

family. If somebody comes by the door and takes half of what you have, it is bound to have an effect. So I started looking for what that effect may have been.

One of the first things that comes to mind, as we all know, is that there are far more families with both parents working today in 1995 than there were in 1950. So I began to measure the growth line of taxes, because I had it in the back of my mind, "I will bet you that line is absolutely identical to the number of families that have decided both parents have to work."

Sure enough, the lines are absolutely parallel, within 6 percentage points. As we took more from the family, more of those families had to put both parents in the workplace and, of course, we all know the problems that follow that.

Everybody has a different reason for the altered behavior of the American family today. Our leader suggested maybe it was Hollywood. The First Lady is suggesting it is capitalism, turbocharged capitalism, that is affecting the American family. A lot of writers today think it is greed, that the American family has to have another electric can opener or an addition on the house or another car, and that is what has caused so much change in the behavior of the American family.

I reject all of those. I am sure they have had their effect, but nothing has had the effect—nothing—no institution has had the effect comparable to the Government that has taken so much of the resources out of the family. The effect is that we have marginalized those families.

How often have you read, Mr. President, that the American family is not saving today? What is left to save?

If you take an average family of \$40,000 a year and take half of it, and they have \$20,000 to \$24,000 to provide for all of the needs of the family, of course they are not saving. About every way you look at that family—two parents working, savings down, divorce up—the impact has been staggering.

Mr. President, the point I am making is that it is absolutely appropriate in our deliberations over balanced budgets that a major piece of the equation be to lower—to lower—the tax burden on the average family, to push it down, to give more resources to the family, which is a central component of building American life, give them the resources to do it.

The balanced budget bill that we passed just last Friday, a week ago today, does just that. It has the effect on the average family of putting around \$2,000 in disposable income on that kitchen table, or increasing the disposable income of the American family an average of 10 to 20 percent.

How do we do that? Well, interest rates are dropping because of the balanced budget battle. If they have an average mortgage of \$50,000, we will save them over \$1,000 a year in reduced interest payments. We will save them

almost \$200 a year on the interest payments on their car. We will save them \$200 a year on the interest payments on the credit cards, or the addition on the house, or the student loan.

The average family has two children. They are going to save \$1,000 a year right off the top of the tax bill with the children's tax credit of \$500 per child. That is \$2,000 to \$3,000 for the average family. That is where the work of America is done. That is who we depend on to house a family, that is who we depend on to educate, that is who we depend upon to provide the health. It is our duty to find our way, Mr. President, to get the resources back to that family.

It is almost unbelievable that we have come to the point that the largest single investment an American family makes is to the tax collector. It used to be the home, as I said earlier. That was the single largest investment a family ever made. Not so anymore. No, it is Washington. Twenty-four percent of every dime they earn, we bring to this city. I have to tell you, Mr. President, as good sounding as all these bills you hear about are here—to educate, to house, health—no one, certainly not a Washington program, does as much for taking care of America as does her families. That is where we need to get the resources, Mr. President. That is why the reduction in taxes that we have talked about in this balanced budget resolution is so terribly important.

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

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

The bill clerk proceeded to call the roll.

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

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

Mr. GRAHAM. Mr. President, am I correct that I have been designated for 20 minutes during morning business?

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the Senator from Florida is recognized for up to 20 minutes.

Mr. GRAHAM. I thank the Chair.

AN AMERICAN SUCCESS STORY

Mr. GRAHAM. Mr. President, for the past 30 years, the Medicaid Program has been the lifeblood of the United States health and long-term care delivery system for millions of Americans. Today, I will begin a series of presentations on the Medicaid Program. Today, I will be refuting the false notion that the Medicaid Program has been a failure and that it should therefore be abandoned. The fact is that Medicaid is an American success story.

Next week, I will continue by exposing the bogus economic basis upon which the block grant proposal is built and which is used as a purported replacement of our current Federal-State

Medicaid partnership. I will suggest to the Senate through a side-by-side analysis what we know to be the demand for health care services under Medicaid and what has actually been provided under the Senate-passed bill.

Finally, I will conclude with a proposal on how a consensus can be reached which would accomplish an objective of reducing the cost of the Medicaid Program, potentially by tens of billions of dollars, over the next 7 years without destroying the essential Federal-State partnership.

The word "failure" has been used frequently and casually as a justification for why this country must abandon the Federal-State partnership in health care for poor children and their mothers, for the frail elderly, and for the disabled. Critics have bellowed that Medicaid is a failure, and in the next breath they say that since Medicaid is a failure we can go ahead and back out \$187 billion from what has been projected as the necessary amount of money to meet the needs of those traditionally served under Medicaid.

There is a story that needs to be told. That story is an American success story, and the name of that American success story is Medicaid.

If my colleagues truly pondered the significance of this Federal-State partnership, they would not seek to plunder \$187 billion from Medicaid at the expense of the health and safety of the 37 million—I repeat, 37 million—Americans who depend upon Medicaid.

The Medicaid Program truly is an American success story. The Senate should be building upon that success story, not retreating from it. The truth is the Medicaid Program has been a lifesaver. One need only look at the role Medicaid has played in reducing infant mortality in America.

When I was Governor of the State of Florida, the Southern Governors Association under the leadership of the then Governor of South Carolina and now Secretary of Education, Richard Riley, decided to tackle the unacceptably high infant mortality rate among Southern States—a rate which put the Southern States on par with some developing countries around the world. So in 1984, we formed the southern regional infant mortality project. We decided to tackle infant mortality through enhancing prenatal care, screening pregnant mothers to identify at-risk babies, and making sure that nutrition services and other resources were brought to bear on the infant mortality rate.

During the period 1984 to 1992, national infant mortality decreased 21 percent. A great deal of that progress was due to the improved performance of the Southern States. My own State of Florida knew that it had a scandalously high infant mortality rate so that it made a conscious decision to decrease infant mortality, low birth-weight deliveries, and the number of women lacking prenatal care. The Federal Government was a full partner

with each of the Southern States to help achieve their impressive results. The name of that full partnership, the name of that American success story is Medicaid.

What happened in just a decade? In 1985, Florida had a rate of 11.3 stillbirths for each 1,000 live births. By 1992, that number had dropped to 8.8, a decline of over 22 percent. I am pleased to say that that rate of infant mortality in Florida continues to decline. Today the rate is 7.6 per 1,000 to live births.

Mr. President, nearly 1,000 Florida children are alive today who, had we continued the rate of infant mortality of a decade ago, would have died at birth but for the Medicaid initiative called Healthy Start.

Mr. President, prevention pays because healthier babies were born due to earlier intervention efforts, and tens of millions of dollars, Federal and State, have been saved. Florida, through the Medicaid Program, has been able to invest in success rather than simply pay for failure.

Success stories like that where States are willing to make a commitment to improve the lives of their citizens found a willing Federal partner. Those States cry out for the continuation of the Federal-State partnership, the American success story called Medicaid.

In total, Medicaid pays for more than one-third of the births in America. I would like to repeat that, Mr. President. Medicaid pays for more than one-third of the births in America. Medicaid covers one-fourth of all of America's children's health care. The great majority of those 1-in-4 children are children who are living in homes with working but uninsured parents.

In Florida, that translates into 991,000 children, children who, because of Medicaid, are eligible for immunizations, checkups and other preventative measures. So many of these Medicaid recipients are the casualties of the private sector's retreat from the health insurance needs of their employees and the families of their employees. The General Accounting Office reported that between 1989 and 1993, the percentage of children with employment-based health insurance declined 9 percent.

This could have resulted in a national crisis in health care for poor children. How was that crisis averted? A success story was written in America, and the name of that American success story is Medicaid. Because of Medicaid, the number of uninsured children did not increase when employers were dropping coverage for those children.

As the General Accounting Office has reported, as the private sector retreated from the provision of private health insurance to their employees, and particularly to the dependents of their employees, Medicaid has become the lifesaver for those poor children. It has been the lifeline for those children who otherwise would have been an American crisis, health crisis.

Mr. President, Medicaid has also been a lifeline for our Nation's frail elderly. Over 60 percent of the nearly 2 million nursing home residents in this country qualify for Medicaid, many qualifying only after their life savings have been depleted by successive medical crises in their own lives.

Approximately a quarter of a million older Floridians receive Medicaid, and 70 percent of Florida's Medicaid budget goes to pay for services to the elderly and disabled. Great strides have been made in improving the quality of care for our elderly who depend on Medicaid for their survival.

I would like to look for a moment at the qualified Medicare beneficiary program which covers Medicare premiums, deductibles, and copayments for beneficiaries who have incomes below the Federal poverty level. Mr. President, there are 5 million low-income elderly Americans who qualify for Medicare but could not pay the \$46.10—soon to be almost double that amount—of monthly payments in order to participate in the voluntary Medicare Program to provide physician services. They could not afford to pay the \$100 deductible—soon to be a \$210 deductible—but for the fact they were able to receive the financing for that deductible through the Medicaid Program.

They did not have the private resources to pay for prescription medication. And, therefore, Medicaid came to the aid of 5 million poor older Americans to provide critically needed prescription medication. This program has meant the difference between preventive care in a doctor's office and intensive care in a hospital or acute care in a nursing home.

Medicaid is an American success story. Mr. President, the individuals whose lives have been bettered through the Medicaid Program each have their own story to tell.

I ask unanimous consent that a sampling of those stories provided by Families USA Foundation and the Long Term Care Campaign be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRAHAM. Mr. President, I appreciate your accepting those stories, which are profiles in courage, the courage of a loving family trying to deal with health setbacks and scarce resources. These families could have been your family, they could have been my family, they could have been any American family.

We cannot turn our backs on our citizens who have given so much to our country, nor can we retreat on the gains we have made in providing a decent quality of life for our Nation's developmentally disabled citizens. We all remember when a consensus emerged from across the country, "Stop warehousing the handicapped in those shamefully large institutions." That was the goal, an ambitious goal, to get

as many people out of institutions and into community-based home settings as possible.

The Federal-State partnership called Medicaid became the framework to achieve that national objective. Medicaid said to the States, "If you are interested in providing a more humane living environment for your vulnerable citizens, we will be a full partner with you." Some States, many States, moved quickly. Unfortunately, others chose not to do so.

That is one of the attributes of the Medicaid Program. It is a Federal-State partnership, but the results for those States which did move speak for themselves. In 1967, there were 194,000 mentally retarded or developmentally disabled persons living in State institutions. By 1994, there were 67,600.

When you look at the cost of care, it costs \$65,000 per year per institution bed. It costs the State and the Federal Government \$26,000, on average, to provide a home waiver bed.

These numbers provide some sense of the huge cost savings which the American success story of Medicaid has made available to American people while at the same time enhancing the quality of lives of some of our most vulnerable fellow citizens. But even more impressive than the savings are the number of people whose families stayed together, at home, because of Medicaid.

Mr. President, that incredible effort at deinstitutionalization of the handicapped and helping them live at home or in home-like settings is a success story. And the name of that American success story is Medicaid.

Today, some 6 million disabled Americans are covered under Medicaid. I submit that there is a compelling national interest in assuring a humane quality of life for the disabled and the infirm. The nursing home standards, the Medicaid waiver programs, the spousal impoverishment provisions, these and so many more tools have helped to build a decent quality of life for persons who live at our mercy and their families.

Recently, Mr. President, I visited the Arnold Palmer Clinic at the Orlando Regional Medical Center. I was struck by the number of infants and toddlers who were developmentally delayed or disabled and that were being served at the Arnold Palmer Clinic. The directors of the clinic stressed that if you can bring therapy and treatment to those children from infancy to the age of 3, you can avert many of the problems that will otherwise occur in later life.

I was impressed with the results that I saw. What they are doing at the Arnold Palmer Clinic is writing a success story. And the name of that success story is Medicaid. Fully two-thirds of the children who were participating in the Arnold Palmer Clinic for handicapped and disabled children were being served under the Medicaid part H program.

Yet, the children, the disabled, the elderly, are not the only ones with a huge stake in the Medicaid debate. So often the debate on Medicaid has been dominated by doctors, hospitals, nursing homes, and those whom they serve. We forget how the mentally ill and those overcoming substance abuse problems will be affected by the pending proposal to cut \$187 billion out of the projected needs for Medicaid over the next 7 years.

In fact, those will be some of the first to feel the pain, the first to be cut, because they do not have lobbies, Mr. President, they do not have political action committees.

They do not have much political muscle. That statement is not a scare tactic. This is not a residue from Halloween, this is a fact.

Last year, when the State of Florida had to cut back on its Medicaid Program due to a State budget crisis, the mentally ill and their providers were the first to feel the sharp edge of the budget cutting knife. Children's mental health programs were cut, payments to providers were reduced, and this year the cutbacks are expected to be even more severe.

Has anyone on the Senate floor discussed how Medicaid funds the institutions for the mentally ill? Has anyone talked about how it is possible to cut costs in caring for persons who are found not guilty by reason of insanity or incompetent to proceed to trial? How do you cut costs here? Do you put them on the honor system? Do you cut them in security at the facilities?

Yes, Mr. President, it is a well-kept secret, but Medicaid helps to keep our streets safe. In Florida, a full \$50 million in Federal dollars this year primarily through Medicaid goes to the residential and treatment service for forensic patients. In total, Medicaid covers 41 percent of the budget for State mental health programs. Let me repeat that, Mr. President, because I do not believe that many of our colleagues understand that fully 41 percent of the budget for State mental health programs is financed through a program that we are proposing to cut \$187 billion from projected needs over the next 7 years.

In some States, the percentage is substantially higher than 41 percent, particularly in those States which have abused the disproportionate share of funding for hospitals.

Next week, I intend to talk in detail about the abuses that have occurred in the disproportionate share program. Believe it or not, we are about to reward the very abusers of the Medicaid system and even worse, Mr. President, to pay for those rewards by raiding the Social Security trust fund. That is what happened a week ago today.

Of course, because of the blind rush to pass sweeping changes in Medicaid without so much as a hearing, the U.S. Senate has not fully heard from the children who have been sexually abused and mentally scarred, children whose

chance to have a normal life hinges on mental health services that are funded through Medicaid.

The Nation currently has over 300,000 children who have been abused while living in foster homes. So many of them receive little or no mental health services. The State of Florida has over 9,000 foster children and is in Federal court as a defendant because of the lack of mental health services for these children. It is not ironic that the Senate will maintain the entitlement status of its foster care title IV program while gutting the entitlement that helps foster children get mental health treatment. It is not ironic, it is schizophrenic.

We are saying to foster children that we will keep the entitlement that covers the cost of a roof over their heads, but we will no longer help them deal with the wounds of their heart. We are going to cut \$187 billion and, of course, that means that mental health, AIDS, program for the handicapped are on the chopping block first. What a shame it would be to abdicate responsibilities to such populations where so many great strides have and are being made.

The Presiding Officer now represents the State of Mississippi, one of the States that participated in the program that I referred to earlier, the effort across the South to reduce infant mortality. I mentioned, Mr. President, that in my State of Florida when this effort began in 1985, we had a ratio of 11.3 stillbirths for every 1,000 live births, and today, largely because of the kind of initiatives that Medicaid has funded, that has been reduced in the State of Florida to 8.8 per 1,000. You might be interested, in the State of Mississippi, in 1985, the rate of infant mortality was 13.7 per 1,000 live births. Today, that has been reduced to 11.9, or a 13.1-percent reduction, in the period from 1985 to 1992.

That is illustrative of the kind of success stories that are attributable to the Federal-State partnership of Medicaid.

I say shame on the Governors of the States who are now cheerleading for the destruction of that partnership. I have a warning for them, or more accurately a proverb for them. The proverb goes as follows: Fish see the worm not the hook.

These Governors who are salivating, who are so anxious to gobble up block grants being proposed, will feel the hook when their economies stumble, when an epidemic strikes, when a natural disaster hits, when inflation creeps up again, or when their population grows. Worst of all, they will be held accountable in history for killing a program that actually had achieved its objectives and nurtured a national pride in providing basic health care for fragile and vulnerable citizens.

I have strained my eyes to see and my ears to hear the justification, the policy basis for the amount of \$187 billion. What is the rationale? What is the health policy behind reducing this pro-

gram \$187 billion over the next 7 years, reducing it below what its current projections are that will be necessary in order to continue to provide health care to poor children, their mothers, the disabled, and the frail elderly?

The response to this is dim words and inaudible whispers. There is no answer to the question of what is the policy rationale behind the reduction in terms of health care for the American people.

Is it any wonder that millions of Americans, including this Senator, are left to conclude that the measuring stick being used for the \$187 billion Medicaid cut is the width of the wallets that will be fattened by the tax cut, a cut taken in part out of the lives of working people and defenseless people?

To tout Medicaid's success is not to ignore its faults. There is work to be done to improve its accountability, to combat fraud and waste, and to monitor its growth in spending. Next week, I will talk about how we can achieve these objectives without discarding the Federal-State partnership that has helped to maintain this country as a Union of States and has helped to maintain a basic American value: That we care about all of our people; that we particularly care about poor children; that we particularly care about the health of the mothers of those poor children; that we particularly care about those who live in the shadows of life, the disabled, and the frail and elderly.

I have only skimmed through the pages of 30 years of the success story which is Medicaid. I urge my colleagues to think twice before closing this chapter of America's history. Medicaid has not been a failure, it has been a success. This success story needs to be told and retold from the healthy infant born to the frail elderly living in dignity; from the disabled adult to the handicapped child; from the abused child to the immunized child. These are the faces of the success story that is called Medicaid. These are the faces that are watching the Senate at this defining moment of American history.

EXHIBIT 1

[From "Hurting Real People: The Human Impact of Medicaid Cuts"]

FAMILIES WHO DEPEND ON MEDICAID'S LIFELINE

Here's a sampling of stories of people on Medicaid. For more names and numbers, call Greg Marchildon.

CALIFORNIA

Angela Mack, Los Osos, CA.—Angela, 43, was employed as a journalist until she suffered from a rare spinal cord disorder. She is now quadriplegic. For two years, she lived in a nursing home, but now she is able to get four hours of personal care paid by Medicaid per day and live at home. Medicaid pays this monthly cost of \$1032, pays some of her prescriptions and pays the share of doctor bills not paid by Medicare. Angela receives \$990 monthly in social security disability benefits and pays \$350 of it as her share of medical costs. She is fortunate to live in HUD assisted housing. Still, when she finishes paying for medical supplies not covered by insurance, a high-fiber diet, and other necessary expenses, she ends the month with \$0

to \$2. Recently, she was notified that Medicaid will cover six prescriptions per month. Right now, she takes seven. Her monthly prescription bills total \$185.

DELAWARE

Sharon and Bob Dudek, Delaware.—Before Medicaid came to their aid, Bob had to tell his sons they would not be able to play Little League. “[They] needed the money to help mommy feel better.” Their mom, Sharon, has progressive Multiple Sclerosis and is bedridden. She is unable to care for herself, much less their two sons. Bob had to enroll the kids in day care so that he could continue working. He tried his best for a year to care for Sharon himself, but then he realized how much he was neglecting his children. He was also taking away from their futures. Their college funds were dwindling as were the rest of the family’s funds. He asked Medicaid for help. Now Medicaid pays for a nurse’s aide, nursing care, physical therapy, medical supplies and a hospital bed. This care would cost the Dudeks \$34000 a month. Bob has employer health insurance that pays for Sharon’s acute care. But he said that Medicaid has allowed him to keep his family together. Without it, he would not be able to keep Sharon at home and take care of his boys.

DISTRICT OF COLUMBIA

Millie Ross, Washington, DC.—Ms. Ross has high blood pressure, high cholesterol, ulcers, infective cysts and a problematic intestine. She had surgery on her left eye and her colon last year. The hospital bills helped her qualify for Medicaid under the medically needy program. She paid 50 cents for each of eight prescriptions. Her Medicaid coverage ended in March and she must now meet a new spend-down of over \$1,000 to be covered. Meanwhile, her drugs cost over \$200 a month. Her monthly income is only about \$720. She has had to save money by limiting her food and drug purchases. She credits Medicaid for enabling her to buy more nutritious food when she was covered.

INDIANA

Argene Carson, Indianapolis, IN.—Argene, 80, has arthritis and has had cataract surgery. Without Medicaid, her costs would be astronomical for the drugs and the supplies necessary to properly care for herself. Medicaid allows her to have a home nurse and the funds to pay for specialized equipment. With this kind of assistance, she can live at home and remain independent.

KANSAS

Inez Williams, Kansas City, KS.—Inez, 62, worked hard running a day care center before she became ill in 1991 from heart disease and high blood pressure. Her medical treatment quickly totalled \$150,000 and she had to rely on getting Medicaid to pay her bills. She had an artery transplant and a throat operation last year. She had to pay \$25 copayments for each of these treatments, which was already a stretch on her family’s \$500 monthly income. If she had been required to pay more, she would not have been able to get the lifesaving treatment she needed.

LOUISIANA

Denise and John Oehlerts, Baton Rouge, LA.—Denise learned that she was pregnant when her husband was in a masters program in landscape architecture at LSU. Denise was working as a floral designer, but did not receive health benefits and they had a very low income. Their small income qualified them for Medicaid and allowed them to receive the prenatal care necessary to have a healthy child. Their baby, Katie, is covered by Medicaid until October, when the Oehlerts must reapply for coverage. John is now a part-time student and works full time

in a landscape architecture firm. Denise still works full time as a floral designer. Neither of their jobs offers health insurance.

Karen, Dan and Alison Higginbotham, Opelousas, LA.—Alison is seven years old, but functions like an 18-month-old child. She has physical and mental disabilities from a rare seizure disorder called infantile spasms. She cannot attend to her personal needs and she cannot speak. She uses a wheelchair to travel any distance. Alison needs physical, occupational, and speech therapy every week. Her care would total \$30,000 a year in doctor and therapy fees. Medicaid covers the expenses of her specialists and treatments as well as her specialized equipment. Karen also gets respite and personal care assistance through a home and community based waiver. At first, Danny’s company health insurance was paying for part of Alison’s care and Medicaid was paying the rest. Danny was earning \$23,000 a year until he was let go by the company without any explanation. Danny has found another job and is making \$19,000 a year, but the company does not offer health benefits. Medicaid covers most of Alison’s expenses.

MARYLAND

Emily Holloway, Baltimore, MD.—Ms. Holloway, 73, was a history teacher and a counselor, but retired without a pension. She now receives only Social Security and SSI. Her monthly income is \$478. Though she has been relatively healthy, Medicaid pays for two or three prescriptions, yearly checkups and flu shots that Ms. Holloway could not otherwise afford. A recent biopsy showed potentially scary results. Ms. Holloway is thankful that Medicaid will pay for further testing and treatment.

Bill Mauer, son of Leopoldini Mauer, Bowie, MD.—Mr. and Mrs. Mauer saved over \$70,000 during their working careers. Mr. Mauer was a head waiter and Mrs. Mauer worked part time in school cafeterias. They lived modestly, and invested in stocks and land. Sixteen years after her husband’s death, a series of ministrokes left Mrs. Mauer with dementia and she went to live with her son’s family. Then she fell and fractured her hip. She was admitted to a hospital and then to a nursing home in 1992. Medicare paid for the first two weeks of care. After that, all of Mrs. Mauer’s life savings went to pay for the nursing home. Now she has \$2,500 remaining. She contributes her monthly social security check to the nursing home. Without Medicaid, she would not be able to pay the remaining cost of her nursing home care, which is over \$3,400 a month.

MISSOURI

Katherine Williams, Kansas City, MO.—Katherine, 42, is legally blind and has asthma. Her esophagus is closed and she can only drink fluids and small amounts of food. She hasn’t seen a doctor in three months because she knows he will tell her she has to have surgery, but she can’t afford it. She has been trying to get Social Security for two years and she still hasn’t been given an official decision. Medicaid pays for her doctor appointments and medicine.

OHIO

Melvin and Toi Patrick, Columbus, Ohio.—Melvin and Toi have six children, three of whom have asthma. They have some health insurance through Melvin’s company, the Central Ohio Transit Authority. However, the children’s asthma is considered a pre-existing condition and care for that ailment is not covered. The children’s medical care, including hospital stays, daily medications and treatment, costs thousands of dollars each year. “Had it not been for Medicaid,” Toi said, “the high costs of my children’s health care would have bled us dry. Medicaid assist-

ance has enabled us to remain financially independent.”

Yvette Elkins, Columbus, OH.—After giving birth to her first child, Yvette stopped working to stay home with her baby. Shortly after she resigned, she learned that she was pregnant again. Soon after, her husband left her and the baby. For the first time in her life, Yvette began receiving welfare. Two weeks after her second child was born, Yvette began interviewing for full-time jobs. She depended on Medicaid to bridge the gap between homelessness and gainful employment. Medicaid paid for prescription drugs, doctor visits, and emergency visits; all critical services since Yvette’s younger child suffers from chronic ear infections. Transitional Medicaid allowed Yvette to catch up on back bills and advance far enough to obtain a job that offers benefits.

PENNSYLVANIA

Lester Thomas, Philadelphia, PA.—Lester thought that everyone had insurance and only lazy people were unemployed—until he was laid off and left without insurance. The computer cabinet manufacturing company to which he had devoted 17 years of his life, went out of business. Lester was left to provide for his wife and daughter with no income and no medical coverage. Six months before the layoff, Lester had been diagnosed with diabetes. His wife has chronic sinusitis that requires almost \$200 a month in prescription drugs. His daughter has occasional sinusitis. After some time and some guidance from the Philadelphia Unemployment Project, Lester got his medical assistance card. Medicaid covered his family for the next 14 months while Lester looked for another job. He found employment with Paper Manufacturers in Pennsylvania, until that business had to downsize. Lester was let go once more. He went back on Medicaid for nine months until he got a new job.

SOUTH DAKOTA

Jackie Nies, Draper, SD.—Jackie’s father has Alzheimer’s disease. She and her brother worked very hard to care for him and help him live at home for almost four years. But when he started to show up at his son’s home for breakfast about 15 times a day, and would scorch pans because he left the stove on all night, they realized that it was not safe for him to live at home any more. He needed round-the-clock care so he wouldn’t wander off or injure himself. Nursing home costs in South Dakota are very expensive. The home Jackie chose for her dad costs \$23,000 a year. In a few short years, she and her brother had spent more than \$65,000 on their dad’s care. Their families had nothing left. For two years now, Medicaid has paid the nursing home fees that her dad’s Social Security checks won’t cover. Jackie and her brother can now rest a little easier because they know their dad’s getting good care, and their families won’t have to face total financial devastation.

TENNESSEE

Donna Guyton, Nashville, TN.—A mosquito bite is generally irritating, but hardly ever life-threatening. After a fateful family vacation to Michigan in 1990, Donna’s son, Patrick, contracted viral encephalitis, possibly from a mosquito bite. He was hospitalized for three and a half months and suffered from severe seizures. He eventually had to be placed in a drug-induced coma. Until September of 1991, he was covered under his father’s health insurance. Then his father’s company was bought out, and when they re-enlisted in the plan, Patrick was not covered. Patrick was covered by COBRA for 29 months and in November 1992, he was enrolled in the Medicaid Model Waiver Program. Patrick then enrolled in Vanderbilt

HMO so that he could receive care from the specialists he needed. But Vanderbilt's medical director consistently denied the care that the specialists requested. As a result of poor attention and insufficient medication, Patrick has been out of school for eight months and has had other health emotional problems.

TEXAS

Peggy Sackett, Austin, TX.—Peggy 36, got freon gas poisoning while working through a temp agency. She now has Respiratory Airway Dysfunction Syndrome (RADS) and is totally disabled. Her husband works for SAM's Club and their health insurance company considers Peggy too high of a risk. She is insured through her previous company, but only for the next two years and she is only covered for problems relating to her lung injury. They almost lost the house paying for medical bills while trying to support two children. She is not able to work anymore so they are supporting the household on one income. She is on Medicaid and Medicare.

Doris Brisson, Mesquite, TX.—Doris is only able to pay for two of the four medications her doctor prescribed for her. She is a low-income widow and received SSI and Medicaid until she was 62, when she started collecting her late husband's social security. She then lost her SSI. She does qualify for the QMB benefits, but that does not cover her drug costs. Right now she can only afford to pay for arthritis and high blood pressure medication. She goes without the anti-depressants and the stomach medications her doctor prescribed.

VIRGINIA

Edna Faris, Alexandria, VA.—Mrs. Faris is 76 years old. Her husband, Wilson, worked hard most of his life. After he served his country in the Navy, he spent 23 years working as a science teacher during the day, and at a supermarket in the evening. In 1990, Mr. Faris was diagnosed with Alzheimer's disease. Mrs. Faris took care of her husband at home for three years, feeding, dressing and bathing him. His condition progressively worsened, until he became combative, and Mrs. Faris was forced to place him in a nursing home. The Farises did not have anywhere near the \$48,000 yearly fee for a nursing home, so Mrs. Faris applied for Medicaid. Now Medicaid picks up most of the nursing home's tab, and allows Mrs. Faris to keep a portion of her small income to live on.

WASHINGTON

Vicki and Sean Russell, Lynnwood, WA.—Sean, 4, has a-gamma globulin anemia, an immune deficiency. In order for Sean to live, he must get infusions of gammamune into his bloodstream every three weeks. Each infusion cost about \$800. Sean was insured through his father's Blue Cross/Blue Shield plan, but when his parents were separating, his father stopped paying the premiums. Vicki works part time as an administrative assistant at a law firm and as a beauty consultant—neither job offers health benefits. The only way Vicki can afford Sean's life-saving treatment is through Medicaid. Sean has been on Medicaid since last August.

WEST VIRGINIA

Joyce and Amy Altizer, Huntington, WV.—Joyce's daughter, Amy, now 20, suffers from a multiple congenital anomaly which has left her severely mentally retarded. She has lost 70 percent of her hearing, she has a seizure disorder as well as behavioral problems. Through the Medicaid Home and Community Based Waiver Program, Amy receives case management therapy, day and residential habilitation, and medical care. Her family gets respite care so they can spend time with Amy's sister and do other things typical

families take for granted. Amy has also learned to be more independent with therapy.

WISCONSIN

Nathan and Hannah Iverson, Plum City, WI.—Nathan, age three, and Hannah, age five, both receive well-child visits, immunizations, treatment of ear infections and bronchitis, and prescription medicines through Medicaid. Nathan has a speech disorder. The area of his brain which controls his mouth is not fully developed. Medicaid covers his speech therapy, and, with this help, Nathan has just started to speak. Mr. and Mrs. Iverson are farmers. They have had trouble finding private insurance for their family due to Nathan's problems. They have only been able to purchase limited family coverage with a \$3,000 deductible. Their policy would help pay expenses for a serious accident or illness, but is not useful for routine health care, nor for Nathan's therapy. The Iversons live modestly. Their farm income is about \$12,000 per year. Because the Iverson's income is close to the poverty line, the children qualify for Medicaid.

[From the Long-Term Care Campaign]

THE FACES OF MEDICAID

Claudia and Harvey, Council Bluffs, IA.

A family struggles to pay for nursing home care.—Harvey began exhibiting the symptoms of Alzheimer's disease in his mid-50s. He lost his job as a credit manager, and tried to find work he could still handle, working as a janitor at Creighton University for a while. But eventually, Alzheimer's caught up with him, and for the past 7 years, he has lived in a nursing home. After years working in department stores, Claudia had just opened her own small women's clothing store. But when the bills for Harvey's care began to come in, she had to give that up. Within two years, they used all of their savings to pay over \$80,000 in nursing home bills; and Harvey now qualifies for Medicaid. Most of his social security check—\$755 a month—still goes to the nursing home. (Medicaid picks up the balance.) Claudia gets \$253 Harvey's check, under spousal impoverishment rules. She works in a local department store to get enough money to make the house payments, pay for insurance, utilities and food. As she says, she goes from pay day to pay day, never knowing for sure whether there will be enough to make ends meet. (Claudia is starting a new job with a new store that is just opening. It means a slight increase in her salary, but she will not have any more money because the amount she is allowed to keep from Harvey's check will be reduced—and that will go to the nursing home.) Harvey's nursing home now costs over \$3,000 a month. They have no way to pay that bill without Medicaid.

David, New London, NH.

Medicaid allows a young man to work and live independently.—David is a 30 year old man who lives independently and works three days a week at the Granite State Independent Living Foundation as a Public Information Coordinator. In 1990 when he was a college student, David had an accident that left him a quadriplegic. After a three month hospital stay and another three months of rehabilitation, David was ready to continue with his life. Medicaid home and community-based services allows David to do just that. Medicaid paid for the purchase of an electric wheelchair which enables David to be mobile and independent. Medicaid pays for the Personal Care Attendants who assist David in his home daily. PCA services are provided eight hours a day and they help David bathe, dress, transfer, prepare food, do laundry and work on range of motion exercises. David's employer provides health in-

urance coverage, but the policy does not include the long term services and supports David needs to live independently and work in the community. Medicaid has made it possible for David to rent his own place and work several days a week at a job he enjoys.

Bob and Sharon, Wilmington, DE.

A family struggles to keep their mother at home.—Bob and Sharon met at the Rochester Institute of Technology, married and moved to Wilmington in 1981 when Bob went to work for DuPont. Sharon was stricken with multiple sclerosis in 1983 while she was pregnant with her second son, Matthew. Though bedridden for two years, Sharon fought back, even re-qualifying for her driver's license. In 1988, her condition deteriorated rapidly and she became completely disabled. She cannot talk and communicates only by signaling "yes" or "no" with her eyes. She eats and takes medication through a tube in her stomach and is bedridden 24 hours a day. Sharon's two sons, Matthew and Mark help their dad care for her. Medicaid home care allows her to live with her family, providing the care that allows her to stay out of a nursing home. Bob says, "My objective is to keep my wife and family together for as long as possible. . . . Cuts in Medicaid would force us to put her into a nursing home."

Elaine and Stewart, Central Michigan.

A family spends everything they have and Medicaid provides a safety net.—Stewart spent 17 years in a small law practice, then was ordained a Lutheran minister and spent the next 25 years as a pastor. He and Elaine raised their children and saved for their retirement. Then Stewart got Alzheimer's disease. Elaine cared for him at home as long as she could, but she became ill and simply couldn't provide all the care he needed. When Stewart finally had to move to a nursing home, Medicare was no help because the kind of care he needed was considered "custodial". Elaine liquidated every asset they had—life insurance, savings, IRAs—and spent it to pay for his care. Finally, she spent everything except the \$17,000 Michigan allows her to keep under spousal impoverishment rules. Elaine now spends half of her remaining income on her share of the nursing home bill; Medicaid pays the balance. This leaves her with about \$1,200 a month to live on. With nursing home expenses running \$100 a day, even if Elaine spent every penny she had left, she would not have enough to pay the bill without help from Medicaid. Bringing Stewart home again is not an option—Elaine is just not strong enough to provide the round-the-clock attention and physical care he requires.

Louise and Stewart, Pinellas Park, FL.

Home and community-based services allows a husband to keep his wife out of a nursing home.—Stewart has been a caregiver for his wife Louise for eight years. For seven of the past eight years, Louise has been able to remain at home with her husband with the help of Medicaid home and community-based services. When she first received services in 1988, she was unable to walk and communication was difficult—consisting of an occasional word or sentence. Louise needed assistance with all activities of daily living and instrumental activities of daily living. Today, Louise is bedbound. She can no longer speak and must be fed. Though working hard to provide care for Louise, Stewart has health problems of his own, including prostrate cancer and an injured back which prevents him from doing any lifting. Because of these problems, Stewart is unable to give Louise all the care that she needs. But the home and community-based services Louise receives has allowed her to remain at home. An aide comes to their home for two hours a day, five days a week to give Louise a bath,

feed her and change the bed. During these two hours a day, Stewart is able to run errands, go to the grocery store, and attend a support group. The long term care services Louise receives at home costs \$9,224 a year. Without these services, Stewart would have no other option than to place Louise in a nursing home. He says "I feel secure knowing Louise is getting the best of care." Several weeks ago, Stewart spilled hot grease on his right hand. He did not request additional services because he doesn't want to use any more than he absolutely needs.

Mary, Rogue River, OR.

A woman receives long term care at home and doesn't need to be institutionalized.—Mary is living at home with her husband and is able to visit with her grandchildren and friends on a regular basis in spite of physical problems which would have otherwise confined her to a nursing facility years ago. For four decades Mary has suffered from severe arthritis and several years ago her activities were curtailed even further because she had a stroke. Her health problems also include diabetes, edema, and depression. Mary needs assistance with bathing, transferring, mobility, meal preparation, medication management, and transportation. Until recently, her husband provided all this care that she needs. Three years ago, because he found it difficult to keep up with the physical demands of providing care as he got older, Mary's husband enlisted the help of a in-home aide for 26 hours per month. The aid helps with bathing, medication management and meals. The state pays \$144.56 per month for this home-based long term care. The family's only source of income is Social Security. Medicaid pays for all Mary's medications. Without Medicaid supplementing her husband's care, Mary would need to be in a nursing home.

Jonathan, Debra and Doug, Lakeview, IA.

Medicaid allows a family to keep their child with special needs at home.—Twelve year old Jonathan attends fifth grade in a public school hopes to join a junior bowling league next year. But Jonathan has severe cerebral palsy and developmental disabilities. Jonathan began receiving Medicaid at the age of two because of his severe disabilities. He has undergone four surgeries and hundreds of medical appointments. His disability will require ongoing medical treatment and the use of customized durable medical equipment and assistive technology. Medicaid pays for his electric wheelchair so he can go to school and get around. Jonathan's family provides the care he needs with the help of Medicaid which provides thirty hours a month of supported community living. These hours help Jon become more independent in the community by helping him with mobility, money management and other skills. "It's far cheaper to raise a child with a disability in their home than it is to institutionalize a child. Plus it just is better for families and better for communities," says his mother Debra. "I think my biggest fear is that they'll cut back on services or tighten guidelines on how much they'll pay on a piece of equipment."

Dana, Chicago Heights, IL.

Medicaid helps a woman care for her sister who has mental retardation.—Dana and her sister have lived together for the last 30 years. Dana has partial paralysis on her left side and mental retardation; she requires assistance with personal care, housekeeping, laundry, shopping, errands, and meal preparation. Dana's sister, along with her nephew, and in partnership with Medicaid, has provided that care for the last thirty years, keeping Dana out of an institution. Her sister is limited in her ability to care for Dana due to health problems of her own. Dana's income is about \$275 a month from Social Se-

curity, and another \$145 a month from SSI. At the same time, she pays about \$50 for her medications. Dana, Dana's sister, and even Dana's nephew have all pitched in to try and make things work. But without Medicaid, Dana would be forced into an institution—and Dana's sister would face the difficult task of placing her in that institution.

Fredda, Salt Lake City, UT.

A blind woman struggles to remain in the community.—Fredda is a 68 year old woman who has diabetes. She is legally blind, hypertensive, has chronic heart failure and joint disease—and is firmly determined to maintain her independence. An educated woman, books have long been an important part of her life, and the loss of her ability to read was traumatic. In response, Fredda soon became connected to the library system's book-on-tape program. But as much as Fredda values her independence and her ability to live on her own, she could not make it without Medicaid. Her income is a mere \$500 a month, and conditions make it impossible to make it alone. Medicaid helps her pay for prescriptions and also provides needed services. An aide helps her with her bathing, housekeeping, and runs basic errands for her. Fredda lives alone and thrives on her independence. Medicaid helps make that happen.

Betty and Howard, Paducah, KY.

Medicaid helps a wife keep her husband at home.—Betty and Howard married 35 years ago. Betty was in the WAVES in World War II, then came back to a job in their County Court House, from which she is now retired. Howard started as a farmer, sold cars, and finally worked as a guard for a private security force. Neither of them ever had high paying jobs, but they paid off their mortgage and saved what they could for their retirement. Now, at the age of 71, Betty provides round-the-clock care for Howard, age 79, who has Parkinson's and Alzheimer's disease, diabetes, and congestive heart failure. They live on their combined retirement income of less than \$1,000 a month. After spending down their savings to spousal impoverishment levels, Howard now qualifies for Medicaid waiver services. That gives them about \$150 worth of help a week—Howard goes to a day care center for 4 hours two days a week, and Betty gets help with him at home for another 6-8 hours a week. This is the only time she has for uninterrupted sleep, to shop for groceries and Howard's diapers and medications, or to take care of herself. Betty and Howard do not have children. Their three siblings are all in their 70's and 80's and have their own health problems. With help from Medicaid, Betty is managing enough time to keep herself reasonably healthy and to keep Howard at home. Without these services, Betty says, both she and Howard would quickly end up in a nursing home (with no money to pay the bill).

The PRESIDING OFFICER (Mr. COCHRAN). The time of the Senator from Florida has expired. Can the Senator suggest the absence of a quorum?

Mr. GRAHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

JAPANESE BANKS

Mr. FAIRCLOTH. Mr. President, yesterday, it was announced that a Japa-

nese bank, Daiwa, will be closed in the United States and charged with fraud and conspiracy for hiding over \$1 billion in losses.

The Federal Reserve has done the right thing on this issue—closing down a fraudulent bank. But of greater concern, however, is that the Federal Reserve has announced it will bail out Japanese banks in the United States should they suffer a short-term money crisis. The plan was put into place and finalized in September, but only recently was it announced to the public.

Mr. President, I think it is very important that the United States not become the lender of last resort for every country in the world, and we are rapidly moving ourselves in that direction. First, it was Mexico, and now it is Japan. Who is next around the world? Once you open this door, it is going to be extremely difficult to close. And we are opening it.

Further, if we cannot get our own budget affairs in order and our deficit under control, who will bail us out? Particularly with this President, we are getting very little cooperation from the White House in our efforts to get the budget in balance in a timely fashion.

Mr. President, everyone is well aware that Japanese banks are having extreme financial problems. News accounts indicate that Japan's 21 largest banks have \$136 billion in nonperforming loans. Some have even estimated, and probably more correctly, that this figure could be as high as \$400 to \$600 billion in bad loans.

This is why I was concerned and dismayed that the Federal Reserve has under consideration a plan to meet the short-term credit needs of Japanese banks here in this country with the amount of problems they have in Japan.

The Fed has assured us any loans to the Japanese banks will be fully securitized with U.S. Treasury securities. But this totally misses the point and is beside the point. The principle should never be established that the United States is responsible for meeting the credit needs of foreign banks. This is a responsibility of the Japanese Minister of Finance. I repeat, we should never get in the position and start the precedent of bailing out banks around the country.

I might add that the Japanese Minister of Finance was aware of the Daiwa scandal for 6 weeks before it informed our own Federal Reserve Board. This is their financial problem, not our financial problem. I do not seem to recall any offer from the Japanese to help rescue our savings and loans.

Domestic bailouts are bad enough. It is bad enough that the U.S. taxpayers had to put up, pay for \$100 billion to correct the savings and loan crisis. It was bad enough when our own banks were in trouble and the U.S. Treasury had to increase the FDIC's line of credit from \$5 billion to \$30 billion to support the banking industry.