

no incentives for efficiency and, in fact, encourages higher costs and overutilization of services. As a consequence, Medicare costs are rising in excess of 10 percent a year, while private health spending is growing at less than half that rate.

There continues to be gaps in Medicare coverage. Medicare generally does not pay for preventive care and beneficiaries do not have access to benefits like prescription drugs that are routinely provided through private health plans. Many Medicare beneficiaries would gladly elect to trade their current fee-for-service coverage for a more coordinated system of care that gives them expanded coverage for prescription drugs and other benefits they currently do not enjoy.

Americans in the private health care system generally have some choice about the kind of health plan they are enrolled in. Most Medicare beneficiaries do not. Congress should consider giving Medicare beneficiaries a full range of choice of health care plans, with incentives for beneficiaries to choose cost-efficient coverage.

We should also consider allowing people to stay in their employer's health plan when they turn 65, even after they have retired. Medicare could reimburse employers for the cost of the premiums and perhaps provide a tax break as an additional incentive for them to continue coverage. This would not only allow Medicare beneficiaries to remain in a health plan they are comfortable with, but it would also keep them in a pool with younger, healthier people to lower the cost of their coverage.

And, finally, we must rid Medicare of the fraud and abuse that robs the program of as much as \$18 billion a year. Medicare has become a prime target for opportunists who bilk the system by overbilling, unbundling services, and doublebilling. I have introduced legislation for the past 2 years to crack down on fraud and abuse, and it is time to pass these reforms.

There are no easy answers—either substantively or politically—to Medicare's financial problems in either the short or long term. If we are to summon the political will to overcome the current crisis and revitalize Medicare to meet the needs of the future generations, we must abandon the politics of fear and take up the politics of trust.

This should not be a partisan issue. Those who hold a fiduciary duty to oversee the Medicare system say that immediate action is necessary, and the President apparently agrees. Given the sheer magnitude of the financing shortfall, bipartisan cooperation is essential if we are to establish the kind of lasting reforms that will be necessary to keep the promise of Medicare for not just current but future generations.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

EXTENSION OF MORNING BUSINESS

Mr. REID. I ask unanimous consent that the time for morning business be extended so that the order would be that Senator DORGAN will speak 15 minutes, I will speak for 15 minutes, and Senator WELLSTONE will speak for 10 minutes.

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

The Senator from North Dakota is recognized.

MEDICARE

Mr. DORGAN. Mr. President, last week during debate on the defense authorization bill, I came to the floor to point out that someone on the Armed Services Committee had written into the bill a special little deal that no one had asked for. It was \$60 million to buy blimps. Yes, blimps. Airbags. Airships. I asked the question, Who wrote this in? Who wants to buy blimps? Who decides that the *Hindenburg* is important for America's defense?

I did not find out who did it, but there were no hearings, no disclosure—they just wrote in \$60 million to buy blimps. Now I discover that hot airbags are not limited necessarily to the Defense Department authorization bill.

I have listened this morning to a substantial amount of discussion about Medicare. I will tell you, some of it really surprises me.

Let me talk first about the issue of Medicare going broke. We were treated this morning to a half dozen folks who say: "Did you know that Medicare is going to go bankrupt in 7 years? We Republicans called the Medicare trustees up to the Capitol for a special meeting because we were so concerned about their report." And the President is not concerned, they say. He does not care. "But we are concerned, so we called the trustees up here to the Capitol and had a visit, because we Republicans care." I will bet you that I am safe in saying this is the only meeting of trustees the other side has ever had in this Capitol.

Well, here is a list of the trustees' reports for the last 15 years. Every single year since 1979, save two—in fact, 23 out of 25 years—the boards of trustees have sent a report to this Capitol and this Senate telling us when the Medicare system is going to run out of money.

In 1982, while Ronald Reagan was President, the trustees sent a report up to the Capitol that said in 1987 Medicare is going to be insolvent. In 1986, they sent up a report that said in 1996 it is going to be broke. The list goes on. That is in 23 out of 25 years.

Why have the Republicans invented this as a crisis when 23 out of 25 reports have described the time when Medicare is going to become insolvent? Every time this happens, Congress makes adjustments to make sure that Medicare will not go broke.

Why have the Republicans decided to invent this as a crisis? It is because the Republicans, under the guise of a budget they say will be balanced, also wanted to put up the center tent pole in this giant tent called the Contract With America. What is that center pole? It is a tax cut for their wealthy friends—a \$245 billion tax cut, 80 percent of which will go to those taxpayers with incomes over \$100,000 a year.

Now, how do you pay for a tax cut? How do you pay for a tax cut if you are up to your neck in debt and have all kinds of budget problems? You take a look at another big part of the Federal budget and say, let us cut that in order to make room for our tax cut. Ergo, they have proposed \$270 billion in cuts to Medicare in order to accommodate a similar sized proposal to cut taxes, the bulk of which goes to the wealthiest Americans.

Those are the facts. There is no one in this body who does not want to make sure that Medicare exists for the long term. So to those who came out here this morning with a hot iron and ironing board trying to iron out the President on this issue because, somehow, the Democrats do not believe in Medicare, I say, just look at the record. The first time Medicare was on the floor of the Senate was in August 1960, and 97 percent of the Republicans voted against it. Democrats helped create Medicare, and I am proud of it. When we enacted Medicare, less than half of America's elderly had health insurance coverage. Now 97 percent do. I am proud of that.

Are there some problems with Medicare? Yes, there are. America is graying and getting older. Each month, over 200,000 more Americans become eligible for Medicare because they reach retirement age. That puts a strain on the system. So we have to continue to make adjustments to make Medicare solvent.

For people to come to this floor and suggest that somehow the Democrats are the problem and the Republicans are going to save Medicare, I am sorry, but this is just at odds with the facts. The fact is that Democrats helped create Medicare.

There is an old saying that "the lion and the lamb might lay down together, but the lamb ain't going to get much sleep." I would observe, after what I heard this morning, that the Republicans and Medicare might lay down together as well, but I do not think Medicare is going to get much sleep either. The fact is, we must make Medicare solvent for the long-term, and we will. But we must not ever decide to go to the health care portion of the Federal budget and try to find massive Medicare savings that will result in higher Medicare costs for older Americans and reduced access to health care for senior citizens, in order to accommodate a big tax cut mostly for the wealthy.

Now, I know that those who are out here spinning this morning like a ball of yarn were accusing the other side of