

**NLWJC - KAGAN**

**WHORM - BOX 002 - FOLDER 011**

**FG006-21      265573SS**

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.**

---

**Collection/Record Group:** Clinton Presidential Records  
**Subgroup/Office of Origin:** Records Management - SUBJECT FILE  
**Series/Staff Member:**  
**Subseries:**

---

**OA/ID Number:** 21748  
**Scan ID:** 265573SS  
**Document Number:**

---

**Folder Title:**  
FG006-21

Stack:	Row:	Section:	Shelf:	Position:
<b>S</b>	<b>84</b>	<b>1</b>	<b>2</b>	<b>3</b>



265573 SL

FG-006-21

May 29, 1998 - DPC Weekly Report

Copied  
Reed  
Kagan  
Bowles

'98 MAY 30 PM2:10

THE WHITE HOUSE  
WASHINGTON

May 29, 1998

THE PRESIDENT HAS SEEN

6-1-98

page 2  
Iharu/Waldman

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed  
Elena Kagan

SUBJECT: DPC Weekly Report

**1. Tobacco – Senate Update:** When the Senate returns from recess, it is scheduled to return to the McCain legislation and resume consideration of an amendment by Sen. Durbin to increase look back penalties and an amendment by Sen. Gramm to provide a tax cut for married couples with income of less than \$50,000 per year. Other potential amendments include: two complete substitutes (one by Senator Nickles and one by Senators Hatch and Feinstein), additional tax proposals (possibly including a slimmed-down version of the Gramm amendment, as well as a Roth-Boxer proposal for health care tax cuts), several anti-drug measures (see our separate memo on Monday), an anti-smuggling provision authored by Senator Leahy, a provision on the deductibility of tobacco advertising costs by Senator Reed, and efforts to cut back on FDA jurisdiction. Senator McCain's strong preference is for an early cloture vote, which he believes he can win. Senator Lott opposes an early cloture vote, on the theory that his caucus will only harden if it feels jammed. Senator Daschle is still considering the question. We tend to agree with McCain, for fear that the bill will become weighed down with too many amendments and consideration of it will drag on forever. We and Larry will have further discussions of this question with the relevant Senate players this weekend.

**2. Tobacco -- Farmers:** The DPC and USDA are trying to ensure a favorable conclusion to the current dispute over providing assistance to tobacco farmers. As you know, the McCain bill now contains both Senator Lugar's and Senator Ford's proposals. The Ford measure, which we, public health groups, and most Democrats support, provides for an optional buy-out and preserves the price support program, at a cost of \$28.5 billion over 25 years. The Lugar measure, which most Republicans support, provides for a mandatory buy-out and ends the price support program (creating a free market in tobacco), at a cost of \$18 billion over three years. USDA calculates that Lugar would lead to an increase in the amount of tobacco grown in this country and a consequent decrease in its cost -- saving companies as much as \$20 billion over 25 years. In addition, OMB estimates that Lugar would displace 69 percent of the research and public health spending in the McCain bill in the first three years, assuming spending to the states were held constant. We have distributed this information widely, especially to moderate Republicans who should be concerned about the impact of Lugar on public health. We also have made clear to both sides our willingness to broker a compromise (for example, a phase-out of the price support

6-1-98

program over 10 or 15 years, or the creation of a commission to work out the best approach to this issue). As of now, however, both sides think they have the votes to defeat the other (which, in fact, they both might), and compromise discussions have not proved productive.

**3. Tobacco -- Minority Caucus Concerns:** DPC, OMB, and HHS will meet next week with members of the House Minority Caucuses to discuss their views of tobacco legislation -- especially the McCain bill's approach to public health spending. These members have concerns about the Senate bill's use of block grants to states for smoking prevention and cessation programs. They also are upset that the bill contains no direct grants to historically black and predominantly Hispanic colleges, universities, and medical schools. These members have sent us an alternative proposal for public health spending, but the agencies believe that it raises significant constitutional and administrative concerns. The proposal includes funding set-asides for minority groups that the Department of Justice believes run afoul of the Supreme Court's Adarand decision. In addition, the proposal's funding mechanism would create major administrative burdens for the Department of Health and Human Services. We anticipate holding several discussions with members of the Minority Caucuses to work out ways of making them more comfortable with the public health provisions of the legislation.

**4. Welfare Reform -- State Use of TANF Funds:** The NGA Fiscal Survey of States, released on May 27, contained some encouraging information about the way states are using welfare monies. The report showed that states are shifting funds from direct cash payments to work-related supports. Since 1996, spending for cash assistance has decreased 26 percent, while spending for child care has increased 85 percent and spending on work activities has increased 34 percent. Total welfare spending declined by 9 percent, but given caseload reductions, this figure represents increased spending per welfare recipient.

*Start using  
Mention  
at UGA &  
in Milwaukee*

**5. Education -- GAO Report on National Testing:** In response to a request from Rep. Goodling, the GAO will issue a report next week on the roles played by NAGB and the Department of Education in developing the national tests in 4th grade reading and 8th grade math. The report finds that NAGB has full control over development of the tests, as required by law; it finds not a single instance of improper interference by the Department. In addition, the report finds no reason to criticize the procedures NAGB has used to award test development contracts. Although we do not expect the report to mitigate Rep. Goodling's adamant opposition to the tests, it should prevent him from making the claim that test development somehow remains under the influence of the Administration.

*1 GA/  
2 BARA  
WADIN*

**6. Education -- Adult Education:** You recently asked what the Administration had accomplished with respect to adult education and whether we need to take additional steps. The Senate and House workforce investment bills, which Congress is expected to pass by July 1, provide for the reauthorization of all federal adult education programs. Your FY 1999 budget requests a \$16 million increase in grants to states for adult education programs. It also includes a request for funds to develop model English-as-a-second-language programs

6-1-98

for adults, since 40 percent of adult education participants are in such programs. In addition, the Department of Education has funded a PBS series, called "Crossroads Cafe," which is a kind of "Sesame Street" for adults learning English. The program is now shown in 35 states (and 50 foreign countries) and will be expanded shortly. DPC will begin a working group with NEC and the Education Department to explore how we can best highlight the efforts we already have underway, and what additional steps would be appropriate.

**7. Health -- Assisted Suicide:** The Department of Justice plans on releasing a letter next week, in response to an inquiry from Senator Hatch and Congressman Hyde, concluding that the Controlled Substances Act does not give the Drug Enforcement Agency (DEA) authority to take action against physicians who assist their patients to commit suicide. Consistent with your directions, this letter will include a restatement of your longstanding position opposing assisted suicide and an indication of your willingness to consider workable legislation addressing this issue. As you know, we expect that Hatch and Hyde will respond to the Department's letter by introducing a bill authorizing the DEA to take action against physicians for assisting suicide -- a legislative approach that we believe is ill-advised. We will work closely with DOJ to roll-out its letter, and will keep you advised of legislative developments.

**8. Health -- HCFA Letter to Ravenswood Hospital:** The Health Care Financing Administration (HCFA) sent a letter yesterday to Ravenswood Hospital of Chicago threatening it with loss of Medicare funding for policies posing a grave threat to the health and safety of patients. The letter followed an incident in which a 15 year-old died of gunshot wounds just 35 feet from the hospital door after hospital workers refused to leave their posts or even to give police officers a stretcher to bring the young man into the hospital. The HCFA letter states that the hospital will lose funding in three weeks, unless it provides credible evidence within that time of having reformed its emergency room policies and practices. We issued a statement in your name highlighting HCFA's action, as well as urging all hospitals to follow recently released guidance by the American Hospital Association on appropriate emergency procedures.

**9. Health -- Medicare Commission:** The Medicare Commission will hold a meeting on Monday, most of which will be devoted to discussions among the members on the major issues of benefits, costs, eligibility, administration, and financing. (We have told our members that they should feel free to talk openly about controversial policy reforms such as benefit changes, eligibility age changes, and means-testing proposals, but should avoid at this time any serious discussion of new taxes.) In general, the Democratic members are becoming nervous that the Commission's staff is focusing exclusively on questions of program financing, while ignoring issues of program design. They will use this meeting to urge the Commission to address ways of making the Medicare program more responsive to the needs of beneficiaries, at the same time as the Commission takes up the program's financing challenges.

6-1-98

10. **Health -- Long Term Care:** Aging and disability advocates are placing increased pressure on us to address the issues surrounding long-term care. Demographic changes will heighten the demand for these services greatly in the coming years, but cost considerations have deterred both the public and the private sectors from taking up this challenge. Although truly comprehensive approaches are politically and financially unrealistic, we can develop targeted policies that will begin to address the problem. These policies might include: requiring the Federal Employee Health Benefit Plan to offer (but not pay for) long-term care policies; informing Medicare beneficiaries that Medicare does not cover long-term care and advising them of other coverage options; giving more flexibility to States to use home- and community-based care options for elderly and disable people on Medicaid; and providing tax incentives to increase the purchase of private long-term care policies. We are setting up a working group to explore these and other ideas so that you begin to address this important issue shortly.

*This with any  
new proposal  
win 2 mos.*