

we will debate here on the floor in the coming weeks will include important insurance reforms to make that a reality.

I want to ask you though, Mr. President, and everybody watching, will we have succeeded in our mission if we merely put an insurance card in every American's pocket? Comprehensive health care reform needs to be about a lot more than that. We have heard about the difficult fiscal challenges that await us if we do nothing. Putting our economy on a sustainable path for the future means we have to address this unsustainable growth in health care spending that you so eloquently addressed earlier in your remarks.

One of the best ways we can do that is by preventing illness in the first place. The good news is that many communities and providers all over the country are doing just that. We can recognize their innovative successes and incentivize others to follow in this reform package. If we do that, we will have a big impact on patient health as well as on the Nation's bottom line.

I wish to talk about a program in Colorado that has been getting results. The Northwest Colorado Visiting Nurse Association, which has been working with the Department of Public Health, local physicians, and others, operates the Aging Well program. It focuses on prevention, and it connects rural Coloradans over age 50 with services and information to help them remain active, healthy, in their homes, and out of the hospital. Patients receive health screenings, exercise classes, and courses on managing conditions such as arthritis or chronic pain. Aging Well has been a great success. Listen to these numbers from a recent survey: 98 percent of participants reported improved fitness, 60 percent visited their doctor less often, and 18 percent reduced their medication needs. This saves dollars and improves lives.

Health insurance reform legislation includes funding to start similar programs aimed at keeping those just shy of their Medicare years—I have to confess, like me—active and healthy. The goal is to allow Americans to avoid spending their golden years worrying about illnesses that could have been prevented in the first place. To complement these programs, additional grants would give these organizations the tools to promote healthy living for all ages, reduce obesity, tobacco use, and mental illness.

Health reform would also require insurers to provide full coverage for preventive services at no cost to enrollees. That is music to the ears of any American who has skipped a recommended mammogram or an annual physical exam because the cost was too great.

Let me talk about children as well. There are grants in our health reform package for school-based health clinics so that children who lack easy access to a doctor can get preventive care right at school. These clinics have been shown to save \$2 for every \$1 they

spend. This results in fewer emergency room visits and hospital visits, and we deliver health care before problems become more serious.

Let me turn back to adults in the workplace. Reform would bring wellness programs to the workplace by providing grants for employers. Companies that have implemented wellness programs have already seen big savings. PepsiCo is one such company. They offer onsite screenings, programs to help employees lose weight, exercise incentives, and other measures. As a result, they have saved nearly \$120 per participating employee per month, which has resulted in a 2-year savings of over \$22 million. Even better than the dollars involved here, participants demonstrated lower health risks and better health outcomes. This is one more way reform will pave the way and provide incentives for more companies to follow suit for their employees.

Reform is also a great deal for seniors. For the first time, Medicare will pay for annual wellness visits. Reform would create incentives for Medicare patients who alter their behavior in order to lower their blood pressure and better control their diabetes. Medicare will cover recommended preventive services now, which is at no additional cost to seniors. In sum, contrary to what we have heard from some on the other side, Medicare benefits will be improved by the reform that is being proposed.

Let me conclude by pointing out that this legislation makes the wise choice of building on our wellness efforts that are already working. We know preventive care enables doctors and other health care providers to detect diseases earlier, when treatment is the most effective, averting more serious and costly problems later on. But it also empowers each and every one of us to take charge of improving the quality of our lives, and when done correctly it is a crucial component of efficiently and responsibly addressing health care spending.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. BEGICH. Mr. President, I thank Senator UDALL for once again pointing out how prevention and wellness works and how some real hard dollars make a difference in health care. As I close, I again thank my colleagues, the freshmen, for once again coming this week and making our point clear on innovation and the impact it will have on bringing accountability and a better product for the consumer, ensuring that we reduce costs through innovation.

I heard this morning some one-liners from the other side that say "rationing, delay, deny" is what we are all about over here. Absolutely wrong. What we are about is ensuring that the current rationing going on by insurance companies, the delay by insurance companies, and the denials by insurance companies stop so our consumers

have good-quality, long-term health care.

As I said earlier when the Senator from Oregon was talking, I heard again this morning that the American people were being taken for a ride. My comment was that I agree with the other side; they are—right over the cliff. It is time to take action and have health care reform.

Is it a perfect bill when we are all here on the floor at some point discussing it? It may not be. But is it better than where we are today? Absolutely, because today is literally taking the American people right over the cliff. So it is in the best interests of the American people to move forward and create a better system that is more accountable with better quality.

I appreciate my freshman colleagues for standing up today and laying out new, innovative approaches that are working across this country.

I yield my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I ask to be recognized as in morning business for 10 minutes.

The PRESIDING OFFICER. The Senator is recognized.

#### HEALTH CARE REFORM

Mr. GREGG. Mr. President, one of the first rules in health care that doctors learn and health care providers learn is to do no harm. So, as we move down the road of this health reform effort, I think we ought to have that as our watchword also. The health reform effort which we pursue should do no harm to a lot of the elements of our health care system which are doing pretty well.

For example, there are a large number of Americans who get health insurance from the private sector—about 170 or 180 million—who are quite happy with their health care. They may have concerns with their insurance companies, legitimately, but they think their health care is pretty good. In fact, American health care is excellent.

As we move down this road toward health reform, we should not harm those folks. We should not push them into a public plan by creating a system which basically disincentivizes their employers to give them health care, incentivizes employers to pay a penalty rather than pay a health care premium, and moves people over to what are called health exchanges in a public plan. But that is exactly what the bill did as it left the HELP Committee, and who knows what it is going to do when it comes out of the secret room where it is being written right now, but I wouldn't be surprised if that is exactly what it does when it returns from this secret room. That will be harmful—harmful to all Americans who have health insurance and like what they have. They like the doctors they see, and they don't want to have the Federal Government basically supplying their health care and putting them

under a bureaucracy where the Federal Government stands between them and their doctors.

There are also a lot of senior citizens in this country today who are on something called Medicare Advantage. They find this to be an excellent Medicare Program. It gives them a lot of options they don't have under traditional Medicare, and they like it.

Under the Finance Committee plan, Medicare Advantage would have been eviscerated. Most Americans who get Medicare Advantage would lose it—that simple—because the Finance Committee is anticipating a \$400 billion reduction in Medicare spending, with the vast majority of that—or the majority of that coming out of the Medicare Advantage program, essentially eliminating Medicare Advantage as an option. People who are on Medicare Advantage would be pushed back into traditional Medicare. I don't think they are going to be very happy with that. That does them harm. That should not happen.

As part of the "do no harm" we should be pursuing in health care, we should not cut Medicare in order to fund a brandnew entitlement for people who are younger and who are not on Medicare, for the most part—who obviously are not on Medicare—and cause people who are on Medicare and who are quite comfortable with what they are getting under Medicare, specifically Medicare Advantage, to lose that option in order to fund a brandnew entitlement with \$400 billion in Medicare cuts.

In the new "do no harm" issue, there is the issue of innovation. Innovation is one of the great advantages our health care system has. You do not see innovation in England, of any significance, where they have a nationalized system. You do not see innovation in Canada, where they have a nationalized system, because innovation takes investment. To bring a new drug to the market requires 12 years and almost \$1 billion. Someone has to put up that billion dollars. Somebody has to be willing to take a risk with their money, that they are willing to invest in this very chancy undertaking of trying to bring a new drug to the market, a new drug which will help millions of Americans, potentially.

But it takes money and it takes a willingness to invest in that type of research. Money follows return. If you set up a government-run program—which, inevitably, in order to reduce costs has to control prices—you reduce returns. It is absolutely guaranteed that if this country moves to a single-payer, government-run system, the innovation that is occurring in the area of pharmaceuticals and biologics, in the area of devices, will be dramatically chilled because there is not going to be the investment capital to pursue that type of innovation.

Granted, the government can try to do it through government research. But we know government research can

never replace the creativity of the private sector and the risk-taking of a broader market that involves billions of dollars of investment.

But we also know investment follows return. If you use a government plan, which essentially can only save money by controlling prices and, thus, reduces returns significantly or reduces the number of years companies have control over the drug they produce, as is being proposed by the majority under the biologics-generic proposal down to 4 or 5 years, then you will not get the initial investment. Those dollars will go somewhere else. They will go into software, they will go into some other technology or some other activity where the return will be something they think is better.

So innovation will be chilled, significantly chilled. That does harm. That will do significant harm because one of the great things about our system, as I mentioned earlier, is that we are bringing these new drugs to the market, these new pharmaceuticals, these new biologics, these new devices which are saving lives and making people's lives better.

No other country is doing that at the rate we are doing it because our country has a system which encourages that sort of entrepreneurship and innovation. But that will be dramatically affected if we go down the road as proposed, at least by the bill that was produced by the HELP Committee, which the majority leader said he endorses, a bill that has a public plan in it.

In the "do no harm" category, who are the people we want to have take care of us? I know when I was in high school and in college, the best and brightest people I ran into wanted to be doctors. I liked that because I knew those folks, who were a lot smarter than I was, were going to be taking care of myself and my family if I went to see a doctor.

Almost universally we know the best and brightest people in our society, for the most part, go into medicine. They become doctors. That has been our culture for a long time. But that culture will change, change fundamentally, when every doctor in this country is working for the government, when basically the doctors become bureaucrats. What sort of incentive is there going to be for the best and brightest to move into medicine then? I think we do significant harm if we undermine that character of our culture.

Lastly—and this is the point I wished to talk about mostly—doing no harm, in a financial sense, means not creating programs which we cannot afford, for which we end up passing the bill on to our children. We know the proposal, as passed by the Finance Committee, costs between \$1 and \$2 trillion.

They will tell you: Oh, it only costs \$800 billion. But that is because they used "Bernie Madoff" accounting. They said: We have a 10-year bill. We are going to spend 5 years on the program.

We are going to pay for 5 years of the program, but we are going to have 10 years of income to pay for it. We are going to score as if it is a real bill over 10 years.

That is absurd. You would go to jail if you did that in the private sector, which Bernie Madoff did. But he has been released. He is on work release, I think, down here working with the Democratic majority on how to score this bill.

But as a practical matter, you have to match the full 10 years of expenditures with the full 10 years of what is alleged to be income. So if you have this plan fully phased in over 10 years, the cost, by our estimate, the Budget Committee staff estimate on the Republican side—and it is a reasonable cost estimate—is about \$1.8 trillion. The income alleged to occur under this bill—remember, it is coming from Medicare reductions and from taxes and fees—is alleged to be about \$900 billion.

If you give them the benefit of the doubt, if they get all the income they claim they are going to get, you are still about \$1 trillion off. Well, who pays for that? That goes on the debt. Our kids pay for that.

By the way, we skipped over one little item, which costs \$250 billion, called the doctors fix. That is not even scored in this exercise, but we know we have to do it—more sleight of hand on the accounting side, a little bit more Bernie Madoffism. The real price of this bill is somewhere between \$1 and \$1.5 trillion, unpaid for. The total bills' real cost is somewhere over \$2 trillion. We are talking 10-year figures here.

So you are going to grow the government by \$2 trillion because you are going to create this brandnew entitlement, and you are going to take \$400 billion from the Medicare recipients and use that to pay for it. Then you are going to take \$500 billion in fees and taxes and you are going to use that to pay for it.

Well, you are about \$1.2 trillion short. So who pays for that? Our kids. More debt. The problem we have today is, we have too much debt. We have too much debt. The debt is the threat to this country.

I ask for an additional 2 minutes.

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

Mr. GREGG. We are facing a situation where our national debt is rising so fast because we are running deficits of over \$1 trillion a year for the next 10 years. That is what is projected in the President's budget. We are essentially going to put ourselves in a position where we are going to be similar to a dog chasing its tail. We can never catch up with the amount of debt we are putting on the books.

Now we are talking about putting a \$2 trillion expansion of the government on top of a government that already has a projected debt of 80 percent of gross domestic national product, which means our kids are going to inherit a

country they cannot afford to live in because their standard of living will be reduced in order to try to meet the obligations we are putting on their backs. It is not fair. It is not right.

Clearly, if we are going to do health reform, it should be done in a fiscally responsible way. It is not fiscally responsible to grow this government by \$2 trillion, take money from Medicare to pay for it, and pass the majority of the cost of that bill on to our kids with more debt. It is not a responsible thing to do.

So in the arena of “do no harm,” what is presently proposed around here is going to do a lot of harm. That is unfortunate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I ask to be informed when I have spoken for 9 minutes.

The PRESIDING OFFICER. The Senator will be informed.

Mr. KYL. Let me say, the Senator from New Hampshire has it right on target. I asked a bunch of my constituents how many believe, if we create a new \$1 trillion health care program, it is not going to run up the public debt. Not one hand went up.

I think the American people realize what the Senator from New Hampshire said is absolutely right. You cannot create this kind of a new government takeover of health care in this country and health insurance and not have it cost a lot of money, No. 1, and not have it run up the debt, No. 2.

In fact, one of two things is true. You know, half of this is paid for allegedly by cutting Medicare \$500 billion, although we do not know what the final bill will be. Maybe it is \$450 billion, but let's say \$½ trillion to round it off. One of two things is true: Either Congress will end up not making all the cuts in Medicare because we have never had the ability to do that in the past because we know it will cut benefits for seniors, in which case we are going to run up another \$500 billion debt—the American people know that—or, for the first time, we are going to make the cuts and seniors are going to see their Medicare benefits cut.

One of those two things is true. Yet our friends on the other side say: Oh, no, no, no. We are not going to have any new debt. Besides that, we are not going to lose any benefits. Well, one of those two things is going to happen. Either we are going to be more in debt or we are going to lose a lot of benefits for seniors.

This week, of course, all the talk is about a new government-run insurance plan. It has lots of different names. It is called opt-out or opt-in or trigger or co-op or consumer or public option.

The Speaker of the House this morning was talking about this. She said: I do not think we should call it public option. I think we should call it consumer option.

Well, let's dwell on this for a second. Is this being paid for or run by con-

sumers? No. It is being run by the U.S. Government here in Washington. Is it being run by the public? No, it is not being run by the public. It is being run by the government here in Washington. This is government-run insurance. That is what it is. It is a government insurance company that they want to compete with the private companies.

The supporters of this are very honest about this. They say they want them to compete. After all, why shouldn't the private insurance companies have some competition from a government-run insurance company? So let's stop the phony characterization of it in some way that sounds a little better, that sounds like it is not government-run insurance. It is government-run insurance. Let's call it by what it is.

Strangely, when it comes to Medicare, these same people who are all for competition suddenly go silent. They are not so much for competition in Medicare. That is what we created with a program called Medicare Advantage. We have the government-run part of Medicare, and you can have that if you want it or you can buy one of these private insurance plans called Medicare Advantage. Well, people on the other side of the aisle do not like Medicare Advantage because it is private. It is a private insurance company. Usually, they are health maintenance organizations or HMOs. They provide a lot of extra benefits to their enrollees and the enrollees love it.

I get all kinds of letters from Arizonians who are on Medicare Advantage and they do not want us to eliminate it. Of course, that is what is going to happen under this legislation. They cut \$120 billion out of Medicare Advantage because they do not want the private insurance companies that provide Medicare Advantage to be competing with Medicare, the government-run entity.

So we are all for competition in the private sector today. We need to have a new government insurance company competing. But we are not for competition when it comes to Medicare, we want to keep that government run. The bottom line is this: The left, in this body and in the other body and in the country at large, wants a single-payer government system. They know they cannot get there in one jump. So they are going to do it in two jumps.

First will be with all the government involvement in this bill, including a government-run insurance company. Then, when everybody gets covered under that, they can move to a single-payer system and, voila, you no longer have a viable private sector.

This is not just me talking. The Lewin Group, probably the most respected health care consulting firm, had a study earlier this year in which they said 119 million Americans would be signed up within, I believe it is, 2 or 3 years, under this legislation, with the government-run insurance company.

But here is the interesting figure: 88 million of those people already have in-

surance. They do not need a new government-run program. They have insurance provided by their employer. The dirty little secret is, when the President and others say: If you like your insurance, you get to keep it, that is not right. Because all the incentive is for your employer to shift you to the government-run plan. That is a lot cheaper for the employer to do that. So you may like your plan, you may want to keep it, but you do not get to keep it if your employer says: Sorry, it is cheaper for me to put you on the government plan. I am not going to offer you coverage anymore.

Lewin says that will happen to 88 million Americans. This is not a small matter. Of course, it is also true on Medicare Advantage. If you like your Medicare Advantage plan, as my constituents do, Arizona has one of the highest percentages of seniors signed up with Medicare Advantage, well, that is tough.

We are going to cut \$120 billion out of Medicare Advantage and the value of that plan is going to be cut by about— from roughly \$140-something in value down to roughly \$40-some dollars in value, meaning you are going to be losing just under \$100 in actuarial value off your Medicare Advantage plan because of what we are doing here.

All this because those on the left do not like the private sector providing insurance and want it eventually to go all government. The first step to that is this government-run insurance.

On Monday, the majority leader announced a new tweak on this, a new variation. In order to try to placate some who do not like the government-run concept, he will say: Well, we will let the States opt out. What exactly does that mean? Nobody knows. Somebody has written a bill or at least has written a concept. Nobody that I know of has seen it. Certainly Republicans have not seen it. This was cooked up in the majority leader's office with people from the administration and some other Democratic Senators, and they came up with the idea that maybe it would not sound so bad if they let States opt out.

What exactly does that mean? Well, first of all, I do not know. But does it mean everybody has to pay for it, but if you do not want to accept the benefits, you can opt out of the benefits? How many States are going to go for that? Who knows what it means?

Somebody said: Well, how about an opt-in? I said: Well, you ought to ask the Democrats that. It would seem to make more sense than an opt-out if you are going to have the program. Of course, you should not have it in the first place, but at least, if you have it, shouldn't you give people the option of deciding whether they want it and whether they have to pay for it? If they do not want to pay for it and do not want the benefits, well, maybe then it is a little different proposition. But that is not a good idea either, because you are still creating the basic government-run insurance company, and that

is also what is wrong with the so-called trigger.

The idea of the trigger is, well, if the Secretary of Health and Human Services decides in her opinion that not enough people can get insurance at the right cost, then we are going to have the government-run insurance company take over. National, paid for by the Federal Government, created by the Federal Government—this is government-run insurance.

A co-op. That idea seems to have pretty well fallen off.

But all of these ideas—whether it is a co-op or consumer or public or opt-in or opt-out, it all amounts to the same thing: It is government-run insurance. We do not need it. It is bad. It is a problem—or a solution looking for a problem.

There are times where there is not that much competition. Why? Because they are generally small States without very much population. The last thing they need is one more insurance company coming in splitting up the pie. They need a large risk pool to provide the basis for them to be able to write insurance. And you split the risk pool up even more with yet another insurer, and you are not solving any kind of a problem.

The final thing they said: Well, we need the government-run insurance to keep the insurance companies honest. That is what the State insurance commissioners are for. We have several former State insurance commissioners—the Senator from Maine, Ms. COLLINS; the Senator from Nebraska, Mr. NELSON; the other Senator NELSON—all former insurance commissioners, and they know their job was to keep the insurance companies honest. I have not heard anybody say the insurance companies are not honest. I heard them say: Well, they make way too much money. Well, obviously, that to some extent can be controlled by the individual States. But it is also the case—

The PRESIDING OFFICER. The Senator has consumed 9 minutes.

Mr. KYL. I appreciate that, Mr. President. I will conclude with this point: A study that came out in the papers earlier this week demonstrated that insurance companies ranked 35th on the list of the most profitable companies, making a profit of something like 2 percent. So the bottom line is, people say: Well, we either want to punish the insurance companies or give them more competition or keep them honest. All of these are excuses for offering government-run insurance that, at the end of the day, is simply a step toward a single-payer system in this country. That is not the kind of reform Americans want.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I appreciate the comments of my colleague from Arizona and before him my colleague from New Hampshire in pointing out what happens when you deal

with a Federal Government insurance company. If you want to call it Federal Government, Inc., whatever you want to call it, what you are essentially talking about when the Federal Government takes greater control of any part of our economy but certainly one-sixth of our economy with health care, which is what health care represents—\$1 in every \$6 of our economy is spent on health care in this country—what you typically get is fewer choices and higher costs. That is certainly the case here because you are going to see fewer choices.

I think most Americans realize that if the Federal Government has more control, more intervention, more involvement in health care in this country, it is going to ratchet down the availability of choice and there will be fewer freedoms for people in this country because the Federal Government is going to start saying what has to be in a certain health care policy. It is going to start getting in the way of that fundamental relationship between physicians and their patients. You are going to have more and more governmental intervention, and that ultimately is something I think most Americans have great reservations and great apprehension about.

In fact, if you look at the bills, the various bills that are before the Congress today—and there are three that have been reported out in the House, two now in the Senate—they vary a little bit in terms of particulars, but they are consistent in terms of their overall themes. They are all going to raise taxes. They are going to raise taxes not just on the rich, not just on people with high incomes, they are going to raise taxes on ordinary Americans. All the studies bear that out. The Congressional Budget Office says that. The Joint Tax Committee says that. They are going to cut Medicare for seniors, particularly those who have Medicare Advantage. So Medicare benefits are going to be slashed if this bill becomes law. And they are going to all lead to higher premiums. That is the remarkable thing about this legislation. All these bills that are before Congress right now, which propose to control costs and to lower costs for people in this country, all lead to the same result; that is, higher costs for health care in the form of higher premiums.

I want to point out something in the bill the Finance Committee produced.

By the way, they are still merging these bills behind closed doors. There are a handful of people who are writing this bill. Contrary to the assertions of the President last year when he was campaigning that this was going to be on C-SPAN, it was going to be a wide-open process, and the American public was going to be able to participate and engage in this, this is all occurring behind closed doors. The specifics of this legislation are being written right now and probably will end up being hundreds of pages, perhaps even thousands of pages. But they all come back to the

basic characteristics I mentioned earlier: higher taxes, Medicare cuts, and higher premiums for Americans.

What is interesting about this chart I have in the Chamber is there are Americans who will be able to get some subsidies to help purchase insurance. Obviously, there are a lot of people in this country who do not have access to insurance today, and that is what we all—Members on both sides in the Senate—want to address: How do we provide more Americans access to affordable health care in this country? So there are some who get subsidies and who would be able to buy insurance through an exchange. That is about 18 million Americans. But if you are among the 185 million Americans who currently have health insurance, you will pay higher taxes and your premiums will end up going up.

What is ironic about this is 18 million Americans will get subsidies through these exchanges, but there are still 25 million Americans under the Finance Committee bill who will not have insurance when this is all said and done. So you actually have more people without insurance than would actually get subsidies under this plan that is being proposed by the Finance Committee, financed by the 185 million people who are going to pay higher taxes and also who are going to see their premiums go up. Now, I am not saying that. That is what the Congressional Budget Office and the Joint Tax Committee have said. That is what every independent study that has looked at this has said.

By the way, last week there was an analysis that came out, done by the Actuary at the Department of Health and Human Services here in Washington, DC, that said overall spending on health care under this proposal—and when I say “this,” I am talking about the House proposal. Again, they are very similar in their characteristics, and in some of the particulars they differ. But in the House proposal, it would go up by 2.1 percent. If you remember, today we spend about \$1 in every \$6 in our economy on health care. At the end of the 10-year period, according to the Actuary at the Department of Health and Human Services, we are going to be spending more than \$1 in every \$5. So 21.3 percent of every \$1 in our economy is going to go to health care because under these proposals, health care costs are going to go up over and above the rate of inflation. In other words, if we do nothing today, you are going to have normal inflationary health care costs, which are going to increase the cost of health care. Enacting this legislation would increase the cost of health care 2.1 percent above that, or \$750 billion over 10 years. That is what the Actuary at the Health and Human Services Department said—\$750 billion in spending on health care above and beyond what would be normal if we did nothing with health care inflation in this country. So it would add 2.1 percent to the

amount we spend as a percentage of our GDP, to where 21.3 percent of our entire economy would be spent on health care.

So you have health care costs going up, you have taxes going up, according to the Congressional Budget Office and the Joint Tax Committee, on people who are making less than \$200,000 a year. And even half of the tax burden, over 50 percent, according to the Joint Committee on Taxation, would be borne by those who make less than \$100,000 a year.

The amazing thing about this, from the analysis that has been done, is that someone who is making 150 percent of the poverty level, which is \$32,200 a year, because of the way the provisions in this bill would interact, would actually end up with an effective marginal tax rate of 59 percent—a 59-percent tax rate—because they would lose subsidies as they make more money. So the incentive for someone in a lower income category to make more money is going to go away because with every dollar they make, their effective marginal tax rate is going to go up. It would be 59 percent for someone making \$32,200 in this country today. That is for people whose income is 150 percent of the poverty level.

So to suggest for a minute these tax increases and these tax policies and the way this bill is financed are not going to impact average Americans, working-class Americans, is absolutely wrong. It is false. That is what the Joint Tax Committee and the Congressional Budget Office have said.

But probably the worst thing: If you are one of these 185 million Americans, as shown right here, who are paying the burden in the form of higher taxes, you are going to see, at the end of all this, that after all the promises that we are going to get costs under control, your health care costs are going to go up and your taxes are going to go up. If you are a senior citizen, your Medicare benefits go down. And guess what. Your health care costs, your insurance premiums are going to go up. That is what has been said consistently.

Doug Elmendorf, the Director of the Congressional Budget Office, said:

Our judgment is that piece of the legislation would raise insurance premiums.

He goes on to say:

Those projected premium amounts include the effect of the fees that would be imposed under the proposal on manufacturers and importers of brand name drugs and medical devices, on health insurance providers, and on clinical laboratories. Those fees would increase costs for the affected firms, which would be passed on to purchasers and ultimately would raise insurance fees by a corresponding amount.

That is a direct quote from the Congressional Budget Officer Director, Doug Elmendorf.

He also said, when asked the question about, Would these taxes be passed on in the form of higher premium, that roughly dollar for dollar they would be passed on in the form of higher premiums.

Some of the independent studies that have been done out there suggest that if you are buying in the individual market as an individual, you are going to see up to a 73-percent increase in your health insurance premiums; if you are a small business, up to a 20-percent increase. The studies vary. I have looked at my State. They break it down, some of these analyses, State by State. In my State of South Dakota, if you are buying in the individual marketplace as an individual, you would see a 49-percent increase. If you are buying in the individual marketplace as a family, you would see a 50-percent increase. If you are someone who is in a small group market, you would see smaller increases but still double-digit increases—14 percent, 15 percent above the normal rate of inflation. In other words, if we do nothing, if we do absolutely nothing, you are going to have normal inflationary increases in health care costs, which I think are hurting a lot of small businesses. But if we do what is being proposed here, it is going to be way worse because the overall cost of health care, according to the Actuary at the Department of Health and Human Services, the overall cost of health care above and beyond the rate of inflation is going to be \$750 billion over 10 years or a 2.1-percent increase in overall health care costs. It translates, as I said earlier, into individuals, small businesses, and families paying higher health insurance premiums, higher costs for their health care, higher taxes.

If you are among the 185 million Americans, again, who are not in the exchange, who do not get subsidies, you are going to pay higher taxes and you are going to see your health insurance premiums go up.

There are a lot of people—a total of 282 million people—who are not going to be in the exchange. There are a lot of people who derive their health care through the government: Medicare and Medicaid. So there are a total of about 282 million people in this country who are not going to get subsidies and 18 million who will.

By the way, again, 25 million Americans will still not be covered. There will be more not covered than would be able to get subsidies through these exchanges to buy insurance.

The Democrats are saying: Trust us. They said that on the stimulus. They said unemployment would not go above 8 percent.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. THUNE. I will wrap up with this, Mr. President. "Trust us" is not enough for the American people. The American people need real, meaningful health care reform that will drive costs down, not up. These proposals drive it up.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, I wish to say that the presentation by the Sen-

ator from South Dakota, Mr. THUNE, is a strong one and a compelling one. I am also very impressed with his knowledge of the facts and his in-depth analysis of what we are apparently facing. I say "apparently" because so far, as has unfortunately been the case, the majority leader has not shared with at least this side of the aisle or anyone I know of on this side of the aisle any of the specifics of the latest proposal. That is very unfortunate.

As the Senator from South Dakota mentioned, the President of the United States, when campaigning, stated categorically that there would be C-SPAN cameras, that there would be Republicans, there would be an open process, and he was specifically addressing the issue of health care reform.

Americans grow cynical from time to time about the things we say during political campaigns. I can only conclude that the statement made by the President during the campaign contributes mightily to not only the issue of health care reform but also the cynicism about real change in Washington. Change has not taken place; the majority rules.

I certainly agree those abuses were committed when Republicans were in the majority in this body, and I saw it, and I fought against it. But it was stated just a little over a year ago that when health care reform came to its period of consideration by the Senate, when the negotiations went on, C-SPAN cameras and Republicans would be present so the American people would be able to see, in the President's words, "who is there representing the pharmaceutical companies and who is representing the American people."

Well, if we open it up now, if we opened the doors not far from here, we would see that already a deal has been cut with the pharmaceutical companies. It is an \$80 billion deal done in return for \$100 million or so in positive ads and in return for punishment to average American citizens because the administration agreed to a prohibition of importation of prescription drugs from Canada that could sometimes save as much as 60 percent on life-saving pharmaceutical drugs; as well as the elimination of or opposition to competition amongst drug companies to provide prescription drugs to Medicare recipients.

So what they have done by buying off the pharmaceutical companies—by the way, according to the latest reports I read this morning, the head of the pharmaceutical lobby makes over \$2 million a year—we have now penalized the American people by preventing them from having choice, as well as seeing the influence of special interests in this country and in our deliberations. It is very unfortunate.

There is a great deal of cynicism out there amongst the American people. It is manifest through tea parties and in other ways. Polling data shows the great dissatisfaction the American people have about the way we do business.

That cynicism has been authenticated by the process we are going through.

I would again urge the majority leader to invite us in to sit down. We have some constructive ideas. We have some thoughts as to how we can reform health care in America. We know there needs to be reform. We have people such as my colleagues, two doctors—Dr. COBURN and Dr. BARRASSO—on our side of the aisle, who have extensive hands-on experience with these issues. Why can't we at least at some point—which we should have done a long time ago—be allowed to have input into the behind-closed-doors process that is taking place as we speak?

#### H1N1 PREPAREDNESS

Mr. President, I wish to also say a few words this morning about an issue that is of great concern to me and is of greater concern throughout the country; that is, the availability of vaccines in order to combat swine flu, known as H1N1. There are long lines around the country. There is scarcity. There is great concern amongst the American people about this problem. Unfortunately, just last week, in a hearing before the Homeland Security Committee, the Secretary of Health and Human Services assured us that it was no problem and that there would be plenty of supplies on hand.

The previous administration conducted the initial analysis, as we know, and worked with the World Health Organization to estimate the magnitude of this worldwide pandemic. A plan was put in place and stakeholders began executing their roles in protecting the public health.

In the fall of 2005, in response to the government's lessons from combating avian flu, Congress provided \$6.1 billion in the 2006 supplemental appropriations for pandemic planning across several Federal departments and agencies. Since then, annual funding has been provided to the Centers for Disease Control and the FDA and activities in Health and Human Services to continue work on vaccine development, stockpiling of countermeasures, and assistance to States.

In late April of this year, Margaret Chan, the World Health Organization's Director General, declared "a public health emergency of international concern" when the first cases of the H1N1 virus were reported in the United States. National and State plans were in place and orders for vaccines were processed. Among other actions, officials released antiviral drugs from the national stockpile, developed and released diagnostic tests for the H1N1 virus, and developed guidance for the clinical management of patients and the management of community and school outbreaks. The administration requested \$9 billion in emergency supplemental appropriations to address the situation.

On June 26 the President signed an appropriations bill which provided \$1.9 billion immediately and an additional \$5.8 billion contingent upon a Presi-

dential request documenting the need for and proposed use of the additional funds. In total, from 2004 through 2009, Health and Human Services alone has received almost \$9 billion for pandemic flu preparedness. Again, this doesn't account for the other billions to other agencies.

However, for the \$9 billion and counting the government has spent on preparing for pandemic outbreaks, Americans have only experienced frustration at vaccine shortages and the long lines for the limited supply of H1N1 vaccines that are available. This should make all Americans extremely nervous about the government possibly taking control of our health care system.

Three months ago we were told—this is important. Three months ago we were told the CDC expected 120 million to 160 million doses by the end of October. Two months ago the administration's estimate of vaccine availability dropped to 40 million by mid October, with 20 million additional doses rolling out every week. Last week, the estimate dropped again. Now only about 28 million doses are expected to be available by the end of October. Yet the CDC estimates there are at least 45 million high-risk Americans, including pregnant women and children, in need of the vaccine. So according to my math, we are about 20 million doses short.

Unfortunately, the outbreak of the flu is widespread and deaths are accumulating. The Washington Post reported yesterday:

As of October 17, 46 States were reporting "widespread" influenza activity and many doctors' offices have been swamped with swine flu patients . . . The U.S. Government has ordered enough vaccine to make up to 251 million doses if needed, but production has been slower than originally anticipated. A total of 11.3 million doses of vaccine have been shipped to U.S. doctors and hospitals and clinics as of Wednesday, according to the CDC, out of a total of 14.1 million doses that manufacturers had shipped to warehouses by that time. By Friday, 16.1 million doses of vaccine had been shipped to warehouses.

In Arizona, State officials estimated a need of 900,000 to 1 million vaccines for my State's 6.5 million residents.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MCCAIN. I ask unanimous consent for 2 additional minutes.

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

Mr. MCCAIN. However, Arizona has only received 263,000 vaccines as of yesterday. According to the Arizona Republic, the swine flu vaccine was only available at 35 of the 113 planned clinics in Maricopa County. The article quoted the county's director of public health as stating:

It's a very frustrating situation where we are just not getting what we need. Right now, it is completely out of everyone's control.

On October 24, the Arizona Republic reported:

The lines were long, but the desire intense Saturday as hundreds, possibly thousands, of

people waited up to three hours to get in one of today's rarest experiences: a swine-flu shot.

The doses available represented a little more than 1 percent of Maricopa County's population. People were turned away if they did not fall into the high-risk group.

Congress needs to know more information. Obviously, the hearing we had in the Homeland Security Committee last week was, at best, misleading as to the magnitude of this problem. We need more information from the government, and we need to act now and find out how we are going to get enough swine flu vaccine to take care of the citizens of this country. We have already invested \$9 billion. I don't think we have a lot to show for it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Mr. President, I will be recognized for the remainder of our time. Would the Chair tell me when I have 1 minute left, please?

The PRESIDING OFFICER. The Senator will be informed.

#### HEALTH CARE REFORM

Mr. COBURN. Mr. President, I listened the last few weeks on the Senate floor to many of my colleagues on both sides of the aisle. I happen to be one of two physicians in the Senate. I still practice. I saw 11 patients Monday morning in an office in Muskogee, OK. I saw some sick kids, saw some women, some senior citizens, saw people having difficulties with pregnancies. I was kind of struck, as I watched and listened, to where we are in the country today.

We have a lot of problems in front of us, including the financial problems, our unemployment problems, the fact that we need to get our economy up and going. But I saw something my staff sent me that explained and gave a great big, huge answer to me. It became crystal clear. It was a guy holding a poster. I have added a few things to his poster, but in essence here is what it said.

On the top line it said: "Medicare is broke." That is true. We all know that. It runs a negative cash balance, total negative cash balance starting in 2017, probably 2014. So 5 years from now, the vast majority of the funds from Medicare are not going to come from Medicare taxes. They are going to come from the citizens of this country through their regular taxes or we are going to borrow it from our kids.

The States are broke because they have Medicaid, and they are all struggling mightily right now, so Medicaid is broke.

What else is broke? The Post Office is broke. We know that. We just gave them \$2 billion to get them out of their cash flow, but they are going to run about an \$8 billion, \$10 billion deficit next year.

The census is broke. We know that. It is going to cost 2½ times what it