ARCOLA™ TECHNICAL DOCUMENTATION

The ARCOLA™ model is a national health policy impact micro-simulation model designed to estimate the impact of health policy proposals at federal and state levels. The model predicts individual adult responses to proposed policy changes and generalizes to the US population with respect to: (1) health insurance coverage and (2) financial impact of the proposed changes.

This model was first used for the Office of the Assistant Secretary (OASPE) of the Department of Health and Human Services (DHHS) to simulate the effect of the Medicare Modernization Act of 2003 (MMA) on take-up of high-deductible health plans in the individual health insurance market (Feldman, Parente, Abraham et al, 2005; Parente et al, Final Technical Report for DHHS Contract HHSP233200400573P, 2005). The model was later refined to incorporate the effect of prior health status on health plan choice—a necessary step if one wants to predict enrollment more accurately. The latest model also used insurance expenditures from actual claims data to refine premiums and then predict choices again with the new premiums. The model then iterates the choice model until premiums and choices converge, and then finds an equilibrium state. A subsequent change to the model permitted state-specific predictions of policy changes as well as total federal health policy impact.

MODEL COMPONENTS & DATA SOURCES

There are three major components to the ARCOLA™ model: (1) Model Estimation; (2) Choice Set Assignment and Prediction; and (3) Policy Simulation. Often, more than one database was required to complete the task. Integral to this analysis was the use of consumer directed health plan data from four large employers working with the study investigators.

The model estimation had several steps. As a first step, we pooled the data from the four employers offering CDHPs to estimate a conditional logistic plan choice model similar to our earlier work (Parente, Feldman and Christianson, 2004). In the second step we used the estimated choice-model coefficients to predict health plan choices for individuals in the MEPS–HC. In order to complete this step, it was necessary first to assign the number and types of health insurance choices that are available to each respondent in the MEPS–HC. For this purpose we turned to the smaller, but more-detailed MEPS Household Component-Insurance Component linked file, which contained the needed information. The third step was to populate the model with appropriate market-based premiums and benefit designs. The final step was to apply plan choice models coefficients to the MEPS data with premium information to get final estimates of take up and subsidy costs.

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

The PRESIDING OFFICER (Mrs. GILLIBRAND). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

TRAVEL PROMOTION ACT

Mr. MARTINEZ. Madam President, this week the Senate will be considering the Travel Promotion Act, which is an important bill for my home State of Florida.

Every year, millions of tourists travel to the United States from overseas, helping our economy, generating revenues for States and communities, and creating job opportunities for millions of Americans. But for most of this last decade there has been a huge dropoff in visitors to the United States from other countries. Between 2000 and 2008, the U.S. tourism industry has experienced an estimated 58 million lost arrivals, $182 billion in lost spending, $27 billion in lost tax receipts, and $47 billion in lost payroll. We have also lost 245,000 jobs. One in eight Americans is directly or indirectly employed by the travel industry. The industry contributes $1.3 trillion to the U.S. economy, and the industry contributes $115 billion in tax revenue.

In Florida, home to Walt Disney World, Universal Studios, many beautiful beaches, the Everglades, some of the best fishing and snorkeling in the world, and the oldest settlements in North America, the tourism industry employs no less than 750,000 Floridians and accounts for nearly 25 percent of all of the State's sales tax collections. Last year, the United States had 633,000 fewer international travelers than we had in the year 2000. Florida has taken a harder hit, losing 1.3 million visitors over that same period of time.

Numbers do not lie. Our lack of attention to self-promotion is costing us money, jobs, and opportunities. And it is not that people are not traveling. The fact is, people are traveling to some destinations other than the United States. The world competition for the travel dollar is keen. Countries all over the world are doing all they can to attract visitors to their countries. We are competing in a world marketplace.

This is an alarming trend we are seeing in the United States, and it clearly hurts our economy. But it also has an impact on our image around the world. Studies show a person's opinion of our country is greatly improved when they visit our country. We are our own best ambassadors. But when fewer people visit here, there are fewer opportunities for others to see what our Nation has to offer and what we are all about. So increased travel to the United States is not only good for our Nation, it is also good for the way in which we portray ourselves to the world.

One of the best ways to address this is to create a comprehensive campaign to promote the United States as a travel destination. This is a way of reversing this current trend. This is a way of bringing back some of the declines to a better day so we can increase jobs and opportunities in our country.

Here is an example of what other nations spend to promote themselves in the tourism market around the world. Here is what we are competing against. This is what the United States is up against as we look to compete for the travel dollar. Our close neighbor of Mexico spent $149 million promoting travel to Mexico. Our other close neighbor, Canada, spent $58 million in promoting travel to its country. China spent $60 million in promoting travel to its country. Australia spent $113 million. The countries of the European Union collectively spent $800 million on self-promotion. How much has the United States spent? We have spent absolutely nothing. We spend nothing in promoting our tourism.

For years, sectors within the agricultural industry have used so-called checkoff programs to promote their products. We have heard the slogans: ''Pork, the other white meat.'' ''Beef, it's what's for dinner.'' ''Milk, it does a body good.'' These are familiar slogans created by industry-sponsored campaigns. Producers kick in their own money to create a marketing campaign that benefits all producers. We need the same thing for our tourism, which is why I urge my colleagues to support moving forward on the Travel Promotion Act. It will benefit our economy, it will complement our Nation's diplomatic efforts and, perhaps most importantly, it will help to create new jobs.

The Travel Promotion Act will enable the United States to become its own ambassador by establishing a public-private campaign to promote tourism abroad. The campaign would be led by an independent, not-for-profit corporation governed by an 11-member board of individuals appointed by the Secretary of Commerce. Each would represent the various regions around the Nation and bring their expertise in promoting international travel. The program will not use taxpayer money but will instead rely on user fees paid by foreign tourists and in-kind contributions from corporate partners.

Additionally, the act will increase coordination among the Commerce, State, and Homeland Security Departments to streamline the entry and departure procedures for our foreign tourists. You see, not only are we not promoting ourselves, we are also doing a lot to complicate travel to our country. Because of those things which were done as a necessity post-9/11, we have created a lot of layers of complication for foreign travelers to visit our country. We have to continue to have the kind of protection about who visits our land to protect our homeland, but at the same time we need to use some common sense about how this is done and incorporate some modern technologies to ensure that the travel experience to the United States is not cumbersome, is not complicated, and that it is transparent and enjoyable for those who come to visit us.

In today's economy, every visitor counts. In the competitive world we live in, every competitive dollar that can be spent out there promoting travel to the United States will inure to the benefit of the job creation we will see in places such as my home State.

When you consider that visitors from overseas spend an estimated $4,500 every time they visit the United States, more visitors will mean more jobs for Americans at a time when unemployment continues to rise.

So I truly urge my colleagues to join me in supporting this bill as we work toward increasing our Nation's presence as a tourist destination around the world. I hope, as the week unfolds, we will have an opportunity to engage in conversation and discussion and debate about this very important tourism bill, which will help most States of this country.

The fact is we want Florida to be a significant tourism destination. We are proud of that in our State, but the fact is that States around the country all can benefit and do benefit greatly from foreign tourists visiting our country. It is a great, green way of promoting jobs and opportunities in our country and one I think is long overdue. If we are going to compete effectively with countries abroad, we must, in fact, also be competitive in how we promote and advertise ourselves to the world.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Madam President, I ask unanimous consent to speak for up to 12 minutes as in morning business.

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

HEALTH CARE REFORM

Mr. ALEXANDER. Madam President, I am looking for a way to offer an amendment to the health care bill that would sentence every Senator who votes to increase Medicaid eligibility to 150 percent of the Federal poverty level to a term of 8 years as Governor in his or her home State, so they can have an opportunity to manage the program, to raise taxes, and to find a way to pay for that sort of proposal. If we Senators were to increase Medicaid in that way, and go home, we would find first that Medicaid is a terrible base upon which to build an improved health care system, because it is filled with lawsuits. It is filled with Federal court consent decrees that sometimes are 20 and 25 years old and take away from the Governor's and the legislature's authority to make decisions. It is filled with inefficiency. It is filled with delays. Governors request waivers to run their systems, and it may take a year or more for approval from the Federal Government for relatively simple requests. And finally, it is filled with an intolerable waste of taxpayer money because of fraud that is documented by the Government Accountability Office. As much as 10 percent of the entire program—$32 billion a year—according to the Government Accountability Office is lost to fraud. That is the Medicaid Program.

The second thing a Senator who goes home to serve as Governor for 8 years would find is that increasing coverage in this way will require much higher State taxes at a time when most every State is making a massive cut in services, and a few States are nearly bankrupt. For example, in my State of Tennessee, if the Kennedy bill were to pass, which would increase Medicaid expansion by 150 percent and increase reimbursement rates to 110 percent of Medicare, it would require, based on our estimates, a new State income tax of about 10 percent to pay for the increased costs just for our State, as well as perhaps adding another half a trillion dollars or so to the Federal debt.

Finally, if we were to base new coverage for the 58 million people now in Medicaid, and others who need insurance, upon this government-run Medicaid Program these Americans—who are the people we are talking about in this debate and who are the ones we hope will have more of the same kind of health care the rest of us have—we would find that a large number of them would have a hard time finding a doctor. Today 40 percent of doctors already refuse to provide full service to Medicaid patients because of the low reimbursement rates, and if we simply add more to that Medicaid Program, these people will have an even harder time getting served.

There is a better idea. Instead of expanding a failing government health care program which traps 58 million of our poorest citizens in that government-run program that provides substandard care, the better way to extend medical care to those low-income Americans now served by Medicaid is to give them government tax credits, or government subsidies, or vouchers, or money in their pockets they can use to purchase private health insurance of their choice. That sort of option for health care reform is before the Senate, if it could only be considered. It has been offered on one end by Senator COBURN and Senator BURR. It has been offered at the same time by Senator GREGG of New Hampshire. It has been offered in a bipartisan way by Senator WYDEN and Senator BENNETT who have offered a proposal that would basically give these dollars to the people who need help, let them buy their insurance, and according to the same Congressional Budget Office that said the Kennedy proposal costs at least 1 trillion more dollars, the CBO has said that Bennett-Wyden would cost zero more.

I ask that I am informed when I have 1 minute left.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has 5 minutes remaining.

Mr. ALEXANDER. Madam President, during the last 6 months, the four words we have heard most in Washington are ''more debt'' and ''Washington takeover,'' and all four words apply to the health care debate. We have seen a Washington takeover of banks, of insurance companies, of student loans, of car companies, and now, perhaps, of health care. The President insists on a government-run insurance option as part of a health care reform plan which would inevitably lead to a Washington-run health plan.

Why would it do that? Well, putting a government-run and subsidized plan in competition with our private health insurance plans would be like putting an elephant in a room with some mice and saying: OK, guys and gals, compete. I think we know what would happen. The elephant would win the competition and the elephant would be your only remaining choice.

As for more debt, the Congressional Budget Office, in a letter sent to Senator KENNEDY, estimated that his bill, which is the only legislation the Senate Health Committee is considering, would add another $1 trillion during the next 10 years in order to cover 16 million uninsured Americans, leaving 30 million uninsured. That is another $1 trillion over the next 10 years that, according to yesterday's Washington Post, already is nearly three times as much as was spent in all of World War II. The Post said the proposed new debt over the next 10 years, before we get to the health care bill, is three times as much as we spent in World War II. The Congressional Budget Office estimate didn't even consider the cost of the Kennedy bill's proposals to expand Medicaid coverage.

So let's talk about Medicaid. Every State offers it. It provides health care in a variety of ways to low-income Americans who are not eligible for Medicare. The Federal Government pays about 60 percent of the costs and writes most of the rules; the States pay the rest. Fifty-eight million low-income Americans are trapped in Medicaid. It is the only place of any significant size where we don't have competition in our health care system. Think of the elephant in the room.

It was my experience as Governor—I believe it is for most Governors—that it is not only an administrative mess with substandard care, the Medicaid Program, but its costs have spiraled out of control, threatening the viability of public universities and community colleges because there is no money left for the States to support them.

Here is what would happen in Tennessee if the Kennedy bill passed, according to the State of Tennessee's Medicaid director. Our State costs would go up $572 million if we increased coverage to 150 percent of Federal poverty. If the Fed pays for this, the Fed's cost would be $1.6 billion—I mean the Federal budget paying for all of it, because normally the Federal budget pays two-thirds, the State one-third. If the State has to also provide Medicaid payments to physicians at 110 percent of Medicare, this would add another $600 million in costs to the State of Tennessee. Thus, the proposal of the combination of the Health and the Finance Committees' bills that are being considered would be 1.2 billion new dollars for Tennessee. If you add the Federal Government's increase in costs