

AMENDMENT NO. 3880

(Purpose: To express the sense of the Senate regarding the restoration of reductions in payments under the medicare program caused by the Balanced Budget Act of 1997)

At the end, add the following:

SEC. ____ SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT OF 1997.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105-133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health services, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around \$100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over \$200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-372), as enacted into law by section 1000(a)(6) of Public Law 106-113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to providers caused by the Balanced Budget Act of 1997.

(6) Expedient action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105-133; 111 Stat. 251).

Mr. REID. 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. LEVIN. 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. LEVIN. Mr. President, I ask unanimous consent to be allowed to proceed in morning business for up to 15 minutes.

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

DEATH TAX ELIMINATION ACT

Mr. LEVIN. Mr. President, I want to spend a few moments this afternoon to

explain why I opposed the Republican proposal to repeal the Federal estate tax and why I supported the alternative Democratic proposal to provide relief in the estate tax for those who, in any judgment, need it the most, that is, small businesses, family farms, and those who are more modestly situated than those who would receive the most of the relief under the Republican proposal.

The current estate tax was first enacted by Congress in 1916, partly at the behest of President Teddy Roosevelt. Teddy Roosevelt was right; it is appropriate for there to be an estate tax on those who prosper so greatly in the American economic system in order to provide some assistance to those who have worked hard but have fallen behind and in order also to do some things we must do in order to improve our society and our communities. That is the basic tenet of a progressive system of taxation.

I think President Teddy Roosevelt was also correct that the tax should not be designed in such a way as to discourage people from seeing to it that their children are more secure but, rather, it should be aimed at immense fortunes which have been created.

That is why I supported the Democratic proposal to reform the estate tax to provide prompt relief to small business owners and farmers rather than voting for the Republican proposal which would have repealed it more slowly over the next 10 years but then would have totally repealed it for even the greatest portion.

The Democratic proposal targets tax relief to persons with estates, small businesses, and family farms of up to \$8 million. By increasing the exemption for qualified family-owned business interests from its current level of \$2.6 million per couple to \$4 million per couple in 2001 and \$8 million per couple in 2009, the Democratic alternative provides significant immediate relief and then removes altogether the tax for the vast majority of the 2 percent of family farms and small businesses that are currently subject to the tax.

In contrast, the Republican plan removes no one from the estate tax burden totally for another 10 years but then removes even the largest estate completely at huge costs to the Treasury.

In addition to providing relief immediately, the Democratic proposal does so at a more reasonable cost—\$64 billion over 10 years—compared to \$105 billion for the Republican repeal. This \$40 billion difference can and should go to other important national priorities, such as a prescription drug benefit for Medicare, making a college education more affordable, extending Medicare solvency, or reducing the national debt.

The Republican repeal would cost much more than that because in the second 10 years—from 2011 to 2020, the same decade in which the baby boomers begin to retire and place

strains on the Medicare system and on Social Security—the repeal is estimated to cost up to \$750 billion.

That is what these two charts show. There is a significant revenue loss from the Republican repeal, starting in 2010 at the rate of about \$23 billion a year, going up to \$53 billion a year in 2015, and then \$66 billion a year in 2020, \$82 billion in 2025, and so forth.

That kind of severe strain on the Treasury begins in about the year 2010—that is, at the same time when there is a great demand on the Treasury to make payments to Social Security. Until about 2012, Social Security is in surplus. But then in about 2012, Social Security takes in less than it is paying out, and the Treasury from the general fund must begin to pay back to Social Security a part of the debt which has been built up for Social Security. Those payments significantly increase, starting in the near 2015 from \$12 billion a year, to \$183 billion in 2020, to \$416 billion a year in 2025, and so forth.

That is one of the major problems with the estate tax proposal the Republican majority offered—that the drain it is going to place on the Treasury, the loss to the Treasury, begins to hit severely at precisely the same time, or at least approximately the same time, as there is a significant shortfall for Social Security and when payments must be paid from the Treasury to Social Security if we are going to keep our promise to those who retire in those years.

I believe taxes should be distributed fairly among all Americans. To give a huge tax cut to the wealthiest among us at the expense of important national priorities for the rest of us, at the risk of not being able to pay what is required to Social Security recipients, what is committed to be paid to them, and what was promised to be paid to the recipients of Social Security starting in the years 2012 and beyond, is a serious mistake. It is simply wrong.

I believe the Democratic estate tax reform plan is consistent with national priorities and is consistent with keeping our commitments to Social Security. The alternative Republican plan puts those commitments at risk and puts those priorities at risk. That is why I thought the Democratic plan was fairer to our taxpayers and fairer to this Nation.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000—Continued

Mr. SESSIONS. Mr. President, I would like to share a few thoughts on the marriage penalty tax and why I believe it is long past time to remove that tax from our body politic.

I would also like to share a few thoughts on my excitement and thrill about seeing the vote earlier today in