

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ALEXANDER. Mr. President, I join Senator MCCONNELL in welcoming Reverend Austin from Murfreesboro, TN, just down the road from Nashville. He formerly worked here, as Senator MCCONNELL said. We are delighted he has this privilege today to pray at the beginning of the Senate, which is something that has happened since the beginning of the Senate, since the very first days of the Senate. I thank him for taking his time to be here. Welcome.

Mr. President, will the Chair let me know when I have consumed 8 minutes?

The ACTING PRESIDENT pro tempore. Yes.

HEALTH CARE

Mr. ALEXANDER. Mr. President, this is St. Patrick's Day, as Reverend Austin mentioned, and we celebrate that. We are coming up on another important anniversary, and that is the anniversary of the enactment of the health care law, which the majority regards as a historic achievement and most Republicans regard as a historic mistake.

I want to talk a little bit about that law, but there is another anniversary I remember very well that came a few days before enactment of the health care law—the so-called health care summit that was held at the Blair House. It was a remarkable event.

The President of the United States, who is highly intelligent and well-versed on health care, invited a bunch of us down to discuss health care. He stayed and we stayed for 6 or 7 hours. During that discussion, it was a pretty free exchange. I especially remember one of them. I had been asked by Senator MCCONNELL and Representative BOEHNER to represent Republicans in presenting our side, and the President's invitation gave us a platform we usually don't have. He has a better platform than we do most of the time.

We made our argument that we would prefer an approach on health care that instead of expanding the health care delivery system, which we all know costs too much, we should go step by step to reduce the cost of health care so more people can afford to buy insurance. That was the basic discussion we had. We got down to some facts. I had said that, according to the CBO, the President's plan would raise individual premiums and make insurance cost more for individuals who buy insurance by 10 to 13 percent. The President said, after I finished:

So, Lamar, when you mentioned earlier that you said premiums go up—that's just

not the case, according to the Congressional Budget Office.

I said:

Mr. President, if you're going to contradict me, I ought to have a chance to respond. The Congressional Budget Office report says that premiums will rise in the individual market as a result of the Senate bill.

The President said:

No, no, no, no—let me—and this is an example of where we've got to get our facts straight.

I said:

That's my point.

And it went on from there. I had to make a decision at that moment whether I should continue to have a public disagreement with the President. I thought I was right, and he thought he was right, so I decided it would be more appropriate for me not to do that in public, to let other Senators and Congressmen have their say. I exchanged a letter with the President that day, and I came to the floor of the Senate later that week to make my argument on why I believed premiums would go up.

Mr. President, I ask unanimous consent to have printed in the RECORD the transcript of my exchange with the President and that of Senator KYL and a couple of Members of Congress and the letter I sent to the President that day which made my point rather than publicly argue with him. My remarks I made on the floor of the Senate later that day are in the RECORD.

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

THE WHITE HOUSE

DISCUSSION ON COST CONTAINMENT AT BIPARTISAN MEETING ON HEALTH CARE REFORM

(Blair House, Feb. 25, 2010)

(ROUGHLY 11 A.M.)

THE PRESIDENT: For folks who even with those lower costs still can't afford coverage, we'd provide some subsidies. But here's what I want to emphasize is that even without the subsidies it's estimated by the Congressional Budget Office that the plan we put forward would lower the costs in the individual market for the average person who's just trying to buy health insurance and they don't—they're not lucky enough to work for a big company, would lower their costs by between 14 and 20 percent.

So, Lamar, when you mentioned earlier that you said premiums go up—that's just not the case, according to the Congressional Budget Office.

SENATOR ALEXANDER: Mr. President, if you're going to contradict me, I ought to have a chance to—the Congressional Budget Office report says that premiums will rise in the individual market as a result of the Senate bill.

THE PRESIDENT: No, no, no, no—let me—and this is an example of where we've got to get our facts straight.

SENATOR ALEXANDER: That's my point.

THE PRESIDENT: Well, exactly. So let me respond to what you just said, Lamar, because it's not factually accurate. Here's what the Congressional Budget Office says. The costs for families for the same type of coverage as they're currently receiving would go down 14 to 20 percent. What the Congressional Budget Office says is, is that because now they've got a better deal be-

cause policies are cheaper, they may choose to buy better coverage than they have right now and that might be 10 to 13 percent more expensive than the bad insurance that they had previously. But they didn't say that the actual premiums would be going up. What they said was they'd be going down by 14 to 20 percent. And I promise you, I've gone through this carefully with the Congressional Budget Office. And I'll be happy to present this to the press and whoever is listening, because this is an important issue.

SENATOR ALEXANDER: Well, may I—

THE PRESIDENT: Let me just finish, Lamar. Now, the—what we've done is we've tried to take every single cost containment idea that's out there. Every proposal that health care economists say will reduce health care costs, we've tried to adopt in the various proposals. There are some additional ideas that Republicans have presented that we think are interesting and we also tried to include. So, let me give you an example.

You mentioned the idea of buying across state lines, insurance. That's something that I've put in my proposal that's actually in the Senate proposal. I think that it shows some promise. You mentioned that as—that Mike Enzi has previously said, that he's interested in small businesses being able to pool in the equivalent of some sort of exchange. So that's where there's some overlap.

But I just think it's very important to understand that what we've done is to try to take every single cost containment idea that's out there and try to adopt it in this bill. What I'd like to do is to see if we can proceed and have a very concrete conversation about what are the ideas that you guys have that you don't think are in our bill to contain costs. And what I want to do is to see if maybe we can adopt some of those or refine what we've already done in order to further reduce costs.

SENATOR ALEXANDER: Mr. President, I've had my time—

THE PRESIDENT: And what I'd like to do also is to make sure that you maybe suggest some of the ideas that are currently in the bill that you think are good, because, Lamar, in your opening introduction, what I saw was sort of a—the usual critique of why you thought it was bad. But as I said, we've adopted a lot of the ideas that we've heard from your side of the aisle. So I hope maybe you could say, well, those are the ones that we think are good ideas; here are the things that we think are bad ideas, as opposed to just painting in broad brush. Go ahead.

SENATOR ALEXANDER: Mr. President, let me—let me show some respect for my colleagues here. They're all here eager to speak, all sure they could do a better job than I could on any of these points. And what I would like to do is get back directly to you with why I believe—with respect—you're wrong about the bill. Your bill would increase premiums, I believe; you say it wouldn't. So rather than argue with you in public about it, I'd like to put my facts down, give them to you. Maybe other colleagues will say that. As far as Mike Enzi's proposal, he is ready to talk about it; others are.

THE PRESIDENT: Good.

SENATOR ALEXANDER: So I appreciate the opportunity that Mitch and John gave me to talk. You've made some interesting points, and why not let other members of Congress have a chance to talk.

THE PRESIDENT: I think it's a great idea. I'd like to get this issue settled about whether premiums are reduced before we leave today, because I'm pretty certain I'm not wrong. And you give us the information—and we're going to be here all afternoon. I promise you we'll get this settled before the day is out. All right.

Mitch, who would you like to talk about cost?

(REMARKS FROM CONGRESSMAN CAMP—LATER IN THE MEETING)

CONGRESSMAN CAMP: I'm almost done. I do want to say on this issue on premiums, CBO, in their letter, on page four, does say that the estimated average premium per person for non-group policies would increase by 10 to 13 percent.

THE PRESIDENT: This is the discussion that I just had to—about Lamar. And—

CONGRESSMAN CAMP: Yes, they do say that. And they do say that the value of the benefit is higher, and that is why it goes up.

THE PRESIDENT: Right.

CONGRESSMAN CAMP: But the reason the value of the benefit is higher is because of the mandates contained in the legislation. And this is one of our big concerns with a lot of the issues that have been raised. Yes, we have similarities. But when all of this is structured around a government-centered exchange that sets the standard for these policies, states can't get out of these requirements unless they seek a waiver from the Secretary. That kind of approach raises costs. And so both of your comments were correct that costs do go up and it's because they have a richer benefit, but the reason it's richer is because of the mandates contained in these very large bills.

(REMARKS FROM SENATOR KYL LATER IN THE MEETING)

SENATOR KYL: Now, let me give you a couple of examples. Dave Camp, I think, pointed out the answer to the dispute that you and Lamar Alexander had a moment ago, and he was exactly right. Let me quote from the Congressional Budget Office letter—this is from Doug Elmendorf to Evan Bayh, November 30th, 2009: "CBO and Joint Tax Committee estimate that the average premium per person covered, including dependents for new non-group policies, would be about 10 percent to 13 percent higher in 2016 than the average premium for non-group coverage in the same year under current law." Oliver Wyman, a very respected third-party group says it's even more—about 54 percent; in my state of Arizona, 72 percent increase. Why is it so? For a variety of reasons, but one of which both you and Dave Camp agreed on. It is a richer benefit. How did it get that way? Because the federal government would mandate it under your legislation in the insurance exchanges. And as a result, there would be a higher cost. How does this happen?

THE PRESIDENT: Okay, Jon. I'm going to go to you, Jim, but I—since as has tended to happen here, we end up talking about criticisms of the existing bill as opposed to where we might find agreement, I feel obliged just to go through a couple of the points that you raised.

Just to go back to the original argument that Lamar and I had and we've now chased around for quite some time. Look, if I'm a self-employed person who right now can't get coverage or can only buy the equivalent of Acme insurance that I had for my car—so I have some sort of high-deductible plan. It's basically not health insurance; it's house insurance. I'm going to—I'm buying that to protect me from some catastrophic situation; otherwise, I'm just paying out of pocket. I don't go to the doctor. I don't get preventive care. There are a whole bunch of things I just do without. But if I get hit by a truck, maybe I don't go bankrupt. All right, so that's what I'm purchasing right now.

What the Congressional Budget Office is saying is, is that if I now have the opportunity to actually buy a decent package inside the exchange that costs me about 10 to

13 percent more but is actually real insurance, then there are going to be a bunch of people who take advantage of that. So, yes, I'm paying 10 to 13 percent more, because instead of buying an apple, I'm getting an orange. They're two different things.

Now, you can still—you still have an option of—no, no, let me finish. The way that this bill is structured uses a high-cost pool, a catastrophic pool, for people who can't afford to buy that better insurance, but overall for a basic package—which, by the way, is a lot less generous than we give ourselves in Congress. So I'm amused when people say, let people have this not-so-good plan, let them have a high-deductible. But there would be a riot in Congress if we suddenly said, let's have Congress have a high-deductible plan, because we all think it's pretty important to provide coverage for our families. And the federal health insurance program has a minimum benefit that all of us take advantage of. And I haven't seen any Republicans—or Democrats—in Congress suddenly say, "You know what, we should have more choices and not have to have this minimum benefit."

So what we're basically saying is we're going to do the same thing for these other folks that we do for ourselves—on the taxpayers' dime, by the way.

Now, there is a legitimate philosophical difference around that, but I think it's just very important for us to remember that saying there's a baseline of coverage that people should be able to get if they're participating in this big pool is not some radical idea. And it's an idea that a lot of states—we were talking earlier about what states do—a lot of states already do it.

U.S. SENATE,

Washington, DC, February 25, 2010.

HON. BARACK OBAMA,
President, The White House,
Washington, DC.

DEAR MR. PRESIDENT: During today's discussion on health care, you and I disagreed about whether the health care bill that passed the Senate on a party-line vote on December 24 would cause health insurance premiums to rise even faster than if Congress did not act. I believe premiums will rise because of independent analysis of the bill:

On November 30, the non-partisan Congressional Budget Office (CBO) wrote in a letter to Senator Bayh that "CBO and JCT estimate that the average premium per person covered (including dependents) for new nongroup policies would be about 10 percent to 13 percent higher in 2016 than the average premium for nongroup coverage in that same year under current law."

When you asserted that CBO says premiums will decline by 14 to 20 percent under the Senate bill, you are leaving out an important part of CBO's calculations. These reductions are overwhelmed by a 27 to 30 percent increase in premiums due to the mandated coverage requirements in the legislation. CBO added those figures together to arrive at a net increase of 10 to 13 percent—as shown in their chart in that same letter.

In that same letter, CBO wrote, "The legislation would impose several new fees on firms in the health sector. New fees would be imposed on providers of health insurance and on manufacturers and importers of medical devices. Both of those fees would be largely passed through to consumers in the form of higher premiums for private coverage."

On December 10, the chief actuary for the Centers for Medicare and Medicaid Services—who works for your administration—concurred with the CBO. In his analysis, the actuary said, "We anticipate such fees would generally be passed through to health consumers in the form of higher drug and device

prices and higher insurance premiums." He also said, "The additional demand for health services could be difficult to meet initially with existing health provider resources and could lead to price increases, cost-shifting, and/or changes in providers' willingness to treat patients with low-reimbursement health coverage."

For these reasons, the Senate-passed bill will, indeed, cause Americans' insurance premium to rise, which is the opposite of the goal I believe we should pursue.

Sincerely,

LAMAR ALEXANDER.

Mr. ALEXANDER. We talk a lot about the law of unintended consequences in dealing with legislation. In this case I believe the health care law is a situation where we had a lot of predictable consequences. Republicans were saying, for example, premiums are going to rise. In fact, they have. We were saying specifically that individual premiums will rise. It was predictable they would because, in the first place, the health care law requires that individuals buy a better policy than what they buy today. So if they are going to buy a Cadillac instead of a Chevy, it will cost more and they will get more benefits.

Second, there are some taxes in the health care law, such as with medical devices, that are passed on to the consumer and premiums will go up.

Third, a lot of people who moved into Medicaid are going into a system of government health care where the doctors aren't properly reimbursed. Many of the doctors shift the costs over to the people who buy insurance. That is called cost shifting.

For all those reasons, we have seen stories regularly in California, Nevada, Wisconsin, and Connecticut that individual premiums, over the last year, have gone up at least partially due to mandates included in the new law.

Let's look at some of the other issues we talked about during that time. We said the bill would raise taxes. In fact, it does—\$813 billion. As I mentioned, the tax on medical devices is passed right along to people who buy insurance, and their costs go up.

We said it would cut Medicare, and it has. Eleven million Medicare Advantage recipients—about one-fourth of everyone who has Medicare—are seeing or will see their benefits reduced.

We said there would be thousands of pages of new regulations that would hamper small businesses and individuals as they go about their daily lives. We are beginning to see them come. The most notorious is that form 1099 which causes 40 million businesses to file a report every time they buy something that costs more than \$600. We hear a lot of talk about repealing that. We have tried to repeal it for some time, but it is still the law.

Something that particularly bothered me about the debate were the unfunded mandates on State governments. We hear about college tuition going up in California 30, 40 percent. People would be surprised to think that the reason may be that the Federal Government is imposing more

health care costs on California, and the money that ought to go for the University of California or the University of Tennessee isn't there. Where does the university get the money to keep its excellence? It raises tuition.

Our former Democratic Governor, who just retired, said the health care law imposes on Tennessee more than \$1.1 billion in new costs between 2014 and 2019. That is an unfunded mandate from Washington that will cost the people of Tennessee.

Fewer jobs will be created as a result of this law. Someone might say: How can you say that? I will give an example. I met with a group of leaders of the restaurant industry in America. They are CEOs of all the big restaurant companies. They are the second largest employer in America. They hire a lot of low-income people. One of them said they had been operating their stores with 90 employees on the average, and as a result of the health care law, their goal was to operate with 70 employees. That is fewer jobs. And there were many other examples of that around the room.

Even the student loan takeover has created a problem because students are actually paying more in interest on their student loans to help pay for the new health care law, which I think a lot of students would not appreciate.

The health care law that was passed a year ago, which some believe is a historic achievement, we believe is a historic mistake. We believe it would have been better and will be better to, instead of expanding a health care system that costs too much, go step by step to reduce its costs so more people can afford insurance. We will continue to advocate that position. We voted to repeal the health care law. We lost that vote. But we are continuing to work.

The ACTING PRESIDENT pro tempore. The Senator's 8 minutes has expired.

Mr. ALEXANDER. With Senator JOHANN'S leadership and others, we will work to repeal the 1099 provision. Senator HATCH and others are working to give Governors more flexibility in the Medicaid Program. And we will continue to advocate solutions such as allowing people to buy insurance across State lines.

Next Wednesday is an important anniversary. Some believe it is a historic achievement. We believe it is a historic mistake and that there is a better solution to health care costs.

I thank the leader for his courtesy in giving me a chance to go ahead.

I yield the floor.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

HEALTH CARE

Mr. REID. Mr. President, when I was a little boy growing up, we used to

have chickens, and every morning the roosters we had would make the most noise, unbelievable noise they would make. Maybe those roosters thought that when they crowed, the Sun would come up, but it had nothing to do with that. I have been places where roosters do not crow and the Sun still comes up.

My friend from Tennessee is using the rooster analogy and has about as much factual foundation as the analogy I just gave about the Sun coming up when the rooster crows.

I was at a breakfast this morning. One of my friends, a former chief of staff to one of the Senators here, said to me: Passing the health care bill was a miracle in the lives of him and his family. Those are his words, not mine. They have a child who developed diabetes. They could not find insurance for that child. Because of the health care bill, that child is fully insured now. That is what the health care bill is about.

For my friend to complain about the health insurance costs going up, a little bit of facts would make a lot of difference in that argument.

The health care bill does not go into effect until 2014. Parts of it do, but the main impetus of the health care bill to cover the 50 million people who have no health insurance does not kick in until 2014. The insurance costs have gone up because insurance companies raised the premiums, as they always do. One of the reasons we did the health care bill is to rein in the health care companies around the country that are really bankrupting our country.

Let's talk about what is in effect with the health care bill and what will be in effect. I did not come here to debate the health care bill, but when something is so without foundation and fact, I have to respond.

People, such as my friend Bob, have had miracles in their lives all over America during the past year because of that health care bill having passed because a child under 18 who has a pre-existing illness cannot be denied insurance. Not only does it apply to children, every State in the Union has now set up programs for people who have long-term disabilities. Now they cannot be denied insurance. Not everybody gets that. You have to be uninsured for 6 months and other certain requirements, and it is not as good as for children under age 18, but it is pretty good.

I will also say this: Hundreds of thousands of students in college today have health insurance because their parents have health insurance. That is what we did in the law. We raised the bar on that so children can stay under their parents' health insurance for longer periods of time.

I am going to do an event next week in Nevada where we are going to have a number of businesses come together. People who employ fewer than 10 people whose average salary is less than \$25,000 can have health insurance for the employees, and they get a 35-percent deduction in their premiums. That

is because of the health care bill we passed. Mr. President, last year the IRS sent notices to 4.4 million small businesses in America to let them know that they may qualify for reduced premiums.

The health care bill is a very important bill. It is a milestone in the history of this country. We are setting up the exchanges now so everyone can have the same insurance I have. That is what it is all about. Millions of Federal employees have not perfect insurance but good insurance, as I have. My insurance is the same that an FBI agent has. Our goal is to make sure everyone in America has an opportunity to have insurance similar to ours.

The Presiding Officer may have a different health care plan than I have because every year—we are part of an exchange that we are going to set up for the 50 million people who have no health insurance. Every year, we get quotes from insurance companies, and we can buy different insurance. We can buy a Cadillac policy or maybe a Ford policy. We have a range of insurance we can buy. That is what we are trying and we have allowed America to have. Those exchanges are being set up in Nevada and other places around the country.

For people to talk about ObamaCare and let's get rid of it, get rid of it for what? Do we want my friend to go back to where he cannot get insurance for his child from these insurance companies whose interest is one thing—money, how much money they make? We have had to rein in those costs.

We keep talking about the cost of the health care bill. The Congressional Budget Office said it will reduce the debt of this country by \$1.3 trillion. That is not some number I made up; it is the nonpartisan Congressional Budget Office.

I am convinced my friend was right. In his family's life, it was a miracle this past year because they had the ability to get insurance for their sick child.

SCHEDULE

Mr. REID. Mr. President, following any leader remarks, there will be a period for the transaction of morning business until 10:30 this morning, with Senators permitted to speak for up to 10 minutes each. The Republicans will control the first half and the majority will control the final half.

At 10:30 a.m., the Senate will resume consideration of S. 493, which is the small business jobs bill. We have been working through amendments on that legislation. Virtually every one of the amendments is not germane to the bill. That is OK. We are in the Senate, and that is how things work here. We have had scores of amendments filed. I am not going to file cloture on this bill today. We will work through the amendments, and maybe we can get a finite list of amendments when we come back. I hope we do not have to