Last year Dr. June O'Neill, the Republican-appointed head of the Congressional Budget Office, testified before the Senate Finance Committee that seniors would in fact have to pay more, pay more to keep the same level of quality that they have today under the Republican plan. She is their appointee. That is what she said.

I asked her how much more? She said she did not know. I sent her a letter soon after the specifics of the Republican plan were finally unveiled by the Finance Committee. That was not only signed by myself, but also by the minority leader, asking her again, how much more would seniors have to pay under the Republican proposal?

I never got a response. I am a U.S. Senator. I assume that after a while somebody in that position would eventually get a response. I did not. I still do not know exactly how much more seniors would have to pay. All I know is that they will have to pay a lot more.

Mr. President, in West Virginia, which I represent, the average senior's income is $10,700 a year. We talk of seniors making $25,000, $17,000, $18,000. In West Virginia the average is $10,700 a year. They are already spending 21 percent of their income on health care. They do not have a margin. They do not have room for more.

People always assume that somehow the Democrats are just being silly and soft because they assume that seniors can pay more. Some seniors should pay more, and high-income seniors probably should. That should be worked out as a package, dealing with the whole Medicare Program, in exactly the kind of Medicare commission that Senator DOLE proposes and which I support.

Mr. President, for my constituents in West Virginia, ''more'' is a very scary word. Last year I talked about Geno Maynard, Sue Lemaster, and John and Betty Shumate.

Geno Maynard is 78 years old and lives in Kenova, WV; Sue Lemaster, is a 83 year old who lives in Follansbee; and John and Betty Shumate are Medicare beneficiaries who live in Beckley. They're 4 of the 330,000 West Virginians who depend on the Medicare Program for health care, and they all told me that they were worried. They quite flatly told me, they do not have any more money to spend on health care. It's a big worry for millions of other seniors all over America. On average, seniors already spend 21 percent of their incomes on health care expenses.

Mr. President, it is a year later and I still cannot tell my constituents how much more they would have to pay under the Republican plan. I can only say that according to reliable health experts and the Republican-appointed head of the Congressional Budget Office, they are going to have to pay more for their health care.

Mr. President, in addition to tight budget caps, the Republican plan also assumes enactment of some very dangerous programmatic changes. For example, Mr. President, the Republican plan assumes elimination of current law balance billing protections for senior citizens. Medicare currently prohibits health care providers from price gouging. Health care providers are banned from charging Medicare patients more than 15 percent above what Medicare pays them. This is an incredibly important financial protection that we enacted in 1989—on a bipartisan basis—as a part of physician payment reform. Prior to enactment of balance billing protections, seniors spent over $2 billion a year on out-of-pocket balance billing charges.

Last year, I offered an amendment during the Finance Committee's markup of the Republican Medicare bill that would make sure beneficiaries would continue to have the same financial protections that they have under current Medicare law. My amendment was defeated on a strict party line vote. This is just one more example of how the Republican plan will insidiously destroy the Medicare Program.

Mr. President, there are plenty of other examples. To name just one more: A Medicare medical savings account proposal that actually costs the Medicare Program $4 billion a year; and will further weaken the Medicare trust fund. The New York Times reported that according to ''many experts'' MSA's would lead to the ''balkanization of healthy and sick.''

Let us not forget that the Medicare Program is an incredible success when it comes to access. Seniors are the only group of Americans who enjoy universal coverage. If Medicare is cut by unprecedented amounts of money to pay for anything but Medicare, the consequences will be disastrous for health care providers and beneficiaries.

Mr. President, the bigger problem that we all continue to skirt around is the long-term solvency of the Medicare trust fund. When the baby boomers begin to retire in 2011, the Medicare Program will be severely, severely strained. I proposed a Greenspan-like commission last year to try to take this debate out of the political arena. The American Hospital Association also thinks a commission is necessary to force action to improve the short-term and long-term solvency of the trust fund.

Hospitals have plenty of reason to worry. Not only are their bills paid from the part A trust fund, but the American Hospital Association estimates that the new Republican budget cuts hospital payments 20 percent more than last year's Republican budget. As a result of these larger hits to hospitals, ''hospitals are likely to experience actual reductions in payment rates,'' not just reductions in the rate of Medicare revenue growth.

The Prospective Payment Review Commission [ProPAC]—a nonpartisan commission that advises Congress on hospital payment issues—has issued a stern warning about the severe negative effect massive Medicare reductions will have on hospitals. In my own State, over 50 percent of all our senior citizens live in rural areas. How far are they going to have to travel to get basic hospital care if their local, rural hospital is forced to shut its doors?

Mr. President, the solvency of the Medicare trust fund is too important of an issue to be left to politics-as-usual. Thirty-seven million Americans rely on the Medicare Program to pay for their health care services. The Republicans' suggestion that the Democrats are uninterested in doing what is necessary to put Medicare on sound financial footing is preposterous. It was Republicans in Congress who voted against Medicare's creation in 1965—and it is now Republicans in this Congress who pose a real threat to Medicare's future. They will keep on saying they are saving Medicare, but raiding Medicare is no way to rescue it.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. ROCKEFELLER. I thank the Presiding Officer.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

A CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. SPECTER. Mr. President, I have sought recognition to comment briefly on the vote earlier today rejecting the constitutional amendment for a balanced budget. I supported that amendment, as I have on a number of occasions during my tenure in the U.S. Senate. I was disappointed to find the amendment failed today in light of the repetitive speeches on the floor of the U.S. Senate about the importance of balancing the budget.

It is true that, if discipline could be imposed in the Congress of the United States, a balanced budget amendment would not be necessary. But the historical fact is unmistakable that the kind of discipline necessary is simply not present, given the nature of our system where there are so many demands for programs to spend and where there is such an aversion, understandably, to increases in taxation. So if there is to be a balanced budget, it is mandatory that it be a requirement of law which would rise to constitutional proportion.

Every other unit of government has the requirement for a balanced budget. My State, the Commonwealth of Pennsylvania, has such a requirement. Cities have such a requirement. Townships have such a requirement. Counties have such a requirement. On an individual basis, all of us must live within our means or we wind up in the bankruptcy court.

The issue of a balanced budget came into sharper focus for me 2 years and 4 months ago when my wife Joan and I had our first grandchild. It would be absolutely unthinkable, as individuals, for us to purchase on a credit card for young Sylvie Specter or her sister

Perry Specter. But that is precisely what we are doing as a nation in building up deficits in the range of $200 billion a year and a national debt which now exceeds $5 trillion. There has been a unique opportunity to deal with this in an institutional way to achieve a balanced budget. That is through a constitutional amendment.

There are many subjects which are talked about on the Senate floor, repetitively, where it is very hard to find out which philosophy is correct and which political party is at fault. I suggest, Mr. President—and I do not do this often—that there is a defining difference between the philosophy of the Republicans and the philosophy of the Democrats on this subject. That has been continuously demonstrated by the votes on this subject.

Today's vote was 64 to 35. So the Senate fell three votes short of the two-thirds necessary to have a constitutional amendment. Among the 53 Republicans, 52 voted in favor of the constitutional amendment for a balanced budget. Among the 46 Democrats who voted, one Democrat being absent, 12 Democrats voted in favor of the constitutional amendment for a balanced budget and 34 voted against.

President Clinton has stated his position in being in opposition to a constitutional amendment for a balanced budget. Senator DOLE, the presumptive Republican nominee, has led the fight for a constitutional amendment for a balanced budget.

I believe that this is very similar to the Clinton health care proposal as a defining issue as to where the parties stand. The Clinton health care proposal was a very drastic change to put the Government into the health care business.

When I read the Clinton proposal in September 1993, I started to make a list of all the agencies, boards, and commissions which were created. I found I could not tabulate them all and asked an assistant to make me a comprehensive list. My assistant, instead, made a chart instead of a list. I am sparing C–SPAN viewers showing again the chart. It has been fairly extensively shown with boxes in red showing more than 100 new agencies, boards, and commissions under the Clinton health care plan, and the boxes in green, 50, giving additional tasks to 50 existing bureaus.

Bob Woodward of the Washington Post said that chart was the critical fact to defeat the Clinton health care plan. A picture is worth 1,000 words. A chart in some situations is worth 1,000 pictures and perhaps worth more than $100 billion in this case.

I believe that the health care program that President Clinton proposed was a defining issue, just as this vote today on a constitutional amendment for a balanced budget is a defining issue.

I am convinced that the budget can be balanced with a scalpel and not a meat ax. I serve as chairman of the Appropriations Subcommittee on Labor, Health, Human Services and Education. The allocation to that subcommittee was reduced from $70 billion last year to $62 billion.

Senator TOM HARKIN, my distinguished ranking member on the Democratic side, Senator HARKIN and I worked collaboratively, as we did when he was chairman of the subcommittee and I the ranking minority member, and we structured a budget that handled it with a scalpel and not a meat ax.

We found that budget would not meet the President's requirements, and we came back on the floor of the U.S. Senate this spring. Senator HARKIN and I offered an amendment which added $2.7 billion. It was like threading a needle to find a way to reach an amount which was satisfactory to the President, which would pass muster with the House committee in conference. After 20 hours of negotiations, the House Members approved the compromise by a vote of 6 to 5 and we got it done. This year, Senator HARKIN and I looked at the budget resolution, saw that we were still going to be short of a mark which would be satisfactory, and we structured another amendment for $2.7 billion. This time, Senator DOMENICI, chairman of the Budget Committee, came in and added another $2.3 billion for a total of $5 billion in excess of what his committee had reported to the floor, so that we would have a realistic figure to do the job.

I cite that as an illustration. If you examine the fine print and look at the semicolons, there would be agreement that it was done within our confines, moving toward the balanced budget, and done with a scalpel and not a meat ax. I believe that we can establish priorities to have a balanced budget and do it carefully, preserving the important programs and eliminating those that are unnecessary, cutting those where cuts can be made.

I am personally convinced that the American people are prepared to have shared sacrifice to have a balanced budget if the cuts are uniform. As I said on this floor last year before we took up the budget resolution, I thought as much as I would like a tax cut I was opposed to it, because while you can justify the cuts if they are fairly made, if there is a tax cut at the same time it simply is unacceptable—some will be favored for a tax cut, with some of the proposals favoring those in the $100,000 category while others at a much lesser figure had to have the reductions. If the reductions are fairly stated, I think shared sacrifice is something that the American people are prepared to accept. That is the concept of a balanced budget.

It is my hope that this issue, like the issue of health care, will be dealt with by the American people in November. I thought it a mistake when the Government was closed down last November, not something I am saying for the first time on June 6, 1996. I said it back on November 14, as the CONGRESSIONAL RECORD will show during the first shutdown. That was an opportunity to crystalize the issue for the November election.

I think this is a watershed, a landmark signal issue on today's vote. When you take a look at the party alignment, with President Clinton leading the Democrats and 34 out of 46 voting Democrats in the Senate today voting ''no'' on the balanced budget amendment, and 52 out of 53 Republicans voting ''yes'' on the balanced budget amendment, that is an issue which ought to be submitted to the referendum this November. I yield the floor.

MEDICARE INSOLVENCY

Mr. COCHRAN. Mr. President, this afternoon, we had an interesting hearing in the subcommittee for appropriations which is chaired by the distinguished Senator from Pennsylvania [Mr. SPECTER]. The witness was the Secretary of Health and Human Services, Secretary Shalala. We were examining the budget request being submitted by the administration for appropriations to operate that Department of the Government for the next fiscal year that begins October 1.

Secretary Shalala happens to be in another capacity a trustee of this group who have the responsibility of monitoring the trust fund that supports the benefits paid out under the Medicare Program. Since that group of trustees had just made their report public yesterday at the news conference which we all read and heard about, that subject came up.

It occurred to me, since there was before the general public a suggestion by the President that he had made recommendations that were almost identical with the Republican suggestion about how to protect the benefits of this Medicare Program and how to deal with this impending insolvency of that fund, it occurs to me that we are going to see more of the same kind of political shenanigans from now until the end of this year, with nothing being done unless somebody is ready to say, ''OK, we will go along with your proposal.''

The President can say that to the Congress, or we can say that to the President. I am prepared at this point to suggest, in a serious way, and said this to Secretary Shalala at the hearing, the Congress accept the President's suggestions. We can pass the suggested changes for short-term relief of pressure on that fund, but at the same time appoint a commission which is also called for by the President and the trustees in their report to propose long-term changes, changes to affect the long-term insolvency problems of the trust fund, and that the Congress, through its leaders and the President himself, agree to implement the recommendations of that commission for long-term changes.

It seems to me that is one way to resolve this as a part of this argument