MEDICAID

Mr. ROCKEFELLER. Mr. President, in 1964 President Johnson envisioned an America that ''rests on abundance and liberty for all.'' It was against LBJ's backdrop of the Great Society that we reignited a tradition of community. This was a little spillover of the 1960s and our flight to the Moon and all of that, but the Nation somehow came together, and we sensed that we were a community and that we had a mutual obligation to each other, and that is at the very least characteristic of the American people, more then than now. Programs such as VISTA, Peace Corps, Social Security, Medicare, and Medicaid were born in those few years, 1961 though 1964.

Sadly, nearly 50 years after LBJ's war on poverty, we have witnessed vicious attempts to roll back government programs designed to give low-income Americans a hand up in life. I do not mean just low-income Americans but disabled Americans, very poor senior Americans who qualify for both Medicare and Medicaid—such a difficult journey they have. What we want to do is not to give people a hand up but simply to be a safety net. That is what he said this country owed its people. That is true about defense, and that is true about social policy. We have responsibility, all of us, to do that, to make sure nobody is left out.

There is no question that we must reduce our deficit, and I have a whole series of ways that can be done in abundance, but we should not do so on the backs of working families still struggling under the weight of this recession. Oh, yes, we are in a recession, so everything that was true about people who were having a hard time before is a lot truer now. Yet bill after bill proposed by Republicans seeks to do exactly that.

The House Republican H.R. 1 was a direct attack on America's working families and the successful education, job-training, and community development programs designed to combat poverty.

The Republican budget proposal for next year goes even further. It attacks Medicare and Medicaid, the health programs on which over 100 million American people rely—some more than others, but all have to have that as a safety net.

At a critical moment in our economic recovery, Republicans are more focused on settling old scores—evidently from health care reform and the bitterness of that fight—than they are on creating jobs or protecting people. The Republican plan for getting our deficit under control amounts to an upside-down government. Instead of helping those who depend on government programs to support their families, the Republican plan would guarantee that millionaires, billionaires, and large corporations continue to receive trillions of dollars—to wit, $4 trillion under the new budget—in government subsidies, subsidies that will grow exponentially over time and substantially increase their benefit. They will do very, very well indeed were we to make the tragic mistake of accepting that.

Republicans are not for a fair or balanced approach to deficit reduction, and it is a great mystery to me. It is a quandary to me. I mean, you can say it is theological or whatever, you can make up all kinds of nasty political views of it, but nevertheless that is what it is. What they are there for is a government that only exists to support big business and wealthy Americans—kind of a perpetual TARP for their friends.

Well, I reject that notion, and the American people do too. In my estimation, there is no government program that more fully embodies our Nation's tradition of community than Medicaid, our sense of mutual obligation. Some people are born wealthy. Some people are born very poor. Some people are born in between. Some people are born wealthy and then become poor. Some people are born poor and then become wealthy. But while they are down, they have a safety net, and it is called Medicaid. You don't hear people talking about it very much, particularly, frankly—somewhat disappointedly—from my side of the aisle.

After almost 50 years, Medicaid is still a lifesaving part of what we do as a government, what we are meant to do as a government. Medicaid is simply too important to millions of people.

Nationally, there were 68 million people enrolled in Medicaid in 2010—68 million children, seniors, people with disabilities, pregnant women. These are families who are living on the edge and barely making it. They now have a safety net, more efficient than any private insurance program in existence. They have that.

In West Virginia, there were over 402,000 people enrolled in 2008, 152,000 of those aged and disabled and 191,000 children—children. So almost 50 years later, Medicaid is still a lifesaving part of our Nation's health care system. In West Virginia, Medicaid covers 50 percent of all births. That tells you something.

In our country, 40 percent of all births are taken care of by Medicaid. That says a lot.

Sixty-two percent of long-term care is Medicaid and, along with the Children's Health Insurance Program it covers 34 percent of the children in our country. There are a lot of people who fought very hard over a number of years to get the Children's Health Insurance Program that would insure more children who were not at that point eligible. Well, they are still getting it, but the House wants to get rid of that program altogether. That is 34 percent of the children in our country.

Medicaid provides an essential lifeline to families during difficult economic times, when people lose jobs that have provided them health insurance.

Medicaid is the health care program that helps States during crises—not just people but States—including, obviously, the September 11 attacks, Hurricanes Katrina and Rita, the recent floods and tornadoes in the South and the Midwest—all being helped by Medicaid.

Medicaid is part of the fabric of our great Nation, and to be clear at this point, I need to say that the House bill that was passed by the House—and who voted for it and who did not obviously is very much on record—would devastate Medicaid and government in general out of discretionary spending.

Anyway, people who are covered by Medicaid do matter. They are people. They are families. They have their needs, their wants, their ambitions, their dreams, their sadnesses, their depressions, whatever.

Darren Hale, from Princeton, WV, wrote me.

> I am a disabled West Virginian whose family relies on Medicare and Medicaid.

That may be a dual-eligible—you know, poor enough to be on Medicaid, old enough to be on Medicare, not able to survive simply on just one or the other.

> I hope and pray that these health programs won't be ended or totally changed. Please do not support Republican changes to these programs as a way of cutting costs to the taxpayer. The poor of West Virginia and elsewhere should not and cannot bear the burden of the deficit reduction that Republicans want.

We need to think very seriously about our priorities. That is what this conversation really leads me to.

Let's say I am a 10-year-old boy, and I am being brought up in West Virginia. My means are meager. I step out into a road, and I am hit by a car. I don't die, but perhaps my spine is fractured—probably—legs broken, and I am condemned to a life in a wheelchair.

Now, that child is not protected by the private enterprise system. That child, unless they are an unusual child from a fairly wealthy family who then can provide insurance—but they will spend themselves down, with that insurance being so incredibly important, and they will eventually qualify for Medicaid.

You know, when you are hit by a car, that is not something you plan on. It is not something you failed to do because you did not have a work ethic or whatever the common wisdom would be about that. It is just something that happened. But the fact remains that your health care is cut, your life is changed, and it grows more miserable because you have nothing in the way of a safety net if the Republican budget is passed, if we get too aggressive about cutting Medicaid.

I am troubled. Members of Congress and senior advocates have rightfully rallied in staunch defense of Medicare. You can find wonderful groups here in Washington who rise up in anger when people talk about cutting Medicare. They are for Medicare. They know

what it is. They know what it was intended to do. They know what it does. They know what a difference it makes. But aside from an occasional editorial or story, there has been an unsettling silence about Medicaid, even from members of my own party. This is despite the fact that the five main arguments made in support of Medicare, which seem to have had a rebirth recently, are also true of Medicaid.

No. 1, the public strongly supports Medicaid, just as they do Medicare. Sixty percent of people say they would prefer to keep Medicaid as it is now. That surprises me. I would have thought the figure would have been much lower. I will get into that in a moment.

No. 2, Medicaid also creates jobs, unlike tax cuts for oil companies and rich people, et cetera. Every $1 million in Federal Medicaid spending results in 17.1 new jobs. Sounds boring. Maybe it is, but not to the people who get those jobs. That is at hospitals, that is at nursing homes, community health centers, and doctors' offices because that is what Medicaid covers.

No. 3, a Medicaid block grant or a spending cap, which is proposed by some—the cap is proposed by some to get away from the words ''block grant,'' but the effect—don't be fooled by that—is the same. They would both reduce the Medicaid benefits and increase cost sharing for seniors—for all of the recipients on Medicaid from day one. Understand that clearly, I would say to my colleagues. Much has been said about a Medicare voucher system, but capping Medicaid spending would be just as bad for the 5.5 million seniors and 11 million individuals with disabilities enrolled in Medicaid.

No. 4, instead of reducing the deficit, the savings achieved by drastically cutting Medicaid would also be used to pay for more tax breaks for wealthy Americans and large corporations.

Here is where I come to what I just don't understand about what is going on in this body.

Evidently, it is not going on outside in America. Sixty percent don't want Medicaid touched. The fact that it is a majority in Medicaid is amazing and wonderful to me. I just don't understand, Mr. President. I think it is political. I think people know that poor people and the disabled—I run into them often and seek them out sometimes, the disabled. They gather in clusters of 30, 50, or 75 people in wheelchairs. They depend upon Medicaid. That is what they depend on. We see them in the Capitol. Do people stop to see them? Not particularly, no. They know that. They are not very good lobbyists. They cannot be because it is hard for them to get around. So is it political?

The Ryan budget cuts taxes on the wealthy, on big deal people and big deal corporations, by $4 trillion. But it cuts Medicaid. Is that an act of social conscience or budget wisdom, or is that a thought-through value system? Is it just political, basically because they know that poor people don't vote? That is what I think the answer is.

You get worried about Medicare real fast.

We saw the results. We saw the House back off from that. But Medicaid? Not so. And it won't be so unless people stand up for Medicaid because they don't have lobbyists; they cannot afford them. They don't even speak that much for themselves. I don't get as many letters from them as from others, by a factor of 10. They have a sense that life has it in for them. That is partly an Appalachian characteristic, and I think many other parts of the country. There is a certain fatalism in life—that God has a plan for you, and it is not necessarily very good. If people accept that—which I don't—as a theory, then they are not going to fight for what Lyndon Johnson gave to the Nation and passed overwhelmingly in 1965.

Cuts to Medicaid will also, to the pleasure of some, undermine the health care reform law that we just passed—which is still law. Medicaid is the underpinning of the entire coverage expansion of reform. We talk about 32 million people that we are going to cover. That goes way down, Mr. President, if these Medicaid cuts are made.

So I ask my colleagues, why is Medicaid so often treated like a second-class program? More to the point, why are people who are on Medicaid treated so often as second-class people? How does that work out? Is that a product of the American sense of justice, or is that a thoughtful America looking around them? We all have friends who have been on Medicaid, or are on it, and have made it out.

Unfortunately, sometimes those people forget their Medicaid background and turn away from it because they are on to a new and better life. Somebody has to fight for these people.

Is it the feeling that maybe they are an unwanted burden on society? We have a tendency in America to say if you don't work, it is because you don't want to. If you don't have a decent job and you have a shabby home, it is because that is what you sought, not what was given to you in your, at least, destiny of the moment.

Again, I think, is it because most of the people enrolled are low-income people and many do not vote? I think that sums it up pretty well. But it is more than that. You can't go into the hollows of Appalachia or Nebraska or many other places and organize poor people to vote because their sense is, why? What does it get me?

Decade after decade, a little bit—is there a little disdain on the part of the American people for those on Medicaid? It is a glorious program, but sometimes it is an inglorious word because it implies they don't want to better themselves.

I won't go through my experiences in West Virginia for the 58th time on this floor. But I have seen so many examples of people who are beaten down—not with a cudgel but because all economic opportunity vanished from their lives. The coal mines shut down, or there weren't any other jobs around. They didn't get to go to school because no schoolbus would come because they were too far away and county law said they don't have to be picked up.

So is the deck stacked against them? Yes, it is. Out of that group, there is one—I guess a guy who is about 40; I will not mention his name. He has a terrific job. He works with the CSX System as one of their railroad maintenance people. He has a good family and is a wonderful person. But his parents were killed in a vehicle crash, and his brothers have been fighting all kinds of problems. So it really takes something special to fight your way out of that self-defined position and make your move forward.

I must say to my colleagues, the point of a representative democracy is not to serve the few, not even to serve the many, but to serve all as best we can. Does that mean we don't touch anything in Medicaid? No, but does it mean that we keep Medicaid as a safety net? Yes, it does.

We are not here elected by some people with incomes above X amount of dollars. We are here for all people—even the people who didn't vote for us or didn't vote at all. I take that very seriously, and I take my experience in West Virginia very seriously.

Sixty-eight million people are enrolled in Medicaid. They deserve a voice in this debate, and I, for one, will speak out for them. It is because somehow we feel that Medicaid recipients are not worthy—and I have expressed that in different words—simply because they have fallen on hard times or were born in hard times.

How do you help the fact that your father or mother didn't work because there wasn't any work available? What do you do about that situation? Or you were born in the ghetto. Oh, you just rise above that. Barack Obama did, therefore, anybody can. Life doesn't work like that, and the Presiding Officer knows that very well.

Then I must ask of my colleagues, how could this be? We all have neighbors, friends, and family who have or do benefit from Medicaid—even perhaps in their distant past. In fact, nearly half of all Americans have a friend or a family member that has received Medicaid assistance at some point, and they are absolutely worthy of our support.

Is it because we believe Medicaid spending is truly out of control? Then I remind colleagues that Medicaid costs per beneficiary grew much lower over the past decade than costs for any private health insurance coverage. The administrative costs in Medicaid are between 1 and 2 percent. An average health insurance company is probably 10, 15, or 20 percent—and all of this despite the fact that Medicaid has more comprehensive benefits. They are much

larger benefits that cover more. They do more for people, and significantly lower cost sharing.

I fervently believe the American tradition of shared responsibility—everybody working together for the greater good—is a tradition worth upholding and that a government has an ongoing role to play in its preservation. It cannot play that role perfectly, but it can do it as best and most fairly as possible.

Instead of shortchanging Medicaid, we must have the courage to rein in tax breaks for corporate America and for people of great wealth. Medicaid does exactly what it was designed to do all those years ago: provide a safety net for low-income Americans. There are lots of worthwhile and positive ways we can improve the program, I grant you that. But trashing Medicaid, gutting Medicaid—especially if it is sort of flipping it aside for political gain—cannot be an option.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

ETHANOL

Mr. GRASSLEY. Mr. President, tomorrow afternoon we will vote on Senator COBURN's amendment dealing with ethanol.

I come to the floor at this time to express my strong opposition to that amendment. Senator COBURN's amendment would raise the tax on domestic energy production. It would do this by repealing an incentive for the use of a home-grown renewable fuel called ethanol.

With conflicts in the Middle East and crude oil priced at $100 a barrel or more, we should be on the same side. Let me make that clear. We have Middle East problems. We have crude oil priced at over $100 a barrel. Oil interests and biofuels interests, if both are domestically produced, should be on the same side of the energy issue.

Why would anyone prefer less domestic energy production? In other words, why would anyone prefer importing more oil over domestically produced energy, whether it is fossil fuel or renewable? We should all be on the same side of more domestically produced energy.

The tremendous cost of America's dependence upon foreign oil has never been more clear. I support drilling here and drilling now. I support renewable energy. I support conservation. I support nuclear energy. The reason I support different forms of energy and why we have to support more energy is that if we are going to have an expanding economy and create more jobs, we are obviously going to use more energy.

Remember, I included conservation in my energy program. So the attacks on domestic energy are quite a remarkable thing happening right now, when gasoline is $4 a gallon. We are spending $835 million a day imported oil. So whether it is oil or renewable energy, we should not be fighting each other over any source of domestic energy. We should be fighting together against OPEC and these foreign dictators and oil sheiks—some of them hate the United States—from holding our economy hostage.

The author of the amendment has argued that the production of clean, home-grown ethanol is fiscally irresponsible. It is important to remember that the incentive exists to help producers of ethanol to compete with the oil industry—in other words, to have a level playing field for all forms of energy.

Remember, the oil industry has been well supported by the Federal Treasury for more than a century. The Senator from Oklahoma, the sponsor of the amendment, has touted with much fanfare a letter from oil companies that says they don't need or want the credit. It is my understanding that many of the oil refineries are no longer in the business of downstream ethanol blending and, subsequently, do not pay the excise tax on gasoline and do not benefit from the credit.

Now, isn't it easy to be advocating repeal of something when you don't benefit from it? It is even easier to advocate for repeal when doing so would undercut your competition.

It shouldn't surprise anyone that the oil refiners and Big Oil are advocating a position that would reduce the competitiveness of renewable ethanol. Refineries enjoy a cozy monopoly on our Nation's transportation fuel. They opposed the Renewable Fuels Standard because it cuts into their monopoly.

Alternatively, if the members of the National Petrochemical and Refiners Association say they don't want or don't need the credit, then it is pretty simple: Don't take it. It is a tax credit which they must apply for to the Internal Revenue Service. If they don't want it and they don't need it, they shouldn't file for that credit with the Internal Revenue Service. I would be glad to work with the Senator from Oklahoma in getting the members of the National Petrochemical and Refiners Association to return the credit to the Federal Treasury. No one is forcing them to take the credit. Since they seem eager to return it, perhaps Senator COBURN and I can work together to get them to return it.

If you like tight gasoline supplies and if you like $4 gasoline, join the campaign led by Big Oil and the National Petrochemical and Refiners Association. If you want less dependence on foreign oil and more use of home-grown, renewable fuels, support ethanol producers.

The fact is, the portion of the industry that blends ethanol and sells it to the consumers supports maintaining this credit. The Society for Independent Gasoline Marketers of America, or SIGMA, recently wrote to the Senate majority leader and minority leader opposing efforts to prematurely and abruptly eliminate the blender's credit:

On behalf of our client, the Society of Independent Gasoline Marketers of America, I write to you to oppose efforts in Congress to prematurely and abruptly eliminate the VEETC—that is the ethanol blenders credit.

Increasing the tax paid on ethanol-blended gasoline makes no sense at a time when consumer fuel prices are already high and the need to maximize domestic energy sources is so very critical.

Very true at the time when gasoline is $4 a gallon.

SIGMA's members account for 37 percent of the petroleum retail market. SIGMA works to promote competition in the marketplace to help keep consumer fuel costs down. This is contrary to the position of oil refiners who prefer no competition.

I have further words from that letter.

This incentive has been an extremely useful tool in helping the Nation's fuel marketers and chain retailers deliver fuels to the market at a competitive price.

By providing long-term price competitiveness for ethanol-blended fuels, VEETC also helps provide assurances to marketers and retailers that important infrastructure investments necessary to deliver these fuels will continue to provide returns, and not result in wasted improvements.

Simply put, SIGMA opposes recent moves to prematurely or abruptly end the subsidies without any consideration for future fuel and fuel-delivery costs.

To end this incentive immediately would no doubt result in an immediate spike in consumers' fuel costs.

SIGMA believes that a policy that provides an effective transition for the industry from the current tax structure is a better alternative to the slash and cut budget strategy being promoted by some Members of Congress.

I ask unanimous consent to have this letter printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRASSLEY. The Senator from Oklahoma also mentioned the total cost of the blender's credit as a reason for supporting repeal of VEETC. He claimed the American people will have spent $32 billion on this credit over the past 30 years. That may be the case.

Again, I don't believe we should be debating ethanol incentives by themselves or in a vacuum. For comparison's sake, I wish to inform my colleagues of the cost and duration of a few oil subsidies.

The Senator from Oklahoma has derided the 30-year-old ethanol blender's credit, arguing that the industry is mature. Well, what about our century-old oil industry? Don't forget, oil was discovered in Pennsylvania in 1859. We haven't had the incentives for that long, but according to the Government Accountability Office, the tax break allowing for the expensing of intangible drilling costs began in 1916, more than 95 years ago, and continues today. The percentage depletion allowance was enacted in 1926, 85 years ago, and it still exists today. After 95 years, is the domestic oil industry not mature?

I know my colleagues will be interested in how much these two subsidies