

THE PRESIDENT HAS SEEN
12-8-00

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Jennings
Podesta

Rates of Gonorrhea Rise After a Long Decline

By LAWRENCE K. ALTMAN

Gonorrhea rates in the United States have increased for two consecutive years, reversing a downward trend that had continued since the mid-1970's, federal health officials said yesterday.

Though the rise in rates reflects wider use of improved tests to screen for the bacterial infection and more thorough reporting, the increase needs to be addressed in public health programs, said Dr. Judy Wasserheit, who directs the program for sexually transmitted diseases at the Centers for Disease Control and Prevention, a federal agency in Atlanta.

Dr. Wasserheit said in a telephone interview that the reversed trend for gonorrhea was "extremely disturb-

A nationwide trend reverses itself after more than 20 years.

ing" and that it "should serve as a wake-up call" about the seriousness of sexually transmitted diseases that can cause infertility and other serious complications.

The cause of the increase is unclear.

After falling steadily for more than 20 years, the rates for gonorrhea increased 9 percent from 1997 to 1999, officials at the centers said. The rate peaked at 467.3 cases per 100,000 people in 1975, then fell steadily in all regions by 72 percent until stabilizing at rates of 133.2 in 1996 and 122.0 in 1997. The rate is now 133.2, with a total of 360,678 cases.

Gonorrhea rates are now highest in the South, probably because of high poverty and low access to quality health and preventive care, said

Dr. Ron Valdiserri, an official at the disease control agency.

Dr. Wasserheit and other health workers released the new figures at a meeting on sexually transmitted diseases sponsored by the centers and the American Social Health Association in Milwaukee this week. Participants are trying to increase public awareness, testing and surveillance, and to give people with such diseases better access to care. The meeting also is aimed at helping the disease control agency eliminate syphilis from the United States. Syphilis rates reached a record low last year, officials said.

The centers also released findings from the first national survey on human papilloma virus, or H.P.V. It is believed to be the most common sexually transmitted infection among young, sexually active people, but the agency did not specify the age range. The 30 types of the virus have been linked to several diseases like genital warts and cancer of the cervix, penis and anus. Papilloma virus accounts for 93 percent of cervical cancer, and one type, H.P.V.-16, accounts for half of all such cases.

In many, the immune system clears the virus without causing illness. A major question is why a large percentage of women are infected with H.P.V. but only a much smaller percentage develop cervical cancer.

The national survey involved 7,218 participants who, from 1991 to 1994, had their blood tested for H.P.V.-16.

The survey found H.P.V.-16 infection in 17.9 percent of women of all races compared with 8 percent of men. Black women ages 20 to 29 had the highest prevalence, 36 percent, and the prevalence among blacks overall was 19.1 percent, compared with 12.5 percent in whites.

The prevalence of H.P.V.-16 increased with the number of an individual's lifetime sex partners: 7 percent of people with one lifetime sex partner were infected, compared

with 20.1 percent of people with 50 or more lifetime sex partners.

The centers also reported that another sexually transmitted infection that is caused by the chlamydia bacteria remains the most frequently reported infectious disease.

A total of 659,441 chlamydia cases were reported to the centers, with a rate of 254.1 cases per 100,000 people.

Both infections are believed to be underreported. Most of those who are infected with chlamydia do not know it because they experience no symptoms. The disease control agency estimates that three million Americans are infected with chlamydia each year.

No new syphilis cases were reported last year in 79 percent of the 3,115 counties in this country. But Dr. Valdiserri warned that syphilis remained a significant health threat in specific areas. For example, small outbreaks were reported among gay men in Los Angeles and Seattle.

THE PRESIDENT HAS SEEN

12-8-00

Once More, California Comes Close to Running Out of Electricity

By LAURA M. HOLSON

LOS ANGELES, Dec. 5 — For the second time in as many days, power companies today were forced to shut down electricity to customers statewide as California came the closest it has this season to running out of power, state officials said.

As late as tonight, energy officials were concerned that they would be forced to announce a last-resort emergency as power reserves crept close to a dangerous level of 1.5 percent, and utility companies would have been required to institute rolling hourlong blackouts in various parts of the state. Such last-resort steps have never been taken in California before.

On Monday, Californians were

urged to postpone turning on Christmas lights until later in the evening as use hit near record levels for this time of year.

Then, as today, state officials declared an intermediate-level emergency, which meant power reserves dipped to 5 percent and utilities began cutting service to large customers who had agreed to the cuts in exchange for lower rates. In a Stage 3 emergency, the worst situation, any customer's service can be shut off.

"We are riding the edge right now," said Patrick Dorinson, a spokesman for the California Independent System Operator, which manages the electricity system for 75 percent of the state and charged

with ensuring that there is enough power for users. "This will only get tougher."

Mr. Dorinson said the shortfall was the result of several factors, including the fact that a number of power plants were not running because of maintenance or would have violated air quality standards if they had. Additionally, power imports from the Northwest were cut in half because of a cold snap there, he said.

Californians have been plagued since last May by both an electricity supply shortage as well as high prices, the result of deregulation. Consumers in San Diego revolted last summer when electricity bills nearly tripled and when officials said the state had severe energy short-

falls 23 times. But emergencies like the one this week are almost unheard of in late fall when usage is usually low compared with summer.

"If you have rolling blackouts, that shows that the system is failing," said Paul Jaskow, a professor of economics at the Massachusetts Institute of Technology who has studied the deregulation of California's electricity market. Before deregulation, he added, "the system was designed so that this happened rarely. If it happens repeatedly businesses and customers will get angry."

Steve Maviglio, the press secretary for Gov. Gray Davis, said: "It is the perfect storm of the energy situation in California. This is Day 1 of what is to be a two-week problem."

THE PRESIDENT HAS SEEN

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THE WHITE HOUSE
WASHINGTON

September 19, 2000

RECOMMENDED TELEPHONE CALL

TO:

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GOVERNOR GRAY DAVIS (D-CA)
(O): 916-445-2843 (Assistant: Tracy Olmstead)

RECOMMENDED BY:

Mickey Ibarra

Wiley

STAFF CONTACT:

Matt Bennett (456-6422)

PURPOSE:

To return Governor Davis' call to you (placed on September 8)
regarding the CALFED program and the State Criminal Alien

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BACKGROUND

CALFED Bay Delta

• Governor Davis, which current assurance that

• As you know, Decision on the restoration of will fund the supply reliability

• Your budget includes \$500 million for CALFED. Without that money, our progress on restoration, storage and conveyance measures will be jeopardized.

• Because the Congressional authorization for appropriations for the CALFED Bay Delta Act committees provided closely with all that will Representative Gary

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**Recommended
Phone Call
to Governor
Gray Davis
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and SCARP**

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amount of it

THE WHITE HOUSE

WASHINGTON

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[BC]

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PURPOSE:

To return Governor Davis' call to you (placed on September 8) regarding the CALFED program and the State Criminal Alien Assistance Program (SCAAP).

BACKGROUND*CALFED Bay Delta Program*

- Governor Davis is quite concerned about FY 2000 appropriations for the CALFED program, which currently is being held up by a dispute over authorizing language. He is seeking your assurance that we will fight for the CALFED funding.
- As you know, last month the Administration and Governor Davis signed a Record of Decision on the CALFED program finalizing a long-term plan for both water security and restoration of the California Bay Delta ecosystem. The plan, close to six years in the making, will fund the largest ecosystem restoration in the country and will improve water quality and supply reliability for more than 22 million Californians and seven million acres of farmland.
- Your budget includes \$60 million for CALFED. Without that money, our progress on restoration, storage and conveyance measures will be jeopardized.
- Because the Congressional authorization for appropriations for the CALFED Bay Delta Act of 1994 expires this year, neither the House nor Senate Appropriations Committees provided the requested \$60 million in funding. The Administration has been working closely with Senator Feinstein (D-CA) and Representative George Miller (D-CA) on a bill that will reauthorize funding for the program for one year, and we are keeping Representative Gary Condit (D-CA) informed of our progress.
- Subcommittee Chair John Doolittle (R-CA) introduced reauthorizing language that contains many objectionable features, including seriously flawed Endangered Species Act and water quality provisions. In a letter to Chairman Doolittle, Secretary Babbitt indicated that he would recommend a veto should the bill pass, and Governor Davis has sent a similar letter

pointing out the flaws in the bill. (There is some staff-level indication that Sen. Feinstein may be working out an independent deal with Rep. Doolittle.)

SCAAP Funding

- In your FY 2001 budget, you requested \$600 million for SCAAP. Last year, Congress appropriated \$585 million. The House CJS bill currently contains \$585 million, but the Senate's has only \$50 million.
- SCAAP is a reimbursable program, so there is no way of knowing how much of the money will go to California. Based on a three-year average, California usually receives 40-45 percent of the funding.

Other Points

- The Governor is likely to thank you for signing the disaster declaration last week for the Napa Valley Earthquake.

TALKING POINTS

- The CALFED agreement was a great achievement both for my Administration and yours, and it is very important to me. We must work to implement it next year.
- ✓ In the interim, I put \$60 million in my budget to keep the process going. We're going to fight to get all we can.
- I share your strong concerns about Representative Doolittle's bill. Congress needs to pass a simple one-year reauthorization, or provide funding without a new bill.
- ✓ As always, we are fighting hard to preserve the SCAAP money. It's one of my priorities.

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THE WHITE HOUSE

WASHINGTON

May 12, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. **Crime – Peace Officers Memorial.** On Monday, you will speak at the Peace Officers Memorial at the Capitol. This annual event is sponsored by the Fraternal Order of Police to honor slain police officers. In 1999, 50 police officers were killed in the line of duty and 84 lost their lives in accidents. To highlight our support for improving officer safety, you will announce that: 1) the police vest program you signed into law in 1998 has helped states and localities purchase 92,500 armor vests to date; and 2) you will support legislation, proposed by Senators Leahy and Campbell, to extend the vest program through FY 2004 and double funding to \$50 million per year. This will be well-received by the FOP and the other major police organizations who fought for passage of the original vest bill sponsored by Leahy. In addition, we have been working with the Justice Department on a possible Presidential directive to create a "valor award" for public safety officers. We expect that the directive will be ready for your signature on Monday. Rep. McCollum has a bill to create a medal of valor, but the legislation has stalled in the Senate.

2. **Guns – Follow up on Good Morning America.** To clarify a few points that you raised in relation to Friday's Good Morning America forum, the Justice Department provided revised information showing that 14 of the 36 cities with populations of 100,000 or more that experienced an increase in crime in 1999 were located in Texas. Regarding the gun show issue, gun safety advocates believe that Governor Bush holds the same position as the NRA. Both Bush and the NRA purport to "support instant background checks at gun shows." But Bush has never expressed support for the Lautenberg gun show measure or its equivalent. Furthermore, gun safety advocates frequently accuse Bush of facilitating the defeat gun show legislation in Texas. Bush publicly announced his support for closing the gun show loophole only after the state bill failed.

3. **Guns – Gun Legislation Compromise.** On Friday, Chairman Henry Hyde sent a letter responding to yours and to Representative Conyers with a new compromise on stalled gun legislation. His latest offer appears to make some substantive concessions by agreeing to drop the provision to allow interstate shipments of firearms and to broaden his definition of "gun show" to cover more events. Hyde also appears open to clarifying the provision to allow law enforcement up to 3 business days to verify unofficial records (e.g., non-finalized restraining orders) which may lead to a prohibited purchase determination. While this suggests some progress, some outstanding concerns remain, including provisions which would hinder crime gun tracing at gun shows and require the immediate destruction of NICS records. Hyde's unwillingness to budge on the destruction of records runs counter to comments he made earlier this week to the Chicago Sun-Times where he was quoted as supportive of the compromise you proposed to destroy NICS records within 90 days instead of 180 days. Rep. Conyers plans to release a new counteroffer in the form of a Conference Report signed by all of the

5-15-00

Democratic Conferees. This counteroffer would need only three Republican signatures and Conyers will encourage Hyde to enlist the support of one more House Republican and Chairman Hatch to move the package. Conyers' counteroffer will be very similar to his previous proposal.

4. Education – Appropriations Update. On Thursday, subcommittees in both the House and Senate passed appropriation bills for Labor, Health and Human Services, and Education. Neither bill provides funding for your class size initiative, your teacher quality proposal, your school construction grant and loan fund, or your proposal to support smaller high schools. Neither bill provides sufficient investment in your accountability provisions, after-school, or GEAR UP. We issued a statement from you decrying Congress's misguided priorities and threatening a veto.

5. Families – Toy Safety. Today, the First Lady announced several Administration initiatives to improve the safety of consumer products, particularly those that can be harmful to children. The initiatives respond to recent reports about manufacturers who repeatedly violate the law by failing to warn the government promptly about defective products that have injured children. The First Lady highlighted a legislative proposal you have sent to Congress to stiffen penalties against violators. The legislation, sponsored by Senator Hollings and Representative Markey, would: 1) lift the cap on civil penalties assessed by the Consumer Product Safety Commission; 2) make criminal violations of consumer product safety laws a felony instead of a misdemeanor; and 3) give the CPSC authority to overrule the recall remedy proposed by a company if it is not in the public interest. The First Lady also announced a partnership between the CPSC and health care providers to increase reporting of dangerous products.

6. Health Care – Update on Home Health Care. You had asked whether and how we should respond to reports that reductions in home health care payments have decreased access to needed services. HHS is indeed beginning to recognize that there may be some real problems arising from the BBA 1997 home health payment changes, particularly in rural areas of the country. This is underscored by recent CBO data indicating that Medicare spending on home health care has dropped a startling 45 percent in the last two years – from \$17.5 billion in 1997 to \$9.7 billion in 1999. This decline, however, should be evaluated in the context of past overpayments and abuse in the early 1990s: the number of beneficiaries receiving home health care services increased by 11 percent during that time, while expenditures increased by more than 500 percent. Ultimately, we agree there may be a need to spend additional resources on home health care, but we believe any changes should be made as part of our ongoing review of payment changes for other providers. The promise of home health care payment restorations might also become necessary later to secure a broader agreement on Medicare reform that includes a new prescription drug benefit.

7. Welfare – Child-Only Caseloads. HHS recently released a report on child-only caseloads, including an in-depth analysis of three counties in California, Florida and Missouri. As you know, these cases include children who live with a non-parent caretaker (often a grandparent) or a parent who is ineligible for TANF (due to SSI receipt, immigration status, or adult sanctions) and not subject to work requirements and time limits. Between 1988 and 1996, child-only cases increased both in absolute terms and as a proportion of total cases – from 360,000 cases (11 percent of caseload) in 1988 to 968,000 cases (21 percent) in 1996. The HHS report attributes this rise to several factors, including: an increase in non-parental caregivers, increased use of SSI, use of adult-only sanctions beginning under the Family Support Act, and a greater number of non-qualified immigrants. Since the 1996 welfare reform law, and contrary to expectations, the number of child-only cases has declined – although less rapidly than overall caseloads. The most recent data show that child-only cases declined to about 724,000 in 1998, or 23 percent of the caseload.

THE WHITE HOUSE

WASHINGTON

May 5, 2000

5-12-00

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

8,000 fewer murders

1. **Crime – 1999 FBI Uniform Crime Report.** On Sunday, the FBI will release new 1999 statistics showing that crime is down for an unprecedented eighth year in a row. Communities of all sizes and from all regions experienced the decline, still the longest on record. The overall number of crimes dropped seven percent. Violent crime also dropped seven percent, including an eight percent drop in murder and seven percent drops in rapes and aggravated assaults. Property crime fell seven percent. There were over 8,000 fewer murders in 1999 than in 1992. While the drops in crime were enjoyed by nearly all cities, 36 cities with populations of 100,000 or more reported increases in crime; nearly two-thirds of these cities are in the South, including 12 in Texas. Overall, the South experienced the lowest decline in the country, a 4 percent decrease.

2. **Guns – Legislative Action.** Senator Lautenberg is considering offering an amendment to the Elementary & Secondary Education Act (ESEA) reauthorization bill that would include gun provisions from both the Senate-passed juvenile justice bill and your gun enforcement initiative. Since the underlying ESEA bill may be pulled, and the Republican leadership is opposed to allowing any gun amendments, it is not clear that Lautenberg's amendment will get a floor vote.

3. **Education – Gore's Teacher Quality Plan.** Today, the Vice President outlined his teacher quality plan in a speech before the Michigan Education Association. Gore's plan builds on his previously announced campaign proposals, and your current Elementary and Secondary Education Act (ESEA) reauthorization proposal. He would require states, by 2004, to test all new teachers in subject-matter knowledge and teaching skills, and make sure 100 percent of teachers are fully qualified to teach in their subject area. Your ESEA proposal includes the testing requirement, and would require 95 percent of teachers to be qualified in their subject area. Gore pledged to recruit one million new teachers over the next decade with scholarships, signing bonuses, loan forgiveness and a national recruitment campaign. This builds in part on the expanded Troops to Teachers initiative included in your ESEA proposal, and loan forgiveness provisions enacted in the 1998 Higher Education Act reauthorization. Gore proposed strengthening the Higher Standards-Higher Pay initiative he announced in December with new requirements and more rewards for successful teachers. Gore's initiative would offer competitive grants to high-poverty districts that work with businesses, parents and teachers unions to adopt aggressive teacher quality plans, in exchange for salary increases of up to \$5,000 for every qualified teacher in the district, and up to \$10,000 for master teachers. Participating districts would set higher standards for granting tenure, including student performance as one measure of a teacher's ability; adopt faster but fair ways to identify and improve or remove low-performing teachers; and empower principals, working with

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teams of teachers, to hire their own staffs. Districts would use some of the grant funds to develop and implement innovative pay-for-performance and merit pay plans. Your budget proposal includes a demonstration project based on this proposal. Finally, Gore would invest in high-quality professional development for teachers, similar to your Teaching to High Standards budget proposal.

4. Immigration – ESL/Civics Education Initiative Grants. Next week, the Education Department will announce 12 grants, totaling \$6.9 million, to test ways of combining instruction in civics and English as a Second Language. And in July, thirty-one states, the District of Columbia and Puerto Rico will share in an additional \$25.5 million in grants from your ESL/Civics Education Initiative. We are working to find a naturalization ceremony in that timeframe where you could swear in new citizens and announce these grants and other immigration-related initiatives.

5. Health – Update on Medicare Prescription Drugs. Next Wednesday, Senator Daschle is scheduled to join you in unveiling a Senate Democratic prescription drug bill virtually identical to your proposal. Congressman Gephardt is attempting to complete a counterpart House Democratic initiative, but may not be able to forge a consensus in time. Most Senate Democrats will either ~~co-sponsor or indicate that they support the Daschle drug benefit. However, there will be a small group of Democrats – particularly from the Finance Committee – who will continue to work on their own alternatives.~~ While we continue to send signals of flexibility, we have indications that at least a few Democrats (Breaux, Moynihan, Baucus) may be exploring policy avenues that would raise serious concerns, including a private insurance drug-only plan and a low-income-only plan.

6. Health – Update on Patients' Bill of Rights. Next week, you are scheduled to host the bipartisan leaders of the Patients' Bill of Rights conference committee. This will give you an opportunity to get a status report, to push the conferees along, and to offer any technical assistance that could expedite their work. Patient and provider advocacy groups are very pleased with your efforts but are increasingly frustrated with the overall lack of progress, and many believe Senator Kennedy and Congressman Dingell need to be more forceful in their criticism of the bottlenecked process. We are planning separate meetings with the Democrats and advocates soon after your visit with the conferees to discuss alternative legislative and communications strategies.

7. Health – Medicare Reimbursement for Prostate Cancer Screening. You asked whether Medicare covers the PSA prostate cancer screening test. Consistent with the Medicare prevention improvement provisions you signed into law, the program began on January 1, 2000 to reimburse for this lab test for men over the age of 50. No cost sharing is required on the part of the beneficiary. We are hoping to launch new national and regional outreach efforts on this and other preventive benefits in concert with commemoration of Medicare's 35th anniversary in July. HHS has also included information on coverage of the PSA test in this year's edition of the "Medicare and You" handbook, and will include new information about the test on the Medicare website.

to be a part of the
8. Health – Stem Cell Regulation. Prompted by an article about Christopher Reeve's interest in the medical potential of stem cell research, you asked for an update on Administration's efforts to fund such research. As you may know, the HHS General Counsel has ruled that the Congressional ban on human embryo research does not preclude NIH-funded stem cell research, since the cells, which do not have the capacity to develop into a human being, cannot be considered embryos. This interpretation has been widely heralded by disease and patient advocates. NIH will publish a final rule on this subject this summer and plans to begin funding research on human embryonic stem cells by the end of this fiscal year.

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9. Health – Medicare Reimbursement for Clinical Trials. You asked about a letter from Stephen Cloobek regarding HCFA's flexibility to provide Medicare reimbursement for the routine patient care costs associated with participation in clinical trials. Although HHS General Counsel has yet to complete a statutory review, HCFA may indeed have the administrative flexibility to cover such experimental treatments without requiring a legislative change. We believe this would be entirely consistent with your budget policy. We are expediting HHS's internal review, and will take all steps possible to give you the option of administrative action.

10. Health – Update on Providing School-Based Services through the Medicaid Program. After receiving a letter from Congressman Bentsen, you asked for an update on draft HCFA guidance restricting reimbursement for administrative costs incurred by school districts providing Medicaid services. This draft guidance came in response to disturbing GAO reports that some states and districts are inappropriately using Medicaid funds to pay for principals' salaries and busing, and to pad the state's general revenue budgets. However, many districts are very dependent on these dollars for legitimate uses – including efforts to identify and enroll uninsured children in Medicaid and CHIP – and they have raised persuasive concerns about the draft guidance. We are working with HCFA and the Department of Education to ensure that the final guidance will be sensitive to and supportive of the legitimate use of these dollars by many school districts.

THE WHITE HOUSE
WASHINGTON

April 23, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime -- School Safety Legislation: On Monday, you are scheduled to announce the details of our legislation to reauthorize the Safe and Drug-Free Schools program. This proposal will include a number of changes you have already called for: formally authorizing \$12 million a year for our FEMA-like emergency response teams; requiring participating schools to adopt comprehensive school safety plans; and reforming the overall program to require competitive funding at both the state and federal level. In addition, it is likely to include the following new proposals: increased funding for more mental health counselors; allowing schools to use federal funds to teach gun violence education and safety; and strengthening the current zero-tolerance policy -- which mandates expulsion, but nothing else -- to require schools to report students who bring a gun to school to law enforcement, and to provide mandatory counseling before returning them to the classroom. If we can find the funds, we will also recommend that you expand funds for character education programs and alternative placements for disruptive youth.

2. Crime -- Gun Legislation: On Tuesday, you are scheduled to announce the details of comprehensive youth gun crime legislation. As you know, the bill will make permanent the Brady waiting period, close the gun show loophole, ban violent juveniles from owning guns for life, require that gun dealers provide child safety locks with every gun sold, and hold adults criminally responsible for allowing kids easy access to firearms. In addition, we are considering the following new proposals: requiring Brady background checks for the purchase of all explosives; requiring gun dealers to keep records of used gun sales, so that these weapons can also be traced; increasing the number of cities engaged in comprehensive gun tracing from 37 to 75; banning the importation of large capacity clips manufactured before passage of the assault weapons ban; and generally banning the juvenile possession of all long guns, with certain exceptions.

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3. Education -- Ed-Flex: On Wednesday, Congress passed the Ed-Flex bill by a vote of 368-57 in the House and 98-1 in the Senate. In addition to strengthening the accountability provisions and dropping the Senate IDEA/class size amendment, conferees agreed to include a rural fix that we and Senate Democrats had sought for the class size program, to provide more flexibility for communities that don't qualify for enough money to hire a full teacher. You are tentatively scheduled to sign the Ed-Flex bill on Thursday, April 29.

4. Education -- Social Promotion: We made considerable progress this week in our negotiations with civil rights leaders on the social promotion provisions of ESEA, but some organizations are still pressing for more changes and we are not yet confident that we can nail down the community's support. The compromise includes language suggested by the Leadership Conference to highlight and describe in more detail the need for early identification, intervention, and other efforts designed to minimize the number of students retained in grade, but it maintains our bottom-line requirement that students meet challenging standards at three key transition points in order to move up and graduate. Senator Kennedy will likely support our compromise, even if the civil rights community ultimately does not. You are currently scheduled to introduce ESEA the first week of May.

5. Education -- Teacher Pay and Teacher Quality: At your request, we have asked NEA and AFT to prepare an analysis of what states are doing on teacher pay, and what they could do now that so many states have surpluses. Meanwhile, a panel of 52 governors, educators, and researchers -- including William Bennett and Governors Engler and Ridge -- have just issued an on-line manifesto that includes proposals to give school principals more authority to recruit and hire teachers who do not meet traditional licensure standards and to fire teachers whose students perform poorly on assessments. This manifesto is highly critical of federal and state approaches to teacher quality that focus on improving teaching colleges and toughening licensure standards.

6. Health Care -- New CBO Cost Estimate on Patients Bill of Rights: On Friday, CBO is scheduled to release its latest estimates on the cost impact of the Daschle-Kennedy-Dingell Patients Bill of Rights, as well as the Republican legislation that passed out of the Labor Committee on a party line vote three weeks ago. CBO previously estimated that the Democratic proposal would raise premiums by approximately 4 percent increase in 10 years about \$7 a month overall and only \$2 a month for the employee. Recently, CBO had indicated that it would increase its projection to 6 percent, largely because of the new estimates surrounding the bill's medical necessity and liability provisions. Democratic leadership staff met with CBO Director Crippen, who agreed to lower the new estimate to below 5 percent if certain relatively non-substantive modifications to the legislation were made. Nonetheless, Senate Republicans will use any increase as evidence that these protections are too expensive and would lead to an increase in the number of uninsured. We are coordinating with the Democrats to portray the new CBO numbers as further proof that these protections are affordable.

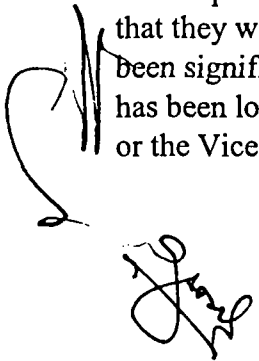
7. Health Care -- Medicare Update: On Tuesday, Senators Kennedy and Rockefeller and Congressmen Dingell, Stark, and Waxman held a press conference to announce the general outlines of the Medicare prescription drug coverage act of 1999. Because of concerns that their original benefit design was too modest, they modified and significantly expanded their benefit to provide for a \$200 deductible with a 80% coverage up to \$1500 of incurred drug costs. If beneficiaries exceed \$3000 of incurred drug costs, the new benefit will provide 100% coverage of any costs over that amount. Lastly, their proposal provides for Medicaid wrap-around coverage for those beneficiaries at or below 135% FPL (somewhat similar to the Breaux-Thomas Medicaid provision). Clearly, this legislation will be significantly more expensive than anything we are currently contemplating, as might be expected since Senator Kennedy is not restricted by having to lay out specific offsets.

8. Tobacco -- Recoupment: We are working with public health groups and others to try to draw attention to the failure of many states to devote tobacco settlement dollars to preventing youth smoking. Public health advocates are preparing a report on state action to date, which they may release as soon as next week. On Tuesday, ABC reported some of the worst examples: Rhode Island has a proposal to use the tobacco money to cut the car tax; New York, to retire state debt; Michigan, to provide college scholarships; Oklahoma, to fund teacher retirement; Louisiana, to improve sewer systems; and Los Angeles, to upgrade sidewalks. In the meantime, the Florida legislature is planning to cut the state's much praised program -- which helped cut smoking among middle school students by 19 percent last year -- so deeply that Governor Bush has come to its defense. In the meantime, we are urging appropriators to drop the Senate supplemental provision letting states keep all settlement funds without funding anti-smoking programs, and meeting with the NGA and other state proponents (including Senator Graham) to see if they would support an acceptable compromise.

9. Welfare -- Teen Pregnancy Prevention Events: On April 29, the Vice President will release encouraging new data showing that teen birth rates continue to decline in every state, and that the national rate has declined for the 6th year in a row, by a total of 16 percent since 1991. On April 28, the First Lady and Secretary Shalala will host a White House reception to honor individuals and groups selected by the National Campaign to Prevent Teen Pregnancy. In addition, the Campaign will release several publications highlighting the important role that peer influence plays in teen pregnancy, including recent research findings and practical advice from teens to their parents and to other teens.

10. Immigration -- Public Charge Issue. In the next few weeks, the Department of Justice (DOJ) will promulgate a proposed regulation to define "public charge" -- for purposes of exclusion, adjustment of status and deportation -- as an immigrant who is likely to become primarily dependent on government for subsistence, as demonstrated by either the receipt of: (1) public cash assistance for income maintenance or (2) institutionalization for long-term care at government expense. In addition, the proposed regulation will clarify that immigrants

who receive Medicaid, Children Health Insurance Program (CHIP), and a variety of other benefits will not be considered a public charge. Recent studies and anecdotal evidence indicate that legal immigrants and even U.S. citizen children who are eligible to receive federal public benefits such as Medicaid and CHIP have not applied for these benefits for fear that they will be penalized under immigration laws. California CHIP outreach efforts have been significantly undermined because of the public charge issue. This proposed regulation has been long-awaited and will be well received. We are looking for an opportunity for you or the Vice President to announce the proposed regulation, perhaps in California.



DEPARTMENT UPDATES

Right of Ad
Answer it now

1. Medicare
2. Legislative Update
Jeffords-Kennedy → File closing ~~Archival~~ 
PBOR
3. Mental Health Conference on 6/7
HHS' accomplishments sheet is due today; revised HHS press paper is due tomorrow.
Also, how is the restraints regulation doing at OMB? → OIRA
4. VP Long Term Care Forum on 6/4
We should just tell them that this is happening, and have Sarah talk about the primary focus.

HCFR

Delegation

HHS

June 7

Department

Subvention

3 hearings

Wed/Thursday

- JME -
- Outpatient
- SNP = 6 hrs a day
- Hinchell = 20 %

15% - some or all



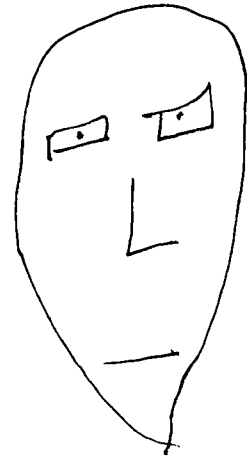
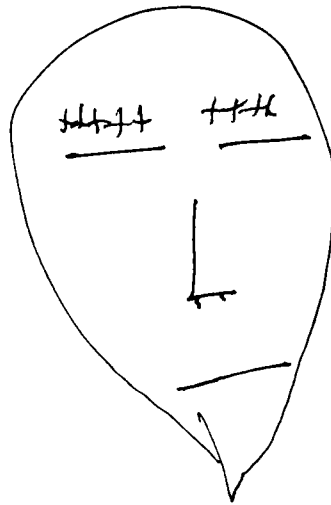

- Goshalva

- Carter Psychiatry

NASHUA

NASHUA NH

MORIE



1pm call

snooping on House side
~~ADA~~ anniversary on July.
for Jeffords Kennedy

did not file mark on piracy Friday
they will send a list to us

Week of 14th on PER not firm @ all
push but no substance re
movement.

Asian American specific def
of Pacific Islanders on the
executive order

announcement on 6/7(?)

Bill Thomas letter from HCFA

VA subvention briefing?

HEARINGS

Finance

Wed & Th Medicare + Choice

Medicare FPS

in preparation for their give back
bid; list is modest
SNF outp.
Home health

home health reducing 15% cut of PPS
RVGs

not final

eliminating financing source for
home health fix.

IME? Bonnie doesn't know.

just conversation; no suggestion
that members know.
hoff doesn't want to do BBA.

next
th.

training on home health; HCFA imp. of BBA
impact of BBA on home health.
training on school based clinics
after that.

Round table of Koshine^{ch} to medical
supplies;

Pear story

Is looking into it? We will
monitor closely.

Charter Health Facilities
terminating them sometime
next week.

DEPARTMENT UPDATES

X Medicare Update

genetic discrimination
being included as privacy
issue.

X Legislative Update
PBOR

Jeffords-Kennedy turn up heat on hott & Nickles;
Privacy

X target for 5/19; Rich to check it out
Nursing Homes how to position ourselves on these
issues

Vencor article today; how is transition planning going?

Also - HCFA needs to work with DOJ to resolve issues in statute; pls remind them.

X Prescription drugs and the internet

You wanted to flag that we are interested in this issue.

HCFA
cando
administ.

5. Senate Finance Hearing on Medicaid and School based clinics

We heard that a hearing on the abuse of school based clinic services under Medicaid is coming. HCFA is supposed to be working with Education to come up with ways to stop further abuse. How are they doing?

problems internally to
HCFA; encouraging us to prohibit bundling
GAO Report on Privacy considering leg

They have already started interviewing HCFA on this; apparently Thomas requested it.
Can they update us as to what they think the focus is?

not done until
several mty → months

we have agreed to end this meeting at 12:45 so that NAMD can brief us on Utah CHIP

9. Utah CHIP

that
would
prohibit
consultants
from being
paid for
this →

7. Restraints (Mike will)

8. QAD report on HIPAA

report

Kennedy score
on any benefit

Senate Aging
GAO hearing 5/17

they have a mtg w/ me
this week on
this.

5-10-99

THE WHITE HOUSE
WASHINGTON

99 MAY 7 PM 7:45

May 7, 1999

Copied
Reed
Kagan
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

He should
say something
non-fin
about
this

1. **Education -- Achieve Math Test:** Achieve, Inc. -- a nonprofit group focused on education reform -- announced Monday that it will create a new challenging 8th grade math test to improve the performance of U.S. middle school students in mathematics. Ten states -- Illinois, Indiana, Maryland, Massachusetts, Michigan, New Hampshire, North Carolina, Vermont, Washington, and Wisconsin -- already have agreed to give the test, and more states are expected to sign up in the future. The result, of course, will be exactly what you proposed (and Congress rejected): a voluntary national test in eighth grade math that will measure student performance against world-class standards. Achieve also intends to train teachers and provide lesson materials in participating states to prepare students for the test.

2. **Education -- Charter Schools:** The Department of Education released on Friday its annual charter school report, which showed continued growth of the charter school movement. (We released an accompanying statement from you praising this progress.) The report found that the number of charter schools grew by more than 50 percent in 1998 -- to about 1,100 schools in 34 states and the District of Columbia, serving a total of about 160,000 students. The report also found that charter schools tend to serve a diverse group of students and that they often have many more applicants than they can accommodate. According to the report, the primary obstacle to charter school formation remains lack of start-up funding. This finding underscores the importance of your proposed 30 percent increase in funding for this purpose in the FY 2000 budget. It also highlights the need for a new rule, proposed last week, to ensure that new charter schools receive the federal funding for which they are eligible within five months of opening. This regulation implements provisions of the Charter School Expansion Act, which you signed last year.

3. **Health Care -- Families USA Report on Medicaid Enrollment:** Families USA will release a study on Thursday stating that welfare reform is primarily responsible for the recent decline in Medicaid enrollment. The study asserts that 675,000 low-income people became uninsured as a result of welfare reform, that the majority of these people were children under 19, and that the number of uninsured people is likely to increase further as welfare reform is fully implemented. Although HHS has not seen the full study, experts in the department believe that the methodology used is problematic. They think that the study ascribes to welfare reform increases in the uninsured population actually attributable to (1) the decline of small firms that

offer any health insurance coverage, (2) the decrease in contributions by employers to health insurance costs (which makes health insurance less affordable), and (3) the decline in the number of people with sufficiently little income to qualify for Medicaid. Although HHS will make these points in response to the study, we expect a spate of negative press stories. We will reiterate your longstanding and strong commitment to health coverage for this population (including your insistence on maintaining the Medicaid entitlement during the debate on welfare reform), and emphasize that your proposals have given states vastly increased options to cover working families under Medicaid as well as to insure children under the new CHIP program.

4. Crime -- Federal Gun Prosecutions: You recently asked about the NRA's claim that the number of federal firearms prosecutions has decreased in this Administration. It is true that the Bush Administration brought a higher total number of gun cases in federal court. For the most part, however, these prosecutions involved minor offenses. The number of federal prosecutions of serious gun offenders (persons serving sentences of over 5 years) is up by nearly 30 percent in this Administration. In addition, better federal coordination with state and local law enforcement has contributed to a 25 percent increase in the number of criminals sent to prison for state and federal weapons offenses since you became President.

THE WHITE HOUSE
WASHINGTON

April 23, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. 
KRIS M. BALDERSTON

SUBJECT: Summary of Cabinet Weekly Reports
April 17 - 23, 1999

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **Agency Response to Columbine School Shooting:** Cabinet Affairs continues to convene daily conference calls with Treasury, Justice, Education, HHS, and FEMA, which are the primary agencies involved in responding to the recent school tragedy in Colorado. Agencies report that they remain in contact with their local, county, and state counterparts to respond to needs and requests. Each agency continues to work closely to provide necessary funding and technical assistance. Although the federal role has been limited to date, the long term needs may require an increase in both presence and resources. Secretary Herman was in Denver speaking to the Conference of Black Mayors on April 22. The Attorney General attended memorial ceremonies, met with first responders, children, local officials, and others involved. She also briefed *CNN* on her meetings on Thursday evening.

DEPARTMENT OF TREASURY

- **Littleton, CO Shooting:** On April 20, at the request of the local sheriff, BATF dispatched investigative teams to conduct bomb disposal and to assist the sheriff's office in mapping the crime scene following the attack on Columbine High School. ATF is also beginning to trace the explosive ordinance and will trace the firearms used in the attack. An ATF crisis counseling team was dispatched to provide support to victims, witnesses, and investigators.
- **G-33 Outreach Seminar:** On April 25, Deputy Secretary Summers and Federal Reserve Board Vice Chair Rivlin will co-host the second International Financial Architecture Seminar for 33 Finance and Central Bank Deputies. The agenda will focus on three of

the six broad architecture topics identified last October: prudential oversight in industrial countries; strengthening financial sectors in emerging markets; and minimizing the human cost of crises and policies to better protect the most vulnerable in society. Several international financial institutions, including the IMF, have been invited to observe.

- **G-7 Ministerial Meeting:** On April 26, Secretary Rubin will meet with G-7 counterparts and Central Bank Governors to discuss the world economic outlook, international financial architecture, and debt relief. A discussion with Russian officials on their economic situation will also take place. Special effort will be made to develop consensus around elements of your proposal to reform the international financial architecture.
- **Promotion of Public Savings:** On May 1, the Bureau of Public Debt will start selling the remaining two denominations of the Inflation-Indexed Savings Bond (I-Bonds). I-Bonds, which earn a guaranteed fixed return over inflation, offer all Americans a way to save that protects their investment by assuring a real return above inflation. Ceremonies will be held to commemorate their introduction and to honor Chief Joseph, who is depicted on the \$200 denomination I-Bond, and Sparks Matsunaga, who is depicted on the \$10,000 denomination I-Bond. This completes the introduction of the family of Series I-Bonds. Currently, more than 10 percent of the total sales of Savings Bonds is from I-Bonds.
- **New Markets Initiative:** Treasury continues to finalize legislation for the New Markets Tax Credit, America's Private Investment Corporations (APIC), and New Markets Venture Firms. Outreach to Congressional staffs, and public and business groups are ongoing. Treasury is working with the NEC to develop a proposal for you to visit low-income communities to focus on issues of poverty, highlight potential policy responses including the New Markets Initiative, and generate greater private sector investment in low-income communities.

DEPARTMENT OF JUSTICE

- **CO School Shooting:** On April 22, the Attorney General Reno met in Denver, CO with local law enforcement officials and workers assisting in the aftermath of the Columbine School shooting tragedy.
- **African American Farmer .Consent Decree:** On April 14, District Judge Paul L. Friedman approved the Consent Decree agreed upon by the parties to settle two class actions brought by African American farmers alleging that USDA failed to investigate or properly respond to discrimination complaints in USDA farm credit and non-credit benefit programs. The Consent Decree affords class members an opportunity to obtain relief for discrimination that they can prove they experienced. Class members who present substantial evidence of discrimination to recover \$50,000 plus forgiveness of

outstanding USDA debt related to discrimination. Those who establish by a preponderance of evidence that they experienced discrimination to recover actual damages as well as forgiveness of outstanding USDA debt related to discrimination.

- **Wilson Bridge Project Failure to Comply with Environmental Laws:** The City of Alexandria, VA, is challenging the proposed Woodrow Wilson Bridge replacement. The court allowed several citizens groups to intervene as plaintiff-intervenors. The U.S. settled with the City but not with the plaintiff-intervenors. Last week, U.S. District Judge Sporkin granted a motion for summary judgment filed by citizen groups in Alexandria. The groups contend that DOT and others failed to comply with the Clean Air Act, National Environmental Policy Act, the National Historic Preservation Act, and the DOT Act. The court remanded the proceeding and ruled that "construction on the new bridge can not commence until the agency has fulfilled its responsibilities under these statutes." The court noted that for "the Project to be put on a real time basis might require direct intervention by the Congress, which after balancing all the public interest aspects could 'by pass' the regulatory gridlock that has developed."
- **Firearm Possession for Persons Convicted of a Domestic Violence Misdemeanor:** On April 16, the DC Circuit vacated its prior decision striking down in part as unconstitutional 18 U.S.C. § 922(g)(9), which bars persons convicted of a misdemeanor crime of domestic violence from possessing a firearm. The Court now agrees with DOJ that the statute's failure to address felons hired as law enforcement officers did not render it irrational. The court stated that "on reflection it appears to us not unreasonable for Congress to believe that existing laws and practices adequately deal with the problem of issuance of official firearms to felons but not to domestic violence misdemeanants." The court rejected the other constitutional arguments raised by the Fraternal Order of the Police, including Tenth Amendment and Second Amendment claims.
- **Denver Youth Study Publication:** In early May, the Office of Juvenile Justice and Delinquency Prevention (OJJDP) will publish *Highlights of Findings From the Denver Youth Survey*. The Denver Youth Survey is one of three longitudinal studies supported by OJJDP since 1986 through its Program of Research on the Causes and Correlates of Delinquency. The primary goal of the study is to identify social conditions, personal characteristics, and developmental patterns linked to sustained involvement in delinquency and drug use.

DEPARTMENT OF INTERIOR

- **National Park Week:** April 19-25 is National Park Week. Its theme is "America's Parks, America's Treasures." With Earth Day falling on April 22 in the midst of National Park Week, 378 NPS areas will host numerous events for VIPs, dignitaries, and their communities.

- **Yellowstone Visitor Center:** Unilever Home and Personal Care, a worldwide manufacturer of consumer goods from Q-tips to Wisk, contributed \$1.25 million toward a new visitor center at Yellowstone National Park. The proposed center, expected to cost \$10 million, will overlook Old Faithful Geyser and feature a 300-seat theater, classrooms for visiting school groups, an exhibit hall with displays on the inner working of geysers and electronic readouts of predicted geyser eruption times. Unilever previously donated recycled plastic material to build new geyser basin boardwalks in Yellowstone. The company plans a new marketing campaign involving store coupons that when used will direct a share of the purchase price of Unilever products to Yellowstone.
- **"Save America's Treasures":** A list of 45 preservation projects, totaling \$30 million, goes for review to the House and Senate Appropriations Subcommittees. The list recommends projects to receive FY99 grants from the Historic Preservation Fund. Among the latest grant nominees are: the Louis Armstrong House and archives; threatened artifacts of the Apollo Space Program; Pelican Island, America's first national wildlife refuge; and a project to preserve and restore American silent films. Each award requires a dollar-for-dollar non-federal match. States, localities, corporations, foundations and private citizens have already pledged to support the suggested projects through financial contributions, donations, and in-kind services.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Council of Black Mayors:** On April 23, Secretary Glickman will address the Council of Black Mayors in Denver, CO, addressing his civil rights initiative and USDA's rural development and community assistance programs.
- **Kosovar Food Aid Needs:** On April 22, the USDA-chaired interagency food aid group will reconvene to revise estimates for food aid needs for Kosovar refugees, which preliminary USDA estimates put at 27,000 metric tons (MT) of wheat flour through FY99, with perhaps as much more as an additional 80,000 MT next year, both amounts in addition to the 83,000 MT, \$20 million food aid program USDA was supplying to the region prior to the present conflict.
- **Cotton Imports:** Last week, imports of foreign cotton under the step 3 quota program jumped by 25,000 bales over the previous week's level, continuing pressure on cotton prices. The step 3 program tries to keep domestic mills competitive, and has been in effect since USDA exhausted the farm bill's funding for the step 2 program, which also underwrites domestic millers' costs and helps facilitate the export of U.S. cotton. USDA expects that continuing imports, especially if they continue to trend upward, will increase Congressional and public interest in providing new funding for the step 2 program.

- **Pipeline Route:** On April 13, USDA's Lolo National forest (MT) team briefed members of the ID, MT, and WA congressional delegations, the governor of MT, and Yellowstone Pipeline Company officials on draft environmental impact statement on the company's proposed pipeline along interstate 90 from Missoula, MT to Kingston, ID. When publicly released for comment in June, USDA expects that the study will generate considerable regional controversy.
- **Commodity Markets:** Wheat cash and futures fell last week, on good conditions for the U.S. winter wheat crop, large supplies, and weak export demand. Corn prices were almost unchanged, as supportive news, including strong recent exports, was offset by weak domestic feed demand and competition. Soybean prices moved higher on reports of problems with crops in South America and a strong domestic crush report. Nearby rice futures strengthened on thoughts that deliverable supplies could be tight; cash prices held steady. Cotton prices slumped as export sales were sluggish and reports continued of sales of foreign cotton for import into the United States. Cattle prices moved slightly higher, following higher cutout values. Hog prices rose, as retailers began ordering for late-April featuring. Broiler prices fell slightly; slaughter continues to outpace 1998. Butter prices were up sharply, as some buyers scrambled to lock in supplies at current low prices. Cheese prices were unchanged.
- **Food Safety:** On May 5, USDA's National Advisory Committee on Meat and Poultry Inspections will meet to evaluate strategies for better controlling campylobacter contamination, incidents of which have generated considerable public, media, and Congressional attention in recent weeks. The committee will also evaluate the policy of mandatory inspection of meat and poultry, as well as personnel qualifications of industry and government personnel involved in implementing USDA's new science-based inspections system, HACCP.
- **Clean Water Funding Announcement:** On April 22, in conjunction with Earth Day activities including planting one of the first of 700 trees the Forest Service is donating to DC for placement along the Anacostia River, Secretary Glickman announced that USDA will award \$155 million in loans and grants under its Water 2000 initiative, to bring clean, safe water systems to rural communities.
- **Loan Repayment Rules:** On April 23, USDA will begin allowing borrowers with shared appreciated agreements that expire before December 31, 2000 to suspend for up to three years their obligation to pay the recapture, thus permitting farmers suffering from low commodity prices a way to alleviate their cash flow problems.

DEPARTMENT OF COMMERCE

- **EU Vice President:** On April 20, Secretary Daley met in Washington with EU Vice President Leon Brittan to discuss China's accession into the WTO, hushkits, International Labor Organization standards in the WTO, the role of the Transatlantic Business Dialogue in the U.S.-EU June Summit, and WTO sectoral liberalization.
- **Andean Trade Ministers:** On April 19, Secretary Daley met with five Trade Ministers of the Andean Community in Washington, DC to seek a permanent extension of the Andean Trade Preference Act before it expires in 2001. The Andean Community fears being disadvantaged by the pending passage of Caribbean Basin Initiative parity legislation.
- **Phone Call with Canadians:** On April 15, Secretary Daley called Canadian Trade Minister Manley to raise U.S. concerns with Canada's failure to implement the patent term provisions of the WTO Trade Related Intellectual Property Rights Agreement. U.S. pharmaceutical companies have approached the government regarding this situation as the patent terms of some commercially important products will begin expiring by August.
- **Census 2000:** On April 14, the House approved legislation to require a 45-day local review of preliminary housing unit counts as part of the 2000 census. Lawmakers passed the bill after rejecting an alternative proposal to give the Census Bureau more flexibility in providing opportunities for local officials to review address lists and census maps. In a press statement, Secretary Daley recommended a veto and said the bill would "disrupt census operations by allowing 39,000 local governments to contest counts within their jurisdictions long after April 1, 2000."
- **Korea:** The Government of Korea has accepted U.S.-proposed changes to the intellectual property rights annex of the U.S.-Korea Science and Technology Agreement. After the text of the proposal is drafted in both languages, the agreement will be ready for signature.
- **General Electric Engines for the Singapore Apaches:** The Bureau of Export Administration (BXA) has supported General Electric (GE) in negotiations with the Singapore government so that the Apache Helicopters recently sold to Singapore will use GE engines instead of those built by Rolls Royce of England. The engine sale is worth \$40-80 million, depending on which options Singapore exercises. Singapore must decide by late June which engines it intends to purchase.

- **Encryption:** On April 14, Senator McCain introduced the "Promote Reliable On-Line Transactions to Encourage Commerce and Trade (PROTECT) Act of 1999." The bill would allow the export of encryption with key lengths up to 64 bits, and the export of non-defense encryption above 64 bits to "legitimate and responsible entities or organizations and their strategic partners" or governments that are members of NATO, ASEAN, or OECD.
- **Albania's Accession to the WTO:** Albania has made significant progress in preparing for its WTO accession with negotiations scheduled to be completed this year. An information working group meeting has been scheduled for the end of April to review its progress in bilateral market access negotiations.
- **Chemical Weapons Convention (CWC):** On April 13, a National Security Council meeting concluded that DOC will be the lead agency during CWC inspections. DOC will also determine the composition of the inspection teams and be responsible for making on-site decisions regarding what will be revealed to international inspectors.

DEPARTMENT OF LABOR

- **Unum Life Insurance Co. v. War:** On April 20, the Supreme Court unanimously upheld a state law protecting the rights of individuals covered by employee benefit plans and decided that a CA insurance law doctrine favoring employees is protected from ERISA preemption. The CA doctrine, called the "notice-prejudice rule," provides that claims filed late will not be dismissed by the insurer unless they prejudice the insurer's ability to determine whether the claim should be paid. The Court distinguished this law from state laws allowing compensation for bad faith denial of claims which was found to be preempted, or wiped out, in ERISA cases by the Supreme Court in 1987. DOL's *amicus* brief argued that the CA law should be upheld and that the 1987 case should be reconsidered. The decision is helpful because it protects the application of state laws protecting employees in plans covered by insurance. However, tens of millions of workers are covered by plans which are not backed by insurance policies; and legislation is needed to provide patient protections to that population.
- **Worker Memorial Day:** OSHA is organizing an April 28 event highlighting workplace safety and health. The proposed event will recognize workplace heroes including the Atlanta crane operator and the two workers who rescued him from above a burning building on April 12. OSHA also hopes to announce strengthened whistleblower protections for workers who want to improve job safety and health and have the courage to speak out hazards in their own workplaces.
- **Newport News Shipbuilding:** The strike by United Steelworkers Union against Newport News Shipbuilding and Repair entered its third week on April 19 with little

progress and no indication of a settlement. Monetary differences on pay, pensions and healthcare benefits led to the March 30 breakdown in negotiations. This week, more than 600 Local 8888 members traveled to Washington, D.C. for a rally at the West Front of the Capitol and for visits with the VA congressional delegation, the House National Security Committee, the Senate Armed Service Committee, and both the House and Senate Appropriations Committees.

- **American Airlines:** U.S. District Judge Joe Kendall levied a \$45.5 million fine against the Allied Pilots Association to compensate American Airlines for losses incurred when the union called a sickout in February protesting the pace of negotiations over work rules and pay levels for new pilots integrated into the American system following the acquisition of Reno Airlines. APA President Rich LaVoy said the union would appeal the decision. The dispute over the integration of Reno pilots, which the union claims should be retroactive to the merger in December, 1998, remains unresolved. Talks have continued since March with the assistance of a federal mediator. Agreements over the integration issue were reached with the Association of Professional Flight Attendants on Transport Workers Union on April 8 and 9 respectively.
- **Youth Offender Grants:** On May 3, Secretary Herman plans to announce the award of 14, Youth Offender Demonstration Project grants totaling \$12,147,000 in an event with Senator Specter at the Youth Study Center in Philadelphia, PA. These grants will provide services for youth who are or have been under criminal justice supervision or involved in gangs, as well as out-of-school youth in communities with high poverty and unemployment.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **CO High School Shooting:** Substance Abuse and Mental Health Services Administration's (SAMHSA) Center for Mental Health Services (CMHS) has been in contact with the Colorado State Disaster Mental Health Program Coordinator to offer technical assistance if requested. The State has requested that HHS hold off on any action to provide crisis counselors so as to not overburden them with too many mental health professionals. SAMHSA has also been coordinating with the Health Resources and Services Administration (HRSA) and Centers for Disease Control and Prevention (CDC). As part of the occupational health program at HRSA, there is a nationwide network of specialized professionals who have been trained and utilized in crisis response situations. HRSA is ready to support the state should they request assistance in mental health crisis management. CDC's National Center for Injury Prevention and Control continues to work with SAMHSA on various violence-prevention activities. In September 1998 through an ongoing collaboration with DOJ, CDC's National Center for Injury Prevention and Control provided \$894,000 to DOJ's Office of Juvenile Justice and Delinquency Programs for the purpose of awarding these funds to the Center for the Study and Prevention of Violence at the University of Colorado. These funds are being

used to provide technical assistance and information to schools and organizations to implement the school-based violence prevention activity known as "Blueprints for Violence Prevention Programs." CDC's objective, through these funds, is to help schools select and implement effective violence prevention programs, disseminate information about these programs, and support technical assistance to schools that want to start school-based violence prevention activities.

- **Tobacco Rule:** On April 23, the Supreme Court is expected to decide whether to hear the appeal of the Food and Drug Administration's jurisdiction over tobacco products and the Tobacco Regulations. The Campaign for Tobacco-Free Kids held a press briefing on April 22 to clarify the issues in the court case.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **National Homeownership Rate:** On April 21, Secretary Cuomo announced that America's homeownership rate rose to 66.7 percent for the first quarter of 1999, including a record number of African American and Hispanic families. New Census Bureau statistics showed that the homeownership rate – the percentage of families owning their homes – rose three-tenths of a percentage point in the first quarter of this year, up from 66.4 percent in the fourth quarter of 1998.
- **First Inspections of Public Housing Authorities:** On April 21, Secretary Cuomo announced that the first comprehensive physical inspections of public housing around the nation gave 87 percent of 750 housing authorities good or excellent ratings. A companion HUD survey of public housing residents found that 75 percent were satisfied or very satisfied with their housing units. The survey found that 64 percent of residents would recommend their public housing developments to a relative or friend, and also said they were satisfied or very satisfied with their developments and their neighborhoods.

DEPARTMENT OF TRANSPORTATION

- **Summit Airspace Restrictions:** During the 50th Anniversary NATO Summit, DOT will temporarily expand airspace restrictions and enhance airport security in the Washington, DC area to provide an extra margin of safety and security.
- **Kosovo Response Planning:** The Maritime Administration (MARAD) sent to the Euro-Atlantic Disaster Response Coordination Center (EADRCC) lists of passenger/car ferries, break bulk, and RO/RO vessels operating recently in the Italian/Albanian Adriatic corridor to assist in NATO response planning for Kosovo. In addition, DOT is providing support on a 24-hour basis to the EADRCC at NATO Headquarters with coordinating NATO civil humanitarian relief efforts in the Balkan Region, and to the Allied Movements Coordination Center with coordinating military movements in support of

operations in Kosovo. A number of NATO civil experts from the shipping industry have been contacted for advice and assistance. MARAD set up a 24-hour alert response network of Planning Board on Ocean Shipping (PBOS) members and civil shipping experts to assist the NATO military and civil authorities as needs arise.

- **Decision on Conformity:** On April 16, EPA, DOJ, and DOT jointly decided not to appeal a DC Circuit Court of Appeals decision which invalidated several EPA regulations implementing the transportation conformity requirements of the Clean Air Act amendments of 1990. The decision not to appeal was made despite an April 14 letter to Administrator Browner from Representatives Shuster, Petri, and Rahall urging the Administration to appeal the decision. DOT and EPA will issue interim guidance on how states will be able to advance transportation projects in light of the decision. In the long-term, EPA must modify its conformity regulations to conform with the Court's decision.
- **Environmental Studies for Woodrow Wilson Bridge:** A federal judge found that the FHWA failed to give adequate consideration to alternatives to the proposed 12-lane drawbridge spanning the Potomac River, as noted in the DOJ Weekly Report.
- **Smoking on International Flights:** DOT is revising its web site and issuing a press release on the status of smoking on international airline flights to reflect that 97 percent of all flights to and from the U.S. are smoke-free. Smoking is prohibited on all domestic flights and DOT continues to work toward its goal of smoke-free travel in all public transportation.
- **AR Repeat Offender Bill:** On April 5, AR Governor Huckabee signed repeat drunk driving offender legislation into law. On March 30, the AR House of Representatives approved the repeat offender legislation previously passed the Senate.
- **Managing Diversity:** DOT is viewed as the "Best in Government" by the National Performance Review (NPR) Task Force on Diversity. DOT's Diversity Advocate has been asked to serve as a consultant to the NPR Task Force.

DEPARTMENT OF ENERGY

- **"Green Power for Green LA":** On May 13, Secretary Richardson is scheduled to participate in the launch of the "Green Power for Green LA" program in Los Angeles to provide customers of LADWP, the nation's largest municipal utility, the opportunity to purchase electricity from green power suppliers, install renewable energy systems in homes and buildings, and improve the environment and air quality.
- **ENERGY STAR:** EPA and DOE's Office of Energy Efficiency and Renewable Energy have published the *ENERGY STAR Purchasing Tool Kit*, a comprehensive resource to

promote the purchasing of high efficiency equipment. The tool kit includes ENERGY STAR specifications and Federal Energy Management Program guidelines for use by state and local governments and other entities to include in their procurements. The kit also provides references to valuable resources for energy efficiency data and a communications guide. The kit is being distributed to Rebuild America partners and State Energy Offices and will be available on the web next month

- **OR Fiber Optic Line:** OR's Bonneville Power Administration will begin construction in early May on a 120-mile fiber optic line along existing rights of way that will connect southern OR coastal communities. Bringing fiber optic technology to rural areas will also connect a Pacific fiber optic cable to China to the fiber optic backbone that runs through the Willamette Valley. Bonneville and a telecommunications firm signed the \$20 million agreement April 5. The telecommunications firm will pay for the cost of the project. Bonneville will retain ownership of the line, which upgrades its communications and control system, and has set aside 25 percent of the fibers for public benefits. The line is expected to be operating by September 15.

DEPARTMENT OF EDUCATION

- **National Youth Violence and School Safety Summit:** On May 3, Bill Modzeleski is participating in a panel being moderated by the OH Attorney General Betty Montgomery in Jackson, MS.
- **CO School Shootings:** On April 21, Secretary Riley issued a press release regarding the Columbine High School shootings. The release expresses sympathy for the students and families, urges gun owners to lock up their guns, encourages parents to slow down their lives and listen to their children, cautions against looking for an easy answer, and highlights DOEd's efforts to prevent such incidents. Secretary Riley has also been in contact with Jefferson County School Superintendent Jane Hammond to offer assistance as other DOEd senior officials work with state and county officials.
- **ESEA Reauthorization Transmittal:** DOEd is preparing legislation for reauthorization of the Elementary and Secondary Education Act (ESEA) for transmittal to Congress on April 29. DOEd staff continues to work through several outstanding policy issues.
- **Final Version of Ed-Flex:** The final version of the Education Flexibility Partnership Act of 1999 (Ed-Flex) does not include Senate language that would have permitted the use of class-size reduction funds for Individuals with Disabilities Education Act (IDEA) expenses. The legislation contains a provision that revises the IDEA to change the phrase "carrying a weapon to school" to "possessing a weapon in school." DOEd does not consider the change significant, but Hill Democrats have objected to reopening IDEA for any reason.

- **NH School Funding:** The NH legislature's failure to pass a school funding plan that complies with Claremont continues to create numerous problems. Teachers are being notified they cannot be offered a contract for next year and that their health benefits will end on June 30. Parents of children with disabilities are facing an April 30 deadline by which customized, Individualized Education Plan contracts must be signed. If services lapse, the state could be held in contempt for failing its obligations under a consent decree. Local school districts may have to cover the costs of unemployment benefits for secretaries, maintenance, custodial workers, and teachers. If the Legislature does not come up with a constitutional tax plan to fund education within the next few weeks, cities and towns will send out property tax bills that carry no school funding tax.
- **Challenge to 1969 Swann Ruling:** On April 19, a trial began in Charlotte, NC that challenges school desegregation policies established 30 years ago in Swann v. Charlotte-Mecklenburg Board of Education. The 1969 decision, upheld by the Supreme Court two years later, allowed schools to bus students in order to eliminate segregated schools. A U.S. District Judge decided to revisit the Swann ruling after a Charlotte parent filed a suit alleging that his daughter -- classified by a newspaper article as half Anglo and half Hispanic -- was refused admission to a magnet school because she is non-black.
- **FY95 Federal Education Funds:** In May, DOEd plans to release "The Distribution of Federal Education Funds in FY1995," a preliminary report on the distribution of DOEd funds among school districts and other agencies by type of agency, grant size, economic status of the area, and the area's classification as urban or rural. The findings include the percentage of Safe and Drug-Free Schools and Communities funds used for school security, and the percentage of program funds spent on individual schools and administrative costs, which may be relevant to the Dollars to the Classroom Act proposed by Republicans.

VETERANS AFFAIRS

- **Spinal Cord Injury Course:** An independent study course on Spinal Cord Injury has been designed and produced for all VA physicians. Available for continuing education credit for physicians, the course has been distributed in print form to all VA medical centers and is available on the Internet.
- **Gulf War Veterans:** On April 15, VA's treatment trials for Gulf War veterans, particularly an antibiotic treatment study, received considerable attention after the *Associated Press* picked up a story on the research in the *San Diego Union-Tribune*. Additional stories appeared that day on *Fox News Channel*, *CNN*, *First Business* (syndicated report), and *Bloomberg Information TV*.

- **VA Medical Centers:** On April 14, *CNN* reported on the issue of VA halting research at the West Los Angeles VA Medical Center because of questions about administrative procedures. *CNN* also reported that three more VA medical centers, in Philadelphia, Tampa, and Cincinnati, were being investigated by the National Institutes of Health.

ENVIRONMENTAL PROTECTION AGENCY

- **Livability Agenda:** This week, Administrator Browner continued outreach efforts to discuss the Administration's Livability Agenda. On April 19, Administrator Browner spoke at the Urban Land Institute Smart Growth Conference in Chicago, IL. She also met with Mayor Daley and 50 business, industry, land trust and environmental representatives, as well as state and local officials, to discuss Better America Bonds. From May 2-4, Administrator Browner will participate in the National Town Meeting for Sustainable America, in Detroit, MI. During plenary sessions at the conference, the Administrator will discuss Administration efforts to protect public health and the environment, while revitalizing economies and improving the quality of life for all Americans. On May 3, Administrator Browner and Secretary Slater will co-moderate a luncheon panel, entitled Healthy Communities-Healthy Economies, where they will discuss the Livability Agenda.
- **Visibility at National Parks and Wilderness Areas:** On April 22, the Vice President and Administrator Browner announced a new rule that will help millions of Americans better enjoy national parks and wilderness areas. This rule will reduce the haze caused by air pollution and improve visibility and air quality at more than 150 national parks and wilderness areas, such as the Grand Canyon, Yosemite, Yellowstone, Mount Ranier, Shenandoah, the Smokey Mountains and Acadia. Over the last several decades, haze has reduced visibility in our national parks by as much as 75 percent in the West and 85 percent in the East. The rule requires states to work with the public to develop haze-reduction plans, but provides the flexibility to find the most cost effective ways to reduce the pollution.
- **Beach Action Plan:** This week, EPA will officially announce the release of its Action Plan for Beaches and Recreational Waters. This Beach Action Plan seeks to reduce risks of infection to recreational water users through improved water quality and risk communication programs with two primary objectives: enabling consistent management of recreational water quality programs and improving the science that supports recreational water monitoring programs. This is a key action item under the your Clean Water Action Plan, announced in February 1998, to restore and protect America's waterways.

UNITED STATES TRADE REPRESENTATIVE

- **Trip to Houston:** On April 26, Ambassador Barshefsky will travel to Houston to deliver an address on the Administration's Africa trade policy to the Corporate Council on Africa. While in Houston, she will also meet with several of her counterparts from Africa, conduct a roundtable discussion with Houston community leaders at Rice University's Baker Institute, and conduct an interview with the *Houston Chronicle*.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Meeting with Speaker Hastert:** On April 28, Director McCaffrey will meet with Speaker Hastert. The Director will update the Speaker on the *National Drug Control Strategy* and recent developments in drug control issues.

UNITED STATES INFORMATION AGENCY

- **Allied Support for Air Strikes:** Recent polls show public support for NATO action in allied countries is consolidating. Majorities in "traditional" NATO publics supported the air strikes, while those in recent NATO entrants were more tentative. However, support for newly gained NATO membership has held steady and even increased in Poland and Hungary. While there also seems to be a growing belief in many countries that ground troops will be required to resolve the situation, most would prefer a political resolution. Some outside Europe also back NATO's action, notably Australia and Israel.
- **Criticism of Operation Allied Force:** Media in NATO capitals and abroad increased their criticism, charging that "air strikes have not borne the expected results" and blaming "political miscalculations" for the Alliance's inability to achieve its objectives. Among the errors cited was the fact that NATO "showed its cards" by ruling out ground forces and was not prepared for a "protracted mission." Media in Britain, France, Germany, Italy, Belgium, and Hungary voiced concern that "the strategy adopted by NATO has no convincing and plausible goals" and some advocates for ground deployments worried that "political support for ground action seems to be dwindling, primarily because NATO still has not come up with a clear and uniform political strategy."
- **Russian Opinion:** Only a plurality of Russians (43 percent) feel that their media are depicting the situation in Yugoslavia objectively. The remainder are either unsure (23 percent) or say coverage is unobjective. Favorable opinion of the U.S. has dropped precipitously since late December 1998: from 67 percent feeling "very" or "basically positive" to 38 percent in late March to 34 percent by April 12. Two-thirds (63 percent) believe that the U.S. and NATO are involved to put their own forces into Kosovo and establish military bases there.

- **Japanese Views of U.S.:** Prime Minister Obuchi's upcoming visit to Washington will highlight Japan's role as a key partner for the U.S. in the next century. Results from USIA's mid-March survey show that the Japanese see American and Japanese policies in agreement in several basic policy areas, including the environment, democracy and security. Large majorities of Japanese have a favorable opinion of the U.S. (77 percent), think bilateral relations are in good shape (69 percent), and have regained confidence in U.S. leadership (64 percent, up from only half last November). Eight-in-ten expect the U.S. will still be Japan's closest security partner in 5-10 years, and half think it will remain Japan's closest economic partner (23 percent pick China).

SOCIAL SECURITY ADMINISTRATION

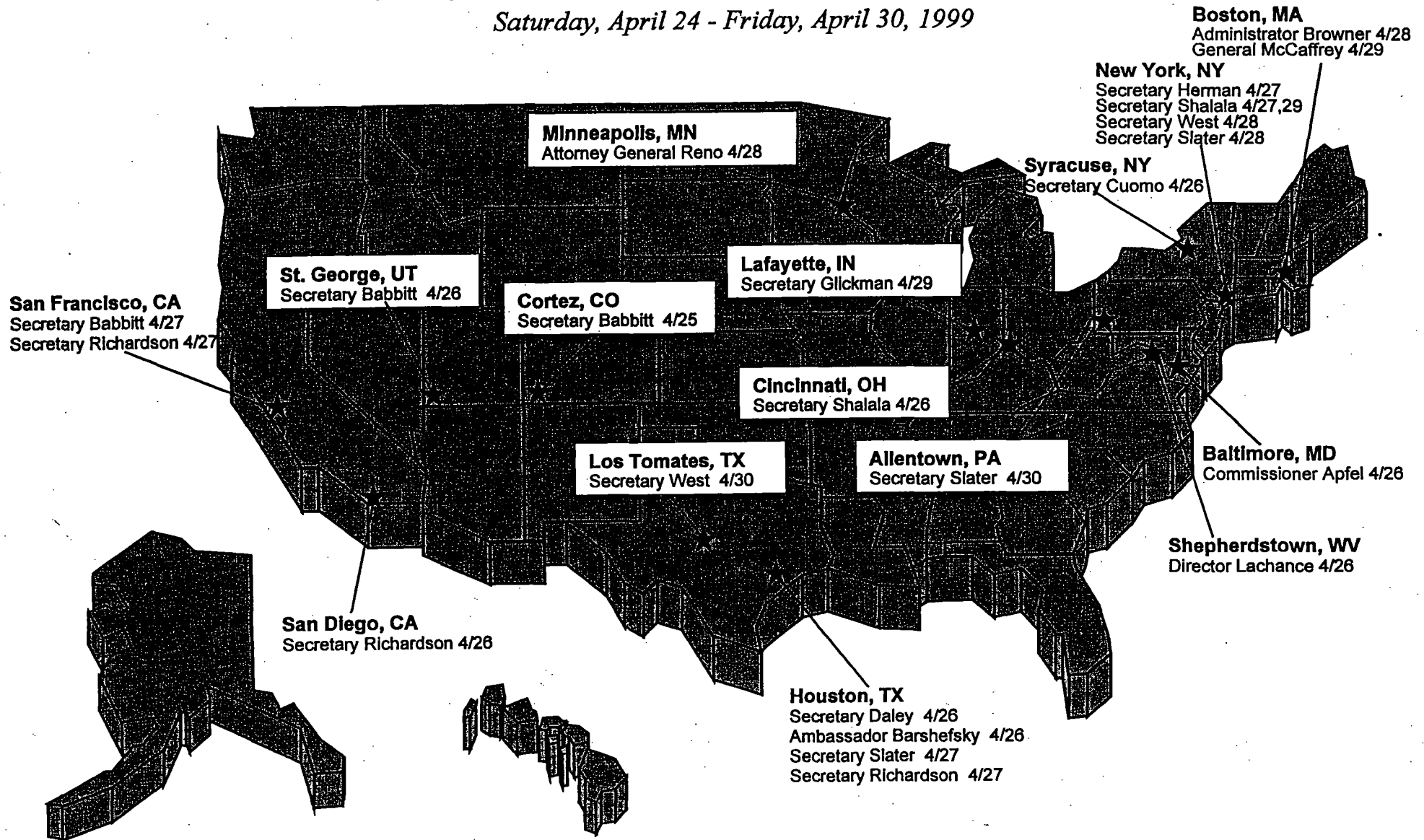
- **National Anti-Fraud Conference:** On May 4-6, SSA will host its 1999 National Anti-Fraud Conference in Baltimore, MD. Commissioner Apfel will open the conference. The theme of this year's conference is "Zero Tolerance for Fraud – Advancing the Fight." The event will bring together SSA employees from the field and Headquarters who share the common goal of enhancing public confidence in SSA's programs and operations. Over 300 employees are expected to participate.

cc:

The Vice President
 John Podesta
 Sandy Berger
 Sidney Blumenthal
 Mary Beth Cahill
 Maria Echaveste
 George Frampton
 Mickey Ibarra
 Ben Johnson
 Janis Kearney
 Ron Klain
 Neal Lane
 Jack Lew
 Ann Lewis
 Joe Lockhart
 Minyon Moore
 Bruce Reed
 Steve Ricchetti
 Doug Sosnik
 Gene Sperling
 Larry Stein
 Loretta Ucelli
 Melanne Verveer

Domestic Cabinet Travel

Saturday, April 24 - Friday, April 30, 1999



Boys
- as -
- RST -

1. Kennedy Drugs.
2. This Morning - Finance Retreat

DEPARTMENT UPDATES

April 20, 1999

1. Medicare Update

2. First Lady's speech today

3. Legislative Update

PBOR

Jeffords Kennedy

4. Update on restraint regulation

5. Special needs children and NAMD waiver

6. HCFA press issues

60 minutes

PBS TANF/special needs

7. OTHER HCFA ISSUES

3. Senate Budget: Thursday

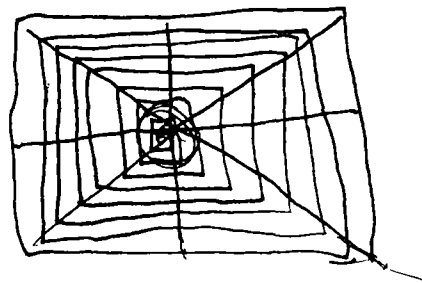
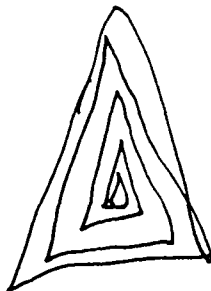
4. " FINANCE : Next Wednesday
(begins weekly Hearings)

5. Finalizing Hill papers

6. Possible principals'
Mtg. Thursday

✓ ~~Spice~~ need HHS position now from Gary
& from Dan.

PBOR



DEPARTMENT UPDATES
April 20, 1999

TPOR
mtg this
week

1. Medicare Update

2. First Lady's speech today

3. Legislative Update

PBOR

Jeffords Kennedy

markup on House side
Presidential

4. Update on restraint regulation

5. Special needs children and NAMD waivers

statement
floor
of senate

6. HCFA press issues

60 minutes

PBS TANF special

7. OTHER HCFA ISSUES

HCFA
testifying on Th →
appeals coverage
as — makes
up his mind
as to whether
give
industry
explicit

TPOR discharge

internal mtg

Congressman Strickland

mandatory managed care

① no new waivers

② renewal

UNM

UNUM

decision on

ERISA preemption

Laurie
McGinley
therapy cap
guidelines

Event on Education
Child Care
grant #s &
Republicans.

DEPARTMENT UPDATES
11/3/98

Meredith M
review of
UNOS case

1. Possible Thursday Event on PBOR
Update

2. Jane Henney's swearing in
Update

3. MA / Prescription drugs update
Please ask HCFA to update us.

David Dixon & Bob A. ^{mod other}
Status quo from last ^{may} ^{info.}
night.

4. Update on Dept plan to address HMO withdrawals

value of paper handbook

5. ADAPT

Has there been any follow up since their demonstration?

Bonnie: REA to do hill
briefly planned

State Issues

VT: Update on their 1115 approval.

US to call CHRIS ^{group}

MO: Update on their 1115 waiver. Is there a plan for State communications on their
waiver?

Wiz will send
us paper
CHRIS P. to
take care of press.

** I wasn't sure if you wanted to talk about these two items or not -- pick and choose. **

also
date
certain
ideas.

Provider taxes and the reg
Progress report.

8. Privatization and CHIP

Has Kevin reviewed the CHIP privatization policy?

MR FLI (LA)

Meredith M. → List of Administrators
& Health Achievements..

← review of UNOS

→ qualify forum

Health Care -- Kennedy-Jeffords Legislation: The Work Incentives Improvement Act (Kennedy-Jeffords) did not make into the final Omnibus budget appropriations bill, despite our continued efforts to pass this bill. This bipartisan legislation, that you endorsed at the commemoration of the Americans with Disabilities Act (ADA) last July, enables people with disabilities to go back to work by providing an option to buy into Medicaid and Medicare, as well as other pro-work initiatives. The disability community believes this is the most significant legislation since the ADA. This bill was on the list of top Administration priorities throughout the final budget negotiations and received broad-based bipartisan support. However, it was rejected by Republicans in the end because they did not want to have significant health expansions and because they thought it was too late in the process for such significant legislation. However, the disability community as well as the AIDS community and others are extremely appreciative that the Administration fought so hard to pass this legislation. They believe the bill has helped to define who their allies and enemies are and claim they will remember this in November and beyond. They will also push us hard to retain our commitment by maintaining it in next year's budget.

Health Care -- AIDS Issues in the Budget: The Omnibus bill included significant new funding for HIV/AIDS. In particular, it included \$110 million for funding to address the critical AIDS problem in the minority community. This increase, plus an additional \$20 million that HHS has agreed to allocate from existing funds, meets the Congressional Black Caucuses' full funding request for this problem. In addition to this important victory, the Ryan White Program which provides a range of treatment and services for people with HIV/AIDS, also received a \$250 million -- or nearly 30 percent increase. The AIDS community and the CBC are quite pleased with this remarkable outcome. However, there is disappointment about a needle exchange provision that was included that prevents the District of Columbia from using their own funds for needle exchange programs. We strongly opposed this provision because it strips federal funds from community-based agencies trying to stop the spread of HIV through needle exchange programs.

Health Care -- Race and Health in the Budget: The Congress has taken a critical first step in investing in your multi-year proposal to eliminate racial health disparities in six health areas, including HIV/AIDS, cancer, diabetes, and immunizations. As you know some of these disparities are startling. For example, African Americans under the age of 65 have twice the rate of heart disease as whites, and Native Americans suffer from diabetes at nearly three times the average rate. The budget gives sufficient funding to finance the \$80 million you included in your budget request, including new grants for communities to develop new strategies to address these disparities.

Health Care -- Historic Increases in Biomedical Research. The Congress has taken a critical first step on your multi-year proposal to increase biomedical research at the NIH. The final budget includes almost \$2 billion expansion of NIH research funding --a 14-percent increase. This increase will enable scientists to pursue a wide range of important new breakthroughs in critical diseases, from Alzheimers to AIDS to genetic discoveries. In addition, the Centers for Disease Control also received your requested increases for new research to improve prevention efforts, including fighting emerging infectious diseases and combating new resistance to antibiotics, and the Agency for Health Care Policy Research (AHCPR) received your requested increases to improve quality outcomes. For example, overuse of antibiotics has been shown to lead to resistance and cost as much as \$7.5 billion a year. AHCPR's development and dissemination of guidelines for the appropriate use of antibiotics will result in better patient care and significant health care savings.

Adapt - Barricading
HTIS Right
Now

DEPARTMENT UPDATES

11/3/98

does this
look
okay?

X

Medicare + Choices

This will be released this week on Thursday or Friday. What is DHHS' rollout plan?

X

~~States full treatment; other states get bulletin.~~
Any press, or will it just happen. RO is just doing local.
Jane Henney's swearing in.

X

What are the plans for this? ~~is FDA reg moving?~~ yes &
they are moving along there; timing concern peds labeling.

O P M Contraception Issue

Did we want to roll this out in any visible way, timing, etc.?

3. CHIP State Issues

VT: Where are we in terms of their waiver approval?

MO: The Department is divided over some of the policy issues (especially around cost sharing) raised by their waiver. They are bringing this to Kevin on Tuesday. What are their plans re: State communications before then?

X

PA DSH

time frame for conversation? MH says no.
need to close out or get options. Sec w/ have
conversation w/ Congressman Plink (sp?)

I wasn't sure if you'd want to talk about the rest of the items or not -- pick and choose.

X

Massachusetts and Prescription Drug Benefits

This was supposed to go to Kevin for approval. Did they resolve the issue?

ready to make announcement re: what plans can do today
or tomorrow.

6.

Columbia/ HCA and Medicare HMO Withdrawals in Florida

Have there been any further developments?

7.

Provider Taxes

Update on enforcement and reg.

8.

Privatization and CHIP

Has Kevin reviewed the CHIP privatization policy?

can't commit
to anything
today.

Bob Williams to meet with them today?
Chris doesn't want to meet w/ them.

ADAPT represented last wk @ meeting.

250 people; all exits blocked.

Melissa dealing
w/ it —
CHRIS to Maria &
Public Liaison folks.

⑦ FDA & Hatch

dietary supplement
more resources or something
new; not ~~in~~ in favor
of increased reg. authority.
Romano

⑧ AIDS DAY 12/4

Director needed before this
vaccine initiative; POTUS 3

⑨ Great American Smokeout 11/19
OPM on cessation; Cynthia
AHCPR / CDC looking
States may reach their
settlements by then.
See doing it too

⑩ long term care
validation strategy; pre & in
SOTU address

RI NC
IL PA

MO - access
precedent

\$ amt analogous to RI?

Kids' Agenda, November 17, 1998

1. States Update

AZ
HI KY
VT
NM TN

- 45 plans / 42 states? Who hasn't submitted applications
- What's going on with "phase II" states
- Missouri cost sharing
- New Mexico 1115
- ~~Vermont?~~

WA
WY

effect of
copayments on
access —
URBAN — Tenn
Care eval.

15 phase II
states
medicare
denial of
svc w/o
copayment

2. Allotment issues:

- When is notice going out? (Need to hurry it)
- ~~what~~ it's coming — CHRS 11/98
- What was our final decision on when to publish allotments:

✓ In September using previous year's CPS
In late October using current year's CPS

3. Letters

screen perrou letter

- **Census letter:** Census doesn't provide health insurance for temporary workers; HCFA wants to send a letter saying that they can disregard Census income for purposes of Medicaid and CHIP. Need to assess that (a) this is legal; (b) this doesn't highlight that the Federal government doesn't offer these people FEHBP

quiet way.

- **Indian cost sharing letter:** Want to allow states to have no cost sharing for Indians in non-Medicaid CHIP programs.

AZ

reduce allotment

Issue: singling out one group kids for no cost sharing -- even if their income is higher than other kids

- What is the plan for additional letter / when is the reg going to be published??

FY 98
financial reg soon (fall?) annual report

4. Evaluations: Lots of Hill interest in this: What is the plan?

mtg 7th & 8th

5. Benefits approvals [?]: Given confusion over Virginia, like to have clarification of policy

6. Outreach: Just remind people that we've begun planning for January

state only shadow? pub change.

[FACA]
APA
financial
letter

Dingle
Hatch } 1115 Policy.
Monihan }

CHP by for next year.
A1953

Outreach initiative

- ① FDA tomorrow
- ② nursing home

genetic discrimination
executive order;
reengage.

DEPARTMENT UPDATES

11/17/98

OPM privacy
mtg.

X

Great American Smokeout Event

Event scheduled for Thursday -- update

Counter advertising
ONDCP match; CDC ads.

X

World AIDS Day

Event planning update

X

Grijalva

Will the Department be appealing the decision to the Supreme Court?

(The 9th District Court has denied HHS' request for a rehearing of the Grijalva case.

They have a very short time frame in which to decide whether to appeal their decision to the Supreme Court. Bridgett asked you to look into what the political fallout would be if they decided to appeal the decision.)

① stay ② pitch for Supreme Ct.

file QUIETLY

Authorize Justice to move for
addtl 30 day STAY to decide.

X

Tobacco settlement

HHS wants guidance on what to say to the press about recoupment efforts.

end of budget
process

X

Privatization

There are three waivers with privatization issues: AZ, FL, and WI. What is the status of these waivers?

rather than
beginning.

(Bruce would like to have a meeting on this soon.)

X

Foster Care and Medicaid

Medicare Commission

General update. 12/2 - 12/3

⊗ Home Health PPS
owe report to
Congress.

X

ADA Implementation

What is HHS' plan? General update.

Jennifer
Baxendale - briefing

X

Labor Department Amicus Brief

General update.

Solicitor General Squires

X

Alternative Medicine -- *** do you want to do this? I wasn't sure ***

General updates on NIH and FDA activity in this area, and around the new NIH center.

CHRIS
P.
larger
NYT stories.

X

New York and Medicaid Enrollment

General update. Did we ever figure out exactly what the State is doing in terms of application distribution? What is HHS' process around arriving at a policy?

mtg.
later in

X

Massachusetts Update

The plans are supposed to have their information in today.

Does HCFA have information as to where they will end up?

week --
we are NOT

sure that

Harvard plan; wants foundation
BCBS this is just NY.

FDA issues & RICH.

③-6

Conference call w/ Gary
larger mtg later.

Tom
Piley

ASMB KFA
DOL
ASL

DEPARTMENT UPDATES

November 24, 1998

X DOL Amicus brief. *Best article*
unit on remedies.

X World AIDS Day

X Patients Bill of Rights

X FDA Issues
OTC labeling *medguides*
pediatric labeling

X Medicare Commission

X Kids Outreach Update

We are having series of meetings in December to plan for mid Jan event. This is important for Melissa and Liz to have on their radar screen; also, we would like to get an interim report from the Interagency Task force by mid-January if it's at all possible.

7. ADA / Medicaid de-institutionalization — No. Jeanne

8. UNITE event & Bonnie

Amy Goldstein
Medicare call
center.
less than what
we estimated,
but time is 6.5

min
a
call



quality
control
data

fraud & abuse
initiative — AMA / BNA story.
IG campaign. NAMD to Miami.

Kathy to get
back to us?

~~XXXXXXXXXX~~ Jennie
groups &
Bwooley

DOL roundtable. AP

Bulletin to 30M bennies
sent 3 or 4 areas
bulletin in Spanish & resent.

HCFA: new plans getting
approved
(HMO dropping)

Jeff Copeland

DEPARTMENT UPDATES
December 1, 1998

WSJ Journal?
Dor brief—
What can we
say—go talk
to Dor

~~1.~~ **World AIDS Day event**
Update folks and thank them for their help.

2. **Medicare Commission**

~~3.~~ **PBOR Event**
Explain that the event has been downgraded to a meeting with Daschle on Wed. Ask about IG letter status; can we release it tomorrow?

~~4.~~ **Stem Cell Hearing** What can we say? ETHICS

5. **Tobacco recoupment efforts**
We should find out where the Dept is in their internal discussions on this.

~~6.~~ **Taxes and donations**
We should find out where the Dept is in their internal discussions on this.

DOL health education event:
launching campaign; ongoing health education—
caring about health benefits—
major life events when we care about
health
what does HHS ready to go?
have

AIDS this \$ is part of the budget
NEW announcement relative new the \$s—
but not new \$ amount.

11-25-98

98 NOV 25 11:53

THE WHITE HOUSE
WASHINGTON

November 24, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

copied
Reed
Kagan
Podesta

*Goodling
argument
to
2000*

1. Education -- GAO Report on Goals 2000: Pursuant to a request from Congressmen Goodling, Hoekstra, and Riggs, the GAO issued a report last week on the implementation of Goals 2000. The findings of the report were very positive. The GAO found that states and school districts use Goals 2000 funds for a wide range of reforms based on high standards -- for example, to develop academic standards, update curriculum frameworks, provide professional development, and support technology acquisition and training. The GAO also reported that most state and local officials believe that the funding design in Goals 2000 is sufficiently flexible, and that many fear that proposals to fold Goals 2000 into a block grant will lead to a reduction in overall federal support of education reform.

X

2. Education -- Class Size Implementation: After consulting with governors, mayors, state and local education officials, and members of Congress, the DPC and Department of Education have decided to issue guidance within the next month on the use of class size reduction funds. The guidance will give communities maximum flexibility in using the funds so that they can sensibly deal with local conditions, such as a scarcity of classroom facilities or qualified teachers. At the same time, the guidance will ensure that the states and school districts focus on our goal of reducing class size in the early grades and hire a critical mass of new teachers for the next school year. In issuing this guidance, we are rejecting the recommendation of Congressman Goodling to forego all federal guidance until Congress determines whether to extend the class size initiative beyond the next fiscal year. We have told Goodling that the guidance will spell out both the current funding commitment and our intent to seek its extension.

3. Education -- Rand Study of State Education Reforms: The National Education Goals Panel last week released a study it commissioned from the Rand Corporation on education reform strategies in North Carolina and Texas. The Panel selected these two states because of their strong records of improving student achievement: they had the largest average gains on NAEP reading and math assessments from 1992-1998, comparable gains on state achievement tests, and particular success among minority students. The study attributed success in these states to the kinds of education reform strategies that you have promoted. The study particularly noted the states' efforts to (1) set clear and demanding grade-by-grade academic standards for all students, (2) measure students against these standards each year,

X (3) hold schools accountable for results by rewarding success and intervening in low-performing districts, (4) increase local flexibility, (5) and target resources to schools with disadvantaged students.

4. Education -- ESEA Reauthorization: We are working with the Education Department to develop an ESEA reauthorization proposal for transmission to Congress in the first few months of next year. We are trying to ensure that the proposal maintains a strong focus on helping students reach high standards and that it improves on current law by more effectively ensuring that program funds support best practices, providing stronger accountability for results, and more vigorously promoting public school choice. As part of this standards-based effort, the proposal will place greater emphasis than does current law on improving the quality of teaching, especially in high-poverty schools. We are also working to ensure that positions you previously have taken on strengthening bilingual education and the Safe and Drug Free Schools Program are fully incorporated into the reauthorization proposal. The Department is currently behind schedule in formulating its proposals, but we hope to make all major policy decisions by Christmas.

5. Children and Families -- Adoption Registry: You and the First Lady will take part in an event on Tuesday to celebrate National Adoption Month, at which you will release an executive directive to HHS to expand the use of the Internet as a tool to find adoptive homes for the 100,000 children waiting in foster care for adoption. Under the directive, Secretary Shalala will report back to you in 60 days with a plan to develop this national Internet registry. The White House event will also serve as the venue for D.C. Adoption Day, an annual event in which the D.C. Superior Court finalizes a number of adoptions. About 20 new adoptive families from D.C. will attend the event.

6. Children and Families -- Violence Against Women: The National Institute of Justice and the Centers for Disease Control released a report on Tuesday showing disturbing rates of violence against women. The report found that 52 percent of women surveyed had been physically assaulted in their lifetime, with physical assault defined to include behaviors ranging from slapping and hitting to the use of a gun. This finding suggests that about two million women are physically assaulted annually in the United States. In addition, 18 percent of women surveyed said that someone had raped or attempted to rape them; of these women, 54 percent were under 17 years old when the rape attack occurred. Finally, the survey found that violence against women is primarily partner violence: of women who were raped or physically assaulted after the age of 18, more than 75 percent suffered at the hands of a date, cohabiting partner, or current or former husband.

7. Health -- Massachusetts HMOs: After HHS allowed Massachusetts HMOs participating in the Medicare program to revise their benefit packages (in response to Senator Kennedy's request and in order to prevent withdrawals from the program), the plans all chose to provide limited prescription drug benefits, with maximum payout provisions of between \$300 and \$800. As you recall, all but one of the HMOs had announced that they would

provide comprehensive drug benefits if the remaining HMO -- the Harvard Community Health Plan -- agreed to go along; Harvard, however, refused this offer, and all plans then decided to offer only a limited drug benefit. Although the HMOs are taking a public relations beating, they probably will hold to this position. Perhaps surprisingly, no one is criticizing HHS's decision to allow the plans to modify their benefit packages; apparently, most people understand that without this action, plans would have withdrawn entirely from the Medicare program.

8. Health -- Embryonic Stem Cell Research: Your National Bioethics Advisory Commission (NBAC) responded on Friday to your request that it consider the ethical, medical, and legal concerns arising from the fusion of a human cell with a cow egg. The letter stated that any attempt to create a child through this technique would raise "profound ethical concerns" and should not be permitted. It also expressed ethical concerns about the technique if it results in a human embryo, even if there is no attempt to bring that embryo to term. The letter suggested, however, that if the technique does not produce a human embryo, ethical concerns are at a minimum. The letter said that there is insufficient scientific information currently available to determine whether this technique in fact produces a human embryo. We and Neil Lane are drafting a separate memo to you to explain more fully NBAC's opinion.

THE PRESIDENT HAS SEEN

12-7-98

98 DEC 5 PM 4:59

THE WHITE HOUSE

WASHINGTON

December 5, 1998

Copied
Reed
Kagan
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

X/ 1. **Health Care -- Medicare Commission:** The Medicare Commission met last week for its first serious discussion of policy options. Although the Commission continues to suffer from weak staffing, poor communication among members, and a general sense of disorganization, the staff did manage to produce an options memo that presented several proposals meriting further consideration. The memo listed a number of fee-for-service reforms, such as rationalizing the program's cost-sharing requirements. In addition, the memo presented a "premium support" program -- i.e., a program that both defines a set of benefits and sets the government's contribution. (Henry Aaron and Bob Reischauer have advocated a similar proposal.) Many of the Democrats believe that a premium support approach, if done correctly, could inject more market competition into the Medicare system while providing a vehicle for establishing a prescription drug benefit. In addition to discussing this options memo, the Commission members also considered a set of principles that Congressman Dingell devised (with our assistance) to guide future consideration of policy options. The Democrats on the Commission (including Senator Breaux) responded favorably to these principles, and they may serve their intended goal of ensuring that Breaux does not endorse an option wholly unacceptable to other Democrats.

X/ All this generated positive momentum at the meeting, but the challenges facing the Commission remain enormous, especially if it hopes to reach its tentative goal of making final decisions next month. The Commission members are finally coming to recognize the scope of the Medicare financing problem, and to realize that more than program savings will be necessary to significantly extend the life of the program. The Commission probably will respond either by scaling back its ambitions (for example, aiming to keep the program solvent for only another 10 or 12 years) or by proposing to inject new funds into the program. We will continue to monitor the progress of the Commission, as well as respond to Democratic members' requests for assistance, as the Commission continues its efforts.

2. **Health Care -- Medicare Fraud and Abuse:** HHS Inspector General June Gibbs Brown released a report last week finding that the program managers that HCFA hires to reimburse Medicare providers are generally ineffective in detecting fraud and abuse. The report is only the latest in a series of reports the IG has issued criticizing HCFA's efforts to eliminate fraud and/or calling on Congress to give HCFA additional statutory authority in this

area. In an event now scheduled for Monday, you can counter these reports by unveiling a set of legislative proposals and administrative measures to make HCFA's anti-fraud efforts more effective. The legislative proposals are similar to those we introduced in Congress last year, and should result in savings of about \$2 billion. The new administrative measures include a plan to contract with a special set of fraud investigators, rather than use the normal program managers, to identify fraud in the program. Most of these initiatives respond directly to the IG's recommendations, and we expect her to give them strong validation. We also anticipate that aging advocates, such as AARP and the National Council of Senior Citizens, will receive the initiatives favorably.

3. Health Care -- National Toxicology Board Recommendation: The National Toxicology Board of Scientific Counselors recommended on Wednesday that the Secretary of HHS classify alcoholic beverages as a known human carcinogen. Although the scientists acknowledged that moderate consumption of alcohol may produce some health benefits, they concluded that cancers of the mouth, pharynx, larynx, and esophagus are sufficiently linked to alcohol consumption as to compel this classification. The Board's recommendation will come to Secretary Shalala for decision in the spring of 1999. As you know, she rarely overturns a recommendation made by a scientific body. A decision to classify alcohol as a carcinogen will not prompt any other regulatory action. The only effect of the decision will be to list alcohol in HHS's ninth Report on Carcinogens, a congressionally-mandated publication designed to inform the public and regulatory agencies about substances linked to increased rates of cancer. In the wine, beer, and liquor industry, however, even this action will provoke intense displeasure.

4. Health Care -- Stem Cell Research: The Senate Appropriations Subcommittee on Health held a hearing on Wednesday to explore the medical, ethical, and legal issues raised by recent developments in stem cell research. Participants in the hearing devoted considerable attention to the medical potential of this research, noting that it may reduce the need for transplantable donor organs and suggest new treatments for Parkinson's, Alzheimer's, spinal cord injury, stroke, burns, heart disease, diabetes, osteoarthritis, and rheumatoid arthritis. Participants in the hearing also discussed whether and how the current ban on federal funding of human embryo research applies to stem cell experiments. Senators on the panel appeared deeply divided on this question. The Administration took no position on the issue in its testimony; Harold Varmus simply testified that the HHS General Counsel's office had not yet completed its review of the question. We expect, however, that the General Counsel soon will conclude that federal funding for at least some (but probably not all) stem cell research techniques is legal. When we get a more complete sense of the scope of this legal ruling, we will work with OSTP and HHS to present you with appropriate options.

5. Consumer Protection -- Toxic Toys: The Consumer Product Safety Commission released on Tuesday the most comprehensive report to date on the potential health risks to children from teething, rattles, and toys containing chemicals called phthalates that are used to soften plastic. The report concludes on the basis of currently available data that children

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using these products are not exposed to phthalates at levels that might be harmful; the report, however, also identifies several areas where additional scientific research is necessary. In keeping with these findings, the CPSC decided not to ban these products, but it did successfully encourage a large number of manufacturers and retailers to discontinue their sale.

Chrysler
We are working with CEQ on ways to support the CPSC's continuing research on phthalates. We also have drafted a letter for your signature to about 20 Congressmen concerned about this issue; among other things, the letter assures the Congressmen that the Administration will not attempt to discourage other nations from banning these products.

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6. Political Reform -- Gore Commission: The Gore Commission is now on schedule to release its report on December 18. As we have discussed, the report will fall short of what you had hoped for: it will content itself with announcing a voluntary commitment by broadcasters to provide five minutes of free TV for political discourse between 5:00 p.m. and 11:35 p.m. in each of the last thirty days of a campaign. Although Norm Ornstein agrees with you that the report does not go as far as it should, he believes that he has pushed the Commission members as far as possible. Ornstein also told Paul Weinstein of our staff that the press and even the reform movement will treat the broadcasters' voluntary commitment of free TV time as a major victory; he said, for example, that Paul Taylor is pleased with the agreement. We believe you should issue a statement when the report is released, encouraging the broadcasters to implement their commitment in a timely manner and suggesting that we will take all available steps to enforce it (or another free TV time proposal) if they do not. We expect Senator McCain to hold hearings on the report early in the next Congress and to send much the same message.

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7. Abortion -- New CDC Report: The Centers for Disease Control reported on Thursday that the number of legally induced abortions increased by 0.9 percent between 1995 through 1996, to a total of 1,221,585. This change in the number of abortions may have resulted simply from variations in reporting by state health departments. Alternatively, it may indicate that the number of legal abortions in the United States is stabilizing after a pronounced decline in the first half of this decade. As you may recall, between 1990 (the year in which the number of reported abortions was highest) and 1995, the number of legally induced abortions decreased by a full 15 percent. Even with the slight increase in the number of abortions in 1996, the national abortion rate did not change; at 20 per 1,000 women of reproductive age, it continues to be at its lowest point since 1975.

8. Crime -- COPS Program: The COPS Office will announce on Thursday about \$77 million in grants to over 30 local law enforcement agencies through the COPS MORE (Making Officer Redeployment Effective) program. As you know, COPS MORE helps law enforcement agencies purchase equipment and hire support staff so that existing officers can be reassigned to community policing duty. These grants will assist in the redeployment of over 3,800 officers.

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THE WHITE HOUSE
WASHINGTON

March 1, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Jan

1. Health Care -- Prescription Drug Benefit: Senator Breaux is talking with Laura Tyson and Stuart Altman about incorporating a prescription drug benefit into his Medicare proposal, but they remain far from reaching any agreement. Laura and Stuart are demanding that the benefit be available to all Medicare beneficiaries, whereas Senator Breaux is limiting the benefit to beneficiaries in private health plans plus (perhaps) low-income beneficiaries in the fee-for-service program. Laura and Stuart have pointed out that Breaux's approach would fail to provide millions of beneficiaries in rural and other areas that will not attract private health plans with any access to a drug benefit; the two also believe that effective price competition between the fee-for-service program and private plans can occur only if they offer the same benefits. In response to Breaux's request, Laura and Stuart are developing their own drug benefit proposal; we expect the plan to offer an optional benefit with a 50 percent subsidy of the premium (as compared to the normal 75 percent subsidy), a \$300-500 deductible, and a 25 percent copayment. You should be aware that your comments last week about prescription drug benefits made many Democrats fearful that you would endorse the Breaux approach to this issue. (You seemed to indicate that not all beneficiaries needed to have access to this benefit.) In response to questions, we construed your remarks as meaning only that the benefit should be optional, so that beneficiaries who already have good drug coverage could decline it.

2. Crime -- Assault Weapons Report: The Justice Department released on Monday a report from the National Institute of Justice on the impact of the 1994 assault weapons ban. The report's findings are limited because of a short study period, but are generally quite encouraging. The study estimates that murder rates declined by 6.7 to 10 percent in the year following the ban's enactment after controlling for other factors, such as pre-existing state assault weapons bans, juvenile handgun bans, California's three-strikes law, and New York's quality-of-life policing. The study also indicates that criminal use of assault weapons decreased by 20 percent in the first year after the ban (as compared with 11 percent for all guns), as reflected in declining law enforcement requests for ATF traces. Finally, the report notes that no police officers died as a result of assault weapons in the year after the ban, while such weapons were involved in 16 percent of all killings of police the year before. The report notes, however, that such police killings are extremely rare to begin with and that it is difficult to draw firm conclusions about this data.

Def | **3. Crime – Diallo Shooting:** You asked last week about the recent shooting of Amadou Diallo. Four white officers of the New York City Police Department shot Diallo, an immigrant from Guinea, in front of his apartment building in Harlem. A total of 41 shots were fired, and Diallo died at the scene. The officers did not find a weapon on or near Diallo. The four officers were part of a specialized street crime unit reportedly searching for a serial rapist. The Department of Justice's Civil Rights and Criminal Divisions, the FBI, and the U.S. Attorney for the Southern District of New York are all working closely with the Bronx District Attorney's Office on the investigation; in addition, the Community Relations Service has conducted conciliation services in the neighborhood. The Department is also now considering whether to expand an ongoing investigation of whether the New York Police Department has engaged in a "pattern or practice" of police misconduct; the U.S. Attorney for the Eastern District of New York is leading this inquiry, and the City is cooperating with it. Finally, we are working with the Justice Department to develop a set of policy initiatives addressing this issue, mostly involving police recruiting and training, for inclusion in the crime bill we will unveil later this month. We are attaching an op-ed by Bill Bratton, which appeared in the New York Times this weekend, offering a similar set of proposals.

4. Education – NAEP Reading Scores: The National Center for Education Statistics will release on Thursday a report showing state-by-state reading scores on NAEP between 1994 and 1998. As you recall, the Vice President and Secretary Riley recently announced the national scores from this report, which showed small but statistically significant gains in reading among 4th, 8th, and 12th graders. The state-by-state data is still being compiled, but the Education Department expects that most states will show improvements during this four-year period. Secretary Riley will hold a press conference in Washington, D.C. to highlight the results, and the Vice President will highlight New York and Connecticut scores in an event in New York City.

5. Education – Report on Title I: The Department of Education released on Monday a Congressionally mandated report on the Title I program. The report found that academic achievement in high-poverty schools has improved, largely as a result of reforms made in the 1994 ESEA reauthorization: for example, math scores for fourth graders in the highest-poverty schools have improved by almost one grade level, and reading scores for those students have also improved significantly. The report found, however, that a substantial gap between high-poverty schools and other schools remains: the percentage of high-poverty 4th grade students who met the basic performance level was only about half the national rate on NAEP reading tests and two-thirds the national rate on NAEP math tests. We released a statement from you welcoming the positive results, but urging stepped-up efforts to improve these schools, in particular by passing your Education Accountability Act and class size initiative.

6. Welfare – Working Families in Poverty: The research group Child Trends issued a report on Thursday on working poor families. The report, based on 1996 census data, found that children of working parents were seven times less likely to be poor than children of non-working parents. Only 9 percent of children whose parents work were poor, compared to 63 percent of children with non-working parents. The report also found, however, that work does

not guarantee an escape from poverty: the study found that fully 35 percent of poor children have working parents. In making this calculation, the report used the official measure of poverty, which does not include as income the Earned Income Tax Credit or non-cash supports such as Food Stamps. Many analysts have pointed out how EITC and Food Stamps provide families with resources to move above the poverty line. The CEA has reported that the EITC lifted 4.3 million people out of poverty in 1997 and that over half the decline in child poverty between 1993 and 1997 resulted from changes in the EITC and other taxes. The Center on Budget and Policy Priorities has calculated that a family of four can reach the \$17,100 poverty line through a full-time minimum wage job (\$9,800), the EITC (\$3,700), and Food Stamps (\$3,600).

7. Community Empowerment -- Yankee Stadium: As you requested, we contacted Congressman Rangel about his interest in preserving Yankee Stadium and keeping the Yankees in the Bronx. Rangel appears to want help in identifying funds to improve transportation access (both highway and rail links) to the stadium and promote commercial development in the surrounding area. He is not asking for funds to help rehabilitate the stadium. We will discuss with OMB, NEC, and HUD how we can best address this request.