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February 2, 1996

FILE COPY

MEMORANDUM TO LEON PANETTA

From: Carol H. Rasco *CHR*

Subject: Weekly Report: January 27 - February 2, 1996

UPDATE ON KEY INITIATIVES**DOD Reauthorization/HIV Issue**

DPC and the AIDS office have been leading the effort to develop a response to the DOD reauthorization bill's inclusion of a provision requiring the discharge of HIV positive individuals from the military. The workgroup has included the Justice Department, the VA, and the Defense Department as well as all relevant White House offices. The policy and the impending signing of the bill have enraged a number of communities who are significant supporters of the administration.

We are working to ensure that those discharged receive the maximum possible disability and health benefits for themselves and their family members. We are also exploring all legal and legislative options for overturning this provision. It appears the Justice Department will have to defend the Pentagon against any suits opposing the policy. It also is likely that legislation to repeal this provision will be introduced in the Senate shortly and may have a chance of passage in the Senate, though not in the House. The AIDS Office is working with members of the AIDS community to try to soften the anger, and they are also working with the press.

Teen Pregnancy

Foster Announcement: DPC staff put together a private meeting with the President, Secretary Shalala and Dr. Foster on Monday morning with coordinators of local teen pregnancy prevention programs prior to the Foster announcement on Monday. Following the Foster announcement, participants from the private meeting did local press. They interviewed with over 17 radio stations, 7 regional television outlets, and four newspapers. In addition to the national press coverage, stories ran in Minneapolis-St. Paul, Chicago, Charlotte, Boston, New York, Detroit, Houston, Hartford, Atlanta, Sacramento, Baltimore, and St. Louis. In conjunction

with the announcement, we released a document summarizing Administration accomplishments in the area of teen pregnancy prevention that we compiled with the agencies. We also sent out the press release on Dr. Foster on Monday to approximately 100 organizations.

We are bringing in approximately 150 interest groups next week for a briefing with Dr. Foster. We will distribute the document on Administration accomplishments at that time.

Private Sector Initiative: Following up on the President's announcement on Monday regarding the National Campaign, the Carnegie Corporation held a meeting in New York of nearly 50 people involved in developing the Campaign. Those invited to the meeting included all the participants in the October White House meeting and other key leaders in the teen pregnancy prevention field. Carol Rasco led a small group of White House staff who attended as well. The purpose of the meeting was to review a draft prospectus for the Campaign and to outline next steps. In the next few weeks, the Campaign will be incorporated and a Board of Directors named. The Board will hold its first meeting on February 22nd and will be invited to meet with the President at that time.

Crime/Drugs

General McCaffrey: It appears that General McCaffrey's confirmation hearing could occur as early as February 20th. Dennis Burke is working with ONDCP and WH Legislative Affairs on the briefing book for the hearing.

Drug Testing Program: Dennis Burke and the Justice Department are working with the National District Attorneys Association on a resolution endorsing the President's Drug Testing program. The DA's are responding to the President's challenge for the States and local governments to adopt similar programs.

Missing Children: Dennis Burke and Bruce Reed have been working on a column by the President for Marc Klass's newsletter on Missing Children. Dennis is also working with the Justice Department on a follow-up event regarding Missing Children and ensuring that they are implementing the Missing Children programs that were created in the 1994 Crime Bill.

White House Drug Conference: Dennis Burke is working with Jim Burke and the Partnership for Drug Free America to ensure that they are actively involved in the development of the Conference.

New Hampshire: Dennis Burke worked to put together the community policing event and crime speech that the President is giving in Manchester, New Hampshire.

Waivers

Illinois Medicaid: Over the past month, HHS has attempted to resolve the Illinois Medicaid waiver, which has been pending since September 1994. During most of this review period, HHS has been working to resolve critical shortcomings of the waiver and has kept us abreast of their actions. In December, HHS developed what appeared to be a satisfactory resolution to the issues, and sent the state draft approval language for their review. However, the state has not yet responded to this language or accepted HHS's offer.

Los Angeles County Medicaid: HHS is continuing to provide technical assistance to L.A. County so that the county can submit a formal waiver proposal to implement the agreement announced by the President last September. However, problems remain in developing a specific waiver proposal that is budget neutral.

Montana Medicaid: Governor Racicot has requested a meeting with Secretary Shalala while he is at the NGA conference next week to discuss HHS's denial of his request for a Medicaid waiver. In September, HHS denied his request to expand enrollment for managed mental health services only, on the grounds that it did not provide comprehensive coverage and was intended to maximize the Federal Medicaid contribution.

Hawaii Medicaid: Hawaii's Medicaid waiver, approved by HHS in 1993, is facing a challenge from a class action suit filed on behalf of people with disabilities that may cause the state to scale back significantly the waiver's health care coverage.

California Welfare: HHS sent draft language to the state of California state earlier this week outlining the terms under which HHS would approve welfare waivers that have been pending since late 1994. These include the controversial benefit reduction waiver related to the Beno court decision and a waiver for a state-wide family cap.

Pennsylvania Medicaid Issue

HHS resolved a dispute with the state of Pennsylvania about Medicaid nursing home rates, averting a potentially large disallowance.

Educational Technology Initiative

Mike Schmidt (DPC) and Paul Dimond (NEC) have been working with a coalition of education groups -- including the NEA, AFT, PTA, School Boards, and the Chief State School Officers -- to develop initiatives to support the "Teacher Development" pillar of the President's Educational Technology Initiative. These initiatives should be ready to be announced by late February.

Immigration

Border Control: The border control expansion in Arizona in January that includes increased airport smuggling surveillance resulted in more than 700 illegal immigrants being apprehended at the Sky Harbor International Airport. Another 54 were arrested at the Tucson International Airport. However, border pressure in Arizona is increasing. Apprehensions at the border near Nogales and Douglas have risen about 70 percent this past month.

Criminal Aliens: The Administration announced SCAAP grants to states to contribute to their costs of incarcerating illegal immigrants.

Governor Wilson tried to highlight state criminal alien costs by attempting to hand over an incarcerated alien to the federal government. The Administration was prepared to address this stunt.

Legislation: Senator Simpson will hold a hearing next week on benefits, particularly SSI, by immigrants.

The Administration's views letter on the Senate bill was circulated by OMB for agency and White House office comment. Full Committee mark-up has not yet been scheduled.

Florida Immigration Issues: As part of increasing attention to Florida issues, Commissioner Meissner delivered the keynote speech at an immigration conference, and plans to meet with Federal, State, and local government officials and community leaders to discuss enforcement efforts in the State.

English-Only: The DPC-chaired English-Only interagency group met to continue work on proposed talking points, Q&A's, legislative response, etc.

Family and Medical Leave (FMLA)

On Wednesday, January 24 the Advisory Commission on Intergovernmental Relations (ACIR) released their first comprehensive review of existing federal mandates on state, local, and tribal governments. ACIR's report stated that FMLA forced state and local governments to revise long-standing personnel policies and created unfunded costs related to: extending medical insurance coverage to employees on family and medical leave, temporary hiring of replacement workers, and additional training and personnel counseling activities. While the law contains special provisions for federal government employees, state and local governments are treated the same as private entities. ACIR recommended repealing the provisions of FMLA that cover state and local government employees.

Meeting on Comprehensive Strategies for Children and Families

In preparation for a White House Working Meeting on Comprehensive Strategies for Children and Families (previously scheduled for November 14-15, 1996 and now rescheduled for early March), a federal working group has met several times to begin discussing specific action steps the federal government can take.

On January 26, we hosted a discussion with individuals from the State of Maryland who have been working to implement comprehensive strategies for children and families. Representatives from local programs, community organizations and foundations, city health and justice departments, state agencies, and seven federal agencies participated in the meeting. This meeting provided an opportunity for federal government participants to hear directly from individuals whose programs and clients we are seeking to help. The substance of the discussion was based on a case study and local participants' experiences with federal government programs. The meeting closed with all federal participants indicating what they had learned and what issues they intend to address as part of their contribution to the concrete steps the federal government will take. The next step is for each federal agency to move forward on developing a specific plan for addressing issues identified.

We will have a follow-up meeting on February 14 to review agency plans and begin outlining an overall administration agenda for intergovernmental partnerships. The work that results from these two meetings will flow into the White House Working Meeting on Comprehensive Strategies for Children and Families. Our primary interest is highlighting the changes that can be made at the federal level within existing law. Some examples may include: (1) inconsistent planning cycles or auditing requirements in federal categorical programs; (2) lack of flexible federal funding to support services; (3) difficulties in accessing Medicaid reimbursement; (4) conflicting confidentiality and eligibility requirements in education, health and nutrition programs; (5) lack of easily accessible information about what funding is available to support comprehensive strategies.

Choice

Department of Defense Authorization: This enacts into law the reversal of the President's Executive Order passed and signed in the DOD appropriations bill. We have stated the Administration's opposition to this provision in a number of SAPs as well as in the President's statement vetoing the original bill.

D.C. Appropriations: The D.C. Appropriations bill has passed the House, but has not yet been voted on in the Senate. It contains virtually the same language on abortion as the 6th CR, signed by the President earlier this year.

The 6th CR, which funds D.C. through the end of the fiscal year, prohibits the D.C. government from spending local funds to pay for abortions, with life, rape and incest exceptions. The D.C. Appropriations bill prohibits the DC government from spending Federal or local funds on abortions, with life, rape and incest exceptions. These restrictions on the use of local funds -- in the CR and in the appropriations bill -- do not apply to any other state or local government.

9th Continuing Resolution -- Human Embryo Research: A provision in the 9th Continuing Resolution, signed on January 26, prohibits the use of Federal funding for: (1) the creation of human embryos for research purposes, and (2) research in which embryos are "destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero" under Federal law. The latter provision has the effect of applying the same standards to human embryo research funded by the Federal government that are applied to research using fetuses.

The provision in the 9th CR on human embryo research does not have any effect on the President's Executive Order. And although it goes further than the President's policy on human embryo research -- restricting some research that could have been allowed under his policy -- it does adopt part of his position. The provision does not have any effect on any research currently funded by NIH.

Breast cancer/Abortion: In response to the ad currently placed on D.C. buses and in metro stations ("Women who choose abortion suffer more & deadlier breast cancer, Information:800-634-2224), HHS sent a letter from Phil Lee to the General Manager and the Chair of the Board of the Washington Metropolitan Area Transit Authority stating that, "ad is misleading, unduly alarming, and does not accurately reflect the weight of the scientific literature." The letter requests that Metro remove the public service ad on the grounds stated above, and because information given out by the 1-800 number implies that the claim is supported by HHS's National Cancer Institute. In communicating with Metro, HHS discovered that the ads are now all over the country and not just in D.C. The D.C. ads will come down on the 18th, because that is when they were originally scheduled to come down.

The letter sent from Phil Lee has not been released publicly. HHS is considering further action.

Native American Issues

On Tuesday, January 30, the DPC Working Group on American Indian and Alaskan Native Affairs, chaired by Secretary Babbitt, had its first meeting of 1996. The group is in the process of laying out its workplan for the year, which will include the areas of consultation, economic development, environmental justice, education, and reinventing government.

Campaign Finance Reform

Paul Weinstein is working with other WH staff on this issue. He drafted a background memorandum for the President on his position on McCain-Feingold (Bipartisan Campaign Finance Reform Bill).

Brownfields

Senators Lieberman and Abrahams have introduced a targeted brownfields tax incentive for existing EZs and ECs. DPC continues to work with NEC, EPA, and Treasury on a broader proposal. We have drafted several options papers. Next week there will be a principals meeting on the issue.

NGA Conference

DPC staff prepared materials in preparation for the NGA Conference on Monday.

EXTERNAL ACTIVITIES

Speaking Engagements

- Patsy Fleming spoke on January 25th to the Joint Center for Political and Economic Studies.
- On Saturday, I delivered the keynote address at the United Methodist Church's Communities of Shalom Conference in Charleston, South Carolina.
- On Thursday I delivered the keynote address at the Agricultural Leadership Conference in San Luis Obispo, California.
- On Thursday I addressed the Speakers's Forum at the Cal Poly State University at San Luis Obispo, California.
- Patsy Fleming joined the First Lady and Madame Chirac at a meeting with HIV positive women at the Whitman Walker Clinic in Washington on February 1st.

Meetings

- On Monday I met with Mrs. Rupert Murdoch, Mrs. Elizabeth Lowe, Mr. Gerald Digre and Joy Warren regarding block grants and child welfare.
- On Monday I met with a representative of the Seattle, WA Mayor's office.
- On Tuesday I led a roundtable of children's advocates in New York City.
- On Tuesday I participated at the Carnegie Foundation Meeting on Teen Pregnancy in New York City.
- On Tuesday I attended a briefing in New York City by Judge Kaye regarding Childrens' Centers in the Courts.
- On Wednesday I made a site visit to the Manhattan Childrens' Centers in the Manhattan Family Court facilities.
- On Wednesday I led a roundtable meeting with Jewish women in New York City on issues of importance to them concerning families and children.
- DPC staff, along with Janet Murguia and Chris Cerf, met with Congressman Becerra regarding his thoughts on the anti-discrimination language in the illegal immigration executive

order.

- DPC staff met with selected agencies regarding the J-1 visa issue (providing foreign doctors to undeserved areas).

Press Activity

- On Thursday I interviewed with the ABC and CBS affiliates in San Luis Obispo, a student reporter from the Cal Poly State University daily newspaper, and a reporter from the daily San Luis Obispo paper.
- On Friday I was interviewed by the United Methodist Church Radio News.

January 19, 1996

FILE COPY

MEMORANDUM TO LEON PANETTA

From: Carol H. Rasco 

Subject: Weekly Report: January 5 to January 19, 1996

UPDATE ON KEY INITIATIVES

Immigration

Border Control:

- The Administration announced Friday a significant new step in the deployment of it's southwest border control strategy. It included 1) detailing of new Border Patrol agents to the Southwest border; 2) new operational support from both local law enforcement officers and military personnel; 3) new highway checkpoints; and 4) more anti-smuggling personnel at key regional airports. Related briefings were held.
- On January 16th, the Attorney General approved the use of up to \$5 million from the Immigration Emergency Fund to support local law enforcement efforts along the Southwest border. These funds will be used to pay overtime and incidental costs for up to 135 local law enforcement officers to support INS efforts.

Criminal Aliens:

- The INS has been testing placing immigration officials in the Dallas County Jail to identify criminal aliens in a manner similar to the successful L.A. County jail pilot.
- Deportation hearings have been initiated for the first time at the Middleton, MA jail to help streamline criminal alien deportation processing.

Immigration Document Fraud: DOJ has completed a year-long investigation into an immigration document fraud scam that resulted in the arrest of four INS employees in Manhattan.

Medicaid Waivers

California Medicaid Managed Care: The state of California has requested a Medicaid "freedom of choice" waiver to allow it to enroll over one million Medicaid beneficiaries in 12 counties in mandatory managed care. The statutory deadline for HHS to act on this waiver is January 22. The state's plan is that, in each county, both a commercial plan and a public sector plan will be offered. The unions, counties, and public hospitals have two major concerns: first, that commercial plans will get an unfair advantage over public plans by signing people up on a voluntary basis before the public plans are ready; and second, that they are not guaranteed a minimum share of the market. However, HHS can not prohibit voluntary enrollment.

HHS has worked with the state to negotiate a number of safeguards, and is now advising key constituency groups about the status of its review and the outlines of a potential waiver approval. So far, the reaction of these groups has been more positive than expected.

Wisconsin: HHS is considering a request from Wisconsin to relax Medicaid eligibility standards for people with disabilities in a home and community-based waiver program. HHS's preliminary analysis was that the waiver must be denied because of statutory constraints, but HHS has stopped the clock to examine the situation more closely.

Los Angeles County: HHS is meeting with Los Angeles County officials this week in an effort to get the county's Medicaid waiver on track. The county and state have not yet formally requested the waiver from HHS, but a preliminary draft proposal does not adequately deal with at least two key issues, including restructuring of the county's hospital system and treatment of disproportionate share (DSH) funds.

Potential Medicaid Disallowance in California: HHS and the state of California have a dispute over whether the state's reimbursement rates for managed care are actuarially sound, as regulations require. Although it appears likely that California will eventually be able to demonstrate that the rates are sound, they have not yet done so. In the meantime, HHS has told state officials the ultimate penalty would be disallowance of the Federal funds in question, which total approximately \$180 million.

Law Enforcement

Missing Children: Dennis Burke worked with White House Counsel and several agencies in the drafting of the Presidential Directive and supporting material on Public notices of Missing Children in Federal buildings that the President is signing today. We are also working on legislation on this issue that can be introduced in the future to show the Administration's continued commitment to this issue.

Drug Initiative: Dennis Burke is working on a Presidential directive to provide stricter regulations on the drug, Rohypnol, which is being abused by adolescents throughout the South, and especially in Florida where it is entering the country. During a Youth Speak-out in Florida, I heard from several youth participants of the widespread use and easy availability of this drug in Miami.

Teen Pregnancy

Private Sector Initiative: The leadership council for the national private-sector campaign is taking shape. As of January 18, the following individuals have agreed to serve: Whoopi Goldberg; Andrew Young; Hugh Price, Urban League; Charlotte Beers, Ogilvy & Mather; Warren Rudman; Nancy Kassebaum; Kay Graham; C. Everett Koop; Belle Sawhill; Irving Harris, Harris Foundation; David Hamburg, Carnegie Corporation.

California Proposal on Teen Pregnancy Prevention: In his State of the State address on January 9, Governor Wilson announced a new proposal to reduce unwed and teenage pregnancy that he calls, "Partnership for Responsible Planning." Reactions are mixed among both liberals and conservatives, and it has not yet been debated in the State Legislature. The proposal has the following components: (1) \$34 million in Community Challenge Grants, for local communities and private organizations to develop and implement new programs; (2) \$15.7 million for a statewide multi-media campaign; (3) \$15 million for a mentoring program for at-risk youth; (4) \$1 million for development of abstinence-based curricula; (5) \$20 million to provide contraceptives to low-income women, along with simplified registration and broader eligibility requirements for Medi-Cal; and (6) \$6 million to expand a program designed to crack down on statutory rape.

Choice

Ohio D&X Ban: On January 12, a law in Ohio banning the Dilation and Extraction (D&X) procedure and banning post-viability abortions, with narrow life and health exceptions, was found unconstitutional and the state was enjoined from enforcement of the law. The legislation also imposes several other requirements on both doctors and women who need to make these choices, and criminalizes violations of the bans and requirements. Primary reasons for unconstitutionality are: (1) the definition of D&X is unconstitutionally vague; (2) a ban on use of the D&X procedure could pose an undue burden on women seeking abortions in pre-viability stages; and (3) this ban on post-viability abortions could threaten the right of a woman to an abortion in order to preserve her life or health. The law is in some ways similar to the bill currently pending in Congress, H.R. 1833, which criminalizes certain abortion procedures.

Nebraska Medicare: On January 16, the Supreme Court refused to hear the Nebraska Attorney General's appeal of the Medicaid requirement to fund abortions for poor women who are victims of rape or incest. Nebraska argued that states participating in Medicaid could ban abortions financed through the program, except when the woman's life is endangered. Nebraska has been challenging the federal requirement for two years; this is the final decision and they will now be required to comply.

Educational Technology Initiative

On Thursday, January 25, staff from the DPC and NEC will be meeting with a number of the major educational associations to discuss their participation in the President and Vice President's Educational Technology Initiative. These groups, including Keith Geiger of the NEA and Al Shanker of AFT, will be coming to us with specific proposals for creating a voluntary effort to recognize teachers who are on the leading edge of using technology in the classroom (the "Teacher Corps" notion that was proposed by Keith Geiger in the President and Vice President's October 10 Educational Technology working breakfast meeting). The focus of this meeting will be on devising strategies to include an announcement of this effort in a future roll-out event for the President and Vice President's Educational Technology Initiative.

Farm Bill

As you know, the Farm Bill is not yet in place and producers will need some direction soon from the government for planning purposes for the upcoming crop, particularly if an extension is not included in the next continuing resolution.

Conservation Reserve Program

A decision to allow contracts that expire in the fall of 1996 to come out of the CRP and back into production will be made shortly. The study indicates that about 400,000 acres will come back into production for this crop year. There are approximately 15 million acres that will qualify for the early out. This is a reasonable amount.

EXTERNAL ACTIVITIES

Speaking Engagements

- On January 13, Dennis Burke before the National Board meeting of the National Association of Police Organizations (NAPO). This organization endorsed Clinton/Gore in 1996 and has been very supportive of the COPS program.
- On January 20, Dennis Burke will be speaking before the National Narcotics Officers Associations Coalition on the Administration's anti-drug initiatives. This organization has at times been critical of the Administration's drug strategy (and ONDCP outreach).

Meetings

- On January 10 and 12, I met with Secretary Shalala, Laura Tyson, Marsha Hale and others to discuss health care issues and response to Governors.
- On January 11, I met with the Commissioner of the Immigration and Naturalization Service to discuss border patrol issues.
- On January 17, Debbie Fine and Jennifer Klein, along with Department of Defense staff, met with representatives of several bone disease groups to discuss FY95 DOD funding earmarked for bone research that has been withheld.
- The White House Immigration Core Group met for briefing on immigration activities and to coordinate legislative and communication strategies.

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EXECUTIVE OFFICE OF THE PRESIDENT

Washington, D. C.

FAX TRANSMITTAL COVER SHEET

DATE: 17-Mar-95

TO: PATSY FLEMING

SUBJECT: DPC WEEKLY REPORT

FROM: ROSALYN A. MILLER 456-2249
ECONOMIC AND DOMESTIC POLICY

If there are any problems receiving this transmission,
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MEMORANDUM TO LEON PANETTA

From: Carol H. Rasco

Subject: Weekly Report - March 10-17, 1995

UPDATE ON KEY INITIATIVES
Welfare Reform

- o House Bill The House bill continues to work its way toward the floor. The Rules Committee was unable to finalize a Rule this week, and will resume work 5:00 on Tuesday. Tuesday on the floor, there will be general debate. The rule most likely will emerge on Tuesday evening, and consideration of amendments will begin on Wednesday. We anticipate final passage next Thursday.
- o Administration Activities The President will be delivering his radio address on child support and welfare reform. We foresee a victory on the drivers license issue. The administration will be providing cumulative state-by-state impacts of the entire Republican bill on Monday, which will probably be released by Minority Leader Gephardt or by the Secretary. The President will be sending a letter to the House on Tuesday expressing his final views.

Immigration

- o Senate and House Judiciary Subcommittees held hearings on immigration. The House reviewed Operation Gatekeeper. Senator Simpson held a hearing on his immigration legislation. The Attorney General, Commissioner Meissner, and Commissioner Chater testified and unveiled the Administration's immigration enforcement legislation, which will be formally introduced shortly. This week the DPC will begin holding meetings with Justice/INS after all immigration hearings to review the content of proceedings to improve the Administration's presentation of its policy in appearances before Committees.

- o Other Hearings Next Week The House Judiciary Subcommittee will review criminal alien policy, and an INS appropriations hearing is also scheduled.

Health Care

Regulatory Reform

- o Final decisions on FDA regulatory reform recommendations were made and selected recommendations were highlighted in the President's speech on Regulatory Reform at the Custom Print Plant on Thursday, March 16.
- o The Health Industry Working Group presented their recommendations to the Vice President on March 14. Work has begun on events to announce regulatory reforms in Federal health care programs in the context of health care reform.
- o We began a preliminary analysis of the proposed cuts in Medicare and Medicaid released by Senator Gregg (as the Republican proposal). We cleared Administration testimony on the Medicare "Select" extension and reached an internal consensus that the Administration will support the use of savings from Medicare extenders for the Medicare trust fund.

REGO

Unfunded Mandates -- Paul Weinstein, with Sally Katzen, reviewed the Conference Report on "The Unfunded Mandate Reform Act". The Conference Report has passed both Houses and we are helping plan the signing ceremony next week. Paul will be working with Speechwriting and Strategic Planning on the speech, talking points, and a communications strategy.

Waiver/Performance Partnerships -- A draft of an options memorandum on waiver/performance partnership legislation has been prepared. This memorandum is now being reviewed by the Federalism Team at REGO II. The memo will be delivered to the principles (Rivlin, Kamarck and myself) Friday morning in preparation for the Monday meeting in my office.

OTHER ISSUES FOR IMMEDIATE ATTENTION
Waivers

- o Oklahoma Welfare -- HHS announced its approval of Oklahoma's welfare reform waiver on Monday of this week.
- o Arizona Welfare -- State officials this week indicated willingness to negotiate with HHS on the time limits in their welfare waiver application. They had previously declined to do so.
- o Massachusetts Health -- The waiver remains stalled over the question of what growth rate to use for the disabled population. HHS is working with OMB to try to resolve the issue, but Massachusetts has rejected HHS's latest offer and will probably increase its pressure on the administration.
- o District of Columbia Health -- The District government has a waiver pending at HCFA that would place all disabled children in managed care through a contract with a single non-profit plan. HCFA has been reluctant to approve it because of its concern that the District government could not properly run the program. The non-profit plan has stepped up its lobbying efforts in favor of the waiver at the same time that the District is signalling that it may want the waiver put on hold. HHS is attempting to clarify the District's position.
- o New York Health -- New York State is expected to submit its Medicaid waiver request to HCFA within the next few days. The waiver would mandate managed care without any expansion in coverage. The health care industry has begun to mobilize its argument that, coupled with other Medicaid cuts that the Governor has proposed, the waiver would severely damage the economy, especially in New York City.

California Medicaid Disallowance

State and county officials indicate that HCFA has been working diligently and speedily to identify parts of the Medicaid disallowance that can legitimately be paid. Officials from the State and Los Angeles County have said they do not wish to begin discussions with the Justice Department on the balance of the claim until next week.

Community Development Bank & Financial Institutions Rescission

- o Paul continues to coordinate with Treasury and the CDFI Fund Transition Team on the rescission issue. Bi-weekly conference calls continue. Last week Paul met with Deputy Secretary Newman to discuss this issue and the Community Reinvestment Act. He has also worked with the transition team on talking points for conversations with the Hill and with Treasury on a letter from Sec. Rubin to House and Senate Appropriators.

EXTERNAL ACTIVITIES**Congress**

- o Paul continues to meet regularly on the Hill on REGO and community empowerment issues. Bruce is meeting with members and staff on welfare reform. All meetings are held in coordination with Legislative Affairs.
- o Patsy Fleming met with the staff director of the Senate Appropriations Labor-HHS-Education Subcommittee.

Press

- o I participated in local radio interviews arranged by WH Media Affairs.
- o I was interviewed here at the White House by Frontline for a piece on the Post's Leon Dash series on the Rosa Lee Cunningham family.

Speaking Engagements

- o I spoke to the Association of Maternal and Child Health on March 15 during their conference on Family-Centered Reform.
- o I addressed the National Association of Elementary School Principals and the National Association of Secondary School Principals here in D.C. on March 13.
- o Bill Galston addressed the National League of Cities on the President's 1995 domestic policy agenda.
- o Jennifer Klein spoke to the American Rehabilitation Association on March 13.
- o Patsy addressed the HIV Prevention Community Planning Co-Chairs Summit in Atlanta, Georgia.