

world, have a different set of values and have a different outlook on life than we have.

I would agree with some of the previous speakers that we ought to have a situation in America where Members of Congress should all have to go out and make a living under the laws that they pass, and we would not have these problems.

Someone not too long ago said that we have an overregulated society here. We certainly do. It is overregulation which mostly came about by people who have been in Congress for their entire adult life. This is something that can be changed.

I am not optimistic that anything is going to happen with this today. But I will say this. There is going to be a record that will be established so that people who are running for office will know that the public will know how they stand on this very contentious issue. Over in the other body, in the House of Representatives, there is a Contract With America; 9 of the 10 items were passed over there. The tenth one that was not passed was term limitation.

I believe it is something that is very healthy for our system, something that we all need to get on the record, and I think we will have that opportunity today. I believe that is in the best interest of this country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

HEALTH INSURANCE REFORM ACT

The Senate continued with the consideration of the bill.

Mrs. KASSEBAUM. Mr. President, first before we go to the closing statements on the health insurance reform bill, I would like to yield the floor 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota, [Mr. GRAMS] is recognized for 5 minutes.

Mr. GRAMS. Thank you very much, Mr. President.

Mr. President, I rise today to offer my strong support for the Health Insurance Reform Act, and I commend the distinguished chairman from Kansas and the Senator from Massachusetts for drafting legislation which seeks to ensure affordable, accessible health insurance for all Americans.

In September of 1993, President Clinton and the First Lady presented a sweeping health care reform proposal which they believed would resolve the health care problems facing many in our country. They said we needed to make insurance portable . . . they said

we needed to protect individuals with pre-existing conditions . . . and they said we needed to bring down the rising costs of health insurance. I agreed with the problems identified by the President, however, I strongly disagreed with the solutions he proposed.

Crafted during a year of closed-door meetings by the White House's Health Care Task Force, the Clinton plan set in place global budgets, price controls, tax increases, reduced choice and rationing—all housed within a massive, new layer of Federal bureaucracy. Fortunately, Americans recognized the President's plan for what it really was—a government takeover of the Nation's health care system, and they had the good sense to reject it.

Mr. President, I believe government-controlled health care failed in 1994 because the President underestimated the ability and desire of Americans to make their own health care choices, free from government intrusion or control. Only by empowering consumers, rather than the Government, will we allow the marketplace to evolve into a quality, cost-effective, and responsive health care provider, able to offer affordable insurance to all Americans.

While socialized medicine failed in 1994, Americans did embrace four important concepts which emerged from the health care debate: health insurance should be accessible, it should be affordable, it should be portable, and pre-existing conditions shouldn't disqualify anyone from obtaining health insurance. Those principles lie at the heart of the Health Insurance Reform Act.

It is estimated that 43 million Americans went without health insurance in 1995. According to the Minnesota Health Care Commission, the number of uninsured Minnesotans has remained stable for the last 5 years at approximately 400,000 individuals, or nearly 9 percent of the State's population. That is below the national average of close to 15 percent uninsured but still too high.

Mr. President, what keeps health insurance out of the reach of so many? The two main barriers are access and affordability.

A majority of Americans under the age of 65 are insured through their workplace. Many job providers, however—small employers in particular—find themselves shut out of the health insurance market when it comes to obtaining affordable coverage for their employees.

And even insurance obtained through a job doesn't last forever, because few Americans stay with a single employer throughout their entire work career. Each year, 18 million Americans change insurance when a family member moves between jobs, often stranding them without insurance and usually forcing them to find new coverage. Many who are unwilling or unable to risk going without insurance just stay put. A Washington Post/CBS News survey found that one quarter of all Amer-

ican workers experience "job lock"—they are staying in jobs they would otherwise leave because they are afraid of losing their health coverage.

Another flaw of our insurance system is that it offers little protection to individuals or their family members suffering from major health disorders. Because they are victims of what are known as "preexisting conditions," these Americans are denied insurance because of the cost they represent to the system.

Americans who play by the rules, who buy health insurance when they are healthy, should be allowed to keep it when they get sick. This is why I supported Senator JEFFORDS' amendment which would have raised the lifetime cap on insurance policies.

Individuals buy health insurance to not only ensure treatment for relatively minor medical problems—strep throat and the occasional broken bone, for example—but also to protect themselves against crippling accidents or catastrophic illness. It is important that these individuals continue to be covered by their private insurance company. If they are dropped, their only alternative is to spend-down their assets in order to qualify for Medicaid.

This moves more patients into the Medicaid program, overloading the taxpayers and a system that is already buckling under heavy costs.

This is unfair to those individuals who have played by the rules, and I will continue to work with the Senator from Vermont to address this issue.

Expanding access to insurance, allowing individuals to move between jobs with insurance policies that can move with them, and preventing insurance companies from denying coverage based on a preexisting condition, is precisely what the Health Insurance Reform Act attempts to provide.

The Federal Government's General Accounting Office estimates this legislation would open the door to health insurance for 25 million more Americans.

Americans will no longer be forced to decide between taking a new job or losing their medical coverage—the Health Insurance Reform Act guarantees health care that is always there, regardless of where an employee works or even if they work at all.

My own State of Minnesota embarked on reforming its health care delivery system long before most of the rest of the country.

For three decades, we have debated these very same issues and worked long and hard to achieve portability, renewability, and the elimination of pre-existing condition exclusions, thereby increasing the number of insured.

Minnesotans have been innovative and progressive in reform of our health care marketplace.

We have celebrated success and we have endured failure.

While our system is far from perfect, our legislators, our health care community, and our constituents continue

to work to improve the delivery of quality health care and guarantee its affordability in Minnesota.

One of this bill's most beneficial aspects is the flexibility it gives States to create and administer their own health insurance reform programs—away from Washington's control.

Under this legislation, States such as Minnesota, which have already implemented reforms, are exempted from any changes established by the Kassebaum-Kennedy bill.

Furthermore, Minnesota has already enacted laws in the large group, small group, and individual markets which go beyond what is laid out in the Kassebaum-Kennedy legislation.

That includes guarantee issue, guaranteed renewability, limits on pre-existing condition exclusions, a State risk pool for uninsurable individuals, and reforms to enhance and encourage the bargaining power of small businesses.

The Kassebaum bill will have minimal effect on most of my constituents, but it will provide new portability and access protections for Minnesota employees and their dependents.

It does so by requiring insurers to guarantee issue coverage to plans with 50 or more employees, which includes self-insured plans not currently providing these protections.

I am disappointed that medical savings accounts are not part of the Senate bill.

I am encouraged, however, by the large number of my colleagues who share the majority leader's commitment to including MSA's in the conference report. I believe MSA's would substantially enhance the legislation before us.

While this legislation will go a long way toward expanding access to health insurance, I am still concerned that the bill does not provide enough affordable access. Keep in mind that health insurance which is accessible yet unaffordable will not improve the current problems in our marketplace.

The inclusion of MSA's in this legislation is not a Republican issue or a Democrat issue—it is a Main Street issue. MSA's enhance portability and promote consumer choice, while they empower individuals with the same tax equity large corporations receive under our Tax Code.

I am deeply concerned that many of those who claim to be advocates for the so-called little guy want to deny lower income Americans the choice of medical savings accounts.

I believe MSA's are the best way we can put low-income wage earners on an equal footing with their corporate cousins in the health care marketplace.

I received a letter last week from a coalition of rural Minnesotans based in Fergus Falls called Communicating for Agriculture.

Comprised of farmers, ranchers, and agribusinesses, and boasting a national membership of 80,000, Communicating for Agriculture has been advocating an MSA-type plan since 1978.

They write:

Managed care is not an option to hold down health care costs since [rural Minnesota] has little or no competition in health care. Without competition, you can't have managed care. MSA's allow us to spend our medical dollars where it is most convenient.

It also eliminates a great amount of administrative expense which is a major contributor to health inflation over the years.

A recent study by Blue Cross and Blue Shield revealed that 43 percent of employees would definitely or probably switch to an MSA if given the opportunity. In light of this broad, public support for MSA's, we should at the very least allow individuals this choice. While the Kassebaum legislation is good and worth passing on its own merits, I certainly hope that the conference committee will adopt MSA's as part of the final version of our health insurance reform efforts this year.

As I conclude, I want to assure my colleagues and my constituents that my position on the issues before us has not wavered since I first ran for public office in 1992:

I strongly support legislation ensuring portability.

I strongly support legislation ensuring limiting preexisting condition exclusions.

I strongly support legislation providing tax equity for all Americans through medical savings accounts, and increasing deductibility to 100 percent.

And I strongly support the efforts of this Congress to deliver these desperately needed reforms to the American people.

As Congress prepares a final bill to send to the President, I will be working to ensure that provisions promoting greater access and affordability are incorporated into the final bill.

Only through such comprehensive reforms will we encourage more Americans to purchase health insurance, thereby expanding the ranks of those with coverage and eventually making health insurance more accessible and affordable for all.

Again, Mr. President, I strongly support this bill. I thank the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas, [Mrs. KASSEBAUM].

Mrs. KASSEBAUM. I thank the Senator from Minnesota for his support on this legislation.

If I may speak for a few moments in closing before our vote this afternoon on the health insurance legislation. For a bill that is a very modest bill with a broad consensus of support, the Health Insurance Reform Act certainly has attracted a lot of controversy. It is not a Trojan pony. It is a bill that was carefully put together, learning from the mistakes of the past and building together in the Labor and Human Resources Committee legislation that we believed could garner the broadest possible support and yet represent a mean-

ingful step forward in health care legislation.

During the debate in the last Congress on health care, there were many questions raised of particular concern to most people. One was portability, a sense of insecurity where many Americans found they were not able to maintain health insurance if they lost their job or changed jobs. That is what we started with—something that is clearly, I believe, a small but important step forward. It is what I believe will be very valuable to many people in this country. We recognized we were only going to be able to achieve success if the bill had the broadest support possible. And indeed, the legislation has garnered over 60 cosponsors. From there, of course, the legislation has grown to be more expansive than what we initially started with.

It has been our goal all along, Senator KENNEDY as the ranking member of the Labor and Human Resources Committee and myself, to say that amendments which did not have broad-based support—amendments which were controversial—were ones that we would have to object to, whether we favored them individually or opposed them individually. And that is what we have tried to do throughout this debate.

This legislation now reflects, I think, two very positive amendments that had unanimous support here on the Senate floor and that were offered by the chairman of the Finance Committee, Senator ROTH, and Senator DOLE, who has been a long supporter of these two initiatives. One was to increase the percentage of deduction that would be allowed to those who are self-employed from 30 to 80 percent. The second was to provide tax deductions for long-term care coverage, an issue which many of us have believed was very important and of which Senator DOLE has long been a leader. Those were valuable additions to the underlying bill.

As my colleagues know, Senator KENNEDY has for many years in his legislative career in the Senate, both as chairman of the Labor Committee and as ranking member, been a strong advocate of improving the health care system. This bill certainly does not go as far as Senator KENNEDY would like it to go, but he was realistic about the possibilities of what we could achieve with a more limited bill.

Whether this legislation helps 25 million people, as has been estimated by the General Accounting Office, or whether it only helps 10 million people or if it helps 50 million people, the important fact is that the Health Insurance Reform Act does provide some peace of mind for those who desperately want to have some assurance that they will not be excluded from coverage because of a preexisting medical condition if they lose their job or change their job.

That is an important sense of security for many Americans, and I believe one of the main reasons this legislation has garnered such strong support.

It is my hope, Mr. President, that out of this bipartisan effort we can go to conference and we can come through conference with a bill that will be acceptable to everyone, because what we can accomplish with this more limited legislation will be of value and far better to have accomplished than to try for too much and to fail again.

Other aspects that have been added as amendments in both the House and the Senate, may have some value. But because they are extremely controversial, I would suggest that they need to be debated on their own merits at another time. The clear danger is that if we add too much, we will again fail to deliver real reform for the American people.

Mr. President, this is an effort that has had a great deal of help along the way from all sides—from consumers, from the medical community, from the insurance community, from employers, and certainly from colleagues in the Senate and in the House of Representatives. I particularly thank staff members who have worked tirelessly on this effort, certainly on my own staff, Dean Rosen, who has spent months and months trying to pull together a consensus of support, as well as Susan Hattan, Rebecca Jones, and Ann Rufo, and all of the staff of the Republican members of the Labor and Human Resources Committee. I also thank David Nexon and Lauren Ewers of Senator KENNEDY's staff for their hard work and dedication on this issue as well.

I do not think today's vote would have been possible without the efforts of Senator KENNEDY, who has championed this legislation even though, as I said earlier, his own interests would have been more expansive than what we would have been able to achieve. It also would not have been possible without the support of those on my side of the aisle, as well, who have been willing to settle for what is possible and of greatest value to most people.

So it has been a collaborative effort. It has been an effort that garnered unanimous support when it came out of the committee in August, and I believe will have if not unanimous support here in the U.S. Senate, close to that. I think it will be an important moment in advancing health care efforts on the part of the U.S. Government today.

I want to thank the staff who worked countless hours on this legislation. I want to thank Susan Hattan, Dean Rosen, Rebecca Jones, and Anne Rufo of my staff for their contributions and persistence in helping to make this legislation a reality. I want to thank David Nexon and Lauren Ewers of Senator KENNEDY's staff for their hard work and dedication. And I want to commend the Republican staff of the Senate Labor and Human Resources Committee: Elaina Goldstein of Senator JEFFORD's staff, Vince Ventimiglia of Senator COAT's staff, Kimberly Spaulding with Senator GREGG, Susan Ramthun with Senator FRIST, Saira Sultan of Senator

DEWINE's staff, Annie Billings of Senator ASHCROFT's staff, Greg Willhauck with Senator ABRAHAM, and Tammi Brueske with Senator GORTON. I also want to thank Bill Baird with legislative counsel for his patience and hard work, and Beth Fuchs of the Congressional Research Service for her invaluable guidance. Finally, I would like to thank Michael Gutowski and Mark Nadel of the General Accounting Office for their analysis of the impact of S. 1028.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts has 10 minutes 30 seconds.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Senator PRYOR be able to speak for not to exceed 10 minutes at the conclusion of my remarks.

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

Mr. KENNEDY. Mr. President, first of all, I would like to express my appreciation to a number of our colleagues. I start with our chairman of the Labor and Human Resources Committee, the leading sponsor of the bill, Senator KASSEBAUM. I think that when this legislation becomes law—and I believe that it will become law—the American people will owe her a debt of gratitude. I am proud to have joined her in recommending to the Senate this legislation and to join her in recommending the passage of the legislation, as well.

I think the entire Senate understands the extraordinary leadership that she has provided on this legislation, and it is important, I believe, that the American people do as well.

When the Senate votes on the Health Insurance Reform Act today, the bill will pass overwhelmingly for many reasons. It will pass because it is broadly bipartisan. It will pass because it is solidly supported by over 200 organizations and a coalition of consumer groups, business and labor and responsible insurance companies. It will pass because the Senate acted responsibly last week in rejecting a killer amendment that would serve special interests rather than the public interest.

Senators have made important contributions to the construction of this legislation, and I would like to mention several of my colleagues. This is not a complete list, but those who I have had the chance to work with most closely.

First of all, Senator HARKIN, who was a leader in the effort to protect people against health insurance discrimination based on genetic information.

Senator WELLSTONE worked hard to assure similar protections for victims of domestic violence.

Senator JEFFORDS was a key leader on the provisions of the bill enabling small business to create purchasing pools to increase their bargaining power.

Senator FRIST contributed key ideas to address the special needs of the disabled.

Senator DODD worked with the responsible insurance companies to see that their concerns were addressed while protecting the interests of consumers and gathering considerable support within the insurance industry for this proposal on the basis of its merits.

Senator ABRAHAM contributed to the State flexibility provisions which was a matter of considerable concern and interest to many different Members of this body.

Senator ROCKEFELLER was an early supporter of this effort and provided enormous assistance during the floor debate.

Senator BENNETT worked hard to bring this bill to the floor and to build a consensus behind it.

Others contributed as well.

We are grateful for the additions that were made by Senator DOLE and Senator ROTH focusing on making the availability of insurance more attractive to small businesses, that provided the support for extended care for many of our seniors, which is the great gap in the Medicare system today, and also for the initiatives for terminally ill patients to permit them greater flexibility to deal with some of their particular financial interests.

So we are grateful for all of their support and for many others. For Senator DOMENICI and Senator WELLSTONE who offered their amendment dealing with mental health, that was accepted by the Senate. Senator KASSEBAUM and I resisted that amendment on the basis of our earlier understandings and agreements that we would resist all amendments. But, nonetheless, I think there is great value of that particular provision as well.

The Kassebaum-Kennedy bill will end many of the most serious health insurance abuses and provide greater protections to millions of families. It is an opportunity that we cannot afford to miss.

Before some final brief remarks about the legislation, I want to recognize some of our very good staff people for their hard work.

On our side, my staff, Nick Littlefield, Dave Nexon, and Lauren Ewers were particularly active; Susan Castleberry, Sara Thom, Brian Moran, Ron Weich, and Melody Barnes.

For Senator HARKIN: Peter Reineke and Anne Ford.

For Senator WELLSTONE: Alex Clyde.

For Senator DODD: Jane Lowenson.

For Senator PRYOR: Bonnie Hoque.

For Senator ROCKEFELLER: Ellen Doneski and also Mary Ella Payne.

For Senator DASCHLE: Rima Cohen and Cybele Bjorklund. All of them were involved and helpful.

Senator KASSEBAUM has mentioned those Republican staff who have been involved and worked very closely with us. But in this instance, as in many others, some of them worked very closely with all of us, the Members of the Senate, as well as our staffs: Susan Hattan; Dean Rosen, Anne Rufo, and Rebecca Jones.

For Senator JEFFORDS: Elaine Goldstein.

And for Senator FRIST: Sue Ramthun.

We are grateful to all of them. They have a remarkable sense of knowledge and awareness in very special segments of this legislation, and their experience and knowledge and understanding of these nuances were valuable to all of us. We are grateful for their help.

Finally, Mr. President, briefly, the abusive practices addressed by this bill create endless, unnecessary suffering. It was our attempt to address that unnecessary suffering by focusing on language to provide millions of Americans with a new sense of hope in the workplace, Americans who are today forced to pass up jobs that would improve their standard of living or offer greater opportunities because they are afraid they will lose their health insurance.

Many others have to abandon the goal of starting their own business because health insurance would be unavailable to them or members of their families. We have tried to provide ways in which they can come together to provide coverage for their families and for the families of those who work in many of the mom-and-pop stores and smaller businesses of this country.

Children who "age out" of their parents policies often find themselves unable to obtain their own insurance if they have significant health problems. We have addressed that.

Early retirees can find themselves uninsured just when they are entering the years of highest health risks. We tried to address those issues.

Many other Americans lose their health insurance because they become sick or lose their job or change their job, even when they have faithfully paid their insurance premiums for many years. This is perhaps the most difficult concept for people to understand, where they have paid their premiums for 20, 25 years, suddenly have an illness and they are either dropped from coverage or their premiums go up extraordinarily to the point where they cannot effectively afford it. We have really provided some important reassurances to families.

More than half of all insurance policies impose exclusions for preexisting conditions and, as a result, insurance is often denied for the very illness most likely to require medical care. The purpose of such exclusions is reasonable, to prevent people from gaming the system by purchasing coverage only when they get sick. But current practices are indefensible, and no matter how faithfully people pay their premiums, they have to start all over again with new exclusions if they change jobs or lose their coverage.

The Health Insurance Reform Act is a modest, responsible bipartisan solution to many of the most obvious abuses in the health insurance market today. In fact, the only active opposition to the legislation comes from those who profit from the abuses in the

current system. In his State of the Union Address last January, President Clinton challenged the Congress to pass this bill. Now the Senate is poised to fulfill that pledge.

Mr. President, the only thing that stands between this bill and the President's signature are controversial provisions added in the House of Representatives. These objectionable provisions include the medical savings accounts which we have debated—

Mr. President, I ask for 3 more minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. The federalization of multiple employer welfare arrangements. A number of years ago we provided the States the power regulate these arrangements. It is rather strange now that those provisions which permit the States to enforce these regulations are effectively being preempted so that the Federal Government will regulate them.

Repeal of the MediGap rules protecting senior citizens against profiteers. That is a very dangerous provision. Up until 1984, we found that many elderly people would buy 2, 3, 4, 5, 10 different programs which people thought would cover various gaps in their insurance—instead the policies duplicated one another with no additional benefit to the individual. We found all kinds of abuses. We passed legislation to protect seniors against these abuses. It has been effective. We should not go back to the earlier period.

The provisions making it more difficult to combat waste, fraud, and abuse in the current Medicare-Medicaid programs. I think that issue is one that is not going to go away. There are many concerns that some of the provisions that have been made in the House bill will lower the standard, make it more difficult to prove the abuse and waste and fraud. I am not sure we want to go in those directions.

The malpractice issues were debated earlier in the Congress. I think they ought to be addressed outside of this legislation.

We go to conference in a bipartisan spirit, committed to trying to get this legislation passed—obviously they have a right to pass their bills and we have a responsibility to work through the differences—but we hope that, given the spirit with which this legislation started, both in the House and the Senate, that we will be able to do it. Every day that is delayed, there are millions of our fellow citizens who are denied the kinds of protections that this legislation will provide for them. It is an extremely important piece of legislation, in many respects I think may be the most important piece of legislation that we will pass in this Congress.

When the Senate votes on the Health Insurance Reform Act today, the bill will pass overwhelmingly for many reasons. It will pass because it is broadly bipartisan. It will pass because it is

solidly supported by over 200 organizations in a coalition of consumer groups, business and labor, and responsible insurance companies. It will pass because the Senate acted responsibly last week in rejecting killer amendments that serve special interests rather than the public interest.

I commend the chairman of the Labor Committee and the leading sponsor of the bill, Senator KASSEBAUM. She worked long and well to make this day a reality. Her leadership resulted in a unanimous vote for this bill in our committee. Her courage and commitment made it possible for this bill to pass the Senate without crippling amendments. The American people owe her a debt of gratitude, and I am proud to serve with her and join her and recommend passage of this legislation.

Other Senators have also made important contributions. Senator HARKIN was a leader in the effort to protect people against health insurance discrimination based on genetic information. Senator WELLSTONE worked hard to assure similar protection for victims of domestic violence. Senator JEFFORDS was a key leader on the provisions of the bill enabling small businesses to create purchasing pools to increase their bargaining power. Senator FRIST contributed key ideas to address the special needs of the disabled. Senator DODD worked with the responsible insurance companies to see that their concerns were addressed while protecting the interests of consumers.

Senator ABRAHAM contributed to the State flexibility provisions. Senator ROCKEFELLER was an early supporter of this effort and provided enormous assistance during the floor debate. Senator BENNETT worked hard to bring this bill to the floor and to build consensus behind it. Others contributed as well.

The Kassebaum-Kennedy bill will end many of the most serious health insurance abuses and provide greater protection to millions of families. It is an opportunity we cannot afford to miss.

The abusive practices addressed by this bill create endless unnecessary suffering:

Millions of Americans are forced to pass up jobs that would improve their standard of living or offer greater opportunities because they are afraid they will lose their health insurance.

Many others have to abandon the goal of starting their own business, because health insurance would be unavailable to them or members of their families.

Children who age out of their parent's policies often find themselves unable to obtain their own insurance if they have any significant health problems.

Early retirees can find themselves uninsured just when they are entering the years of highest health risks.

Many other Americans lose their health insurance because they become sick, or lose their job, or change their job—even when they have faithfully

paid their insurance premiums for many years.

Each year, the flaws in the private health insurance market become more serious. More than half of all insurance policies impose exclusions for preexisting conditions. As a result, insurance is often denied for the very illnesses most likely to require medical care. The purpose of such exclusions is reasonable—to prevent people from gaming the system by purchasing coverage only when they get sick. But current practices are indefensible. No matter how faithfully people pay their premiums, they often have to start over again with a new exclusion period if they change jobs or lose their coverage.

Eighty-one million Americans have conditions that could subject them to such exclusions if they lose their current coverage. Sometimes, the exclusions make them completely uninsurable.

Insurers impose exclusions for preexisting conditions on people who don't deserve to be excluded from the coverage they need. Sometimes, insurers deny coverage to entire firms if one employee of the firm is in poor health, or at least exclude that employee from coverage. In other cases, entire categories of businesses, with millions of employees, are redlined out of coverage.

Even if people are fortunate enough to gain coverage and have no pre-existing condition, their insurance can be canceled if they have the misfortune to become sick—even after paying premiums for years.

One of the most serious consequences of the current system is job lock. Workers who want to change jobs must often give up the opportunity because it means losing their health insurance. A quarter of all American workers say they are forced to stay in a job they otherwise would have left, because they are afraid of losing their health insurance.

During the debate on this legislation, we have heard from Americans who have been victimized by the abuses in the current system.

Robert Frasher, of Mansfield, OH, works for an employer who offers health coverage to employees, but the insurance company won't cover him. Why? Because he has Crohn's disease.

Jean Meredith of Harriman TN, and her husband Tom owned Fruitland USA, a mom and pop convenience store. They had insurance through their small business for 8 years, until Tom was diagnosed with non-Hodgkin's lymphoma and their insurance company dropped them. When the Merediths asked why, they were told they were no longer profitable insurance risks. Without health insurance, Tom Meredith had to wait a year to get the surgery he needed. After spending \$60,000 of his own funds, his cancer recurred and he died about a year ago. Tom Meredith might still be alive today if he had not been forced to wait that year.

Diane Bratten, of Grove Heights, MN, and her family have insurance through Diane's employer. Because of a history of breast cancer now in remission, Diane and her family would not be able to get decent coverage if she decided to change jobs or was laid off.

Nancy Cummins, of Louisville, KY, lost her health insurance when her husband's employer went bankrupt. When their COBRA coverage expired, they were uninsured for 3 years, until they qualified for Medicare. During this period, she suffered three heart attacks, which left their family with \$80,000 in debts.

Jennifer Waldrup, of Massachusetts, was covered by her husband's health insurance until his employer went out of business. When she applied for coverage under her own employer, she was turned down because she had multiple sclerosis. Her employer tried to help, but could not find an insurer who would offer coverage. Her husband had to cash in his life insurance to pay her medical bills.

Tom Hall, of Oklahoma City, faithfully paid his premiums for 30 years under the group insurance policy of the construction business that he co-owned. When the company dissolved and he became self-employed, the insurer refused to give him coverage because he had a heart condition. He lives in fear that his life savings will be wiped out.

The legislation we will pass this afternoon will address these problems effectively. The Health Insurance Reform Act is a health insurance bill of rights for every American, and for every business as well.

The legislation contains many of the provisions from the 1994 health reform debate which received broad bipartisan support—such as increased access to health insurance, increased portability, protection of health benefits for those who lose their jobs or want to start their own business, and greater purchasing power for small businesses.

Those who have insurance deserve the security of knowing that their coverage cannot be canceled, especially when they need it the most. They deserve the security of knowing that if they pay their insurance premiums for years, they cannot be denied coverage or be subjected to a new exclusion for a preexisting condition when they change jobs and join another group policy, or when they need to purchase coverage in the individual market. Businesses—especially small businesses—deserve the right to purchase health insurance for their employees at a reasonable price.

Our Health Insurance Reform Act addresses these fundamental flaws in the private insurance system. The bill limits the ability of insurance companies to impose exclusions for preexisting conditions. Under the legislation, no such exclusion can last for more than 12 months. Once someone has been covered for 12 months, no new exclusion can be imposed as long there is no gap

in coverage—even if someone changes jobs, loses their job, or changes insurance companies.

The bill requires insurers to sell and renew group health policies for all employers who want coverage for their employees. It guarantees renewability of individual policies. It prohibits insurers from denying insurance to those moving from group coverage to individual coverage. It prohibits group health plans from excluding any employee based on health status.

The portability provisions of the bill mean that individuals with coverage under a group plan will not be locked into their job for fear that they will be denied coverage or face a new exclusion for a preexisting condition. These provisions will benefit at least 25 million Americans annually, according to the General Accounting Office. In addition, the provisions will provide greater security for the 131 million Americans currently covered under group health plans.

The bill will also help small businesses provide better and less expensive coverage for their employees. Purchasing cooperatives will enable small groups and individuals to join together to negotiate better rates in the market. As a result, they can obtain the kind of clout in the marketplace currently available only to large employers.

The bill also provides great flexibility for States to meet the objective of access to affordable health care for individuals who leave their group health plans.

The bottom line is that this legislation guarantees that those who faithfully pay their premiums will not have their insurance taken away or preexisting conditions imposed, even if they change jobs or lose their job.

The Health Insurance Reform Act is a modest, responsible, bipartisan solution to many of the most obvious abuses in the health insurance marketplace today. The bill was approved by the Senate Labor and Human Resources Committee last August by a unanimous vote of 16 to 0. It is similar to proposals made by President Clinton in his recent balanced budget plan.

In fact, the only opposition to this legislation comes from those who profit from the abuses in the current system.

In his State of the Union Address last January, President Clinton challenged Congress to pass this bill. Now the Senate is poised to fulfill that pledge.

The only thing that stands between this bill and the President's signature are controversial and harmful provisions added by the Republican majority in the House of Representatives to their version of the bill. These objectionable provisions include medical savings accounts, federalization of multiple employer welfare arrangements, Federal caps on malpractice awards, repeal of MediGap rules protecting senior citizens against profiteers, and provisions making it more

difficult to combat the waste, fraud, and abuse in the current Medicare and Medicaid programs. Almost all of the 200 groups that support the legislation have urged Congress to pass a clean bill, without these controversial amendments.

Each of these provisions represents a special interest agenda that has no place in this legislation. Medical savings accounts are a \$3.2 billion Federal giveaway that provides special tax breaks for the healthy and the wealthy at the expense of the average taxpayer. They raise premiums for the vast majority of Americans, by siphoning the healthiest people out of the insurance pool. As premiums rise for those remaining in the pool, the number of the uninsured grows.

In fact, in the words of the Congressional Budget Office, medical savings accounts "could threaten the existence of standard health insurance." They discourage the use of preventive care and raise health costs in this way as well. The House provision is also the first step toward similar accounts for Medicare—a key part of the Republican plan to undermine Medicare by privatizing it.

Impartial health analysts agree that medical savings accounts are a bad idea. They have nothing to do with genuine insurance reform or health security for American families. They are in the House bill as a reward to Golden Rule Insurance Co. and other insurance companies that profit from the worst abuses of the current system. Golden Rule alone has made over \$1.6 million in political contributions over the last 5 years. Medical savings accounts should be dropped in conference, so that this bill can be quickly signed into law.

Several other special interest provisions in the House bill also jeopardize the hopes of American families for genuine insurance reform. The House provision to exempt multiple employer welfare plans, or MEWA's from State regulation will turn back the clock to a time when these arrangements were rife with fraud and abuse and millions of workers and their employers were victimized. Inclusion of this provision would seriously weaken the constructive small business insurance reforms enacted by many States in recent years.

The other House provisions, such as those imposing Federal caps on malpractice awards, opening new opportunities to defraud senior citizens by unscrupulous insurance companies, and weakening Medicare protections against fraud and abuse are equally counterproductive and controversial, and they have no place in this consensus bill.

Because of the importance of enacting the broad-based insurance reforms included in this bill, Senator KASSEBAUM and I announced early in the process that we would oppose all controversial amendments to our legislation. Along with almost all of the more

than 200 groups supporting the legislation, we urge our colleagues in the House to support this approach.

The Senate has acted responsibly. None of these controversial amendments are included in the bill that we will pass later this afternoon. Some were rejected but most were never even offered.

If the Republican majority in the House insists on including these controversial provisions they will kill this bill, and destroy the hopes of millions of Americans for the kind of modest but effective reform that is now well within our grasp, and that leaders and member of both parties have supported in the past. This measure is a test of the Congress' seriousness and its ability to put the interests of the American people ahead of the special interests.

Finally, this legislation is not comprehensive health reform. It will not solve all the problems in the current system. But it is a constructive step forward—a step that will help millions of Americans. Above all, it is proof positive that progress is again possible on health reform, and that the ghosts of gridlock for the 1994 debate no longer haunt our work on health care.

I urge the Senate to pass this bill by the largest margin possible. The larger the margin, the louder the message, and the more likely the Senate-House conferees will send this bill to the President expeditiously, without controversial amendments, and ready for his signature. On this issue, every day we delay is a day that brings unnecessary misery to large numbers of our fellow citizens.

Mr. President, I would like to discuss with the Senator from Kansas how H.R. 3103 treats association plans which arrange to provide their members the option to buy group health insurance. These association plans frequently are made up of self-employed individuals or small businesses. Is it not correct that our legislation imposes no new regulatory requirements on association plans, other than the general requirements affecting other health plans?

Mrs. KASSEBAUM. The bill establishes standards regarding portability, renewability, and pre-existing conditions, but does not otherwise disturb the association plan world. States will still regulate and certify insured plans, and the Secretary of Labor will continue to regulate self-insured plans that are currently exempt from State regulation.

Mr. KENNEDY. It is my understanding that the bill authorizes creation of health plan purchasing cooperatives, a concept discussed frequently in Congress over the past few years. The purpose of these cooperative provisions is to provide clear statutory authorization and guidance to groups of small employers and individuals who want to join together to buy health insurance at a lower cost. Is there any provision that requires these groups to join or create mandatory purchasing cooperatives?

Mrs. KASSEBAUM. No. Health purchasing cooperatives are purely voluntary. Subtitle D is intended to create special benefits for cooperatives that meet the standards in the bill. Congress does not intend that these provisions in any way affect the legal status or rights of purchasing cooperatives, employer coalitions, multiemployer plans, MEWA's, association plans, or other similar arrangements that do not meet the standards of this subtitle. The statute clearly states this intent.

Mr. KENNEDY. For example, could association plans sponsored by professional organizations or local chambers of commerce be forced to form or join a purchasing cooperative as the result of this bill?

Mrs. KASSEBAUM. No. The bill does not require groups to form or join a purchasing cooperative. Nor does the legislation preclude any other type of groups purchasing arrangements from existing.

Mr. KENNEDY. So aside from having to meet the insurance reforms contained in the bill and standards like portability, renewability, and preexisting conditions, your bill does not disturb association plans at all?

Mrs. KASSEBAUM. That is correct. Congress intends that association plans may continue to do business as they always have, except that they must meet the same insurance reform standards as other health plans under the bill.

Mr. KENNEDY. An additional matter that I would like to discuss is the provisions under the bill forbidding discrimination in the provision of health insurance in the group market. Section 101(a)(1)(B) forbids an employee health benefit plan or a health plan issuer from conditioning eligibility, enrollment, or premium contributions for individual participants or beneficiaries on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, genetic information, or disability. The purpose of this provision is to prevent health plans from denying coverage to individuals or charging them higher premiums because the plan believes they may have higher than average health costs. Is this correct?

Mrs. KASSEBAUM. Yes. This provision is meant to prohibit insurers or employers from excluding employees in a group from coverage or charging them higher premiums based on their health status and other related factors that could lead to higher health costs. This does not mean that an entire group cannot be charged more. But it does preclude health plans from singling out individuals in the group for higher premiums or dropping them from coverage altogether.

Mr. KENNEDY. We intend the words "health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, genetic information, or disability" to have a broad meaning, do we not?

Mrs. KASSEBAUM. Yes. These words are meant to broadly preclude the use of any of the categories insurance companies have historically used to deny people coverage based on health status and related factors—that reasonably could lead a health plan to believe that an individual would incur high health costs or be uninsurable. They are meant to preclude use of any of the categories insurance companies have historically used to deny people coverage based on their expected health costs—not only medical history or the presence of preexisting conditions, but also including such factors as family history, likelihood of experiencing domestic violence—or actual experience of domestic violence, genetic predispositions or other genetic information, or residence in a low-income neighborhood.

I want to just mention a few measures that we will have to address in the conference. The Health Insurance Reform Act is a modest, responsible bipartisan solution to many of the most obvious abuses in the health insurance market today. In fact, the only active opposition to the legislation comes from those who profit from the abuses in the current system. In his State of the Union Address last January, President Clinton challenged the Congress to pass this bill. Now the Senate is poised to fulfill that pledge.

Mr. President, the only thing that stands between this bill and the President's signature are controversial provisions added in the House of Representatives. These objectionable provisions include, again, the medical savings accounts which we have debated, the federalization of multiple employer welfare arrangements—Mr. President, I ask for 3 more minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. The federalization of multiple employer welfare arrangements. A number of years ago we provided the States the power for the enforcement of those arrangements. It is rather strange now that those provisions which permit the States to enforce it are effectively being preempted so that the Federal Government will support it.

Repeal of the MediGap rules protecting senior citizens against profiteers. That is a very dangerous provision. Up to 1984 we found that many elderly people would buy 2, 3, 4, 5, 10 different programs to cover various gaps in their insurance. We found all kinds of abuses. We passed legislation to deal with that. It has been effective. I am not sure that we ought to go back to the earlier period.

The provisions making it more difficult to combat waste, fraud and abuse in the current Medicare-Medicaid programs, I think that issue is one that is not going to go away. There are many concerns that the provisions that have been made in the House bill will lower the standard, make it more difficult to

prove the abuse and waste and fraud. I am not sure we want to go in those directions.

I think the malpractice issues have been debated earlier in the Congress. I think they ought to be addressed outside of this legislation.

We go to that conference in a bipartisan spirit, committed to trying to get this legislation—obviously they have a right to pass their bills and we have a responsibility to work through the differences—but we hope that, given the spirit with which this legislation started, both in the House and the Senate, that we will be able to do it. Every day that is delayed, there are millions of our fellow citizens who are denied the kinds of protections that this legislation will provide for them. It is an extremely important piece of legislation, in many respects I think maybe the most important piece of legislation that we will pass in this Congress.

Mr. President, I urge the passage of the legislation when the Senate votes on it this afternoon.

The PRESIDING OFFICER. Under the previous order, a vote on passage of H.R. 3103, as amended, will occur at 2:15. All time has expired.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays on final passage of H.R. 3103.

The yeas and nays were ordered.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 10 minutes.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Before I speak, Mr. President, on the subject that I have chosen here for the next few minutes, I compliment my colleagues from Massachusetts and Kansas for the tremendously fine work they have done in this whole field of health care over a long period of time. This, today, I think is the culmination of their sincere effort, their tedious effort, and certainly demonstrates their commitment to improving the health care available in our country. So, Mr. President, this Senator certainly congratulates these two fine Senators for their commitment and their work.

AT WHAT COST?

Mr. PRYOR. Mr. President, the Senate special Whitewater committee resumes its hearings tomorrow. The committee's tentative schedule is, as I understand—I am not on the committee—to have a hearing on every Tuesday, Wednesday, and Thursday of each week until the authorization of the committee expires on June 17, 1996. As I have said before, the time and money being spent by this special committee could be better spent on other issues of greater importance and magnitude to this country of ours.

Mr. President, I will take just a moment to discuss, if I might, the amount of money and the time and the resources being spent on the Whitewater investigation, both here and in my

home State of Arkansas. The Senate has called 121 witnesses during its 47 days of its special committee review. In an earlier statement, Mr. President, I mentioned the fact that in 1995 alone the Senate held 34 hearings on Whitewater, while we held only six hearings on Medicaid funding and only one hearing—only one hearing—on Medicare reform. After all the time we have already spent on Whitewater, these types of issues are far more deserving of our attention in the remainder of this session of the Congress.

However, Mr. President, it is not just the amount of time and money that the Senate has spent on the Whitewater review that concerns me. There is another side of this discussion, and it is the amount of money, the amount of resources, that our Government has spent on the issue of Whitewater.

The Senate has spent roughly \$1.35 million on its Whitewater investigation in the 104th Congress. That is just the amount that the Senate has specifically appropriated to the Whitewater review panel. This does not include, Mr. President, the money spent by the Senate Banking Committee on its Whitewater efforts. It does not include the amount of money spent by the House of Representatives in its Whitewater review.

Of course, it does not even begin to take into consideration the amount of money spent by our special counsels. In addition to the congressional efforts in this issue, I would also like to discuss the independent counsel review. According to the General Accounting Office, Robert Fiske, the special counsel originally named to investigate the Whitewater issue, spent \$2,498,744 from January 22, 1994, through September 30, 1995, which was the latest date which the GAO had this information. I am sure more tallies will be coming in soon. On his investigation alone, almost \$2.5 million was spent. Then he was fired from the case. The GAO also points out that Kenneth Starr, the independent counsel appointed to replace Mr. Fiske, has spent \$4,512,065 from August 5, 1994, through September 30, of 1995. We have no more recent figures, Mr. President, since September 30 of last year.

But today's Washington Post had an article, I must say, Mr. President, that caught my attention. It is an article which illustrates where some of this money is going. Sam Dash, the Watergate chief counsel, famed, well known, well respected, is now being paid \$3,200 a week for his service as ethics adviser to Mr. Starr. I am going to repeat that, Mr. President. Sam Dash, the Watergate chief counsel, is now being paid \$3,200 each week for his service as ethics adviser to Mr. Kenneth Starr.

Mr. Starr is the first independent counsel in the history of our Republic to see the need to hire an independent counsel that advises him on ethics.

I think I echo, Mr. President, the statement made by Stephen Gillers, a