

make exchanges of such sales, it can do so.

I think it would be especially ironic if the legislation to repeal the rescissions bill were to pass in the immediate aftermath of this most recent set of layoffs. It shows a tremendous indifference to the faith of hard-working people who have paid their taxes and built their communities over the better part of this century.

There are those who claim to be offended by this law, so offended that they call for its repeal. I am offended; I am offended by their complete and total lack of compassion that this proposal shows to these hard-working people and to the American economy and to the countless others before them who have lost their timber-related jobs as a result of similar policies.

I am offended by the total indifference to the cost of the repudiation of legal contracts entered into by the Government, shrugging them off on the proposition that someone else can pay for them sometime in the future and that we will simply add another bill to the taxpayers of the United States.

Mr. President, we will be debating this issue during the course of the next several days. I will have some charts demonstrating graphically the statistics I have outlined, that we are talking about an extremely modest proposal. We are speaking of far less harvest than the President's own promises as recently as 2 years ago to the people of the Pacific Northwest. We are simply enabling the President to keep the promises that he made, that he now, in an election year, desires to ignore.

#### MEASURE PLACED ON CALENDAR—H.R. 497

Mr. GORTON. Mr. President, I understand there is a bill due for its second reading.

The PRESIDING OFFICER (Mr. SHELBY). The clerk will read the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 497) to create the National Gambling Impact and Policy Commission.

Mr. GORTON. Mr. President, I will object to the further consideration of this bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

#### A BALANCE IN SALVAGE SALES IN TIMBER

Mr. BAUCUS. Mr. President, I first want to make a general observation with respect to the previous Senator's statement on the salvage sales. I think we all agree that we are striving for balance here; namely, we want to assure that dead, diseased, dying timber, that is, salvaged timber, is harvested appropriately. That means there is a

role to speed up salvage sales, but we also want to make sure we do not abuse our environmental statutes, abuse environmental protections.

I know the Senator, as all Senators are, is hoping to try to find the correct balance between those two extremes. One extreme is to go in and cut timber, dead, diseased, dying timber, and also green timber, as we do not want to abuse the salvage sale provision, but at the same time we want to make sure that our environmental statutes are adequately protected, because all Americans want balance and they want to make sure our forests are protected and want to make sure that they are also properly managed.

#### THE FUTURE OF MEDICARE

Mr. BAUCUS. Mr. President, it is all too easy for people in Washington to lose sight of what really matters. What really matters is how decisions made here in Washington actually affect average American families. The Medicare Program is a good example.

As the future of Medicare is debated, we are going to hear a lot of fancy words, a lot of concepts thrown around by both sides. But let us not forget that premiums, deductibles, copayments, and managed care mean nothing in and of themselves. Let us not lose sight of the bottom line. The bottom line is how the Medicare Program helps people, average, hard-working, descent people in my home State of Montana and across the Nation.

Are the proposed changes in Medicare going to actually help seniors live in dignity and security? Will they actually help average working families begin to plan for a secure retirement? Will they actually give these same families the peace of mind of knowing that they will not be forced to shoulder the costs of their parents' medical expenses?

Not long ago I was going through my mail from home and I came across a letter that helped drive these points home. It came from Mrs. Ethel Ostheller in Libby, MT. Libby, you might know, is a small town in the northwest corner of our State.

Mrs. Ostheller is 85 years old. She is widowed and lives off Social Security. She has had some serious health problems. She had a heart attack. She still owes a little over \$700 to the hospital, and she now pays about \$150 each month for prescription drugs, none of which is covered by Medicare.

She writes to me about these problems. Let me just read to you the closure of her letter which reflects her concern, but yet the optimism which is so typical of people across our country.

So with all of this, I'm worried [she writes]. I wonder what more can happen. But I'm not as bad off as lots of others. I'm trusting in God, living one day at a time, and I keep busy.

I think that typifies and represents the decency and the goodness and the basic common goodness of Americans.

How will any changes in Medicare affect people like Ethel Ostheller? That is what this debate is about. For her and thousands of other Montanans, Medicare is a health issue but also a pocketbook issue. It helps them plan for a secure retirement and to make ends meet. That is why we must work to assure that Medicare remains solvent and that the Medicare trust fund is not raided, not raided in order to pay for other programs or to pay for tax breaks for the very wealthy, as was the case in Speaker GINGRICH's budget last year. That is also why we must work to assure that the Medicare Program is run as efficiently as possible. Unfortunately, that is not the case for either Medicare or Medicaid today.

The General Accounting Office estimates that about 10 percent of Medicare's total costs result from waste, from fraud, from abuse. That is about \$18 billion this year; 10 percent wasted or lost through fraud or abuse.

We all know that \$18 billion is a lot of money, but let me put this in perspective: \$18 billion is enough money to run the government of the entire State of Montana for 6 years.

More to the point, \$18 billion is enough money to reduce the health care costs of every Medicare recipient by \$500 each year. That is \$500 each year Medicare patients now pay because of Government waste, fraud, and abuse in the Medicare Program. That drives up—that fraud and abuse—Medicare costs. It is robbing our seniors, robbing people like Ethel Ostheller, of hundreds of dollars each year.

How does this happen? Typically, it involves fraudulent billing practices by a Medicare or Medicaid provider; that is, a doctor or a hospital, one of the various providers. It occurs in every State in the Nation and in every segment of our health care industry. There have been abuses in ambulance services, clinical laboratories, medical equipment suppliers, home health care, nursing homes, physician and psychiatric services, and rehabilitation.

Let me cite some examples. These were uncovered by the General Accounting Office and also by the Senate Special Committee on Aging.

A medical equipment company in California billed Medicaid half a million dollars for merchandise they said they delivered to needy patients. What happened? It was a ruse. The patients did not need the equipment; the company never made delivery of the equipment, but they sent the taxpayers the bill anyway.

Another example: Medicare paid \$7.4 million to a company for surgical bandages that were never used.

And still another case in Great Falls, MT—unfortunately, my home State: An ophthalmologist overbilled Medicare by \$200,000. He was prosecuted and convicted by our U.S. attorney in Billings.

While these incidents may be extreme, they are not isolated. Frankly, I am disappointed with the Federal