

MEDICARE

Ms. STABENOW. Mr. President, I rise today to speak about the plan the White House is unveiling today concerning Medicare and prescription drugs. I am surprised and dismayed to see we have basically the same old thing being proposed once again by the administration. While we hear the right words about wanting to make sure every senior has access to prescription drugs, one more time we are seeing the President say one thing and do another.

In January after the State of the Union, many were dismayed to hear that the President's proposal for Medicare prescription drug coverage would basically be one that would say to a senior, if you stay in traditional Medicare, Medicare that has worked for you every day, every year, guaranteed access to your doctor, guarantee that you had health care available to you—if you chose to stay in Medicare, which has been working since 1965, you would not get any assistance with your critical prescription drug costs; you would have to go into a private sector HMO.

Now we hear that is not really the plan, that is not really what was going to happen. Last week, Secretary Thompson came to the Budget Committee. I questioned him about that. No, there was no intention to say that seniors would have to go into a private sector HMO in order to be able to get critical help; everyone would have help.

Today we find out that, again, that is really what they are talking about: Small change, cosmetic change, to attempt to address concerns that have been raised on both sides of the aisle by very prestigious Members of this body who are concerned that every senior has Medicare, every senior has the right to make sure that plan covers prescription drugs and gives them help with their medicine.

What do we see? We see a proposal that says if you stay in the plan that works for every senior—40 million people in Medicare now—if you stay in that plan, we will give you a discount card which the GAO says does not nearly produce the savings spoken about frequently. Less than 10 percent savings. You have to make sure you are going to the right medicine, have the right medicine, and heaven forbid if you need more than one kind of medicine from more than one company because then it does not work so well. But we will give you a discount card. Then maybe down the road a number of years, we will help you, if you have a very large prescription drug bill, with what is called catastrophic help.

To add insult to injury, the discount card is being proposed to take effect in 2004—not even immediately, when we know there are discount cards available on the market now. The major companies all have discount cards. The President is saying the discounts card will not be available until 2004 and the rest of the plan, not until 2006.

The first thing I say today—and I know my colleagues hear the same thing I hear—seniors believe they have waited long enough. We have talked about this issue. I have been involved in efforts to get prescription drug coverage under Medicare since I was in the House of Representatives. Certainly seniors have been speaking about that long before. They want us to provide help now, and they are not interested in something that forces them into another kind of plan, a private sector plan. They want Medicare to simply cover prescription drugs.

Frequently we hear used the words: Choice. This kind of plan will provide more choices for our seniors. If we have more private sector HMOs, there are more choices.

What I hear from my great State of Michigan is not that people want more, different kinds of complicated insurance plans to figure out. That is not the choice they are asking for. The choice they are asking for is the choice to go to the doctor they choose, their own doctor, who can prescribe the medicine they need. That is the choice they want. It is very clear. The seniors of America have already spoken on this issue with their feet. The majority when given the choice of going to an HMO under Medicare+Choice, said no and stayed in traditional Medicare. That is the reality. Seniors were given a choice about whether or not to keep the stable, reliable, Medicare plan that has been in place since 1965 or go to a private sector HMO. They stayed with Medicare.

Now the President is saying: Even though you made that choice, we are going to give you another choice, and we will penalize you this time. Last time, you could choose, stay in traditional Medicare or do Medicare+Choice; this time, because we did not like the choice you made, we are going to say you cannot get comprehensive help if you stay in traditional Medicare. You have to go into a private sector HMO in order to get the help you need and the help you deserve.

When looking at this issue about the private sector HMO approach or Medicare+Choice, we also have a situation where in 12 States there are no private HMO options under Medicare. In my home State, where people did sign up—and I have said before, my mother signed up and had a positive experience under Medicare+Choice with her HMO. But the HMO dropped Medicare beneficiaries. She got dropped a couple of years ago because they believed it was not profitable because of concerns about reimbursements. So now in Michigan only 2 percent of those who are receiving Medicare are in an HMO, and they are not enrolling any new people. You had better live in the eastern part of the State of Michigan or you do not have that as a choice.

If one resides in the great city of Marquette or Iron Mountain in the UP

or Sault Sainte Marie or on the west side of the State where the President visited after the State of the Union, in Grand Rapids, MI, to talk about Medicare, in that community where the President visited, we certainly welcome always having a President come to town, but no one listening at that speech would have access to a private sector HMO under Medicare. So we have a situation where it is too little, it is too late, and this is an effort basically to force seniors into an approach the majority of them have already said they do not want.

Another piece I am very concerned about is that as we look at prescription drug coverage, it is not just about comprehensive care under Medicare; it is about lowering prices. It is about lowering prices for everyone: For the business that is paying for prescription drug coverage, that has seen their health care premiums skyrocket, businesses large and small; for families, workers who are affected, as well as for seniors. I am disturbed that this plan does not say anything about more competition to lower prices. In fact, while seniors are waiting until 2004 for a discount card that will have very little effect in lowering their prices—while they are waiting, the fastest way the President could join with us to lower prices would be to simply drop the barrier that stops Americans from going to Canada to get American-made, American-subsidized prescription drugs at half the price.

If we did that today, tomorrow we could drop prices, many of them in half, and in some cases even more. That is a proposal that passed the Senate last summer on a strong bipartisan vote. I am hopeful we will see that happen again this year; that we will once again say we need to drop that barrier.

We are in a free trade economy. We have agreements with Canada. Their health care system, in terms of quality controls and the other issues of safety we are concerned about, is very similar to those of our country. If we want, we can say to seniors, you do not have to get on a bus now and go to a Canadian doctor or Canadian pharmacy to get an American drug at half the price; we will open the border and get you that right here at home.

That is the fastest way to lower prices. The next fastest way is to close loopholes that allow brand name drug companies to stop unadvertised brands from going on the market—often called generic drugs. It is the same drug, frequently, the same formula. The difference is we are not seeing it on television every other minute. We are seeing generic drugs come onto the market that are available and in some cases can lower prices up to 50 percent, or we have seen prices lowered up to 70 percent as a result of the use of generics. There is no mention of that here.

I commend the President in coming forward with a proposal regarding generic drugs that has made some inroads. We appreciate it. They have

gone about half the way. Now we would call upon the President to join with us to go all the way to address the issue on generic drugs, and to work with us to pass the bill that has been introduced by my colleagues Senator MCCAIN and Senator SCHUMER, again a bipartisan bill, that would in fact put more competition into the system and lower prices—not only lower prices for our seniors under Medicare but lower prices for those covered in the private sector, thus bringing down the costs to businesses large and small.

I am disappointed we do not have in this proposal an effort to support our States, our Governors—Democrats and Republicans—who indicated last week that health care costs and Medicaid costs are a top priority for them. It is a large part of their budgets as they are struggling under a weakened economy. Many States, including my own Michigan, have been innovative, want to come together with other States to do bulk purchasing of prescription drugs in order to get discounts, bigger discounts than you can get through a discount card, to lower prices. We have seen States such as Maine and Vermont that have come forward with innovative plans to lower prices, each time being challenged by the brand name industry. In every situation the industry is suing or lobbying or doing something to stop competition in innovation in lower prices.

We had a plan as well. Part of our bill, S. 812, which we passed last summer, was a bill to address more generic drugs, at the same time opening the border with Canada, and also supporting the States that have been innovative in coming forward to try to lower prices for their citizens. There is no mention of that in this plan as well.

So we do not see anything addressing any of those issues. We see nothing in here addressing the concerns that there is more advertising money now spent by companies than research money—2½ times more being spent on advertising of the brand name drugs than on researching of new cures. We are seeing that drive up the costs as well, the explosion in sales and marketing and advertising.

Also, there is no mention of the fact that we are paying for a system where the majority of patents now are not for new breakthrough drugs but for what are called “me too” drugs. Basically 65 percent of patents in recent years are patents for drugs that have very little change in health value but just extend the patent so generics cannot go on the market and there is less competition.

There are so many ways we can be working together to lower prices—for employers to create a situation where employees are not being asked to take pay freezes so their employer can pay for the costs of health care; lower the prices for the uninsured, who pay the top price; and particularly our seniors. Right now in our country if you are an American senior and you walk into the local pharmacy and you do not have in-

surance, Medicare does not cover it. You pay top dollar of anybody in the world for your medicine. That is not an exaggeration. Americans pay top dollar of anybody in the world, and if you are uninsured, you pay the top.

We are back again talking about these issues of how to provide real Medicare coverage and at the same time lower prices for everyone. There were comments about what was going to be proposed by the President. Then there were indications from the administration that, no, in fact they were going to be putting forward something that would help everyone and not force people into private sector HMOs. Unfortunately, again we see one thing being said and another thing being done.

I hope my colleagues in the Senate will come together and we can fashion what really needs to happen. Again, our seniors are not asking for more choices about complicated insurance policies. They are not asking to wade through more options in terms of private sector HMOs. When they had the chance to pick between staying with traditional Medicare or going to an HMO through Medicare+Choice, the vast majority of older Americans and the disabled said no. They said no, we will stay with traditional Medicare.

Now that they have said no voluntarily, the White House has decided to come back and create a situation where, if they need help, they will be forced to go into a plan they said no to when it was voluntary.

I think the people of this country are going to see what this is. I think the seniors are going to understand what this is, and overwhelmingly reject this kind of an effort.

I hope we in the Senate will reject this kind of a proposal and that we will come together and be willing to roll up our sleeves and do the business of simply designing a plan under Medicare where 40 million seniors and disabled have the ability to come together under one plan and have the clout to lower prices and get that group discount for seniors; so they have something that is stable, where everyone knows what the premium is; so everyone knows what is covered; so it is reliable; so it doesn't matter if you live in the upper peninsula of Michigan or Benton Harbor, Saint Joe, or the city of Detroit, you would know and you would have it available to you. You could count on it. That has been the strength of Medicare. It has been there for everyone, and our older Americans can count on it. They are asking for us to simply do the same thing and design prescription drug coverage. Unfortunately, what we are hearing about the White House proposal is woefully inadequate.

I urge my colleagues to immediately reject the proposal and give us an opportunity to work together on something that we know we can do that is best.

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

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE SO-CALLED MOSCOW TREATY

Mr. DORGAN. Mr. President, I understand that perhaps today or tomorrow we will have a so-called Moscow Treaty brought to the floor of the Senate for debate. It is a treaty that has its origin in some discussions between our Presidents and the leader of Russia about the issue of nuclear arms and the reduction of nuclear arms.

I want to say I will vote for this treaty, although I must say it is not much of an agreement and not much of a treaty at all. I don't see any reason someone would vote against it. But I make the point that this is an agreement between two countries—both of which have large stocks of nuclear weapons—to reduce their number of nuclear weapons by taking some and putting them in warehouses and storage facilities and at the end of the process both countries can keep the same number of nuclear weapons they had when they started.

No nuclear weapons under this agreement will be destroyed, dismantled, or defused.

And This treaty deals with only strategic nuclear weapons, not theater nuclear weapons. There are thousands and thousands of theater nuclear weapons, such as the nuclear weapons that go on the tips of artillery shells. That is not part of this agreement. It has nothing to do with this agreement.

Strategic nuclear weapons are the very large warheads that one would put on the tip of an ICBM, for example, or to have in the belly of a bomber, or perhaps on the tip of a missile that is in a submarine. Those are the strategic nuclear weapons.

Between our country and Russia, there are perhaps 10,000, maybe 11,000, strategic nuclear weapons. So you have thousands on each side. Should we be reducing them? Of course. Absolutely.

But we have a circumstance now where there is a treaty, or an agreement, with Moscow in which, between now and the year 2012, we all the US and Russia have to do is take nuclear weapons and put them in storage. So each side, in the year 2012, can keep if it wants exactly the same number of nuclear weapons. Not one nuclear weapon that exists today needs to be destroyed in the next 9 years—none.

I do not understand that. I guess it is fine to have agreements just for the sake of having agreements, but of what value?

We have had examples of effective reductions of nuclear weapons and also delivery vehicles. I have mentioned them in the Chamber on many occasions. Let me do so again.