

Voinovich	Webb	Wicker
Warner	Whitehouse	Wyden
NOT VOTING—3		
Begich	Byrd	Sessions

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is considered made and laid upon the table.

The President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:33 p.m., recessed and reassembled at 2:15 p.m. when called to order by the Presiding Officer (Mr. CARPER).

SERVICE MEMBERS HOME OWNER-SHIP TAX ACT OF 2009—Resumed

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, as I said yesterday when I spoke on this very same bill, the excesses of the Reid bill appear willfully ignorant of what is going on in the rest of the economy outside of health care.

I believe the reason people have objected to the health care bill so quickly after the summer was that there was a rude awakening on a lot of other things the Congress has done to put this country further into debt, and then they heard us talking about \$1.3 trillion and \$1.6 trillion for health care, and they thought Congress had gone bananas. So everything seemed to focus on health care reform at that particular time. People were concerned about the economy as a whole. I think the health care issue in and of itself was what people came out for, but health care was kind of the straw that broke the camel's back and brought attention to everything else—the debt and things that weren't working. At the same time, they saw the auto industry going into bankruptcy and, of course, being bailed out or nationalized, as it is. They have seen banks go under. Then they wondered about health care being nationalized as well.

We have seen our Federal debt skyrocket by \$1.4 trillion since this President took office. I say "since this President took office" because I acknowledge there was a trillion-dollar debt in last year's budget. Just with the addition, it comes out to \$11,500 per household. So our Federal debt exceeds \$12 trillion for the first time in history. Already, foreign holdings of U.S. Treasuries stand at nearly \$3.5 trillion or 46 percent of the Federal debt held by the public. There doesn't appear to be light at the end of the tunnel. Don't just

take my word for it. We have the non-partisan CBO and the White House Office of Management and Budget which have intellectually honest people working there who aren't politically motivated who tell us really what is what. This is what they have to say. Both have stated that within 5 years, the Obama administration's policies will more than double the amount of debt held by the public. Both have stated that by 2019 these policies will more than triple the national debt.

In this context, you would expect Congress to be considering a bill that would create jobs and prevent the country from being burdened with a bigger and more unsustainable Federal budget. Instead of working to bring the Federal budget under control, we have in this Congress—the majority of it, by 60 being Democratic—putting forward a bill, this 2,074-page bill before us that will cost \$2.5 trillion when fully implemented. Instead of addressing the budget crisis, this bill will bend the Federal spending curve the wrong way by over \$160 billion over the next 10 years.

I remember during the summer that the Gang of 6, under the leadership of Senator BAUCUS—I was part of that bipartisan group—said there are two things we need to accomplish: We need to make sure that what we have comes out balanced, and we also need to make sure we do not have inflation of health care continuing to go up, that we would eventually bring it down. These bills don't do either. I know people say we do have the 10-year window balance. Yes, that is technically right. But when you have 10 years of income and 6 years of policy expenditure, it is easy to do almost anything you want to in that 10-year window. But you have to look beyond that 10-year window, and then you have questions about that.

So instead of addressing this budget crisis, this bill adds to the Federal burden with enormous costs from the biggest Medicaid expansion in history and unfunded liabilities from the new program. Instead of addressing this budget crisis, we are now considering this 2,074-page bill that cuts Medicare by \$½ trillion and threatens seniors' access to care.

After the bailouts of Wall Street and Detroit, a stimulus bill that has led to the highest unemployment in 26 years, and the Federal Reserve System shoveling money out the door without any accountability—they even object to having the GAO check on them—the health care reform agenda the Democratic leadership put forward is, once again, kind of the straw that broke the camel's back.

We have the Senator from Arizona offering a motion to send this bill back to the Finance Committee with instructions to report a bill without the drastic, arbitrary Medicare cuts that are in this bill. I support the Senator's motion because it is an opportunity to fix the bill and then come back to the full Senate with a better bill. Anything

that comes back to the Senate floor should not have the drastic and arbitrary Medicare cuts.

I am hearing this from seniors: I have paid into this Medicare for all these years. I am in retirement, and now Congress wants to take that money and establish a new entitlement program for somebody else other than seniors. So to a lot of seniors it just doesn't add up.

This bill, as written, now permanently cuts all annual Medicare provider payment updates in order to account for the supposed increases in productivity by health care providers. The productivity measure used to cut provider payments in this bill does not represent productivity for a specific type of provider, such as nursing homes.

You would think that if Medicare is going to reduce your payments to account for increases in productivity, it would at least measure your productivity, not an entire group of productivity or not somebody else's productivity but yours, and you would be rewarded according to that productivity or, if it wasn't productive, be harmed because of it because you are not doing the best job you can. But that is not the case. Instead, these reform bills would make the payment cuts based on measures of productivity for the entire economy. So if the productivity of the economy grows because computer chips and other products are made more efficiently, then health care providers see their payments go down. What is the relationship? These permanent cuts threaten beneficiary access to care.

The Chief Actuary at the U.S. Department of Health and Human Services recently identified this threat to beneficiary access to care. He confirmed this in an October 21 memorandum analyzing the House of Representatives' bill and again in a November 13 memorandum. Both the House bill and the Senate bill propose the same type of permanent Medicare productivity cuts.

We have a chart here. Here is what Medicare's own Chief Actuary had to say about these productivity cuts. Referring to these cuts, he wrote:

The estimated savings . . . may be unrealistic.

In their analysis of these provisions, Medicare's own Chief Actuary said:

It is doubtful that many could improve their own productivity to the degree achieved by the economy at large.

The Actuary goes on to say:

We are not aware of any empirical evidence demonstrating the medical community's ability to achieve productivity improvements equal to those of the overall economy.

So you have a \$14 trillion economy today. You have \$2.3 trillion of that, or one-sixth, related to health care, and you are going to try to do something to the health care aspect, productivity measure, harm or benefit, based upon what happens to the entire \$14 trillion economy? That doesn't make sense.