

SENATE—Wednesday, September 20, 2000

The Senate met at 9:32 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we cannot begin this day in the forward march of history without You. It is with Your permission that we are alive, by Your grace that we have been prepared for our work, by Your appointment that we are here, and by Your blessing that we are secure in Your gifts and the talents You have given us. Renew our bodies with health and strength to be the sedan chairs for our thinking brains. Open our inner eyes so that we can see things and people with Your perspective. Teach us new truth today. May we never be content with what we have learned or think we know. Set us free to soar with wings of joy and light. We trade in the spirit of self-importance for the spirit of self-sacrifice, the need to appear great for the desire to make others great, the worry over our place in history with the certainty of Your place in our hearts. Restore the continuous flow of Your spirit through us as a mighty river.

We thank You for the gift of this new day to work for Your glory and the good of America. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable RICK SANTORUM, a Senator from the State of Pennsylvania, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

SCHEDULE

Mr. LOTT. Mr. President, today the Senate will be in a period of Morning Business until 11:30 a.m. Following Morning Business, the Senate will resume the final debate on the conference report to accompany H.R. 4516, the Legislative Branch Appropriations Bill. A vote on final passage of the Conference Report is expected to occur at approximately 3:30 p.m. After the vote, it is hoped that the Senate can begin consideration of the Water Resources Development Act under a time agreement. Therefore, Senators can expect votes throughout this afternoon's session.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. SANTORUM). Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 11:30, with Senators permitted to speak therein for up to 5 minutes.

Under the previous order, the Senator from Texas, Mr. GRAMM, is recognized to speak for up to 30 minutes.

MEDICARE

Mr. GRAMM. Mr. President, I thank the leader for allowing me the opportunity this morning to talk about Medicare and about pharmaceutical benefits.

I will talk about these issues, recognizing two things: One, that Medicare is second only to Social Security as the most important government program in operation today; and two, recognizing that in 1965, when Medicare came into existence and it was focused primarily on hospital care, physician care, and surgery, that reflected the practice of modern medicine in 1965. Today, Medicare is still focused on 1965 medicine. However, pharmaceuticals have taken the place, in many cases, of hospital stays and surgery, and yet Medicare does not pay for pharmaceuticals.

What I will address is the cold reality of where we are, what we want to do, but the dangers we face if we do it wrong. I view this as a statement on the problems we face in trying to provide pharmaceuticals in Medicare.

I hope to do this with a series of charts. I begin with the good news. The good news—the glorious news—is that 68.8 percent of all Medicare recipients already have some form of prescription drug coverage—68.8 percent. That level of coverage is a level of coverage virtually unmatched in terms of the structure of private health insurance. What it means is that almost 69 percent of people in America already have some form of pharmaceutical coverage when they are under Medicare.

Obviously, what this says is, whatever we do, we don't want to do anything that imperils the 69 percent of people who already have pharmaceutical coverage in our effort to try to provide it to the 31 percent of people who don't.

Where does this coverage come from? If we look at this chart, we can see

that 44.6 percent of the people who have pharmaceutical coverage in Medicare are getting it through their employer. This is part of the benefit for which they worked a lifetime. They are getting it through an employer-sponsored program. Obviously, we don't want to do anything to induce employers to drop that coverage, nor do we want to do anything to substitute taxpayer money for the private money that is currently going into private health insurance to cover our seniors for pharmaceutical coverage.

There are 15.2 percent of those who have pharmaceutical coverage who get it from Medicaid; 11.9 percent get it from HMOs as part of Medicare; 10.6 percent who switched coverage during the last year and went from one form of coverage to another, so they are not counted as being in one category for the year that they had it. Then finally, 15.2 percent get pharmaceutical coverage through Medigap policies. That is the way my momma, for example, gets her pharmaceutical coverage—through a Medigap policy.

What is the point of all this? What does this mean? Why should anybody care about this?

The point is, 69 percent of Americans already have something we want to provide to 31 percent of Americans. We want to be very sure—we might even have a bipartisan agreement on this at some point—we want to be very sure we don't do anything, in trying to help the 31 percent, that could endanger, destroy, eliminate, or replace the coverage that 69 percent of those on Medicare already have.

What is it going to cost for the various plans that have been proposed? My colleagues will remember—I am sure the Presiding Officer remembers—that when Lyndon Johnson sold the Senate on passing Medicare, it was going to cost less than \$1 billion a year. Medicare has now become the second largest program in America. It is on its way to becoming the most expensive program in the history of America or the history of the world. The point being, we don't always have the ability to predict what costs are going to be.

Nothing shows this more clearly than the official estimates that have been made of the Clinton-Gore drug plan. When they first introduced their plan, the Office of Management and Budget estimated that the plan would cost \$118.8 billion over the first 10 years.

By April of that year, the official estimate from CBO was \$149.3 billion. By May, the estimate by the Congressional Budget Office had risen to \$160 billion. By July, the estimate from CBO had risen to \$337.7 billion.