

Specter Thompson Warner
Stevens Torricelli Wellstone

The nomination was confirmed.

• Mr. WELLSTONE. Mr. President, I ask that the RECORD show that I was necessarily absent for this evening's vote on the nomination of Callie Granade to be U.S. district judge for the Southern District of Alabama. I was attending the visitation for Minnesota State Representative Darlene Luther, who passed away last week. Had I been present, I would have voted in favor of the nomination. •

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, what is the current order of business?

The PRESIDING OFFICER. Under the previous order, the President will be notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

HOPE FOR CHILDREN ACT— Continued

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 2770

Mr. CRAIG. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Idaho [Mr. CRAIG], for himself, Mr. TORRICELLI, Mr. GRASSLEY, Mr. SANTORUM, Mr. FRIST, Mr. ENSIGN, and Mr. HUTCHINSON, proposes an amendment numbered 2770 to the language proposed to be stricken by amendment No. 2698.

Mr. CRAIG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to expand the availability of Archer medical savings accounts)

At the appropriate place, insert the following:

SEC. ____ . EXPANSION OF AVAILABILITY OF ARCHER MEDICAL SAVINGS ACCOUNTS.

(a) REPEAL OF LIMITATIONS ON NUMBER OF MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Subsections (i) and (j) of section 220 of the Internal Revenue Code of 1986 are hereby repealed.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 220(c) of such Code is amended by striking subparagraph (D).

(B) Section 138 of such Code is amended by striking subsection (f).

(b) AVAILABILITY NOT LIMITED TO ACCOUNTS FOR EMPLOYEES OF SMALL EMPLOYERS AND SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(1) of such Code (relating to eligible individual) is amended to read as follows:

“(A) IN GENERAL.—The term ‘eligible individual’ means, with respect to any month, any individual if—

“(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

“(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

“(I) which is not a high deductible health plan, and

“(II) which provides coverage for any benefit which is covered under the high deductible health plan.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 220(c)(1) of such Code is amended by striking subparagraph (C).

(B) Section 220(c) of such Code is amended by striking paragraph (4) (defining small employer) and by redesignating paragraph (5) as paragraph (4).

(C) Section 220(b) of such Code is amended by striking paragraph (4) (relating to deduction limited by compensation) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(c) INCREASE IN AMOUNT OF DEDUCTION ALLOWED FOR CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Paragraph (2) of section 220(b) of such Code is amended to read as follows:

“(2) MONTHLY LIMITATION.—The monthly limitation for any month is the amount equal to 1/2 of the annual deductible (as of the first day of such month) of the individual's coverage under the high deductible health plan.”.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 220(d)(1)(A) of such Code is amended by striking “75 percent of”.

(d) BOTH EMPLOYERS AND EMPLOYEES MAY CONTRIBUTE TO MEDICAL SAVINGS ACCOUNTS.—Paragraph (4) of section 220(b) of such Code (as redesignated by subsection (b)(2)(C)) is amended to read as follows:

“(4) COORDINATION WITH EXCLUSION FOR EMPLOYER CONTRIBUTIONS.—The limitation which would (but for this paragraph) apply under this subsection to the taxpayer for any taxable year shall be reduced (but not below zero) by the amount which would (but for section 106(b)) be includible in the taxpayer's gross income for such taxable year.”.

(e) REDUCTION OF PERMITTED DEDUCTIBLES UNDER HIGH DEDUCTIBLE HEALTH PLANS.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(2) of such Code (defining high deductible health plan) is amended—

(A) by striking “\$1,500” in clause (i) and inserting “\$1,000”; and

(B) by striking “\$3,000” in clause (ii) and inserting “\$2,000”.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 220 of such Code is amended to read as follows:

“(g) COST-OF-LIVING ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1998, each dollar amount in subsection (c)(2) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting ‘calendar year 1997’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) SPECIAL RULES.—In the case of the \$1,000 amount in subsection (c)(2)(A)(i) and the \$2,000 amount in subsection (c)(2)(A)(ii), paragraph (1)(B) shall be applied by substituting ‘calendar year 2000’ for ‘calendar year 1997’.

“(3) ROUNDING.—If any increase under paragraph (1) or (2) is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50.”.

(f) PROVIDING INCENTIVES FOR PREFERRED PROVIDER ORGANIZATIONS TO OFFER MEDICAL SAVINGS ACCOUNTS.—Clause (ii) of section 220(c)(2)(B) of such Code is amended by striking “preventive care if” and all that follows and inserting “preventive care.”

(g) MEDICAL SAVINGS ACCOUNTS MAY BE OFFERED UNDER CAFETERIA PLANS.—Subsection

(f) of section 125 of such Code is amended by striking “106(b).”.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(i) EMERGENCY DESIGNATION.—Congress designates as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 the following amounts:

(1) An amount equal to the amount by which revenues are reduced by this section below the recommended levels of Federal revenues for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011, provided in the conference report accompanying H. Con. Res. 83, the concurrent resolution on the budget for fiscal year 2002.

(2) Amounts equal to the amounts of new budget authority and outlays provided in this Act in excess of the allocations under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Finance of the Senate for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011.

Mr. CRAIG. Mr. President, I come this evening to add to the underlying legislation that we are now calling a stimulus package, or at least an effort on the part of Congress and this Senate to produce a Senate version of stimulus that we might get to the House and into conference, an amount that I think is a clear and important part of that stimulus package.

As President Bush has said, Americans know economic security can vanish in an instant without health security. Today nearly 40 million Americans lack health insurance, a crisis that can only worsen today's climate of job loss and double-digit health premium increases.

In 1997, Congress launched a test program to see if medical savings accounts could provide families with health security. That program has succeeded. Despite unnecessary restrictions, over one-third of the participants were previously uninsured. A medical savings account effort to extend coverage to the uninsured at a fraction of the cost of government health care programs has worked in this economy. Rather than letting this promising reform program expire this year, my colleague from New Jersey and I have introduced an amendment to make medical savings accounts permanent and widely available. That is the thrust of this amendment.

I have some great accounts of our country's citizens who have used this advantage, many of them hard-working men and women, middle or lower middle class Americans. Let me cite an example. These are the women. Kay Heine, Kristina Anderson Wright, and Rebecca Turner had this to say for the Wisconsin State Journal:

All three of us are working, middle-class mothers. Two of us are single moms. We all have medical savings accounts that provide health insurance for our families. Our message to people in Washington in plain, unmistakable English, is that MSAs work for working families.

So I hope as we consider the stimulus package, my colleagues would consider