

The problem is, by doing so, these preset rates overstate the actual cost of providing care by 30 percent. We pay more than it costs to provide care by about 30 percent, in many cases. These overpayments also clearly promote inefficiencies in Medicare. Also, these payments have not been proven to increase the quality of care seniors receive. In the estimate I saw, about half the Medicare Advantage plans have care coordination and half don't. Half are no better than ordinary fee-for-service plans. Because of this broken, irrational payment system, some plans receive more than \$200 per enrollee per month and others receive about \$36 per enrollee per month.

Again, the payment rates are set by statute, relating to fee for service in the area. It is broken. It doesn't make sense. It causes great dislocations and differences in the payment rates. Frankly, under this broken system, all beneficiaries are not receiving the same care. I believe all beneficiaries should be able to have access to the best care, not just those who happen to live in States with high payment rates.

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

Mr. BAUCUS. Madam President, I ask unanimous consent to continue for an additional 5 minutes.

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

Mr. BAUCUS. Madam President, I have said these Medicare Advantage plans are overpaid. Nobody disagrees with that. They are overpaid. The Senator from Oklahoma, Mr. COBURN, when I asked him a few days ago if he thought they were overpaid, said: Yes, they are overpaid. The MedPAC advisory board tells us: Yes, they are overpaid.

Here is a statement made by Tom Scully, former Administrator of the Center for Medicare and Medicaid Services:

I think Congress should take some of it away. There's been huge over-funding.

There are lots of other citations from Wall Street analysts and others in the industry saying clearly the Medicare Advantage plans are overpaid. Frankly, we, in Congress, put a statutory provision in law that has caused this overpayment. Clearly, we should fix it.

In addition, something that is pretty alarming is, according to a study I saw, only about 14 cents on the dollar of extra payments to Medicare Advantage plans goes to beneficiaries—only 14 cents—which means 86 cents on the dollar goes to the company, not to the beneficiaries, not to the enrollees but to the companies—"the companies" meaning the officers, directors, administrative costs, marketing costs, rate of return. It is to the company, any ordinary, garden variety company. Therefore, it behooves us to find a better way to pay Medicare Advantage companies so it is efficient, there is not waste, and payments go primarily to enrollees, to beneficiaries.

How do we do that? This legislation moves away from the current archaic

system which sets statutory amounts in effect. Rather, we say, OK, why not have these companies bid? Let them compete based on costs in their regions. One region of the country is different from another region of the country. We are going to say what is fair here to get rid of a lot of waste and overpayments is provide that Medicare Advantage plans can compete in their area based on cost.

The plan will be paid the average bids that are based on competition in the area. We, the authors of this bill, think that is a far better way of paying for Medicare Advantage.

Will that reduce payments to beneficiaries? Certainly no. All guaranteed benefits are guaranteed in this legislation. In fact, I am going to check up on another statistic. I heard somewhere under this legislation there will be an increase of enrollees—not a decrease, an increase of enrollees. I am going to track that down because I want to be sure I am accurate.

I will conclude. I want to talk more about this issue later. There may be a separate amendment on this subject offered on our side. By and large, it is wrong to continue a current system that dramatically overpays and where 86 percent of the overpayment goes to the company and only 14 cents goes to the beneficiaries. We have to come up with a fair way of paying Medicare Advantage. I think a fair way is to have the companies competitively bid based on cost in their areas. That way they are going to get reimbursed at a level that is relevant to their area, and it is also relative to the cost they incur when they run their plans. I will have more to say about that later.

I yield the floor.

RECESS

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

Thereupon, the Senate, at 12:34 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. FRANKEN).

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

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I ask unanimous consent that the time between 2:15 p.m. and 4:15 p.m. be equally divided between the two leaders, or their designees, in alternating 30-minute blocks of time, with the majority controlling the first 30 minutes and the Republicans controlling the second 30 minutes; further, that no amendments be in order during this time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. BOXER. Mr. President, since this is the 30 minutes of time for our side, I ask that I be recognized for 10 minutes, Senator MURRAY for 5 min-

utes, Senator LAUTENBERG for 5 minutes, Senator HARKIN for 5 minutes, and Senator CARDIN for 5 minutes.

We have many Members who wish to come and speak, and I would urge them to contact us. I will just take a minute to get my notes in order, so I suggest the absence of a quorum, and the time should be taken off our time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. BOXER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. BOXER. Mr. President, we are in the middle of a very important debate about whether we are going to move forward and make sure our people in America have health care. That is what it is about. I am going to throw out a few numbers that are always on my mind as I talk about this issue. One of them is 14,000. Every day, 14,000 Americans lose their health insurance. It is not because they did anything wrong. A lot of times it is just because they get sick and their insurance company walks away from them or they may reach the limit of their coverage, which they didn't realize they had, and they are done for. They could lose their job and suddenly they can't afford to pay the full brunt of their premium. They could get sick and then all of a sudden are now branded with a PC—and that is not a personal computer, it is a preexisting condition—and they can't get health care.

So we are in trouble in this country, with 14,000 Americans a day losing their health care, and a lot of them are working Americans. As a matter of fact, most of them are working Americans. Sometimes a child, for example, will reach the age where they can no longer be covered through their parents' plan, and the child might have had asthma. When they go to the doctor, they beg the doctor not to say they have asthma. I have doctors writing to me saying that parents are begging them: Please, don't write down that my child has asthma; say she has bronchitis because when she goes off my medical plan, she is going to be branded with a preexisting condition. So 14,000 Americans a day, remember that number.

Then, Mr. President, 66 percent, that is the percentage—66 percent—of all bankruptcies that are due to a health care crisis. People are going bankrupt not because they didn't manage their money well or they didn't work hard and save but because they are hit with a health care crisis and either they had no insurance or the insurance refused them. The stories that come across my desk, as I am sure yours, are very heartbreaking. So people are going bankrupt. They lose their dignity, they lose everything because of a health care crisis.