

colleagues, for example, the AAPCC rate in Richmond, NY, is \$767 per Medicare beneficiary, while the AAPCC rate for my constituents in Republic County, KS—Belleville is the county seat—there it is only \$265. This county is almost the lowest paid county in the United States. In fact, 93 percent of all counties in Kansas are at or below the national average of \$467.

Clearly, there are cost factors that account for some of this difference, but as Senator THOMAS has pointed out, a difference of over \$500 is simply unexplainable. This legislation really does address this issue by creating a new payment formula for managed care plans. Specifically, our bill establishes a minimum payment for rural counties of 80 percent of the national input price adjusted capitation rate. This will ensure all payments, even those in rural counties, will cover the comprehensive benefits.

This legislation also includes an aggressive blend of national and local rates that will raise the lower payment areas closer to the average, while taking into account actual input cost differences that exist from one region to another. This rate, which is based on an average of 3 years of past data, will smooth the payments and reduce all of the volatility price differences. It is a transition.

Finally, this legislation excludes the disproportionate share of payments and graduate medical education funds from the calculations of the formula.

Mr. President, this inequity must stop. Until we end this inequity, Medicare beneficiaries will not have the choices they deserve. We will not control the Medicare costs that in some areas are out of control. Hospitals and doctors will not have the tools they need to compete in today's physician service network markets, and Medicare will continue to overpay health plans in inefficient markets.

I want to add one other thing, lest people misunderstand. This is not an either/or choice. Senator THOMAS, Senator GRAMS, myself, and Senator BURNS are not trying to take away anything from Dade County, FL, or New York or any other urban area. Under our formula, the premiums will increase by 2 percent. That is not the idea here. We are merely trying to equalize this on a transition basis.

I urge my colleagues to join us in support of the Medicare Payment Equity Act. That is precisely what it is.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

Mr. GORTON. Mr. President, is the Senate under any time rules?

The PRESIDING OFFICER. We are in morning business, with 5 minutes per Senator.

Mr. GORTON. I ask unanimous consent I might be permitted to speak for up to 10 minutes.

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

#### BALANCED BUDGET AMENDMENT

Mr. GORTON. Mr. President, the long and often thoughtful debate over the balanced budget amendment is now drawing to a close. It is also apparently drawing to a regrettable unsuccessful end unless a sudden flash of enlightenment takes over the minds and hearts of one or more of the opponents to this amendment.

Nevertheless, I believe it appropriate for every Member of this body to state his or her reasons for support or for opposition to the amendment. While I have done so in part, at least in the past, I should like to share with my colleagues some of my thoughts on the subject.

Mr. President, from my perspective, perhaps the single most important reason for voting in favor of this constitutional amendment, for including a requirement making it considerably more difficult to spend money that we do not have, is a moral or ethical one.

Mr. President, we living today, representing the people of our States today, simply do not have the right to spend money to undertake obligations which we collectively are unwilling to pay for, thereby consuming whatever goods or services Government provides to us today and sending the bills to our children and to our grandchildren. Mr. President, that is simply the wrong thing to do. We should not engage in that practice at all, and it is a simple disgrace that we have now engaged in it in each and every year for almost three decades.

Now, I am aware of, and I subscribe to, the positive economic impacts of balancing our budget. It is clear to me, as it is to most, that it will mean lower interest rates which, in turn, make it easier for young people—for all of our people—to purchase a home, an automobile, a college or university education. At the same time, a balanced budget provides more economic growth and, thus, greater opportunities, again, for all of us, but particularly for generations just moving into the work force. These are important arguments. These are goals that we all ought to see. But I believe that the balanced budget amendment would be imperative even if we were not able to prove in our own minds the economic benefits of the amendment. For the reasons that I have just stated, it is wrong for us to spend the debt and to send the bills to those who are not represented here, who, Mr. President, in most cases, have not yet been born.

In this long and leisurely and thoughtful debate, we have been given

dozens of reasons not to pass the amendment. Dozens of scarecrows have been raised: We can't respond to a military emergency that does not involve a declaration of war. We can't respond to a physical disaster. We can't build our infrastructure. Social Security, or some other program, may be hurt by a balanced budget constitutional amendment.

Mr. President, first, as someone interested in the history of our country, I am reminded by the recitation of these objections to nothing so much as the case against adopting the Constitution in the first place in 1787 and 1788. These arguments stem, just as did those arguments more than two centuries ago, from a fear of the unknown. But, Mr. President, those fears must be weighed against the actual, tangible history of the last half century. And that actual, tangible history shows us that, regrettably, we do not, without some constitutional constraints, balance our budget. In fact, in my mind, each one of those threats is more likely to become reality if we don't balance the budget than if we do.

A balanced budget will provide a far stronger economy for the support of Social Security, a far stronger framework for the building of our infrastructure, and a far stronger structure within which we can provide for the education for our young people than does the present system, which threatens all of these things by the accumulated burden of the debt, added to each year by the amount of its annual deficit. So the very threats that are causing Members to vote against this constitutional amendment are more likely to come true if they are successful than if they are not.

Mr. President, this may well be the most important single vote that we cast during the course of this Congress. It is our duty, whether the constitutional amendment passes or not, to produce for the people of this country, for our colleagues, a budget which is balanced in fact. And it is clearly possible—though history gives very little cause for optimism—that we may do so in the absence of this amendment. At least this debate has led to lip service on the part of the President of the United States and almost every Member of this Congress to the proposition that we should do so. But to see to it that not only we do so, but that our successors do so, that we break the mold of the history of the last decades, the passage of this amendment is absolutely essential.

I am pleased that all of my colleagues on this side of the aisle plan to vote in favor of the constitutional amendment. I hope that a sudden flash of enlightenment on the other side of the aisle will help us to get the necessary 67 votes.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 15 minutes.