Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note w/attach	Todd Stern, Helen Howell to POTUS Re: Secretary Shalala's Memo re: Health Coverage Needs of Young Adults (3 pages)	5/21/96	P5

4161

COLLECTION:
Clinton Presidential Records
Domestic policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
May 1996 HSA [1]

Gary Foulk

gf123

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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THE PRESIDENT HAS SEEN
5/28/96

THE WHITE HOUSE
WASHINGTON

May 21, 1996

Chris -
FYI.
Jen

MR. PRESIDENT:

In the attached memo, Sec. Shalala suggests that, in one of your commencement speeches, you call for a campaign by employers and insurers to better address the health coverage needs of young adults. Twenty-seven percent of 18-24 year olds are uninsured, compared with 15% of the population overall; many lose coverage when they graduate college. Donna suggests that such an initiative would allow you to simultaneously address the issues of health care, corporate responsibility, and the government's role in supporting families, through a voluntary, non-regulatory approach.

Carol, Gene, John Angell, Vicki Radd, Chris Jennings and Jennifer Klein met on this proposal and have serious reservations about it. First, they believe that our current focus should be on the Kassebaum-Kennedy bill, and that talking about new health reform proposals now may hurt the chances of passing that bill. Apart from timing, there is a real question as to whether young adults -- as distinguished from, say, children or workers who lose their jobs -- are the best group to target for additional health care reform. They are not necessarily the most needy -- many choose not to have health insurance because they are young and healthy.

Todd Stern
Helen Howell

5-28

Todd:

Should we send copies to anyone else?

see Shalala ____ yes ✓ no

cc: J. KLEIN

CLINTON LIBRARY PHOTOCOPY

COPY

THE PRESIDENT HAS SEEN
5/28/96

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

MAY 8 1996

96 MAY 9 A10:26

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Incremental Health Care Reform -- Covering the Class of '96

Summary

In one of your upcoming commencement speeches, you could call for a voluntary, private sector campaign to address better the health coverage needs of young adults -- who often lose health coverage as dependents when they graduate from college.

Introduction

In the past year, you have effectively focused public and Congressional attention on the need for incremental health care reforms, with the centerpiece being insurance reforms. That effort, coupled with your strong stand in updating and preserving Medicare and Medicaid, is proving successful, and provides a model for future strategies -- a modular approach to health care reform.

We should continue to target our efforts on gaps that occur in the transitions among parts of the health care system -- as individuals move from job to job, as they age from one form of coverage to another, or as the system itself changes. I have been reviewing potential approaches, and one in particular suggests itself for immediate attention. That is to call on employers, insurers, and the National Association of Insurance Commissioners to develop model programs to address coverage needs for young adults.

As you may know, many young adults now lose health insurance coverage as they become independent; such as graduating from college. My own department's General Counsel discovered the problem first-hand shortly after her son's graduation. When her son went in to fill a prescription last June, he was informed that he was no longer covered by the family's health insurance policy, and his mother, while surprised, immediately took action to purchase supplemental insurance. Just weeks later, a serious bicycle accident put him in the hospital for two different surgical operations -- which would have cost the family thousands of dollars if he had not discovered that he was uninsured because of his college graduation.

Calling on insurance companies to design policies to address this gap in coverage would have special appeal to two important groups: young adults age 18-24, who either don't have health insurance or are realizing its cost for the first time, and their parents, who are increasingly concerned about their children's safe transition to independence. And it gives you the

opportunity to simultaneously address the high-profile issues of health care, corporate responsibility, and the government's role in supporting families, through a voluntary, non-regulatory approach.

The proposal could be announced in one of your upcoming commencement speeches, which would guarantee you a supportive audience and a visible platform. It could also be followed by a meeting with insurers, interviews with college newspapers, specialty press outreach to target media like MTV, and visits to college campuses this fall.

Background

Young adults are the population most likely to be uninsured: 27 percent of 18-24 year olds are uninsured, compared with 15 percent of the population as a whole. Health insurance gaps are the norm as these individuals make a transition from coverage as dependents to coverage in the work force.

In general, children are considered dependents through age 18-21, depending on state law. Full-time students are covered generally through age 22 or 23. Many states provide for a continuation of coverage option when dependency status ceases; certain provisions in the insurance reforms recently passed by the House and Senate, if enacted, will provide for the availability of individual policies for such individuals.

Proposal

You would call on employers and insurers, working with the National Association of Insurance Commissioners (NAIC), to create a campaign to better address the coverage needs of this population. The campaign would include:

- model family health insurance program(s) for states, with a uniform extended age through which young adults would be able to be carried as dependents;
- an educational campaign on the purchase of health insurance for young adults.

I have talked informally with some major insurers about this proposal. If you are interested in pursuing this matter, I will follow-up with more detailed discussions with the key parties to set the stage for an announcement during the spring graduation season.

Donna E. Shalala

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	
001. briefing paper	Meeting with Senator Mitchell (5 pages)	9/4/94	P5	
002. memo	Ptrick Griffen To Leon Panetta Re: Health Care Strategy Options (4 pages)	7/19/94	P5	
003. memo w/attach	Patrick Griffen to POTUS Re: Memorandum from Congressman Dan Rotenkowski (4 pages)	9/16/94	P5	4162
004. memo w/attach	Patrick Griffen to POTUS Re: Short Term Legislative Strategy on Health Care (6 pages)	6/10/94	P5	4163

7

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
September 1994 HSA [2]

Gary Foulk

gf120

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THE WHITE HOUSE

WASHINGTON

September 16, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: PATRICK GRIFFIN

SUBJECT: MEMORANDUM FROM CONGRESSMAN DAN ROSTENKOWSKI

Attached is a private memorandum to you from Congressman Dan Rostenkowski offering advice to you on two issues: health care reform and a middle class tax cut.

Health care reform

The Rostenkowski memo strongly urges you not to announce that you are dropping the effort for this year. He also urges you to sign a bill that would address very incremental insurance reform, such as providing for portability and administrative simplification, as a useful first step. He also supports the establishment of a cost containment commission to keep attention focussed on the problem. He argues that it is critical for the public to see that the Republican objective is to prevent Democrats from functioning.

As you know, Congressman's Rostenkowski's general position is consistent with the position agreed upon at the leadership meeting earlier this week. Since that meeting several additional Members and Senators, including Senator Moynihan and Congressman Pete Stark, have publicly said that it is too late for a bill to pass this year. Additional members, including Chairman Dingell, are considering making similar statements in the coming days.

Middle class tax cut

The Rostenkowski memo strongly urges you not to fall into a trap on this issue. He argues that there is simply not enough money to provide a serious tax cut and that there is a real risk of coming forward with a policy that would be ridiculed like the Carter $50 tax cut. He further urges that revenue could be better spent elsewhere, in particular, welfare reform, re-employment or job training.

Response to Rostenkowski memorandum,

Dear Dan,

Thanks for your memorandum this week. As we look ahead to planning an agenda for the coming year, your thoughts on health care reform and tax policy, in particular, are most important to me. I appreciate your thoughtful comments and look forward to discussing them with you.

With best wishes,

MEMORANDUM

TO: President Bill Clinton

FROM: Dan Rostenkowski

DATE: September 13, 1994

94 SEP 15 A10 : 29

RE: Health Care Reform and Middle-Income Tax Cuts

News reports over the last week regarding both health care reform legislative efforts and possible middle-income tax cut proposals concern me -- enough to make me want to write you another memo.

First, health care.

Mr. President, no one has wanted to legislate major reforms more than I have. Like many Americans, experiences within my own family have shown me many of the failings of our current health care financing system.

I also work at being a realist. I know that in the month that is left we cannot accomplish a major overhaul of the current system. In the "real" world of partisan politics and fear mongering, it is unlikely that any meaningful reform can be enacted this year. However, I believe strongly that you should not announce you are dropping the legislative effort for this year.

I noted with sorrow recent Democratic statements that reform should wait until next year. Realisticly, that may be what is likely to happen. But, I think it is politically wrong to give up publicly before making the Republican grenade throwers pay some price for what they have become -- people who want to keep any government led by Democrats from functioning. It is also substantially wrong. If we do nothing this year, we start from failure next year, a year in which (if the prognosticators are correct) the Senate and House membership will be even more Republican. If we work to get what we can now, we have a chance of building on that small success next year.

I know that there is danger in this strategy since some insurance reforms can do more damage than good in the absence of universal coverage. But, portability would be a useful first step. Other reforms like administrative simplification, quality assurance and anti-fraud and abuse provisions could also be included. I would also recommend the creation of a cost containment commission to monitor and draw attention to skyrocketing health care costs.

Mr. President, the bottom line is, parts of our current health care system are broken. We can start to repair the damage. If we view it as a downpayment toward universal coverage rather than the final resolution, you should be able to sign the bill into law. And next year we can build on our success.

If we cannot enact anything, you should take us to task for failing to do the job we were elected to do. You should not let us off the hook. As President, you should not be a captive of possible Democratic losses in November. You were elected to be President of all the people. You must continue to act in their best interest.

Second, I have heard enough recently to make me worry that some in your Administration may be pushing you to consider proposing a middle-income tax cut. Just because the Republicans are posturing about tax cuts both for the middle class and the wealthy is no reason for your administration to get caught up in useless politics. Remember, they don't have to govern. You were elected to do just that -- govern.

There are several reasons you should not propose middle-income tax cuts now. First, the number of American taxpayers who consider themselves part of the middle class is so great that you can't afford to give much to each one. Don't get caught up in something as crazy as President Carter's $50 rebate. Like the short-lived incremental investment tax credit some encouraged you to include in your economic stimulus package last year, such a small tax cut would be met with derision and not wanted even by its intended beneficiaries. Moreover, policy analysts would criticize your efforts both for being wrong-minded and too small. The truth is you can't afford enough to make it worthwhile.

Second, under current budget rules, you have to pay for any relief. It will be very difficult to get more out of wealthy Americans. There are too few of them, and we have raised their rates as high as we can without creating irresistible pressure to offset the increases with new loopholes -- the very effect we attempted to counter in 1986. I know only too well the damage a bidding war could cause in this context.

Third, even if we could find a way to finance tax relief, that revenue would be better spent elsewhere. It could be used toward your goal of making government a better servant of the people -- toward welfare reform, reemployment, job training, or other areas where past administrations have failed. You have already found out how difficult it is these days to finance a real government. Reducing taxes on the broad middle class will make those efforts even more difficult, and for little, if any, gain. It would be better to reduce the deficit further. I understand that even with our recent efforts to gain control over the deficit, it will begin to increase substantially again in 1996.

Mr. President, on these two important issues, you have the opportunity to lead the American people. On health reform, do not give up or give in. On middle-income tax relief, do not promise what the American taxpayer does not need and should not expect.

JUNE 10, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Pat Griffin

SUBJECT: SHORT TERM LEGISLATIVE STRATEGY ON HEALTH CARE

Current Status

All five Committees in the House and Senate have been fully engaged in marking up health care reform. It is clear that in several committees we are very strong -- Senate Labor, House Ways and Means and House Education and Labor. It also remains clear that Senate Finance and House Energy and Commerce remain a significant challenge.

To review briefly, Senate Labor reported a strong bill yesterday from full committee, House Ways and Means will begin voting next week and expects to complete action on a strong bill with a mandate and universal coverage the end of the month. House Education and Labor begins full committee markup next week and expects to be able to complete a bill that is also very strong.

While Chairman Dingell is less than optimistic about finding a majority in his committee, he remains one vote short, and there is still the possibility that even if he fails to get a majority, one of his Democrats will agree to miss the vote to let the bill go forward. He also indicated that if he fails in Committee, he will cooperate in bringing the bill to Rules and the floor.

The Senate Finance Committee remains the toughest forum. Chairman Moynihan has introduced a committee mark which generally tracks our approach, but with a serious deficiency -- he has omitted any specific language on cost containment. It appears that this approach will not be able to garner a majority support in committee, which would require all eleven of the Democrats.

In addition to the work in committee, both the House and Senate Leadership have been fully engaged in trying to find a consensus that will pass on the floor in August. Majority Leader Gephardt has personally spoken with the seventy five to one hundred potential problem Democrats, of whom he can afford to lose 40. Based on these conversations, he believes that the House will be able to pass a bill with a hard trigger to universal coverage.

Majority Leader Mitchell's efforts in the Senate have been directed at trying to build a consensus from within the democratic caucus behind a universal coverage approach. He has also made tentative overtures to key Senate Republicans, but these conversations have not revealed a compromise proposal which would expand Republican support. Mitchell has also worked with Senator Breaux, who has floated several alternative proposals, most recently a hard trigger approach.

Assessment

A senior administration team met with the House and Senate leadership last night. The leadership assessment of the current situation weighed heavily on the prospects in the Senate Finance Committee. The Senate leadership was not confident that even a hard trigger would win eleven Democratic votes, and the House leadership expressed serious concerns that any movement to a weaker position in committee would immediately lower the ceiling for House action. Given these considerations, we are recommending several steps, particularly with regard to the Senate Finance Committee.

Strategy

We need to engage with both the Democrats and Republicans on the Senate Finance Committee. In particular, we believe that you need to have several conversations over the weekend.

(1) Senator Moynihan

Senator Moynihan's mark reflects his local political concerns. It is important to him that he appear supportive of you, and that he presents an aggressive enough approach to health care reform to satisfy his New York constituencies. He is also concerned that he appears to be in control of his Committee.

You are scheduled to meet with Senator Moynihan and ranking member Packwood on Tuesday. We feel it is important for you to speak with him over the weekend to discuss a mutually agreeable strategy for that meeting.

Senator Moynihan will be looking for you to ask him to make concessions, to provide him with political cover in New York, so that he can take the next step. This would appear to be a further compromise, beyond the carve out for small businesses, which he put in his mark yesterday, perhaps leading to a hard trigger. While the goal is to reach a majority, it is unlikely that this concession would be sufficient. Senator Boren has indicated that without additional Republican support he will not be able to vote for a bill in the Committee.

We believe that you should thank Senator Moynihan for presenting a mark close to the Administration plan, and ask for his assessment of the prospects for its consideration among

Democrats. We expect that he will tell you that the votes are not there. As the conversation shifts to next steps, you should urge Senator Moynihan to explore other approaches for gaining consensus for an alternate approach to achieving universal coverage, without specifically suggesting the hard trigger. You should restate your belief that achieving consensus among Democrats is an important precondition to having profitable discussions about compromise with Republicans.

Senator Boren would appear to be the most difficult Democrat to attract. You need to discuss with Senator Moynihan how to work together to win Senator Boren's support.

(2) Senator Boren

The purpose of this call should be for you to emphasize that you share his desire for Republican support. However, it is your opinion that Republicans are hardening their positions and it appears likely that, in the absence of a unified Democratic position on the Committee, Republicans will not sign onto a compromise approach.

You need to ask what approach he would favor to achieving universal coverage. For example, would he support a hard trigger approach, similar to that proposed by Senators Conrad and Breaux? If his response to that is that his support is contingent on Republican support, ask him what mechanism he believes is necessary to acquire Republican support without losing Democratic Members off of the Committee.

(3) Senator Chafee

In your call to Senator Chafee it is important to press him for a bottom line about working together for universal coverage. With the hardening of Republican positions, it is increasingly unclear how far he is willing to go. You need to impress on him that there is a risk to delay, and underscore that this is the time to redouble efforts to find a consensus between Senate Democrats and Republicans. You should ask him whether it would be worthwhile for you to meet with a small group to explore this further next week.

(4) Senator Bradley

Senator Bradley is only now engaging on health care. His principal concern is cost containment, and would not support an approach that eliminates premium caps unless there is an alternative that works. We are working with his staff to help develop an alternative cost control approach that has the potential of appealing to the managed competition supporters because it creates incentives for low cost plans (without a tax cap).

You should ask Senator Bradley to support the effort to build consensus among the eleven Committee Democrats and to attempt to identify what needs to occur to move the process forward on this issue.

(5) Senator Durenberger

You should acknowledge and thank him for his May 19th meeting in the White House with you. The purpose of this call is to follow up on this conversation and to solicit from him his suggestion on what method and legislative policy can be used to create an environment for moderate Republicans support -- without jeopardizing Democratic Finance Committee Member support.

(6) Senator Danforth

You should reiterate about how important you believe it is to have bipartisan support for health care. Ask Senator Danforth what approach to achieve universal coverage with cost containment can be constructed to gain Republican support without jeopardizing Democratic support.

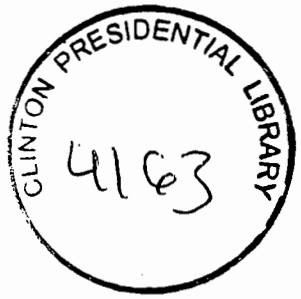
* We may also need time on your schedule next week for a few meetings with targeted Members to discuss strategy for consensus building within the Finance Committee.

THE WHITE HOUSE

WASHINGTON

MAY 24, 1994

MEMORANDUM FOR THE PRESIDENT



FROM: PAT GRIFFIN
CHRIS JENNINGS
JACK LEW

This memorandum is in preparation for your meeting tomorrow with the Congressional Democratic leadership and Chairmen of the major committees of jurisdiction.

MAJORITY LEADER GEORGE MITCHELL:

The Majority Leader is fully engaged and reaching out to Finance Committee Democrats and Republicans in search of common ground. Like the White House, Mitchell's working relationship with Chairman Moynihan and his staff is a tenuous one. Mitchell has completed his presentations to the Senate Caucus on the employer mandate and cost containment, and on alternative approaches for dealing with small business and the deficit. Those presentations have been generally well received. The Majority Leader seems very appreciative of the ongoing support and technical assistance provided by the White House and the rest of the Administration for his caucus presentations as well as for other committee members. He continues to believe that we must strengthen the Democratic base and improve the package as the best way to increase the level of Democratic commitment and attract moderate Republicans.

This week the Wall Street Journal described Mitchell as confident of passage this session but "subdued."

MAJORITY WHIP WENDELL FORD:

Senator Ford's primary concern remains tobacco, but nothing close to a deal has been mentioned. If he can get something for tobacco, he is likely to be with us in the end. At the moment, he is, of course, running against a significant tide of negative public and media attention focused on the tobacco industry. While he genuinely would like to see health reform enacted this year, he feels he has not been adequately consulted throughout the process.

CHAIRMAN OF THE FINANCE COMMITTEE DANIEL PATRICK MOYNIHAN:

Chairman Moynihan remains very sensitive about how he feels the White House and Senator Mitchell are dealing with his Committee. This week's TIME discusses White House efforts to appease the "brilliant but unpredictable" Chairman. E.J. Dionne reported in Tuesday's Washington Post that Moynihan still needs to be convinced that universal health coverage can be achieved without unanticipated negative consequences. The New York Times editorial on the HSA imperiling city hospitals may bolster the Chairman's concern about treatment of New York State in reform.

CHAIRMAN OF LABOR AND HUMAN RESOURCES EDWARD KENNEDY:

Sen. Kennedy intends to finish his committee's mark-up before the recess. He is moving the debate to the center, and while he is getting Republican support for amendments, it is exceptionally unlikely that any Republican, other than Sen. Jeffords, will vote for the final committee version. Kennedy's efforts to reach bipartisan consensus are providing helpful cover for the White House in the media.

Some writers have noted that Kennedy faces a tough reelection and called his flexibility a sign of weakening in his and the White House's political position.

SPEAKER OF THE HOUSE THOMAS FOLEY:

While still predicting passage of health care legislation this year, Rep. Foley has suggested that there may be no August recess in order to pass the bill. He remains critical of welfare being considered this year.

MAJORITY LEADER RICHARD GEPHARDT:

Rep. Gephardt is following Senator Mitchell in becoming engaged in the substance of the legislation, and the White House is providing him technical assistance as we have Mitchell. Gephardt stated that Breaux's softening on the employer mandate makes it possible for other conservative Democrats to embrace universal coverage. Like the Speaker, Gephardt fears that welfare reform will sap needed energy and resources from health care.

MAJORITY WHIP DAVID BONIOR:

The Majority Whip, also a member of the Rules Committee, has said when the legislation reaches the floor, his preference would be to allow Members to vote on a small number of "broad choices" - such as the HSA, a Canadian-style plan, and a Republican alternative, rather than permitting amendments on specific bills.

CHAIRMAN OF THE EDUCATION AND LABOR COMMITTEE BILL FORD:

The subcommittee anticipates finishing its work before the Memorial Day recess. While the subcommittee has increased spending, the Committee continues to offer the leadership the easiest chance to craft a bill for the floor. Gephardt has indicated that he wants to work with them more closely in the full committee. The subcommittee has been a preliminary battleground over abortion rights.

CHAIRMAN OF ENERGY AND COMMERCE COMMITTEE JOHN DINGELL:

The Chairman calls trying to find sufficient votes to get the bill out of his committee like "balancing peas on a knife." He asserts that he has urged the President to campaign for health care and against Republican gridlock.

CHAIRMAN OF WAYS AND MEANS DAN ROSTENKOWSKI:

Chairman Rostenkowski continues to forge ahead to try and get a bill out of his Committee. The Washington Post had an extensive report on Rep. Rostenkowski's deal with the Health Insurance Association of America in order to preclude their advertising during his markup. While the report exaggerates concessions which Rostenkowski has made, the Chairman has agreed to limit the community rating requirement to firms of 100 or fewer, rather than 1,000 or fewer. The deal is reputed to improve his chances of gaining support from Reps. Hoagland (D–NE) and Neal (D–MA).

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings, Steve Edelstein to Melanne Re: Proposed Bus Trip Routes (2 pages)	9/4/93	P5
002. memo	Chris Jennings to POTUS Re: Taping with Senator Leahy at 7:00 p.m. (2 pages)	9/21/93	P5 4164
003. memo w/attach	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Health Care Workshops (13 pages)	9/4/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
September 1993 HSA [2]

Gary Foulk

gf104

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THE WHITE HOUSE

WASHINGTON

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MARKING Per E.O. 12958 as amended, Sec. 3.2 (c)
Initials: MJ Date: 8.17.05

September 21, 1993

TO: President Clinton
FR: Chris Jennings
RE: Taping with Senator Leahy at 7:00 p.m.
CC: Howard Paster, Susan Brophy, Steve Ricchetti

Senator Leahy has requested a taping with the President about their mutual commitment towards assuring that there be adequate state flexibility in any national health reform proposal. In short, he wants recognition of his contributions in this regard, in particular with his legislative initiatives that provide for state flexibility. (Please see below).

BACKGROUND

With rare exception, Senator Leahy has been one of our most consistently loyal and supportive Democratic Members in the Senate. He, and particularly his staff, however, frequently feel that the White House pays an inordinate amount of attention to Senator Jeffords. They believe that Senator Jeffords (who is up next year) will have to be with us more often than not just to assure his political survival. More to the point, however, Senator Leahy appears to feel we take him for granted.

With regard to health care, **Senator Leahy has worked for over three years pushing the idea that states should be given the resources and flexibility they need to move ahead with comprehensive reform.** Last year, in the face of inaction at the federal level, **he and Senator Pryor introduced the Leahy-Pryor State Care bill.** The legislation called for federal waivers and start-up funds to give states the resources they need to move ahead with reform. **The bill was endorsed by you (during the campaign) and by the NGA.**

POLITICS

For years, Senator Leahy and Senator Jeffords (and Governor Dean) have been fighting for the public spotlight in Vermont on the health care issue. During the election last year, bad blood was shed between the two Members when Senator Jeffords ran a spot for the opponent of Senator Leahy.

The First Lady has held separate meetings with both Members and held an event (with Senator Leahy and Governor Dean) at a DGA conference. Senator Leahy is somewhat concerned that, if Senator Jeffords endorses your health reform proposal (and he may well do that), the White House will focus so much attention on Jeffords that Leahy will no longer be viewed as a serious health care player.

TALKING POINTS

- Senator Leahy, your message that there must be state flexibility in any health reform bill has been heard.
- I want to personally thank you for allowing us to call on your expertise in this area.
- The concepts and intent embodied in the Leahy State Care Bill have been drawn upon extensively in the Health Security Plan.
- I look forward to working with you and your Governor, Howard Dean, who is also strongly committed to this issue, in the upcoming weeks and months to ensure that we achieve our mutual goals of universal coverage and cost containment and security for all Americans.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings , Steve Ricchetti to Hillary Clinton Re: Proposed Schedule for Congressional Consultative Meetings and Pre-Introduction Briefings for a Scheduled June 23rd Release Date (11 pages)	6/1/93	P5
002. memo w/attach	Chris Jennings to Distribution Re: Proposed Congressional Meeting Schedule (12 pages)	6/1/93	P5
003. memo	Sara Rosenbaum to Hillary Clinton, Carol Rasco, Ira Magaziner, Judy Freder,Shirley Sagwa Re: Legislative Specifications for the President's National Health Reform Plan (7 pages)	6/3/93	P5
004. memo	Chris Jennings to Hillary Clinton Re: Monday Meeting with Congressman Dickey (2 pages)	6/5/93	P5
005. memo	Chris Jennings to Hillary Rodham Clinton Re: General Comments re Reconciliation Cuts (2 pages)	6/7/93	P5
006. memo w/attach	Donna Shalala to President and Mrs. Clinton Re: Public Portrayal of the Medicare Program (6 pages)	6/7/93	P5 4165
007. memo	Chris Jennings to Hillary Clinton Re: Meeting with Senator Exon (2 pages)	6/9/93	P5
008. memo w/attach	Chris Jennings to Hillary Clinton Re: Meeting with Senator Dodd (3 pages)	6/10/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Helath Security Act)
OA/Box Number: 23754

FOLDER TITLE:
June 1993 HSA [1]

Gary Foulk

gf87

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUN 7 1993

TO: The President and Mrs. Clinton

FROM: Secretary Shalala

SUBJECT: Public Portrayal of the Medicare Program

As we move from the stage of formulating our plan for Health Care Reform to the process of explaining it to the public and shepherding it through the Congress, my staff and I are increasingly concerned about the way in which the Administration publicly portrays the Medicare program. In particular, we are dismayed by the credence which seems to be attached to any complaint about the program, no matter how ill-founded. While there are many problems with Medicare - which we are trying to address in a number of ways - the program continues to enjoy extremely broad support not only from its beneficiaries and other key constituency groups, but from the general public as well. Key Congressmen are especially sensitive to its political importance.

As representatives of the Administration have met with provider groups, especially physicians, they have heard a continuing litany of complaints about Medicare. Many of these complaints are well-founded. It should be understood, however, that for the last twelve years Medicare has been run by administrations fundamentally hostile, on ideological grounds, to its very existence, unwilling to spend money to improve its operations, and eager to discredit it in a number of ways. Partially as a result, beginning in the mid-'80s, the Congress began micromanaging the program by writing extremely detailed legislation, which has made responsive and constituent-sensitive administration even more difficult.

It's also important to understand that, at the root of many provider complaints about Medicare is the feeling that they are not getting paid enough. If we really agreed with that perception, it would be difficult to justify adding another $20 to $30 billion in provider payment reductions to a Reconciliation package which already contained almost $50 billion in reductions.

In fact, by any objective measure, Medicare is the most efficiently-administered health insurance program in the world. As we showed you in charts last month (attached), since 1983 it has also significantly outperformed the private sector in terms of cost containment, despite insuring an increasingly sick and disabled population. And while there are serious problems in the Medicare HMO program - which we are in the process of fixing - Medicare is still the largest buyer of HMO services in the world.

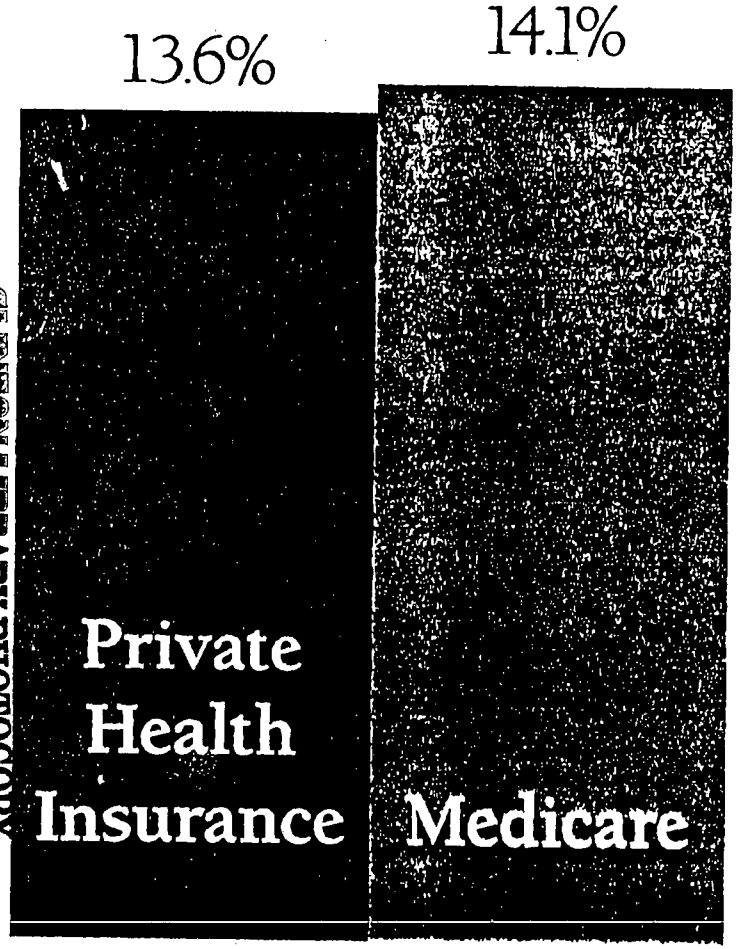
As the extent of the flap over last month's leak that we were even considering integration of Medicare into Health Care Reform reveals, Medicare beneficiaries are not only extremely protective of the program, but highly mobilized. Moreover, to the extent that we reinforce the notion that the government can not even run this most popular of all its programs, we give ammunition to those who would argue that we are incapable of the far more complex task of administering Health Care Reform. We thus run the risk of alienating our friends while giving comfort to our enemies.

For thirty years, Democrats of all persuasions have considered Medicare one of our proudest accomplishments. As New Democrats, we should improve upon and modernize those accomplishments rather than appearing to agree too readily with those who never believed in the principle of social insurance for the aged and disabled in the first place. Otherwise, we run the risk of sending out some very confused and confusing signals about our views on health care and Health Care Reform.

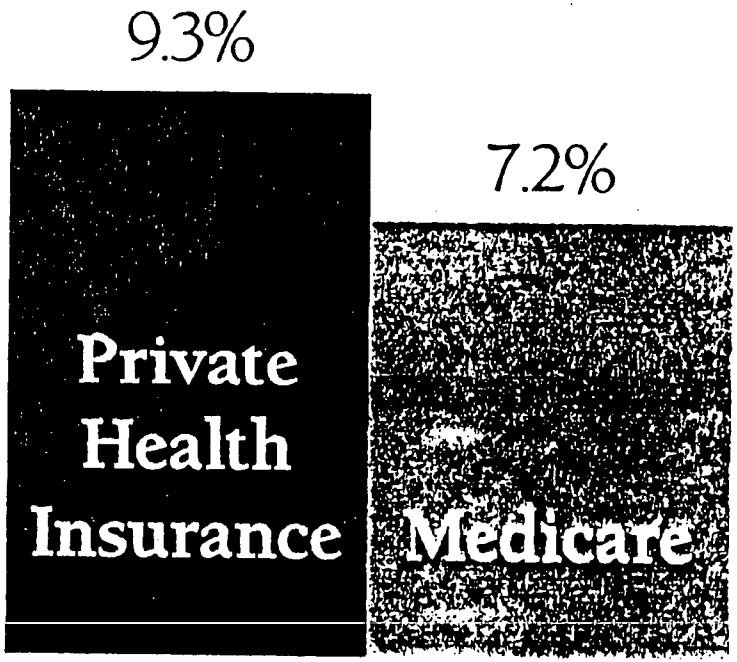
Attachment

cc: Carol Rasco
bcc: Ira Magaziner
Bruce Vladeck
Phil Lee
David Ellwood
Ken Apfel
Jerry Klepner
Judy Feder
Ken Thorpe
Barbara Cooper

Comparison of Growth Rates in Expenditures Per Enrollee: Private Health Insurance and Medicare

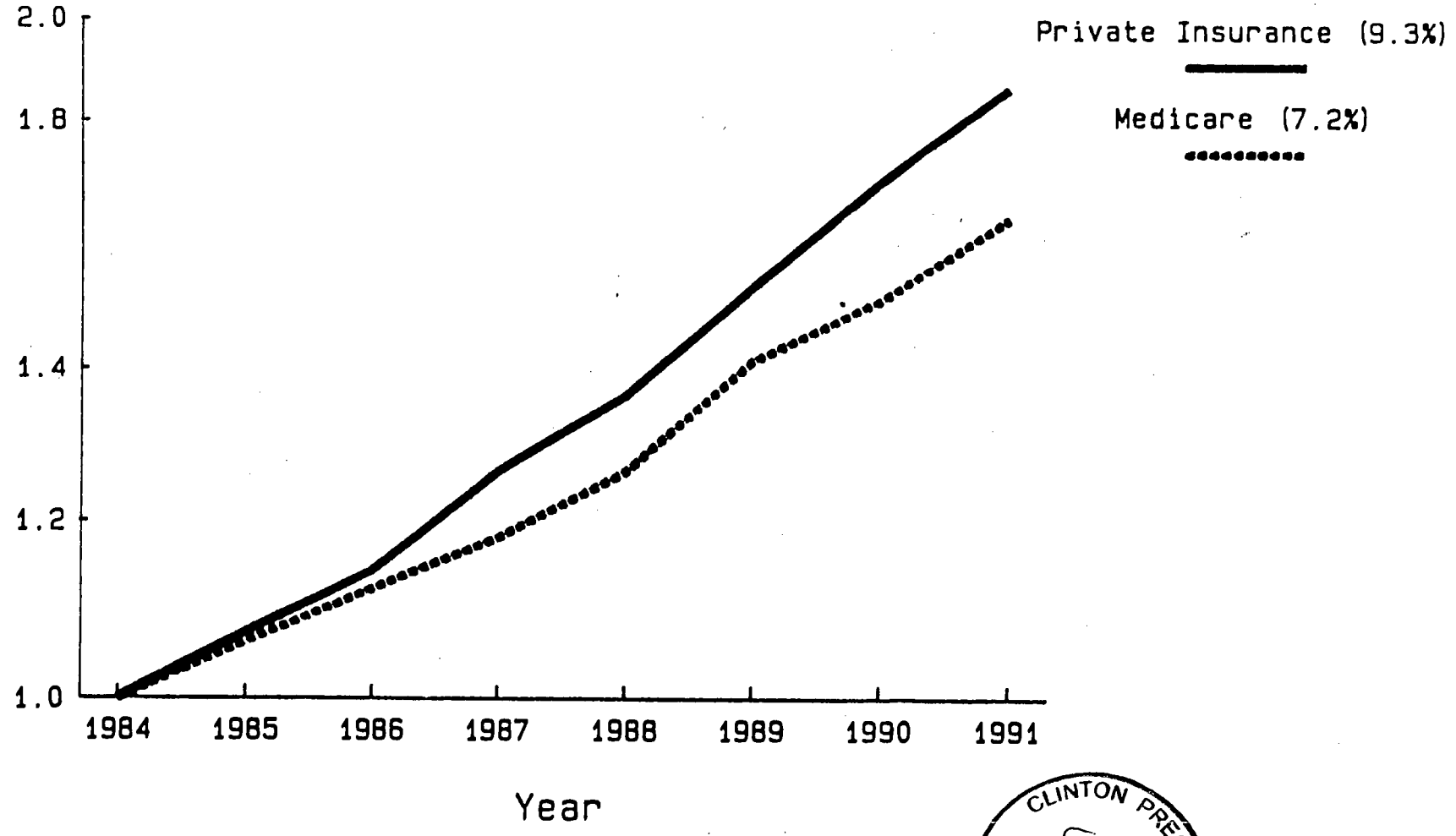


Before Payment Reforms
(1976-1984)



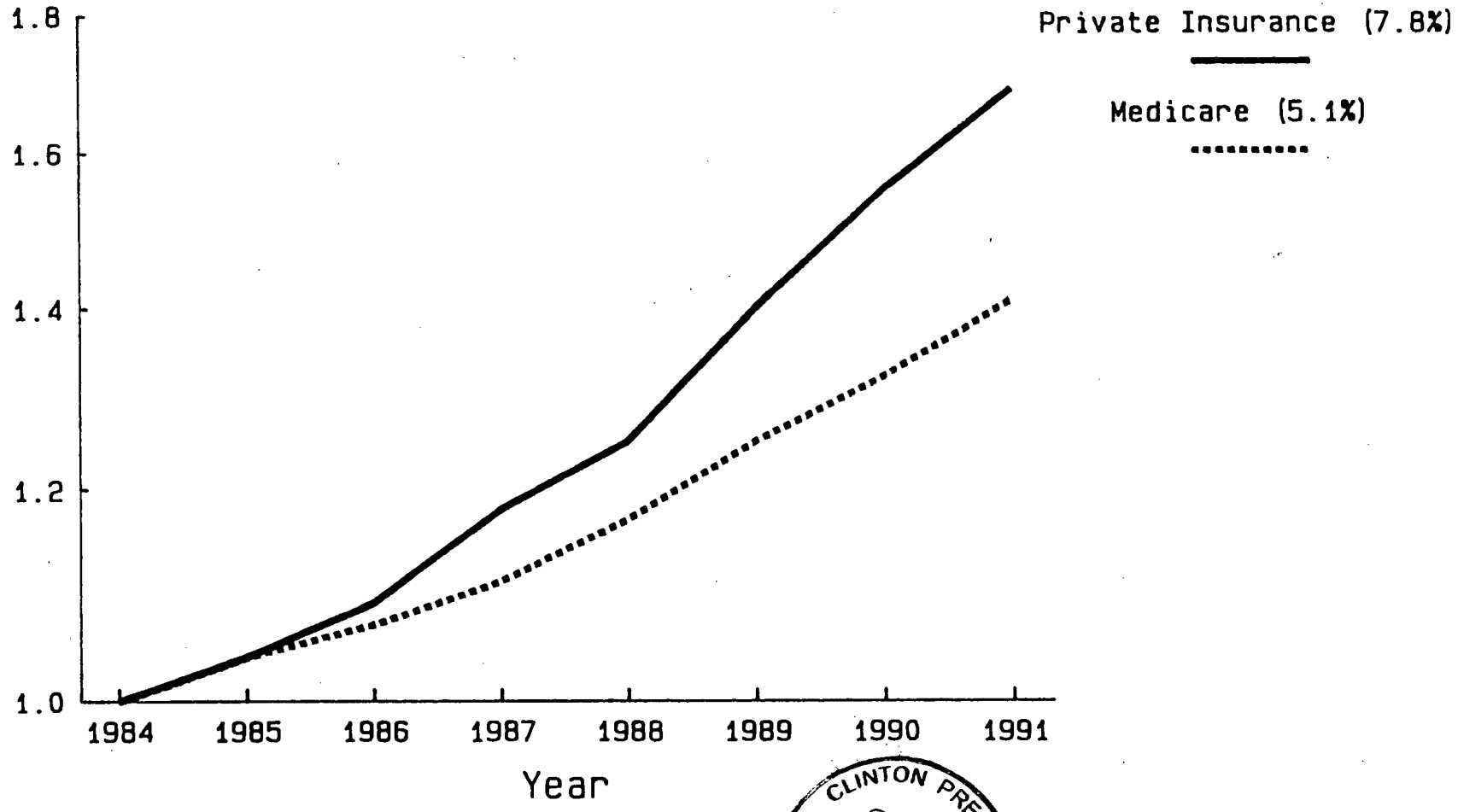
After Payment Reforms
(1984-1991)

Comparison of Growth Rates in Expenditures Per Enrollee: Private Health Insurance and Medicare 1984–1991



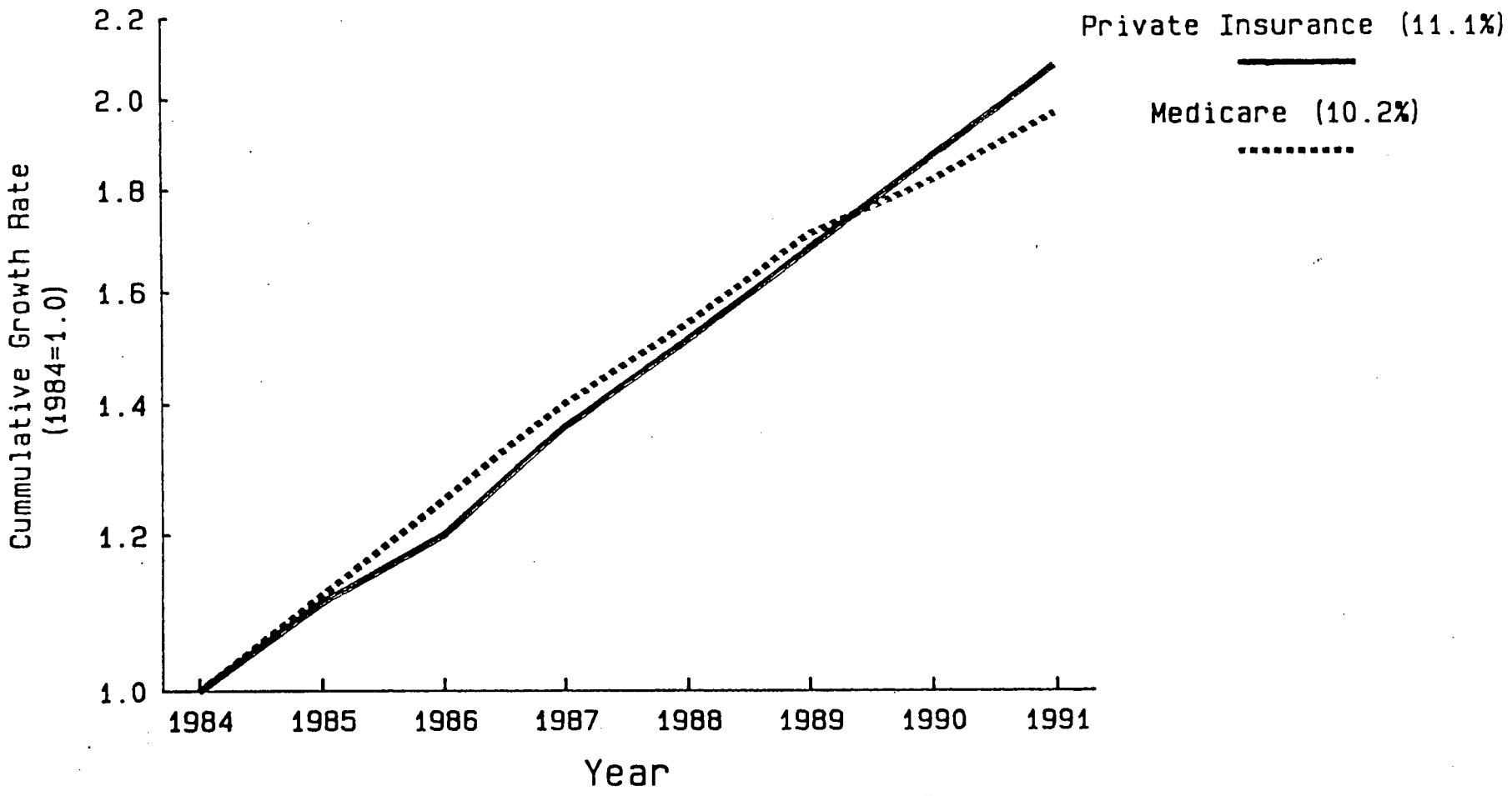
Note: Numbers in parentheses are the 1984-1991 compound average annual rates of growth.

Comparison of Growth Rates in Hospital Expenditures Per Enrollee: Private Health Insurance and Medicare 1984–1991



Note: Numbers in parentheses are the 1984–1991 compound average annual rates of growth.

Comparison of Growth Rates in Physician Expenditures Per Enrollee: Private Health Insurance and Medicare 1984–1991



Note: Numbers in parentheses are the 1984-1991 compound average annual rates of growth.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001 memo	Gene Sperling to POTUS re: Medicare High Income Premium: Pros and Cons (3 pages)	12/23/96	P5 4166

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject File)
OA/Box Number: 23748 Box 20

FOLDER TITLE:
Medicare Reform- Extended Solvency [6]

Gary Foulk

gf41

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information [Reserved for WH] [(b)(9) of the FOIA]

File
Medicare
premium

THE WHITE HOUSE

WASHINGTON

December 23, 1996

MEMORANDUM TO THE PRESIDENT

From: Gene Sperling

Subject: Medicare High Income Premium: Pros/Cons

At the close of the last meeting, you had settled on $100 billion over five years for Medicare and $138 over six years, but you had not given us a final decision on whether or not to include a higher premium on individual filers making over $90,000 and couples making over $115,000 -- less than 3% of recipients. As you recall, most of your advisors expect that such a means-tested premium increase would be in a final agreement. The question for decision therefore, is whether it should be something that we open with in our initial budget or something we are willing to agree to at the negotiating table. Because of the sensitive nature of this memo, we are holding this memo very tight. I have tried to lay out the most complete and fair statement of the pros and cons to help you consider your decision.

GESTURE ARGUMENT:

Supporters Feel it Would Be an Important Gesture: Rubin, Sperling and others believe that a high income premium increase would send an important signal to opinion leaders, Republicans and moderate Democrats that you are taking a leadership role toward bipartisanship. They feel that a high income premium increase still allows you to say that you are protecting 97% of recipients while at the same time breaking an important barrier by allowing for some premium increase. Rubin feels that this has been a major issue as he has done major editorial board meetings.

Opponents Argue that $138 Billion is enough of a Gesture: Some of your other advisors including John Hilley and Leon Panetta have argued that moving to $138 billion over six years will be enough of a gesture that you do not also need to include a premium increase at this time. They argue that the $124 billion was a well-known number and that going $14 billion higher will be noticed. Furthermore, some feel that the gesture rationale is overstated and that using a premium increase to attain it has too high a risk for unsure benefits.

IMPACT ON DEMOCRATS:

Opponents Argue that It Will Hurt us with Daschle and Base Democrats: While Raines says that Bonior has come out for means-testing, John Hilley has found that Daschle feels that key members of the Democratic Caucus will not like a high income premium proposal because Medicare premiums were a bright line issue for Democrats and that we should not do anything at the beginning of the session that might fracture that consensus, especially when we will need their solidarity later.

Supporters State that High Income Premium Increase Will Help Keep Support of Blue Dogs and Moderate (Breaux-Chafee) Democrats. The moderate budgets - Breaux-Chafee and Coalition budgets -- have heavy means-testing in their proposals and, and while we will not be anywhere near their level of means-testing, we would do much to show them our seriousness to them having at least a small high income premium increase. Those who are for it, argue that once the President comes out for premium increases on upper-income individuals, average Democratic members will be hard-pressed to object.

CATASTROPHIC-CARE REDUX REACTION?

Opponents Fear Catastrophic-Care Reaction: Opponents, including Leon, argue that these premium increases hit many of the higher income seniors who led the catastrophic revolt several years ago. Even though our HSA income premium increase affects only 3% of recipients, this could still mobilize a back-lash by those who are among the most powerful and organized of the seniors.

Supporters Feel Issue Not Analogous: Proponents argue that our proposal only affects the top 3% -- much less than affected by catastrophic; that we still leave in a subsidy even for the well-off, and that there has been no sign of major opposition to this so far even when Republicans had far higher means-testing proposals.

BEST STRATEGY FOR NEGOTIATIONS:

Opponents State that We Should Save to Give Away at the Table: Opponents argue that we need to save as many of our chips as possible so that we have as much to give away as possible at the table. Breaking the premium barrier in our opening bid, gives away a significant chip before we have even made it to the table.

Supporters Feel that Helps: Supporters acknowledge that we are giving up something pre-negotiations, but feel that it helps create an environment that gets the

President to the table with moderate support, while leaving much to negotiate on because the HSA premium increase is so small.

FLIP-FLOP or PRESIDENTIAL LEADERSHIP?

Opponents argue that we will be instantly hit for "flip-flop" -- with Republicans saying that we have right away admitted that we did need premium increases all along. They will contend that we have given up a clear bright line position that we took all through 1995-1996 -- and that this reflects a pattern of us changing positions right after elections. Furthermore, some contend that by stressing that we are only raising premiums on the top 3% or couples making over $115,000, we will lock ourselves into a "class-warfare argument that may make it difficult to agree to more of a premium increase as part of a deal. Indeed, Republicans will point out that a high income increase is excessively higher than $268 a couple for those affected.

Supporters Say Presidential Leadership: Supporters argue that we will be criticized no matter what we do, but that taking a clear step towards them will be seen as Presidential leadership towards a bipartisan agreement. Supporters contend that we can defend against a flip-flop argument by stressing that it is only on the top 3%, that a high income premium increase was in the HSA and Putting People First, and that we always said that we were not philosophically opposed to it. Furthermore, the President can appeal to the public that he is making a change as a means of breaking out of last years gridlock.

HELPS WITH HOME HEALTH CARE TRANSFER:

Supporters State that Helps with Home Health Transfer: Advocates of the high income premium increase also feel that we can better justify not applying the premium to the home health transfer if we can say that we are concerned about the impact on low-income recipients, but that we are partly compensating by having a high income premium increase. Shalala, Rubin and Raines feel that it gives them more to point to when fending off Congressional criticisms.

Opponents Feel that This is a Stretch: Opponents feel that it will be too complicated to explain to people that we are transferring a portion of Medicare to Part B, not applying premiums generally but trying to partially compensate for that omission by raising premiums on one small group of high income people.

RECOMMENDATION:

_____ Include High Income Premium

_____ Do Not Include High Income Premium

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a memo	Chris Jennings to the President (1 page)	10/28/1999	P5 4190
001b letter	Amy Rossi to President Clinton (partial) (3 pages)	10/26/1999	P5, P6/b(6) 4191
002. schedule	Schedule for Hillary Rodham Clinton (partial) (2 pages)	11/02/1999	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Faxes)
OA/Box Number: 16777

FOLDER TITLE:
Faxes - ODP November 1999 Binder I 11/01/1999 to 11/14/1999 [Binder] [1]

Racheal Carter
2011-0747-S
rc322

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PR Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE PRESIDENT HAS SEEN
10-29-99

11-1-99

'99 OCT 28 PM 8:17

THE WHITE HOUSE

WASHINGTON

October 28, 1999

This is very good - I want to agree to her - let's discuss options

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings

RE: AMY ROSSI LETTER ON ARKANSAS'S ARKIDS PROGRAM

Attached is a letter from Amy Rossi sent to you relaying her opinion on the possible compromises that the State could make that would improve the ARKids situation. She does not wish this letter to be public because she fears it could undermine her positive working relationship with the Governor. However, she feels it is important – and I agree -- that you know her views on this subject.

A quick review suggests that Amy's ideas are very constructive with the exception of the proposal to allow CHIP enhanced match dollars to be used in ARKids. This would be in direct contradiction to the bipartisan compromise in the 1997 CHIP law that explicitly prohibits Medicaid-eligible children from being enrolled in CHIP. It would give the State a financial incentive to bias the choice towards ARKids.

As we work with the State and HHS, we will closely evaluate Amy's suggestions.

SPM

10-29-99

After you have seen, we will send to Burkhardt

11/1 Delivered to OC Stg. Tx

copied Jennings Podesta Burkhardt (for reply)

COPY

October 26, 1999

President William J. Clinton
President of the United States
White House
Washington, D.C.

Dear Mr. President:

In recent days your deputy assistant for health policy, Chris Jennings, and I have talked regarding the current impasse between HCFA and Arkansas regarding our ARKIDS First program. This argument has escalated to be a situation that is difficult for both sides and I suspect is not fully understood by all the parties negotiating on this. I thought it might be helpful for me to give you my perspective about how difficult this is for everyone.

As you know, the ARKIDS First program is the shining star of the Huckabee administration as it deservedly should be. The program has enrolled a total of 55,000 children during it's first two years with 46,000 currently being served. When Arkansas Advocates originally projected the number of uninsured children in AR, we calculated the number to be around 120,000 children with approximately 90,000 children falling in the range of income below 200% of poverty. As you can see, in just two short years, we have reached almost half of the children in our target population. I believe you can compare us to other states and find that we are one of few who have served so many new children.

I was the one who recommended the program to Governor Huckabee when ironically, he was looking for ways to cut Medicaid costs. He accepted the proposal because it was good for children; it was a companion piece for welfare reform to eliminate the disincentive of losing Medicaid benefits when going to work; and it appealed to him as a pastor who had counseled parents who couldn't pay for health care for their families. The Governor also sold ARKids First as similar to what state employees get as insurance benefits which is why there is some difference in the benefits from those given under Medicaid. At the time, there was a prevailing sense that the working poor were due the same benefits that other average Arkansans received. He pointed out that Cadillac benefits were offered in full Medicaid and that not even he as Governor received those full benefits in his state insurance plan. He promised to offer a plan to working families that was no less than what he purchased for his family.

Given those parameters, I worked with state officials to craft a program that offered a full range of benefits(albeit slightly less than full Medicaid) as well as a small co-pay schedule. The co-pay was a philosophical issue for many legislators and the Governor who felt that working parents wanted to pay "their share". The co-pay is symbolic in that the schedule is at a minimum of $5 for prescriptions and $10 for medical visits but **never** are people denied services if they can't pay the co-pay. I'm even told that some providers have voluntarily and informally dropped charging parents for the co-payments. When consumer satisfaction studies have been done on ARKids, only a very small percentage of the parents note any hardship for the co-pay(see attached findings). Children are getting good services. Providers say they're seeing

THE PRESIDENT HAS SEEN
10-29-99

the state eliminate assets testing. We are only one of two states who continue this arcane procedure.

3. By a specified date, Arkansas should decide how it will encourage enrollment for both ARKids First as well as Medicaid with HCFA suggesting that all children's health insurance in Arkansas be under the brand of ARKids First rather than Medicaid. Please know that the Governor will not go willingly to this idea since he likes the distinction between the programs.

4. HCFA should allow Arkansas to permit parents the choice of participating in the co-payment plan. Since Arkansas has already agreed with HCFA not to prevent services from being given to those who cannot pay, it is already an optional parental election and should continue to be treated as such. This is an important distinction for the Governor and many Arkansas parents. To dismiss it is to ignore parents' need to take care of their own children and their resistance to accepting handouts except under the most dire circumstance.

5. HCFA should allow AR to use their ARKids First plan as their SCHIP plan thereby reducing any difficulty and potential disagreements on yet another insurance plan for uninsured children. Parents, providers, advocates and legislators like our ARKids First program. We should not be asked to change what has proven to work just because Washington has a new idea.

6. HHS in partnership with national health philanthropies should investigate the level of disfavor that Medicaid has among the American public and make recommendations to alleviate the problem.

[redacted] P6/(b)(6)

[001]

Truly,

Amy L. Rossi

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6. HHS in partnership with national health philanthropies should investigate the level of disfavor that Medicaid has among the American public and make recommendations to alleviate the problem.

I hope that this letter helps to describe some of the issues in Arkansas surrounding ARKids First. I appreciate your taking time to read this and I want to add a personal note of thanks before I close. . . We so appreciated your taking time to send your well wishes a few weeks ago when Joe was taken ill with a heart attack. Needless to say, this year has been full of grim moments regarding our health but it is the amazing moments of love and good will that we will remember the most as we think back on these tough days. Our friends have supported us from near and far and our boys and us have been cared for in ways that we could not have imagined. We are truly blessed to have so many people who care for us and who have kept us in their prayers. I know that it has been the power of prayers from friends like you and Hillary that have kept us strong in our personal battles and has helped us both recover and heal. Thank you for taking the time to share with an old friend from home.

Truly,

Amy L. Rossi

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	
001 memo	Harold Ickes to the President re: Medicare, medicaid and welfare proposals (1 page)	02/09/1996	P5	4192

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject Files)
OA/Box Number: 21125

FOLDER TITLE:
Medicaid [5]

Racheal Carter
2011-0747-S
rc848

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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COPY

Chris-fyi

9 February 1996

MEMORANDUM TO THE PRESIDENT
THE VICE PRESIDENT

CC: Leon Panetta
George Stephanopoulos

From: Harold Ickes

Re: Medicare, medicaid and welfare proposals

On 8 February I received an intense telephone call from Gerald McEntee, International President of AFSCME, AFL-CIO, who is very concerned about the reports of the apparent agreement by the Democratic Governors and the Republican Governors regarding medicaid and welfare. Based on the newspaper reports, he thinks that the reported agreement is disgraceful and basically a sellout and urged in his imitably strong way that the President not agree to what he has read the Democratic Governors have proposed.

He is very concerned about the impact of the apparent proposal on the elderly, children and poor families in particular. He points out that his union, among others, have been the staunchest supporters of the Administration and that they have recently spent millions of dollars in advertising, phone calls, direct mail and other forms of communication to hold the line in these areas.

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	
001 memo	Helen Howell to the President re: Recent Information Items (1 page)	03/08/1997	P5	4193
002 memo	John Hilley and Chris Jennings to the President (4 pages)	05/05/1997	P5	4194

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject Files)
OA/Box Number: 21536

FOLDER TITLE:
VIP Memos [2]

Racheal Carter
2011-0747-S
rc870

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE

WASHINGTON

March 8, 1997

C Jennings

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **John Young/PCAST letter on cloning.** Via Jack Gibbons. PCAST endorses your prohibition on Federal funding for cloning of human beings, your request that the private sector adopt a self-imposed moratorium, and your request to the National Bioethics Advisory Commission for advice on the legal and ethical implications of extending animal experiments to human studies. However, they express concern about the lack of public understanding of the history of cloning and the potential applications of recent animal studies. They stress the need for greater public education, and suggest that you ask the National Academy of Sciences, Institute of Medicine to take on that responsibility.

(B) **Chris Jennings follow-up on "Monster Kiddie Care" op ed.** The February 11 Glassman Washington Post editorial criticized proposals to increase coverage of children. ***Misstated the facts.*** Glassman implied that all of the $162 billion in Medicaid spending is for children. In fact, only 15% ($25 billion) is spent on poor children. ***Misdiagnosis of the problem.*** He suggested that the "real problem" is the 1.5 million children whose parents earn $40,000+ and are willing to take their chances not insuring their children. The 1.5 million children he cites represent only 15% of the 10 million uninsured children, and many of these children are uninsured because their parents are not offered insurance in their jobs, their employers make little or no contribution toward coverage, or they lost coverage when they lost or changed jobs. ***Support for two extreme and flawed solutions.*** The tax credit proposal he supports is similar to the approach repealed in 1993 due to low participation, poor targeting, and fraudulent insurance practices. And, the notion that charity can pick up where the tax credit leaves off is unrealistic.

(C) **Berger follow-up on Senator Kyl's February 11 USA Today article on the Chemical Weapons Convention (CWC).** ***Chemicals covered.*** Senator Kyl argues that the CWC does not cover all the chemicals that can be used for chemical weapons, including phosgene and hydrogen cyanide, two World War I-era agents. This is false. The CWC bans the development, production, possession, transfer and use of all chemical weapons, and it specifically lists both of the cited chemicals on its schedule of controlled chemicals. ***Trade.*** Kyl argues that the CWC allows trade in dangerous chemicals banned under the Australia Group. This is incorrect. Australia Group controls are fully consistent with the CWC and remain a viable mechanism for curtailing CBW proliferation. ***Verification of ban.*** Kyl argues that U.S. intelligence cannot verify a worldwide ban on chemical weapons. Once

THE WHITE HOUSE

WASHINGTON

May 5, 1997

MEMORANDUM TO THE PRESIDENT

FROM: John Hilley, Chris Jennings

SUBJECT: Suggested telephone call to Congressman Bill Thomas

cc: Gene Sperling, Bruce Reed

We believe that you should call Congressman Bill Thomas, the Chairman of the Ways and Means Subcommittee on Health, as soon as possible. He is a critically important player that can help or hurt us immensely in the upcoming drafting of the specific Medicare provisions of the budget agreement.

Background

Mr. Thomas is a highly intelligent, but mercurial Member of Congress. (Ironically, in many ways, he is the Republicans' Pete Stark). He will be the most influential Member in the House (and probably the entire Congress) in developing and finalizing the details of the Budget agreement's Medicare provisions. (The Senate Finance Committee is notoriously weak now, and Mr. Thomas' counterpart -- Senator Phil Gramm -- has already made himself of non-player by opposing the budget agreement.)

If Mr. Thomas is treated with what he believes is the appropriate respect, he can be a reliable and helpful team player. If he feels short-shifted, he can turn on anyone in the most unpredictable and damaging of ways.

We have received reports over the weekend that he may be furious with his Republican Leadership that he did not adequately get integrated in the final hours of the agreement. He is not completely satisfied with the Medicare home health transfer agreement, and he is reportedly particularly upset about the low income premium protections (up to 150 percent of poverty) that the Democrats insisted on during the Friday negotiations. (We recommend that if he raises this issue that you listen carefully to his ideas but do not engage in discussion.) We believe that he can get over these issues, but will not tolerate any more slights from either his side or ours.

It is for the above reason that we believe that it is critically important that you reach out to Thomas soon. Medicare is an issue that is too sensitive and too easy to use in destructive ways.

In short, if Mr. Thomas wants to create troubles with the Democrats and this plan, he knows well how to do it. If he knows early on that we will treat him with "appropriate deference," he may make the difference on pushing back right-wing attempts to place "poison pill" Medicare provisions (like broad-based MSAs or the elimination of balance billing protections or a "defined contribution" for the Medicare program).

Although Mr. Thomas may be feeling somewhat excluded from his Leadership, it is important to point out that the budget agreement reflects many of the concerns he consistently raised to us about Medicare in the budget negotiations. For example:

-- **Thomas Position:** He agreed with us that it would not be advisable to increase the provider savings over our base $100 billion package, and that the additional $15 billion in Medicare savings had to come out of a combination of a reduction in new benefits and beneficiary contributions.
Budget Response: We did just that.

-- **Thomas Position:** He felt that no home health reallocation could take place without beneficiaries paying their fair share of the transfer.
Budget Response: Although we phased it in, beneficiaries will eventually pay their fair share of this transfer.

-- **Thomas Position:** He said that we should protect the preventive benefits package because it so closely resembled the bill you introduced (and attracted bipartisan support for).
Budget Response: We did just that.

-- **Thomas Position:** He stressed that a new Alzheimer's respite benefit (however desirable) needed to be better thought out before being established.
Budget Response: We agreed to drop the proposal.

-- **Thomas Position:** He pointed out that our proposal to lower the current 47 percent outpatient copayment was "laudable," but too expensive and unrealistic.
Budget Response: We agreed to cut the dollars allocated to the copayment buy-down by more than half. (We needed this investment to attract AARP's support).

In our conversations with the Subcommittee Chairman, we have found him to be thoughtful and generally constructive. He, for example, agrees that we are overpaying HMOs but would like to develop alternative ways to ensure that Medicare shares in the savings. He has repeatedly said, however, that his caucus will demand at least a MSA demo -- although it does not appear that important to him. He is much more interested in pushing a medical malpractice provision, which he seems to fully expect to be dropped out by the Senate (through the 60-vote Byrd rule requirement.)

Talking Points for Conversation with Congressman Bill Thomas:

- I want to thank you for your willingness to discuss Medicare policy options with us during the budget discussions. Although I know the process has been sometimes frustrating, you and your staff have been constructive from the beginning and I sincerely appreciate that.

- From what I am told, your influence can be clearly seen in the Medicare portions of the budget agreement. (See attached memo on the influence of Thomas on the final agreement.)

- We have a great deal of work to do to complete the budget agreement and I want to continue our positive working relationship to assure there are no surprises on either side. I also want to make clear that I well understand that the budget agreement did not and should not overly micromanage the normal Committee policy development process.

- I do want you to know that, to the extent it is helpful to you, I will make certain the experts within the Administration will be available to respond to any technical assistance you and your staff may have. I know you have met with Chris Jennings and Nancy Ann Min, and I will make sure that they as well as HHS are at your disposal.

- I have heard you have a number of ideas on the managed care front that are creative and thoughtful. I know you are also working on home health payment options. I am told that your work is promising and I look forward to hearing more.

- I am aware of your desire and commitment to add a medical malpractice provision and, perhaps, a Medical Savings Account (MSA) demo. I know you understand that these two provisions cause my Democratic caucus and myself heartburn. Having said that, I do appreciate your being up front with me on your intentions.

- I must tell you, though, that any movement on an MSA demo will create problems. Already the Democrats want me to write a letter suggesting I will veto anything with any type of a MSA in it. I would be willing to review suggestions about a MSA demo, but I cannot even consider anything until I can make sure it is extremely limited.

- I am directing John Hilley and the rest of the White House staff to keep in close touch with you. Please call John if you feel we are being unconstructive in any way. I look forward to working with you in the weeks to come.

COPY

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	
001a memo	Gene Sperling to the President re: Memos on a Medicare Commission and Entitlement Reform (1 page)	07/04/1997	P5	4197
001b memo	Gene Sperling to the President re: Long-term entitlement reform (7 pages)	07/03/1997	P5	4198

COLLECTION:
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Chris Jennings (Subject Files)
OA/Box Number: 21536

FOLDER TITLE:
VIP Memos [3]

Racheal Carter
2011-0747-S
rc871

RESTRICTION CODES

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THE PRESIDENT HAS SEEN
7-7-97

THE WHITE HOUSE

WASHINGTON

'97 JUL 4 AM11:55

July 4, 1997

Gene—
— I'd like to get VP a chance to share his views
— cc Chris's memo to VP
very good
BC

MEMORANDUM TO THE PRESIDENT

FROM: Gene Sperling

SUBJECT: Memos on a Medicare Commission and Entitlement Reform

Attached are two memos. The first is a decision memo on how to proceed in conference on a Medicare or a possible Social Security commission. The second is a memo from Chris Jennings on the challenges of passing long-term Medicare solutions in the immediate future. In our internal meetings, there was a consensus among your top health care and budget advisors that there is no clear vision for a prudent long-term Medicare solution at this moment. Our recommendation is that the wiser course is to focus on constructing a solution to long-term Social Security problems first and to ensure that any Medicare Commission is conceived as more of a study by experts that lays the groundwork and defines the options for long-term reform.

I want to reenforce a few points to make clear that we are in no way recommending a hands-off or inaction approach to long-term Medicare reform. First, we will be engaging in an ongoing, internal NEC process to unearth the substantive and strategic solutions for both Medicare and Social Security. With further study, views on substantive positions on certain Medicare reforms could change and, if they do, we will keep you continually updated.

Second, there may be important Medicare reforms that we can enact in the near term without a commission that, while not remedying our long-term solvency problem, could nonetheless strengthen and improve the program.

Third, a strong, expert Medicare commission could truly help develop ideas that could make long-term reform more promising.

And, fourth, it is always possible that the political landscape could change in ways that would make current, non-politically viable options -- such as raising the Medicare payroll tax -- more acceptable as a means of preserving Medicare's solvency.

THE WHITE HOUSE

WASHINGTON

CLOSE HOLD
July 3, 1997

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: **Long-term entitlement reform**

As you know, our original game plan on long-term entitlement reform was first to pass the balanced budget agreement and then to turn our attention to the longer-run challenges. But we no longer have the luxury of waiting until after the budget agreement is implemented: both the House and Senate reconciliation bills set up Medicare commissions. Even if we preferred not to have a Medicare commission, we are unlikely to be able to remove it from the final reconciliation package. We should, however, be able to influence its structure and focus. We must therefore decide immediately how to shape the Medicare commission into a form most consistent with our objectives. We must also decide whether we want to set up a commission on Social Security -- probably separately from the Medicare commission -- within the budget legislation.

The purpose of this memorandum is to explore three related questions and to give you an opportunity to provide us with your guidance on these questions. First, should our long-term entitlement strategy put more priority on initial action on Social Security reform or Medicare reform? Second, even if we believe that our best strategy is to focus initially on Social Security, how should we try to change the congressional proposals to ensure that the Medicare commission neither interferes with our efforts on Social Security nor produces problems for Medicare? Third, should we support the creation of a Social Security commission now, or should we allow ourselves more time to analyze the best way to proceed?

I. Where should we initially focus our efforts on long-term entitlement reform?

A first step in addressing our immediate concerns is that you must decide where to place

our initial emphasis in long-term entitlement reform. Senator Lott and other Hill leaders have indicated that they want to tackle long-term Medicare reform first. *But your economic and health advisers believe that we should concentrate our initial political capital primarily on Social Security.* The basic argument is that the various options for tackling Social Security are -- at least by comparison with Medicare – well-researched and relatively well-understood. Our understanding of how to address the long-term solvency of Medicare is limited. Indeed, your four top health advisers -- Donna Shalala, Chris Jennings, Bruce Vladeck, and Nancy-Ann Min -- believe that the budget agreement embodies most of the obvious steps in reforming Medicare, and that we need much more analysis before considering which additional long-term policies are sensible. Even new proposals such as raising the eligibility age from 65 to 67 and introducing a home health care co-payment will have only a small impact over the long run. Medicare combines Social Security's demographic challenges with those posed by a health care delivery system characterized by generally rising health costs per beneficiary but much uncertainty over the dynamic evolution of those costs, making effective reform particularly complicated.

Chris Jennings will be submitting a separate memorandum to you explaining why long-term Medicare reform is difficult. Nonetheless, in deciding whether to pursue Social Security reform first, you should remember that such a strategy would be complicated because Senator Lott and other Republican Hill leaders favor addressing Medicare first.

<u>Decision</u>

__✓__ Put initial emphasis on Social Security reform

_____ Put initial emphasis on Medicare reform

__✓__ Discuss →

I think the question is how to put SS reform on table, move along w Medicare, then try to get to action agenda on SS 1st so that we can take the necessary tough [illegible]
BC

II. How should we respond to the Medicare commission proposals?

While you obviously have the option of opposing a Medicare commission in reconciliation, we believe that it is basically a done deal, and our focus should be on how to fix it to fit our needs. If you agree that we should focus our efforts on Social Security first, it is important that a Medicare commission not hinder or undermine that objective. For example, an over-hyped commission on Medicare with key officials from both sides and an early reporting date could divert attention away from Social Security reform. It could also lead to ill-conceived and possibly harmful recommendations for Medicare.

Under both the House and Senate plans, the commission would comprise 15 members (eight Republicans and seven Democrats): six (four Republicans and two Democrats) chosen by the Senate Majority Leader in consultation with the Senate minority leader, six (four Republicans and two Democrats) chosen by the Speaker in consultation with the House minority leader, and three Administration representatives. Under the House bill, you are not granted any discretion in choosing your representatives, who would be the Secretary of Treasury, the Secretary of Labor, and the Secretary of HHS. Thus, under the House bill, the Hill leadership could choose their own representatives, which provides distance from controversial decisions, while you would be forced to put three Cabinet secretaries on the commission. Unlike almost all previous commissions, neither the House nor the Senate proposal would give you the right to choose the chair. The reporting date for the commission would be May 1, 1999 under the House bill and one year after passage of the act -- implying a likely deadline of August 1998 -- under the Senate bill.

You could of course oppose the creation of any Medicare commission. However, your advisers would be concerned that opposition to a Medicare commission may be incorrectly viewed as indicating a lack of interest on our part in tackling entitlement reform. John Hilley believes that the Medicare commission will survive in conference regardless of whether we oppose it.

Instead of opposing a Medicare commission, we could try to ensure that any such commission is not over-hyped, forced to follow a face-track decision-making process leading to an up-or-down vote on a package, or in other ways crowds out your ability to put your initial focus on Social Security. There is enough uncertainty over the substance of Medicare reform, even among your top health advisers, that an intelligent analysis of the issues by a commission could prove extremely beneficial. A commission comprising serious, top-flight people could thus advance the cause of Medicare reform by illuminating possible options, much like the Gramlich commission did for Social Security. To ensure that a Medicare commission is beneficial and does not detract from Social Security reform, we would recommend several changes to the congressional proposals:

- **Membership.** We should not be required to name top Administration officials to the commission, which would preferably also not include Senators and Representatives. If its membership includes top policy-makers, the commission may be constrained by possibly premature policy statements and would seem unlikely to engage in the type of wide-ranging analysis most beneficial on the Medicare front. A commission comprising outside specialists and academics seems more auspicious. As mentioned above, the House version currently appoints to the commission the Secretaries of Treasury, Health and Human Services, and Labor, but grants flexibility to the congressional leadership

over appointments. We could fight to remove the Cabinet members from the commission and provide you with full discretion over your appointments.

- **Party balance.** We should also insist on a truly bipartisan commission, with equal numbers of Republicans and Democrats. The current proposals would have eight Republicans and seven Democrats.

- **Chair.** The chair of the commission could set the tone for the entire exercise. Unlike almost all previous commissions, the congressional proposals do not allow you to appoint the chair of the commission. We could insist that you appoint the chair. As a fall-back, we could ask that the chair be chosen mutually.

- **Consensus voting rules.** We could insist on super-majority (3/5 or 2/3) voting for any of the commission's recommendations -- making it more likely that a diversity of views would be represented in the commission's work. Unfortunately, even super-majority voting may not be able to prevent bad outcomes, given the most likely makeup of the commission. (A super-majority could likely be achieved even if only two of the four congressionally-appointed minority members vote with the majority.)

Reporting deadline. The House proposal includes a May 1, 1999 deadline. The Senate proposal sets a deadline of one year after passage of the act -- implying a likely deadline of August 1998. An August 1998 deadline is likely to be too soon to permit the commission to conduct a careful analysis. And the May 1999 deadline would allow us time to make proposals on Social Security before the Medicare commission reports.

- **Analysis.** The House proposal requires the commission to use CBO rather than HCFA estimates. HCFA has produced the numbers for previous commissions, and HCFA should produce them here as well.

Decision

_____ Support changes to Medicare commission proposals outlined above

_____ Do not support changes to proposals outlined above

_____ Discuss

III. Should we support a Social Security commission within the budget legislation?

As noted above, your advisers believe that we should initially focus our long-term entitlement efforts on Social Security. Although it will not be easy to obtain, true Social Security reform would ease the burden from expected increases in the elderly dependency ratio over the next several decades, and would represent a substantial and lasting achievement of your second term. Regardless of the process, *the Administration would need to spend much of next year -- perhaps starting as early as this fall -- educating the American public and reaching out across the political spectrum to build support for reform.* Historically, a short-term crisis has been necessary for change. (Scholars argue, for example, that the success of the 1983 Greenspan commission was due in large part to the imminent exhaustion of the Trust Fund.) We do not face such a short-term crisis now, making it more difficult to motivate reform. Your challenge would be to motivate the nation to sensibly address and protect one of our most successful programs -- so we could avoid dealing with it in a more disruptive crisis environment later. Public understanding of these issues – though still inadequate – is far greater than it has been before. And early action would permit time to implement changes gradually -- and slowly phased-in changes may be more feasible than sudden ones.

The immediate question before us is whether creating a bipartisan Social Security commission in reconciliation will help our chances for achieving long-term reform. Some think the best way to proceed on Social Security is to include a commission in the budget legislation. Others think that we should take more time before pushing for a commission, so that we can more carefully consider our options. Then if we decide that we want a commission later, we could always create one by executive order (as with the Greenspan commission in the early 1980's) or by a separate statute.

Option 1: Try to negotiate a bipartisan Social Security commission in the budget legislation

Under the first option, we would engage the Republicans immediately to create a bipartisan Social Security commission within the omnibus budget legislation. The goal would be to make the commission credible and specific: It would be charged with issuing its recommendations within a relatively short time period, perhaps by next summer.

- Under one approach, the commission's membership could include all key policy players from the beginning. This approach would facilitate rapid implementation of proposals.

- An alternative approach would have the commission represent a broader array of relevant groups: older Americans, younger Americans, the unions, corporate leaders, etc. The commission's proceedings would then be used as part of our public education effort.

Following the commission's report, we could hold a smaller high-level negotiating process or look to another process -- perhaps including announcing our own proposals -- to implement reform.

While a commission was undertaking its work, an inter-agency team within the Administration would put together our own proposals. The Administration would then work with the commission and the Hill to reach consensus on an acceptable package that would carry bipartisan support, and to translate the commission' s proposals into legislation.

John Hilley wanted to emphasize that even if we try to create a Social Security commission in the budget reconciliation legislation, we may not succeed. Senator Lott and other Republican leaders want to focus initial efforts on Medicare instead.

Option 2: Do not create a Social Security commission within the budget legislation -- instead act later, either with or without a commission

The alternative is not to create a commission within the budget legislation, but rather to engage with the Republicans later -- either with or without a commission. The logic is that we should not create a bipartisan process before we have fully developed our own strategy for Social Security reform and considered what bipartisan processes would best advance that strategy.

For example, our strategy could involve holding our own series of public education events, while reaching out to prominent Republicans like Bob Dole or Warren Rudman. It could include a series of regional public hearings. And it could include a commission created by executive order, or one created by statute. There are many possibilities, and with more time we could think through which ones are most promising. After we reached internal consensus on the right approach, we would be able to present a coherent, unified front and would be more likely to achieve success. And after we evaluate our options, it may turn out that we do not even need a commission: Frank Raines points out that President Carter was able to reform the Social Security system without one.

Pros and cons of including a Social Security commission in the budget legislation

<u>Pros</u>

- It dissipates some of the focus away from a Medicare commission, maintaining momentum behind Social Security reform.
- You would clearly signal your commitment to Social Security reform.

- Secretary Rubin and John Hilley feel that we have a short window of opportunity to engage in a bipartisan process, and that opportunity could be lost if we wait to analyze our options further.

<u>Cons</u>

- It may not make sense to create a commission before we have carefully explored the best strategy for achieving reform.

  -- Moving now would not allow us time to consider our options and to consult with the Republican and Democratic leadership, Senator Moynihan, the AARP, and others on how best to proceed.

- Given that Senator Lott and other Hill leaders want to focus initially on Medicare, we may not even succeed in getting a Social Security commission into the budget legislation.

- Some are not sure that a commission is beneficial or necessary for effecting reform.

<u>Decision</u>

________ Create Social Security commission within budget legislation

________ Do not create Social Security commission within budget legislation to allow more time to consider strategy

________ Discuss

I don't have strong feeling but it's not all bad to ask for commn + Lott - I'd ask Moynihan about the subj →

Action

We will be convening an NEC inter-agency process with your budget team, HHS, DPC, and others appropriate to consider both the strategy and substance of Medicare and Social Security reforms. I will talk with Erskine about how best to design a process for ensuring that we maintain the appropriate degree of confidentiality while still benefitting from the insights of relevant agencies and officials.

If you want to create a Social Security commission within the budget legislation, we will hold an expedited process to present you with options on how that commission should be structured.

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Mickey Ibarra and Chris Jennings to the President re: ARKids First (2 pages)	10/29/1999	P5 4187
002. note	re: address (partial) (1 page)	n.d.	P6/b(6)
003. memo	Chris Jennings to the President re: Amy Rossi Letter (1 page)	10/28/1999	P5 4188
004. memo	Chris Jennings and Mickey Ibarra to the President re: Arkansas's ARKIDS Program (1 page)	10/28/1999	P5 4189
005. letter	Amy Rossi to President Clinton (1 page)	10/26/1999	P5, P6/b(6)
006. memo	Mickey Ibarra and Chris Jennings to the President re: ARKids First (2 pages)	10/29/1999	P5 Dup 001

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject Files)
OA/Box Number: 23747

FOLDER TITLE:
CHIP [Children's Health Insurance Program] 1999 [3]

Racheal Carter
2011-0747-S
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October 29, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Mickey Ibarra and Chris Jennings

SUBJECT: ARKids First – Governor Huckabee's response

CC: John Podesta, Bruce Reed, Bruce Lindsey, Karen Tramontano, Maria Echaveste, Ray Martinez

Governor Huckabee shot back the attached letter to you today in response to your letter on the ARKids First program issue. As you will note, his letter strongly suggests that the reason we are not immediately intervening to overturn the HCFA compliance notification is because we are caving to the politics of the left. He cites comments that he says both you and your aides have made. Attached is a copy of the letter sent by Governor Huckabee, background information, and some suggested Q's & A's.

BACKGROUND

Since the unpublicized Health Care Financing Administration (HCFA) letter was sent to Arkansas, Governor Huckabee has: (1) held a tasteless press conference questioning your commitment to the children of Arkansas; (2) sent you a letter using highly volatile language that can only be designed to politicize this issue and make it more difficult to come to resolution; and (3) taped tomorrow's Republican Radio Address that apparently will include the ARKids issue to criticize you and the "Washington knows best" approaches to delivering health care.

Ray Hanley and Amy Rossi are disassociating themselves from these tactics. They did not know the Governor responded to your letter and are both privately lamenting it. They are worrying that it will make it more difficult to resolve this complicated issue. At least as important, they also fear it will only invite the Washington advocates to highlight shortcomings in the Arkansas' Medicaid program, which will undermine the possibility of working out an agreement that they think is in the best interest of the State and the children of Arkansas. (In fact, Families USA wrote Secretary Shalala yesterday saying that the Arkansas' request to enroll Medicaid eligible children in non-Medicaid benefit plans should be denied, concluding that "to do otherwise would be both unlawful and seriously harmful to poor families with children.") Also attached is a letter we just received today from Arkansas ACORN.)

Late this afternoon, Governor Huckabee's staff indicated that he would not release his letter publicly until and unless we released your letter. While some interested Members of the Arkansas' Delegation have received it, we have urged all of them to keep it confidential. No press or consumer representative has seen your letter. Regardless, we fully anticipate that the Governor's office desires to and will release his response to the press within the next 48 hours – if they have not done so already.

As a result of the Governor's continued political posturing, we anticipate that the ongoing discussions with the state will become more difficult. It is worth noting that you and all of your Administration representatives have urged a low profile handling of this issue to make it possible to resolve this matter more easily and quickly. While we will continue to pursue this strategy, we do expect that the Governor's recent maneuvering and tactics may prolong the resolution.

QUESTIONS AND ANSWERS

The following are some suggested responses to questions regarding this matter. In general, we believe that you and your staff should capture the high-ground on this issue and avoid responding in kind to the type of partisan political posturing being used by the Governor.

Q: There is broad, bipartisan support for ARKids. Recognizing this, why can't you commit to allowing the parents of Arkansas the choice of enrolling their children in the new ARKids program, rather than the old Medicaid program?

A: First, it is impossible to have a free choice if there are serious barriers to parents choosing one option over another. The Governor and his representatives acknowledge that there are numerous barriers to enrolling in Medicaid that are not present for parents signing up for the ARKids program. Specifically, requirements for Medicaid that are not existent for those in the ARKids program include: a complicated assets test, a separate face-to-face interview, and an overall more complicated and intimidating application process. We can and should have the discussion about the issue of choice, but there must be a fair choice first. In this regard, we will continue to offer our assistance to helping the state simplify the Medicaid eligibility process. We believe we must avoid unhelpful rhetoric and move forward to constructive dialogue on this matter. And we are committed to doing just that.

Q: Mr. President, are you letting the politics of Washington jeopardize the delivery of health care to the children of Arkansas?

A: Absolutely not. There are clearly many parties in and outside of Arkansas interested in this issue. We cannot forget that decisions affecting one state's Medicaid program has potential major implications for all others. However, the decision about this and any other Medicaid issue will be made strictly on the merits with the best interest of children in mind. For this reason, I have instructed HHS to not take any action that would threaten the loss of health coverage for any child in the state.

'99 OCT 28 PM8:17

THE WHITE HOUSE

WASHINGTON

October 28, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings

RE: AMY ROSSI LETTER ON ARKANSAS'S ARKIDS PROGRAM

Attached is a letter from Amy Rossi sent to you relaying her opinion on the possible compromises that the State could make that would improve the ARKids situation. She does not wish this letter to be public because she fears it could undermine her positive working relationship with the Governor. However, she feels it is important – and I agree -- that you know her views on this subject.

A quick review suggests that Amy's ideas are very constructive with the exception of the proposal to allow CHIP enhanced match dollars to be used in ARKids. This would be in direct contradiction to the bipartisan compromise in the 1997 CHIP law that explicitly prohibits Medicaid-eligible children from being enrolled in CHIP. It would give the State a financial incentive to bias the choice towards ARKids.

As we work with the State and HHS, we will closely evaluate Amy's suggestions.

'99 OCT 28 PM8:16

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
10-29-99

copied
Jennings
Ibarra
Podesta
Tramontano
Ricchetti
Reed
Lindsey
Verveer

October 28, 1999

cc Chris
Don't take a confrontation to newspaper

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings and Mickey Ibarra

RE: ARKANSAS'S ARKIDS PROGRAM

CC. John Podesta, Karen Tramontano, Steve Ricchetti, Bruce Reed, Bruce Lindsey, Melanne Verveer

Attached is a draft letter from you to Governor Huckabee regarding the ARKids Medicaid waiver issue. We think that it is important to forward this letter to the Governor tomorrow (Friday) because it appears likely that he will use the opportunity of the Republican response to your radio address to highlight this issue in a potentially inflammatory manner.

I spoke with the Governor today and had another amiable conversation. Despite the tone, it appears clear that the Governor continues to look for excuses to publicly highlight the controversy surrounding ARKids. Today, for example, he put me on the spot, expecting an instant response to his offer to remove all barriers to Medicaid enrollment if I would agree to allow families to enroll their children in Medicaid if they still choose to do so. This is a 180 degree turn from Ray Hanley's position yesterday in which he said that removing those barriers were impossible politically and difficult to implement. It also is equally impossible for me to get instant sign-off on such a major Medicaid issue. While I think that I succeeded in getting the Governor to understand that our process – and probably his own internal process -- take longer, he will likely continue to record a negative response.

Regardless, Bruce Lindsey, Amy Rossi and Skip Rutherford believe that it is important that a communication be forwarded to the Governor to provide evidence of your concern about this issue. Most importantly, it conveys your assurance that no children will lose coverage as a result of any action.

We met with Ray yesterday and set up a process for staff to work through these issues. The Governor's openness to removing barriers today is encouraging. From our perspective, we will begin to gather the legal, policy and political arguments for or against allowing families to voluntarily enroll their Medicaid-eligible children in ARKids, assuming that the Governor can deliver on removing structural barriers. This action would be precedent setting and will require significant discussion. We will keep you apprised of developments.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. schedule	Schedule for Hillary Rodham Clinton (partial) (1 page)	11/22/1999	P6/b(6)
002. memo	Ray Hanley to Chric Jennings (partial) (1 page)	11/22/1999	P6/b(6)
003. statement	Statement re: Louisiana child (1 page)	11/19/1999	P6/b(6)
004. schedule	Schedule for Hillary Rodham Clinton (partial) (1 page)	11/24/1999	P6/b(6)
005. schedule	Schedule for Hillary Rodham Clinton (partial) (1 page)	11/29/1999	P6/b(6)
006. schedule	Schedule for Hillary Rodham Clinton (partial) (1 page)	11/27/1999	P6/b(6)
007. schedule	Schedule for Hillary Rodham Clinton (partial) (1 page)	11/26/1999	P6/b(6)
008. schedule	Schedule for Hillary Rodham Clinton (partial) (1 page)	11/25/1999	P6/b(6)
009. memo	Senator John Breaux to POTUS re: Medicare reform (3 pages)	10/20/1999	P5

4199

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Faxes)
OA/Box Number: 16777

FOLDER TITLE:
November 15-30, 1999 Faxes [Binder] [2]

Racheal Carter
2011-0747-S
rc327

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal records misfiled defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
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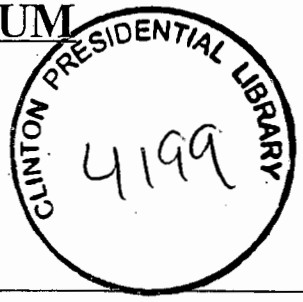
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Steve
I think Chairman
Roth and Sen Moynihan
love - If we want to do
anything we'll have to
work them - just way mtg - Bes

THE PRESIDENT HAS SEEN
11-24-99

Copied
Jennings
Podesta

MEMORANDUM



TO: POTUS
FROM: Senator John Breaux
DATE: October 20, 1999
SUBJECT: **Medicare reform**

Notwithstanding the fact that we are approaching an election year, I still think there is a narrow window of opportunity to pass real Medicare reform. Senators Roth and Moynihan have expressed a bipartisan commitment to revisit this issue early next year and the Senate Finance Committee continues to be the most likely forum to begin addressing this issue.

The fee-for-service modernization provisions included in your Medicare reform proposal are an important part of a comprehensive solution. The premium support proposal that a majority of the Commission endorsed was based on an environment where private plans would compete directly with a government-sponsored fee-for-service option. It also included proposals to modernize HCFA so that it is able to effectively compete in a premium support world.

I think our proposals are similar in many respects and that a compromise is possible. In terms of moving Medicare to a more competitive system, both the Commission proposal and your plan would put the government-run fee-for-service plan into direct competition with private plans. Both proposals would establish a new premium schedule that allow beneficiaries to pocket most of the savings if they chose inexpensive plans and both would give the fee-for-service plan more flexibility to innovate and compete. The key difference is that your proposal links the new premium schedule to the current fee-for-service plan, preventing the premium for fee-for-service from increasing more than expected under current law, but limiting the potential savings. The Commission's plan links the premium schedule to the average premium of all plans, offering greater potential for savings by making fee-for-service fully compete with private plans.

Short of a comprehensive approach, I think we could pass legislation early next year that represents a real down payment on Medicare reform. Specifically, we could try to package some fee-for-service modernization proposals with the establishment of a Medicare Board which was an integral part of the Commission proposal. Since many lawmakers do not trust the Department of Health and Human Services to run a fair competitive system and the fee-for-service plan at the same time, the establishment of an independent board to oversee the competition is critical to the successful

transition to a modernized Medicare program. As part of the transition, the discussion should include gradually moving oversight of the Medicare+Choice program to the Medicare Board. The Board would have to be an entity independent of HCFA with real oversight, not simply advisory, authority. I think the IRS Oversight Board created in the 1997 IRS restructuring bill could offer guidance on the establishment and responsibilities of a Medicare Board. I know there will be resistance within HHS to the creation of such a board but I really think it is critical if we are serious about modernizing Medicare and moving it to a more competitive system. The establishment of a Medicare Board would also represent a commitment to long-term reform and would justify giving HCFA some of the modernization tools it needs to prepare for a more competitive environment.

I look forward to talking with you about this in more detail. Thank you for the opportunity to share my thoughts on this with you.

Premium Support System

MEDICARE BOARD

- Ensure quality standards
- Negotiate premiums
- Approve benefits package
- Safeguard against adverse selection
- Provide information to beneficiaries

- HCFA Administered Fee-For-Service Plan
- Private Plan #1
- Private Plan #2
- Private Plan #3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Pamela Scott Kendall to Chris Jennings Re: FDA Commisioner Appointment (3 pages)	09/12/1997	P2
002. resume	Andrew G. Bonar (3 pages)	nd	P2
003. list	Candidates- FDA Commissioner (6 pages)	nd	P2
004. memo	Bob Nash to POTUS re: FDA Commissioner Search Update (2 pages)	6/10/97	P2, b(6)
005. memo	Bob Nash to POTUS re: FDA Commissioner Search Update (2 pages)	5/28/97	P2, b(6)
006. list	List of Questions for FDA Commissioner Nominees (8 pages)	nd	P2
007. list	List of Food and Drug Commissioner Candidates (7 pages)	nd	P2
008. briefing paper	Jane Henney (1 page)	nd	P2
009. memo	Bob Nash to POTUS re: Commissioner, Food and Drug Administration (partial) (4 pages)	2/9/98	P2, b(6) 4354

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject File)
OA/Box Number: 23757

FOLDER TITLE:
Henney Confirmation [4]

gf25

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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THE WHITE HOUSE

WASHINGTON

February 9, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BOB J. NASH, Assistant to the President and Director of Presidential Personnel

RE: COMMISSIONER FOOD AND DRUG ADMINISTRATION (FDA)

(b)(6)

After further consultation with the Office of the Vice President, the Office of Management and Budget, the Domestic Policy Council, and Secretary Shalala's office, I am now prepared to recommend Dr. Jane Henney (D-NM) for this position. Based on her experience as a strong and decisive government manager, both at the FDA and NIH, I expect that she will be an acceptable choice to most groups. In addition, Dr. Henney has support from several Senators.

However, Secretary Shalala's staff has identified several issues as potentially problematic to Dr. Henney's Senate confirmation. These issues fall into two categories: political and issue-oriented. The political issues, it should be noted, are largely unrelated to Dr. Henney's qualifications for the job. Following are brief synopses of these issues:

Political

Dr. Henney is supported by Senator Kennedy, one of two Senators who voted against the FDA reform bill you signed into law last year. To the extent that she is viewed as a "Kennedy pick," she may be opposed by Senator Jeffords and other Republicans. Further, Senator Mack, to whom many Republicans turn on FDA issues, has expressed reservations about Dr. Henney related to her involvement in the silicone breast implant moratorium. Also, since Dr. Henney worked at the FDA from 1992-1994, some may argue that she was part of the "problem" at FDA. We would argue that she helped implement the reforms that changed the FDA. The Republican leadership staff have offered lukewarm to negative reactions to a Henney nomination, although they have been reluctant to identify specific concerns.

Issue-Oriented

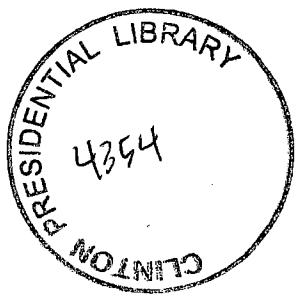
- **Alternative Medicines** - Dr. Henney was involved in the National Cancer Institute's trials on the safety and efficacy of laetrile, and later authored a textbook chapter on various cancer frauds. While her work focused on cancer frauds, it could lead to questions about her views on alternative medicines.

- **Medical devices** - As Deputy under former Commissioner David Kessler, Dr. Henney argued for the need for high scientific standards in the review and approval of drugs and medical devices; some in the medical device community have characterized this as an inappropriate attempt to apply a drug model to device review. There has been early opposition to Dr. Henney's nomination from the device community.

- **Silicone Breast Implants** - Although only minimally involved in the agency's actions surrounding Dr. Kessler's moratorium on silicone breast implants in 1992, Dr. Henney may be asked to defend the decision in light of research indicating that the agency may have overstated the risk of implants at that time.

- **Biotechnology** - Dr. Henney is on record making very candid comments about BST and how it was unfortunate that a wholesome product like milk was the first biotech food product considered. Given what some critics considered a lengthy review process for BST, such candor is likely to raise questions about whether personal views color decisions that are designed to be entirely scientific.

We believe that there may be a fight over this nomination, but we believe Dr. Henney is the best person for this job and we recommend that you nominate her to be the next Commissioner of the Food and Drug Administration. Attached is a decision memorandum for your approval.



THE WHITE HOUSE
WASHINGTON

February 2, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BOB J. NASH, Assistant to the President and Director of Presidential Personnel

RE: **JANE E. HENNEY, M.D.**
COMMISSIONER
FOOD AND DRUG ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES (PAS)

I. BACKGROUND

The Food and Drug Administration (FDA) is a federal scientific agency with the legislated responsibility to protect the public health of the nation's consumers under its regulatory jurisdiction, including food, cosmetics, medicines, medical devices, drugs, and radiation-emitting products. To carry out this mandate of consumer protection, FDA has approximately 9,000 employees to monitor the manufacture, import, transport, storage and sale of about $1 trillion worth of products each year.

The FDA's visibility has risen dramatically as new issues like tobacco regulation were added to existing hot button items such as drug approval and food and blood safety. The next FDA Commissioner will need to consolidate the gains that have been made in public health and safety, focus on strengthening the internal management of the agency, and prepare it technologically and scientifically for the next century. The Commissioner of the Food and Drug Administration provides executive level leadership and oversight for the primary consumer protection agency in the Federal government and has a direct-reporting relationship to the Secretary.

II. DISCUSSION

A broad search was conducted to fill this position. Initial outreach to a variety of pharmaceutical, food, device, consumer and science stakeholders attracted approximately 80 candidates. The initial 80-candidate list was culled to approximately 30 candidates, then narrowed to 13, and finally to seven top candidates. (b)(6)

(b)(6)

III. RECOMMENDATION

I recommend that you approve the following individual:

JANE E. HENNEY, Democrat of New Mexico, to serve as Commissioner of the Food and Drug Administration, vice Michael Kessler. Dr. Henney is Vice President of The University of New Mexico Health Sciences Center, where she is responsible for the operation of the School of Medicine, the Colleges of Nursing and Pharmacy, University Hospital, Mental Health Center, Cancer Research and Treatment Center, Children's Psychiatric Hospital, and Carrie Tingley Hospital. Prior to her appointment at UNM, she served as Deputy Commissioner of Operations for the U.S. Food and Drug Administration from 1992 to 1994. Dr. Henney was Vice Chancellor for Health Programs and Policy from 1988-1991 and Associate Vice Chancellor from 1985-1988 at Kansas University. In addition, she was Deputy Director of the National Cancer Institute at the National Institutes of Health from 1980-1985. Dr. Henney received a B.S. degree from Manchester College and an M.D. degree from the Indiana University School of Medicine.
Sponsors: Senator Ted Kennedy (D-MA); Senator Tom Daschle (D-SD); Senator Chris Dodd (D-CT); Senator Pete Domenici (R-NM).

Approve_____ Disapprove_____

IV. OTHERS CONSIDERED

(b)(6)

BN:ts:wb

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bob Nash to POTUS Re: Advisory Commission on Consumer Protection and Quality in the Health Care Industry (partial - pages 3-11 closed in whole b(6)) (12 pages)	11/19/96	P2, b(6) 4355

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject File)
OA/Box Number: 23753

FOLDER TITLE:
Preventing Medical Errors [5]

gf148

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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November 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Bob J. Nash, Assistant to the President and Director of Presidential Personnel

RE: ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

I. BACKGROUND

The Advisory Commission on Consumer Protection and Quality in the Health Care Industry was created by Executive Order on September 5, 1996. The purpose of the narrowly-focused, but important Commission is to advise you on how unprecedented changes in the health care delivery system are affecting quality, consumer protections and the availability of needed services. Through a series of public meetings, the Commission will collect and evaluate information and develop recommendations for your review. A preliminary report is due in September 1997 and a final 18 months after the first meeting.

The Commission's recommendations could be as simple as suggesting that the Federal Government play a more effective role in providing objective information about quality measurements or it could make specific legislative recommendations about how to better regulate consumer grievance procedures and quality enforcement. Regardless of what the Commission produces, their suggestions will be narrowly focused and will not relate to any broader agenda -- such as coverage expansion issues.

The Executive Order requires that the Commission must have representatives of consumers, health care providers, insurers/managed care, labor, business, state and local government, and experts in quality. Each of these categories have slightly different interests and perspectives. For example, the consumers are worried about the changing delivery system's impact on quality health care and their ability to appeal "inappropriate" insurance decisions; the unions believe that private sector cost-cutting is significantly decreasing the health care workforce; businesses like the savings in managed care but are concerned about possible employee dissatisfaction; the providers are worried about inadequate reimbursement, excessive private sector bureaucracy, and its potential impact on quality and medical decision making; the states are rapidly integrating their Medicaid populations into managed care and, at the same time, regulating insured managed care products; and the insurers and managed care plans are feeling unfairly singled out for criticism because they believe their approaches are successfully containing costs and have great potential to improve quality.

II. DISCUSSION

The Advisory Commission will be co-chaired by the Secretaries of Health and Human Services and Labor, and will report to you through the Vice President. The Commission was initially chartered to include 20 members. We are recommending that it be increased to 30, to allow for a more thorough and complete balance on the Commission. A smaller number will probably assure that the White House and the Departments cannot agree on a list; a greater number has great potential to throw the Commission out of balance, could make it unmanageable to operate, and could open it up to a new tier of people for consideration.

Over 600 individuals indicated an interest in serving on the Commission. To help decrease the list to a workable number, we asked the Departments of Labor and HHS to narrow the list to no more than 50 candidates. After receiving this list, representatives from the Office of the Deputy Chief of Staff, the Office of the Vice President, the First Lady's Office, Domestic Policy, Legislative Affairs, Intergovernmental Affairs, Political Affairs, Public Liaison and Cabinet Affairs spent numerous hours working together to develop the final slate for your review.

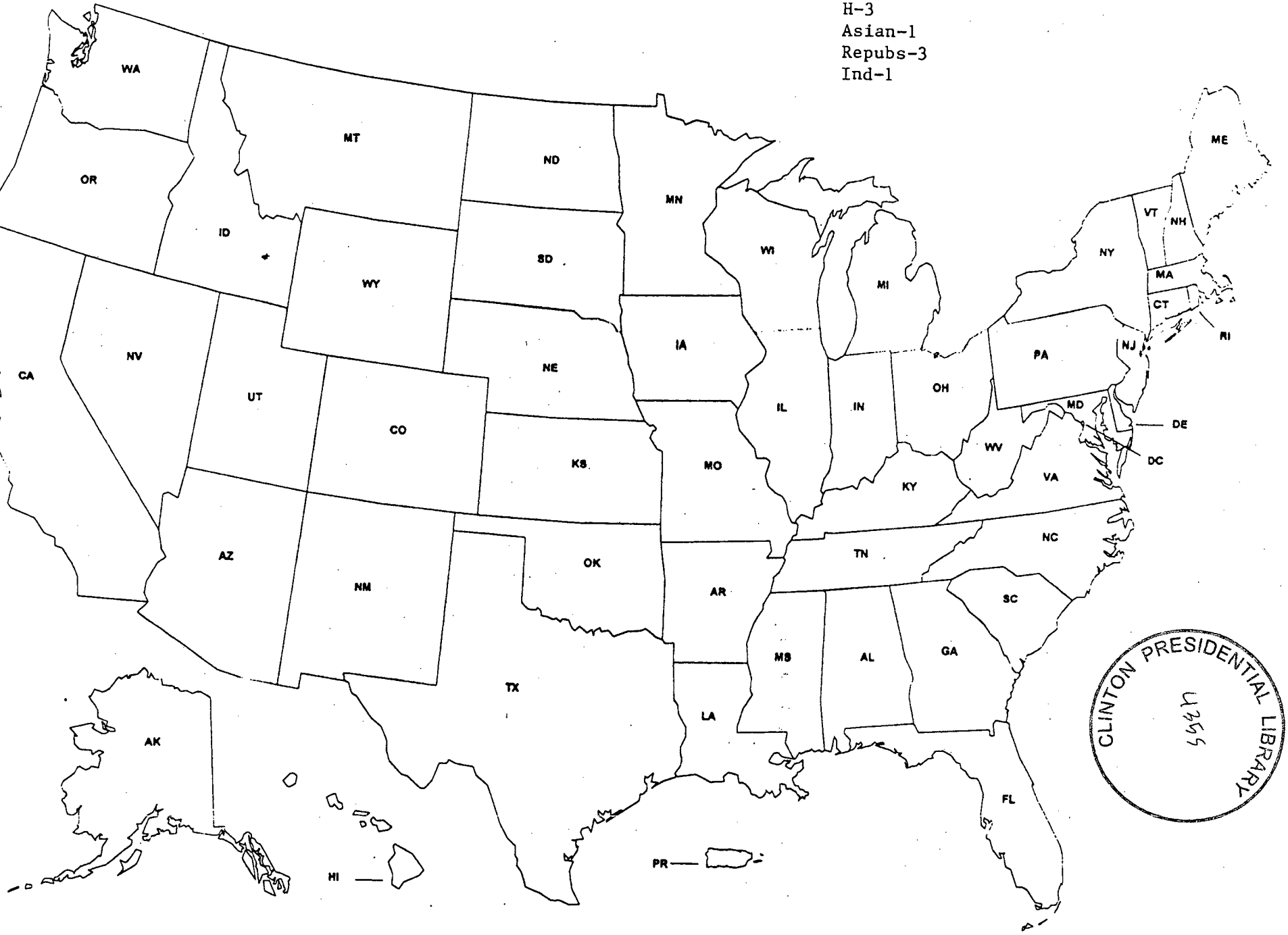
It is impossible to please everyone involved in this process. However, of the 30 individuals we are recommending, the White House staff and the Secretaries of Health and Human Services and Labor are in agreement on 23. Those with asterisks (**) by their names represent the 7 individuals who the Secretaries did not submit in their final list. Even this

(b)(6)

At a time when the public is clearly growing increasingly nervous about changes in the health care system, your call for a thoughtful and balanced review has received widespread attention, acceptance and support. However, because of the intense interest and because of the political nature of virtually any major health care initiative, the Commission and its members will attract significant public scrutiny. It is with this in mind that we present the following list for your consideration.

(b)(6)

M-18
W-12
AA-2
H-3
Asian-1
Repubs-3
Ind-1



Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bob Nash to POTUS Re: Advisory Commission on Consumer Protection and Quality in the Health Care Industry (partial) (11 pages)	12/9/96	P2, b(6) 4356
002. list	Candidates for Advisory Commission (5 pages)	nd	P2
003. briefing paper	Candidates for Advisory Commission (6 pages)	nd	P2
004. list	Short List of Candidates for Health Commission (3 pages)	nd	P2
005. memo	Diana Fortuna to Chris Jennings Re: Names from Carol (1 page)	10/11/96	P2
006. list	Candidates for Advisory Commission (1 page)	nd	P2
007. list	Candidates for Advisory Commission (5 pages)	nd	P2
008. list	Candidates for Advisory Commission (3 pages)	nd	P2
009. list	Candidates for Advisory Commission (1 page)	nd	P2

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Subject File)
OA/Box Number: 23753

FOLDER TITLE:
Preventing Medical Erors [6]

gf149

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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Freedom of Information Act - [5 U.S.C. 552(b)]

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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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12/12/96
THE TWO
"NEW" NAMES
HAVE NOT
BEEN ADDED

December 9, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Bob J. Nash, Assistant to the President and Director of Presidential Personnel

RE: ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

I. BACKGROUND

The Advisory Commission on Consumer Protection and Quality in the Health Care Industry was created by Executive Order on September 5, 1996. The purpose of the narrowly-focused, but important Commission is to advise you on how unprecedented changes in the health care delivery system are affecting quality, consumer protection and the availability of needed services. Through a series of public meetings, it will collect and evaluate information and develop recommendations for your review. A preliminary report is due in September 1997 and a final report is due 18 months after the first meeting.

The Commission's recommendations could be as simple as suggesting that the Federal Government play a more effective role in providing objective information about quality measurements or it could make specific legislative recommendations about how to better regulate consumer grievance procedures and quality enforcement. Regardless of what the Commission produces, their suggestions will be narrowly focused and will not relate to any broader agenda -- such as coverage expansion issues.

The Executive Order requires that the Commission must have representatives of consumers, health care providers, insurers/managed care plans, labor, business, state and local government, and experts in quality. Each of these categories have slightly different interests and perspectives. For example, consumers are worried about the changing delivery system's impact on quality health care and their ability to appeal "inappropriate" insurance decisions; unions believe that private sector cost-cutting is significantly decreasing the health care workforce; businesses like the savings in managed care but are concerned about possible employee dissatisfaction; providers are worried about inadequate reimbursement, excessive private sector bureaucracy, and its potential impact on quality and medical decision making; states are rapidly integrating their Medicaid populations into managed care and, at the same time, regulating insured managed care products; and insurers and managed care plans believe they are being unfairly singled out for criticism because they believe their approaches are successfully containing costs and have great potential to improve quality.

II. DISCUSSION

The Advisory Commission will be co-chaired by the Secretary of Health and Human Services and the Secretary of Labor, and will report to you through the Vice President. The Commission's initial charter included 20 members. We recommend that its membership be increased to 30 to allow for a more thorough and complete balance. A smaller number will probably assure that the White House and the Departments cannot agree on a list; a greater number has great potential to throw the Commission out of balance, could make it unmanageable to operate, and could open it up to a new tier of people for consideration.

Over 600 individuals indicated an interest in serving on the Commission. To help decrease the list to a workable number, we asked the Departments of Labor and HHS to narrow the list to no more than 50 candidates. After receiving this list, representatives from the Office of the Deputy Chief of Staff, the Office of the Vice President, the First Lady's Office, Domestic Policy, Legislative Affairs, Intergovernmental Affairs, Political Affairs, Public Liaison and Cabinet Affairs spent numerous hours working together to develop the final slate for your review.

It is impossible to please everyone involved in this process. However, of the 30 individuals we are recommending, the White House staff and the Secretaries of Health and Human Services and Labor are in agreement on 23. Those with asterisks (**) by their names represent the 7 individuals who the Secretaries did not submit in their final list. Even this small

(b)(6)

At a time when the public is clearly growing increasingly nervous about changes in the health care system, your call for a thoughtful and balanced review has received widespread attention, acceptance and support. However, because of the intense interest and because of the political nature of virtually any major health care initiative, the Commission and its members will attract significant public scrutiny. It is with this in mind that we present the following list for your consideration.

III. RECOMMENDATION

I recommend that you approve the appointment of the following individuals:

To serve as Business Representatives

S. DIANE GRAHAM, Republican of Arizona, currently serves as the Chairman and President of STRATCO, Inc., a chemical engineering firm.
Sponsors: Secretaries Reich and Shalala; Office of Women's Initiatives; Office of Public Liaison.

Approve: _____ Disapprove: _____

(b)(6)

ROBERT GEORGINE, Democrat of New York, is the President of the AFL-CIO's Building and Construction Trades Department. He also serves as Chairman and CEO of the Union Labor Life.
Sponsors: Secretaries Reich and Shalala.

Approve: _____ Disapprove: _____

GERALD MCENTEE, Democrat of the District of Columbia, currently serves as the President of the Association of Federal, State, County and Municipal Employees.
Sponsors: Secretaries Reich and Shalala.

Approve: _____ Disapprove: _____

(b)(6)

To serve as Consumer Representatives

NAN HUNTER, Democrat of New York, is the former Director of the AIDS Project and Lesbian and Gay Rights Project for the ACLU. She also served as the Deputy General Counsel at the Department of Health and Human Services and is a recognized expert in health care privacy issues.
Sponsors: Secretaries Reich and Shalala, Office of Intergovernmental Affairs.

Approve: _____ Disapprove: _____

SYLVIA DREW IVIE, Democrat of California, currently serves as the Executive Director of T.H.E. Clinic for Women. Previously, she served as the Executive Director for the National Health Law Program. She won the very prestigious Mandela Award and is widely regarded by women's advocacy organizations.
Sponsors: Secretaries Reich and Shalala; Rep. Dingell; Domestic Policy Council.

Approve: _____ Disapprove: _____

** **RON POLLACK, Democrat of Virginia,** currently serves as the President of Families USA. Mr. Pollack has recently issued a report on managed care that raises significant quality concerns and argues for the need for consumer protection.
Sponsors: Office of the First Lady; Dr. Richard Boxer.

Approve: _____ Disapprove: _____

PETER THOMAS, Democrat of the District of Columbia, a physically disabled person, is an attorney for the law firm of Powers, Pylers, Sutter & Verville and serves as Co-Chair of the Health Task Force of the Consortium for Citizens with Disabilities.
Sponsors: Secretaries Reich and Shalala; Marca Bristo, Chair, National Council on Disability; Office of Public Liaison; Domestic Policy Council.

Approve: _____ Disapprove: _____

SHELDON WEINHAUS, Democrat of Missouri, is an attorney representing workers in ERISA and related health care litigation, with a practice focus on employee benefits and health care.
Sponsors: Secretaries Reich and Shalala; Rep. Gephardt; National Employment Lawyers Association; National Patient Advocate Foundation.

Approve: _____ Disapprove: _____

To serve as Health Care Professionals/Providers

** **VAL J. HALAMANDARIS, Democrat of the District of Columbia,** currently serves as the PresiU: Office of the First Lady; Sen. Kennedy; Cong. Cardin; Sen. Pryor; Cong.

Sherrod Brown; Former Sen. Frank Moss, Chairman, National Congressional Trust; National Council of Senior Citizens.

Approve: _____ Disapprove: _____

BEVERLY MALONE, Democrat of North Carolina, is the President of the American Nurses Association. In addition to being a practicing nurse, she is also a psychologist.
Sponsors: Secretaries Reich and Shalala; Dr. Richard Boxer; American Nurses Association.

Approve: _____ Disapprove: _____

HERBERT PARDES, M.D., Democrat of New York, is the Vice President for Health Sciences and Dean of the Columbia University College of Physicians and Surgeons. This is the number one choice of the academic health center community. It is important to them because they feel financially threatened by managed care.
Sponsors: Secretaries Reich and Shalala; Sen. Tom Harkin; Sen. Daniel Moynihan; Rep. Rangel.

Approve: _____ Disapprove: _____

THOMAS REARDON, M.D., Democrat of Oregon, is the highly respected Medical Director of the Portland Adventist Medical Group and is the number one priority of the American Medical Association.
Sponsors: Secretaries Reich and Shalala; American Medical Association; Gov. Kitzhaber.

Approve: _____ Disapprove: _____

** **STEVEN S. SHARFSTEIN, M.D., Democrat of Maryland**, the consensus representative from the mental health community, currently serves as President, Medical Director and CEO of The Sheppard Pratt Health System. He previously served as a research scientist at the National Mental Health Institute and served on Mrs. Carter's mental health commission.
Sponsors: Office of the Vice President; Mrs. Gore.

Approve: _____ Disapprove: _____

GAIL WARDEN, Democrat of Michigan, currently serves as CEO of the Henry Ford Health Systems and is a founding member of the National Commission on Quality Assurance. He is the consensus pick of the hospital community.
Sponsors: Secretaries Reich and Shalala; Cong. Dingell; National Commission on Quality; Arab-American and Chaldean Council; American Hospital Association.

Approve: _____ Disapprove: _____

To serve as Managed Care/Insurer Representatives

(b)(6)

SHEILA LEATHERMAN, Democrat of Minnesota, currently serves as Executive Vice President of the United Health Care Corporation and as President of the Center for Health Care Policy and Evaluation.
Sponsors: Secretaries Reich and Shalala; Office of the Vice President; Democratic Governors' Association; Sen. Paul Wellstone; Cong. Martin; Cong. Sabo; Cong. Jim Ramstad; Children's Health Fund.

Approve: _____ Disapprove: _____

PHILIP NUDELMAN, Democrat of Washington State, is the President and CEO of Group Health Cooperative Puget Sound, a non-profit managed health care delivery system. He is a pharmacist and was a great asset during the Health Security Act debate.
Sponsors: Office of the Vice President; Secretaries Reich and Shalala.

Approve: _____ Disapprove: _____

STEPHEN F. WIGGINS, Democrat of Connecticut, is the Founder, Chairman and CEO of Oxford Health Plans. Oxford owns and operates HMO's and insurance companies in New York, New Jersey, Pennsylvania, New Hampshire and Connecticut.
Sponsors: Office of the Vice President; Secretaries Reich and Shalala; Sen. Dodd; Sen. Lieberman; Sen. Kennedy; Sen. Lautenberg; Cong. Nancy Johnson.

Approve: _____ Disapprove: _____

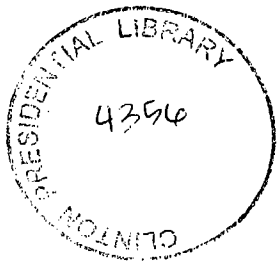
To serve as State and Local Government Representatives

SANDRA HERNANDEZ, M.D., Democrat of California, currently serves as Director of Health for the City and County of San Francisco in the San Francisco Department of Health. She previously served as the Deputy Director of Health for Community Public Health Services and AIDS.
Sponsors: Secretaries Reich and Shalala; Center for Health Policy Development; Office of Public Liaison.

Approve: _____ Disapprove: _____

KATHLEEN SEBELIUS, Democrat of Kansas, currently serves as the Insurance Commissioner for the State of Kansas and as Vice Chair of the Health Committee of the National Association of Insurance Commissioners. Previously, she served as a Member of the Kansas House of Representatives.
Sponsors: Secretaries Reich, Shalala and Glickman; Office of Intergovernmental Affairs; Sen. Kassebaum; Cong. Karen McCarthy; National Association of Insurance Commissioners; Ark Monroe III, Attorney; Dan Lykins, Attorney; former Cong. Jim Slattery; Lee Douglass, AR Insurance Commissioner.

Approve: _____ Disapprove: _____



** **ALAN WEIL, Democrat of Colorado,** currently serves as the Executive Director of the Colorado Department of Health Care Policy and Financing and serves as Health Policy Advisor to Gov. Roy Romer.
Sponsors: National Governors' Association (priority candidate); Office of Intergovernmental Affairs.

Approve: _____ Disapprove: _____

To serve as experts and those whose broad background cannot be easily categorized:

DONALD BERWICK, M.D., Democrat of Massachusetts, is the President and CEO of the Institute for Health Care Improvement and a pediatrician with the Harvard Community Health Plan.
Sponsors: Secretaries Reich and Shalala.

Approve: _____ Disapprove: _____

CHRISTINE CASSELL, M.D., Democrat of New York, currently serves Chairman of the Department of Geriatrics and Adult Development at Mt. Sinai Medical Center. She is well respected by the aging community and has a strong medical ethics background.
Sponsors: Secretaries Reich and Shalala; Domestic Policy Council.

Approve: Disapprove:

(b)(6)

** **MARTA PRADO, Democrat of Florida,** is the Senior Vice President of [illegible] Medical Management. She is a nurse and also served as a vice president for a hospital in Ft. Lauderdale.
Sponsors: Secretaries Reich and Shalala; Gov. Chiles; Sen. Graham; Office of Intergovernmental Affairs.

Approve: _____ Disapprove: _____

ROBERT RAY, Republican of Iowa, the former Governor of Iowa, currently serves as Co-Chair of the National Coalition on Health Care and is well respected by the business community. He retired in August 1996 as President and CEO of IASD Health Services Corp (Blue Cross and Blue Shield of Iowa and South Dakota).
Sponsors: Secretaries Reich and Shalala; Office of Public Liaison; Domestic Policy Council.

Approve: _____ Disapprove: _____

MARY WAKEFIELD, Democrat of Virginia, currently serves as the Director and Professor of the Center for Health Policy at George Mason University. She previously served as the co-staff director of the Congressional Rural Health Caucus.
Sponsors: Secretaries Reich and Shalala; Sen. Conrad; Sen. Inouye; Domestic Policy Council.

Approve: _____ Disapprove: _____

IV. OTHERS CONSIDERED

Should you decide to substitute any people on the Others Considered list, please note in the parentheses whom they would replace.

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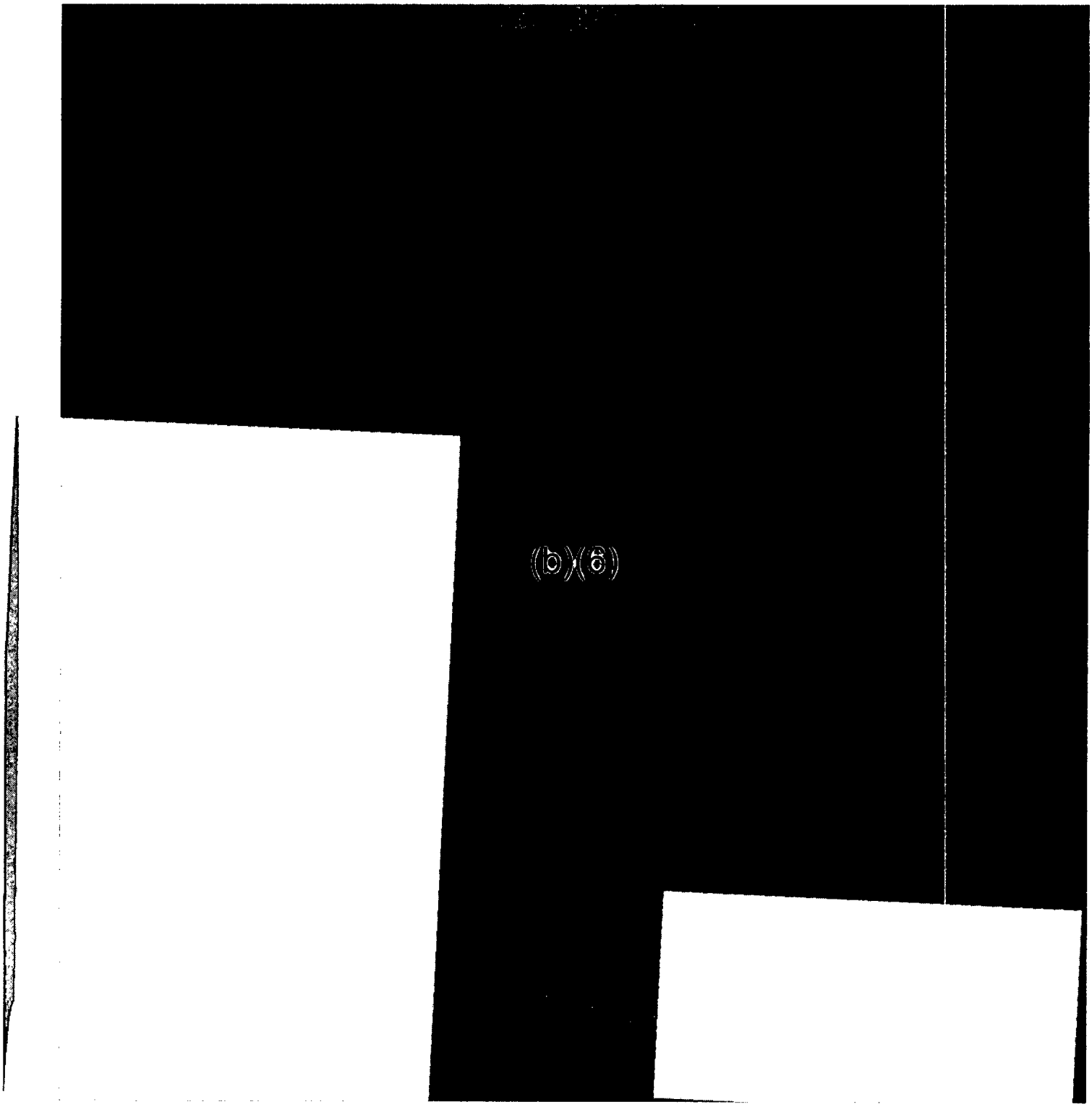
BETTY BEDNARCZYK (MN) -- International Secretary Treasurer of the Service Employees International Union. *(Rivera)*
Sponsors: Secretaries Reich and Shalala; AFL-CIO.

(b)(6)


(b)(6)

(b)(6)

PAUL MONTRONE (NH) -- President and CEO, Fisher Scientific International, Inc. *(Prado)*
Sponsors: Harold Ickes; Office of Political Affairs; Fred Siegel.

RISA J. LAVIZZO-MOUREY, M.D. (PA) -- Director for the Institute of Aging at the University of Pennsylvania, Ralston-Penn Center. *(Eng/Halamandaris)*
Sponsors: Domestic Policy Council; Office of Public Liaison.

(b)(6)

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings and Jennifer O'Connor to Leon Penetta et.al. Re: Recommendations to POTUS for appointment to the Advisory Commission on Quality and Consumer Protection in the Health Care Industry (2 pages)	10/9/96	P2 4368
002. list	Chris Jennings Top 30 (recommendations for Quality Commission) (2 pages)	10/25/96	P2
003. list	Candidates for Federal Advisory Commission on Consumer Protection and Quality in Health Care (2 pages)	10/4/96	P2
004. list	Nominations to Serve on the Advisory Commission on Consumer Protection and Quality in the Health Care Industry (as of November 4, 1996) (5 pages)	11/4/96	P2

COLLECTION:
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Chris Jennings (Subject File)
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FOLDER TITLE:
Quality Commission-Appointees' Background [1]

Gary Foulk

gf49

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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THE WHITE HOUSE

WASHINGTON

October 9, 1996

MEMORANDUM FOR LEON PANETTA
HAROLD ICKES
EVELYN LIEBERMAN
GEORGE STEPHANOPOULOS
KITTY HIGGINS
CAROL RASCO
MAGGIE WILLIAMS
MARCIA HALE
JOHN HILLEY
DOUG SOSNIK
ALEXIS HERMAN
RON KLAIN
LAURA TYSON

FROM: CHRIS JENNINGS
JENNIFER O'CONNOR

CC: BOB NASH
PEG CLARK
JEN KLEIN
JOHN HART
BARBARA WOOLLEY
BILL WHITE
NANCY ANN MIN
KAREN SKELTON
DIANA FORTUNA

This memorandum is to update you on the process for producing recommendations to go to the President for appointees to the Advisory Commission on Quality and Consumer Protection in the Health Care Industry.

To date we have received upwards of 500 resumes and recommendations, including recommendations from most of your offices, which is more than any amount of nominations we have received for any other Presidential commission. Because of the negative perceptions surrounding the 1993 Health Care Task Force, the make-up of this commission will be subjected to unprecedented scrutiny -- particularly by the business and insurance communities, as well as by the media. As such, we will need to be particularly thoughtful in our selections.

The Departments of Health and Human Services and Labor have reached out to Members of Congress and to state and local government stakeholders and interest groups to solicit recommendations. The Departments are at the end of a process of producing a coordinated list of recommendations to submit to the White House and we expect to receive it today.

The next step in the process is for us to review the Department's recommendations this week, and make any adjustments necessary. We have received many excellent recommendations from many of you, but if there are any more you wish to make, please be sure to forward them to Peg Clark in Presidential Personnel as soon as possible, but in any case by the end of the week so that we can be sure that they are considered.

Please call either of us with any questions or comments. Thank you.