percent. Indians are doing almost twice as well in this bill alone as are all of the other functions in this bill combined. Because of the budget resolution, there has to have been a reduction. These reductions are taken fairly.

Mr. DOMENICI. Mr. President, I ask for 30 seconds to clarify a mistake that I made.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the Senator is correct. Indian tribal government funding is cut 27 percent. That is what we are attempting to replenish. I mistakenly said all Indian programs within the Bureau are cut 27 percent. But the tribal priority allocations are the program that helps them directly to govern, and this is the program that is cut 27 percent.

Thank you for giving me 30 seconds.

I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2296 to H.R. 1977. 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 Minnesota [Mr. GRAMS] and the Senator from Florida [Mr. MACK] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

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

The result was announced—yeas 36, nays 61, as follows:

[Rollcall Vote No. 374 Leg.]

YEAS—36

Akaka	Exon	McCain
Baucus	Faircloth	Moynihan
Bingaman	Feingold	Murkowski
Burns	Harkin	Murray
Campbell	Heflin	Nickles
Conrad	Helms	Packwood
Craig	Inhofe	Pell
D'Amato	Inouye	Simon
DeWine	Kassebaum	Simpson
Dodd	Kempthorne	Stevens
Domenici	Kohl	Thomas
Dorgan	Kyl	Wellstone

NAYS—61

Abraham	Brown	Cohen
Ashcroft	Bryan	Coverdell
Bennett	Bumpers	Daschle
Biden	Byrd	Dole
Bond	Chafee	Feinstein
Boxer	Coats	Ford
Breaux	Cochran	Frist
Glenn	Kerry	Robb
Gorton	Lautenberg	Rockefeller
Graham	Leahy	Roth
Gramm	Levin	Santorum
Grassley	Lieberman	Sarbanes
Gregg	Lott	Shelby
Hatch	Lugar	Smith
Hatfield	McConnell	Snowe
Hollings	Mikulski	Specter
Hutchison	Moseley-Braun	Thompson
Jeffords	Nunn	Thurmond
Johnston	Pressler	Warner
Kennedy	Pryor	
Kerrey	Reid	

NOT VOTING—3

Bradley	Grams	Mack

So the amendment (No. 2296) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we have now dealt with two of the most contentious amendments to this bill. We have now finished, I believe, debate on mining patents and on grazing, and the principal, but though not the only amendment on Indian programs. I have been prepared to go to a series of amendments on the endowments at this point. But the objection to the committee amendment on the endowments was lodged by Senator MCCAIN, who is now chairing a markup in the Indian Affairs Committee.

There is also an amendment on an African-American museum by Senator SIMON, who has to attend that same committee session. I trust that it will be relatively short. We would be prepared to take another amendment on another subject.

But, Mr. President, what I would like to announce is, of course, the majority leader and the managers of this bill would like to have a full debate but, at the same time, would like to finish the bill today. So I request that Members on my side try to get to me or to my staff within the course of the next hour and give us notice and, if they can, copies of the amendments they propose to lodge. I believe the distinguished Senator from West Virginia will make the same request. We would like to be in a position, within an hour or so, to get a unanimous-consent agreement at least as to the amendments that are available for consideration, so that we can see how to manage our time for the rest of the day.

Mr. BYRD. Mr. President, I share the viewpoint expressed by the distinguished manager of the bill. I hope that our floor staffs will do whatever they can to contact the Senators' offices and let them know that amendments should be called up.

There is a desire and a need to complete action on this bill today. The sooner Senators will come to the floor and offer their amendments, the sooner we will be able to achieve that goal.

Mr. KENNEDY. Mr. President, I have a brief statement on another matter. If it is the desire of the managers to consider an amendment I will withhold. But if there is not, I would like to proceed briefly on another matter.

Mr. GORTON. That is perfectly satisfactory, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

THE UNHOLY ALLIANCE TO DISMANTLE MEDICARE

Mr. KENNEDY. Mr. President, as Congress prepares for the summer recess, it is important for the American public to understand what is at stake in the Republican Medicare cuts and who wants those deep cuts adopted.

Medicare is part of Social Security. Without Medicare, no senior citizens has retirement security. Medicare is a promise of health security for every senior citizen. If Republicans break the promise of Medicare, they are breaking the promise of Social Security.

For the Nation's elderly, this is more than a partisan political issue. The vast majority of senior citizens cannot afford to pay more for health care. They already pay an average of 21 percent of their limited income for Medicare premiums and for health costs that Medicare does not cover. Those who are older and sicker pay even more. Senior citizens today are paying a higher proportion of their income for health care than senior citizens paid before Medicare was enacted. And Medicare was enacted because senior citizens were already paying too much.

Paying such a high percentage of income for health care would be a heavy burden for almost any part of our population. But is especially hard for senior citizens. The median income for elderly households is only $17,750. Eighty-three percent of Medicare expenditures are for senior citizens with incomes less than $25,000; and almost two-thirds are for those with incomes below $15,000.

Deep cuts in Medicare hurt not only senior citizens, but their families as well. Children and grandchildren of senior citizens will face unexpected additional serious financial burdens, just at the time they are trying to make ends meet for their own families.

Cuts in Medicare will also damage the overall health care system. The system as a whole will suffer because these deep Republican cuts will hurt hospitals and other providers, especially rural hospitals, public hospitals, and academic health centers.

The Republican strategy is clear. They will refuse to put anything specific on the table until after the recess—and then try to pass it quickly before the public realizes what is happening.

It is wrong to try to slam dunk Medicare through Congress and it will not work—because the key elements of the Republican program are already clear. First, there will be heavy additional costs for senior citizens in the form of

higher premiums, higher copayments, and higher deductibles. Second, there will be a program of shrinking vouchers to push as many senior citizens as possible into private insurance.

The reasons for the Republican cuts are also clear. They are taking $270 billion out of Medicare to pay for $245 billion in tax cuts for wealthy individuals and corporations. Despite its success, they still see Medicare as a mindless big-government program. They still want to dismantle it, as they have for the past 30 years.

Worst of all, to get their way, Republicans have entered into an unholy alliance with private insurance companies, who see immense profits for themselves if Medicare is dismantled.

Two weeks ago a new coalition was formed to try to persuade senior citizens to buy into the Republican cuts in Medicare. Its membership makes clear that Republican Medicare policy is driven by an unholy alliance of right-wing extremists, big businesses who know their tax cuts depend on Medicare cuts, and private insurance companies eager to get their hands on Medicare.

The insurance companies in this coalition are of two kinds. They include large companies with heavy investments in managed care, and they include smaller companies, some of whom are well-known for profiteering from abusive practices in the individual insurance market, such as ''cherry-picking'' and harsh exclusions for pre-existing conditions.

The American people should be aware of the immense profits that those insurance companies can reap if these Medicare cuts are enacted. If all senior citizens are pushed into private insurance policies, the premium revenues of private insurance companies over the next 7 years will increase by a staggering $1.25 trillion. Their profits will increase by $38 billion, up by two-thirds from their current level.

If the number of senior citizens in managed care alone increases to just 25 percent of the total from the current level of 8 percent, insurance company profits will rise $10.2 billion over the budget period.

During this recess, the Republicans and their allies in the insurance industry and corporate America will be conducting a massive campaign of disinformation and fear, as they try to convince the American people that deep cuts in Medicare are needed to save it. The anti-Medicare alliance is wasting its breath and wasting its money. Their greed is too transparent for senior citizens to be fooled.

The American people will not support a program that coerces senior citizens into giving up their family doctor. They will not support a raid on Medicare to finance tax cuts for wealthy corporations and windfall profits for the insurance industry.

Medicare is a contract between the Government and the people. Democrats intend to honor that contract and keep the promise of Medicare.

I ask unanimous consent that an analysis of the membership of the so-called ''Coalition to Save Medicare'' by Citizen Action be printed in the RECORD, along with a staff analysis of the potential increases in revenues and profits of private insurance companies under the Republican budget.

There being no objection, the material was ordered to be printed in the RECORD as follows:

CITIZEN ACTION,
Washington, DC, August 3, 1995.

THE ''COALITION TO SAVE MEDICARE''—IT'S REALLY THE COALITION TO RAID MEDICARE

On Thursday, August 3rd at 10:30 a.m., Speaker of the House Newt Gingrich and Majority Leader of the Senate Bob Dole will address the so-called Coalition to Save Medicare as part of a rally for proposals to cut $270 billion from Medicare over the next seven years.

But when you scratch the surface of this collection of big corporations and insurance companies and look at the reality behind their nice-sounding rhetoric, their true agenda is revealed—to raid Medicare and the families who depend on it of $270 billion to pay for billions in new corporate tax breaks, loopholes and increased profits.

Citizen Action has prepared this press background to provide the public and press with information on who is behind the so-called ''Coalition to Save Medicare'' and how the members of this coalition will benefit by cutting and gutting Medicare.

The Coalition to raid Medicare—

What they really think about Medicare, in their own words.

''There are several reasons the Chamber is opposed to [Medicare]. One of these is that social security medicare is not needed . . . The national Chamber recommends that [Medicare] and similar proposals be rejected.''—Statement of Karl Schlotterbeck for the U.S. Chamber of Commerce on H.R. 3920, Medicare Care for the Aged, January 22, 1964, U.S. Congress, House Committee on Ways and Means.

''It is the recommendation of the National Association of Manufacturers that Congress reject any proposals to establish compulsory medical care for the aged under the social security system.''—Statement from the National Association of Manufacturers on Health Services for the Aged Under the Social Security Insurance System, 87th Congress, 1st Session, 1961, U.S. Congress, House Committee on Ways and Means.

''Reform entails phasing out Medicare for those young enough to invest privately and to accumulate enough funds to provide for their own medical care upon retirement.''

''The only viable long-term solution to the Medicare crisis lies in encouraging all Americans to save today for their future health care needs. Only private solutions can reduce the future Medicare cost burden. . . .''—Citizens for a Sound Economy Economic Perspective: Medicare's Self-Destruction, January 22, 1993.

The Coalition to Raid Medicare . . . for tax breaks and higher profits.

A review of the organizations which make up the Coalition to Save Medicare reveals that this is really a Coalition to Raid Medicare of $270 billion over 7 years in order to pay for billions in tax breaks for corporations and increased profits for insurance companies.

Much of the $148.5 billion in tax breaks for corporations will go to members of the National Association of Manufacturers and the U.S. Chamber of Commerce.

In the 1980's, before Congress passed tax reform in 1986, many members of the National Association of Manufacturers and the U.S. Chamber of Commerce paid zero federal income tax because of tax breaks, shelters and loopholes. Many of these companies could return to the days when they paid nothing even in years of record profits . . . if the $270 billion in cuts to Medicare proposed by Gingrich and Dole are enacted (Citizens for Tax Justice, Return of the No Tax Corporation, 1995).

Most of the 12,500 corporations which belong to the National Association of Manufacturers and the 215,000 businesses affiliated with the U.S. Chamber of Commerce will benefit greatly from the corporate tax breaks and loopholes promised them by Gingrich and Dole in return for campaign contributions, and paid for by devastating cuts to Medicare. (Amounts based on estimates by the Joint Tax Committee of the U.S. Congress)

Repeal of the corporate alternative minimum tax—cost $22.1 billion over 7 years.

Increased Corporate Write-Offs and Deductions—cost $47.8 billion over 7 years.

Capital Gains Tax Breaks, Indexed to Inflation—cost $78.6 billion over 7 years.

Total: $148.5 billion over 7 years.

The Alliance for Managed Care, Healthcare Leadership Council, and the Council for Affordable Health Insurance will be the beneficiaries of Medicare provisions which compel millions of seniors to enroll in managed care networks or face higher out of pocket costs. This could mean billions in higher profits for these companies.

The Alliance for Managed Care is made up of four of the largest managed care companies in the U.S.—Atena, CIGNA, Prudential and MetraHealth. The Healthcare Leadership Council is made up of the country's largest hospital corporations, insurance companies and pharmaceutical companies. The Council for Affordable Health Insurance is made up of some two dozen medium sized insurance companies.

As large and mid-sized corporations, the members of the Alliance for Managed Care, the Healthcare Leadership Council and the Council for Affordable Health Insurance will also share in the $148.5 billion in new corporate tax breaks.

Why Would Newt Gingrich and Bob Dole Help the Coalition's Big Corporations and Insurance Companies Raid Medicare?

Since 1989 through the first quarter of 1995, the major PACs affiliated with the Coalition to Raid Medicare have given thousands of dollars to fuel the campaigns of Newt Gingrich and Bob Dole:

The major PACs affiliated with the Coalition to Raid Medicare have given $257,351 to Newt Gingrich since 1/89.

The major PACs affiliated with the Coalition to Raid Medicare have given $222,600 to Bob Dole since 1/89.

The major PACs affiliated with the Coalition to Raid Medicare have given a whopping $18,347,830 to Republican members of Congress since 1/89, compared to $14,041,861 to Democratic members over the same period.

These numbers vastly understate the amount of campaign cash contributed by the Coalition to Raid Medicare to Gingrich and Dole because there are literally thousands of companies and individuals associated with NAM and the U.S. Chamber of Commerce that are not included in the amounts above.

Also not counted are thousands in contributions to GOPAC—Newt Gingrich's leadership PAC, and to Bob Dole's leadership PAC and presidential campaign.

The Coalition to save Medicare—but not for senior citizens.

Given that the vast majority of the 35 million Americans who depend on Medicare today are senior citizens, it may come as a surprise that the Coalition to Raid Medicare

has only one member that purports to advocate for the interests of senior citizens—the Seniors Coalition. The Coalition to Raid Medicare has even named Jake Hansen, chief lobbyist for the Seniors Coalition, a cochair of the group.

But the seniors Coalition is a sham . . . here's the reality behind the Seniors Coalition and Jake Hansen:

The Seniors Coalition—Expert Advocates for the Interests of Seniors?

''Hansen confirmed that the coalition's three-member board was still largely made up of experts in direct mail fund-raising: two board members are experts in direct mail fund-raising, the third in printing'' (Milwaukee Journal, May 16, 1993).

The Seniors Coalition was founded in 1989 by arch-conservative direct mail guru Richard Viguerie and Dan and Fay Alexander, a couple under investigation by the U.S. Attorney, the U.S. Postal Inspection Service and the FBI to determine if they used ''the non-profit, tax exempt group for their personal gain.''

The Fay's teenage daughter Susan Alexander served as president of the Seniors Coalition for its first three years because, according to the New York Times, ''Mr. Alexander said this was because it was hard to find outsiders of any stature to serve on the board in view of his criminal record'' (New York Times, Nov. 12, 1992 and National Journal, Sept. 4, 1993).

The Seniors Coalition has been investigated by the Attorney General of New York as part of a network of organizations involved in ''a pattern of fraud and abuse,'' (New York Times, Nov. 12, 1992). The organization was fined by the Pennsylvania State Attorney General and forced to contribute $9,000 to a legitimate senior's charity organization, the Pennsylvania Alzheimer's Association (PR Newswire, Oct. 30, 1993). The Seniors Coalition is barred from soliciting in the state of Maryland for failing to disclose financial data as required by law (Washington Post, Oct. 6, 1992).

Hansen was hired in 1990 as the organization's lobbyist after serving as, among other things, director of the NCPAC-related ''Anybody But Church'' effort which targeted pro-senior Senator Frank Church for defeat in 1980. Hansen later directed a coalition which opposed the ''Catastrophic Medicare Coverage Act of 1988'' and whose scare tactics included dire direct mail warnings that Medicare beneficiaries would pay higher taxes to cover AIDS patients under Medicare, a claim he later was forced to admit was a gross exaggeration (St. Petersburg Times, ''Scare Tactics Used Against Catastrophic Coverage Law,'' Oct. 22, 1989).

A few things you should know about who else is behind the Coalition to raid Medicare.

CITIZENS FOR A SOUND ECONOMY

In addition to being a longtime foe of Medicare (see page 5) and one of six members of a 1993 anti-health care reform coalition called Citizens Against Rationing Health (CARH), among Citizens for a Sound Economy's most generous backers is David Koch, chairman of CSE's foundation, and cochairman of Koch Industries, ''the nation's second largest, privately held company, with its hands in everything from refining to ranching'' and ''the silent giant in the oil and gas industry'' (Houston Chronicle, Dec. 27, 1992). Between 1986 and 1990, the three charitable foundations controlled by Koch Industries contributed $4.8 million to CSE (*Milwaukee Journal, May 16, 1992*).

The Board of Directors is made up largely of corporate CEOs and conservative activists, suggesting that the organization's true name should be Corporations for a Sound Economy. Koch Industries and the rest of CSE's board stand to gain millions in new tax breaks and loopholes at the expense of cuts to projected Medicare spending.

NATIONAL TAXPAYERS UNION

In 1993, the National Taxpayers Union was an integral part of a coalition called ''Citizens Against Rationing Health (CARH), a far right organization whose mission was to defeat health care reform, and affiliated with arch-conservative Floyd Brown (creator of the infamous Willie Horton TV spot in the 1988 Presidential race) and Richard Viguerie, the far-right direct mail guru (see Seniors Coalition, above).

COUNCIL FOR AFFORDABLE HEALTH INSURANCE

The Council for Affordable Health Insurance is made up of some two dozen small and mid-size insurance companies who are responsible for the worst type of practices that rob Americans of health care security, including: cherry-picking, dropped coverage, exclusion for pre-existing conditions, redlining, refused claims and exorbitant rate hikes. A chief goal of the Council for Affordable Health Insurance: ''Preserving medical underwriting and eliminating proposals that would force insurers to cover all that seek coverage'' (Health Manager's Update, April 1, 1992).

The history of the member companies of the Council for Affordable Health Insurance does not suggest they are well-prepared to be part of an effort to ''preserve and strengthen Medicare'' as part of the Coalition to ''Save'' Medicare, as some examples demonstrate:

The Golden Rule Insurance Co. of Lawrenceville, IL sought an annual rate hike of 86 percent in one year for individual major medical coverage (Indianapolis Business Journal, April 10, 1989).

The Life of American Insurance Co. of Houston, TX was rated one of the 15 worst insurance companies in Texas for two years running (Houston Business Journal, May 20, 1991).

The American Chambers Life Insurance Co. of Naperville, IL dropped coverage in 1993 for infants stricken with congenital abnormalities (St. Louis Post Dispatch, Feb. 28, 1993).

The GEM Insurance Co. of St. Lake City, UT has repeatedly denied coverage for pre-existing conditions, which millions of seniors citizens on Medicare will have (BNA Pensions & Benefits Daily, April 13, 1992).

FACT SHEET—INSURANCE INDUSTRY-REPUBLICAN ALLIANCE TO DISMANTLE MEDICARE: A QUESTION OF PROFITS

(From the Office of Senator Edward M. Kennedy)

Powerful special interests with a stake in the Republican plan to cut Medicare and force senior citizens into private insurance recently formed the so-called ''Coalition to Save Medicare.'' Two major groups of insurers are among the charter members: the Alliance for Managed Care and the Council for Affordable Health Insurance. The Alliance for Managed Care consists of the four largest insurance companies in the U.S.—Aetna, CIGNA, Prudential, and Metrahealth, all with major investments in managed care. The Council for Affordable Health Insurance is composed of small and mid-sized insurance companies who sell group and individual insurance policies. Its membership includes companies such as the Golden Rule Insurance Company, which are well-known for profiting from abusive practices in the individual insurance market, such as ''cherry-picking'' and the use of broad pre-existing condition exclusions.

Insurance Company Revenues and profits

If all senior citizens leave conventional Medicare to buy private insurance polices, insurance company premium revenue would increase by $1.25 trillion over the next seven years—a 66-percent increase.[1] If 50 percent buy private insurance polices, the revenue increase would be $625 billion.

Private insurance company profits would increase by $38 billion over the budget period if all senior citizens join private insurance plans. Profits would increase by $19 billion if 50 percent join.[2]

If insurance companies achieve the same return as the Golden Rule Insurance Company is able to reach on its individual insurance business, insurance industry profits would increase by $76 billion if all senior citizens join, an increase of 133 percent.[3]

Profits for Managed Care Insurance Companies Like Those in the Alliance for Managed Care

If the number of Medicare beneficiaries enrolled in managed care increases to 25 percent of all beneficiaries, profits of managed care companies would rise by $10.2 billion over the budget period.[4]

If the number of Medicare beneficiaries enrolled in managed care increases to 50 percent, profits of managed care companies would rise by $26.3 billion over the budget period.

Profits for Companies Offering Medical Savings Accounts

The Golden Rule Insurance Company is an industry leader in promoting medical savings accounts. Republican plans include MSAs as an option for Medicare beneficiaries.

If 10 percent of all Medicare beneficiaries enroll in catastrophic plans with MSAs, the profits to private insurers such as Golden Rule would rise by $6.1 billion over seven years.[5]

If 40 percent of all Medicare beneficiaries enroll in catastrophic plans with MSAs, the profits to private insurers would rise by $24.5 billion annually.

FOOTNOTES

[1] Projected Medicare spending under the Republican Conference Report, 1996–2002, less projected spending on Medicare enrollees already enrolled in HMOs (CBO March Baseline). Current annual premiums of private insurance companies from HIAA Sourcebook of Health Insurance Data, 1994, trended forward.

[2] Assumes insurance industry target profit figure of 3% of revenues (American Academy of Actuaries, Testimony before the Subcommittee on Commerce, Consumer Protection, and Competitiveness, House Committee on Energy and Commerce, November 16, 1993.)

[3] Golden Rule has a six percent profit margin (*Wall Street Journal*, September 20, 1994).

[4] Assumes 5.1% profit margin for HMOs with substantial Medicare enrollment (greater than 20%, Prospective Payment Commission, unpublished 1993 data). If the profit margin were that typical of all HMOs (2.5%), additional profits would be $5 billion.

[5] Assumes premium of $3,700 per year (''Medical Savings Accounts for Medicare Beneficiaries,'' Jack Rodgers of Price Waterhouse and James W. Mays of the Actuarial Research Corporation for the Henry J. Kaiser Family Foundation, August 1995) and Golden Rule profit margin.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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