

December, the Republican leadership recommended Medicaid savings of \$85 billion. During the negotiations, President Clinton wanted to reduce the savings level for Medicaid to \$59 billion. At that time, there was a recognition by the administration that Medicaid spending indeed was out of control. For example, between 1994 and 1995, total Federal outlays grew by 3 percent.

But Medicaid spending grew nearly three times as fast.

On a number of occasions, the administration has indicated that the President intends to reduce Medicaid spending by \$59 billion.

The President's fiscal year 1997 budget released in March includes saving of \$55 billion.

Thus, by setting Medicaid spending at \$371 billion, we are meeting President Clinton halfway. The difference between us is now \$13 billion. This is less than 2 percent of the total Federal Medicaid spending over the next 6 years. This is a difference of 16 cents per Medicaid recipient per day.

When President Clinton vetoed the Balanced Budget Act of 1995, he argued that the Medicaid budget savings cut too deeply.

The adoption of today's budget resolution and the introduction of this legislation clearly demonstrates that the debate over Medicaid is not about spending. The issue is, who will control the spending, Washington, or the States?

In February, the Nation's Governors unanimously adopted a proposal to restructure the Medicaid Program. Democratic and Republican Governors alike have called upon the President and Congress to dramatically change the Medicaid Program.

The Medicaid proposal we are introducing reflects the Governors' policies, including guarantees for children, pregnant women, the elderly, and persons with disabilities.

Together, the Democratic and Republican Governors have testified before Congress that budget savings should be between \$59 and \$85 billion. The Republican proposal of \$72 billion in savings reflects this spirit of bipartisan compromise and is the midpoint of these savings figures.

The Medicaid debate therefore is about policy, not budget. Medicaid is the largest welfare program and must be part of the solution for moving families from welfare to work. It costs more than the AFDC, Food Stamp, and SSI Programs combined.

The growths in the welfare programs are intimately linked to Medicaid. Medicaid is the nucleus of authentic welfare reform.

The Nation's Governors support reform and share the common goal to end the status quo. Democratic and Republican Governors have forged a bipartisan blueprint for reform.

Our legislation reflects the principles and framework of the Governors' proposals and meets their goals.

Nearly everyone, including President Clinton, recognizes that the welfare

system is broken and must be fixed. The Governors, Democratic and Republican alike, know that Medicaid and welfare were in the same car wreck and both require major reconstructive surgery as soon as possible.

The Governors understand there are major problems in the Medicaid Program. To begin with, Medicaid is an all-or-nothing proposition.

A person either qualifies for all Medicaid benefits or no Medicaid benefits. There is no flexibility in the current system to provide benefits tailored to a family's needs.

As such, the welfare system often creates disincentives to work and gross inequities for low-income working families, many of whom have no other way to provide health care for their children.

For the individual, the current Medicaid program is often self-defeating as it encourages dependency. Many proud families can describe what they are forced to do to acquire and maintain Medicaid coverage.

If a family's income rises above the eligibility level by just \$1, the entire Medicaid package is taken away.

Medicaid performs as it was designed 30 years ago—\$731 billion therefore represents a new opportunity to refocus our welfare programs to help the present and future generations to escape dependency.

Governors know that Medicaid is a critical link in moving families from welfare to work. They understand it can be difficult to convince a family that work pays more than welfare if the price includes the loss of their health insurance.

The Medicaid current program discourages expansion of coverage and innovation.

There is little flexibility or reward for the States to experiment with ways of improving access to care.

The Governors have testified how their ideas to cover more families have been stopped cold by Federal rules and regulations.

The bureaucracy often thwarts targeting of benefits which, for example, could be more effective in lowering infant mortality rates.

Medicaid lags far behind the private sector in adopting progressive managed care strategies which have saved employers and working families billions of dollars.

Two-thirds of the people covered by employer-sponsored health plans today are enrolled in some type of managed care plan.

In contrast, only about one-quarter of the Medicaid recipients are in any form of managed care.

Medicaid contains a number of barriers to managed care.

For example, Florida is facing major disruptions in its entire Medicaid system because two of its best HMO's do not meet Medicaid's "75/25" requirements.

Freed from the choke hold of the Federal bureaucracy, States will be

able to harness their enormous purchasing power to improve the delivery of services at lower costs.

The central issue of the pending Medicaid debate is who can best design a State's public health insurance program—the Federal bureaucracy or the States?

The idea that the children and elderly citizens in a State must be protected from their Governor and State legislators is not only wrong.

Mr. President, it is insulting.

Finally, slowing the rate of growth represents a fundamental decision about the future of federalism. Our elected State officials are hostages to the demands of the current Medicaid Program. The Federal-State partnership cannot survive the skyrocketing cost of the Medicaid Program which ricochets throughout State budgets.

For example, in 1990, Medicaid replaced higher education as the second largest State spending category, exceeded only by elementary and secondary education.

In 1987, elementary and secondary education accounted for 22.8 percent of State spending. Medicaid took 10.2 percent of State spending.

According to the latest report issued by the National Association of State Budget Officers, the share of State spending for elementary and secondary education has declined to 20.9 percent while Medicaid's share has nearly doubled to 19.2 percent.

If present trends continue, Medicaid will soon pass elementary and secondary education as the largest item in State budgets.

Medicaid has seized the power of decisionmaking from State officials. It is simply draining resources from other priorities.

As summarized by the State budget officers' report, "Medicaid \* \* \* continues to limit the ability of decisionmakers to use the budget as a tool for implementing public policy."

Last January, President Clinton proclaimed an end to big government. Nothing could demonstrate a true allegiance to this pledge better than to return the responsibility and authority for welfare programs to the States.

In sum, the critical difference between President Clinton and the Republicans is not about the level of Medicaid spending.

Mr. President, the difference lies in the vision of the proper roles of Government and in the faith of the American people to govern themselves.●

#### ADDITIONAL COSPONSORS

S. 327

At the request of Mr. HATCH, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 327, a bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

S. 582

At the request of Mr. HATFIELD, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 582, a bill to amend title 28, United States Code, to provide that certain voluntary disclosures of violations of Federal laws made pursuant to an environmental audit shall not be subject to discovery or admitted into evidence during a Federal judicial or administrative proceeding, and for other purposes.

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Washington [Mr. GORTON], and the Senator from Indiana [Mr. COATS] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 704

At the request of Mr. SIMON, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 814

At the request of Mr. MCCAIN, the names of the Senator from North Dakota [Mr. DORGAN], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of S. 814, a bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes.

S. 1578

At the request of Mr. FRIST, the names of the Senator from Mississippi [Mr. LOTT], the Senator from Wyoming [Mr. THOMAS], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 1578, a bill to amend the Individuals with Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1610

At the request of Mr. BOND, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 1610, a bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees.

S. 1735

At the request of Mr. PRESSLER, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1735, a bill to establish the United States Tourism Organization as a non-governmental entity for the purpose of promoting tourism in the United States.

S. 1743

At the request of Mr. BINGAMAN, the names of the Senator from Utah [Mr. HATCH] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1756

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1756, a bill to provide additional pension security for spouses and former spouses, and for other purposes.

S. 1757

At the request of Mr. FRIST, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1757, a bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the Act, and for other purposes.

## SENATE RESOLUTION 255

At the request of Mr. BIDEN, his name was added as a cosponsor of Senate Resolution 255, a resolution to honor Adm. Jeremy M. "Mike" Boorda.

## AMENDMENT NO. 3995

At the request of Mr. DOMENICI, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of amendment No. 3995 proposed to S. Con. Res. 57, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

## AMENDMENT NO. 4001

At the request of Mr. BYRD, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of amendment No. 4001 proposed to S. Con. Res. 57, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

## AMENDMENT NO. 4019

At the request of Mr. DOMENICI, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of amendment No. 4019 proposed to S. Con. Res. 57, an original concurrent resolution setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

## AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET  
CONCURRENT RESOLUTIONABRAHAM (AND OTHERS)  
AMENDMENT NO. 4028

Mr. DOMENICI (for Mr. ABRAHAM, for himself, Mr. COVERDELL, and Mr. HATCH) proposed an amendment to amendment No. 3986 proposed by Mr. WELLSTONE to the concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

In the pending amendment, strike all after "SEC. ." and insert the following:

**SENSE OF THE SENATE REGARDING THE STATUS OF THE PRESIDENT'S "COPS" PROGRAM.**

(a) It is the Sense of the Senate that the assumptions underlying the function totals

and aggregates in this budget resolution assume:

(1) full funding for the Violent Crime Reduction Trust Fund through the Fiscal Year 2002; and

(2) that administrative funding for the Public Safety and Community Policing grants should be reduced by half of the President's request for the following reasons:

(A) in an interview with the New York Times on May 12, 1996, a senior presidential aide claimed that, under the COPS program, "43,000 of the 100,000 cops will be on the street";

(B) contrary of this claim, in a press conference Thursday, May 16, 1996, Attorney General Janet Reno stated that, "What I am advised is that there are 17,000 officers that can be identified as being on the streets" as a result of the COPS program; and

(C) while the number of police officers actually placed on the streets under the COPS program has lagged far behind the White House's misleading claims, the President's request to fund 310 administrative positions to oversee the COPS program is an excessive \$29,185,000.

The number on page 37, line 17, is deemed to be increased by the amount of \$1,900,000,000.

The number on page 37, line 18, is deemed to be increased by the amount of \$3,000,000,000.

The number on page 37, line 24, is deemed to be increased by the amount of \$400,000,000.

The number on page 37, line 25, is deemed to be increased by the amount of \$1,550,000,000.

The number on page 32, line 6, is deemed to be decreased by the amount of \$1,900,000,000.

The number on page 32, line 7, is deemed to be decreased by the amount of \$3,000,000,000.

The number on page 32, line 13, is deemed to be decreased by the amount of \$400,000,000.

The number on page 32, line 14, is deemed to be decreased by the amount of \$1,550,000.

## WELLSTONE AMENDMENT NO. 4029

Mr. WELLSTONE proposed an amendment to amendment No. 3986 proposed by him to the concurrent resolution (S. Con. Res. 57) supra; as follows:

At the end of the amendment, add the following:

**SEC. . SENSE OF THE SENATE THAT FUNDS WILL BE AVAILABLE TO HIRE NEW POLICE OFFICERS.**

(a) It is the sense of the Senate that sufficient funds will be made available for Public Safety and Community Policing grants to reach the goals of Title I of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-266).

## ASHCROFT AMENDMENT NO. 4030

Mr. ASHCROFT proposed an amendment to amendment No. 4000 proposed by Mr. KENNEDY to the concurrent resolution (S. Con. Res. 57) supra; as follows:

Strike all after the first word and insert the following:

**SENSE OF THE CONGRESS REGARDING REQUIREMENTS THAT WELFARE RECIPIENTS BE DRUG-FREE**

In recognition of the fact that American workers are required to be drug-free in the workplace, it is the sense of the Congress that this concurrent resolution on the budget assumes that the State may require welfare recipients to be drug-free as a condition for receiving such benefits and that random drug testing may be used to enforce such requirements.