

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To express the sense of the Senate regarding the modernization and improvement of the medicare program.

**IN THE SENATE OF THE UNITED STATES—106th Cong., 1st Sess.**

**S. CON. RES. 20**

Setting forth the congressional budget for the United States Government for fiscal years 2000 through 2009.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. ROTH (for himself, Mr. BREAUX, Mr. FRIST, Mr. KERREY, Mr. GRAMM, Mr. DOMENICI, Mr. NICKLES, Mr. GRASSLEY, Mr. HATCH, Mr. THOMPSON, Mr. ABRAHAM, Mr. JEFFORDS, Mr. GRAHAM, Mr. MACK, Mr. MURKOWSKI, Mr. GRAMS, and Mr. ASHCROFT)

Viz:

- 1 At the end of title III, insert the following:
- 2 **SEC. \_\_\_\_ . SENSE OF THE SENATE REGARDING THE MOD-**
- 3 **ERNIZATION AND IMPROVEMENT OF THE**
- 4 **MEDICARE PROGRAM.**

5 (a) FINDINGS.—The Senate finds the following:

- 6 (1) The health insurance coverage provided
- 7 under the medicare program under title XVIII of the

1 Social Security Act (42 U.S.C. 1395 et seq.) is an  
2 integral part of the financial security for retired and  
3 disabled individuals, as such coverage protects those  
4 individuals against the financially ruinous costs of a  
5 major illness.

6 (2) Expenditures under the medicare program  
7 for hospital, physician, and other essential health  
8 care services that are provided to nearly 39,000,000  
9 retired and disabled individuals will be  
10 \$232,000,000,000 in fiscal year 2000.

11 (3) During the nearly 35 years since the medi-  
12 care program was established, the Nation's health  
13 care delivery and financing system has undergone  
14 major transformations. However, the medicare pro-  
15 gram has not kept pace with such transformations.

16 (4) Former Congressional Budget Office Direc-  
17 tor Robert Reischauer has described the medicare  
18 program as it exists today as failing on the following  
19 4 key dimensions (known as the "Four I's"):

20 (A) The program is inefficient.

21 (B) The program is inequitable.

22 (C) The program is inadequate.

23 (D) The program is insolvent.

24 (5) The President's budget framework does not  
25 devote 15 percent of the budget surpluses to the

1 medicare program. The federal budget process does  
2 not provide a mechanism for setting aside current  
3 surpluses for future obligations. As a result, the no-  
4 tion of saving 15 percent of the surplus for the med-  
5 icare program cannot practically be carried out.

6 (6) The President's budget framework would  
7 transfer to the Federal Hospital Insurance Trust  
8 Fund more than \$900,000,000,000 over 15 years in  
9 new IOUs that must be redeemed later by raising  
10 taxes on American workers, cutting benefits, or bor-  
11 rowing more from the public, and these new IOUs  
12 would increase the gross debt of the Federal Govern-  
13 ment by the amounts transferred.

14 (7) The Congressional Budget Office has stated  
15 that the transfers described in paragraph (6), which  
16 are strictly intragovernmental, have no effect on the  
17 unified budget surpluses or the on-budget surpluses  
18 and therefore have no effect on the debt held by the  
19 public.

20 (8) The President's budget framework does not  
21 provide access to, or financing for, prescription  
22 drugs.

23 (9) The Comptroller General of the United  
24 States has stated that the President's medicare pro-  
25 posal does not constitute reform of the program and

1 “is likely to create a public misperception that some-  
2 thing meaningful is being done to reform the Medi-  
3 care program”.

4 (10) The Balanced Budget Act of 1997 enacted  
5 changes to the medicare program which strengthen  
6 and extend the solvency of that program.

7 (11) The Congressional Budget Office has stat-  
8 ed that without the changes made to the medicare  
9 program by the Balanced Budget Act of 1997, the  
10 depletion of the Federal Hospital Insurance Trust  
11 Fund would now be imminent.

12 (12) The President’s budget proposes to cut  
13 medicare program spending by \$19,400,000,000  
14 over 10 years, primarily through reductions in pay-  
15 ments to providers under that program.

16 (13) The recommendations by Senator John  
17 Breaux and Representative William Thomas received  
18 the bipartisan support of a majority of members on  
19 the National Bipartisan Commission on the Future  
20 of Medicare.

21 (14) The Breaux-Thomas recommendations  
22 provide for new prescription drug coverage for the  
23 neediest beneficiaries within a plan that substan-  
24 tially improves the solvency of the medicare program  
25 without transferring new IOUs to the Federal Hos-

1       pital Insurance Trust Fund that must be redeemed  
2       later by raising taxes, cutting benefits, or borrowing  
3       more from the public.

4       (b) SENSE OF THE SENATE.—It is the sense of the  
5       Senate that the provisions contained in this budget resolu-  
6       tion assume the following:

7               (1) This resolution does not adopt the Presi-  
8       dent's proposals to reduce medicare program spend-  
9       ing by \$19,400,000,000 over 10 years, nor does this  
10       resolution adopt the President's proposal to spend  
11       \$10,000,000,000 of medicare program funds on un-  
12       related programs.

13              (2) Congress will not transfer to the Federal  
14       Hospital Insurance Trust Fund new IOUs that must  
15       be redeemed later by raising taxes on American  
16       workers, cutting benefits, or borrowing more from  
17       the public.

18              (3) Congress should work in a bipartisan fash-  
19       ion to extend the solvency of the medicare program  
20       and to ensure that benefits under that program will  
21       be available to beneficiaries in the future.

22              (4) The American public will be well and fairly  
23       served in this undertaking if the medicare program  
24       reform proposals are considered within a framework  
25       that is based on the following 5 key principles of-

1       ferred in testimony to the Senate Committee on Fi-  
2       nance by the Comptroller General of the United  
3       States:

4                   (A) Affordability.

5                   (B) Equity.

6                   (C) Adequacy.

7                   (D) Feasibility.

8                   (E) Public acceptance.

9           (5) The recommendations by Senator Breaux  
10       and Congressman Thomas provide for new prescrip-  
11       tion drug coverage for the neediest beneficiaries  
12       within a plan that substantially improves the sol-  
13       vency of the medicare program without transferring  
14       to the Federal Hospital Insurance Trust Fund new  
15       IOUs that must be redeemed later by raising taxes,  
16       cutting benefits, or borrowing more from the public.

17       (6) Congress should move expeditiously to con-  
18       sider the bipartisan recommendations of the Chair-  
19       men of the National Bipartisan Commission on the  
20       Future of Medicare.

21       (7) Congress should continue to work with the  
22       President as he develops and presents his plan to fix  
23       the problems of the medicare program.