

## MEDICARE

Mr. BROWN of Ohio. Mr. President, for the last couple weeks, I traveled to senior centers from Toledo to Youngstown to Columbus to talk with seniors and health professionals about the threats facing their Medicare benefits. We owe it to our children, we owe it to our grandchildren, we owe it to succeeding generations to reduce our Nation's deficit. We know almost exactly one decade ago we had the largest budget surplus in the history of our country. We know during the next 8 years—as Congress and President Bush cut taxes mostly on the wealthy in 2001 and 2003, began two wars with Iraq and Afghanistan and didn't pay for them, did a prescription drug benefit, a supposed benefit that was, in many ways, a bailout for the drug and insurance companies and didn't pay for it, and deregulated Wall Street—during those 8 years, we had the largest budget deficit in American history. We went from the largest budget surplus in American history to the largest budget deficit in American history.

What we see in the Republican budget now, as we talk about Medicare and as they talk about Medicare—ending Medicare as we know it, turning Medicare over to the insurance companies—what we are seeing is sort of the same old game, the same old song from people who do not much like Medicare; that is, cut taxes on the wealthy again and pay for those tax cuts—you have to find a way to pay for them—I guess, pay for those tax cuts by cutting the Medicare benefits seniors have earned. That is what is troubling to me about this Republican budget.

Too many Americans are facing a middle-class squeeze, working hard, playing by the rules, finding it still hard to get ahead in this economy. Many parents, many Americans in their forties and fifties and sixties are part of a sandwich generation. They are helping their parents as their medical costs go up and their parents are not earning very much. They are maybe getting Social Security, maybe something else, and they are trying to pay for their children's college, so this is the wrong time, as if there would ever be a right time, to turn Medicare over to the insurance industry, Medicare as we know it.

That is why Senators CARDIN from Maryland, MCCASKILL of Missouri, and TESTER of Montana wrote a letter to the Vice President calling for the Republican plan to end Medicare as we know it to be taken off the table during the deficit reduction negotiations.

I want to see our deficit reduced. I want to see us have a long-term plan to get our budget deficit under control the way we did in the 1990s and turned budget problems inherited by President Clinton—bequeathed by Presidents Reagan and Bush, inherited by President Clinton—how we got from a budget deficit to a budget surplus.

The statistics behind Medicare are clear. The number of seniors lifted out

of poverty in these 45 years, the number of families who have the help to care for a parent or grandparent—we can't reverse those gains for the ultimate form of rationing health care for seniors. Make no mistake, this is rationing health care. When you shift the cost, you give a senior citizen a voucher—you give them an \$8,000 check, and that check goes to insurance companies to pay for health insurance. If it runs short, what happens—and it likely will—they pay out-of-pocket. That really is rationing. If you are not a fairly wealthy senior and you run out of this privatized Medicare voucher, you will reach into your pockets and pay for it. That is rationing because many seniors won't be able to pay for it.

When I hear the terms “death panels” and “rationing” and all these things that conservative politicians usually enthralled in the insurance industry are telling this Chamber and down the hall in the House of Representatives—real rationing is when seniors can not afford to pay out-of-pocket for their health insurance costs because of what this Republican budget plan does. Their plan calls for vouchers for private health coverage, doubling their out-of-pocket costs in the first year alone. The average senior would receive an \$8,000 voucher; however, in the first year of the voucher program, out-of-pocket expenses would, according to the Congressional Budget Office—not a Democratic group, not a Republican group, a down-the-middle group—the Congressional Budget Office said seniors' out-of-pocket expenses would double to more than \$12,500 annually. As I said, at the same time, Republicans are going to take these savings to the budget, these cuts to senior care, to Medicare, and finance tax cuts for those people who earn 10 times or more than the average retirement income of a Medicare recipient.

Seniors would see their prescription drug costs explode. In the health care bill, we cut the costs of prescription drugs to those seniors who are in the coverage gap, the so-called doughnut hole, cut them in half. That would go away. In other words, the Republican budget plan in my State across the river from the Presiding Officer's State would hand an \$89 million prescription drug bill tab to split among 139,000 Ohio seniors. Tens of thousands of Ohio seniors, thousands of West Virginia seniors, tens of thousands of seniors in the assistant majority leader's State of Illinois would be paying tens of millions of dollars in higher drug costs as a result of the Republican budget bill. The Senate voted that bill down, largely along party lines.

Republicans continue to want to privatize Medicare, to turn Medicare over to the insurance industry. It simply would put insurance companies in charge of Medicare. It would put insurance companies in charge of the health of our seniors.

Is that what we want? That is why we had Medicare in 1965, because insur-

ance companies were in charge of health care for seniors, meaning half of the seniors had no health insurance—people over 65 in the year 1965. Now roughly 99 percent of seniors have health insurance, and that is because of this program that most of us dearly love and the huge majority of our constituents in West Virginia, Illinois, and Ohio love, and that is called Medicare.

Now, Mr. President, put aside all I have said for a moment. Forget about vouchers, forget about privatization, forget about insurance companies even, and think in a personal way about what Medicare has done in this country.

Medicare was created in 1965, passed mostly by Democrats in the House and Senate, signed by President Lyndon Johnson in July of 1965. We have had Medicare for 45 years. Think about what it has done. Forget all the academic and policy questions. What Medicare has done is helped people in this country live longer, healthier lives. What that means is people have been able to get to know their grandchildren. Somebody who is 65 or 70 or 75 or 80, and enjoys generally good health, has had years—maybe decades—of helping to raise a grandchild, getting to know their granddaughter, getting to play with their grandson, all the things grandparents want to do. Senior citizens have had a greater quality of life because of what we call Medicare, and they have gotten to know their grandchildren better.

Think what that means to children. They have gotten to know their grandparents better and have gotten the kind of guidance only grandparents can give. Margaret Mead, the great anthropologist, a few decades ago said “wisdom and knowledge are passed from grandparent to grandchild.” Wisdom and knowledge are passed from grandparent to grandchild, because we all know if we have children, our kids don't always listen to us but our grandchildren do.

I have a 3-year-old grandson named Clayton who lives in Columbus, OH. When I am in Washington, my wife picks him up a lot of days after school. We don't live in Columbus, but she goes down there and picks him up after school. Every day Clayton gets to spend with his grandmother and, when I am home, every weekend with his grandfather. I get to see Clayton not as often as I want but fairly often.

What Margaret Mead said is right. Grandparents impart a special wisdom and knowledge to grandchildren. Think of the benefit grandchildren have because of their grandparents. I wouldn't have looked at it quite the same way until I had my first grandson 3 years ago, but I understand that now.

That, to me, is the real beauty of Medicare. It has helped this country's seniors live longer healthier lives and has helped this country's children be raised in a moral way, in a practical way, in an educational way, better than they would have if their grandparents hadn't been around.

When I hear Republicans say they want to get rid of Medicare as we know it, they want to turn Medicare and senior health care over to the insurance industry, we know what will happen. Seniors won't live longer healthier lives because they will have lost Medicare as we know it.

That is why we sent a letter to Vice President BIDEN—Senator TESTER, Senator MCCASKILL, Senator CARDIN, and I did—to say, take Medicare off the table. We need to deal with this budget deficit, but don't mess with Medicare while we are doing it. It is that simple.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak for 10 minutes in morning business.

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

#### INTERCHANGE FEES

Mr. DURBIN. Mr. President, later this week we are going to consider an issue which is complicated, but it is an issue that affects every single American who ever takes a piece of plastic and pays for anything at a hotel, a restaurant, a convenience store, tuition at a school, or a charitable deduction to the Red Cross in the midst of a disaster. If you use plastic, every time that debit card—we are talking just about debit cards for this conversation—every time that debit card is swiped, there is a fee that goes to the bank that issued the card. One may think to oneself, I wonder how they negotiate those fees. The answer is, they don't. What happens is the credit card companies—the two giants, Visa and MasterCard, working through the issuing banks—determine what is going to be charged every time someone swipes a card.

What does a local grocery store have to say about it? Nothing. Their alternative is to not accept plastic at all. Visa and MasterCard say, you want to use our card, you play by our rules and our rules will tell you how much we take every time you swipe a card. I have seen it happen, and my colleagues have too, where you go into a store and shake your head because that young person in front of you just bought a candy bar and is using a piece of plastic to pay for it and you think to yourself, Why didn't they reach in their pocket and pull out a dollar bill to pay for it. Instead, they swipe the card, and we know what happens. That person selling the candy bar just lost money, because the banks and the credit card companies are going to get that swipe fee which happens to be more than the profit this little grocery store is going to make on a candy bar.

Naturally, retailers across America have said, this isn't fair to us. We have no negotiating power when it comes to how much is taken out each time there is a plastic transaction for debit cards, and the consumers don't know. We

know as retailers, but the consumers don't even know. There is no transparency. There is no competition. What is wrong with this picture?

If we believe in a free market, we believe in those two things. We ought to believe there would be some competition so maybe there would be one debit card company that charges a lower fee. Maybe there would be special consideration given if somebody paid in cash.

I guess this dates me, but there was a time when people paid in cash for almost everything, except when they used a check, and that was rare. And when they processed the check, it was pennies. Right now, the Federal Reserve tells us that for each and every debit card transaction, the average fee charged is 44 cents.

When we passed an amendment here last year, we said to the Federal Reserve, What is the actual cost to the company, the issuing bank and the credit card, debit card company, for processing this transaction? They said, 10 cents or 12 cents, and they are charging over 40 cents on each transaction. Who pays it? We all pay it. Even if you walk into a store to pay cash, that merchant has put a price on a good that considers the fact that most people are using plastic so they have to raise the price to cover that fee. So we said to the Federal Reserve, Sit down and figure out what is reasonable and proportional in terms of the cost that should be collected every time someone swipes a card.

Well, this is a big political issue, one of the biggest. One might say it is a multibillion-dollar issue, and it is. Because each month in America, over \$1.3 billion is collected from customers all across America when they swipe their debit cards. Where does the money go? Most of it goes to the biggest banks on Wall Street—the same banks that were just moaning and groaning a few years ago about how they needed a bailout because they made some big mistakes. They are back again. They want a bailout when it comes to these debit cards. They want to be able to continue to collect 40 cents and more on every transaction.

We passed a law that said the party is over. Starting July 21, there will be a new rule that will establish a reasonable fee, and they have been fighting this with all of their might, all of their lobbyists, all of their workers, all the letters they can send, against this reform. Why? Because it involves huge amounts of money for these major Wall Street banks and credit card companies.

We have to bring an end to this. Consumer groups across America, labor groups, and small business groups—retail federations, merchants, saloon keepers, hotel owners, restaurant owners, convenience store owners—all across America have said we have to quit this. This isn't fair to us and to our customers. Let us have a reasonable amount charged for what is actually taking place with the debit card

and we can live with it, but not four times as much as they are charging today. Incidentally, go up to Canada—not a lot different than the United States. They have debit cards and credit cards there, issued by banks. Do my colleagues know what the interchange fee is charged in Canada today? Zero. No charge. No charge at all to the merchant who takes a debit card to Canada. The same companies, Visa and MasterCard, charge zero in Canada and 40 cents in the United States. Aren't we blessed to have two great credit card companies who dreamed up how to stick it to American consumers at the benefit of American banks on Wall Street particularly? That is what this is about.

Most of my colleagues have gone home over the last week or two and they have heard about this issue because it means a lot to a lot of people. What we did was exempt in this law credit unions and community banks. Some people say, Why did you exempt them? Why shouldn't they have reduced fees too? Well, we want to make sure that financially they are not disadvantaged by this, and we put in a specific exemption, sent it to the Federal Reserve to write up their rules to protect them. I have said on the floor and I will say it again, if at the end of the day the rule from the Federal Reserve does not provide adequate protection for credit unions and community banks, I am ready to sign up today to put in even more protection in the law. I will be there. I want to make sure they understand. They were exempted because I believe they should be, and I want to make sure that exemption works.

But I don't care what happens to the Wall Street banks. I don't care what happens to these credit card companies. They seem to end up on their feet when it is all over anyway. After giving them billions of dollars in taxpayers' money to bail them out of their mess that they made of things in this recession, what did they do? They sent us a big wet kiss in the form of multimillion-dollar bonuses for all of their officers, smiling all the way to the bank with taxpayers' money. We don't owe them a thing.

The Members who will come to the floor this week and vote with those big banks and those credit card companies really have to ask themselves: When are you ever going to stand up for consumers and retailers and merchants and small businesses across America? Is somebody going to speak up for them in this Chamber?

That is what this debate is about, and I hope at the end of the day my colleagues will stand tall and say no to Wall Street, no to the credit card companies; that they will stand by the retailers and merchants, to give them a chance for transparency and competition, to give them a chance for a reasonable—reasonable—fee for what is actually transpiring in this transaction.