should not have to choose between providing their children needed medications and putting a roof over their heads or food on their table.

I commend the chairman and ranking member of the Finance Committee for working so hard with our colleagues in the House of Representatives to put together a bill that will benefit the lives of millions of children and their families. Their leadership over the years, and that of Senators HATCH, ROCKEFELLER, KENNEDY and many others, helped create the Children's Health Insurance Program, CHIP, and reduce the number of uninsured children by one-third. Their persistence now to expand this bill in the face of considerable opposition shows their commitment to children's health. This bill is a tremendous investment in the health and future of our children.

Specifically, the bill continues providing coverage for 6.6 million children currently enrolled in CHIP and provides coverage for 3.1 million children who are currently uninsured today. It gives States the resources they need to keep up with the growing numbers of uninsured children. It provides tools and incentives to cover children who have fallen through the cracks of current programs. And it will prevent the President from unfairly and shortsightedly limiting States' efforts to expand their CHIP programs to cover even more children. All together these efforts will reduce the number of uninsured children by one third over the next 5 years.

In my own State of Connecticut, our CHIP program, commonly known as HUSKY B, has brought affordable health insurance to more than 130,000 children in working families since its inception in 1998. H.R. 976 is essential to States like Connecticut so that they may continue to operate programs like HUSKY B and build on their proven success to insure even more children.

I am additionally very pleased that my Support for Injured Servicemembers Act amendment was included in the final SCHIP bill. This amendment provides up to 6 months of Family and Medical Leave Act, FMLA, leave for family members of military personnel who suffer from a combat-related injury or illness. FMLA currently allows three months of unpaid leave. Fourteen years ago, FMLA declared the principle that workers should never be forced to choose between the jobs they need and the families they love.

If ordinary Americans deserve those rights, how much more do they apply to those who risk their lives in the service of our country? Soldiers who have been wounded in our service deserve everything America can give to speed their recoveries but most of all, they deserve the care of their closest loved ones. That is exactly what is offered in the Support for Injured Servicemembers Act.

Senator Bob Dole and former Secretary of Health and Human Services Donna Shalala have been instrumental in this effort through the President's Commission on Care for America's Returning Wounded Warriors. It's not surprising that the Commission found that family members play a critical role in the recovery of our wounded servicemembers. The commitment shown by the families and friends of our troops is truly inspiring. According to the Commission's report, 33 percent of active duty servicemembers report that a family member or close friend relocated for extended periods of time to help their recoveries. It also points out that 21 percent of active duty servicemembers say that their friends or family members gave up jobs to find the time. Last week in a hearing of the Subcommittee on Workforce Protections, we heard from one of those families and there are thousands more to be heard. The House is moving forward with companion legislation and I am grateful to my colleagues Congresswoman WOOLSEY and Chairman MILLER and their cosponsors.

I am pleased that Senator CLINTON is the lead cosponsor of my amendment. In addition, I am pleased that Senators DOLE, GRAHAM, KENNEDY, CHAMBLISS, REED, MIKULSKI, MURRAY, SALAZAR, LIEBERMAN, MENENDEZ, BROWN, NELSON of Nebraska, and CARDIN are cosponsoring this amendment. I thank Senator BAUCUS and Senator GRASSLEY for accepting this important amendment and appreciate the support of all of my colleagues in this effort.

I am troubled by the comments by President Bush and members of his administration about this bill. This legislation is vital to the health and well being of our children. The CHIP program is a model of success and this bill provides sustainable and predictable health care coverage for low income children regardless of their health status. It represents the hard work and agreement of an overwhelming majority of Members on both sides of the aisle. It is a testament to how important issues like children's health care can be addressed in a bipartisan manner by a united Congress. The President's policy of block and delay would mean Connecticut and other States would have to take away existing health coverage for hundreds of thousands of children when they should be covering more kids.

But despite the bipartisan agreement of this Congress, the President threatens to veto this legislation. If he does, all Americans will know whether the President stands for children or would rather stand in the way of children's access to critically needed health care.

I urge my colleagues to support this critical legislation and I urge President Bush to do what is right and sign it into law.

FURTHER CHANGES TO S. CON. RES. 21

Mr. CONRAD. Mr. President, section 301 of S. Con. Res. 21, the 2008 budget resolution, permits the chairman of the Senate Budget Committee to revise the allocations, aggregates, and other appropriate levels for legislation that reauthorizes the State Children's Health Insurance Program, SCHIP. Section 301 authorizes the revisions provided that certain conditions are met, including that the legislation not result in more than $50 billion in outlays for SCHIP over the period of fiscal years 2007 through 2012 and that the legislation not worsen the deficit over the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

I find that H.R. 976, the Children's Health Insurance Program Reauthorization Act of 2007, satisfies the conditions of the deficit-neutral reserve fund for SCHIP legislation. Therefore, pursuant to section 301, I am adjusting the aggregates in the 2008 budget resolution, as well as the allocation provided to the Senate Finance Committee.

I ask unanimous consent that the following revisions to S. Con. Res. 21 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008–S. CON. RES. 21; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 301 DEFICIT-NEUTRAL RESERVE FUND FOR SCHIP LEGISLATION

In billions of dollars	
Section 101.	
(1)(A) Federal Revenues:	
FY 2007	1,900.340
FY 2008	2,022.051
FY 2009	2,121.498
FY 2010	2,176.937
FY 2011	2,357.666
FY 2012	2,495.044
(1)(B) Change in Federal Revenues:	
FY 2007	–4.366
FY 2008	–28.745
FY 2009	14.572
FY 2010	13.216
FY 2011	–36.884
FY 2012	–102.052
(2) New Budget Authority:	
FY 2007	2,371.470
FY 2008	2,504.975
FY 2009	2,523.486
FY 2010	2,579.022
FY 2011	2,697.385
FY 2012	2,734.795
(3) Budget Outlays:	
FY 2007	2,294.862
FY 2008	2,469.884
FY 2009	2,570.685
FY 2010	2,607.628
FY 2011	2,703.144
FY 2012	2,716.346

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008—S. CON. RES. 21; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 301 DEFICIT NEUTRAL RESERVE FUND FOR SCHIP LEGISLATION

In millions of dollars	
Current Allocation to Senate Finance Committee:	
FY 2007 Budget Authority	1,011,527
FY 2007 Outlays	1,017,808
FY 2008 Budget Authority	1,078,905
FY 2008 Outlays	1,079,914
FY 2008–2012 Budget Authority	6,017,379
FY 2008–2012 Outlays	6,021,710
Adjustments:	
FY 2007 Budget Authority	0
FY 2007 Outlays	0
FY 2008 Budget Authority	9,098
FY 2008 Outlays	2,412
FY 2008–2012 Budget Authority	47,678
FY 2008–2012 Outlays	34,907
Revised Allocation to Senate Finance Committee:	
FY 2007 Budget Authority	1,011,527
FY 2007 Outlays	1,017,808
FY 2008 Budget Authority	1,088,003

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008—S. CON. RES. 21; FURTHER REVISIONS TO THE CONFERENCE AGREEMENT PURSUANT TO SECTION 301 DEFICIT NEUTRAL RESERVE FUND FOR SCHIP LEGISLATION—Continued

In millions of dollars	
FY 2008 Outlays	1,082,326
FY 2008–2012 Budget Authority	6,065,057
FY 2008–2012 Outlays	6,056,617

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank my colleague from North Carolina for extending the courtesy of my being able to proceed. We have been moving back and forth. I understand there is 20 minutes left for the Democrats, and the Senator from Pennsylvania has taken 5; am I correct? How much time remains?

The PRESIDING OFFICER. Fifteen and a half minutes remains.

Mr. KENNEDY. I yield myself 7 minutes, and I ask the Chair to remind me when there is 1 minute left.

Mr. President, I think this debate over the course of the day has been enormously constructive. I think the American people have been watching it, and they have a much clearer idea about the alternatives that are before us. They should know by this time that when all is said and done, this program, the SCHIP program, was fashioned to try to look after the working poor, recognizing that Medicaid dealt with the very poor but that the working poor were finding increasing pressure and were, in increasing numbers, unable to get any kind of health insurance. That was basically the targeted area.

As we reviewed earlier in the course of the discussion, this was basically a State-run program. Using the private sector, it has guidelines as to what the health care coverage should be in various areas, but the States make those judgments and decisions—quite a bit different from Medicaid. So the origin of it, having listened to some of this debate, it is important to note this is very different from other kinds of Federal programs but not greatly dissimilar from what the President has indicated that he supported in the prescription drug program. It was initially using the cigarette tax money that was a part of the settlement earlier, where we were using it, and therefore the relationship with the increase in the cigarette tax at the present time.

Now, Mr. President, I only have a few minutes here, and we have gone through these charts about how this is covering 6 million and we expect that to go to 10 million. We have also reviewed the fact that when we look at the comparison with adults and children, we can see under this program that uncovered children have gone down dramatically and the adults have gone up. So this has been an extraordinary success. CBO has indicated this is the best way. If we are interested in covering children, CBO has indicated this is the way.

The point I wish to make in the time I have remaining is that when all is said and done, when we vote—and we are going to vote in just a little while—the American families ought to realize a very important fact; that is, every single Member of the Senate, with the exception of one, has comprehensive health care and our children are all covered. Understand that, America? All of our children are covered. All of our children are covered. The next thing to know, Mr. And Mrs. America, your taxpayer money is paying for 72 percent of our health care coverage cost. Do we understand that now?

For those who are saying: Well, I am not going to support this because it costs too much; I am not going to support this because it may be 300 percent of poverty, we get paid $160,000. We are well above the 200, the 300, the 400 percent of poverty level. Yet we are going to have Members on the floor of the Senate this afternoon who are going to turn thumbs down to American families who are watching this debate and knowing that our premiums, our health insurance is being paid for by the American taxpayers. I wonder how people do that. I wonder how they do it. You would think, if they are so offended about Federal Government spending or a Federal Government program, they wouldn't use it themselves. But, no, they do. They will take it. But when it comes to looking out for working families, there are going to be many in this Chamber who will say: No, we are not going to look out for working families. You can go ahead and pay for mine—I get my children covered—but we don't think the Federal Government ought to be tampering with this issue. We don't think the Federal Government ought to be looking into whether it is going to have a program to provide coverage for the sons and daughters of working families who cannot afford a $10,000 health insurance program that would cover themselves and their families although the taxpayers are paying for ours.

Mr. President, this is extraordinary hypocrisy we are about to see here on the floor of the Senate. How can people in good faith do this and still accept the Federal Government help? How can they be complaining all afternoon about a Federal Government program and then have a better Federal program paying for their own—paying for their own. It is just hypocrisy of the greatest sort, and I think that is something that is important.

The most important point has been mentioned eloquently by many of my colleagues; that is, the importance of covering those children. The most important point is that too many parents will cry themselves to sleep tonight wondering whether their child is $200 sick because they may have to go to the emergency room. That is the heart of this.

Before we all get worked up, Mr. President, it is important to note what the financial bottom line on this is too. What has been pointed out over the course of the past days, again, is the question of priorities. We see in this chart here what we are talking about—priorities. That is what this vote is. Do we want to say we can cover, for 1 day in Iraq at a cost of $300 million, 246,000 children; for 1 week in Iraq at $2.5 billion, 1.7 million children; or for 41 days at a cost of $12.2 billion, 10 million kids?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. KENNEDY. Mr. President, this is a choice. There are those who want to continue the ongoing flow of resources to Iraq when we have asked our military to do everything they could, and they have done it with great valor, and yet still the Iraqi politicians cannot get it together. They are holding American service men and women hostage—hostage. The blood of American servicemen is flowing in Baghdad, and this is wrong.

This is an issue of priorities. I believe we ought to invest in the children, and I think we have benefited enough here in the Senate from our own largess from the Federal taxpayers in terms of supporting ourselves that we should be ashamed if we cannot see the responsibility we have to look after children of working families in this country.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. BURR. Mr. President, it is my understanding I have 10 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. BURR. I would ask the Chair to notify me when I have 2 minutes remaining.

Mr. President, I heard my good friend from Massachusetts talk about the Federal system. Let me take a minute to talk about the Federal system.

I have been here for 13 years. The coverage I have is less and the cost is more than when I was in the private sector working for a company with 50 employees, but I accept that.

Last year, I learned something new, though. When my oldest son became 22, I got a notice that under the Federal plan he automatically falls off our insurance. Well, it happens for every Federal employee, but what was my experience? That is what I wish to share with you.

I called to find out what the Federal Government had negotiated so that my child could have health insurance. They said the exact same coverage would now be $5,400 for that individual—a 22-year-old college student, healthy as a bull. I decided I would go to North Carolina and I would negotiate to see if I couldn't find similar coverage. Not only could I find similar coverage, but I found the same coverage, and I found it with the same company. I now pay $1,500 a year for the same coverage with the same company my son was covered by under the Federal health care plan. Now, here is

the glaring difference. From a standpoint of my insurance, the Federal Government still pays the same amount and I still pay the same amount. When you take a healthy person off insurance, the premium doesn't go down.

So for the 6 million kids who are targeted in SCHIP expansion—and everybody agrees 3 million are uninsured and 3 million are currently insured—I don't want anybody to walk away and believe we are reducing the premium cost of the families who are currently privately insuring these kids. As a matter of fact, the CBO statistics prove exactly what happened with my son, in the fact that we will now transition to a private sector program for him. For those 3 million SCHIP kids, we could access health care coverage for an average of $1,130 a year. But in this legislation, it says we will be paying $3,950 a year for the same level of coverage for those kids. We will pay it for those who weren't insured and we will pay it for those who were insured. Their family insurance won't go down, and we will pay three times as much for the coverage than if we went to the private sector and we negotiated that coverage.

To some up here, that makes unbelievable sense. To those of us who come out of business, to those of us who understand what the people in our States whom we represent struggle with day in and day out, it makes absolutely no sense.

Forget the fact that adults will still be covered under this Children's Health Insurance Program; that private coverage will be replaced with government-run coverage; that within this bill, this children's health care bill, are hidden earmarks—earmarks that create a health care center in Memphis and earmarks that deal with the pension system in Michigan. My God, is this about kids and health care or is it about what we can hide in a bill and disguise and cover as a benefit to children? It overturns an administration rule targeting SCHIP for low-income children. The bill would overturn an HHS directive that requires States to focus first on covering low-income kids, thereby eliminating any State accountability to cover the neediest kids first.

Well, most of us have done oversight work. If we could trust the States or people we give money to, we wouldn't need oversight committees. But they meet every day, all day long, because we can't trust any single entity to follow the rules. We are basically taking the rules and throwing them away. Will we cover adults? Sure, States will make decisions to cover adults. States will make decisions that will go far outside of low-income children.

Now, the speaker prior to Senator KENNEDY said this was not a debate about health care reform. He is right. It is one of the few things I have heard on the floor today that is accurate. But it should be. This should be about health care reform.

It is the belief of some that we should feel good about overpaying for a program that will cover 3 million uninsured in this country and reassign 3 million who are insured to now be under the dole of the Federal Government and the American taxpayer when, in fact, we have 47 million uninsured in this country. That is exactly what we should be debating on the Senate floor today—how do we reform health care to where we cover the 47 million who are uninsured in this country.

Well, when we debated SCHIP before it was conferenced, we talked about this incredible new plan that had been introduced by a number of us—the Every American Insured Health Act—a plan that covered 47 million uninsured. It did it in a budget-neutral way. It eliminated the cost shift that exists in our system today. We estimate saving $200 billion a year. That is for a plan that I suggest is very much targeted for 47 million uninsured, and the CBO will verify that it is budget neutral. For those who might not be one of those 47 million individuals, who might say I don't have skin in this game: If we are able, through the elimination of cost shifting because we are now providing primary care for people who today do not have insurance, who will not be in the emergency room accessing care at the most expensive, most inefficient place—who actually have preventive care, who have wellness access, who have a medical home, who have a doctor for the first time, and we are able to squeeze out $200 billion of waste that we can pump back into health care—an amazing thing happens. It brings everybody's premiums down.

For a person in the country who might be sitting there saying, I have insurance, I am covered, I am OK; it doesn't make any difference to me whether they have this debate about insurance reform—it should matter to you because it is unsustainable to continue the inflation rate of health care at the rate it is going. If you want to see that end, if you want to see your premium come down, we have to reform health care, and I tell you it starts with insuring 47 million Americans, not 3 million kids. We should provide the resources so those 47 million can access their care in their State with the most competitive products they can find for the scope of coverage.

This plan is out there. We introduced it. We didn't ask for a vote. We should have. But we have another opportunity and that opportunity is, let's reauthorize the current SCHIP plan, let's put the dollars in that are needed to make sure nobody falls off the system, but let's choose not to expand it to include, at three times the cost, 3 million kids and take 3 million kids off their parents' insurance and put them over on the Government insurance for the taxpayers to pay for.

Rather than do that, why not engage in an honest, real debate on the floor and let's come up with a reform package that covers the 47 million. Let's come out with a bill on the Senate floor that doesn't leave anybody behind. If we are going to cover 3 million uninsured kids, what about the other millions we are not covering? The reason we do not go higher is because the higher you go, the larger the percentage of kids you are pulling off of their parents' insurance.

What we have learned from my experience, and I think nobody would disagree with me: It saved me no money. The Federal Government's share of my health care today is more than it was when my first child was on my insurance plan. And in December, I have the great fortune that I am going to go through this again. I am going to have my second child who will become 22, and this arcane Federal guideline, statute, whatever it is at OPM, will kick in and they will say we will no longer cover your healthy 22-year-old son.

I will go to North Carolina and I will access insurance, probably at $1,500 like his brother has. I will now have $3,000 a year in additional coverage, only to find out that the Federal Government, for my plan for me and my wife, is paying more money than we were before.

There is a reason. It is because when you take healthy people out of the pool, the actuaries look at us old folks and say: You know, they are a greater risk to us.

The reverse is true, too. If over time we allow adults to infiltrate, which we already have, the children's insurance program, amazing things are going to happen. The premium is going to go up because we are putting older folks, who are less healthy, in the pool.

This makes a lot of sense to me because it works the same one way as it does the other. I think the sad thing today is I have to stand up and say I am not going to support an expansion of SCHIP, but I will support reauthorization of SCHIP with dollars that say nobody falls off.

I will also commit today to be the most engaged Member of the Senate if we will come down here and have a health care reform debate. Bring the proposals to the floor. But don't come if you are not willing to prove you are going to insure 47 million uninsured in the country. Don't come unless you are willing to get all the cost shift out of the health care system. Don't come unless you are willing to take $200 billion and have that impact positively on everybody's premium in this country. Don't come to the floor unless you are willing to extend wellness and preventive care through the policies we are able to create. Don't come unless you are willing to reform insurance products so they are truly market based. Don't come if you don't want insurance products to be portable, when employees can take them from job to job just like the retirement benefits we have and that we fought so hard for.

Today I am disappointed because we have an opportunity in this program.

We can't extend this program, though, if in fact passing a bad bill is the result.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I say to the Senator from North Carolina who just completed, I am willing to work with him on all the goals he wants to do. Earlier in the writing of this legislation, back during the months of March, April, and May, we tried to get the White House to get some other Democrats involved and helping Senator WYDEN, who wanted to go in that direction, and the White House couldn't deliver.

When it comes down to doing something all at once, or doing it in two separate pieces, sometimes you have to do it in two separate pieces. This is one of those issues. We have to do the Children's Health Insurance Program first and then I am going to join people like Senator BURR. Only I am going to be working in a bipartisan way with Senator WYDEN, to see what we can do to take care of all of the uninsured in America.

We can do that. The President wants to do it. There are Democratic leaders who want to do it. Senator CLINTON has come out with a program doing it through private health insurance. But we cannot do it on this bill. The people who have been talking for 6 months about doing it on this bill had an opportunity, when it was up in the Senate, to offer an alternative. For all their talk, for months, nothing was offered along the lines of what they wanted to do.

Don't come back complaining after we get a compromise between the House of Representatives and the Senate, and still complain, when you had a debate on this 2 months ago and you didn't have a plan to offer. You can't get anything passed in this Senate if you don't have it down on paper and offer it to us for consideration. But now, after this job is done, let's all get together and do it right. And we will do it right.

I want to spend my time talking about some of the misinformation that was spread about this bill when it was first considered in the Senate 2 months ago and is still being considered today, just as if the debate and all the explanations we gave two Mondays ago didn't make a bit of difference. So let's go through it again. Let's get very basic and let's say where the misinformation is wrong.

I am not here to embarrass any of my colleagues so I am not going to use any names. But yesterday a Member of my party took to the floor talking about this bill pending before the Senate. I wish to address some of those issues that were raised by my friend and colleague.

This colleague repeatedly referred to the Children's Health Insurance Program as leading to a national system of health care.

> The goal here is to radically expand the size of a public insurance program to families that are really doing quite well, families making up to $80,000 that may not have children, or the children may already be insured by the private sector because you want to move more people onto the public insurance system because you want to have a nationalized system.

I have one simple question to ask all the critics of this bill who, when confronted with the actual policies in this compromise, respond by shrieking: 80,000 income, $80,000 income; and that question is: If this bill became law tomorrow, how many families earning $80,000 a year would be eligible for this Children's Health Insurance Program? And the answer is: None. None.

As they say in baseball: You can look it up.

I have one simple question to critics who, when asked to respond to what is actually in the black and white of this bill, react by screaming, as we heard in that quote I just gave: National health care, socialized medicine. And that question I ask those folks is this: Under what contorted reasoning is a capped block grant inclusive of policies that prohibit new waivers for parents, phase childless adults completely off of this children's program, and limit matching funding for higher income kids, nationalized health care? That is what this bill does. It takes care of problems that have developed over the last 10 years. There have been legitimate criticisms of it. It fixes those problems and doesn't do any of the things that people say are going to happen, such as families of $80,000 being able to put their kids on this program.

You can call all of this rhetoric something. You can call it anything you want. But in Iowa you can't call a cow a chicken and have it be true.

I have some charts here I want people to see. This colleague of mine also referred yesterday to what is ''budget gimmickry'' about this legislation. I have this response to that colleague of mine. He said this yesterday, ''There is the problem.''

He was pointing to this chart that he had up at that time. Let me start the quote over again.

> For example, there is the problem that there is a scam going on, a scam in this bill as to how it is paid for. You can see this chart I have in the Chamber. This reflects the increased costs of the bill as it goes forward. But, in order to make their own budget rules, which they claim so aggressively to be following, such as pay-go—

meaning pay as you go—

> they have to take the program, in the year 2013, from a $16 billion annual spending level down to essentially zero. In other words, they are zeroing out this program in the year 2013 . . . that is called a scam.

I end the quote of my colleague.

I am a proud member of the Budget Committee. I think I know how the budget process works. I believe in fiscal discipline and spending restraints. I agree that even under a Republican-controlled Congress, spending got out of control. Part of the reason why Republicans lost control of the Congress last election is because we didn't show concern enough to control spending.

I believe part of the reason the President is threatening a veto of this bill is he is trying to play catchup for failing to veto 6 years of spending bills when Republicans controlled the Congress. I agree that fiscal discipline ought to be applied to spending bills and we should pay some attention to the level of spending and how spending is financed.

From that standpoint, let me focus on the criticism that has been made about how this Children's Health Insurance bill is financed. We need to step back, and in stepping back we need to look at the whole picture. The Children's Health Insurance Program is a pretty small part of that picture. The thing about the Children's Health Insurance Program is that it is not like Medicaid or Medicare. It is not a permanent program. This program expired after 10 years. We are working on it now to reauthorize it. It will expire after 5 years. You never hear of Medicare or Medicaid expiring, sunsetting, so it has to be reenacted. It has been going on for 43 years.

SCHIP, then, is not an entitlement and I have heard my colleagues recently refer to it as an entitlement.

Now, there were some who wanted to turn this Children's Health Insurance Program into an entitlement program. So it has been discussed, I admit. I am not one of those. And nobody in the Senate that I know of spoke that way. But the House bill would have lifted the cap on the national allotment for the Children's Health Insurance Program and extended the program forever.

The word ''entitlement'' may be applicable. I fought hard to maintain the block grant concept, the sunset concept—as has been the case since the program was started 10 years ago—and to ensure that the program did expire so that in the future, Congress would be forced to reevaluate it and maybe improve or cut back, whatever the situation is 5 years from now, just as we have been doing this year with the sunset program.

So despite the best efforts of House Democrats, because in the House it is more partisan than the way we do business in the Senate, this is a bipartisan bill. Regardless of the best efforts of House Democrats under the compromise bill when the program expires, it truly ends. The day after the authorization ends, poof, no more Children's Health Insurance Program unless Congress reenacts it.

The Children's Health Insurance Program before us is an expiring program. So let me say that again. It is an expiring program. It is not an entitlement. Why do colleagues keep trying to fuzzy the debate by using words that are not applicable?

Well, I know most of us in this Chamber would no sooner let the Department of Defense expire then we would

let the Children's Health Insurance Program expire. That is a simple fact. But that does not make it an entitlement any more than the Department of Defense programs are entitlements. Because it is an expiring program, it is subject then to a very particular budget rule that makes this chart not exactly intellectually honest.

The budget rule says the Congressional Budget Office must score future spending for programs based upon last year's program current authorization. So the baseline for the Children's Health Insurance Program right now, and for next year and next year, is $5 billion. For the next 5 years, the baseline each of those years is $5 billion, and also for the next 10 years. If you want to go beyond 5 years, and we do not do it in this bill, but sometimes the Congressional Budget Office does it, the baseline is still $5 billion. It is actually $5 billion a year forever as far as the Congressional Budget Office is concerned.

Does anyone in this Chamber think the budget rule governing the Children's Health Insurance Program is realistic? Well, it is obviously not. But that is the way the Congressional Budget Office does business around here. So let's not kid ourselves.

According to the Congressional Budget Office, over 1 million children would lose coverage if we simply reauthorized the Children's Health Insurance Program at the assumed baseline of $5 billion a year. Now, I have never heard anybody around here saying they want to throw a million kids off of this program. So what do you do? You provide for where you are.

Well, you can throw them off if you want to, but I have not heard any of my colleagues, even the ones complaining about this bill, I have never heard them complain that we ought to throw 1 million kids off the program.

Who would go home and tell their constituents that they voted to do that? But over 1 million kids would lose coverage. That is not politically viable.

During the consideration of this Senate Finance Committee bill, there was a children's health insurance alternative that included an increase in the Children's Health Insurance Program by spending $9½ billion over 5 years.

Now, understand, the White House ought to hear that. Even Republicans in the Senate are telling the President: Your $5 billion will not do what you want it to do. Those are even the Members who oppose the Finance bill, acknowledging that $5 billion was not enough. Everyone knows the current baseline is not realistic, that it created a hole in the budget that had to be filled.

So what do we do? If you do not want to throw kids off, you fill that hole. It is that simple. We had to comply, though, with the budget rule. That is the way you have to do business around here. You get a point of order against your bill, and you have to have 60 votes to override it. So we did.

Do those budget rules make sense? Well, that is a question for the Budget Committee, not for our Finance Committee. The Budget Committee sets those rules, and they are not for the Finance Committee to change.

There is another budget rule the Finance Committee was required to follow. That rule is called pay-go, pay-as-you-go, which means that you raise revenue or cut spending someplace else to pay for the new things you are doing. It means the bill needs to cover its 6-year cost, and that makes sense. After all, this bill proposes new spending, and we should pay for it. And this bill does it. This bill complies with those budget rules. It complies with the pay-as-you-go requirement.

Now, the children's health reauthorization that we are debating is only a 5-year authorization. And, as I think everyone knows, the bill is paid for by an increase in the tobacco tax, just like the original CHIP bill was paid for when it was created by a Republican-controlled Congress 10 years ago.

Now, just like in 1997 when the Republicans did it, we had a problem with how the tobacco tax worked. The revenue from the cigarette tax is not growing as fast as health care costs grow. So that means the revenue raiser is not growing as fast as the costs of the program. So the Finance Committee did what it was required to do to comply with pay-go budget rules. The Finance Committee bill reduces children's health insurance funding to just below the funding that is in the current baseline.

That means the Finance Committee, in 5 years, will have the same problem we faced in putting this bill together today. They will have to come up with the funds to keep the program running, if that is what they decide to do 5 years from now.

We are covering even more low-income kids in this bill. That is a good thing. Assuming that Congress does not tackle the increasing problematic issue of health care costs across the board, as Senator BURR was begging us to do, the Finance Committee, in 5 years, will have a bigger hole to fill. They will have more kids to keep covering, and health care costs will be even higher than they are today. That is for the Finance Committee to face down the road 5 years.

That is just like the job the Finance Committee had today if we were going to continue the Children's Health Insurance Program beyond the 10-year sunset. So what I am saying is, this is really nothing new. Now, my friend and colleague whom I have been quoting all the time, a person for whom I have great admiration, has once again distorted the so-called cliff that he referred to on this chart. That is where the line goes down after the year 2012.

He has, once again, produced a chart that shows a dramatic decline in funding of the program. Here is the chart used to raise the issue about financing the compromised bill, which is largely the Senate Finance Committee bill. It shows only the funding in our bill.

The approach that this chart takes reminds me of the story of the seven blind men trying to describe an elephant. Each described different parts of the elephant: one the tusk, another one the tail, another one the ear, another one the leg, and none could describe the whole elephant. They could not see the whole picture. So we have to look at the whole picture.

As we all know, this program was created to supplement Medicaid. So I am going to show you the whole picture. You have to involve Medicaid. The goal of the program was to encourage States to provide coverage to uninsured children with incomes just above the Medicaid eligibility: Medicaid for the lowest income people, SCHIP to help lower income people who maybe could not afford private health insurance or their workplace did not have it.

So to put my colleague's concerns into perspective, we need to look at the whole picture. We need, and we should, look at SCHIP spending as it relates to Medicaid spending. I would like to draw your attention to this chart so everyone can fully appreciate the consequences of our SCHIP program that is a fiscal disaster to some of my friends, as you listen to the debate, the consequences of the SCHIP program in the context of the Medicaid Program which it supplements. So I want you to take a closer look.

Let's start with this tiny green line down to the bottom. That is the Children's Health Insurance Program under current law, the straight line across the bottom. I know we have to squint to see it. But that green line represents the Children's Health Insurance Program baseline under current law.

As I have already discussed, it is $5 billion each year for the next 10 years, and maybe forever, depending on what Congress does in the future.

Now, let's look more closely and honestly at the actual problem we are facing. This massive orange area above that green line I just referred to is Medicaid for several years into the future, 10 years into the future. It is a lot bigger, isn't it, than the Children's Health Insurance Program?

Then, on top of that, we are looking to add what is in this bill, new spending for the Children's Health Insurance Program. The new spending is represented by that narrow blue line across the top there labeled ''funding in the compromise agreement.''

Again, you almost have to squint to see that blue line. And as you can clearly see then, costs are growing at a rapid pace overall. The overwhelming driver of the cost is not the relatively small increase of the blue line. And then the decline, you see a decline in that blue line on top in CHIP spending. That is just kind of a blip on the radar compared to the massive increase we see in Medicaid spending.

We have a big problem. It is not going to go away. But it is not the

Children's Health Insurance Program. It is the entitlement program that SCHIP is not a part of because I made a point—10 times in the last 2 days—that this is not an entitlement, even though my colleagues still talk about entitlement. Where are they coming from? What planet? I don't know.

But entitlement spending is, in fact, ballooning out of control in future years if we do not act. We are going to struggle to keep these programs afloat. When you look at the whole picture, this whole picture, it puts things about the SCHIP program and the criticism of the SCHIP program in perspective. But the criticism is not justified.

Now, remember all of the fire and brimstone about the awful cliff on the chart that we had before, the awful cliff of this compromise bill? The way that it continues to be described, you would think the world is about to end. And now looking at the big picture, where exactly is that cliff, you might ask? Again, you will have to squint to see that cliff. That cliff starts downward after the year 2012. So you saw on the previous chart, you see that big dropoff. That is what I raise about the intellectual accuracy of that chart. OK?

If we go back to the other chart and look at the real program, that is how it goes down a little bit after 2012. It is not that dramatic compared to what we are doing on Medicaid. You can see how this debate has tried to distort what we are accomplishing.

So this little blue line is what this debate is all about. This little blue line is the funding in the compromise agreement. This little blue line is what all the fuss is about. It seems like a whole lot of hollering is going on over a dip that is hard to even see.

Let me tell you what the compromise agreement and this little blue line is not. This is not, as some people want us to believe, a government takeover of health care. This little blue line is not socialized medicine or nationalized medicine or anything like that. This little blue line is not bringing the Canadian health care system to America. That little blue line is not the end of the world that we know. To suggest that this little blue line and this tiny dip we see after the year 2012 is the dismantling of the U.S. health care system borders on hysteria.

While I concede that allotments under our bill in the years beyond the 5-year reauthorization in this legislation do behave as described in my friend's chart, the one with the big dropoff, I don't think it warrants the heated rhetoric we are hearing today and yesterday. SCHIP is not a real fiscal problem. The problem is that issue nobody wants to talk about. What are we going to do about entitlements? Nobody has political guts enough to agree with it, but they want to put this Children's Health Insurance Program on the same par as those Medicaid issues.

My friend I have been quoting all day and I worked together a year ago, now maybe 2 years ago, on the Deficit Reduction Act, to try to rein in this egregious Medicaid spending. I am proud of the work we did. He praised me so much 2 years ago for the heavy lifting I did for the entire Senate on saving some money—I should say Senate Republicans for saving some money—but how times have changed. We also found out how hard it is, at the time of the Deficit Reduction Act, to dial back entitlement spending. Even in a Republican-controlled Congress and even with the special procedural protections of reconciliation, we only succeeded in shaving $26 billion off that orange part of the chart. The problem of entitlement spending is still out there, and SCHIP is like a pimple on an elephant compared to the elephant that Social Security, Medicare, and Medicaid are.

I am very hopeful that once we are done with the CHIP debate, we can roll up our sleeves and get down to the business of tackling health care reform on a much larger scale, as Senator BYRD referred to, and I have referred to Senator WYDEN from Oregon working on it over a long period of time. I know Senator WYDEN wants to take this on, and I am going to join him in that bipartisan effort.

As I have said many times, I had hoped we could have used this debate on SCHIP to focus on these larger issues of health care reform and helping the uninsured. I tried to engage my colleagues on the other side. I was repeatedly thwarted in that effort and told that SCHIP had to get done first. Well, hopefully we can get SCHIP done and then turn to the bigger issues so the next time the Congress has to tackle the Children's Health Insurance Program, this big orange block would not be so huge.

Before closing, another criticism we had of this bill in the last debate 2 or 3 months ago was this. I will quote Senator LOTT. I don't think he will mind my using his name. He was quoted on July 31: The House is going to pass a bill at what, maybe $80, $90, $100 billion, paid for by taking money away from Medicare beneficiaries. We go on conference, what will happen? What always happens. You split the difference. We are at 60. They are at 90. How about $75 billion. How is that going to be paid for? Is it going to be paid for by cutting benefits for the elderly or raising taxes of all kinds?

Well, it is paid for the same way we paid for it on July 31, 2007, with the tobacco tax, not by Medicare money.

He went on to say: I fear what is going to happen in conference. I don't know. Maybe the Senator from Montana and Senator GRASSLEY can sit there and say: Oh, no, no, no, we are not going above what we passed in the Senate. But I think the reverse is going to be true. This is the base. The $60 billion is the beginning.

Where did we come out? Exactly where Senator BAUCUS and I told the Senate we were going to come out. We came out with the $35 billion that passed this body. So all those people who are worried about the position of the Senate being lost in conference by Senator BAUCUS and I representing the Senate—and let's say Senator ROCKEFELLER and Senator HATCH as well—would you please tell me you were wrong?

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida). Who yields time?

The Senator from Maryland.

Mr. CARDIN. Mr. President, I yield myself 2 minutes.

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

Mr. CARDIN. Mr. President, today is truly an important day for America's children. On Tuesday, the House passed the Children's Health Insurance Bill, and very soon, the Senate will vote. We will provide $35 billion over the next 5 years to expand health insurance coverage for the children of America's working families.

We know that there is a crisis in health care in this country. More than 46 million Americans don't have any health insurance coverage; 9 million of them are children, and most of them are in working families. That is a disgrace.

Now there are many proposals out there to increase the number of Americans with health insurance coverage. As Congress begins to consider these proposals, there is something we can do today to decrease the number of uninsured children by nearly 4 million.

Earlier this year, in February, I introduced to the Senate Finance Committee a Baltimore family that has benefited from CHIP. Craig and Kim Lee Bedford are working parents who own a small business and simply cannot afford health insurance for their 5 children through the commercial market. Through the Maryland MCHP program, the Bedford Family's 5 children receive affordable, quality health care.

We have the evidence that enrollment in the CHIP program improves the health of the children who are enrolled, their families, and the communities in which they live.

When previously uninsured children are enrolled in CHIP, they are far more likely to receive regular primary medical and dental care, and they are less likely to use the emergency room for visits that could be handled in a doctor's office.

They are more likely to get necessary immunizations and other preventive care, and to get the prescription drugs they need.

But there are still millions of children who have not enrolled in the programs offered by their States.

Our States are making progress—simplifying their enrollment procedures, expanding outreach efforts, and using joint applications for Medicaid and CHIP so that families can enroll together.

But this reauthorization bill, with $35 billion in added funding, is needed to help them make real progress.

I want to talk for a moment about Maryland's program.

It has one of the highest income eligibility thresholds in the Nation, and this is important because of the high cost of living in our State.

It is at 300 percent not because our Governor wants to move people from private insurance to public insurance plans. It is at 300 percent because working families at this income level do not have access to affordable health insurance policies. Those families need CHIP.

Children under the age of 19 may be eligible for MCHIP if their family income is at or below 200 percent of the Federal poverty level, or up to $34,000 for a family of three.

We also have an MCHIP Premium program, which extends coverage to children at moderate income levels—between 200 and 300 percent of poverty, or up to $51,500 for a family of 3.

The premiums, which are paid per family, regardless of the number of eligible children, are between $44 and $55 a month.

Our program has been a true success. Enrollment has grown from about 38,000 enrollees in 1999 to more than 101,000 today.

In my State of Maryland, the need has always exceeded the available funds. The Federal match through the CHIP formula established in 1997 is not enough to meet all of the costs of the MCHIP program.

Some States do not use their entire allotment, while other States, like Maryland, have expenditures that exceed their allotments. Congress has addressed this problem by redistributing the excess to the shortfall States.

The 109th Congress passed provisions to address the Fiscal Year 2007 funding shortfalls.

That bill didn't include any new money, but it allowed the redistribution of $271 million already in the program, and that was important for thousands of Maryland families.

Without that legislation, Maryland would have been forced to either freeze enrollment or reduce eligibility for CHIP.

Now, we must move forward for future years. That is what we are doing on the floor of the Senate today.

This conference report increases the allotment for Maryland for next year from its current projected level of $72.4 million for fiscal year 2008 to $178.8 million.

It also allows us to continue to cover children in families with incomes up to 300 percent of poverty. Maryland would also have access to a contingency fund if a shortfall arises and additional funds based on enrollment gains. With this new money, Maryland can cover as many as 42,800 children who are now uninsured over the next 5 years.

There is another vitally important part of this conference report that I want to talk about. Title 5 ensures that dental care is a guaranteed benefit under CHIP.

According to the American Academy of Pediatric Dentistry, dental decay is the most common chronic childhood disease among children in the United States.

It affects one in five children aged 2 to 4; half of those aged 6–8, and nearly three-fifths of 15-year-olds. Tooth decay is five times more common than asthma among school age children. Children living in poverty suffer twice as much tooth decay as middle and upper income children. Thirty-nine percent of black children have untreated tooth decay in their permanent teeth; 11 percent of the Nation's rural population have never visited a dentist; an estimated 25 million people live in areas that lack adequate dental care services.

I want to say a few words about a young man named Deamonte Driver. He was only 12 years old when he died last February from an untreated tooth abscess. It started with an infected tooth. Deamonte began to complain about a headache on January 11. By the time he was evaluated at Children's Hospital's emergency room, the infection had spread to his brain, and after several surgeries and a lengthy hospital stay, he passed away.

For want of a tooth extraction that would have cost about $80, he was subjected to extensive brain surgery that eventually cost more than a quarter of a million dollars. That is more than 3,000 times as much as the cost of the extraction. After Deamonte's death, the public took note of the link between dental care and overall health that medical researchers have known for years.

His death showed us that, as C. Everett Koop once said, ''there is no health without oral health.''

Deamonte's brother, DaShawn, is still in need of extensive dental care, and, like him, there are millions of other American children who rely on public health care systems for their dental needs.

No child should ever go without dental care. I have said before that I hoped Deamonte Driver's death would serve as a wake-up call for the 110th Congress. I believe that it has.

Earlier this year, I brought Deamonte's picture down to the floor. I have it with me again today.

It is here because we must never forget that behind all the data about enrollment and behind every CBO estimate, there are real children in need of care.

When I spoke about Deamonte right after his death, I urged my colleagues to ensure that the CHIP reauthorization bill we send to the President includes guaranteed dental coverage.

This bill would make guaranteed dental coverage under CHIP the law of the land, and I want to take this time to personally thank the members of the conference committee for ensuring that a dental guarantee is in this bill.

One other tragic piece of Deamonte's story is that, once his dental problems came to light, his social worker had to call 20 dental offices before finding one who would accept him as a patient.

The conference report includes a provision that will make it much easier for parents and social workers to locate participating providers.

It requires the Secretary of Health and Human Services to include on its Web site *www.insurekidsnow.gov* and the HHS toll free number, 1–877–KIDS–NOW, information about the dental coverage provided by each State's CHIP and Medicaid programs, as well as an up-to-date list of providers who are accepting CHIP and Medicaid patients.

Parents will be able—with one phone call or a few mouse clicks—to find out what their child is covered for and where they can receive care. There is more work to do, as I have learned from working with my dedicated colleagues here on this issue, particularly Senators BINGAMAN and SNOWE.

We still have to improve reimbursement for dental providers, and get grants to the states to allow them to offer dental wraparound coverage for those who may have health coverage, but no dental insurance. But these provisions are a very good start.

I am deeply disappointed by the President's statements about CHIP. When he says that this is Government-run insurance, he is mistaken.

This program is administered by our States, with help from the Federal Government, to ensure that working families who cannot afford private health insurance, can enroll their children in private health insurance plans.

I would hope that after today's vote in the Senate, he will reconsider his position on this bipartisan, responsible, and paid-for bill.

CHIP covers urban and rural children, who live in every state, whether Democratic or Republican.

Congress has come together after months of work to reauthorize a program that's been a proven success and has served the needs of America's working families. I urge the President to join us in this truly bipartisan effort and sign this bill into law.

I thank the leadership for bringing forward this bill. We have talked about the fact that we have 46 million people without health insurance, 9 million children without health insurance. We can do something about it today. This bill will cover 4 million uninsured children. We can do something about the uninsured. During the course of the hearings in the Senate Finance Committee, I brought Craig and Kim Lee Bedford, constituents from Maryland, to testify before the committee. These are working parents with five children. They simply could not afford health insurance. But the CHIP program has allowed us in our State to cover these children. Mrs. Bedford said: I no longer have to decide whether my child is sick enough to go to a doctor. That is the practical effect of this legislation. It is going to help families in our State.

I heard the arguments about over 200 percent of poverty. In our State, we cover up to 300 percent of poverty. That is $51,500 a year. You have to pay a premium. The premium is between $44 to $55 a month for the entire family. But in Maryland, you can't afford health insurance if you make that type of income for a family. This bill will allow us to cover those children. For my own State of Maryland, bottom line means we are going to be able to cover 42,800 more children. In Maryland, we had the tragic circumstances of Deamonte Driver, a 12-year-old who died as a result of untreated tooth decay. That should never happen in America. This bill will help us to cover American families and our children.

I urge my colleagues to support the bill and yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. DEMINT. Mr. President, I am encouraged that the Senate is taking up the whole issue of health care in America. We know this is one of the most important issues to the American people. We know a number of Americans don't have access to health care, and it is very important that we debate this as a Senate, not just children but the American goal of how do we get every American insured. How do we make sure every American has access to good health care throughout their life and their children do as well? We can agree on that goal. It is not just about children, it is about health care in America and figuring out as a Congress how do we make sure every American has access to good health care.

The question today and the question we need to continue to debate is: Do we want the Government to provide that health care or do we want to figure out how to make sure that individuals have access to a health insurance policy that they can own and keep? Because we know the best and most efficient delivery of health care is going to come through individually owned policies that people don't lose when they change jobs, they don't lose when they retire. I hope our focus will turn from Government health care to helping individuals have a policy that they own and can keep. We should all question, do we want the Government that ran the Katrina cleanup or runs the Post Office or spends $1,000 for a hammer at the Pentagon and wastes billions, literally hundreds of billions of dollars in waste, fraud and abuse every year, do we want that Government to take care of our children, to take care of our seniors, and to run the health care system today?

We are talking about health insurance for children. A number of people are saying individuals cannot afford to buy it. Before we consider that, we need to realize this Congress has made it very hard, if not virtually impossible, for individual Americans to have a health insurance policy they can own and keep. We need to be reminded that this Congress has created a Tax Code that gives tax breaks to businesses who provide health insurance but not to individuals who want to buy it. That means the cost of individual insurance is higher and many times unaffordable. We have proposed in Congress—unfortunately, my Democratic colleagues have fought back—to allow small businesses to come together and pool their resources so they can buy health insurance and make it available to their employees when they cannot afford it as individual companies. But this Senate killed that idea. It would have made it more affordable for individuals. Yet we complain about the uninsured.

We know a number of States have added so many mandates onto their insurance policies, it is too expensive for citizens to buy it. Yet this Congress will not allow Americans to buy health insurance anywhere they want in the country. We have allowed individual States to create monopolies, where someone in South Carolina can't buy a policy from New Mexico unless it is certified in South Carolina. We know we could create a national market and make individual policies much less expensive, but this Congress would not do it.

The fact is, this Congress has made individual health insurance unaffordable and unaccessible to Americans and now, today, we are going to ride in on our white horse and save the day with Government health insurance.

Children should have health insurance. This whole plan of children's health insurance started for poor children whose families make too much for Medicaid but were still under 200 percent of poverty. Today we are proposing not just to reauthorize and continue this program for poor children but to raise it so children and families with incomes up to $82,000 are going to get free Government health care. When this plan is fully implemented, about 75 percent of the children who live in America today will be on Government health insurance, which means we as a Congress have made a decision that we want America to have Government health plans and not to have individual plans they can own and keep. Because if 75 percent of the children are on Government plans and our seniors are on Government plans and many of our military are on Government plans, there is no more room for private market health insurance policies to work. In effect, what we are doing is deciding today that we want national health care in America when we vote for this.

I have heard this bill talked about as a compromise and that we can split the difference. But colleagues, you can't split the difference between freedom and socialism. You can't split the difference between Government health care and individuals owning their own health plans. We are talking about something that doesn't exist. What we have split the difference between is spending $80 or $90 billion more than we need for poor children, and we have brought that down a little bit. We have funded it with some bogus funding, and we think we are doing something to help America.

This bill is not for children. This bill is selling out the future for every child in America because we are turning this country into a socialistic style of government, taking away people's freedom. We are here, once again, pretending we are doing something we are not. We are not taking care of children. We are selling their freedom away under the pretense of children. We have learned in this body that all we have to do is do it for the children and come down and say it applies to children, and we dare anyone to vote against it. I am going to vote against it because this is not for our children, and it is not for our country.

We are selling out our future. If we would focus ourselves on helping individuals access private policies, we could get every American insured. If we made our Tax Code fair for everyone, if we allowed States to partner with us, we could have every American with a health insurance policy without the Government running this. We should not even pretend we expect this Government to run the health care system in an efficient way.

Colleagues, I appreciate the debate on health care. We need to have it. We need to have an American goal that every citizen is going to have access to good health care and health insurance. This is not the way to do it. This is a decision to become more like socialized Europe, to sell out our freedoms, and to give Government control of our health care.

I encourage all of my colleagues to rethink this decision to vote for this bill, and to vote against it.

I yield back.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the Chair. I believe I have up to 10 minutes, and I yield myself that time.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. DOMENICI. Mr. President, I have heard my distinguished friend from South Carolina, and have great respect for his thought process, for the way he presents things. Frankly, I do not mind listening to him, so I was here early, and I got to hear what he had to say.

But we have been working on this issue of SCHIP for more than a few months, in fact, for more than a few years. So some come in at the end and have a whole new theory about it, and others, like myself, who happened to be the Budget chairman back a few years ago, when this program was born—and I remember making room for it in a budget resolution so it could be a reserve fund, and we could end up with this amount of money. It kind of lived through 2 or 3 years of getting knocked around and not doing its job, and doing part of it, and as things progressed I ended up supporting a proposal that involved SCHIP.

This Children's Health Insurance Program Act of 2007 is now before us. I indicated my support for it when Senator CHUCK GRASSLEY and his cohort, the chairman of the Finance Committee from Montana, were putting together a compromise bill using this money that had been allocated for health care some 3 or 4 years ago. So I supported it as Senator GRASSLEY and others put together a program.

New Mexico has a terrible problem with uninsured children. Nearly 25 percent of the children have no insurance—worst in the country. SCHIP will help this problem, no doubt about it.

The bill we are voting on today—whether my good friend who spoke just before me agrees with the terminology—is a compromise. Many on the other side of the aisle wanted $50 billion to $70 billion more in spending. On my side of the aisle, they wanted much less. Some wanted as low as $5 billion. This bill gave us $35 billion—right down the middle. Whether that means anything, it does to me. It means some people worked very hard to try to get a bill we could support, that would begin to get us somewhere with reference to changing the direction of health care for children who might see light someday. The bill gave us $35 billion, I repeat.

In August, I came to the floor and made a statement. I said I did not like what the House of Representatives was doing. I said I did not support massive increases in spending and eligibility proposed by the House. I made it very clear I did not want a reauthorization that included revisions to the Medicare Program.

Now, I am just one Senator, but it turns out that five or six or seven Republican Senators somehow or other all thought the same way. They were thinking just as I was, that we were not going to let ourselves get used so that this SCHIP was opening a crack in the door, and we did not know what we were talking about, and we would open the door, and we would spend three times what we had in mind.

Well, that was not going to happen. Senator GRASSLEY came around and asked, and I said: $35 billion. That is it. If you put any more in, I am out.

I remember him coming to me and saying: Is that it?

Twice I said: That is it. Don't bother me anymore. I am your friend, but anybody can understand $35 billion is $35 billion. It is not $38 billion. It is not $50 billion. If you want to do any more, go look for somebody else to make your majority.

He said: No, I don't want to do that. I want you. Is that all you will do?

I said: Yes, that is all I will do.

So everything I did is not part of the record, but I am reflecting for the Senate and for those on my side of the aisle who do not understand why I am doing what I am doing and want the President to veto this bill. I do not want him to veto it. I think it is a mistake, and I am saying it right now, and I will say it again.

But I did say I did not want massive increases in spending and eligibility proposed by the House. I did say I did not want a reauthorization that included revisions to the Medicare Program. Clearly, I made that point. I made it not only to Senator GRASSLEY, but I made it to the chairman of the committee, Senator MAX BAUCUS of Montana.

We got to where Senator BAUCUS would speak to me every 2 or 3 days and report to me what was going on. I was not on the conference. But the reason he did that was he understood if he went to conference and changed that $35 billion, which had become a very important number, he would start losing me.

So I was just as effective as being at the conference, but so were about seven or eight others who were still on board and who still think $35 billion is enough because the cheapest insurance around is insurance to cover children. We all know that. Now, that is not degrading. It is a fact. You can buy more insurance for children per dollar than for any other class of people. That is logical. Children do not get sick as much as old people. They do not get sick as much as middle-aged people. So they are healthy. The insurance is cheap.

Now, the conference committee listened—the one that Senator GRASSLEY and Senator BAUCUS were part of—they compromised the bill before us, and they did it in a fair way. What was fair? Thirty-five billion dollars—no more, no less—the amount we had agreed to that we said we would help them with. If they wanted to dream about big dreams for this small program—that I remember vividly we started in the Budget Committee, and it languished around. We started it some 4 years ago, or 5. I have not been back as chairman of that committee for quite a while, so it was not done yesterday.

The conference committee, as I said, listened, and they did exactly what Senator GRASSLEY and Senator BAUCUS had told us would happen. They provided $35 billion in new resources to provide health coverage for millions more children in working families.

Here we get into an argument: Who is working in families and who is not? Well, I understand we could have that argument and extend it beyond 8 o'clock. We could be here until morning. But we are not going to do that. It is established.

It strengthens outreach and enrollment efforts to make sure all children who are eligible for the program get the services they need. That has always been a problem with children. The Presiding Officer knows that. We cover children, and then in 2 years they come back and say: Yes, we covered them, but they did not get covered.

What do you mean?

Well, we did not find them.

Well, how do we find them?

Well, the best way is to wait until they go to the emergency room, and then you find them in the emergency room and you sign them up.

I thought: My, is that the best way we can do it? It turns out it is very difficult, especially among our poor people, to get them to round up their children and come and get them lined up. The best way is if they happen to go to a hospital. You get them then. You don't want them to go to a hospital, but I am telling you what it turns out to be. Maybe it has changed since I last worked on this. Years do go by. But I think what I said is still right.

It also makes improvements to the program such as mental health parity, which I know a little bit about. I am glad this legislation ensures plans that offer mental health services provide benefits that are equivalent to other physician and health services. This is one of the most difficult areas of unfairness for American coverage we have had, and we are making big strides toward resolving it. This bill makes its little contribution to resolving that problem.

The administration has issued a statement indicating the President will veto this legislation. Mr. President, that is a mistake. Maybe you will win; maybe you won't. I guess in the Senate you won't win, Mr. President. Maybe you will win in the House. I don't know. But this will not go away. It is solved. It ought to be done. We ought to go on and look somewhere else if we are going to try to find money to save. Those who think this is a great veto item, I think what I have just explained is, it is not a very good one. We ought to go ahead and take care of some of the children and get on to some other issues.

A majority of my colleagues have said they support this bill. Sixty-nine Members voted for cloture this morning—cloture meaning to cut off debate and get on with the vote.

My commitment to children's health care remains firm today. It remains as firm as when I agreed to the first use of SCHIP money in a new and different, innovative way so its asset value could multiply significantly. I support the passage of the compromise SCHIP reauthorization.

All in all, it is a pretty good bill. I hope it outlasts our debate and is voted on tonight. Then I hope it is not vetoed by the President.

I yield the floor and thank the Presiding Officer for recognizing me.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. THUNE. Mr. President, I have listened intently to much of the debate today on this SCHIP reauthorization. Let me preface my remarks by saying, first and foremost, I do support children. I like children, contrary to the implication that has come out of this debate that people who are not in favor of this particular piece of legislation are not in favor of the children. I am very much supportive and in favor of helping children. Furthermore, I also

support extending the SCHIP program. I would even support increasing funding for the SCHIP program in a way that would cover those children who are eligible but are not currently being covered.

That is a substantial number of children across the country, which is why I think it is essential if we are going to reauthorize this program, if we are going to extend this program, we do it in a way that takes into consideration there are a lot of children in America today who are eligible for the SCHIP program who are not being covered. So, frankly, I support not only extending the program but also increasing funding for the program.

We had a number of amendments that would have done that during the debate in the Senate that would have increased it substantially and, frankly, would have also, according to the CBO, covered more children than this piece of legislation we are going to vote on today.

But I have to say for a lot of us who do support extending the existing program and increasing funding to cover children who are eligible but not currently covered, this is a bridge too far because what this essentially does is, it not only expands the scale of the program, it expands the scope of the program. That is where a lot of us take issue with this legislation.

If you look at what the SCHIP program costs today, it is about $5 billion a year. It has cost us $40 billion over the course of the last 10 years. This legislation today would increase the 5-year cost to $60 billion, the 10-year cost to $121 billion. So where we are paying $5 billion a year today for the SCHIP program, this increases that to $12 billion a year, $60 billion over 5 years, or a $35 billion increase over the existing program, and $121 billion over 10 years.

Now, that again is an expansion, not just of scale but also of scope, because this covers adults, it increases the income levels that are eligible under the program that the States can incorporate up to 300 percent of the poverty level, and even allows and grandfathers in those States which have asked for waivers to go to 300 percent or 400 percent of the poverty level. So it does substantially increase or expand the scope of the program.

I think the other thing which is important and which is a concern for me in this whole debate is the fact that when you get to the year 2012, it is no longer paid for. Nobody here is disputing that fact. This is funded for the first 5 years or so of this program, but when you get to the last 5 years of the program, there is a cliff, and there isn't funding there to fund the program. In fact, the funding which is provided in the form of a cigarette tax increase actually assumes there are going to be 22 million new smokers over the course of the next 10 years. That would create a substantial number of problems for the health care system in this country and is certainly not something we want to encourage. But the reality is that when you get to 2012, you hit a cliff, and this is not paid for. It is going to have to be paid for in some form or fashion, which we all assume is going to be some substantial tax increase because it is going to be about $60 billion underfunded during the last 5 years of the program.

The other thing I will say which is, again, of great concern to me is this doesn't solve the underlying problem we have in this country. We have a health care problem in this country that needs to be addressed, that Congress needs to address head-on.

There are a lot of wonderful proposals and ideas that have been discussed, some of which have been proposed in the form of legislation, some of which have been voted on, and some of which have been defeated in the Senate.

A small business health plan, something many of us have supported for a long time, going back to my days in the House of Representatives, actually has been defeated on numerous occasions in the Senate. It is a proposal that would allow small businesses to form together, to leverage that group size they have and be able to lower the cost of health insurance coverage.

We heard my colleague from South Carolina talk earlier today about a national market for health care.

We have had suggestions, bipartisan suggestions about allowing a tax deduction that each individual could use in order to buy health insurance.

There is the proposal for a tax credit that has been offered by a couple of my colleagues on this side.

There are a lot of good ideas out there we ought to be adopting, or at least debating, and driving toward health care reform which empowers consumers in this country, which puts more people in charge of their own health care, and which allows them to have access to coverage where they own their own health care coverage and can make better and more informed decisions and get the cost of health care in this country under control. I don't believe this does that because what this legislation does is it increases government-run, Washington-controlled health care. This is an expansion of the government component of health care. It does nothing in the long run to address what is a very serious crisis in this country; that is, the need to bring reforms to our health care system.

The other thing I will say which I, frankly, take issue with as well with regard to this legislation is the fact that low-cost, efficient States such as South Dakota—and we have a 200-percent Federal poverty level in our SCHIP program in South Dakota—end up subsidizing higher costs in inefficient States. We have taxpayers in South Dakota who are covered, as I said, up to 200 percent of the Federal poverty level, or about $41,000 per family, who are going to end up subsidizing States that choose to exercise the option to go to a higher level. Frankly, there is no incentive for States not to go to the higher level, to go to the 300 percent, and those that already have requested waivers to go to 350 or 400, you are already talking about, in the case of 400 percent of the Federal poverty level, over $80,000 a year.

Now, what is ironic about that is the Federal Government is going to be telling people in this country that not only are you poor—in other words, you are eligible for this particular low-income health insurance program—but you are also rich, so rich that you are going to be subject to the alternative minimum tax.

I offered an amendment to the debate we had weeks ago that would have prevented those who are subject to the alternative minimum tax because under the Internal Revenue Code in this country they are considered rich—rich enough to pay the alternative minimum tax—that would have said that people who are subject to the alternative minimum tax cannot at the same time be eligible for a program that is designed to help low-income families and low-income children. That was defeated in the Senate by a vote of 42 to 57.

So there are a lot of issues with regard to this legislation that give me grave concerns, reasons that I can't support it. As I said before, an expansion of a government-run health care program in this country—it is not paid for after the year 2012—leads us toward nationalized, Washington-controlled health care and moves us away from what ultimately ought to be our goal; that is, providing access for more Americans to coverage through our market-based system in this country.

It requires that low-cost, efficient States such as my State of South Dakota are going to be subsidizing high-cost, inefficient States—States such as in the New Jersey, New York area—that are already talking about going to 350 percent or 400 percent of the poverty level, which, as I said earlier, in the case of New York, that would get you up to where you would have those in the income level of over $80,000 a year qualifying and being eligible for a program that is designed to help low-income children and low-income families and, ironically, subjects them to the alternative minimum tax. The alternative minimum tax was a tax put into place in the first place to tax people who are making too much money and not paying enough taxes. That, to me, seems to be a very conflicted message we are sending with this bill.

We need a strong, market-based health care system in this country. We need to start that debate. This debate delays that debate because we are going to be adopting legislation that increases—adds to the government-run component of health care in this country and moves us away from the debate we ought to be having, which is, how

can we improve access for more Americans to affordable health care coverage, where they can own their own coverage, where they don't have to rely on a government system that is inefficient, that is Washington-based, and that is controlled by bureaucrats here in Washington, DC?

We want to put people and patients more in control of health care. This particular bill does not do that. I will be voting no, and I urge my colleagues as well to vote no. I hope we can get to the big debate, the debate we ought to be having; that is, how do we reform the health care system in this country?

With that, Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, I rise in support of the legislation that will extend and increase funding for the State Children's Health Insurance Program.

One of the very first bills I cosponsored as a new Member of the Senate back in 1997 was the legislation that first established the SCHIP program. I remember Senator HATCH coming to talk to me about this bill and enlisting my support for it. I am very happy I was one of the original cosponsors of the SCHIP bill.

This program provides much needed health care coverage for children of low-income parents who simply cannot afford the cost of health insurance and do not get health insurance through the workplace; yet they make a little bit too much money to qualify for the State's Medicaid Program.

Since 1997, the SCHIP program has contributed to more than a one-third decline in the number of uninsured low-income children. That is a tremendous success. It is hard for me to understand why anyone would vote against an extension, a modest expansion, of what has been such a highly successful and effective program. Today, an estimated 6.6 million children, including more than 14,500 in the State of Maine, receive health care coverage through this program.

Still, as this legislation recognizes, there is more we can do to further decrease the number of uninsured low-income children. While the State of Maine ranks among the top four States in reducing the number of uninsured children, we still have more than 20,000 children who don't have coverage. Nationally, about 9 million children remain uninsured.

Unfortunately, the authorization for the SCHIP program, which has done so much to help low-income children in working families obtain the health care they need, is about to expire. That is why I encourage and I urge all of my colleagues to join me in supporting this legislation.

I commend the Senate conferees on this bill. They did a very good job of coming up with a very reasonable proposal—a proposal that costs less than the House version and yet will make a real difference to low-income uninsured children. I would point out that this is a bipartisan bill. On the cloture vote earlier today, it had overwhelming support, as 69 Senators voted to proceed with the vote on this bill.

The legislation that is before us will increase funding for the SCHIP program by $35 billion over the next 5 years—a level which is sufficient to maintain the coverage for the 6.6 million children currently enrolled, as well as to expand the coverage so that we can reach more children who are currently uninsured. In the State of Maine, the bill before us will allow us to cover an additional 11,000 low-income children who are currently eligible for SCHIP but not enrolled.

The bill also improves the program in a number of important ways. Like Senator DOMENICI, I am very pleased that the bill includes a requirement for States to offer mental health services through their SCHIP program. Treating behavioral and emotional problems and mental illness while children are young—early intervention—can make such a difference. I know from hearings I have held in the Homeland Security and Governmental Affairs Committee that the current systems for providing mental health care to children are woefully inadequate. The result is oftentimes parents are faced with a horrible choice of giving up custody of their children in order to secure the treatment they need for serious mental illnesses. That is a choice no parent should ever have to make.

We also need to improve oral health care, dental health care for children, and this bill will do just that. Despite the demonstrated need, children's dental coverage offered by States isn't always what it should be. Low-income and rural children suffer disproportionately from oral health problems. In fact, 80 percent of all tooth decay is found in just 25 percent of children—80 percent of the problems in 25 percent of the kids. That is simply because they don't have access to oral hygiene, they don't have access to dentists and dental hygienists who could help ensure their health. I am very pleased, therefore, that the bill before us will strengthen the dental coverage offered through SCHIP to ensure that more low-income children have access to the dental services they need to prevent disease and promote good oral health.

Finally, the bill will eliminate the State shortfall problems that have plagued the SCHIP program as well as provide additional incentives to encourage States to increase outreach and enrollment, particularly of the lowest income children.

The bill before us today is the prescription for good health for millions of our Nation's low-income children in working families. That is why I am so disappointed that the President has threatened a veto of this legislation. I just do not understand his decision, and I think it could be a terrible mistake. This important program can simply not be allowed to expire. I urge all of our colleagues to join me in supporting it.

Let me make one final point. I have heard a lot of our colleagues on my side of the aisle argue that we need a far more extensive debate on health care policy in this country, and they are right. But we should not hold the SCHIP program hostage to that broader debate. We do need a broader debate. We need a broader debate on how to lessen the number of uninsured Americans, which now exceeds 45 million Americans. We need a broader debate on how to help our small businesses better afford the cost of health insurance for their employees.

We need a broader debate on how we can effectively use the Tax Code to help subsidize the cost of insurance for those who don't receive insurance through the workplace.

I hope Senate leaders will charge the relevant committees to undertake a couple of months of hearings to bring together the best minds possible and then dedicate a month of debate on the Senate floor to a wide variety of solutions to both promote broader access to health care, to help our uninsured better afford health coverage, and to improve the quality of health care in this country.

That is an important and overdue debate. In fact, the Senator from Louisiana, Senator LANDRIEU, and I have, for several Congresses, introduced a broad health care bill with these goals in mind.

Let us not jeopardize the existence of a successful, effective program for low-income children because we want to have that broader debate. Let's send this bill to the President. Let's urge him to sign it into law, and then let's turn our attention to this long, overdue, much needed debate.

I yield the floor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator from Arizona is recognized.

Mr. KYL. Mr. President, I want to begin my remarks by noting that, along with my colleagues, I support reauthorization of SCHIP. Unfortunately, the bill before the Senate today is not just an SCHIP reauthorization; it is an SCHIP expansion, based on the following misguided principles:

First, it would turn a program for low-income children into a program for adults as well.

Second, it expands SCHIP to cover children from higher income families.

Third, it covers people already insured, not just the uninsured.

Fourth, it circumvents budget rules to hide a $41 billion cost not paid for under the bill.

I will address the first issue. When we authorized this program in 1997, the Republican-led Congress intended SCHIP to provide health coverage to low-income, uninsured children. Ten years later, the program created for children covers adults.

In fiscal year 2006, 14 States enrolled over 700,000 adults in SCHIP. In fact,

this year, 13 percent of SCHIP funds will go to adults other than pregnant women. For example, Wisconsin covers almost twice as many adults as children under the SCHIP program, spending 76 percent of its SCHIP funds on adults. Illinois spends 62 percent on adults. Rhode Island spends 54 percent on adults. New Jersey spends half of its money on adults.

So what happens under the bill before us? It allows the States, with these existing waivers, to continue enrolling new parents—adults, obviously—at a higher reimbursement rate than Medicaid.

There is no ''a'' in SCHIP. If Congress created SCHIP for low-income children, we in Congress should ensure that is where the funds go; otherwise, we are being dishonest with the American people and we should rename the program.

Second, when the program was created, in 1997, we targeted low-income children whose families earn too much to qualify for Medicaid but not enough to obtain private health insurance. We never intended for all children, regardless of the income of their families, to become dependent on a Government health insurance program. That is not what is happening today.

Eleven States have income thresholds at or above 300 percent of the Federal poverty level. Rather than refocusing SCHIP on low-income children, nothing in the bill prohibits States from increasing eligibility levels above 300 percent of the Federal poverty level.

In fact, the bill grandfathers in the two States with the Nation's highest levels and at a higher reimbursement rate than the rest of the country. Why should Arizonans, my constituents, pay their taxpayer dollars, which are intended for low-income children, to be sent to New York and New Jersey to cover families earning up to $82,600 a year?

I have heard some say over and over again this will only happen if the administration allows it. That is not true.

First, I direct my colleagues' attention to page 82, lines 3 through 11 of the bill. It states there is an exception for any State with an approved State plan amendment or waiver—that is New Jersey—or a State that has enacted a State law—that is New York. There is an exception. So it is not that the President can stop this. The bill provides the exception.

To clarify the policy even further, page 82 includes new language that was not in the Senate-passed bill. This new language reinforces that States should have the flexibility to set their own income eligibility levels, no matter how high, making it nearly impossible for any administration to reject such State requests.

Third, very importantly, the bill guts an August 17 letter issued by the administration designed to make sure that States enroll low-income families first and foremost. They said you have to make sure 95 percent of your low-income, eligible kids are enrolled in the SCHIP program before you can expand it to cover the higher income families. Well, that has been taken out of the bill and the bill guts the provision.

From my analysis, nothing in this bill gives the administration the clear authority to prevent taxpayer dollars from being sent to higher income families. Even the Concord Coalition, a nonpartisan advocacy group, warns that the bill ''fails to target new entitlement spending at those most in need.''

Third, as a result of expanding SCHIP to children from higher income families and some adults, the bill ''crowds out'' private health insurance and substitutes that coverage with government-run, taxpayer-subsidized insurance.

The Congressional Budget Office estimates that 2 million people will drop their private coverage under this bill. For every two individuals added to SCHIP, or Medicaid Program, one drops private coverage. This is why we say it is a step toward government-run health care—you take people with good private health insurance and take them off of the private health insurance roll and substitute in the government health insurance program.

For the newly eligible populations—the people not yet enrolled in the program—CBO shows a one-for-one replacement, meaning that for each 600,000 newly insured individuals, 600,000 individuals go off of private coverage. Is that what we are all about, what we should be doing here? Should Congress not focus on ways to provide health care coverage to the uninsured, rather than to those who already have insurance? Of course, the answer is yes.

Finally, the SCHIP bill is not paid for. Under our rules, we are required to state the cost of a program such as this over 10 years and pay for it over that time period. Under the bill, SCHIP spending goes up every year for 5 years and, all of a sudden, magically, artificially, the spending drops off precipitously, as if there is no more need for it. It basically disappears. Obviously, the reason for that is to circumvent the budget rules and avoid paying for the bill. The assumption, obviously, is artificial and wrong and everybody knows it. The program is, in fact, going to continue out over the full 10 years; it doesn't stop after 5. So you need to make up the last 5 years.

How much does that cost? According to the CBO, $41 billion will be needed to sustain the program for the last 5 years of the 10-year program. In other words, the bill has in it a $41 billion hole. If you fill in that hole over the course of the 10 years, the cost of the bill exceeds $110 billion. That is why some of us appreciate the President's determination to veto the bill as too much spending on a program that has been expanded way beyond its original purpose and is substituting private health insurance coverage for a new government program.

A future Congress will have no other choice than to disenroll millions of children, which will not happen, or more likely, raise taxes to fill that $110 billion cost. Of course, it will be our children who will bear this bill's deficit.

I will conclude where I started. Like everybody else in the Chamber, I support the reauthorization of SCHIP. I don't support its expansion in the way it has been done under this bill. Republicans have offered a fiscally responsible alternative that reauthorizes SCHIP for 5 years, preserving health care coverage for millions of low-income children. It adds 1.3 million new children to SCHIP. It is offset without new taxes or budget gimmicks. It minimizes the reduction in private health coverage by targeting it to low-income children.

We should pass an SCHIP extension and we should work toward a reauthorization, such as the Republican alternative, that is fiscally responsible and upholds SCHIP's original intent. Doing so is a step toward renewing our commitment to America's children.

Mr. GRASSLEY. Mr. President, since the Senate passed the bill the first time, the subject of ''crowd-out'' has become a lot more important in this debate.

Crowd-out is the substitution of public coverage for private coverage. Crowd-out occurs in CHIP because the CHIP benefit is very attractive and there is no penalty for refusing private coverage if you are eligible for public coverage.

On August 17, CMS put out a letter giving States new instructions on how to address crowd-out.

I appreciate the administration's willingness to engage on the issue. I think they have some very good ideas. But I also think there are some flaws in their policy.

States are supposed to cover 95 percent of the low-income kids. But it has been a month since they issued the letter and CMS still cannot explain what data States should be using.

Personally, I think CMS should have answers before they issue policies. And if they still can't a month later, I believe, as the saying goes, they obviously aren't ready for prime time.

So the compromise bill replaces the CMS letter with a more thoughtful, reasonable approach.

The Government Accountability Office and the Institute of Medicine would produce analyses on the most accurate and reliable way to measure the rate of public and private insurance coverage and on best practices by States in addressing crowd-out.

Following these two reports, the Secretary, in consultation with States, will develop crowd-out best practices recommendations for the States to consider and develop a uniform set of data points for States to track and report on coverage of children below 200 percent FPL and on crowd-out.

Next, States that extend CHIP coverage to children above 300 percent FPL must submit to the Secretary a State plan amendment describing how they will address crowd-out for this population, incorporating the best practices recommended by the Secretary.

After October 1, 2010, Federal matching payments are not permitted to States that cover children whose family incomes exceed 300 percent of poverty if the State does not meet a target for the percentage of children at or below 200 percent of poverty enrolled in CHIP.

Simply put, cover your low-income kids or you get no money to cover higher income kids.

Now I know some people are obsessed with the State of New York and their and their efforts to cover kids up to 400 percent of poverty.

It seems to come up in the talking points of every person who speaks out against our bill. This bill does not allow any State to go to 400 percent of poverty.

In fact, the bill makes it very difficult for any State to go above 300 percent of poverty; it will make it very difficult for New Jersey, the only State currently covering kids above 300 percent, to continue to do so if they don't do a better job of covering low-income kids.

If you are concerned about the State of New York, don't waste your time looking at this bill. You will not find answers to New York's fate here.

The answer is where it has always been—in the office of HHS Secretary Mike Leavitt. Only he has the authority to allow any State to cover children up to 400 percent of poverty. This bill does nothing to change that authority. It is up to the Secretary.

I heartily encourage those of you who haven't to read the bill. It is all there in black and white.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BOND. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair for 2 minutes so that we may bring in a distinguished visitor.

There being no objection, the Senate, at 6:12 p.m., recessed subject to the call of the Chair, until 6:14 p.m. and reassembled when called to order by the Presiding Officer (Mr. WHITEHOUSE).

CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007—Continued

Mr. GRASSLEY. Mr. President, I think we are ready for closing comments by me as ranking member and Senator BAUCUS as chairman of the committee. Then we will be done with the debate on SCHIP.

Mr. President, first, I thank my colleagues for supporting the vote to move to the consideration of the children's health insurance reauthorization bill so we could avoid a lot of turmoil over getting here where we are to get the business done because I think everybody knows how this is going to turn out.

I appreciate the leadership of Senator REID because he was an honest broker in helping the House to understand what needed to be done in the Senate, and he held a lot of meetings on this subject.

I thank my good friend, the chairman of the committee, the Senator from Montana, Mr. BAUCUS, for his leadership in forging this compromise in a bipartisan way.

I also have to recognize people who sat in on a lot of these meetings and worked hard and are part of this compromise: Senator HATCH and Senator ROCKEFELLER. In particular, Senator HATCH has been a stalwart through this process because he was the leader in creating the Children's Health Insurance Program when it was first inaugurated 10 years ago. The continued leadership he showed was very good and necessary.

I realize some in the majority want to do more than we do in this compromise. I know it wasn't easy for those on the other side of the aisle to convince some of their colleagues that this was the right course. But we have a bipartisan bill in the Senate, and now we have a bill with strong bipartisan support in the House of Representatives. We picked up a massive number of Republicans who did not vote for it the first time in the House of Representatives.

Currently, the SCHIP program covers kids at incomes far beyond what was considered low income in the original statute. It covers parents and, in some States, it even covers childless adults. With this reauthorization, this program will return to its original concept: helping the lowest income kids and not helping adults as the program evolved beyond the perceptions that were there 10 years ago when this bill was written.

Childless adults who are presently on the program will be phased out completely because this is a children's program, it is not an adults program. States will not be able to get enhanced Federal funds if they decide to cover parents. States will only be able to cover higher income kids if they demonstrate that they took care of the purpose of this legislation, which is to take care of the lowest income kids first.

Every financial incentive in this bill discourages States from spending a penny to cover anyone other than low-income children. And all the financial incentives are entirely focused on the lowest income children. All the rhetoric to the contrary notwithstanding, this bill does not expand the program to middle-income families. It refocuses the program on the lowest income children.

Some of the speeches I have heard on the Senate floor, I wonder what good does it do to make these points over and over because it is just that some of my colleagues on the Republican side of the aisle don't read this bill, don't care what we say. This bill does what they think it does, even if it doesn't do it, and they say that on the Senate floor. Those who say otherwise than what I just said have not read the bill. This bipartisan compromise provides coverage for more than 3 million children who are without coverage today.

In closing, I encourage my Republican colleagues to think long and hard about what I said as this debate began and throughout this debate. If this bill is vetoed—and this is what I would like to have the opponents concentrate on—if this bill is vetoed, if at the end of the day all we do is simply extend the program that has been in effect for 10 years, what will we have accomplished? Will adults be gone from this program who were not supposed to be included in it in the first place? No. Will States have a disincentive to cover parents? No. Will States be encouraged to cover low-income kids before higher income kids? No. Will the funding formula be fixed so States are not constantly challenged by funding shortfalls? No. And finally, will we have done anything to cover kids who don't have any coverage today? The answer is, again, no.

I quoted the President making a promise at the Republican Convention in New York. I did that yesterday. I want to state again what the President said. You can't say it too many times. I hope at some time the President remembers what he said:

> We will lead an aggressive effort to enroll millions of poor children who are eligible but not signed up for the government's health insurance programs.

An extension of law, which is what is going to happen if the President vetoes this bill, will not carry out what the President said at the Republican Convention in New York in 2004.

Faced with that, your answer today on this bill, Mr. President of the United States, should be yes. This bill gets the job done that you said in New York City you wanted to do.

I hope the President's answer will be yes because if he doesn't veto this bill, then we will do those things he said he wanted to do. It will help more than 3 million low-income, uninsured children. About half of the new money is just to keep the program running. The rest of the new money goes to cover more low-income children.

It provides better options for families to afford employer coverage.

It takes even more steps to address crowdouts, so we don't move people from private insurance to government-funded insurance.

It phases adults out of the program because this is a children's program, it is not an adults program.

It discourages States from covering higher income kids.

It rewards States that cover more of the lowest income kids.

It puts the lowest income children first in line for coverage.