

PHOTOCOPY PRESERVATION

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Medicaid Games

By Paul Offner

WASHINGTON
Having failed to guar-
antee health care for
all Americans, the
Clinton Administra-
tion is pushing an-
other strategy to ex-
pand coverage — one that doesn't
require Congressional approval. This
well-intentioned effort has led to fis-
cal gimmickry that allows governors
to cover more of their uninsured by
raiding Medicaid, the program that
provides medical care for the poor.
The states have long been allowed to
test new ways of running social service
programs as long as costs aren't in-
creased. The Administration is using
this authority to let them extend Med-
icaid coverage — the cost of which is
shared by the states and Washington
— to people whose incomes are above
the welfare level.

State plays for Federal money.

The Administration began the pro-
gram even before its health care
reform foundered. In 1993, Tennes-
see was given permission to provide
Medicaid coverage for most of its
uninsured — around 500,000 people.
To offset the cost, all the recipients
are being enrolled in managed-care
plans. This, the state maintains, will
keep costs from rising.

More recently, nine other states
have received similar waivers, which
could eventually add 2.4 million indi-
viduals to the Medicaid rolls. And 14
more states have applied. If they all
get approval, half the states will be
covering some of their uninsured.

The problem is that the states'
claims that costs won't rise are a
sham. The savings that come from
switching to managed care have
been modest and will continue to be.
Besides, most states are moving to-
ward managed care anyway; they

Paul Offner is a legislative aide to
Senator Daniel Patrick Moynihan,
Democrat of New York.

would save this money whether they
got the Federal waivers or not.

Moreover, many states grossly
overstate their current costs so that
they can get more Federal money
while claiming to hold expenses
down. Hawaii, Rhode Island, Ken-
tucky, and Ohio have been allowed to
include the cost of covering people
they could have been serving but
were not, such as uninsured children
and pregnant women who are not on
welfare and whom states have the
option of helping or not.

The General Accounting Office is
not impressed. It reported that in
just four states, the initiatives could
cost "hundreds of millions of addi-
tional Federal dollars." And once
these people have coverage, it will be
nearly impossible to take it away.

These ploys by the states are part of
the larger problem of Medicaid abuse.
The program has become a giant
slush fund that governors use to bal-
ance budgets or to free up money for
other programs. Although Medicaid
costs are supposed to be shared, many
states have found ways to get more
Federal dollars at little or no cost to
local taxpayers. One approach used in
the past is for a state to enact a new
tax on hospitals, add the revenue to its
Medicaid budget, demand Federal
matching funds and then reimburse
the hospitals for the tax by paying
them higher Medicaid rates.

"We're funding our judicial system,
our highway program and everything
else out of a Medicaid loophole," said
Douglas Hall, a Republican legislator
from New Hampshire. Richard Kus-
serow, a former inspector general in
the Department of Health and Human
Services, said, "The Medellin drug
cartel could learn a lot about money
laundering from the states."

Worse, by giving states the Medic-
aid waivers, the Administration has
played into the hands of Republicans
who favor eliminating Federal over-
sight and giving states block grants to
use as they please. The danger of
this plan is that the money could run
out in the middle of a recession, and
low-income people could go without
services altogether.

It is important that we keep the
individual entitlement alive. But the
Administration must also reform the
waiver process to allow for Federal
oversight of the states claims that
costs are staying level. Covering the
uninsured will cost money; sleight-
of-hand won't help.

Jo
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Black Point Inn

PROUTS NECK, MAINE 04074

Lively Arts

~~Mania~~

✓ 1. Phyllis L. ~~Does~~
~~@ 8:30 227~~

Wed? off 3/3³⁰?

Letta
Jenny

Thurs 8³⁰ → Wed 8³⁰

504-286-0935

✓ 2. Clare Gonzalez If a drug
drug abuse

Smoking + ADA - inquiries - to report

Ellen Vargas

663-7199

wasn't come up
Not aware of change

Don't worry re a few days

✓ 3. Ellen & Paul D: Title + address

212-801-1502

✓ 4. Jan Fisk - NAcademy - Portland
Fax 207-874-6527

need reimb reg.

207-874-6524

✓ 5. Marvin K - re HVD 6. 7903

TELEPHONE (207) 883-4126

✓ 6. Susan Emmer - HHS legis

Wetburn 9/5/95

Jammed up on w issues

Gov the pos - not conf w/ what DSent

Ask POS to recon; faxed WH

Havent heard; find out; intend to respond

Surprised how came down

happy to the more re m.gd.

reconers - 2 DS calls; approved ex...

Lovers not haters; Sad

"Might talk a little bit..."

In a couple ideas det & pre DS pulled plug on conversation
dd talk in a private way; receptive; will be there Tom. in D.C.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUL 29 1995

Cc Carol
Brice

From Diane

The Honorable William F. Weld
Governor
Commonwealth of Massachusetts
Statehouse
Boston, Massachusetts 02133

Dear Governor Weld:

Thank you for your letter of July 21, 1995 regarding the Massachusetts welfare reform demonstration proposal and seeking an early approval of your waiver request.

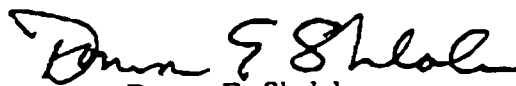
As you know, the President and I strongly support state flexibility in testing new approaches to welfare reform. We support tough but fair welfare reform in which time limits and strengthened work requirements serve as incentives to work, and the services necessary to encourage and support work, such as child care, are provided. Certainly, anyone who can work should work. Anyone who refuses to look for work or accept a job should not receive assistance. But this approach, in our view, also requires fair treatment for those who play by the rules and who, through no fault of their own, fail to secure employment or lose a job.

It is my understanding that the central issue that remains to be resolved relates to the structure of the time limits. In approving numerous demonstration proposals in every part of the country, we continue to adhere to the principles that, under time-limited welfare, children should be adequately protected and adults who are making a good-faith effort to work should not be penalized. Time limits must be designed in a way that assures these principles.

In the past, we have been able to resolve similar issues successfully with governors of both parties seeking to implement welfare reform. It is my hope that we can proceed in the spirit of cooperation that marked the discussion leading to approval of the Massachusetts Medicaid waiver and that has characterized our approval of 33 welfare reform demonstrations in 29 states. I know that both our staffs will continue to work diligently and expeditiously to address remaining issues. Upon their resolution, the Department of Health and Human Services will move quickly to issue a final decision on your request.

Again, thank you for your letter.

Sincerely,


Donna E. Shalala



THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

(617) 727-3600

WILLIAM F. WELD
GOVERNORARGEO PAUL CELLUCCI
LIEUTENANT-GOVERNOR

VIA FAX -- COPY BY SURFACE MAIL

August 2, 1995

The Honorable William Jefferson Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I am writing to follow up on our brief conversation in Vermont on Monday concerning the Commonwealth's pending welfare reform waivers and also to respond to Secretary Shalala's letter to me of July 29th.

As you pointed out in your April 11th letter to one of our mutual constituents in Lynn, Massachusetts, "Welfare should be a transitional program". I agree and for that reason feel unable to accept a reform which does not hold to that straightforward principle.

As you know, Massachusetts has always had one of the nation's strongest commitments to assisting at-risk populations. Our AFDC benefit is among the highest in America, our Medicaid investment is near the top and, on a per capita basis, we invest more in subsidized child care than any other state. We have no intention of moving back from our willingness to assist our citizens in search of self-sufficiency.

As you suggested in your remarks in Burlington, the apparent major stumbling block in the waiver negotiations has been the question of conditions under which recipients are permitted to continue in the program.

It is worth noting that under our plan, a first time mother who joins the AFDC rolls during her third trimester will be eligible for 48 to 50 months of benefits prior to the expiration of her time limit, because under our plan the 24-month clock does not begin running until the youngest child is two years of age. For an able bodied individual who is capable of work, four years on welfare ought to be enough. I suspect you agree that as policy makers we should put in place, now, a program that does call for the end of benefits at some point.

As you may or may not have been advised, during our negotiations we have agreed to a provision that will result in extensions being given to recipients in counties where extended unemployment at 10% or more makes successful job searches more challenging.

Further, we have agreed to special provisions under which extensions can be given where recipients "demonstrate circumstances that temporarily prevent the individual from being competitive for employment opportunities" or where individuals have "encountered unique personal life disruptions that make a required immediate entrance to the job market unreasonable".

Finally, our plan authorizes the Commissioner to grant extensions in any other instance where significant hardship is apparent.

We all share your concern about the need for appropriate supports for families, but at the same time I cannot shake the feeling that as we reform the welfare system, we must remove the perverse incentives that trap generation after generation in a terrible situation.

Our statute -- which, as you know, passed with overwhelming bipartisan support -- 31 to 3 in our Senate and 133 to 21 in our House -- does not provide for (nor should it) another layer of bureaucratic paternalism at a time when we should be stressing straightforward, unambiguous, personal responsibility. We have not expected enough of welfare recipients in the past. The consequence is a system that I believe you and I both want to end.

Individuals who know they will have to work will be motivated in a very different way than individuals who will have access to indefinite extensions by indicating that a job is not available or is just out of reach.

I was pleased that you have moved waiver approval to a 30-day process in your Administration and I hope, now, that our waiver -- which has been at HHS for more than four months -- will be expeditiously approved.

The Commonwealth is anxious to go forward with the nation's broadest reform to date, and I look forward to this partnership with you in authorizing its implementation.

Respectfully,



William F. Weld
Governor



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

AUG 4 1995

The Honorable William F. Weld
Governor of Massachusetts
Boston, Massachusetts 02133

Dear Governor Weld:

The President has asked me to respond to your letter of August 2, 1995. Today I have approved waivers that enable Massachusetts to implement its Welfare Reform '95 demonstration. My approval is for a demonstration that comports with terms and conditions that are being transmitted to Secretary Whitburn by Assistant Secretary Bane.

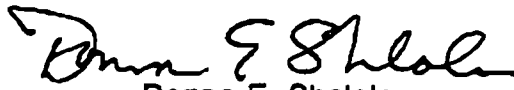
The terms and conditions governing my approval of Massachusetts' demonstration are consistent with those I have approved for demonstrations of time-limited AFDC in 17 other states. As in these other states, these terms and conditions give Massachusetts the green light to implement tough but fair welfare reform. They would permit Massachusetts to impose tough work requirements and tight time limits, while strengthening incentives to work and providing necessary child care. Individuals who fail to diligently look for work, who refuse to accept a job, who quit a job, or who are fired for cause would not be eligible for assistance. But similarly, under these waivers, those who diligently pursue work but are unable to find it through no fault of their own will receive transitional assistance while being subject to stringent work and work search requirements.

These waivers are consistent both with your goals for welfare reform in Massachusetts and with the principles that guide this Administration's approval of welfare reform demonstrations. As you know, we have reached agreement on strict work requirements, a family cap, and live at home and stay in school provisions for minor mothers.

Page 2 - The Honorable William F. Weld

It is my hope that you will accept the terms and conditions under which I am approving your demonstration. In so doing, I believe that you would be acting consistently with a principle with which I know you agree--that true welfare reform is about protecting children and about strengthening families by moving parents from welfare to work.

Sincerely,



Donna E. Shalala



FAX TRANSMISSION

U.S. Department of Health and Human Services
Office of the Secretary

To: Bunce Reed Diana Fortuna

Organization: _____

From: John Monahan _____
Intergovernmental Affairs

Date: 8/7/95 _____

Intergovernmental Affairs
200 Independence Ave., SW
Room 630 F
Washington, DC 20201
phone: (202)
fax: (202) 690-5672

Recipient's Fax Number: 456-7028

Number of pages including this sheet: 8

Remarks:

DE
I'll try to
get cleaner
copies of
these from
the library
-JRM.

"As in those other states, these terms and conditions give Massachusetts the green light to implement tough but fair welfare reform," Shalala said.

Under the federal condition, Shalala said, "those who diligently pursue work but are unable to find it through no fault of their own will receive transitional assistance while being subject to stringent work and work search requirements."

Shalala said her letter was in response to one that Weld wrote to the president and publicly released earlier this week, to urge approval of Massachusetts reform plan. The administration must seek a waiver for the plan because it conflicts with the federal welfare law.

A Clinton administration official said no state has ever turned down a welfare waiver. In spite of the rejection, negotiations between federal and state officials are expected to continue — although there is little

collect welfare, and get endless exemptions from the two-year limit, not ending welfare as we know it," said Cellucci. "It's three very important sentences that make the difference in terms of whether there is a real incentive for people to go to work."

Cellucci said he and Weld, who left the State House early yesterday to campaign in Maine for presidential candidate Pete Wilson, will ask Clinton to reconsider the waiver request.

If federal officials refuse to budge, Cellucci indicated he, Weld and state Health and Human Services Secretary Gerald Whitburn, who has been the administration's lead negotiator, would be willing to forgo a waiver and instead work with Republicans in Congress for reforms that would dole out welfare funds in the form of block grants and free states to design their own programs.

Federal and state officials had

receiving welfare to continue high school or GED programs and to live at home or some in other supervised setting.

Some Democratic state senators, including Murray and two others who in the past sided with Weld's hard-line approach to welfare, called on Weld to accept the waiver offer yesterday, although they had not seen the final language.

"This is a very tough document. My colleagues and I are ready to stand on the other side of this," Murray said.

Sen. James P. Saluga (D-Barnstable) said while he has not seen the final language as drafted by federal officials, "I think this will be what we set out to accomplish."

Rejecting the waiver, Saluga said, is "the wrong thing to do. It's taking on a different face now, a political face, frankly, on the part of the governor."

MOVING
SCHOOL
DAZE

How to get your
children ready for that fateful
first day of school.

WIRE
How the
alteration
changed
altered

Plus: A full-color action photo of Sox star Erik Hanson

TEL NO.

Jan 02/92 21:24 P.01

Red Sox win — Page 65

8/5/95

Globe

WEAK END

Saturday: Mostly cloudy, 14-21
Sunday: Cloudy, 10-17
High tide: 6:53 a.m. / 6:17 p.m.
Full report: Page 16

Mass. rejects US waiver

Red Sox win - Page 65

Globe

WEAK END

Saturday: Mostly cloudy, 74-81

Sunday: Cloudy, 72

High tide: 6:33 a.m. / 6:17 p.m.

Full report: Page 16

Mass. rejects US waiver on welfare

Cellucci says federal 'loophole' would gut state overhaul plan

By Doris Sue Wong
GLOBE STAFF

The Weld administration yesterday rejected a federal waiver that would have allowed Massachusetts to begin implementing its sweeping welfare overhaul plan, saying that buried in the fine print of the waiver is a "huge loophole" that would let some people stay on welfare indefinitely.

Gov. Paul Cellucci blasted the terms of the waiver - and the announcement that the Massachusetts plan had been approved - as a Clinton Administration "PR gimmick that we are not going to fall for."

The offending language - three lines in the 43-page waiver document - had already been reviewed and rejected by the Weld administration last weekend, Cellucci said.

"Why do you send out a letter saying it's approved and then attach conditions that we've already rejected?" asked Cellucci. "It's certainly bizarre and it's also very bizarre."

But other welfare reform advocates say it is Weld and Cellucci who are playing politics, needlessly delaying the launch of the reforms. Similar waiver language has been ac-

cepted by 17 states.

"If they reject this, they are not serious about welfare reform," said Sen. Thomas Murray (D-Falmouth), a major architect of the reforms.

The dispute revolves around the insistence by Clinton Administration officials that one key feature of the Massachusetts plan - a strict two-year limit on benefits - be refused to allow exemptions from the limit for those willing but unable to find work.

The change would require the state to give recipients of Aid to Families with Dependent Children - the largest welfare program - extended benefits if the recipient has been actively looking for a "suitable" job but has been unable to find one.

Jobs that would be considered unsuitable include those that pay less than a person would receive in welfare cash benefits, require a commute of more than 30 minutes or more than 3 miles by foot, or become available as a result of a strike or walkout.

In a letter to Gov. Weld yesterday, US Health and Human Services Secretary Donna Shalala said 17 other states whose welfare reform proposals were approved had accepted

lals said, "those who diligently pursue work but are unable to find it through no fault of their own will receive transitional assistance while being subject to stringent work and work search requirements."

Shallala said her letter was in response to one that Weld wrote to the president and publicly released earlier this week, to urge approval of Massachusetts reform plan. The administration must seek a waiver for this plan because it conflicts with the federal welfare law.

A Clinton administration official said no state has ever turned down a welfare waiver. In spite of the rejection, negotiations between federal and state officials are expected to continue, although there is little

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Cellucci said he and Weld, who left the State House early yesterday to campaign in Maine for presidential candidate Pete Wilson, will ask Clinton to reconsider the waiver request.

If federal officials refuse to budge, Cellucci indicated he, Weld and state Health and Human Services Secretary Gerald Whitburn, who has been the administration's lead negotiator, would be willing to forgo a waiver and instead work with Republicans in Congress for reforms that would dole out welfare funds in the form of block grants and free states to design their own programs.

Federal and state officials had

who in the past sided with Weld's hard-line approach to welfare, called on Weld to accept the waiver offer yesterday, although they had not seen the final language.

"This is a very tough document. My colleagues and I had really to stand on the other side of this," Murray said.

Sen. James P. Walsh (D-N.H.) said while he has not seen the final language as drafted by federal officials, "I think this will be what we set out to accomplish."

Rejecting the waiver, Cellucci said, is "the wrong thing to do. It's taking on a different face now, a political face, frankly, on the part of the governor."

LOOKING FOR A CHALLENGE?

SCHOOL DAZE

How to get your mind ready for that intense first day of school.

How the attack on the environment has changed altered

Plus: A full-color action photo of Sox star Erik Hanson

BOSTON

\$5 BOTTLE

50 cents outside 50-mile zone

★★★

Saturday, August 5, 1995

Weld: I

Gov rejects White House con

By ANDREA ESTES

The Weld administration rejected a White House welfare reform compromise yesterday, charging it contained a "huge loophole" that would

allow some recipients to stay on welfare forever.

"It's a huge loophole that allows people to get endless exemptions," said Lt. Gov. Paul Cellucci, referring

**House OKs
phone, cable,
TV overhaul**



TEL NO.

Jan 02/92 21:13 P.01

Mass. rejects US welfare waiver

Cellucci cites federal 'loophole'

WELFARE
Continued from Page 1

similar provision.

"As in these other states, these terms and conditions give Massachusetts the green light to implement tough but fair welfare reform," Sheala said.

Attorney General Robert M. Sheala said the federal condition Sha-

eala cited on the other side of further willingness to compromise.

"It's a condition that will basically allow someone to ... continue to collect welfare, and get endless exemptions from the two-year limit, not ending welfare as we know it," said Cellucci. "It's three very important sentences that make the difference in terms of whether there is a

previously reached agreement on other major features of Massachusetts plan, which include imposing a work requirement on able-bodied recipients, barring additional cash assistance for children born into welfare, and requiring teen-age parents receiving welfare to continue high school or GED programs and to live at home or some in other supervised setting.

Some Democratic state senators, including Murray and two others

No deal!

promise as welfare 'loophole'

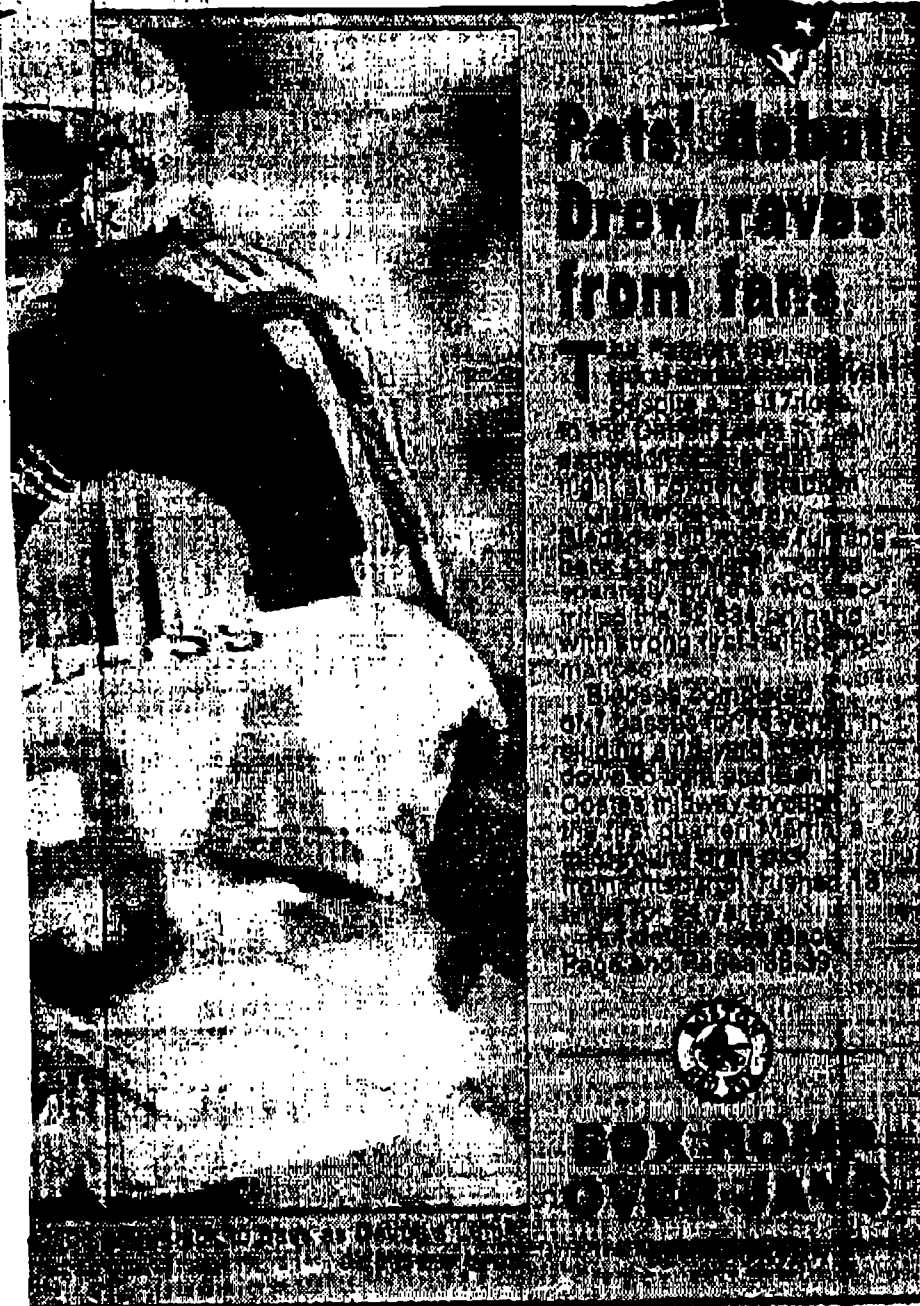
to the two-year limit on benefits contained in the state law. "We don't want reform that's not real."

But Sen. Therese Murray (D-Plymouth), a leading welfare reform ad-

vocate, charged Wold with "political posturing" to keep the hot election issue alive.

"If they're really serious about

Turn to Page 2

[illegible]

TEL NO.

Jan 02, 92 21:17 P.01

3

CHINA
Held A bomb
...
history and
many lives.

CAPE CRIME
The Bay State's
year-round crime. Find out
what kind — and why.

coupon worth 50 cents off a Mass. Megabucks ticket!

HERALD

Weld administration rebuffs White House

"These conditions would permit able-bodied welfare recipients to stay on welfare if they tend bar part-time or hold another part-time job," said Weld. "The Clinton administration is offering recipients what amounts to an endless stream of extensions,

If she refuses, he said

"If it goes through a lot of people will be hurt," said Bellamy. "I don't think it will be a good idea."

Tests apparently link Bronco b

"I still have the concern about the delay in the starting of the testing and whether or not any of

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Boston Herald

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Calling the Boston Herald

Calling the Boston Herald
Telephone 425-5000. Circulation/Customs Service 425-5100. Classified Advertising 425-4545. Educational Materials/School Delivery 425-3000, ext. 4000. All other business 425-3000.

Teen ple

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TEL NO.

Jan 02.92 21:21 P.01

THE BOSTON HERALD, SATURDAY, AUGUST 5, 1995

GOP touts well

Senate vote on bill

WASHINGTON — Senate Republicans began lining up yesterday behind legislation to dismantle the federal welfare system and give states wide latitude to design and operate their own programs. But there was still disagreement

Leader Bob Dole and publicly backed by 32 other senators, on Monday.

Dole's plan comes after weeks of wrangling within the GOP over aid to un-

of social policies.

Dole (R-Kan.) said his bill would curb welfare spending by \$20 billion over the next seven years, cut off cash assistance in families after five years and require teen-agers

4

The battle between the Clinton administration and Gov. Weld over welfare reform in Colorado ended yesterday, with Weld insisting that Clinton must grant the state final say over who would remain on welfare roles after two years.

As Senate Republicans prepare to announce their reform proposals to the House this week, Weld held a news conference at the State House and reminded Clinton of his campaign pledge to "end welfare dependency."

"Every American is entitled to welfare, but it can never be taken away," Weld said. "Welfare is not a right, free speech is another, but it can be taken away in the same terms."

"Welfare should not be permanent," he said. "It is not a right, and it should not be an entitlement."

On Friday, US Health and Human Services Secretary Donna Shalala granted the state a waiver that would allow it to dramatically overhaul the program. But Weld rejected the offer, saying it included a "huge loophole" that would keep many recipients on welfare.

Weld remained dissatisfied after a telephone consultation about the waiver with Shalala's deputy.

The governor asserted yesterday that Shalala's decision on limiting the state's freedom to end welfare and more dramatic welfare reforms before Congress.

Weld's rejection of the federal waiver leaves the

Wellfare battle looms

By Max Yelland
Editor

5

or battle with Clinton on welfare waiver

as Shalala's responsibility to
ine under what conditions the
plan could be implemented.

law would give welfare re-
s with children at least 2
ld two years to find work and
public assistance. In the
ne, most recipients would be
to do 20 hours of paid or
work each week or face re-
s in their grants - or lose
together.

er changes include: eliminat-
litional benefits for children
women already on welfare;
ng teen-age parents to live at
nd to work toward their high
diplomas; and tying benefits
ren's school attendance.

ler, the plan, state welfare
sioner could, at his discre-
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ne limit in cases of hardship.

citing the need for a safety
e Clinton administration ar-
e extensions must be granted
example, a recipient has ac-
eached but is unable to find
hat pays as much, or more,
s or her benefits.

t mandatory extension clause
g Massachusetts welfare re-
to collect beyond the two-
nit was included in the waiver
to Massachusetts by Shalala
lay, and is the major sticking
between the state and the Clin-



GLOBE STAFF PHOTO / WENDY MAREK

Gov. Weld discusses welfare while Gerald Whitburn, secretary of health and human services, looks on.

ton administration.

Weld said yesterday the key dif-
ference between his position and
Shalala's boils down to two words:
"will" and "may."

Federal officials argue the exten-
sions to the two-year limit are in line

with state welfare regulations.

But Weld contends that by say-
ing the state commissioner "will"
grant the extension unfairly limits
the state's discretion.

"What bothers me is the word
"will,'" Weld said. "Hey, if this was

the commissioner granting the ex-
emption in his discretion, you might
have a different kettle of fish and I
urged that on Secretary Shalala last
night.

"But that's not what it says. It
says extensions 'will' be granted, it

doesn't say 'may.'"

Weld pointed out that the Clin-
ton administration had already ap-
proved a pilot welfare overhaul plan
in two Wisconsin counties that
place absolute limits on the length of
time someone can remain on welfare.

If the Clinton administration re-
fuses to drop the conditions from
Massachusetts' waiver, Weld
pledged to work instead with GOP
leaders in Congress to overhaul the
federal welfare system.

But Weld denied that presiden-
tial politics played a role in his
standoff with the Clinton administra-
tion. He said that while he would be
pushing Dole's bill in Congress, he
supports California Gov. Pete Wilson
in the campaign for president.

Dole's plan, which includes a pro-
posal to distribute welfare through
block grants, is expected to be voted
on by the Senate this week.

The Clinton administration has
granted 36 waivers in 32 states - in-
cluding some to individual counties -
according to Shalala's office, and so
far no state has rejected a waiver.

Meanwhile, Sen. Therese Murray
(D-Plymouth), one of the state plan's
chief architects, said that she could
accept either the "will" or the "may."
But she criticized Weld for rejecting
the waiver and for "bickering over a
single provision when the state got
99 percent of what it wanted."

9
Jan 03, 92 9:58 P.01

Jan 03, 92

TEL NO.

Weld digs i

■ WELD
Continued from Page 1

hard-fought attempts by the state to achieve welfare reform in limbo. The governor said he is willing to wait for Congress to adopt national reforms.

The US House has already passed a bill that would cut welfare spending by disbursing payments through block grants. And the Senate is expected to vote on Majority Leader Robert Dole's welfare measure early this week.

"The Republicans in Congress also recognize that the states are run by grown-ups," Weld said. "I would suggest that our experience in Massachusetts over the last week, is exhibit A as to why the Senate should follow the lead of the House ... and take the federal government out of the business of playing nanny to the states."

Shalala's aides declined comment yesterday.

A White House spokeswoman would say only that "Secretary Shalala consulted with the president" before reaching her decision.

Shalala's office and the Weld administration have been in negotiations over the waiver for months.

The Legislature passed the new welfare overhaul bill and Weld signed it in February. But major portions of it have not gone into effect because they conflict with feder-

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BOSTON SUNDAY HERALD, AUGUST 6, 1995

aims federal welfare rule

ever was granted last in the condition that profits not be cut off for to "diligently pursue" can't find any, U.S. of Health and Human Services Secretary Shalala said in a field.

17 states have enacted are reforms while such conditions, she

id that in a Friday bone conversation, "I cretary Shalala that much swallows up a if there is no time l. That is one of the

most important, if not the most important, aspect of the whole reform idea."

But state Sen. Therese Murray (D-Plymouth) said Weld was whining about something trivial.

"As of today, none of our plan is being used, the work requirement, barring additional payment for additional children, requiring teens to live at home or in a supervised setting and finishing schools, nothing," she said in a statement yesterday.

"The Weld administration is hickering over a single provision at the back end of the plan. This provision does virtually nothing

to change the toughest, most comprehensive welfare plan in the country."

Weld said he was confident the U.S. Senate will pass a version of the House's sweeping welfare reform bill this week and that President Clinton will sign it into law, ending the controversy by ushering a new era of state control over welfare in America.

"Secretary Shalala said to me that Washington has to be in charge of the safety net, and they cannot transfer that authority to a state," he said at a State House news conference yesterday.

Weld denied posturing for the

1996 presidential race, saying "Hey, I'm here talking on behalf of the Dole bill. Is that presidential politics? I'm a Wilson guy."

Weld works extensively for presidential candidate and California Gov. Pete Wilson. Senate Majority Leader Rob Dole (R-Kan.) is the front-runner in the 1996 race.

Dole's bill, one of several in the Senate, would curb welfare spending by \$70 billion over seven years, impose a five-year lifetime limit on benefits, and require teen-age mothers to live at home and attend school to receive welfare. □

Jan 03 92 11:31 P.01

Weld sk

By DAVID TALBOT

Gov. William F. Weld said yesterday a federal welfare rule "pretty much swallows up our (welfare) reforms" by blocking his plan to cut off payments to poor mothers after two years unless they prove hardship.

But he declined to say whether he would kill the state's broad welfare reform plan rather than accept the federal condition.

The reform plan uses federal money so it needs a federal "waiver" before it can be implemented.

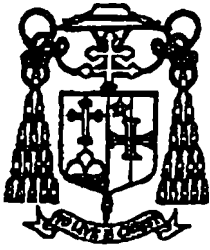
The week-end AFDC "no people work" by Secretary Services I letter to V

So far, tough welfare cepting wrote.

Weld said to S that prett our reform limit at a

TEL NO.

TOTAL P.08



Massachusetts
CARDINAL'S RESIDENCE
2101 COMMONWEALTH AVENUE
BRIGHTON, MASSACHUSETTS 02135

114037
COPY
from ORM

May 19, 1995

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

The purpose of this letter is to share with you my strong opposition to certain aspects of current local and national approaches to welfare reform, particularly as reflected in the Massachusetts Welfare Reform plan now subject to waiver review by the U.S. Department of Health and Human Services.

The Catholic leadership in Massachusetts, speaking through the Massachusetts Catholic Conference, has been in support of many provisions that comprise the new welfare reform plan. We have supported components that would combat fraud and abuse in the welfare system, that would provide for a work experience for AFDC recipients, that would require teen mothers to live with their parents or in structured settings, that would establish paternity of children born out of wedlock, and that would require absent fathers to provide for the support of their children.

Our faith, however, calls us to demand social justice for the least among us, and to defend the dignity of human life. That is why the four diocesan bishops of Massachusetts have been steadfast in our opposition to both the "time cap," and to the child exclusion, or "family cap" provisions of the Massachusetts plan. For this reason I write to ask you to instruct Secretary Shalala to deny the Massachusetts waiver request.

While the concept behind the "time cap" provision may be a healthy one for many families - the idea that public assistance should be transitional support and not permanent - it would plunge others into deeper poverty and deprivation than they currently experience on AFDC, further worsening the status of poor children's health and well-being.

The Honorable William J. Clinton
May 19, 1995
Page two

Automatically denying assistance to needy families after a specific time period without substantial investments in education and training may be successful in reducing welfare rolls, but given the situation in Massachusetts, it is likely to do little to move the majority of current AFDC dependents into permanent private-sector jobs at family-supportable wages with benefits comparable to those available through AFDC status. The combination of limited education and limited labor market experience on the part of the recipients, and the increasingly high educational and skills requirements of Massachusetts' labor market conspire to leave tens of thousands of families without subsistence after their defined period of AFDC support would expire.

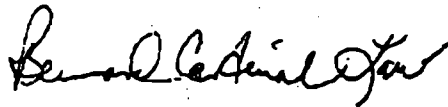
The "family cap," which withholds help to children solely because they are conceived while their mother is an AFDC recipient, needlessly punishes poor children when they need help the most. I am gravely concerned about the general increase in poverty that is likely to occur as a direct result of this component of the new law, particularly child poverty. Also expected is an increase in homelessness, hunger, child abuse and neglect -- and an increase in abortions.

As a state providing Medicaid funded abortions, but denying assistance to children conceived on welfare, Massachusetts would be unfairly tilting its AFDC mothers in crisis pregnancies further toward abortion.

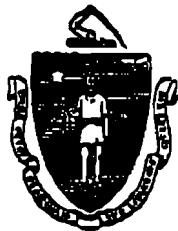
Please know that we understand that the issue of welfare reform is highly complex and subject to frequent changes triggered by environmental and systemic causes. We also understand the role of politics in this volatile issue. The function of public welfare, however, is to provide care for those who are unable to do so for themselves. We are responsible for one another. Because neither the time cap nor the family cap provisions of the Massachusetts waiver request will advance the cause of true welfare reform, I urge you not to allow our federal government to permit such experimentation on families.

With warm personal regards, and asking God to bless you

Yours Sincerely



Archbishop of Boston



WILLIAM F. WELD
GOVERNOR

MARGO PAUL GELLUCCI
LIEUTENANT-GOVERNOR

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

(617) 727-3800

cc Bruce Reed
Emily Bromberg

Fr: Diana Fortune

July 21, 1995

Ms. Carol H. Rasco
Assistant to the President
Office of Policy Development
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Carol:

Just a note to draw to your attention the attached note that I am sending to Donna Shalala today. I know that you and Jerry Whitburn have been talking about our waiver that I hope you and the President will sign off on it in the immediate future.

We are anxious to get going in implementing our reform in Massachusetts.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bin".

William F. Weld

Attachment



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE DEPARTMENT
STATE HOUSE • BOSTON 02133
(617) 727-3600

WILLIAM F. WELD
GOVERNOR

ARGEO PAUL CELLUCCI
LIEUTENANT GOVERNOR

July 21, 1995

The Honorable Donna E. Shalala
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Donna:

I understand from the Boston media that Mary Jo Bane and her colleagues are concerned about mail they have received from advocates and academics in opposition to the Massachusetts welfare reform waiver.

In this regard, I wanted to draw your attention to the strong bipartisan support that exists in the Commonwealth for this waiver proposal. The legislation passed the House 133-21, and the Senate 31-3 with 23 Democrats in favor of the measure. Because I know you receive a great deal of mail, I wanted to draw to your personal attention, the attached letter signed by 21 Senate Democrats who favor waiver approval.

It is my continuing impression that this proposal enjoys very broad public support in Massachusetts and we look forward to an early approval of the waiver which, as you know, we submitted back on March 31st.

Sincerely,

A handwritten signature in dark ink, appearing to be "W. F. Weld".

William F. Weld

Attachment



COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
STATE HOUSE, BOSTON 02122-1000

SENATOR THERESA MURRAY
PLYMOUTH AND BARNSTABLE
DISTRICT
ROOM 811-C
TEL. (617) 722-1330
FAX (617) 722-1072

June 9, 1995

Donna E. Shalala
Secretary, Health and Human Services
200 Independence Ave., S.W.
Washington, DC 20201

COMMITTEES:
HUMAN SERVICES AND ELDERLY
AFFAIRS (CHAIR)
TRANSPORTATION (VICE CHAIR)
BANKS AND BANKING (VICE CHAIR)
POST OFFICE AND OVERSIGHT
(VICE CHAIR)
WAYS AND MEANS
RULES
STEERING AND POLICY
PUBLIC SAFETY
HEALTH CARE
COURTIER
FEDERAL FINANCIAL ASSISTANCE

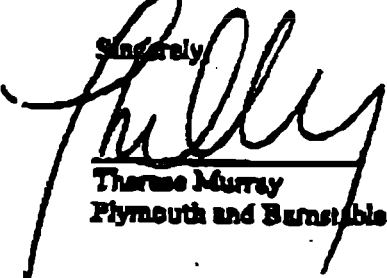
Dear Secretary Shalala:

We are writing as Democratic members of the Massachusetts Senate, who supported the passage of Chapter 5, the Massachusetts Welfare Reform Act of 1995. We respectfully request that your Department grant the federal waivers which would enable the Massachusetts Department of Transitional Assistance to implement this new state law. This reform is a comprehensive plan of transitional assistance promoting self-sufficiency through incentives, education and employment programs and benefits to low-income families.

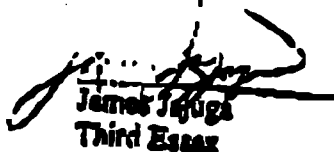
It is our understanding that negotiations are currently underway regarding the federal waiver provisions which comprise a necessary step towards the completion of welfare reform in our state. As you may know, the Massachusetts House and Senate have completed action on the proposed FY96 Budget which will take effect on July 1, 1995. We have fully funded the reform initiatives such as day care, job training and structured settings for teens. It is imperative that these waivers be granted within the time frame needed to conform with the effective date of the FY96 Budget and to fully implement the new law.

We are available to address any concerns your Department or the Executive Administration may have as to permitting the requisite waivers. Once again, we greatly appreciate your cooperation and diligence noting your concern as to how the Weld administration will move people into jobs. We look forward to working with you to finalize the process for the granting of these waivers.

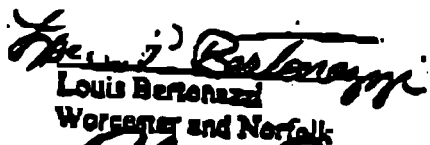
Sincerely,

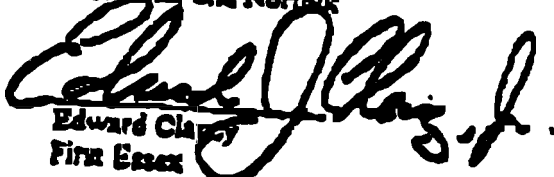

Theresa Murray
Plymouth and Barnstable

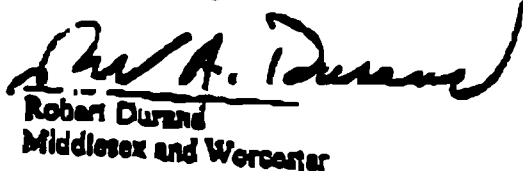

Linda Melconian
Hampden

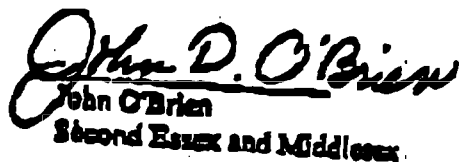

James Jago
Third Essex


Robert Bernstein
First Worcester

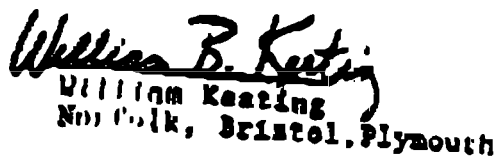

Louis Bernhardt
Worcester and Norfolk

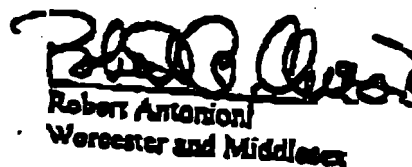

Edward Clapp
First Essex

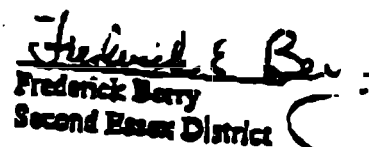

Robert Durand
Middlesex and Worcester

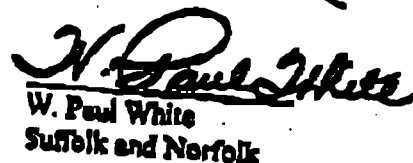

John O'Brien
Second Essex and Middlesex


Stanley Rosenberg
Hampshire and Franklin

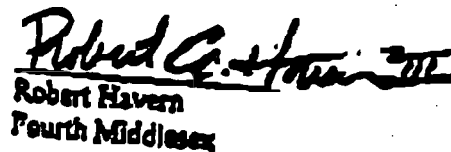

William Keating
Norfolk, Bristol, Plymouth

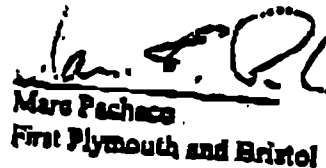

Robert Antonioni
Worcester and Middlesex

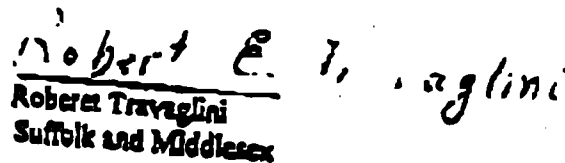

Frederick Berry
Second Essex District

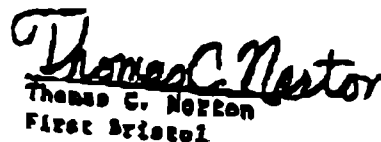

W. Paul White
Suffolk and Norfolk


Michael Craedon
Second Plymouth and Bristol


Robert Havern
Fourth Middlesex


Marc Pacheco
First Plymouth and Bristol


Robert Travaglini
Suffolk and Middlesex


Thomas C. Norton
First Bristol

Marian Walsh

Marian Walsh
Norfolk and Suffolk

Mark C. Montigny
Mark C. Montigny
Second District

Robert W. Weumore
Robert Weumore
Worcester, Hampden, Hampshire
and Franklin

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

31-Jul-1995 04:57pm

TO: Carol H. Rasco
TO: Bruce N. Reed

FROM: Diana M. Fortuna
Domestic Policy Council

CC: Jeremy D. Benami
CC: Emily Bromberg

SUBJECT: Call from Gerry Whitburn

Gerry Whitburn just called me to say that his negotiations with Mary Jo Bane have not been going well in that they are stuck on the 24 month cutoff, and that they are "on the cliff of impasse." He then actually said to me that, when he and Mary Jo negotiated the Wisconsin waiver, Carol sent him a fax saying that she represented the President, and do we plan to send him such a fax again. I assume this was a cute question, and didn't respond.

Other highlights: He said it is possible that Weld and the President may have spoken in Vermont today. He said the 4 waivers announced today ("puny") have increased the pressure in Mass. He said he knows Shalala, and has no reason to believe that she would take a different position than Mary Jo; said they have been given the Virginia waiver term & condition language, and reiterated his lack of interest in it; noted that today is the 120th day, and said that ACF is sending him terms & conditions today so that they can "cleanse themselves of the burden, and put it in our lap, which is all right." Finally, he also criticized our food stamp policy (the one we are changing) that allows food stamps to go up when other benefits go down due to a sanction, saying "I doubt Bill Clinton would want to defend that policy."

I told him that, needless to say, Mary Jo is the main administration official on welfare waivers; that I understood that he and Mary Jo had just had a number of discussions; that naturally we are kept up to date on developments and will want to understand from HHS where they are on this; that it often seems like we are at an impasse on these waivers and then something changes, so we shouldn't be too quick to declare an impasse; and that I would get back to him.

Hope this is OK; since I wasn't in on the events this weekend I hope my reactions were general enough/appropriate. What do we do next? Someone needs to call him back.

whitburn 7/31

Mary Jo wked over wk'd re 24 mos; when last negtd, cr sent fax saying rep'd potus; came ; not comfortable, on cliff of impasse; principals may hv spoken today; pressure enhanced when p ann'd 4 other waivers; knows ds; don't sense ds wld neg diff'ly than mjb; has given va lang; not int'd in it;

617-727-0077w

617-334-6839h

120 days today; howard: complete t/c; cleanses them from burden, puts in their lap; which is all right;

also food stamps: non-coop recip refuses immuniz, is sanctioned, for fs ben to increase (I say yes)



The Commonwealth of Massachusetts
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

One Ashburton Place, Room 1109
Boston, Massachusetts 02108

WILLIAM F. WELD
GOVERNOR

MARGO PAUL CELLUCCI
LIEUTENANT GOVERNOR

GERALD WHITBURN
SECRETARY

Tel: (617) 727-7600

Fax: (617) 727-1396

Fax: (617) 727-4446

February 23, 1995

The Honorable Donna E. Shalala
Department of Health and Human Services
Office of the Secretary
200 Independence Avenue SW
Washington, DC 20201

Donna,
Dear Secretary Shalala:

I have received your letter of January 25th regarding the status of the Massachusetts section 1115 demonstration waiver request which has been under review by the Health Care Financing Administration since April of last year. In your letter you indicated that we could expect approval of the waiver by your office at the end of February.

On January 31st senior officials of the Massachusetts Division of Medical Assistance met in Washington with officials of the Health Care Financing Administration and the Office of Management and Budget. At that meeting an agreement in principle was reached, with all parties leaving the meeting assuming the remaining issues had finally been resolved.

I am writing to communicate my concern upon learning that commitments made to the Commonwealth last month seemingly are being "revisited".

Most significantly:

- * The uniform 7.58% growth assumption in the absence of the waiver, which is the basis for the waiver's budget neutrality has been unilaterally and inappropriately lowered by HCFA and OMB.
- * Our demonstration relies heavily on incentives to employers to provide access to insurance through the workplace, yet HCFA now refuses to approve reimbursement for incentives to all employers who provide insurance for their low income employees, and has not advanced promised alternative approaches.



FEB 24 '95 03:26PM EXEC OFFICE HEALTH&HUMAN SERVICE

P.3/3

In addition, the HCFA draft of the waiver's "special" terms and conditions includes seventy-one categories, requires sixty reports and contains what to my (admittedly untutored) eye appears to be quite a detailed level of micro management. Included is a requirement that the Commonwealth reapply for the waiver every February.

If we are going to embark on a joint initiative designed to decrease the numbers of uninsured in Massachusetts --as I know you and I and the President all intend-- it is essential that we do so in an atmosphere where Massachusetts is given the tools, authority, and management flexibility to do the job. We understand the waiver process to be a good faith attempt to give the states the freedom and responsibility to make health reform a reality. We are proud of what we have accomplished in Massachusetts, and want to extend the benefits of affordable health care coverage to our uninsured citizens. It is important that we be given the opportunity to do so on terms that will permit us to succeed.

I would appreciate your looking into this, or having a top staff member do so.

Sincerely,

William F. Weld

~~No one~~

I think,