William J. Clinton
Presidential History Project

Briefing Materials

Donna Shalala
May 15, 2007

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April 2007
1962  Donna E. Shalala earns an A.B. in History from Western College for Women. 'President Donna E. Shalala's Biography," University of Miami, http://www.miami.edu)

1962-1964  Shalala serves in Iran as a volunteer for the Peace Corps. ("President Donna E. Shalala's Biography")

1970  Shalala completes her Ph.D. from Syracuse University's Maxwell School of Citizenship and Public Affairs. ("President Donna E. Shalala's Biography")

1972-1979  Shalala is Associate Professor and Chair of the Program in Politics and Education at Columbia University's Teachers College. ("President Donna E. Shalala's Biography")

1977-1980  Shalala works for the Carter Administration as Assistant Secretary for Policy Development and Research in the Department of Housing and Urban Development. ("President Donna E. Shalala's Biography")

1980-1987  Shalala serves as President of Hunter College of the City University of New York. ("President Donna E. Shalala's Biography")

1987-1993  Shalala is Chancellor of the University of Wisconsin-Madison, the nation's largest public research university. ("President Donna E. Shalala's Biography")

1992

   December  On the 11th, President-elect Bill Clinton nominates Shalala as Secretary of Health and Human Services (HHS). (The Washington Post, 12/12/1992)

1993

   January  On the 21st, Shalala's nomination is confirmed by unanimous consent in the Senate. (USA Today, 01/22/1993)

President Clinton's Task Force on National Health Care Reform works to have a legislative proposal ready within the first 100 days of the term. The task force, led by First Lady Hillary Rodham Clinton, includes Shalala, the Secretaries of the Departments of Treasury, Veterans Affairs, Commerce and Labor, and the Director of the Office of Management and Budget. "We're under presidential orders to get a proposal written in 100 days," says Shalala. "It's the first time the
President has given us an assignment and I don't want to fail out of the box." The group works out of a "war room" located in the Old Executive Office Building. *(USA Today, 01/26/1993)*

**February**

Shalala announces that President Clinton's welfare reforms will build initially on existing programs and that any plan to "end welfare as we know it" will include improved support services to help recipients move off public assistance into jobs. "The President has a pretty good sense of what he wants," says Shalala. "The first thing he wants is to build on the Family Support Act. We have not fulfilled all the commitments there." The 1988 Family Support Act mandated states to provide education and training to some welfare recipients to help them enter the labor force and end their dependence on cash assistance. The law also strengthened child-support enforcement. *(The Washington Post, 02/03/1993)*

President Clinton announces that he has directed Shalala to negotiate with the nation's vaccine manufacturers to make sure any state can buy vaccines at a "reasonable" price. The President strongly criticizes the drug industry for "unconscionable" profiteering on childhood vaccines as he announces a proposed increase of $300 million to help states immunize an additional one million children this year. *(The New York Times, 02/13/1993)*

The Administration proposes a $62.6 billion reduction in federal spending for Medicare and Medicaid over the next five years. "Our intention is absolutely to apply equal pressure to both the public and private system," says Shalala. Medicaid, which covers low-income citizens, will be reduced by approximately $10 billion, and Medicare, for the elderly and the disabled, by $52 billion. The measures are intended to slow the projected annual rate of growth in Medicare from 12.3 percent to 10.5 percent, and in Medicaid from 14.2 percent to 13.8 percent. *(The Washington Post, 02/18/1993)*

President Clinton publicly begins reviewing proposals to raise federal taxes on cigarettes as high as $2 per pack to provide money for his health care plan. Shalala strongly supports the idea of a tax increase on cigarettes. *(The Washington Post, 02/27/1993)*

**March**

After two years of waiting, the Clinton Administration approves Oregon's experimental health care plan that would deny payment to Medicaid patients for the kinds of services considered to be of marginal importance in favor of using the extra money to extend Medicaid coverage to 120,000 more people. Federal approval is needed because Medicaid is primarily a federal, rather than state, program. "We believe the federal government must give states the flexibility to solve their local problems," says Shalala. She warns, however, that implementation of the plan will be closely watched to ensure that it accords with federal law. *(The New York Times, 03/20/1993)*
The White House releases a list of over 500 federal employees who make up the President's Task Force for National Health Care Reform. In conjunction with the announcement, Shalala and Tipper Gore, wife of Vice President Al Gore, participate in an all-day "town hall meeting" on health care reform at George Washington University. (The Washington Post, 03/27/1993)

April

On the 1st, Shalala announces the Administration's $1.5 billion plan to vaccinate all of the country's young children. The government will buy all of the vaccines from drug companies and then distribute them free of charge to public clinics and private-practice doctors. Noting that less than two-thirds of the country's youth are receiving proper vaccinations, Shalala concludes, "Proper immunization is the right thing to do and the smart thing to do." (The New York Times, 04/01/1993)

Following the release of the annual report on the financial condition of the Social Security system (which also finances Medicare), Shalala warns that the Medicare hospital trust fund, which pays benefits to 35 million elderly and disabled patients, will run out of money in 1999. "These new estimates show a significant worsening in the economic health of the Medicare program," she says. (The Washington Post, 04/07/1993)

Shalala indicates that a national sales tax is one idea under consideration to pay for the Administration's health care proposal: "Certainly we're looking at a VAT [value-added tax] . . . but all of this would be phased in." In February, Clinton said a national sales tax was not under consideration, but new projections show that the cost controls being discussed will not generate enough revenue to pay for the plan. (The Boston Globe, 04/15/1993)

May

Shalala announces a plan to increase funding for Head Start by $9 billion over the next five years. The additional funds will be used for better facilities, higher-paid teachers, fill-day rather than half-day care, and twelve- rather than nine-month programs. "Four years from now it will be a different Head Start program," says Shalala. She promises stricter federal oversight and announces a new task force to review the 36,000 Head Start classrooms. The Administration's previous attempt to bolster the program failed due to the defeat of the economic stimulus package. (The Washington Post, 05/07/1993)

August

Controversy continues to grow about corruption and discrimination at the National Institutes of Health (NIH), the medical research agency controlled by HHS. Stories on the NRI began to surface in the media in May when two employees investigating cases of plagiarism and misconduct in scientific research found themselves locked out of their offices and jobs. Now, more stones of misconduct, sexual discrimination and cover-up have appeared. In response to the claims of sexual discrimination, Shalala says publicly that she has "zero tolerance" for any kind of discrimination. (The Washington Post, 08/17/1993)
**September**  
*The Washington Post* reports that in the internal Administration discussions on Clinton's health care initiative, Shalala is fighting hard to avoid heavy cuts to Medicare and Medicaid. (*The Washington Post, 09/05/1993*)

Shalala turns down an offer by HBO to co-host the Kennedy Center debut of "And the Band Played On," a dramatization of the history of the discovery of the AIDS epidemic. Shalala reportedly turns down the offer because it portrays "NIH's renowned but controversial AIDS researcher" Robert Gallo in an unfavorable light. (*The Washington Post, 09/08/1993*)

Clinton moves quickly to get Shirley S. Chater's nomination as Commissioner of the Social Security Administration (SSA) to the Senate. When asked by the press when Chater's nomination would move to the Senate, Shalala said, "I'll die if it's not before October." (*The Washington Post, 09/17/1993*)

Shalala postpones a decision on whether the federal government will allow Tennessee to implement a major state health care reform measure. The federal government's position on the plan had been watched closely, since many indicated that it would be a sign of whether Clinton plans to allow for state flexibility on dealing with health care costs under his new plan. Ultimately appearing skeptical about the state plan, Shalala says, "States are pushing the envelope because they want to cover more people and spend less of their money. We can't do government by waiver. . . . What Tennessee tells us is we need [national] health reform." (*The Washington Post, 09/19/1993*)

Shalala plays golf with Clinton at the Army-Navy Club. "There are two rules when you play with the President," she says. "You don't report the score, and he always wins." (*The Washington Post, 09/22/1993*)

Senator Daniel Patrick Moynihan (D-NY) opens debate in the Senate Finance Committee on whether to make SSA independent of HHS, despite predictions that Democrats would drop this from their agenda once a Democrat held the White House. Shalala opposes removing SSA from the Department, saying that doing so would make it harder to coordinate programs between SSA and HHS, as well as create an unnecessary new bureaucracy to manage the organization. (*The Washington Post, 09/23/1993*)

On the 22nd, President Clinton formally unveils his health care proposal in a nationally televised speech to a joint session of Congress. He argues that the health care system can be improved without broad-based taxes. He notes that his package will generate savings in the cost of health care while increasing the security, choice and quality of care. (*The Washington Post, 09/28/1993*)

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**October**  
After positive early reviews of the Administration's health care plan, Shalala warns against the "politics of 'but' ..." in the next phase. "Everyone says: I agree
Shalala testifies before Congress on the Clinton health care plan. She draws criticism from some members of Congress for failing to know specific details about the program, including how it would slow the growth of health spending and how the plan would be financed. *(The Washington Post, 10/06/1993)*

On the 9th, *The Washington Post* reports that the Clinton Administration will not be able to present its health plan to Congress by their self-imposed October 15th deadline because of internal disagreements over how best to finance the plan. *(The Washington Post, 10/09/1993)*

**November**

The Clinton Administration approves Tennessee's proposal to adopt a major new medical care program for 1.5 million poor and uninsured people that includes some of the key elements of the White House health reform plan. Shalala says that the program is "consistent with the Administration's policy of encouraging states to develop alternative [health] programs." *(The New York Times, 11/19/1993)*

The Senate Finance Committee votes on the 19th to make the SSA an independent agency, removing the $350 billion-a-year division from HHS. Shalala strongly opposes the separation. *(The Washington Post, 11/20/1993)*

On the 23rd, Shalala officially approves Virginia's experimental jobs training program designed to place welfare recipients in jobs paying higher than minimum wage. Federal approval is seen as a sign of the Clinton Administration's desire to reform welfare. *(The Washington Post, 11/24/1993)*

Shalala announces the creation of a fifteen-person national task force to help speed the development of more effective AIDS drugs. "It is time to refocus and reenergize our best minds for a concerted attack on this killer," she says. *(Chicago Sun-Times, 11/30/1993)*

**1994**

*January*  

With Shalala as its spokeswoman, the federal government unveils a new ad campaign to raise AIDS awareness and promote the use of latex condoms. "We have the knowledge and the technology to prevent the sexual spread of HIV," says Shalala. "What we have lacked until now is the political will, because we have been too timid to talk openly about the prevention tools at our disposal." *(Chicago Sun-Times, 01/05/1994)*
In his State of the Union address on the 25th, President Clinton vows to veto any health care bill that does not guarantee universal coverage. (*1994 Congressional Quarterly Almanac*, Washington, D.C.: Congressional Quarterly Inc., 1995, p. 321)

**February**

The top women of the Clinton Administration, including the First Lady, celebrate the record number of top-level female officials in the first year of the Clinton presidency at a reception in the Mayflower Hotel ballroom. "In this Administration," says Shalala, "there are so many women at high levels that you literally can move a major policy issue all the way to the President's desk without ever touching a man's hands." (*Chicago Sun-Times*, 02/09/1994)

**March**

On the 2, Senator Moynihan's plan to separate SSA from HHS wins voice-vote approval in the Senate. Shalala continues to oppose the separation, arguing that Social Security benefits need to be coordinated within one department along with other benefits for the poor and elderly. (*The Washington Post*, 03/29/1994)

**May**

At the Clinton Administration's urging, the French firm that produces the controversial "abortion pill," RU-486, in Europe will sell its patent rights to market the drug in the U.S. to the nonprofit Population Council. The Administration does this to increase the potential for making the drug available in America, and in a less controversial (nonprofit) way. Speaking at a press conference before congressional hearings on the drug, Shalala says, "This action is an important step toward providing the women of America access to nonsurgical alternatives to pregnancy termination." (*The New York Times*, 05/17/1994; *The Washington Post*, 05/17/1994)

The Administration unveils a comprehensive $900 million plan to cut the number of homeless Americans by one-third. According to *The Washington Post*, it marks "the first time a U.S. President has ordered a cross-agency examination of homelessness and a comprehensive strategy to alleviate it." The plan involves the Departments of Health and Human Services, Housing and Urban Development, and Veterans Affairs. (*The Washington Post*, 05/18/1994)

**June**

Four congressmen and both senators from Massachusetts send a letter to Shalala asking her to reject the request of Governor William Weld (R-MA) for a waiver to impose a 60-day limit on benefits under the Aid to Families with Dependent Children program. Weld is testing Clinton's promise to allow states to be more creative with welfare reform, but the congressmen call the plan "far too drastic." (*The Boston Globe*, 06/09/1994)

Clinton's $9.3 billion welfare reform plan is introduced to Congress on the 21st. The plan is designed to get recipients off of welfare assistance sooner "by requiring them to participate in job training and placement programs, cutting off cash benefits to some welfare mothers after two years, and providing subsidized jobs for those unable to find other work after that time." Shalala criticizes a
number of conservative welfare reform proposals that would eliminate welfare benefits for young (under 21), unwed mothers, calling such proposals "un-American" and "wrong." *(The Washington Post, 06/22/1994, 06/24/1994)*

**July**

Shalala testifies on welfare reform before the Senate Finance Committee on the 13th. During her testimony, she warns that benefits for single mothers will become more limited, saying, "This should not be an easy decision on your part to engage in sexual activity that may result in a child, but if you do, you're about to go through a very, very difficult time because you have made what we consider a mistake." *(The Washington Post, 07/14/1994)*

**September**

On the 26th, Senate Majority Leader George Mitchell (D-ME) declares health care dead for the year after a last-ditch compromise bill he has negotiated with a group of moderate Senators known as the "Mainstream Group" fails to attract enough votes. *(1994 Congressional Quarterly Almanac, p. 321)*

Shalala announces that the federal government will approve an Oregon welfare measure that will subsidize employers "to hire welfare clients at the state minimum wage or better so they can get on-the-job experience and get off welfare." *(The Washington Post, 09/29/1994)*

**October**

Shalala acknowledges that the public does not want as comprehensive a plan for health care reform as the Clinton Administration unsuccessfully fought for through 1994: "The public clearly told us that the idea of taking on the whole system, every aspect of it," was unacceptable. She promises that health care initiatives in the next year will be "shrewder and more strategic." Shalala later admits that the Clintons themselves were at least partially to blame for the failure of health care reform, saying, "Bill and Hillary came from Arkansas where they were always used to being the smartest people in the room. So they just naturally assumed they were the smartest people in the room in Washington, too. Anyone who had any different idea than they had was dismissed as part of the system, and part of the problem." *(John Harris, The Survivor: Bill Clinton in the White House, New York: Random House, 2005, pp. 116-117; The Washington Post, 10/21/1994)*

**November**

On the 8th, Republicans take over the House of Representatives, creating the first GOP majority in more than forty years. Republicans also capture a 52 to 48 majority in the Senate. House members later elect Newt Gingrich (R-GA) as Speaker of the House. *(1994 Congressional Quarterly Almanac, p. 565; The Washington Post, 11/14/1994)*

Shalala announces that health spending increased only 7.8 percent for the year, the smallest rise since 1986. Yet she and the Administration remain cautious about interpreting these results. As she says, "Slow growth in health spending
appears to result more from very low inflation in the rest of the economy than from any permanent changes in the health sector." (*The Washington Post*, 11/23/1994)

**December**

A University of Michigan survey shows that one in four eighth-grade students, and nearly half of all high school seniors, have used illicit drugs. The survey also indicates that teen drug use, particularly marijuana, is on the rise. Speaking with Education Secretary Richard Riley and Office of National Drug Control Policy Director Lee Brown, Shalala blames "drug glorification messages" for the rise. "We have a chance—right here and now—to lock arms and send a powerful anti-drug message to our children," says Shalala. (*Chicago Sun-Times*, 12/13/1994)

**1995**

**January**

Shalala criticizes the welfare reform proposals in the Republican Party's "Contract with America," saying that they would force over half of the country's children currently on federal welfare to be dependent upon state aid, yet without providing states the funds for adequately helping them. (*The Washington Post*, 01/03/1995)

Testifying before the House Ways and Means Committee, Shalala draws a sharp contrast between the Clinton welfare plan and the Republicans' plan, arguing that the latter would just transfer the problem from the national to state level. (*The New York Times*, 01/11/1995)

*The Washington Post* reports that solvency of Louisiana's health care system is essentially in Shalala's hands, as the state is set to lose $750 million in Medicaid funds in five months. The state is in trouble because of its use of a Medicaid loophole over the years that had allowed it to receive disproportionate Medicaid subsidies that it is now responsible for reimbursing the federal government unless Shalala steps in. Shalala indicates a willingness to help, but is fairly adamant that she is limited by law as to what she can do. (*The Washington Post*, 01/25/1995)

On the 28th, Clinton holds a bipartisan working session on welfare reform to build unity on the issue. "We do not expect the discussion to end up in specific proposals," says Shalala. "The President is trying to see where the similarities and differences are." At a press conference after the meeting, Republican leaders say they liked much of what they heard; for example, that "the welfare system needs to be replaced, states should be given more flexibility, welfare recipients should be moved into jobs, child support collection should be stepped up, and teenage pregnancy should be curbed." But they say there are still significant disagreements, particularly on how much freedom should be given to the states on welfare issues, and that they are still moving forward with their own proposal. (*The Washington Post*, 01/28/1995, 1/29/1995)
February  Clinton's nomination of Henry Foster, Jr. as Surgeon General draws controversy when it is learned that Foster had performed significantly more abortions in the past than the "few" he initially admitted to. Members of Congress from both sides of the aisle criticize the Administration for failing to adequately screen the nominee. The Washington Post reports that at Shalala's urging, much of the background check for Foster was done by HHS, and that by the time the White House entered the process and discovered the potential problems, it was too late. Though Shalala and the Clinton Administration continue to defend the nominee, following a Republican-led filibuster, Foster's nomination is eventually withdrawn in June. (The Washington Post, 02/12/1995, 02/13/1995)

April  Shalala comes under fire from some conservatives for saying on CNN's Capital Gang, "We sent not the best and the brightest sons to Vietnam. We sent young men from small towns and rural areas, we sent kids from the neighborhoods I grew up in and we exempted the children of the wealthy and of the privileged and it tore this country apart and we must never do that again." Rep. Gerald B.H. Solomon (R-NY) calls for her dismissal. Yet other conservative outlets such as The Washington Times and columnist Robert Novak come to her defense, saying her comments were taken out of context. (The Washington Post, 04/19/1995, 04/24/1995)

The Clinton Administration approves Governor William Weld's plan to overhaul and expand Medicaid in Massachusetts to cover 400,000 uninsured citizens. Shalala says the approval "illustrates the Clinton Administration's commitment to working with states to develop innovative programs which will provide health care to our neediest citizens." (The Boston Globe, 04/25/1995)

May  The Clinton Administration criticizes congressional Republicans for targeting Medicare for cuts in an attempt to reduce the federal budget and finance their proposed tax cuts. Republicans claim that the Clinton Administration has done little to find other ways to reduce the deficit. Testifying before the House Ways and Means Committee, Shalala tells Republicans, "When your party puts a detailed budget on the table, when they explain that they are not slashing Medicare to pay for it," Democrats will be willing to talk. (The Washington Post, 05/03/1995, 05/11/1995)

Shalala and Vice President Gore announce plans to reduce 2,400 jobs from HHS by 2000. The cuts are part of Gore's "reinventing government" campaign to slim down the federal bureaucracy. Amid cheers from HHS employees, Shalala announces that no current employees will lose their jobs, and that reductions will take place through "attrition," or elimination of jobs once employees quit or retire. (The Washington Post, 05/12/1995)

June  Shalala defends the Clinton Administration's program for free childhood vaccines after a General Accounting Office report strongly criticizes it. "There are almost
two million children who have not received all the shots they need by their second birthday," Shalala writes in a *Washington Post* editorial. *(The Washington Post, 06/26/1995)*

**August**

The Clinton Administration gives Maryland permission to implement a new program under which parents that have additional children once already on welfare will be unable to receive additional benefits. "I would describe it as substituting pragmatism for being punitive," says Shalala. "It recognizes what it takes for somebody to get a job." *(The Washington Post, 08/15/1995)*

Shalala joins House Minority Leader Richard Gephardt (D-MO), Philadelphia Mayor Ed Rendell (D), and Congressman Chaka Fattah (D-PA) at a town meeting held by the National Council of Senior Citizens. Shalala pledges to fight GOP plans to overhaul Medicare. *(The Philadelphia Inquirer, 08/18/1995)*

**September**

Shalala is part of the U.S. delegation that travels with Hillary Clinton to China where the First Lady addresses the United Nations' Fourth International Conference on Women. The day after the speech, Shalala also accompanies Mrs. Clinton on a trip to Huairou, a small city 40 miles outside of Beijing, for an NGO forum on women's rights. The NGO groups had not been allowed to meet in Beijing. *(Hillary Rodham Clinton, *Living History*, New York: Scribner, 2003, pp. 306-307)*

Shalala delivers an HITS study to President Clinton which shows that the welfare reform bill under consideration in the House would push 2.1 million additional children into poverty, while the Senate bill would add 1.1 million children. She reportedly urges Clinton to oppose both measures. Days later, Clinton announces he is willing to sign the Senate bill. *(The Christian Science Monitor, 11/03/1995)*

**October**

Shalala announces that Clinton will veto the bill approved by the Senate Finance Committee that would cut $452.3 billion from Medicare and Medicaid for deficit reduction. "I cannot believe that the richest country in the world can't afford to take care of its poorest citizens," she says. "The President will veto any bill alit takes these enormous sums out of a health care system that cannot absorb this much this fast. It will be a long and bitter fight, but we are not going to give up." *(The Washington Post, 10/01/1995)*

The Clinton Administration attacks the House Republican version of the Medicare bill, saying it will hurt the government's ability to fight waste and fraud within the program. Speaking at a press conference with Attorney General Janet Reno, Shalala says, "House Republicans are opening gaping holes in the consumer protections afforded to 37 million Medicare beneficiaries." *(The Washington Post, 10/19/1995)*

Shalala and Department of Veterans Affairs Secretary Jesse Brown hold a press conference opposing the House Medicaid overhaul, saying that up to 172,000
veterans could lose their Medicaid coverage by 2002. Rep. Tim Hutchinson (R-AR), Chairman of the Health and Hospitals Subcommittee of the House Veterans Affairs Committee, disputes the charges, saying, "I don't think there's going to be any forcing of veterans onto the VA for health care, but if there were they'll be able to handle it because there's going to be a 25 percent reduction in the number of veterans in the next seven years." *(The Washington Post, 10/21/1995)*

Some congressional Democrats make public the HHS study showing that an additional one million children will fall into poverty under the Senate's welfare reform plan. Led by Senator Moynihan, this is an effort to force Clinton to reconsider his stated support for the Senate bill, a position that most liberal Democrats oppose. *(The Washington Post, 10/28/1995)*

**November**

Even as the Clinton Administration continues to negotiate with Republicans over a welfare reform plan acceptable to leaders of both parties, Shalala speaks publicly against the plan. Addressing the National Association for the Education of Young Children, she says the proposed Republican cuts are "cruel, counterproductive and costly... driven by an extremist agenda and a proposed tax cut for the wealthy." *(The New York Times, 11/30/1995)*

**1996**

**February**

Speaking at the annual meeting of the American Association for the Advancement of Science in Baltimore, Shalala says, "Right now, our country is not as scientifically literate as it needs to be... It is not enough for us to rack up one scientific victory after another. Science and technology must not get ahead of our values and ethics—or public support for science will erode and our engine of progress could become an Orwellian nightmare." *(The Washington Post, 02/29/1996)*

In testimony before the House Finance Committee, Shalala speaks out against the National Governors Association's (NGA) bipartisan welfare reform plan designed to find compromise between the White House and congressional Republicans. The plan would eliminate absolute welfare guarantees for most eligible Americans, requiring them to go back to work after five years, as well as curb spending on health insurance for the poor. Though Shalala criticizes the plan for failing to protect children adequately and provide health care for the poor, she does not rule out compromise, saying, "We can work them [differences] out in 24 hours if everyone got to the table." NGA President Tommy G. Thompson (R-WI) says he thinks that the "President still believes in our plan, and the Secretary should get on board like her President and the Democratic governors." *(The Washington Post, 02/29/1996)*

**May**

Shalala announces at the National Tobacco Control Conference that the latest proposal by Philip Morris Co. to restrict its advertising and marketing "isn't good enough." "The Marlboro Man would still ride the billboard prairies and rope our
children in," says Shalala. She also says the FDA may begin to regulate the 
tobacco industry if manufacturers don't reach agreement on federal legislation 
to curb their marketing and advertising. *(Chicago Sun-Times, 05/30/1996)*

**June**

Shalala and Treasury Secretary Robert E. Rubin deliver the annual report on the financial status of Medicare and Social Security, notably announcing that the Medicare hospital trust fund may go bankrupt as early as 2001. They recommend, and Clinton quickly endorses, $116 billion in cuts over the next six years, a proposal that has been repeatedly rejected by congressional Republicans during the past year (Republicans call for $168 billion in cuts). To address longer term problems, Shalala calls for the creation of an independent advisory group to work out a plan on how to finance care when the baby boomer generation begins retiring in 2010. *(The Washington Post, 06/06/1996)*

**August**

On the 22nd, Clinton signs the Welfare Reform Act after vetoing two previous Republican-led welfare reform bills. During a Cabinet meeting before the signing, Shalala signals her strong opposition to the bill. Clinton seems in many respects to agree, though he decides to sign what he believes will be his best chance to reform the welfare system. Peter Edelman, a staunch liberal and longtime Clinton friend, resigns his position at HHS over Clinton's approval of the bill. *(Harris, pp. 237-238)*

**October**

Shalala publicly presents a bipartisan plan for financing Medicare that would cut $100 billion from the program's growth over the next six years, giving the program life until mid-2006 rather than 2001. She indicates that the savings will come from reduced fees given to doctors, hospitals and other health care providers. *(Chicago Sun-Times, 10/10/1996)*

**December**

Shalala orders three days of public hearings at HHS to address the current national system of organ allocation for transplants to sick patients. The request to do so reportedly comes directly from Clinton, who has been informed by a concerned friend of the faulty system under which livers have been allocated to patients and hospitals. The move is extremely contentious, however, as it is seen by many as unnecessary and an unprecedented federal takeover of a system that has been run through a nonprofit independent agency for a decade. During the hearings, a bipartisan group of congressmen sends Shalala a letter urging her to reconsider imposing federal regulations on the process for the first time in U.S. history. *(The Washington Post, 12/09/1996, 12/11/1996)*

The Clinton Administration says that it will send warnings of possible sanctions against doctors and federal contractors, among others, who invoke and utilize new laws passed last month in California and Arizona that make marijuana legal for certain medicinal purposes. Yet the Administration admits that it cannot do much beyond that and will not seek to challenge the new laws in court. Speaking out against the new state laws, Shalala says, "Increasing numbers of Americans
believe [erroneously] that marijuana is not harmful. In California and in Arizona, voters sent very confusing messages to the teenagers in those states and to young people across the country. "(The New York Times, 12/31/1996)

1997

January

The Food and Drug Administration (FDA) announces a new patient information program that calls for pharmacists to give out standardized information sheets with each drug prescribed that will give information about negative side effects and the consequences of overdoses. "Industry, consumers and government have cooperated to produce a plan that will work for patients," says Shalala, who worked closely on the program. (The Washington Post, 01/15/1997)

The FDA and Clinton Administration approve a home drug test that will be available without a prescription. The Administration was initially hesitant about such a plan because of violations of the right to privacy that might be involved, but now enthusiastically supports it. In theory, the test would allow parents to test their children for drugs within the privacy of their own home. "The Clinton Administration has zero tolerance for illicit drugs," Shalala says. (The Washington Post, 01/22/1997)

Shalala tells an American Hospital Association conference that the Clinton Administration will not seek a freeze on hospital reimbursement rates as part of its plan to reduce Medicare spending. (The Wall Street Journal, 01/28/1997)

February

The Administration scores its first victory over the new Republican-controlled Congress by helping to narrowly push through a measure that will free $285 million in U.S. foreign aid for international family planning programs. Opponents charge that this will result in U.S. money being used to fund abortions in other countries even though U.S. law has made it illegal to do so. Shalala is among those who actively lobby Congress in the final days before the vote. (The Washington Post, 02/14/1997)

April

In their annual report, federal Medicare trustees project that the Medicare trust fund is still in danger and will go bankrupt in 2001. "The good news," says Shalala, "is that the health of the Medicare trust fund has not gotten worse. The bad news is that the year 2001 is one year closer." Congress is still reviewing Clinton's proposal to save $100 billion on the program over the next five years, but continues to vehemently attack him for vetoing its Medicare reform bill two years earlier. (The New York Times, 04/25/1997)

May

Shalala and the Clinton Administration recommend that hospitals receive no increases in Medicare payments in 1998 in order to help avert the program's bankruptcy in 2001. "Medicare must become an increasingly prudent purchaser of health care services, and those who provide services to Medicare beneficiaries
must do their fair share toward a balanced federal budget by increasing their efficiency and effectiveness," she says. Congressional approval is necessary for implementation of the recommendation. *(The Washington Post, 05/31/1997)*

**August**

Shalala urges Congress to pass a new law governing the privacy of personal medical information. In a speech to the National Press Club, Shalala does not offer specific policy proposals, but expresses hopes that a national discussion on the issue will be in soon. "The fact is, we have no real federal health care privacy standards," says Shalala. *(The Boston Globe, 08/01/1997)*

*The Wall Street Journal* reports that Shalala and Vice President Gore are among those urging Clinton to either modify or reject the proposed tobacco liability settlement. Clinton has expressed his desire to approve the settlement. *(The Wall Street Journal, 08/08/1997)*

**September**

Shalala and the Clinton Administration approve the first ever set of comprehensive federal ground rules for protecting the privacy of patients' medical records. Under the rules, records can only be released for treatment and payment purposes, with a notable (and controversial) exception for law enforcement authorities. "The way we protect the privacy of our medical records right now is erratic at best and dangerous at worst. The fundamental question before us is, will our health records be used to heal us or reveal us? . . . As a nation, we must decide," Shalala says in testimony before the Senate Labor and Human Resources Committee. *(The New York Times, 09/12/1997)*

Clinton is briefed on an internal three-month review of a deal made between the tobacco industry and 40 state attorneys general that would protect tobacco companies from unlimited legal liability in exchange for concessions such as pledges to help curb the number of young people smoking. The review is ambiguous and leaves up to Clinton whether or not to support the deal or to demand tougher concessions from tobacco companies. Shalala reportedly strongly advises Clinton to make a general statement demanding more specific concessions from the tobacco industry before he endorses such a deal. *(The Washington Post, 09/12/1997)*

**October**

A presidential commission led in part by Shalala releases a statement calling for a patients' "bill of rights." The commission informally recommends, among other things, that patients be guaranteed a choice of medical plans, that insurance companies not be allowed to impose "gag rules" that would prevent doctors from mentioning certain (presumably more expensive) treatment options to their patients, and that rules should be created to protect patients' medical privacy (echoing Shalala's recommendations of the previous month). Yet deep divisions remain within the commission on other notable issues. The commission will produce a formal report for Clinton in November. *(The Washington Post, 10/23/1997)*
1998

January  
Dr. Richard G. Seed announces his intentions to clone a human being within one and a half years. In response, Shalala says, "We have said very clearly that we believe that human experimentation is morally wrong and unacceptable and should not go forward." *(Chicago Sun-Times, 01/08/1998)*

Stories begin to surface in the media about a possible sexual relationship between Clinton and former White House intern Monica Lewinsky. While maintaining strong public focus, Clinton is reportedly hurt and consumed with the scandal in private. Shalala later says of much of the year, "It's almost as if the government adjusted to his limping. If this had happened in 1994, it would have been disastrous. It was the maturity of the government that saved the year. We all knew how to do our jobs." *(Harris, p. 327)*

February  
Shalala sends a letter to Congress recommending that legislation be passed for the government to revamp and begin to regulate the system through which patients wait for and receive organs for transplants. *(The Washington Post, 02/27/1998)*

March  
Shalala and White House Chief of Staff Erskine Bowles say Clinton will sign a House bill proposing a $1.50 per pack increase on cigarettes and extending no protection from lawsuits for tobacco companies if the bill is passed. With just 68 work days left in the congressional session, Shalala says, "For the sake of millions of children across America, don't go home without passing comprehensive tobacco legislation." *(The Boston Globe, 03/12/1998)*

The Clinton Administration orders the United Network for Organ Sharing, the nonprofit contractor for the nation's organ allocations, to come up with a new plan for allocating livers within five months, and one year for other organs. The new system must place a priority on the sickest individuals, not those who live closest to the donor. According to Shalala, "people are dying...simply because of where they happen to live." *(The New York Times, 03/27/1998)*

April  
The Clinton Administration, with some members of Congress; again publicly vows to pass strong anti-tobacco legislation after tobacco companies walk out of meetings aimed at reaching a legislative compromise. "We will get bipartisan legislation this year," says Shalala on NBC's *Meet the Press.* "There's no question about it because it's about public health." *(The Washington Post, 04/13/1998)*

Just as Shalala is about to publicly announce a federally-funded needle exchange program, she receives a call from the White House telling her that such a move is too risky and that Clinton has changed his mind. The program, which Shalala supports, would have allowed federal funds to be used to give drug addicts clean syringes to prevent the spread of HIV and AIDS through the reuse of infected needles. Critics of such a plan had strongly criticized the Administration for what
they saw as an endorsement of illegal drug use. In the end, the Administration announces its support of such programs and argues that they do reduce the number of infections, yet provides no federal funds for needle exchange programs. It is reported that Barry R. McCaffrey, Director of the Office of National Drug Control Policy, was instrumental in reversing Clinton's decision. *(The Washington Post, 04/23/1998, 05/18/1998)*

**June**  
Shalala sends a letter to 181 members of Congress claiming that the United Network for Organ Sharing has worked "to misrepresent" the Administration's proposed new regulations on transplant policy and is "frightening" transplant patients in an effort to block the regulations. *(The Washington Post, 06/06/1998)*

**August**  
The annual National Household Survey on Drug Abuse reports that drug use by young people increased from the previous year, particularly the use of marijuana. Shalala says marijuana is popular among young people because "the perception of this country is that marijuana is safe, that it's a soft drug." She criticizes the lenient attitude of many parents who feel "relieved when they find out that their children are using marijuana as opposed to heroin or cocaine." *(The Washington Post, 08/22/1998)*

**September**  
Clinton calls a meeting of his Cabinet to explain his affair with Monica Lewinsky and to allow Cabinet members to convey their feelings to the President. The meeting is held in the White House residence rather than in the West Wing. While many members of the Cabinet are sympathetic to and supportive of Clinton, Shalala is reportedly very critical, saying, "I can't believe that is what you're telling us, that is what you believe, that you don't have an obligation to provide moral leadership." A visibly angry Clinton reportedly replies, "By your standard Richard Nixon would've beaten John Kennedy." *(Harris, pp. 347-348; Bill Clinton, My Life, New York: Alfred A. Knopf, 2004, p. 809)*

**October**  
A new government report shows that AIDS dropped from #8 to #14 on the list of leading killers in America in just one year. Deaths caused by AIDS dropped 47% in this time, marking the lowest rate killed since 1987. Government health officials credit new drugs with the decline. Says Shalala, "These figures mean that new treatments have been very effective in extending the lives of people who already have HIV infection. But they do not mean we have significantly reduced HIV transmission." *(USA Today, 10/08/1998)*

**1999**

**February**  
Shalala joins federal officials in asking elderly Americans to act as watchdogs and to call their doctors or the HHS fraud hotline if they suspect any waste, fraud or mistakes in their Medicare billing. *(The Philadelphia Inquirer, 02/25/1999)*

**March**  
State legislatures in Wisconsin, Louisiana, Oklahoma, South Carolina and Florida approve bills prohibiting organs donated within the state from being shipped to
other states. Arizona and Texas are also in the process of passing similar legislation. The state laws come in response to Shalala's intention, announced last spring, to determine the allocation of organs on the basis of need rather than geography, meaning that many organs would cross state lines. The federal regulation caused a bitter dispute between transplant doctors, hospitals and patients, prompting Congress to delay the effective date of the regulation until October V. \textit{(The New York Times, 03/11/1999)}

\textit{June} Following the agreement by the Yugoslav government to withdraw their military forces from Kosovo, the U.S. announces it will halt its emergency airlift of Kosovar refugees to the Army base in Fort Dix. In an emotional visit to the base, Shalala says the 3,500 refugees already there will continue to be resettled throughout the country at a pace of about 100 per day. Those who wish to return to Kosovo when it is deemed safe will be given free air-fare by the U.S. government. \textit{(The New York Times, 06/05/1999)}

\textit{August} The 1998 National Household Survey on Drug Abuse is released. The report shows a drop in illicit drug use among teenagers, but little progress on alcohol and tobacco use. Shalala says of the report, "The conventional view among young people is that underage drinking is cool, that it is normal and safe. We can do better than that." \textit{(USA Today, 08/19/1999)}

\textit{November} Researchers on the Human Genome Project gather at the National Academy of Sciences to celebrate the decoding of the one-billionth unit of genetic information. Shalala praises the work of the group, which is roughly one-third of the way completed. "We will better understand the history of life on Earth. And we will better understand what binds us all together as human beings," says Shalala of the potential benefits of the research. \textit{(The Washington Post, 11/24/1999)}

\textit{2000}

\textit{May} Shalala appears at a news conference with acting NIH Director Ruth Kirschstein and FDA Commissioner Jane Henney to outline new oversight regulations on human medical research. The new rules are imposed after several incidents involving financial conflicts of interest and failure to protect patient safety among university researchers receive heavy media coverage. Shalala says, "We want the institutions to hear this as both a comprehensive and a clear message that this golden age of biomedical research and clinical trials will continue only if the public has continued confidence." \textit{(USA Today, 05/24/2000)}

Shalala announces the release of body mass index (BMI) charts for girls and boys ages two to twenty at the National Nutrition Summit. The charts will allow doctors and parents to determine how overweight or underweight children are. Shalala says the charts will allow parents to "take immediate actions through diet and exercise." The purpose of the Summit is to draw attention to the problems of obesity, nutrition and hunger. \textit{(USA Today, 05/31/2000)}
June
The UN General Assembly holds a special session to discuss the progress of women's rights in the world since the Fourth International Conference on Women, held in Beijing in 1995. Shalala, who leads the U.S. delegation to the special session, takes the opportunity to draw attention to new international security issues like health care, poverty, and human rights. "Foreign policy requires a new conceptualization," says Shalala. "When we said that AIDS was an international security issue, they went crazy… Infectious diseases destabilize economies." (The New York Times, 06/07/2000)

July
Shalala pledges up to 90% reimbursement to states for the cost of setting up secure computer registries to track child vaccination records. In 1993, the Clinton Administration set the goal of having at least 90% of all two-year-olds receive their basic series of immunizations. The current rate is 80%, up from just 55% in 1992. Shalala praises the new figures, but cautions that "it's a record to build on, not rest on." (USA Today, 07/07/2000)

September
Shalala and former FDA Commissioner David Kessler offer their conditional support for a congressional measure allowing cheaper drugs to be imported into the U.S. Drug companies strongly oppose the bill, citing potential threats to consumer safety. (The Wall Street Journal, 09/20/2000)

December
In a letter to President Clinton, Shalala says HHS will not implement a law passed by wide bipartisan majorities in Congress shortly before the 2000 presidential election that will allow U.S. pharmacists and wholesalers to import prescription drugs from abroad. Shalala says consumer safety concerns drove her decision on the issue. Lawmakers announce they will ask President-elect George W. Bush to reverse the decision when he takes office in three weeks. Senator Byron Dorgan (D-ND), the chief sponsor of the measure, says he was not consulted by Shalala on her decision and is "disappointed by her action." (The Wall Street Journal, 12/27/2000; USA Today, 12/28/2000)

2001

June
Shalala is named Professor of Political Science and President Of the University of Miami. ("President Donna E. Shalala's Biography")
Joining the Administration

- When did you first meet Bill Clinton? Describe your initial impressions of him.
- What role, if any, did you play in the 1992 presidential campaign and transition?
- Discuss the circumstances surrounding your nomination as Secretary of Health and Human Services. Did you have any discussions with President Clinton regarding your role and agenda as HHS Secretary? Describe your confirmation hearings before the Senate. What were your priorities when you joined the Administration?

Secretary of Health and Human Services

- Describe your responsibilities as HHS Secretary. What issues and activities occupied most of your time?
- How was MIS organized during the Clinton Administration? How did this vary from previous administrations? Comment on changes made to the Department during your tenure. How much control did you have over appointments within HMS?
- With whom at HHS did you work most closely? How involved were you with the work of the Department's sub-cabinet offices?
- Comment on your relationship with the White House staff. With whom did you work most closely and on what issues?
- Discuss the frequency and nature of your interactions with President Clinton. How involved was Clinton in setting the HHS agenda? On which issues was Clinton most engaged? Did his priorities change over time?
- Describe your relationships with Vice President Al Gore and First Lady Hillary Clinton.
- Describe Clinton's relationship with and use of his Cabinet. Comment on your relationships with other Cabinet members and executive branch agencies. How effective was the Cabinet as a policy-making institution? How did this evolve over your eight years in the Cabinet?
- Evaluate the role of women in the Cabinet and on the White House staff. Did your status as a woman have any effect on your service as HHS Secretary? Was your counsel sought by the President, or the White House staff, on any policy or political matters outside your departmental portfolio?
- Comment on your interactions with Congress. Who were your biggest supporters and opponents? Describe your relationships with the Chairs of the House and Senate committees and subcommittees that dealt with HHS issues. Describe the interactions between the Administration and Congress over Department appropriations. What were the major points of contention?
- Discuss the process through which major HHS policies were formulated, proposed, and implemented in the Clinton Administration.
- Comment on the Republican Party's policy agenda as it related to your portfolio. How did the Administration's HHS policy change after the 1994 midterm elections?
- Describe the presence of interest groups in formulating HHS policy. Which groups were the strongest supporters and opponents of your Department?
• Discuss your role in crafting the Administration's comprehensive health care plan. How effective was the President's Task Force on National Health Care Reform in achieving its purpose? Describe any divisions within the group. How did you help in selling the plan to Congress and to the American people? Comment on the Administration's incremental strategy in health policy after the failure of the plan.
• How involved were you in formulating the Administration's welfare reform agenda? Discuss your work with state governments on welfare reform measures. Describe your deliberations with Clinton and other Administration officials over the 1996 Welfare Reform Act. Discuss your perceptions of the resignations in your Department in protest over the reform measure.
• Comment on your interactions with Congress over Medicare and Medicaid spending. How did this change after the 1994 midterms?
• Discuss your role in other key HHS policies during your tenure (immunization, teenage drug use, anti-tobacco legislation, AIDS policy, organ transplants, drug imports, etc.).

**The Clinton Presidency in Retrospect**

• What do you consider your greatest accomplishments as HHS Secretary? What were the most challenging aspects of your job?
• What were Clinton's greatest assets as President? Assess his strengths and weaknesses as a domestic policymaker, a legislative leader, and a leader of public opinion. Which of his attributes served him best in the presidency?
• Evaluate the Clinton Administration's record on the appointment of women and on women's issues.
• What will be the Clinton Administration's lasting legacy on policies implemented by HHS? Were you satisfied with the amount of attention President Clinton gave to this area?
TIMELINES

- Donna E. Shalala News Timeline, prepared by Kyle Lasurettes, Miller Center, University of Virginia, 03/23/2007.

- Timeline of the Clinton Presidency, prepared by Robbie Robinson, Miller Center, University of Virginia, 05/30/2002.

SELECTED WRITINGS AND PUBLIC STATEMENTS BY DONNA E. SHALALA


SECRETARY OF HEALTH AND HUMAN SERVICES

Department of Health and Human Services


Secretary of Health and Human Services


KEY ISSUES AND EVENTS IN HHS POLICY

Health Care


Welfare Reform


• John Nichols, 'This Is the President for the 21st Century,' Shalala Tells Caucus; HHS Secretary Says Clinton's Second Term Will Fulfill Promise of Activist and Compassionate Government," *Pittsburgh Post-Gazette*, 08/29/1996.

Medicare


Child Immunization

**AIDS Policy**

**Head Start**

**Teen Drug Use**

**Anti-Tobacco Legislation**

**Organ Transplants**

**Drug Imports**