

about and this little letter that he passed around yesterday is totally inaccurate. It talks about capital construction. The bill never once says capital construction, doesn't include capital construction, it is for equipment only. So lets deal with the issue as it is in this bill, 952. It is a mechanism to assist hospitals that they can go together and pool the tax exempt resources as opposed to all of the other baloney things that Senator Wesely has said. Senator Cullan, you have the rest of your time.

SENATOR LAMB: Senator Cullan.

SENATOR CULLAN: Mr. President, I call the question.

SENATOR LAMB: I believe we will just continue, we only have another couple of minutes here and then we are going to call for the vote anyway, this is a strict 15 minute limit on this debate. I guess about seven minutes, but Senator Schmit is next.

SENATOR SCHMIT: Mr. President and members of the Legislature, yesterday was the day to discuss the red meat concept that Senator Newell is referring too, baloney, we had 953 yesterday, I think there is a little bit of baloney involved here and it might not all be from Senator Wesely. First of all there is strong evidence that the use of tax exempt bonds for hospital construction increases the cost of health care. It has been an established fact, it has been known for a number of years that it is acutally counter productive. I think I want to call your attention to the proposal right here in this city. There may be available at this time a 15% tax exempt bond. Now someone who is in a 50% tax bracket that is a 30% return on your money. When you capitalize that into the cost of construction, you can tell what it is going to do to health care costs. Strange as it may seem, we would have a lower cost of health care if we were to put the hospitals on a profit sharing basis and a tax paying basis and let them earn a profit and pay taxes. But to allow the use of a tax exempt bond, for any facility, regardless of the need, etc. and so forth is not conducive to holding down health care costs. Now Senator Newell has a particular problem that he is trying to address here but the facts are this. It extends the use of the bond, the tax exempt bond financing, for the construction of hospitals. We do not need it. I think it is wrong. It is counterproductive and it is one of those things that is eventually going to be phased out by the federal government if we are going to hold down health costs. It is just one more thing. It is just like the, and I probably shouldn't even touch upon this, but it is like the non-taxable premiums we pay for health care. We would be better off if we paid