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DPC Weekly Report (April 30, 1999)

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5-4-99

April 30, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. **Health Care -- Bicameral Meeting of Democrats on Medicare Reform:** Congressman Gephardt and Senator Daschle hosted a meeting on Wednesday between House Democrats (e.g., Dingell, Rangel, Stark, Waxman, Pomeroy) and moderate Senate Democrats (e.g., Breaux, Conrad, Graham, Lieberman) to discuss Medicare reform. The Senate Democrats insisted on the need for a viable reform proposal; the House Democrats objected on both political and policy grounds to most of the Senators' ideas. Although the meeting was somewhat confrontational in nature, it concluded with an agreement to work with each other and the Administration to evaluate a number of competitive models and determine whether any consensus is possible. We are encouraged by this development, but will have to find a way to ensure that participating in these discussions does not limit your own options and/or risk problematic leaks.

*Call
Kagan
Reed
5/1/99*

2. **Health Care -- Report on Importance of Medicare to Women:** The Vice President will join the Older Women's League (OWL) on Monday to release a new report showing that women disproportionately depend on the Medicare program. The report will show that three-fifths of the Medicare population at age 65 -- and two-thirds of the Medicare population at age 85 -- are women. The report also will document how much money older women spend on health care (27 percent of their income by age 85), how many chronic illnesses they face (three of four have two or more chronic conditions), and how much they rely on prescription drugs (eight of ten take prescription medications regularly, with most of the costs paid out-of-pocket). At the event, OWL will indicate its support for the approach the Administration is taking to address the challenges facing the Medicare program. In particular, the group will endorse your proposal to dedicate part of the surplus to Medicare, your commitment to provide prescription drug coverage, and your opposition to increasing the eligibility age in the absence of a policy to prevent this change from leading to a larger uninsured population.

3. **Health Care -- Asthma Initiatives:** The First Lady will visit Draper Elementary School in Washington, D.C. on Tuesday to announce a new legislative proposal to fight childhood asthma and to help launch a new asthma screening program run by the American College of Allergy, Asthma, and Immunology. The nationwide screening program will identify children with asthma and educate their parents about appropriate treatment. The

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legislation will authorize a new \$68 million initiative to: (1) invest in research to determine the causes of asthma and to develop ways of reducing children's exposure to asthma triggers; (2) assist states and providers to implement effective disease management strategies -- including school-based programs that teach children how to manage their asthma -- to reduce asthma-related hospitalizations, emergency room visits, and deaths; and (3) conduct a new public information campaign to reduce children's exposure to asthma triggers.

 **4. Health Care -- CHIP Program:** The Senate Finance Committee held a very positive hearing on Thursday to discuss the progress that HCFA has made in implementing the Children's Health Insurance Program (CHIP). Senator Roth opened the hearing by saying that the members were there to "focus on a success story." In her testimony, Nancy Ann Min DeParle noted that CHIP enrolled almost 1 million children in its first year and is on target to enroll 2.5 million children by the year 2000 -- a large step toward our goal of covering an additional 5 million children through both Medicaid and CHIP. She also said that the new toll-free number for children's health outreach (1-877-KIDS NOW), which you and the First Lady launched in February, already has received over 40,000 calls from parents interested in learning about free or low-cost health insurance options for their children. Witnesses from the Center for Budget and Policy Priorities and state Medicaid departments also praised the Administration for its implementation of the program and its record of initiating and supporting outreach efforts

5. Drugs -- Arrestee Drug Use: The Department of Justice's National Institute of Justice released on Thursday a report on drug use among arrestees in 1998. The study found that marijuana was the most commonly found drug in tests of male arrestees, with use particularly high among young male arrestees (aged 15 to 20): more than half of such youths tested positive for marijuana. Cocaine remained the most commonly found drug among female arrestees; although cocaine use declined slightly among male arrestees nationwide, in more than half of the sites surveyed for the study, more than one-third of adult male arrestees still tested positive for cocaine. High rates of methamphetamine use remained largely confined to Western cities, with over 20 percent of both male and female arrestees testing positive for this drug in San Diego, Las Vegas, Spokane, Sacramento, and Salt Lake City. Finally, opiate use remained stable nationwide, with nearly 70 percent of confirmed heroin users also testing positive for cocaine. While opiate use remained very low among juvenile arrestees nationwide, heroin use among these youth increased significantly in New Orleans, Philadelphia, and St. Louis.

6. Tobacco -- FDA Rule: As you know, the U.S. Supreme Court agreed last week to review the decision of the U.S. Court of Appeals for the Fourth Circuit striking down the FDA's tobacco rule. The Court is expected to hear arguments this fall and decide the case sometime prior to the summer of 2000. Options available to the Court include (1) agreeing with the Fourth Circuit that the FDA has no statutory authority to regulate tobacco products or advertising; (2) agreeing with the district court that the FDA has statutory authority to regulate tobacco products, but not the advertising for those products; or (3) holding that the

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FDA has statutory authority both to regulate tobacco products and tobacco advertising. If the Court finds that the FDA has statutory authority to regulate tobacco advertising, litigation will continue in the lower courts regarding whether the advertising restrictions imposed by the FDA are consistent with the First Amendment. (No court has yet ruled on this issue, and the Supreme Court is very unlikely to address it.) While the Supreme Court considers the case, the only part of the rule that will be in effect is the requirement that retailers check photo identification of any tobacco purchaser who appears to be under the age of 27. Interestingly, however, we may begin to see some voluntary decisions to refuse tobacco advertisements: the New York Times last week became the first major newspaper to announce that it would no longer run such advertisements.

7. Tobacco -- Recoupment Issue: The Campaign for Tobacco Free Kids and the American Heart Association issued a report on Thursday highlighting how few states are investing tobacco settlement funds in programs to prevent youth smoking. The report found that only nine states -- California, Florida, Maryland, Massachusetts, Montana, Oregon, Virginia, Washington -- are currently using funds for this purpose. Although other states could choose to join these nine in the future, the report found that at least 25 states are not now considering any proposal to use settlement funds to reduce youth smoking. We issued a statement expressing disappointment that so few states are devoting settlement funds to youth tobacco prevention programs, and reiterating our refusal to waive federal claims to the funds without a commitment from the states to support such programs.

8. Education - Class-Size Study: Secretary Riley joined Senator Patty Murray and various education leaders on Thursday to announce the most recent findings of Project STAR -- the Tennessee study that has tracked the performance through high school and beyond of a group of students taught in small classes (with 15 to 18 students) in grades K-3. The study's findings show that these students had higher grade-point averages in high school, better graduation rates from high school, and a higher probability of attending college.