

“(1) IN GENERAL.—The term ‘small employer’ means, with respect to any calendar year, any employer if such employer employed an average of at least 2 and not more than 50 qualified employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

“(2) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under paragraph (1) shall be based on the average number of qualified employees that it is reasonably expected such employer will employ on business days in the current calendar year.”.

(2) CONFORMING AMENDMENT.—The table of subchapters for chapter 100 of such Code is amended by adding at the end the following item:

“Subchapter D. Qualified health benefit purchasing coalition.”.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 6. STATE GRANT PROGRAM FOR MARKET INNOVATION.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall establish a program (in this section referred to as the “program”) to award demonstration grants under this section to States to allow States to demonstrate the effectiveness of innovative ways to increase access to health insurance through market reforms and other innovative means. Such innovative means may include (and are not limited to) any of the following:

(1) Alternative group purchasing or pooling arrangements, such as a purchasing cooperatives for small businesses, reinsurance pools, or high risk pools.

(2) Individual or small group market reforms.

(3) Consumer education and outreach.

(4) Subsidies to individuals, employers, or both, in obtaining health insurance.

(b) SCOPE; DURATION.—The program shall be limited to not more than 10 States and to a total period of 5 years, beginning on the date the first demonstration grant is made.

(c) CONDITIONS FOR DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Secretary may not provide for a demonstration grant to a State under the program unless the Secretary finds that under the proposed demonstration grant—

(A) the State will provide for demonstrated increase of access for some portion of the existing uninsured population through a market innovation (other than merely through a financial expansion of a program initiated before the date of the enactment of this Act);

(B) the State will comply with applicable Federal laws;

(C) the State will not discriminate among participants on the basis of any health status-related factor (as defined in section 2791(d)(9) of the Public Health Service Act), except to the extent a State wishes to focus on populations that otherwise would not obtain health insurance because of such factors; and

(D) the State will provide for such evaluation, in coordination with the evaluation required under subsection (d), as the Secretary may specify.

(2) APPLICATION.—The Secretary shall not provide a demonstration grant under the program to a State unless—

(A) the State submits to the Secretary such an application, in such a form and manner, as the Secretary specifies;

(B) the application includes information regarding how the demonstration grant will address issues such as governance, targeted population, expected cost, and the continuation after the completion of the demonstration grant period; and

(B) the Secretary determines that the demonstration grant will be used consistent with this section.

(3) FOCUS.—A demonstration grant proposed under section need not cover all uninsured individuals in a State or all health care benefits with respect to such individuals.

(d) EVALUATION.—The Secretary shall enter into a contract with an appropriate entity outside the Department of Health and Human Services to conduct an overall evaluation of the program at the end of the program period. Such evaluation shall include an analysis of improvements in access, costs, quality of care, or choice of coverage, under different demonstration grants.

(e) OPTION TO PROVIDE FOR INITIAL PLANNING GRANTS.—Notwithstanding the previous provisions of this section, under the program the Secretary may provide for a portion of the amounts appropriated under subsection (f) (not to exceed \$5,000,000) to be made available to any State for initial planning grants to permit States to develop demonstration grant proposals under the previous provisions of this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$100,000,000 for each fiscal year to carry out this section. Amounts appropriated under this subsection shall remain available until expended.

(g) STATE DEFINED.—For purposes of this section, the term “State” has the meaning given such term for purposes of title XIX of the Social Security Act.

Mr. KENNEDY. Mr. President, I'm honored to join my colleagues in introducing the Bipartisan Patient Protection Act. This bill is a true bipartisan compromise, and I am confident it will receive the support of the majority of the Senate.

We believe that our proposal is just what the doctor ordered to end abuses by HMOs and managed care health plans. Doctors and patients should be making medical decisions, not insurance company accountants. It is long past time for Congress to start protecting patients, instead of HMO profits.

Prompt passage of this legislation is vital for the 161 million Americans with private health insurance coverage. This is the fifth year that Congress has considered patient protection—and too many patients have been subject to unacceptable abuses as the result of our inaction. Every day that Congress fails to act, more patients suffer.

A survey by the School of Public Health at the University of California found that every day—each and every day—50,000 patients experience added pain and suffering because of actions by their health plan. Thirty-five thousand patients have needed care delayed—or denied all together. Thirty-five thousand other patients have a referral to a specialist delayed or denied. Thirty-one thousand patients are forced to change their doctors. Eighteen thousand patients are forced to change their medications.

A survey of physicians by the Kaiser Family Foundation and the Harvard School of Public Health found similar results. Every day, tens of thousands of patients across the country suffer serious declines in their health as the result of the action—or inaction—of their health plan.

Whether the issue is diagnostic tests, specialty care, emergency care, access to clinical trials, availability of needed drugs, protection of doctors who give patients their best possible advice, or women's ability to obtain gynecological services—too often, in all of these cases, HMOs and managed care plans treat the company's bottom line as more important than the patient's vital signs. These abuses have no place in American medicine. Every doctor knows it. Every patient knows it. And in their hearts, every member of Congress knows it.

Every American also knows that it is wrong for the current legal system to give immunity to health insurance companies and HMOs that kill or injure patients. No other industry in America has immunity from liability when it acts irresponsibly, and HMOs and health insurance companies shouldn't have it either.

The legislation we are offering today is bipartisan. Whether the issue is liability, the appeals process, or state flexibility, we have made significant modifications to respond to legitimate concerns, but we have preserved the basic principle that when serious illness strikes, every American deserves the protection they were promised.

President Bush campaigned on a pledge to pass an effective patients' bill of rights. We are ready to work with him to bring the American people the protection they deserve. Ending the current abuses should be a priority for the new Congress and the new Administration, and I am hopeful that we can work together to pass this legislation as soon as possible this year.

ADDITIONAL COSPONSORS

S. 29

At the request of Mr. BOND, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 29, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

S. 31

At the request of Mr. CAMPBELL, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 31, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period.

S. 41

At the request of Mr. HAGEL, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from North Dakota (Mr. DORGAN) were added

as cosponsors of S. 41, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

S. 88

At the request of Mr. ROCKEFELLER, the names of the Senator from New Hampshire (Mr. SMITH), the Senator from Pennsylvania (Mr. SANTORUM), and the Senator from Idaho (Mr. CRAPO) were added as cosponsors of S. 88, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 124

At the request of Mr. BROWNBACK, the names of the Senator from West Virginia (Mr. BYRD) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 124, a bill to exempt agreements relating to voluntary guidelines governing telecast material, movies, video games, Internet content, and music lyrics from the applicability of the antitrust laws, and for other purposes.

S. 126

At the request of Mr. CLELAND, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 126, a bill to authorize the President to present a gold medal on behalf of Congress to former President Jimmy Carter and his wife Rosalynn Carter in recognition of their service to the Nation.

S. 131

At the request of Mr. JOHNSON, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 131, a bill to amend title 38, United States Code, to modify the annual determination of the rate of the basic benefit of active duty educational assistance under the Montgomery GI Bill, and for other purposes.

S. 148

At the request of Mr. CRAIG, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 148, a bill to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

S. 161

At the request of Mr. WELLSTONE, the names of the Senator from Hawaii (Mr. INOUE), the Senator from Illinois (Mr. DURBIN), the Senator from Rhode Island (Mr. REED), and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 161, a bill to establish the Violence Against Women Office within the Department of Justice.

S. 205

At the request of Mrs. HUTCHISON, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Louisiana (Ms. LANDRIEU) and the Senator from Arizona (Mr. KYL) were added as cosponsors of S. 205, a bill to amend the Internal Revenue Code of 1986 to waive

the income inclusion on a distribution from an individual retirement account to the extent that the distribution is contributed for charitable purposes.

S. 208

At the request of Mr. FRIST, the names of the Senator from New York (Mrs. CLINTON) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 208, a bill to reduce health care costs and promote improved health care by providing supplemental grants for additional preventive health services for women.

S. 214

At the request of Mr. MCCAIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 214, a bill to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health, and for other purposes.

S. 225

At the request of Mr. WARNER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 225, a bill to amend the Internal Revenue Code of 1986 to provide incentives to public elementary and secondary school teachers by providing a tax credit for teaching expenses, professional development expenses, and student education loans.

S. 234

At the request of Mr. GRASSLEY, the names of the Senator from Colorado (Mr. ALLARD), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 234, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communications services.

S. CON. RES. 6

At the request of Mr. TORRICELLI, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Connecticut (Mr. DODD) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. Con. Res. 6, a concurrent resolution expressing the sympathy for the victims of the devastating earthquake that struck India on January 26, 2001, and support for ongoing aid efforts.

SENATE CONCURRENT RESOLUTION 8—EXPRESSING THE SENSE OF CONGRESS REGARDING SUBSIDIZED CANADIAN LUMBER EXPORTS

Ms. SNOWE (for herself, Mr. LOTT, Mrs. LINCOLN, Mr. COCHRAN, Mr. HUTCHINSON, Mr. THURMOND, Mr. CRAPO, and Mr. CRAIG) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 8

Whereas the Canadian provinces use government timber to subsidize lumber production and employment by providing timber to Canadian lumber companies through non-

competitive, administered pricing arrangements for a fraction of the timber's market value;

Whereas unfair subsidy practices have resulted in shipments of lumber to the United States to the point that subsidized Canadian lumber is being imported into the United States at record levels and now accounts for over one-third of the United States softwood lumber market;

Whereas highly subsidized Canadian lumber imported into the United States has resulted in lost sales for United States lumber companies, depressed United States lumber values, jeopardized thousands of United States jobs, and contributed to a collapse in lumber prices;

Whereas Canadian lumber subsidy practices have been identified by a variety of independent analyses;

Whereas United States Government officials in the Reagan, Bush, and Clinton Administrations, United States industry, timberland owners, and labor unions have called for an end to the subsidies and for fair trade; and

Whereas an agreement between the United States and Canada on lumber trade is scheduled to expire on March 31, 2001: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President, the United States Trade Representative, and the Secretary of Commerce should—

(1) make the problem of subsidized Canadian lumber imports a top trade priority to be addressed immediately;

(2) take every possible action to end Canadian lumber subsidy practices through open and competitive sales of timber and logs in Canada for fair market value, or if Canada will not agree to end the subsidies immediately, provide that the subsidies be offset in the United States; and

(3) if Canada does not agree to end subsidies for lumber—

(A) enforce vigorously, promptly, and fully the trade laws with respect to subsidized and dumped imports;

(B) explore all options to stop unfairly traded imports; and

(C) limit injury to the United States industry.

Ms. SNOWE. Mr. President, I rise today to introduce a Senate concurrent resolution that urges the administration to realize that an immediate trade priority should be to address the problem of subsidized Canadian softwood lumber imports. I am pleased to be joined in this effort by Senators LOTT, LINCOLN, COCHRAN, HUTCHINSON, THURMOND, CRAPO, and CRAIG.

The U.S.-Canada Softwood Lumber Agreement of 1996 will expire on March 31, 2001—just 53 short days from now—and there are no government-to-government negotiations taking place. We do not know just what will happen if the Agreement is allowed to expire with no alternative solution in place, but without restrictions, the subsidized lumber from Canada will flood over the border further impacting our U.S. sawmills. This to me is unacceptable.

It is safe to say that we who represent our respective states here in the Senate share the same goals for our constituents—economic growth and prosperity through secure businesses and jobs, a healthy environment, including the ability to purchase reasonably priced homes and lumber with which to remodel. I cannot stand by,