April 17, 2003

Riley: One of the things that we generally do at the beginning in order to help out the transcriber is to do a voice identification, so I’ll ask each of you to identify yourself and say a couple of words, just so that they can do the voice ID. I’m Russell Riley, I’m an assistant professor here and the leader of the Clinton Presidential History Project.

Young: I’m Jim Young, director of the program.

Dennis: I’m Matthew Dennis; I’ll be note taking for the interview. I’m a fourth year undergraduate at UVa.

Walcott: I’m Chuck Walcott, I’m professor of political science at Virginia Tech.

Gottschalk: Marie Gottschalk, assistant professor of political science at University of Pennsylvania.

Lambrew: I’m Jeanne Lambrew, I’m an associate professor, Department of Health Policy, George Washington University.

Jennings: And I’m Chris Jennings, former Deputy Assistant to the President for Health Policy. I served in the White House for eight years—six years as the President’s Senior Health Care Policy Advisor, and two years on detail from the Health Care Financing Administration as the First Lady’s Congressional Liaison. I am now President of Jennings Policy Strategies, a health care consulting firm.

Riley: We’re delighted to have both of you with us today. As we discussed earlier, maybe the best way to begin is for you to tell us a little bit about how you got into this line of work, in particular doing health care. Then we’re interested in your Hill background. You came into the administration as probably one of the people with the most experience on Capitol Hill, I would think.

Jennings: Within the White House there were other individuals with Hill experience certainly, but it was a wide swath of different backgrounds. My background was ten years on Capitol Hill prior to coming. I worked for three Senators, John Glenn of Ohio, John Melcher from Montana and David Pryor, all of whom were either ranking Democrat or chairman of the Senate Aging
Committee. I was the deputy director of the Senate Aging Committee for David Pryor from Arkansas, which gives a little sense of lineage back to Bill Clinton, but not as cleanly or clearly as you might think.

Anyway, I’ll come back to that in a moment. In my congressional days, from 1983 to 1992, aging and health policy were huge issues. There were the Social Security debates with Ronald Reagan, culminating in the Social Security Amendments of 1983; there was the debate around the Medicare Catastrophic Care Act and its repeal in 1988 and 1989; and then the formation of a real interest on comprehensive health reform in the late ‘80s, driven by health care costs, which tends to happen every ten years or so, as we’re seeing again in 2003. I was most publicly associated with David Pryor on the Senate Aging Committee in Washington because I served him as the Committee’s Deputy Director, and also staffed him on the Senate Finance Committee, which has legislative jurisdiction over the Medicare, Medicaid, and Social Security programs. He also served on the Pepper Commission, which was one of the major national legislative attempts to look at comprehensive health care reform in the late ‘80s and early ‘90s. The Commission was one of the few remnants of the Medicare Catastrophic Coverage Act of 1988, which was repealed within one year of its enactment. Originally known as the U.S. Bipartisan Commission on Health care, it came to be known as the Pepper Commission, after its first Chair, Congressman Claude Pepper, died. His chairmanship was replaced by Jay Rockefeller.

The only thing I would note about those days was that it was a time in the Senate, particularly on the Finance Committee, where the committee worked in a much more bipartisan basis. It was an impressive group of people. You had, on the Republican side, members like John Heinz and Senator Jack Danforth, and Senator [David] Durenberger, Senator [Robert] Packwood, Senator [Robert] Dole, all—

Lambrew: Chafee.

Jennings: Senator [John] Chafee, all very moderate Republicans so to speak. Then you had Senator [William] Bradley and Senator Rockefeller, Senator [Lloyd] Bentsen, Senator Pryor, who were all very much interested in health care and really worked across the aisle. Very different from what you see in Washington today.

So at the time, I was viewed as staffing a Southern Senator who was politically moderate and pragmatic. Senator Pryor was very well known for his Senate Aging Committee reports and his focus on pharmaceutical cost containment. He’s a populist by nature. We worked on a lot of legislation, including something called the Medicaid Rebate legislation, that ensured that pharmaceutical companies gave the Medicaid program the best price in the country. It was a significant fight; I won’t go through that whole issue. The Senator is an amazing individual, very popular in Arkansas. He’s actually more popular than Bill Clinton or Dale Bumpers. Nonetheless, if you think about it, they are all very impressive individuals, all from the same small Southern state, and all three of whom served as successful Governors.

At any rate, Senator Pryor was also very sensitive to small business concerns. In the health care debate, there’s a big focus on small businesses and the difficulty for them to help finance it, with very limited profit margins and low-wage work forces. So I was known on the Pepper
Commission as the guy who would help Senator Pryor entice the small business community to be favorably disposed to health reform. Also, because I had worked very well with moderate Republicans, I was viewed as somewhat of an asset to help create bipartisan support.

I cite that only because, after one goes through the whole Clinton administration and the Health Security Act experience, and copes with a very partisan Congress, who had great antipathy toward the President, one emerges through that whole process as being someone who is perceived to be a fairly moderate staff person who deals well with both sides of the aisle, to some “leftist extremist” who allegedly supports an agenda whose ultimate goal is to take over the health care system of the United States. Jeanne and I are labeled this way, but particularly, I am. It’s an amazing sort of evolution. At any rate, I think I was chosen by the First Lady and her people because I was viewed as someone who had an in with moderate conservative Democrats and could work with moderate Republicans and help her in the congressional process.

I’ll just quickly go over how that transition occurred. You might think it was because David Pryor wanted to help me get up to the White House and be his guy in the White House. The truth is he wanted me to stay on the Aging Committee. He didn’t undermine me in any way, he was very supportive. But the reason I was asked to serve was because the First Lady knew that she and Ira Magaziner—who did not have any Washington experience or congressional dealings—were going to need to have someone to help them navigate that process a little bit.

Mrs. Clinton knew she would need someone tasked to help her prepare for congressional meetings and hearings. She asked who would be a good person to do that. There was a meeting early in the administration with a group of people in the room that included Steve Ricchetti, who was the former Deputy Chief of Staff for the White House and was the Senate legislative liaison, and Judy Feder, who was a big health care policy person—and still is—and a number of other people in Washington. She was actually the former executive director—I can’t remember her specific title—of the Pepper Commission. So I’d worked closely with her as I staffed Senator Pryor for the Pepper Commission.

_Lambrew:_ She was at HHS [Department of Health and Human Services] then.

_Jennings:_ She at that time was just coming into HHS as Donna Shalala’s primary health policy advisor, after serving as the head of the Clinton health care transition team.

_Young:_ Were you involved in the transition?

_Jennings:_ I was involved in the transition team. I guess I should say that too.

_Lambrew:_ Yes, definitely.

_Young:_ I was going to ask you how the First Lady—

_Jennings:_ I guess I should say that if anybody ever has the opportunity to do a transition, you should just not do it. _[laughter]_ It is the absolute worst experience in anyone’s life. I was under the illusion that we were working 24 hours a day to develop policy, but I think most people in the
transition were just trying to position themselves for subsequent jobs in the Clinton administration. It was a lot of hard work and in many ways it was much ado about nothing. But Judy was designated as the head of the health care transition team. Actually, the deputy of the health care transition team is now a physician by the name of Atul Gawande, who’s somewhat known in these parts and elsewhere. Atul actually grew up with me in my small town of Athens, Ohio, a small southeast town, where Ohio University is. I knew him and his family very well. It’s just sort of a happenstance that we ended up in the same world. At the time, he worked for Jim Cooper, who is well known in health care circles too.

Jennings: And he’s back. But Atul was asked by Bruce Reed, who came from Al Gore’s shop and worked at DLC [Democratic Leadership Council], to help coordinate health policy during the campaign. At any rate, he was another one in that room. Steve Ricchetti, who I actually went to school with at Miami University in Ohio, who was the President’s Senate Legislative Affairs lead, was also there. Steve actually didn’t know me in school, we found each other; he subsequently did Blue Cross/Blue Shield lobbying and a lot of other things and knew of my work on Capitol Hill.

At any rate, immediately after the election this transition team was formed and it was a very interesting group of people. It included Stuart Altman, Lynn Etheridge, Bruce Fried, Judy Feder, and a host of other folks. Ken Thorpe—

Lambrew: He’s back.

Jennings: No, he wasn’t on it but he was a sort of an informal advisor.

Young: Who got this group together, who assembled it?

Jennings: The President appointed it and I think the dynamic was that Atul was viewed as too young. He was, I think, 26. A hard worker, very smart guy as has subsequently proven to be the case, but he wasn’t viewed to be someone you could designate as a head of a transition team. And Judy Feder was an insider, Washington-based person who was well known on Capitol Hill and liked and trusted by the Democratic congressional leadership. Atul was viewed with some suspicion, not just because of the health care, but because of the association with Jim Cooper and managed competition.

Young: Were any of these people on that that you’ve mentioned involved in the campaign?

Jennings: Well, all of them indirectly.

Young: Including you?

Jennings: Yes. Do you want to go through that too?

Gottschalk: Yes, who was in charge during the campaign on health care?
Jennings: Initially, during the campaign, the policy director was Bruce Reed. He had come out from his work at DLC and the vice presidential office. Bruce in fact wasn’t a big health care expert. He’s a very intelligent guy so he’s smart enough to know that health care can be a loser of an issue, so he tries to get other people to do it. But he found me very early on in the campaign and asked me to do a lot of work for him, informally. So I did a lot of late night work. I remember we would spend hours and hours on calls as he was just typing up the first President’s health care proposal.

Subsequent to that, as he was going to travel around with the President and someone had to stay in Little Rock to manage the health care policy development process, he asked Atul Gawande to come on board. Bruce’s background was DLC. He had a real interest in trying to find a way to combine this new concept called managed competition within a budget and try to find a new vision of health care reform that was a little different than the traditional play or pay models that some people had been talking about at that time.

Young: Was the President or the First Lady giving you any—?

Jennings: Yes.

Young: Was his mind made up during the campaign?

Jennings: Yes, I think the truth is—

Young: Managed competition? And how did that happen?

Jennings: I’m sorry, I should go back and tell you. What happened really is that Bob Kerrey, during the campaign, was making health care his number one issue. He was lobbing significant criticism against Bill Clinton for not having an explicit proposal. This goes to New Hampshire.

Gottschalk: That’s early.

Jennings: Very early. The then Governor was quite frustrated. The President, as was witnessed subsequently in his administration, didn’t like to be someone who criticized others without having his own alternative. Just like he hated the fact that he didn’t have a balanced budget when he was criticizing the excesses of the Republican “Contract with America” balanced budget proposal. Similarly, this same dynamic took place during the campaign. So a few quick calls were made and frankly I think it was Bruce Reed and me just doing something very quickly. It was sort of a pseudo-competition, play or pay model, but it had all the right rhetoric. It wasn’t designed to have a lot of specifics, but it was designed to get through New Hampshire, which I think it succeeded in doing.

Riley: Had you been identified by Bruce, or was there somebody else who—

Jennings: Bruce found me, I believe. I believe he found me through the Clinton people, who had talked to the Pryor people. There weren’t a lot of people on the Hill that the Clinton people
particularly trusted or knew. Bruce came from the Hill but health care wasn’t his expertise, so he was interested in finding someone he could trust, who he felt would only be there for Clinton’s interests.

Gottschalk: Versus the Jackson Hole—I mean, where were the Jackson Hole people?

Jennings: The Jackson Hole people came subsequent to that—at least, relative to the Clinton campaign.

Gottschalk: They came later? Okay.

Jennings: What then happened, during that time there was a whole new evolution of something called managed competition being produced out of Jackson Hole, Wyoming. Alain Enthoven and Paul Ellwood and Lynn Etheridge were the triumvirate policy makers—basically, they and a lot of industry people, particularly insurance-based people, trying to find a new way to get to competition in the health care marketplace. In fact, they had many interesting ideas, including, by the way, an employer requirement, community rating, and a minimum benefit package that everyone had to offer. But very significantly, they didn’t want to have any type of regulatory health care cost-containment interventions. They thought competition, if constructed in the right way, could work in a reform health care delivery system. That was their concept.

There were a lot of people who were skeptical that marketing approaches could produce scorable savings. There were some in the health plan community who didn’t want to have a minimum benefit package. There were some people who didn’t think that competition would achieve savings. There were some people, a lot of people, like Jim Cooper, who did not want to have an employer requirement in any way, shape, or form.

Young: So those were all in the air.

Jennings: They were all in the air during the ’92 time frame.

Gottschalk: But there was New Hampshire first.

Jennings: There was New Hampshire first, though the whole Jackson Hole stuff had been ongoing.

Gottschalk: But it wasn’t done.

Jennings: It wasn’t integrated in.

Gottschalk: Prior to New Hampshire.

Jennings: The Governor, as a general matter, was trying to find a new way to address health care, just like all presidential candidates want to do. There were a lot of people who were saying, “Well, this is the easy way you can go about talking about health care, managed competition,”
and then they overlaid on top of that, “within a budget.” It was unclear what that meant, but it basically—

Riley: It sounds good.

Jennings: It sounded pretty good.

Gottschalk: Can I back you up? It sounds like the initial response was to what the Bob Kerrey people were doing, and then it was you and Bruce Reed. At what point did you think this was going to be the signature issue for the campaign? You said Clinton felt like he needed policy and there wasn’t one for health care. But it took on a life of its own and I’m wondering if that was calculated or at one point you sort of said you’re going to be running on this.

Jennings: Remember that some of the big advisors in the Clinton campaign, like James Carville and Paul Begala, also were political advisors for Harris Wofford. Harris Wofford in ’91 won a special election around health care. So it was the economy, stupid, but the second line, “and don’t forget health care.” It was definitely the second primary domestic policy issue that was the focal point of the campaign as it evolved. At the beginning, it clearly was the economy. Bob Kerrey was pushing on health care. Everywhere the President was going he was hearing a lot about health care costs and the burdens it was imposing on people and businesses. He felt, quite strongly, he needed to have something. In fact, it wasn’t just health care for the uninsured, he was very focused on prescription drugs too.

He had personal experience with a number of different people in New Hampshire that just led him to believe that we had to do something about pharmaceutical costs and coverage. So he also then talked about prescription drug issues, cost containment, and Medicare, the need for a Medicare drug benefit. Even back then, he was really already beginning to talk about it. But to answer your question directly, at the very beginning I think it was a combination of Bob Kerrey and his own individual experiences seeing how hot this issue was.

Then the policy evolved over time. I think both James Carville and Paul Begala and some of his advisors always stressed, “Don’t get too specific. Focus on the broader themes of health care,” because all of us who have dealt with health care know the details do matter and that details can hurt and are hard to defend occasionally. So I would say, from that point on, health care reform—sans excessive policy details—was a campaign priority. Basically what Bruce and I did—now I’m sure Bruce, if you talk to him, will say he talked to other people too, I don’t want to say I was the only person—was the stopgap measure.

Young: Excuse me, was the First Lady at this point, Hillary Clinton, was she involved?

Jennings: No, not in any major way I am familiar with, though my subsequent experience was that she was always a major policy thinker for Bill Clinton.

Young: In this issue in the campaign? Was she hearing the same things?
**Jennings:** She was hearing the same things, she was talking about the same things. But it wasn’t her issue per se. No one was thinking at that time this was going to be Hillary’s issue. That didn’t happen until much later.

**Riley:** I don’t want to get you too far off track here but I do want to ask you a question about the temperament on the Hill at the time, because evidently Bruce comes to you and you’re amenable to working with the Clinton people. You had already made up your mind at this point that you were going to be supportive of Clinton’s presidential bid?

**Jennings:** At the time, Democrats were so hungry for anyone who could win the Presidency. You have to remember, there were 12 years of Republican rule. We were all looking, all of us Democrats on the Hill were looking for the best person. The person who asked me was Bill Clinton’s office. So you go with that. I don’t want to say that I wouldn’t have helped other people. Just like today, in 2003, a number of Democratic candidates were running and they’re asking me. I’m not picking and choosing one. At the time I had closer ties to Bill Clinton, not just because I was asked, but because of David Pryor.

I do remember very explicitly in New Hampshire when the whole Gennifer Flowers thing came out. I was in Arkansas with David Pryor and we were doing some field hearings for the Senate Aging Committee. We were flying around from place to place in prop planes and Bill Clinton called David Pryor up all the time. He just didn’t know Washington very well or trust it, or his instincts on it, so he would talk to David Pryor a lot. I remember, that came out and the draft letter thing came out, and it felt like the Governor was being killed. I was thinking, *There’s no way he can come out of this alive.* I wasn’t thinking about switching candidates, I was just thinking, at the time, *Well, who is going to be the candidate?* Because no one could emerge from what Bill Clinton was facing. In my experience in Washington, no one could.

I remember Senator Pryor would be chairing a field hearing and he would get a call from Clinton, excuse himself to the back of the stage, take the call and he’d come back and say, “You won’t believe this one.” But the Senator and all those Arkansas “Travelers” supporters never gave up on then Governor Clinton. They went to New Hampshire, they did the bus tour and they kept the Governor’s spirits up. He became the “come-back kid.” He always succeeded in coming back.

I think that experience, seeing how he came back from New Hampshire and did well in the Southern primaries gave us a lot of confidence he was going to win. But there were some very sour gray days in New Hampshire, and that happened to coincide with Kerrey’s beating Clinton up—saying he did not have a meaningful health reform proposal. So all this was happening in the same time.

Back then, those of us who were part of that process built strong relationships—how do I say it—it’s sort of like being in a foxhole with people. If you stay in it and you survive, very close friendships develop.

**Gottschalk:** When did you meet Clinton, when did you finally meet him?
Jennings: I talked to him, I remember there was a phone call—I’m sorry, I don’t know the months, but it was in ’92—and it was the first time I talked to him. There was a big debate about whether we were going to release numbers on the budget.

Lambrew: It was the summer, I think.

Jennings: Yes. There was a big debate between Washington and other places about whether the numbers were real. Anyway, the conclusion, not surprisingly, was not to release numbers. The Governor liked that advice, so I remember that. I don’t think I actually met him in person until ’93 (with perhaps the exception of a chance encounter in Senator Pryor’s office).

Then there was this Jackson Hole concept, and Michael Weinstein and the New York Times were enthralled with it and were running editorial after editorial. It sounded like a neat-o new idea on health care policy that could provide the underpinning of a campaign platform.

So there was a desire to integrate the concept and maintain the concept of universal coverage. We felt we couldn’t use a pay or play model because it sounded like the pay was payroll taxes, which was politically untenable. So it was decided to move to a straight-up employer requirement. People didn’t really believe, necessarily, that managed competition would achieve savings. So there was a budget, managed competition within a budget. In short, there was an integration of these different concepts to the overall satisfaction of both sides, because both sides heard what they wanted to hear. But there really wasn’t the consensus people thought there was. It was just that it was still universal coverage, it was still within a budget so the Washington people are happy, and the people heard the words “managed competition,” so the managed competition advocates were happy.

Lambrew: Correct me if I’m wrong, by this time there had been a lot of people who had been accumulating around the campaign. To have health care be such a big issue—

Jennings: Exactly.

Lambrew: People from around the country were being attracted to it.

Jennings: That’s exactly right. I’d say probably by June, July, August, people were really excited, because health care was viewed as a huge part of the election. People really thought that he not only had a policy, but a commitment to universal coverage. Also here was someone who could really connect with people. He had a real skill and more and more people wanted to get involved with it.

So there’s a guy named Bruce Fried—not Bruce Reed but Bruce Fried—who was part of it, Ann Wexler had a consulting firm and would give space to the campaign. Bruce would get a group of people together, sort of the Washington scene advisors, folks like Judy Feder and Ken Thorpe. If you weren’t there, you were mad you weren’t there. It was a lot of people, but it felt like it was more of a validation outreach process. It didn’t appear to me, nor was it, a real policy development process. It was more, “Let’s make sure that people in Washington are saying good
things about Bill Clinton’s health care.” They in turn could say that they were part of Bill Clinton’s process, so they liked that too.

Walcott: And these people in Washington were primarily the Democrats?

Jennings: Yes, virtually all Democrats. This was still the primary season. It wasn’t intended to be anything other than the Democratic health care elites.

Lambrew: This is no longer primary season, right? You’re talking about the summer?

Jennings: Well, it was even before August, it was before the conventions. Even during the conventions and subsequently.

Gottschalk: Was there any concern at the time about Bill Clinton’s DLC credentials and being identified with the uninsured at that time, that you really had to call it universal care and not have people get the idea of the old Democrats’ concern and not so much for the middle class and this broader base?

Jennings: You mean, was there concern that—?

Gottschalk: That this would be identified too much as an old Democratic issue—

Jennings: Universal rather than—

Gottschalk: Rather than New Democrat and DLC, or was that in part why you embraced the managed competition, because it felt new?

Jennings: Yes, I think that the playing out to the centrist crowd of the Democratic Party, even some of the nontraditional allies of health care reform. You know, entities like pharmaceutical companies were not completely opposed to it. Merck wanted to be helpful. Some of the insurers liked the concept of managed competition. They thought maybe this guy won’t be talking about all price regulation. I think the reason why this “managed competition within a budget” theme was constructed was to broaden out the perception of the communities that might be supportive of this policy.

But there was never a belief that we could say anything other than universal coverage, because Bob Kerrey was for universal coverage. I do believe, though, that even from the beginning there was an understanding that in order to reform the health care delivery system efficiently and to make insurance reforms work, you had to have everyone in the system. In fact, as I said, Enthoven and Ellwood and others felt there should be a purchasing requirement so that everyone would be covered. So it wasn’t as if even that group was saying don’t do it. They were saying, throw everyone in the system, have a benefit for people to compete over. So back in ’92 that really wasn’t the issue.
The issue that the centrist Democrats had concerns with was and always has been the employer mandate concept. And to some extent the insistence that there be provisions that guaranteed scorable savings and a budget.

**Gottschalk:** Did you feel at the time any pressure to talk about single payer or to reach out to those people? Because those tended to be, especially in primary season, the most mobilized in some ways, and you had a more liberal base during the primary season. Or were they coming along, did you feel, with them? Or wasn’t there any thought about that crowd?

**Jennings:** Bob Kerrey was appealing to the single payer crowd, even though he was doing a single payer with the ability for states to administer the single payer concept. Yes, there was pressure to reach out to the single payer crowd. In fact, as part of the overall vision of the policy, there was state flexibility that would enable, at least theoretically, states to become single payers themselves.

**Gottschalk:** Did you tell them that during the campaign? I know that program came out with that provision, but was that something that was discussed specifically during the campaign?

**Jennings:** The single payer crowd was viewed as necessary to avoid alienating needlessly. But I don’t think there was an explicit pressure, once the concept of universal coverage was on the table, I think that the President-to-be was largely inoculated from the fear that they were going to be too hurt from that part of the crowd. So no, I don’t think it was an overwhelming pressure. In fact, frankly, even the Washington-based scene, like the Judy Feders of the world who were fairly progressive liberal, weren’t advocating for single payer even back then. There is a segment of the Democratic Party who was, but even the Pepper Commission had rejected the single payer in favor of a pay or play type mechanism.

**Gottschalk:** But you would say there was a pretty good consensus that was not going to be on the table, but that some offered in the package to have this pop out provision for states.

**Jennings:** Yes. Don’t alienate them, try to bring them in.

**Young:** Although Marie used the word “consensus” and I thought earlier you said there wasn’t a real consensus.

**Jennings:** No, I think that the package was all things to all people.

**Young:** It was an agreed upon—

**Jennings:** We agreed on universal coverage and people who were skeptical of this sort of competition model just said, “Well, as long as you have a budget, it doesn’t really matter about the competition model.” The competition people said, “We’ll talk about that budget thing later.” It was an agreement not to disagree, I would argue. That evolved, I would say, May, June, July, August, from the original New Hampshire days. Even at that point there was an agreement not to be very specific about what that meant. There was no reason to. You were doing well with it, it
sounded neat and new. There was broad-based interest and support for what he was talking about and how he was raising the issue. The only thing that could derail it was specifics.

Riley: This was true—

Jennings: And that was known.

Riley: Basically true throughout.

Jennings: Throughout the November election, absolutely.

Riley: Anything else that’s memorable about the period during the campaign and your involvement in it that we should get on the record?

Jennings: I feel that health care was a big part of the campaign but the economy was the biggest part of the campaign. I think that the President saw health care reform in ways that other people didn’t. He saw health care reform as being important not just for health care for everybody, he thought it was necessary to balance the budget. He thought that if you did not control health care costs, you would never be able to address the economic challenges facing the country too. So they were very much linked in his mind, but not linked in the way some other health care people thought of it.

Riley: Do you know what the source of that linkage was for him?

Jennings: Medicaid.

Riley: Exactly, so it was from his experience as a Governor rather than from—

Jennings: He hated Medicaid. He hated HCFA [Health Care Financing Administration]. He carries that to this day. He thought they were unpredictable expenses that always came his way. Every year, every budget cycle, the budget people come in and they say, “You’re going to have to cut this, you’re going to have to cut that, you’re going to have to raise taxes to pay for the Medicaid stuff.” At the state level they would always blame Medicaid, they’d blame the inflexibility of the Medicaid program, they’d blame the unfunded mandates of the Medicaid program. Not that he disagreed with the goals of those mandates, it’s just that as a Governor, you’re faced with extraordinary pressures to raise revenues or cut in other places, because, as he said, he always had to balance his budget. So it was very frustrating for him.

That’s why he thought that there had to be a way to make health care costs more predictable and more manageable over a period of time. He felt there had to be a more efficient way to deliver health care. He felt that and he still feels that way. He thinks there’s a lot of waste in the system.

Riley: A part of his experience rather than somebody sitting around a table—

Jennings: Totally. Now, because he believed that, anyone who came in to tell him there’s a lot of waste in the system was welcomed. It’s a lot easier to talk to them than someone who says,
“This is really hard stuff and it’s really tough. You’re going to have to do painful things and people won’t like you.” You go to people who say, “If you can competitively restructure the marketplace and have real competition, you can achieve savings and improve quality and everyone will be happy.”

The truth is really somewhere in the middle. There was a lot of waste in the system and we saw it in the ’90s, and we can talk about that later. I’m just trying to give you the evolution of his thought process, why I think he came where he was. I wasn’t with him in ’92, I can’t tell you exactly that. But from everything I know and everyone I’ve talked to and my experience, that’s what I would conclude.

Riley: Transition. How do you get involved in the transition?

Jennings: I’m trying to remember the transition, how that happened. At the time, I guess you have to go back to, “My God, a Democratic President has won.” Everyone in Washington, every Democrat was so excited. People desperately wanted to work in the Clinton administration. They said, “Oh, this is historic, this is going to be great. We have a Democratic Congress, we have a Democratic administration.” People were kicking themselves to find any way they could to get in the Clinton administration. So the transition came—oh, now I know how it came about.

Atul Gawande called me and he was to be appointed under Judy as the deputy. Soon after that appointment was made—or concurrent with it, I can’t remember—he asked me if I would serve as the congressional and group liaison with Bruce Fried. I think my responsibility was all of Capitol Hill, prepping, doing liaison with the Hill for the transition, and certain amount of groups, like small business, aging advocates, et cetera. I can’t remember all the groups I had. It was just ridiculous, it was absolutely crazy.

The reason it was so crazy is all these groups thought this was the place. This is where health care is going to happen. This is the transition team, we have to get in. We have to meet them, we have to get our ideas in. Meeting after meeting after meeting, write up after write up after write up, and congressional meeting after congressional meeting. That’s all we did. I mean, literally, I think 7 to 10 p.m., every day.

Young: You call it spinning your wheels.

Jennings: And we thought this was so important. I was working my tail off—and we had just bought a house and I just had a kid and my wife was never seeing me. This all culminated in this big transition paper, report of options, which I have someplace buried, in which my job was basically to do the political evaluation and scene. But this group went down to Little Rock to present it.

Riley: Do you remember, was this December or January?

Jennings: I think it was December.

Gottschalk: This is not part of that economic summit, this is separate?
Jennings: Yes, it’s separate. It’s right around then, but it’s separate. I wasn’t invited to come and I was sort of devastated, but in retrospect it couldn’t have been better. Because it was Judy Feder, Atul Gawande, Ken Thorpe, Stu Altman, Diane Rowland—Diane Rowland’s from Kaiser Family Foundation. I’m not sure who else. Karen Davis may have been there, I’m not sure.

Lambrew: Yes, she was there.

Jennings: At any rate, these were the Washington-insider health care teams, going down to meet with the President-elect, and they were all so excited. The President received a presentation of these numbers that really didn’t look very appealing, they looked painful. “You mean we can’t find a way to save money when I expand coverage to everyone?” It was not very well received. Behind the scenes, Ira Magaziner had been suggesting that they were being way, way too conservative with the level of savings that could be achieved. There was a lot more savings in the system, and he was basically saying there’s an easier way to go.

The President didn’t know these Washington people and they were bringing bad news. Ira had a different vision that was better news. He had spent years with him. Ira and Hillary went back to Yale and Brown days, when they both were highlighted in Life magazine—they gave commencement addresses and were designated as the upcoming leaders. Ever since then they had developed a relationship. So, I mean, here’s a guy they know and they trust and who’s been very successful in business vs. these Washington “bad news” guys. These guys came back from Little Rock all depressed because they thought, He hates us. It was a terrible meeting. We’ll never be liked again, we’ll never be part of this administration.

They all knew Ira was in the background, but they didn’t really know what his role was and they resented him. They knew Ira from the August days when there was a meeting in Washington. That meeting I was mentioning where they were trying to get the Washington people together, that was Ira’s and Atul’s way of saying, “Let’s just make sure they say good things about what we’re doing.” It wasn’t, “Oh, let’s get them integrated to develop a policy.” So Atul and Ira had a relationship. Now Atul was just trying to figure out ways to manage both Judy Feder and Ira, and it was very challenging for him to do.

Gottschalk: Can I back you up on that meeting a bit? Is this a question of the President sitting down and saying, “I don’t like these numbers and what Ira’s saying sounds better”? Or were there also tensions with his economic policy people who were looking at those numbers? I mean, there was real debate at the time about budget deficit reduction and all that, and he’s hearing that from the economic people. Or is there really this internal thing among the health policy people?

Jennings: I think it’s all integrated. It’s a very good point. I think at that time all the economic people were saying, “Health care comes later. We’ve got to reduce the deficit.” They didn’t see the correlation the President saw between saving money in the public programs, Medicare, Medicaid, and reducing the deficit as you’re expanding coverage and improving the economy. If anything, the economic team viewed Medicare and Medicaid as an offset/payer for deficit reduction. The President felt that some of that savings should be used for reinvesting into health coverage. So the issue about the numbers is, how much can you realistically get out of the
system without cutting the federal programs too much, and how much can you re-invest into health care and how much you dedicate to deficit reduction?

**Lambrew:** I thought, to that point, that Bob Rubin was at that meeting. That’s what I thought that Judy told me.

**Jennings:** Bob probably was at that meeting; I don’t remember.

**Lambrew:** And so there was that tension.

**Gottschalk:** My sense is, the first couple of months there was some fluidity about how committed the President was going to be completely to deficit reduction, and that over time he became increasingly—

**Jennings:** Oh, totally, totally true.

**Gottschalk:** But it sounds like at this meeting it was still somewhat fluid.

**Jennings:** It totally was fluid. I’m saying that the health care team thought they were viewed as the bearers of more bad news. First of all, the President was upset because he knew the economy was bad when he got elected, but then the new CBO [Congressional Budget Office] numbers came out about how bad the deficits were. He thinks, _They were hiding from me how bad this was going to be, and now I have to revamp what I can do. I can’t do my middle-income income tax cuts, and I can’t do so many other things I want to do._ And all these budget people are saying basically, “Do the tough medicine stuff.” And you know, politicians are willing to do tough medicine, but they want to have something to go with it. They weren’t giving him many options that were very positive.

Then you throw this health care team coming in saying, “Well, it’s not as good as you thought it was going to be, I’m sorry.” So the guy is saying, “I’m in the middle of my transition, I’ve got to pick my people. The deficit’s worse, and health care numbers are worse. What have I got myself into?” It must have been an overwhelming feeling. I think you’re right, it was a transitional moment. It was, “What am I going to do with this?”

**Gottschalk:** Was there any thought at the time—subsequently so many people said, “Well, Clinton came in with 43 percent and he didn’t have a mandate for big social policy at all, based on those numbers.” Retrospectively everybody says that, but at the time were people saying that? “He can’t be an FDR [Franklin Delano Roosevelt], you just don’t have that mandate.”

**Jennings:** I think at the time there was relatively little of that. He was President and he had a Democratic Congress. Now, I think the budget numbers made it harder for him to see how he could do everything. I don’t think, even then, he knew how much sacrifice he was going to have to make—both politically, policy-wise and fiscally—to have a meaningful deficit reduction package. That didn’t come in till later, later, January, February, March and then throughout the whole legislative process around the budget.
Riley: The transition then, go ahead.

Jennings: So they came back kind of depressed. They didn’t know what was going to happen; they didn’t know who was going to be in whatever position. Everyone’s story is, “Boy, I’ve been working a lot and I’m not sure it’s going to go anywhere.”

I want to be clear. I don’t think there was a perceived conclusion to that meeting at all. Just there was a perception that it didn’t go that well. There was a feeling that Ira was giving the Governor the positive spin, and he was playing the big role behind the scenes, and these other people were basically just biding their time. That was the feeling after that meeting.

So people were trying to figure out what, if anything, they could do. Having said that, there was still this excitement and desire; everyone wanted to be involved in health care. No one was saying, “Oh, I’m going to go home.” It was all, “How do I improve my relationship? What can I do? How do I get involved?” Subsequent to the transition, Hillary was announced to the task force, Ira was announced.

Young: Did that catch anybody by surprise?

Jennings: Oh yes, the whole thing was a surprise.

Gottschalk: To the insider health people, choosing Hillary was a complete surprise?

Jennings: I think so, yes, except for Ira.

Gottschalk: That had never been in the air or anything?

Jennings: People knew that she had done a task force-type thing in education in Arkansas that was nontraditional and was very successful. That was known. But I don’t believe anyone thought that he was going to designate her as the health care person, certainly within a week of it actually happening. I just don’t believe that was the case.

Gottschalk: Was this the main person for the idea of a task force?

Jennings: I think it was two people, I think it was Ira and the President’s.

Gottschalk: Just the two of them?

Jennings: Well, I am aware that they talked it through with Hillary. They knew it was going to be a risk. I don’t think they had time to fully calculate how risky it really was, though. They were basically transferring a successful experience of using her and her abilities to navigate difficult policy issues and present something to him and help him promote it. That approach had already proven to be successful in Arkansas on education, so that wasn’t so unusual. But I think they had little idea the degree to which it would be different in Washington and on the national stage.
Walcott: Was Ira Magaziner identified with any subset of the health policy community? Did he have any connection at all?

Jennings: No. It’s funny, he was not even identified with the managed competition people. He was a business consultant who had done a lot of very successful squeezing out efficiencies in businesses. CEOs brought Ira in to figure out who’s doing something productive and who’s not. He strengthened a lot of companies, not just in terms of downsizing, but actually becoming more productive. He had a successful track record. I don’t want it to appear like there was this crazy mad scientist whom no one had heard of or hadn’t been successful. He was successful. He just wasn’t known in health care or Washington circles.

The first exposure to Washington circles was, I think, that August or that summer meeting in ’92. People said, “Who is this guy?”

Riley: Chris, by the time of the inauguration, who did people think would be driving health policy within the administration? Was it Shalala?

Jennings: You know, I can’t remember when Donna was designated. It became clear, when Mrs. Clinton was designated as the health care—

Riley: Which occurred pretty soon.

Jennings: Which was pretty soon, and then I think Shalala appointment was after, was it not?

Riley: I don’t remember the timing.

Jennings: I can’t remember, I’d have to find it.

Riley: It was soon that the designation occurred.

Jennings: But it was clear that she wasn’t a health care person. She was from the University of Wisconsin; she had an education background. People didn’t know of her to be a health care person.

Lambrew: I thought that the First Lady knew her through the Children’s Defense Fund.

Jennings: Oh yes.

Lambrew: So that that relationship, there was a friendship prior to—

Jennings: Oh yes, totally, totally. This was viewed as a Hillary friend. But she was not viewed as a health care expert. You know, she could have been Secretary of Education.

Lambrew: Correct.
Jennings: So in a way it was viewed that the appointment of Donna Shalala—at the time—the appointment of Donna Shalala was an affirmation that health care was going to be done in the White House and by Mrs. Clinton. That was the clear perception at the time.

Gottschalk: They just came through running a very shrewd campaign. What you seem to be saying is that Ira Magaziner and Hillary Clinton and Bill Clinton basically decided on this task force idea with Hillary Clinton at the head of it. Was there any sense that they ran it by his campaign people, Carville and those people, before releasing this? I mean, you sound shocked by it and the wider world was even more surprised by it. They would seem to be so savvy about some political things and this seemed a blind spot, at least the way you’re telling it. Or am I misunderstanding it?

Jennings: People were very impressed with her, so I don’t think at the time it was viewed as a negative thing at all. It was viewed as a surprising thing, but a non-negative thing.

Gottschalk: But she was a lightening rod. Even the whole, “Should I stay home and bake cookies.”

Jennings: The cookies. Well, a little bit, she was. I think in fairness it was more of an illustration of the importance of the issue to the President, I think, on Capitol Hill and elsewhere. “Well gee, he’s willing to put her out there and put their capital on the line. He must really care about this issue.” It wasn’t viewed at the time as, “This is a real stupid idea.” Soon thereafter, members of Congress were saying, “You have put her in an awful position, you know. She’ll be blamed for anything that goes wrong, and if it fails it will be a disaster.” So when people thought about it for a little while it got more negative. But I think the initial reaction was, “Wow, okay, how do I get close to her?” I mean, that’s really kind of how it happened in Washington.

Walcott: Was that on both sides of the aisle?

Jennings: You know, the funny thing about Hillary Clinton notwithstanding—you look back in time and she’s viewed as harsh, in control. This is the public perception. At the time, in ’93, throughout ’93, her performance was extraordinary. There’s no member who had a meeting with Hillary Clinton, Republican or Democrat, who could fail to be extraordinarily impressed with both her personal understanding of the policy, but also individual members’ interests and priorities.

You may recall, when she testified at the five hearings, there was nothing but praise, nothing. Now Dick Armey went after her pretty negatively and she jumped right back down his throat. Basically it was viewed in Washington as, “She can handle herself. She knows my interests and she cares.” That is not to say that the management of the health reform policy development process did not face lots of criticism. It did, and we’ll talk about that. But such criticism—fairly or not—was more confined to an Ira Magaziner critique and a White House critique, not really a Hillary critique. Having said, from early on, there was a segment of the public and, subsequently, the Hill, who had major concerns about her role.

Riley: Chris, how did you get where you are in the administration?
Jennings: Subsequent to the transition, everyone was jockeying for positions, either pleased as punch or depressed that they were not part of the administration. I was going back to become the staff director of the Aging Committee, which is something I’d always wanted to do. I loved Chairman David Pryor and it would have been great because he was still going to be the President’s primary liaison in the Senate. But then there was this meeting early on and I think it was late January, early February, something like that, where she said, “I need to have someone.”

Gottschalk: She being Hillary?

Jennings: Hillary. She said, “I don’t know Washington. I need to have someone help me prepare for all the work we are going to do with Capitol Hill—someone who knows health policy and politics, and gets along with both sides.” My name just came up from a number of participants at the meeting, and the next thing I knew, I was in her office. She said, “I want you to be here. I want you to work with me. You can go back to the Hill. We will only need you for the first hundred days.”

Gottschalk: Eight years later. [laughter]

Jennings: She said, “You can go back. I’ve already talked to David, I know you want to go back.” Because I did, I wanted to be the staff director. I said, “Okay.” Thirty days turned into three months, turned into three years, turned into eight years. Finally after three or four months I had to call the Senator and say, “I don’t think I’ll be leaving. Is that okay?” It really was viewed, at the time, as basically a temporary position. I was officially designated as, what do you call it?

Riley: Detailee?

Jennings: Yes, a detailee from HHS under Bruce Vladeck, who was the Health Care Financing Administrator.

Young: What did Hillary Clinton tell you she needed you for? What was that conversation about?

Jennings: Well, she said, “I don’t know the Hill, I don’t know the members. I don’t know the process. I need you to help me, explain. I need to know each of the members’ backgrounds, each of their priorities. I need to understand the politics of the Hill as it relates to the policy.” However, although I did a lot of policy work in the Senate, I wasn’t hired to be the policy person—that was, of course, Ira Magaziner and others. But I was really there primarily to help prepare her for the hundreds of congressional meetings and to prep her for committee hearing testimony. Somewhere I have a listing, it’s incredible. She had over 400 meetings with members of Congress.

Lambrew: You were doing both House and Senate?

Jennings: Both House and Senate. I had to staff every one. Here, it just gives you an idea of all the members and all the meetings that took place. There were hundreds and hundreds. It was
really quite extraordinary. So this whole perception of her not listening or not talking to people, not consulting with Republicans or Democrats, is just completely, absolutely untrue—though some members of Congress would now say that meetings do not make it actual “consulting.” But that was my stated and actual responsibility. I wrote memos for every single one of those meetings and she read every single one of them. We talked all the way up and we briefed all the way back and forth.

**Young:** Her very first experience was on the Hill. She was on the staff of the impeachment committee.

**Jennings:** That’s exactly right.

**Young:** Working with the minority counsel.

**Jennings:** She was. But it was not at all the committees of health care jurisdiction—

**Young:** No, that was very different.

**Jennings:** And they were really very interesting meetings. You had the historic heavyweight legislators. You had Danny Rostenkowski and John Dingell and Henry Waxman and Pete Stark and Ted Kennedy. They were really incredible meetings. Anyway, I was asked and I happily served. That was my role throughout the whole ’93-’94 process.

**Riley:** To work directly with her as sort of her Sherpa on Capitol Hill.

**Gottschalk:** Ninety-three and ’94? I had a recollection that Jack Lew became the House person and you were the Senate person.

**Jennings:** Yes, it was overwhelming. No one person could do it all well. There was a need to have a House person. I mean, in Washington, you are either a House or a Senate person. You cannot be both, really, no matter what. The head of legislative affairs in the White House was Howard Paster in the beginning, but he was a House guy. Pat Griffin, subsequently was a Senate guy. John Hilley was a Senate guy. The House hates the Senate and the Senate doesn’t think much of the House. I was a Senate guy, ten years in the Senate. None in the House. So they got Jack Lew, who used to work for the Speaker, [Thomas] Tip O’Neill. Really an extraordinary person, subsequently OMB [Office of Management and Budget] director.

We were housed in a little office, 212, in the OEOB [Old Executive Office Building], which was about half the size of this room. That’s where the former OMB director and I worked, night and day. I think it was something like October of ’93 when Jack started.

**Young:** Could you tell us a little bit about your relationship as a person who was giving her help. How did you give it? Did she call you in all the time? Did you just brief her for each meeting? How much of it was policy, how much—?
**Jennings:** She had a meeting almost every day. So I would draft memos and try to get it to her at a reasonable hour at night, nine or ten, something like that, every night. She would read about each subsequent meeting, what the members’ backgrounds were, what their priorities were. The dynamics, if there were to be multiple members in a room, et cetera. Then I would go over with her, to her office in the West Wing. We would usually meet, it would almost always be Melanne Verveer, who was the Deputy Director of the First Lady’s office, and me. Then we would take her car up to the Hill. I was in every single meeting with her. On the way up, if she hadn’t read the whole memo or she had a question, we would talk about that. Then we would have the meetings.

We usually would have more than one meeting every time she went up there, so we would go from meeting to meeting to meeting. Then we would come back and do a little of a debriefing. That was my role, that was my work. She would ask me, “What did the members really think?” She would ask me things like, “I’m picking up some negative things about Ira, what do you think? Are there ways we can do this better?” And, “What about this policy, what do you think?” So there was definitely feedback I was giving and a relationship I was building with her on a policy process and personal level. I came to know her as one of the most intelligent and disciplined people I have ever met. I also had the opportunity to see her light side; her dry sense of humor. She really connected well with people and she used her staff to their fullest potential.

**Lambrew:** Were you involved in tollgates? All of them, some of them, how were you integrated into that process?

**Jennings:** I was actually part of the tollgates as it related to prescription drug and other policies affecting seniors. I would also frequently sit in on other meetings, particularly anything that had to do with financing and budgets, because I knew those were the issues that were going to drive the politics of health care. I had open door access, but I didn’t have time to be in every single one of them. What I had to manage—unfortunately, this was the worst part of my role—was the congressional participation in this famous tollgate process and task force. We had a lot of questions about who was participating and who was not participating.

**Lambrew:** From the Hill, especially.

**Jennings:** From the Hill.

**Young:** Yes.

**Jennings:** And it got worse, because they all thought they should be part of it. I mean, they’re the ones who would be eventually drafting the legislation and they believed that they should have their members there. I was getting calls left and right, “Why aren’t I there? Why can’t I be there?” Blah, blah, blah—

**Riley:** From staffers.

**Jennings:** From staff and members. “Get my staffer there. How dare you not include them.” It was awful. We had—I don’t know how many staffers—well over 100 staffers of different
members there. You can imagine, you have staffers, but the committees of jurisdiction thought that they shouldn’t be in silly tollgate meetings, they should be where the “real” meetings are. They said, “Why are we treated the same as the personal staff? We’re committee staff.” The truth is the committee staff and the chairmen are the ones who run the legislative process on Capitol Hill. Howard and others basically said, “Just keep them happy. This is the process we are going to have to live with.” There was nothing I could do.

**Gottschalk:** Can you say more specifically what you mean by “keep them happy”?

**Jennings:** Just to have them stop complaining, basically.

**Gottschalk:** But what would you have to offer them?

**Jennings:** I had to have special meetings with the committees and Ira Magaziner and Hillary Clinton.

**Young:** Was David Pryor also an aide to her in this process, of getting into the legislative, getting acquainted?

**Jennings:** David Pryor and Dale Bumpers were viewed as the Clintons’ liaisons to the Congress. They were perceived to be the only ones that the Clintons really trusted. Now, there were other members who developed close relationships with Hillary over time: Jay Rockefeller, Tom Daschle, and of course Senator [George] Mitchell—who was by far the most strategic and knowledgeable member on Capitol Hill on the health care issue.

**Young:** But if they were concerned about inputs, tollgates, whatever you call it, would they ever call Hillary herself?

**Jennings:** Yes, a little bit. There was always a tendency, though, to be very deferential and avoid substantial criticisms. The thing about David Pryor, the reason why the Clintons liked him so much, was precisely because he didn’t push an agenda. He was there to help the Clintons do well and he was going to defend them no matter what. That’s why there was sort of unconditional love and respect going both ways. He wasn’t going to push hard, and therefore if he wanted anything, all he had to do was say “boo” and it was going to happen.

**Riley:** You mentioned a minute ago distinctions between members’ personal staffs and committee staffs. Are we to understand that a lot of the staff members who were sent to participate in the task force meetings were there basically almost as perks to the members of the staffs?

**Jennings:** Well, this goes to the whole process of the task force and the tollgates, whether you feel they were real or they weren’t real. To some members of Congress, having staff participate as their representative in the endless meetings was somewhat of a perk. For others, it was a joke. It is classic Washington—everyone wants to be in the inner circle, as long as it is “real” and relatively small.
Riley: But this is very important to understand because of the—

Jennings: What happened was, the whole tollgate process was Ira’s process, a policy development process, that he thought would be a nontraditional way to get the best expertise around the country to address a broad array of issues. As it happened, he felt, not only would you get the best expertise, but you would also get investment from those communities.

In a nonpolitical environment it probably could work. The problem with the task force and the tollgates was the number of participants. Worse yet, you can imagine that if you are any health care policy person or political person of any salt and you didn’t make the cut, it didn’t help, because you’re just mad. Those on the outside were very open to the secrecy charge because, “After all, if I’m not part of it, it must be a joke or a plot.” Now, nothing that really came out of it was a secret since it was on the front page of the paper every day. There was no secret process here except the way that we handled it. However, because of the myths and fears, reporters were urging us to, “Release the list, release the list.”

We knew, once you released the list, it was going to be “Why didn’t I make it?” Or, “They made it and I didn’t make it. How dare they exclude me.” So there was a hesitancy, I think by Hillary and Ira, to release it. That played into this whole, “You’re being secretive about this, you’re not allowing people to know who is participating, and you can’t access them.” There was a process fear, not just about leaks, but that people were really trying to get work done, and if all they were doing was responding to press calls, nothing would actually occur. So, while I’m not defending the hesitancy to release the names, I do believe it is important to understand the reasoning behind it.

Young: I think this is important, because I don’t have a perfect memory, but I followed this and it puzzled me from the beginning. It looked to me, just historically, as if this was one of the most intensive efforts at consultation and building an issue party—prepping, getting people on board—and I’m hearing all this about secrecy and exclusion in the newspaper. So I’ve never been able to join the two together.

Jennings: It’s hard to reconcile.

Young: But you’ve given something of an explanation.

Jennings: You can understand on the outside why it was felt that way, and on the inside it wasn’t. But it didn’t matter because we got the worst of both worlds. We had the perception of secrecy without the reality of it. Huge myths about the participants of the tollgate process, like the totally inaccurate perception that there were not any physicians participating—there were many—fueled anger and mistrust about the process. By the way, on top of this, and Jeanne will be sensitive to this, you can imagine the security of getting all those people in the building every day. You have to clear people every single day, and through one foul up or another, countless VIPs who were trying to help out were locked out.

Lambrew: People walked out.
**Jennings:** Each morning, I was ready to jump out the window. I can’t tell you how many awful days I endured, just trying to help get people in the building.

**Lambrew:** There are tollgate headaches with the Hill, clearly. But in my memory, and I’m speaking as an outsider at this point, there was tollgate process, there was the President’s speech where he announced the plan to Congress, and there was the drafting process, which I’ve heard from my congressional friends raised a lot of issues as well. Your job must have changed dramatically in each of those phases. What was going on on the Hill with your job when they were trying to draft this bill?

**Jennings:** Okay, I’m going to get to the drafting because that’s a really important issue. That’s when push came to shove and everyone felt they had to have their little provision in the initial proposal. It was incredible. But, before I get there, I want to say one more thing about the tollgate, one positive, one negative. There probably wasn’t any place, at any time in world history, where there were as many creative, smart people doing health care policy work together. And there was a lot of extraordinary work done, very thoughtful work. People took their job seriously. They worked around the clock. They should be credited for making a commitment to trying to do something. I’ve never seen a group of people who were really—with all the complaints—people committed to making the most out an historic opportunity to do something right and good.

The downside of it, beyond the political downside, was that because you had so many different tollgates and so many different issues, by definition, they thought of every issue under the sun to address as you’re thinking through health policy, which is understandable, but neither realistic nor relevant. Too many people forgot that they were drafting a proposal, not a law. As a consequence, too many details got integrated into a big document—things that probably should have been addressed in the legislative process or in the implementation process or subsequent to it. But in many ways, it really played into the over-detailed critique of the policy once it was released. Inevitably, if you get to that many levels of detail, it’s easy to pick it apart. So I think one of the other downsides of that, notwithstanding the good work that was being done, was the vulnerability it subsequently exposed the legislation to.

**Gottschalk:** Could I just pick up on that point. Was there any point where the First Lady, as her learning curve increased on Congress, realized that maybe this task force was an albatross and it prevented a better working relationship with Congress? Was there any moment where she got more familiar, more comfortable with Washington and just felt—

**Jennings:** Yes, we were happy when the whole task force went home. That happened in ’93, most of the health task force’s work came to a close, and they went. Once having started, though, it was viewed you couldn’t cut it off prematurely for fear that it would be an explicit acknowledgement that the process and what emerged from it was a mistake. It wasn’t going to be around very long anyway, because, remember, it was supposed to be a 100-day process. So yes, we all recognized, particularly those of us in the middle of it, that there were problems and that we were going to have to deal with them as they came up.
I do believe there was definitely a learning process. If nothing else, Mrs. Clinton is not just a policy, but an experiential sponge. She took notice of what things were working and what things weren’t and, where she thought she could, she moved to act to change them.

Gottschalk: Can you say maybe the three or four main lessons she learned about Congress, going through that process in the few months that were really critical for shaping it later on, ways that she changed her understanding?

Jennings: There were a number of lessons. The first was something Mrs. Clinton could do nothing about—the indisputable reality that health care policy in Washington, for decades, was the primary, and frequently, sole domain of the Congress. As a consequence, though, when a couple with little Hill experience taps some guy who has no relationship with Congress as their lead policy guy—when health care is as much about trust and relationship in the policy development process as it is about the policy itself—it certainly represents a big risk.

I think a lesson that she learned—and I think she has written and she will write more about—is that appointing Ira Magaziner in such a visible lead role was a mistake. I say this not because Ira is a bad person, or an inexperienced person—he is one of the brightest, least understood people I know. No, it is just that he appeared to end up being the wrong person for the wrong time. I think that was a big lesson, because we had a lot of jealousies we were going to have to deal with, role issues between the White House and the Hill, that we were going to have to deal with anyway. But if you didn’t have someone in the lead who they really felt understood them, it was inevitable there was going to be a push back. So that was a problem.

I think another lesson may be that putting yourself out as the First Lady, a non-elected person, to do this is a huge risk. People are going to shoot at you. I don’t think she had a real understanding of the resentment she was going to receive as a consequence of that process. I have to tell you, this is something about this country that really scares me sometimes, because the anger, antipathy, and hostility that were directed towards her during this process was frightening. It really culminated, she went on this bus trip in ’94. I call it the “bus trip from hell,” but it was from the West Coast to the East Coast. By the time the buses even made it to Washington, you were surprised they could even limp in. I mean, Secret Service were really afraid for her safety. This was spurred on by some of the most hateful radio talk show stuff—you know, personal, demeaning stuff. So I don’t think she could have ever known, but I think had she, I’m not sure she would have wanted to be the focal point.

Walcott: At one point did she discover that that sentiment was out there? She must have underestimated it considerably at the time that Clinton enters the White House.

Jennings: I don’t know. Probably not until late fall of ’93. Most people were praising her role up until then, through the hearing testimony.

Walcott: I think we were already seeing bumper stickers saying, “Impeach President Clinton and her husband, too.”
**Jennings:** There was resentment. What I’m saying is, there’s always the element of the lunatic fringe. They are really hateful of her. Even more so than him, but they hate them both. It’s something that I can’t identify with, but it really is something that is—

**Young:** A lot of that is in Arkansas.

**Jennings:** And there’s some of that in Arkansas. It’s there. But I think it was expanded beyond the fringe pretty significantly.

**Young:** But not emanating—I mean, you mentioned earlier that Republicans and Democrats alike who interacted with her in this process of consultation thought she was very impressive.

**Jennings:** Oh, yes.

**Young:** It was very positive. So could it have been this negativism had been coming from members of Congress except for the moderate ones?

**Jennings:** I don’t know when she became the Ted Kennedy poster child in terms of fund raising and all the rest. I don’t know when that exactly occurred. I think it more happened in ’94 and beyond than ’93.

**Riley:** Let’s give ourselves a five-minute break.

**Jennings:** Let me say in terms of the lessons learned, beyond those big issues, she did anything that she needed to do to respond to a particular challenge. She was very capable of responding to a new policy challenge, a new political challenge. Do whatever it would take. She would write notes, she would have meetings, she’d do teas. I don’t want to come across like it was viewed by her as a disaster. I think in many ways the issue was right. However, in retrospect, the timing and the implementation were wrong. It may be in retrospect virtually impossible to do comprehensive health reform in the United States, which we can talk about later. But I don’t believe that had she not done it, it would have been possible. Or if there was some other course of action that was taken, we would now have universal health care. I’m not at all confident that that’s the case.

**Riley:** Let’s come back in about five minutes.

[BREAK]

**Riley:** You thought of something else you wanted to say?

**Jennings:** A few. On the lessons issue that I think is not well known is that when—and this goes to Jeanne’s issue about the drafting—when we went up to listen to the members—

**Young:** Excuse me, “we” being—
Jennings: Hillary Clinton, Melanne, and I were told repeatedly that they wanted to have—and this was even by the chairmen of the committees of jurisdiction—detailed legislation. They didn’t want to have general specs or principles, they wanted to have detailed policy. They wanted to get the scoring of the policy expedited, and they felt that the specific policy parameters and details were necessary. You asked what lessons were learned. I do believe it is not wise to send up particularly detailed policy as a presidential proposal, since inevitably that process has to be completed and drafted by the Congress anyway. Since we did not pursue that course, very easy criticisms are made and tough to shake.

Young: By the same people who had proposed? Who had asked for it?

Jennings: It was a number of Democratic members who asked us to send up detailed policy. People always criticized us for releasing “this 1,300-page bill.” “Why would you do such a silly thing?” It was because the congressional committees of jurisdiction, and because the scorekeepers from the Congressional Budget Office, demanded to have that detail to expedite the “scoring” process. All of us knew that time and political capital was limited, particularly since we deferred the unveiling until after we had resolution on the budget, crime and trade.

Walcott: On that point, the health care process and particularly the product always reminded me of his Democratic predecessor’s experience, Jimmy Carter’s comprehensive energy plan, which met much the same fate for some of the same reasons. Did anybody think of that parallel at the time?

Jennings: At the time, no. But there were many, including Howard Paster, who were concerned. There was a belief, there was a feeling that we should maybe just send up principles or broad parameters. In the end, though, the irony about this one issue was that the detailed policy was a perceived response to the Hill—not a rejection of congressional advice.

Gottschalk: This was a unified response on the Hill from the heads of the committees? I mean, can you name names of people who told you—if?

Jennings: Danny Rostenkowski, John Dingell.

Gottschalk: So, the committee.

Jennings: [Daniel Patrick] Moynihan.

Gottschalk: How about the Democratic leadership people, like George Mitchell, was he also—if?

Jennings: I don’t know if George Mitchell explicitly said it. He certainly didn’t oppose. By that time it was assumed we were going to do it.

Lambrew: Do you think there was a difference between the staff people and the members of Congress on that issue?
Jennings: The staff wanted details too. Having said this, some of the members and the staff now say they never asked for so much detail. All I can say is my notes and the memories of Mrs. Clinton and I conflict with such statements.

Riley: You characterized this as “when we went up to the Hill to listen.” Is that the way that you viewed all of these meetings? Were you going up there to absorb information or was it supposed to be a two-way street?

Jennings: We were happy to convey anything that we could convey, but the purpose of the meetings was to solicit guidance, advice, and hopefully over time achieve mutual investment in the policy. At the time she was engaged in these meetings, Mrs. Clinton was well regarded; they were impressed with her understanding of the policy and the politics. Ira, however, did not always get such rave reviews.

Riley: Can you tell us, because you were a witness to these things, a little bit about her operating style with the members. I don’t know whether you’ve got any anecdotes or conclusions about how she worked the membership. Since you raised Magaziner’s name in this regard too, you might go ahead and contrast for us those distinctions. It may be useful to people.

Jennings: Yes. I would say the first point that has to be made: at the senior level of Congress there is a certain degree of respect and decorum that is going to be provided to the First Lady under any scenario. So some people will say, “I couldn’t tell her this.” Or, “I didn’t want to say it so directly,” or whatever.

Riley: This would come later, or—?

Jennings: Well, they say that now, after the failure. But I’m just telling you—

Riley: A whole lot later.

Jennings: I’m just telling you that these meetings had the feeling of history. In some ways, it couldn’t but help to feel that way when you have the House legislative titans in the room—Dan Rostenkowski or John Dingell along with Mrs. Roosevelt’s heir apparent, Hillary Clinton. Here’s an anecdote for you.

We went into John Dingell’s office. He has around him all of his trophies of all the deer and moose he’s shot. He’s a life-long NRA [National Rifle Association] member. Hillary Clinton has just been quoted as saying, “Frankly I think we should have some sort of tax on ammunition,” because there are all these people in hospitals who are being shot up and it’s costing us huge amounts of money, et cetera. She was briefed, I told her, and she still had the gumption to say, “John, I think this is something worth considering. We should think about doing this.” And he said, “Actually, Mrs. Clinton, I really think that’s not a very good idea.”

What was interesting about the exchange and the subsequent conversation I had with John Dingell about it was that he respected that she would bring up any issue directly to him, whether it was controversial or not, whether it would please him or not. He liked her spunk and her
smarts. And he liked that she so idolized and deferred to him. It almost became like a father-daughter type thing. He and Rostenkowski loved her, just loved her. They hated Ira, didn’t respect or understand him. But they viewed her as someone whom they wanted to help succeed. Those two members really did want to have health reform secured. To this day I think the whole indictment of Rostenkowski was a huge blow to the process.

Just as I think another big mistake we made—although I’m not sure we had any viable option—was deferring to Finance Committee Chairman Bentsen to become Treasury Secretary. If we had Senator Bentsen on the Finance Committee, we might not have the exact bill we proposed, but we’d have a bill. Senator Moynihan couldn’t deliver. Not only that, he hated the Clintons. Or his staff tried to create barriers between the Clintons and him.

In terms of how each meeting would go, you’d go into a meeting and she would say something personal, generally, about something unrelated to health care. Something they had done or a joint experience, or something about a spouse, or whatever. It would start off with something that was designed to make people at ease with one another. Then she would be very deferential to them, saying, “I’m not the expert here. I want to hear from you,” and would not just listen, but would take notes, which they liked. Then there would be a real exchange and it would be basically concluded by, “I’ll do whatever is necessary to do, Mrs. Clinton. I really want this to succeed.” I mean, it was always a very positive scene.

There were meetings that were less serene, but there was never any type of shouting or anything. I think it’s a little bit of how she is, but also the office and the prestige and the decorum and all the rest that goes along with it. I do believe there was never that air of formal relationship or hesitancy to critique when Ira Magaziner was alone in a meeting.

**Lambrew:** But Chris, that’s probably true with any White House senior staff person.

**Jennings:** I think that’s fair, although not—they wouldn’t—

**Lambrew:** Chief of Staff may be different.

**Jennings:** Yes, and I think when Bob Rubin was NEC chair. It really matters about the relationships and the perceptions of the individual people.

**Riley:** Would gender have been a factor there too? Part of your job, I suppose, is trying to deconstruct the protocol of the meeting so that she gets—

**Jennings:** What she needs.

**Riley:** She’s conversing with you: “What really happened there, to what extent are they just being polite to me because I’m representing the President?”

**Jennings:** Right. In terms of the gender thing, I think that there was maybe a little bit of paternalism. But she wowed them with her understanding of not just the policy but the politics. So that was soon unveiled. I would say that yes, there were things that they said in a nicer and
more indirect way, but they said them nonetheless. Sometimes they would need to be translated, “Do you think he really meant that,” or whatever. Definitely we had debriefings and we talked about it and she wanted to do follow up on everything. And when there was ambiguity, members’ staff were rarely shy in expressing the unvarnished version to me.

**Gottschalk:** Can you say that, though, on the Republican side? Because I’m thinking—going back to what you were talking about with your lessons—the main argument of the David Broder/Haynes Johnson book was that there was a core of Republicans who were committed that this was not going to succeed in any manner, shape, or form. They were going to run in ’94 against this, and that in some ways helps explain the intensity of the hostility toward Hillary Clinton. It wasn’t just personal, but she was a symbol of this thing that they were going to take down.

**Jennings:** There’s politics.

**Gottschalk:** I’m wondering, did you get any sense of that when you think about what was happening versus what Broder and Johnson come out and say?

**Jennings:** That happened in late ’93 or early ’94. I think it was a strategy advocated by [Newt] Gingrich, who wasn’t, recall, the minority leader, and William Kristol. The Republican leader was [Robert] Michel at the time, who was much more laid back. Gingrich was sort of like the Tom Delay of today’s Congress. He wasn’t the leader of the Republicans in the House, but he was viewed as the flamethrower. Conversely, Senator Dole, who was the leader in the Senate, sent many signals that they wanted to work on something very late into the process.

It became politically clear, or opportunistic, for the Republicans to conclude in early ’94 that it would far more advance the Republican Party for the President to fail on health reform. At that point, that’s when that whole critique of the policy and all associated with it really emerged.

**Lambrew:** I want to make sure I understand. The meetings that you participated in with the First Lady were spring and summer of 1993. That basically stopped in ’94 when it started moving through the legislative process, didn’t it?

**Jennings:** No, there were fewer, but there were a lot of meetings in ’94 also.

**Lambrew:** Interesting. Including the First Lady?

**Jennings:** Yes. Hillary sort of disengaged after health care, after August of ’94. But before then she was still very much a part of the process—not as substantially, but clearly quite engaged. But in ’93, there was an aura that this was still going to happen. What people forget is that there were many distracting events occurring, events that weakened the President and reduced his political capital. People have to remember the history, we had the tough deficit reduction in June. We had the trade bill, we had Haiti, we had Travelgate—this was December, January—we had Whitewater. One can’t evaluate health care in a vacuum, because health care had everything to do with the public’s trust of the person advocating for an issue that took some faith that it was going to be better than what they had. Because you’re playing to the insured
population, much more than you’re playing the uninsured population in this electorate, when you’re talking about comprehensive health care.

Riley: There was an effort early on to imbed health care within the reconciliation process.

Jennings: Yes, that’s very important.

Riley: You smiled at this; this must bring back discussions. I’d like for you to talk a little bit about that. Were you involved in those discussions?

Jennings: Yes, there were multiple conversations and memos on it. Senator Mitchell—who without question is one of the three people I have met in my whole Washington experience who are just plain brilliant people, and Hillary and Bill Clinton are the other two, in terms of their intellectual capability, their strategic skills, and their abilities to communicate. Senator Mitchell concluded early on that the only way to pass this through the Senate, in his mind, was to do it in the reconciliation process. He felt that the Republicans, notwithstanding any talk to the contrary, were not going to support it. We didn’t have 60 votes and the only way to do it was to protect it through the 50-vote reconciliation process.

That was a heavy lift, because you’re going to be throwing health care and deficit reduction into one large package. The economic team in our White House really didn’t want it in. They thought it would undermine their ability to pass their number one priority—deficit reduction.

Riley: Are you involved in meetings where these discussions are going on?

Jennings: On the economic side?

Riley: Yes, with the members of the economic team who are making this, or are you getting reports on this from them?

Jennings: Well, at that point in time, the health team was trying to protect Medicare savings for reinvestment in insurance coverage expansion—not deficit reduction. But we all know, there were definitely little camps. There was the Leon [Panetta] and Bob Rubin camp, who were the advocates of deficit reduction, deficit reduction, deficit reduction. The health team worried that we would lose momentum and took Senator Mitchell seriously when he said, “You can’t have too many hard votes in the Congress. You’ve got to put this health reform package into the budget.” He didn’t think he’d get health care outside of that context, and so he pushed really hard. The Senators who stood in the way were Senator [Robert] Byrd and Senator Moynihan. Senator Moynihan was rarely helpful in this process, ever. We all love him for many other things, but not for his role in health care.

Riley: Do you know why he was—?

Jennings: I have yet to really understand why he did some of the things he did with the Clinton administration. Some people say it’s because there was a little bit of discomfort with a Southerner being President, who knows. He’s one of these guys who you never know. He
marched to his own drummer. The Clintons went out of their way to do everything possible to create a relationship and it just didn’t work.

But that wasn’t the primary problem, it was Senator Byrd who refused to allow the health care language to be included in the reconciliation bill. He said it was too big of an issue, that the budget process was not designed to thwart debate in the Senate over such important policies. He refused to consider it, which was welcomed by many in the economic team, quietly.

Riley: Had you taken a position on this?

Jennings: I conveyed many times how important Mitchell felt it was, and I sort of would salute him because he was the leader. To me, I felt you defer to the guy who is the leader of the Senate if you want something to pass the Senate.

Gottschalk: What was the President’s position on that? Was there any question of having him directly ask for that, or was he deferring to the economic people?

Jennings: No, I think there was outreach to Senator Byrd. I even think there was a presidential outreach to Senator Byrd.

Gottschalk: You think there was, I see.

Jennings: But it didn’t turn him at all. That is the pivot point because then all the focus turned to limiting the reconciliation bill to primarily budget issues—not as a vehicle for health reform. Health care, then, became largely just a funding source for deficit reduction. Basically all we were left with was protecting some of the savings from Medicare that we wanted to use for health care. So it was a fight between the health care team and the economic team about how much savings would come from Medicare for deficit reduction and how much would be left over for health care. Our instructions were, other than that internal quiet fight, to just shut up about health care until the fall. The tacticians didn’t want to give other excuses for people to vote against the bill. There were some people who were saying, “I will not vote for this budget bill if health care has this or that in it.”

So basically we were supposed to go into hibernation, which largely we did in the summer months. It’s not that we didn’t work, it’s just that we were to put a lid on discussions about the specifics of the policy. All the focus of the administration was passing the deficit reduction bill, which of course we did by one vote in both chambers.

Gottschalk: Was there concern about the hibernation? Some people argued that this left the way for the Harry and Louise ads and the HIAA [Health Insurance Association of America] to get mobilized, and other strong opponents to get mobilized during that period while you were hibernating, and to set the agenda and the tone that then you had to react to once you got out of hibernation.

Jennings: That’s a very good point. Many people feel that the length of time that we tried to prolong the debate around health care really undermined the ability to pass it anyway, because it
is so hard to sustain interest and presidential investment in an issue for so long. I think that was one of the reasons why Senator Mitchell felt it was so important to move up front in the process. He questioned not just whether you could get the votes, but maintain interest and momentum for the legislation.

Having said this, I can’t remember when Harry and Louise started, but I don’t think that started until late in ’93.

**Gottschalk:** I think it was right at the same time when Clinton made his September ’93 speech.

**Jennings:** You should look at it, but it wasn’t in the summer months. There were discussions and attempts to reach out to the insurance industry. Both sides feel that both sides didn’t do a very good job of that. Bill Gradison, who is a former House member from Ohio, whom I respect a great deal, was the president of HIAA and he was hard to reach. He was going through personal problems, but he thinks that we didn’t reach out to him. It seems like two ships passing in the night, because I think he personally has a regret that there wasn’t a way to find something to get done. But they made a very active decision to go negative and initiated the misleading but effective Harry and Louise ads. Then a lot of people criticized us subsequently for being openly critical of them because it tended to give free advertising to the Harry and Louise ads beyond what the investment was. So there are lots of different angles there.

**Riley:** I’m going to dial you back to another important aspect of the early part of this, the court case that was filed on this question of openness, which in retrospect is a sort of harbinger for what happens in the administration thereafter. So many things get tied up with legal battles and so forth. Were you paying much attention to that? Were you personally paying much attention to what was going on with that at the time, or is that pretty much being farmed out to the counsel’s office?

**Jennings:** It was pretty much farmed out. It was viewed as this right-wing fanatical group, which it was. The only feeling people had about it was resentment that it helped create this secrecy perception that you always had to deal with wherever you went. It took an enormous amount of time, Ira’s time—I wish people really understood the degree to which the modern Presidency, at least in the Clinton administration, had to deal with silly subpoenas and requests for information that affected not just the immediate people but everyone around them. Those subpoenas went out, they went to everyone in the White House. Have you ever seen, heard, talked, thought about anything: please produce every piece of paper ever known to man, all of it totally irrelevant to anything as it relates to policy or even the alleged reason for the investigation.

Not only did it create distraction and reduce time that could be dedicated to more constructive things, I think it also led to much less paper trails on everything that ever was subsequently produced at the White House. I think it’s just a huge waste. There’s a lot of bitterness in the White House about that and I think understandably so. More important than that is the impact it has on the deliberative process and the ability to govern. Having said that, for me, I didn’t spend a lot of time on it. I never really took it very seriously because I thought it was such a silly thing, so I didn’t really even worry about it, other than, as I say, the public perception issue.
Young: You had said earlier that you were going to get into the drafting—

Jennings: Yes, that’s Jeanne’s thing.

Lambrew: I know, I just asked about it.

Young: Both of you did. Things that came up during the drafting and you said you would want to get into the drafting, maybe we can get right in.

Jennings: That’s important because there was a lot of pressure after the summer to get the bill introduced. There were concerns about how the Congressional Budget Office would score it and whether they would count it as a large new federal tax or not, which they subsequently did, even though it was designed to be just a private premium-based funding mechanism. The whole design of it was to avoid that criticism, everyone thinking it was going to be the end of health care as we know it if CBO did that. It turned out that wasn’t the case, but that was the great fear at the time.

So there were all these discussions with different budget people. This is the point where the taskforce has gone away and the only people being consulted on Capitol Hill are the committees of jurisdiction. Also, quietly, a lot with Senator Kennedy’s staff, and David Nexon and others. Ira Magaziner was doing some discrete discussions that weren’t secret, which people resented too. Anyway, there was a process underway to do whatever we could do to get the bill up and drafted. What happened was, as people knew that the bill was about to be drafted, people were treating it as if we were writing the law—not a bill or a proposal that began the process. So everyone was intent on getting their individual provision in, and threatening if they didn’t they would oppose it—

Gottschalk: You’re saying Hill people?

Jennings: Yes, members of Congress, but also every interest group known to mankind.

Lambrew: It’s the inside the beltway pressure.

Jennings: It was amazing, if not surprising—an incredible experience. Of course Ira, who was very accessible to many people, was sort of treating it as though it was the law. He was trying to develop the policy to respond to all the political pressures, and try to balance out and make sure that once it was released, it got as favorable reception as possible. There was a drafting group that included people like Greg Lawler and Jennifer Klein, and—

Lambrew: Gary.

Jennings: Gary Claxton and Larry Levitt. Anyway, there’s a group of people who literally just went up to Capitol Hill to draft the Health Security Act with—

**Jennings:** Ed Grossman, who is an institution on Capitol Hill. He is a legislative drafter for the House.

**Riley:** Was he on a committee?

**Jennings:** No he’s with the legislative counsel’s office. He drafts for Republicans and Democrats, he’s non-partisan. He is without parallel the expert in health care drafting. Of course, the Hill likes him so we drafted through him. So anyway, the drafters worked on the Hill and Ira was calling them, changing provision after provision after provision. Knowing they were on deadline, the White House drafters wanted to stop the drafting because they knew the bill had to get completed. You have to get copies, and it’s 1,300 pages. He refused to stop changing things and literally it got to the point where his own staff would stop taking calls from him. They just said, “No more, we will not change any more.”

**Lambrew:** There were also the stories that they were locking the doors of the legislative counsel, because members of Congress would walk in and want to see the bill and would ask whether or not this, that or the other thing was in there. They ended up locking the doors.

**Jennings:** I had to go underground underneath the Capitol to get to the leg counsel’s office and have a special sign to get in the door. It was like the commandments were being drafted. The drafters grew so frustrated by Ira’s changes that they literally refused to take calls from him. Finally it became imperative to get it done. In fact, it got done and unveiled, but then they had to do the corrected version of it because there were problems, mistakes, whatever, which happens when you have this process that keeps on going endlessly.

**Gottschalk:** Can I just back you up on why there was this sense that this was more law than other pieces of legislation? What created that? Because Congress is used to the President proposing and Congress doing what it wants to do.

**Jennings:** That’s sort of how Ira treated it. He was so concerned that there would be criticism from one group or another that would undermine its reception that he treated it as though it were law. I think others did too because they felt that if it was going to be so detailed, once a provision got in it would be much easier to keep it in than it would be to knock a particular provision out.

**Lambrew:** That’s the process with any bill, in which outside interests always want whatever they desire in the first draft. But as policy makers, you try to hold out on those items, especially if they’re essential to a deal, until the end.

**Jennings:** Right.

**Young:** How did Ira get into the position of keeping the process going?

**Jennings:** He just couldn’t let go.

**Young:** Was he involved in the drafting—?
Jennings: Oh, yes.

Young: But they didn’t pull out? He just stayed in it?

Jennings: Afterwards? I’m sorry.

Young: How did he get involved in such detail in the drafting process? He wanted to be?

Jennings: He wanted to be. He desperately wanted to be. At some levels you can know and try to control too much in that process. I think that happened to him.

Walcott: At what point did you all become aware that the legislative process was also going to involve a bunch of conceptually different alternative bills offered by people from both parties?

Jennings: We always knew that, but we wanted to start the process that anchored the debate in a way that reflected our principles but left some flexibility for negotiating. The question was where we initially position the bill. Do you start to the left? Do you start to the center, whatever the hell that means? Or the right? The problem with American politics, people say, “Start to the center.” It doesn’t exist. There isn’t a center until there is a center.

Lambrew: You create it.

Jennings: I always was dubious of the center-out starting point, as though you can objectively find the middle at the beginning of the process. Well, it’s sort of this void of nothingness. There was this perception, and people can critique it certainly, but the general strategy was that yes, we were going to have to move to the right as the process went on. However, in order to have it well received at the front end there were certain groups you couldn’t alienate. You needed to get people excited about it or nothing was going to happen with it.

Gottschalk: Could you list some of those groups?

Jennings: I think groups like the aging advocacy groups, large business—not small business but large business—and labor.

Lambrew: Hospitals?

Jennings: The health care community, in terms of the providers, for the most part were largely supportive. The only groups we knew were going to be very critical were the organized small business and insurer communities through NFIB [National Federation of Independent Businesses] and HIAA.

Lambrew: And pharmaceuticals.

Jennings: And pharmaceuticals.

Walcott: Was there ever a point when you thought you might even add them on board?
Jennings: Who?

Walcott: The small businesses or the insurers?

Jennings: I think there was a hope that large insurers would find it in their interest, that this would be good because they wouldn’t have to play the games of underwriting against smaller insurers that go in and cherry pick. So there was a hope that it could be constructed in a way that insurers could participate and they’d like it. I think the necessity for premium caps was the issue that drove them crazy. They also thought the purchasing coups/alliances were too large and too disruptive, and would undermine their business model.

I guess I should just explain the premium caps for ten seconds. Premium caps were part of the proposal because if they weren’t included, the Congressional Budget Office wouldn’t score the managed competition concept to achieve savings. So the premium caps were portrayed as fail-safe protections in case competition didn’t occur. The truth was, we couldn’t get CBO “scorable” savings without them.

So the premium caps almost guaranteed we were going to have problems with the insurers. Small businesses don’t like mandates, but the employer requirement was also a great fundraising concept for the NFIB. I mean, they found that they could scare people up the wazoo and get small businesses all agitated. We couldn’t have done more for NFIB by having any type of employer program, no matter the fact that we were talking about phasing the requirement in, giving huge subsidies, and that most small businesses would do better than the status quo. It didn’t matter. As long as there was some sort of employer-required contribution, they were going to be opposed, and use it as a fundraising and membership increasing opportunity.

What people forget, though, is that at the beginning, the Chamber and the BRT [Business Roundtable] were supportive of the employer mandate. There wasn’t a unified business sense of opposition—far from it. They wanted cost containment. They didn’t mind employer requirements, because most of their members were providing. It looked like to them that the policy could achieve savings over a period of time, so they were very open, to the consternation of the right-wing faction of the Republican Party. The large employers were very supportive too, not just because they saw this as a benefit for the current population, but for their legacy populations, their retired populations. If you provide a Medicare benefit there would be some—

Lambrew: Drug benefit.

Jennings: —a drug benefit, there would be some relief of their liability.

Lambrew: There was that early retirees’ provision for them as well.

Jennings: The early retirees’ provisions that helped reduce some of their liabilities on the health care front. The Republicans went crazy over that provision, they thought that the business community sold out to the Democratic Party and they went after the CEOs and it was an ugly situation.
**Gottschalk:** Could you talk about why business ultimately defected in February of ’94? There’s one argument that basically that they began to see those alliances as more regulatory agencies, the cooperatives, rather than as just buying cooperatives. Another argument is that they began to see Clinton as a one-term President because of all the problems he had over the previous year. Another argument is that within the Business Roundtable, the insurers, particularly Prudential, were particularly influenced on that one committee that then influenced the wider Business Roundtable. So what, in your view, explains—?

**Jennings:** Their turnaround? I don’t think it was really the purchasing co-ops or alliances, because most could opt out. I think the real issue was an internal dispute within the BRT. The pharmaceutical industry and the insurance industry really lobbied hard for them to alter their position. In addition, the Republican leadership said, “This guy is a ‘one-termer’ and we can take over the Congress.” All your interests, forgetting health care, can be much better served if you get a Republican Congress and a Republican President. Their argument—largely to Republican business executives—was somewhat compelling. Moreover, our popularity in ’94 was declining. There was a question about whether health reform could really happen or not, particularly later in the spring. More and more they just felt like going back to their traditional base. In fact, I would say it was more of an outlier that they even were receptive to supporting something. It’s very unusual, supporting a Democratic President, a Democratic initiative; to me, that was more of a surprise than them eventually going back home to the “base.”

**Gottschalk:** Hillary Clinton at one point made some fiery words about the pharmaceuticals and then retreated from them. She singled them out publicly and I’m forgetting at what point, but did that ignite more the broader anti-Clinton sentiment within the business community?

**Jennings:** The pharmaceutical industry was very upset with the policies on a number of different fronts, not so much for what they were, but for what they thought they could become. They thought it could become price controls.

**Lambrew:** Didn’t the Medicare drug benefit use the Medicaid rebate system, or am I wrong about that?

**Jennings:** I don’t even remember what we did actually. I don’t think that was it, that wasn’t the issue that drove them crazy,

**Lambrew:** It was the new drugs.

**Jennings:** It was the new drug commission that would review prices. It wouldn’t have the capability to regulate it.

**Lambrew:** To set initial prices.

**Jennings:** It would review initial prices, and that drove them crazy. Anyway, I think the pharmaceutical industry and the insurers were threatened. They had some resources to dedicate
to killing these things. Again, as I said, I don’t think we did a particularly good job of either reaching out or dealing with that situation.

Riley: Let me dial you back because some of this has moved ahead into ’94. I want to ask a question about the timing of the President’s speech in the introduction of this. Because as you said, you went into a period of, what was your word—

Jennings: Hibernation.

Riley: Hibernation. Then the budget bill gets adopted sometime in the late summer, right?

Jennings: Yes.

Riley: A decision has to be taken at that point about what’s the next thing in the queue and the decision is to go with NAFTA [North American Free Trade Agreement] at that point. Were you involved in any of the discussions about priorities there?

Jennings: No, the economic team was in control. That was OMB, Treasury, NEC, who felt very strongly that there was a window of opportunity here. By the way, these votes had consequences.

Riley: That’s my next question.

Jennings: A lot of people who deal with Congress say that most Congresses can’t have more than one tough vote a year, or actually one tough vote a Congress. So you’re putting Democrats in the position of not only doing deficit reduction, but picking between constituency of labor on the trade bill. This furthered the antipathy in the Congress that we were taking them for granted, some of the Democrats thinking we were taking them for granted.

Lambrew: This is also the summer of BTU [British Thermal Units tax], right?

Jennings: BTU was the budget.

Lambrew: Oh, it was budget, okay.

Jennings: The BTU that the House Democrats—you’ve heard of the BTU issue—so the House Democrats thought they had to vote for an energy tax. Then the Senate threw it out and they thought they got a commitment from the White House that they would insist on it. When they didn’t, they felt that we didn’t live up to that pledge, so hence the concept BTU. It was the only way to get it out of the Senate.

But that anger translated in the House to even greater challenges and less willingness to accept Administration policies. They felt we were not only jamming them on deficit reduction, but also on the trade bill. So that really did, I think, contribute to further frustration and perception that we weren’t being sensitive to their needs.

Riley: Did you get the sense that the First Lady had simply conceded the point on NAFTA?
**Jennings:** On trade? On NAFTA? You know, I think there was a timing issue on NAFTA—I’d have to go back—but I think there was a window of opportunity to get NAFTA done. There was a perception if we were going to introduce health reform in the fall we weren’t going to get immediate action in the Congress, but we were going to have to deal with NAFTA in that timeframe. So there was a feeling that there was a window of opportunity to do that. I don’t think there was a disagreement. It was, “You have to get this vote this fall or the NAFTA agreement fails.” So I don’t think it was a feeling—this is my memory of it, and I may be wrong—that it wasn’t arbitrarily decided. It was foisted upon us, the timing.

**Riley:** Okay.

**Lambrew:** But doesn’t Clinton now talk about the fact that he thinks that he should have done welfare reform first?

**Jennings:** That’s a separate issue. When I talk about these things and, more importantly, the President talks about these things, I think he feels that we did not fully understand the discomfort and distrust that the public at large had about government in ’93 and ’94. He thinks we didn’t fully understand the impact of 12 years of Republicans in office, basically criticizing everything government does, questioning its ability to respond in a positive way to public needs. In fact, though, the President’s message in the campaign was not just health care reform, it was welfare reform too. That was a big issue.

I think he now believes it is conceivable that health care would have been better to wait two years and do welfare early, for two reasons. One, we’d probably have a better welfare bill, but two, it would have enhanced the public’s confidence that he and the Democrats got it, that there are some things that government is overdoing. There was a sense that government was providing too much dependency as opposed to empowerment. This whole dependency-empowerment issue he felt needed to be addressed. In the absence of being addressed, we were more vulnerable to (inaccurate) criticism that this was another government takeover, like welfare. So he feels that if we did welfare first, we might have had the enhanced public confidence to do other things.

**Walcott:** Who had the President’s ear on these kinds of discussions that resulted in the priorities that they decided on?

**Jennings:** Since health care had been pushed off already from the budget and trade legislation, there was not a perception that we were going to substitute welfare. The only person who was really talking that way at the time was Senator Moynihan, and that was viewed as more of another way to say that we’re stupid and we don’t know what the hell we’re doing. In a way, maybe not for the right reasons, but he may have had something.

**Lambrew:** Although I thought that when I heard Clinton talk about this at the end, it wasn’t because of this dependency issue, it was the accomplishment point. If welfare reform had been accomplished, Clinton could prove he could work with Congress on a difficult issue and enact a social policy change. So I thought it was less about the nature of the problem than—
Jennings: I think it was both. I think that’s a fair point.

Lambrew: I thought I heard him say that the last thing he had—

Jennings: In the last day. Yes, he said that could show that. But I think he also believes that in terms of trade, he got bipartisan achievement.

Lambrew: That doesn’t resonate with the people as something that helps them.

Gottschalk: It was the other party that was the key supporter.

Jennings: But that would have been true with welfare too, same thing. The issue is that, one, you could show that you could work with the Congress in a bipartisan way, but the other truly was it would address his sense of overwhelming government.

Gottschalk: That is an argument—

Jennings: By the way, I would argue that Clinton did more to improve the public’s perception of government than any other President in recent memory. Subsequent to ’94, in terms of downsizing government, in terms of making it more efficient, in terms of a sense of being responsive to public needs. I think that he did succeed subsequent to that and now, post-9/11, there is an even greater confidence in government’s ability to do things than there has been before. At least on that issue, there might be some inoculation for the whole anti-government movement over the last several years, than there was in ’93 and ’94.

Gottschalk: Theda Skocpol in her argument in Boomerangs echoes some of this, but she also faults the administration for not explaining to the public that it was giving them a complicated plan precisely so that government will have less of a role, that the government wasn’t taking over, like a single-payer. That it was creating managed competition, and in order to maintain this very strong private sector role, then it’s got to be a more complicated plan, and that the President never went and made that case with the public. He talked more in generalities like universal care.

Jennings: Yes, it’s funny, the PR communication strategists felt that making something sound more complicated would make it even worse.

Riley: Sure.

Jennings: They argued strenuously that they stay focused on the message of health care, security, quality, access, affordability, choice, whatever the words were. I mean we already had the Arlen Specter chart that showed health care is a complicated issue. Our current health care system, if you did a chart of our current health care system it would be more complicated than anything you could create in government.

Gottschalk: Almost like NAFTA was a longer bill than the 1,300 pages.
Jennings: That’s true too. All that plays into this, but you know what, the opponents were able to frame these issues far better than we were. I think that was somewhat our fault too. We had a communications problem, we didn’t break through.

Walcott: Did the White House have polling or focus groups from which to learn about how the public would respond to these things?

Jennings: I’m certain they did and it did happen. There was polling, survey data, whatever you want to call it, all the time. That influenced communication, but it didn’t really influence the policy that much. I never received a direction along the lines, “Oh, I’ve got this poll so you have to change the policy.” I never saw that at all. I do think, though, that that polling did lead to the message. I mean, it wasn’t “coverage for the uninsured,” it was “health care security,” right? Maybe it failed, but it was designed to appeal to the insured and those people who feared losing it as much as it was to those people who don’t have insurance. But it didn’t work.

Lambrew: The only thing I would say is, in retrospect it’s easy to say it didn’t work as simply as that. But I was going back through the records as we were packing up to leave the White House, and the amount of time that the President himself spent and the First Lady spent on educating the public, if somebody counted the hours and compared it to previous legislative efforts, it must be unprecedented. I don’t think any other single policy initiative has generated so many town hall meetings, so many public appearances. There were public forums, in a Robert Wood Johnson forum series; bus trips, and radio addresses.


Lambrew: Correct.

Young: So when scholars say, “Why weren’t they out there selling their thing,” it’s because the press didn’t pick it up.

Lambrew/Jennings: Correct.

Young: You have to look behind the scene.

Jennings: What they were doing and what they were covering.

Lambrew: They were covering the conflict, whatever the conflict of the moment was.

Jennings: That is another criticism of the press. They were covering the process and the confrontation, not so much the policy and the goals. They really didn’t cover the status quo alternative or other policies that were being advocated by the opponents of the Health Security Act. I think the press, in many ways, can be faulted in that regard.

Now, I will say that although the First Lady spent countless hours, and the President did some too, the President got distracted over many issues, and that happens in the Presidency. You have foreign policy issues, you’ve got budget issues, you’ve got trade, you’ve got the latest rumor of
the latest alleged scandal. All those things did hurt him in terms of his ability to dedicate the time that a lot of people thought should be dedicated in the early part of that process. I think there were also failures because of all the distractions, and the time developing policy. We didn’t do a very good job at getting independent validators to support us in the press.

**Gottschalk:** Who would those people be?

**Lambrew/Jennings:** Editorial boards and op-ed writers.

**Gottschalk:** You mean actually going and meeting with editorial boards?

**Jennings:** That, but also the health care elite who were outside the administration.

**Gottschalk:** So even the task force, that didn’t do it for you like that?

**Jennings:** It helped some, but you can always do a lot better. We didn’t have the time, we didn’t focus on it. We didn’t have a lot of people yucking us up positively on the policy front. The press was looking for faults and holes, not comparisons and contrasts.

**Lambrew:** On one hand you did have American Enterprise Institute and Cato out there ready with criticism when there was no other comparable institute out there doing the same thing on the other side of the issue.

**Riley:** Were you involved at all on the message side?

**Jennings:** Very little. I conveyed the message to the Hill and we talked about how we were doing it, but I was not designing the message, for good or for evil. It would be people like Stan Greenberg, Paul Begala, Harold Ickes and folks like that.

**Riley:** I guess the kick-off for all of this occurs with the presidential address in September of ’93. Were you at all involved in that?

**Jennings:** Yes, a little bit. Now, in terms of drafting the speech, I saw it but I didn’t participate. You had people like Bob Boorstin at the time and Ira was heavily involved.

**Lambrew:** Was Paul Starr around then?

**Jennings:** I don’t know if Paul had left by then. I think he had left his little personal office by that point. There were more than enough people who were dealing with it. And the President himself was writing it. The President, unlike a lot of other Presidents, really writes his speeches. I can’t tell you how many State of the Union addresses I’ve been with him and we’re in the President’s theater, and he’s practicing a speech and changing every word. He’s just amazing. He has a feel for the poetic and thematic as well as the policy.

Anyway, no, I remember it very well. I was in the Capitol when he gave it. It had a feeling of great history. People thought something was definitely going to happen, the momentum was
there. If you look at the press coverage of that time frame, it was very well received, not just his speech but his policy in fact. I think the New York Times wrote something like, “It’s alive and well and kicking. It’s not a matter of whether, it’s when; not if, but how,” and that sort of thing. But that was relatively short-lived. It was a good month.

Riley: Do you remember when you first started feeling this wasn’t tracking quite the way that you expected it to?

Young: When did you sense the turning point, that things were not going well?

Jennings: I have a feeling I was one of the last to accept that it was dead.

Lambrew: The bill came out in November, right?

Jennings: I think it was October.

Lambrew: The revised bill came out in November.

Jennings: I was a true believer—well, maybe not a true believer, but someone who felt he was there to do a job and was going to do it until the very end. I remember even going to George Mitchell’s office in the Senate Capitol building and he had tried so hard to get the votes for any compromise. He had held the conferences, he educated his members, he wanted—

Lambrew: He canceled an August recess, didn’t he? Almost?

Jennings: I can’t remember. He wanted to do health care more than he wanted to become a Supreme Court judge nominee. It was a very personal commitment and very impressive. Senators Daschle, Kennedy, and Rockefeller were quite similar in that regard. I remember going to Senator Mitchell’s office, and I can’t remember what month this was, but it was late in the process. I said, “Couldn’t we do it ....” I had some new way to do the small business angle. “If we did this and phased it in and did some trigger mechanism,” or whatever the hell, my trigger, my famous triggers. He said, “Chris, get over it. If we did this and phased it in and did some trigger mechanism,” or whatever the hell, my trigger, my famous triggers. He said, “Chris, get over it. It’s over.” [laughter] “I’ve tried.” And he felt bad.

Lambrew: That he’s no Santa Claus.

Jennings: He was personally hurt too. He almost looked at me apologetically like a father. He appreciated my effort, but it was like, “What are you drinking because I want to try some myself.” So it was over. I think most people would say by late spring there was a real sense that the effort was on the ropes. I don’t think it was as early in the process as people think. A lot of people say, “Oh, by December ’93, or January,” I don’t think that’s the case at all. I think people thought it was real until the spring. Historically people don’t have a sense of how quickly things change and the time frames. They think from the very beginning this was doomed for failure. I think that’s an inaccurate reading—at least in terms of perceptions at the time. It may, in truth, be an accurate hindsight opinion though.
I’d say probably late spring people said, “This is going to be really hard,” particularly when Dingell couldn’t report it out and he couldn’t get [Jim] Slattery’s vote. We knew the Senate was going to be so hard and when we couldn’t get out of the House, we knew it was going to be very difficult. Again, that House-Senate BTU politics played in. The House didn’t want to push something that was controversial because they didn’t trust the Senate about what they would do to water it down to nothing on the small business side, and a host of other things.

**Riley:** We’ve got only about ten minutes before we have to break for lunch. I think it would be important for us to get some of your observations about the legislative process, sort of in sum. I know my colleagues will probably have specific questions along the way. There were a number of bills floating around and you mentioned before this business about trying to create a center where none exists. So that’s generally what I’d like—

**Jennings:** I think that’s fair. I think that some people whom “the system” highlights quite a bit are John Chafee and Danforth and Durenberger, and I don’t—

**Lambrew:** And Dole, right?

**Jennings:** Dole, but then he—

**Lambrew:** Then he did his own plan.

**Jennings:** By the end Dole would have voted against his plan. [laughter] He said that, did you know that?

**Lambrew:** No.

**Jennings:** He said, “Jeez, I hope they don’t call my bill up.” No, I wouldn’t call him an early opponent. I think he wanted to do something. His Chief of Staff was Sheila Burke, a nurse, very well known, very respected. I think they wanted to be very constructive, but when it became clear politically it made no sense, he was fine to say good-bye to the notion. No, the people who stayed till the end were Danforth, Durenberger, Chafee, those Republican moderates. I respect them quite a bit. They really tried and in retrospect if we could have gotten a majority of votes for anything they were doing, I might have wanted to go for that too. It was hard though, because you have to put it in the context of the President threw around this pen line that said, “If you send me legislation that does not assure universal coverage, I’ll veto it and we’ll start all over again.” So there was a credibility as well as a series of policy issues.

One more thing that I think is worth noting, because a lot of people say Bill Clinton only did the easy political issues and stuff like that. The Health Security Act, by going to the end and pushing to the metal, is the exact antithesis of that view toward Bill Clinton. He went to the wall, he spent a lot of capital and he lost big time for trying to do so. Haiti is another example. There are a lot of examples of Clinton policies, that either at the front end or the back end, aren’t very popular.

**Young:** And blow with the wind.
Lambrew: Triangulation.

Jennings: I’m not saying that some of that isn’t true, there are truisms there, but one can’t generalize the way people like to generalize about this guy, this President. That’s just not the way he is. But anyway, I think it’s important to get to this legislative thing.

There were those who suggested that we should compromise on virtually anything. However, it was perceived by many within the Administration and on the Hill that we were so far out there on the universal coverage pledge that we couldn’t backtrack on that issue. The public had very high expectations. Some were advocating individual mandates rather than employer mandates. At that time it was perceived that that would have a major impact on employer-based coverage—that workers with coverage would lose what they already had and the policy wouldn’t be sustainable. Moreover, the base Republicans would have still voted against it because they were opposed to any mandate—particularly with large subsidies—and in any event, they politically decided that any victory for Clinton was bad. And a lot of Democrats would vote against a substantive compromise. So if you add up the votes and you try to figure out whether you could have achieved a compromise, it’s not altogether clear that even if you had done a 180 and said, “Never mind about universal coverage,” or did individual mandate, that there would have been the votes to support the package. I think that’s missed by a lot of people when they say, “If you had only compromised with Chafee and those guys.”

Now, I think there was a window of opportunity, more in the end of ’93, early ’94, for a potential compromise with that group. Maybe it would be an individual mandate phased into an employer requirement. Maybe it wouldn’t require any mandate and large subsidies could be substituted for any requirement. The political problem was that our left had such high expectations and were so committed to something to the left of even our plan. Remember, we had a third of the caucus in the House who wanted single-payer. So if you moved too quickly to the right without their perceiving there was a political need to do so—because remember, again, at the end of ’93, this was still a popular issue, and the Health Security Act was viewed positively and almost inevitable—it would have been castigated as another sell-out by the Clinton administration.

Riley: Because of NAFTA.

Jennings: Because of NAFTA, because of the ’93 budget debate. Right. I think people don’t think through those things when they evaluate the whole decision-making process. So I conclude that this may have been impossible under any scenario in the ’93 and ’94 cycle, given all the other political challenges that the President was facing. Again, I’m not saying our policy was right or wrong, I’m just saying I’m not sure there was one “magic bullet” policy that could have been forged in that timeframe.

Gottschalk: What about that argument that some people have made that the Democratic leadership couldn’t get it together in the House to really designate one committee as the lead committee on this, and that this was sort of death by committee. Or the talk about creating a super committee to do this and that it’s basically an institutional problem, that it’s very hard to get new social policy through under any circumstances.
Jennings: That isn’t unique to health care, but with health care it is particularly relevant. I guess I believe this on that issue: I believe that the multiple committees of jurisdiction do inevitably create great barriers to getting something done. Throughout the ’80s and ’90s, you’d be amazed to see how the fights between the House Energy and Commerce Committee and the Ways and Means Committee thwarted getting anything done, or how difficult it was to get something done.

Lambrew: On the Democratic side only.

Jennings: On the Democratic side only at that time, but of course by the Republicans now. Bills are drafted just to go to particular committees for jurisdiction purposes. It is a real issue, but I would say this, I do believe a strong Rostenkowski and a very committed Dingell—which he was—would not have allowed jurisdiction to be the reason comprehensive health reform failed. I think they were all very committed to engaging in whatever trades and whatever policy that was necessary to pass legislation out of their committees. But of course there were many broader problems involved here that go beyond the jurisdictional issues, such as the difficulty in getting the necessary Democratic votes for an employer requirement.

Walcott: Could you talk a little bit about the process by which the legislative strategy decisions were made in the White House?

Lambrew: Pre- or post?

Jennings: You mean in ’93, ’94?

Walcott: In late ’93, early ’94.

Jennings: I think health care was sort of a stepchild. It was out there, it was always on the agenda. Everyone always knew it had to be dealt with, but in terms of full White House integration in the legislative strategic shop, it didn’t really occur until the end of the process. I’m not saying that Howard Paster wasn’t involved—he played a major role, but he was distracted, particularly with budget and trade stuff. His marching orders were to get those priorities completed. There was, early on, a sense that the First Lady’s office, what we called “Hillary-land,” was not always fully integrated with the rest of the White House.

No major health reform decision was made without consulting, but it wasn’t the same type of White House-wide policy and strategy decision making and implementation process that occurred in other areas. I think that that created some lack of direction, clarity and effectiveness.

Riley: Did you get the sense then, just to clarify this, that Howard Paster may in effect have traded off future votes to get what he needed to get done on the current agenda?

Jennings: I think there’s a misunderstanding of vote trading. I think success begets success. If you’re successful in one area, then you’ll more likely be successful in other areas. If you’re perceived as weak, I don’t care what deals you cut, they’re not going to vote for you. If you’re perceived as strong, they’ll vote for you. So in the real political world it has much more to do
with perceived political power and popularity within the White House than these individual vote deals.

I’m not saying that deals aren’t cut, I just don’t think they’re dispositive to the outcome of major issues. So there may have been particular votes, and you’d have to ask Howard about that. Like, “You swear to me there’ll be no tax on alcohol, or no tax on wine.” We might have said, “Go ahead and make that deal, Howard, because there’s not going to be one, but get as many votes as you can for it.” [laughter] So there are things you can trade that aren’t really trades.

Gottschalk: Can I ask a question going back to the what you raised about legislative process. You talked about this sort of “sullen left” in this process, in the one-third of the House members who supported single-payer. What about the role of organized labor? My sense is that organized labor was very sullen after NAFTA and very divided among itself, and either unwilling in some cases, or just completely unable to mobilize its membership to get excited about Clinton’s Health Security Act. How critical was that?

Jennings: It was another problem. I think NAFTA did create a lot of bitterness, and since a lot of the labor movement strongly supported single-payer, it was manifested in the degree to which they were willing to dedicate real resources to support the Health Security Act. They certainly did help, but they didn’t do as much as the White House thought they could do. So when you’re competing with the pharmaceutical and insurance industries against an under-funded labor attempt to highlight this issue, it does create some problems.

Harold Ickes was brought in, in the end of ’93, to help create some support in those communities for the policy. I think he did a very good job, but I do believe that environment was definitely out there and I think that limited their willingness to contribute.

Riley: Why don’t we break for lunch.

Jennings: Sure.

[RUN]

Riley: Let’s pick back up and try to get through the rest of the first couple of years, realizing we have a lot of other stuff to talk about. I wondered about the hand-off of the major sponsorship of this. It clearly is the First Lady’s, it’s her primary responsibility for a very long time. Then sometime in the fall of that year, I guess, it’s turned over to the President. There must be shared responsibility there and one of the things that we’d like to know a little bit about is your developing relationship with the President, assuming that you’ve got one at this stage.

What are the kinds of issues, and we talked about this briefly before we came in here—obviously there’s a raft of specifics in the legislation and we can’t possibly deal with all of them—but what kinds of issues do you recall that raised themselves to presidential attention? What was the process of winnowing those things that got presidential attention? I mean, this is a President who is known to be a major policy wonk himself. So the assumption would be, I think by most of us, that he must have really wanted to muck around in the details. Is that an accurate assessment?
I’m just throwing out an entire universe of things to prompt your memory, and maybe can refine some of this as we go along.

**Jennings:** I think there’s a little bit of a misinterpretation that it was Hillary’s and then there was a hand-off and it was Bill Clinton’s and it was clean.

**Riley:** Fair enough.

**Jennings:** The President was heavily involved in the policy-development process, and clearly made all final decisions around the Health Security Act. Prior to making decisions, there were pre-meetings and then decision framing meetings with the President. Some of the meetings were presented as debates around benefit packages, level of subsidies, financing, and things like that. These are meetings that took place generally in the Roosevelt Room with a big group of people that were—because of the leaking problems—presented as options. The President would engage extensively, but generally not make any formal or final decisions until later, though we could sometimes gather his leanings. Clearly Mrs. Clinton had influence over his thinking, and he greatly respected her views. However, he made the final calls, generally through written or oral communications with Ira or Mrs. Clinton.

**Gottschalk:** You said large number of people, how many?

**Jennings:** Ridiculous, like 40 people in a room.

**Gottschalk:** So was it a real discussion?

**Jennings:** Yes. He didn’t mind. He liked them. He was involved and engaged. He asked tons of questions and impressed participants with his knowledge and curiosity. The traditionalists, like Leon Panetta and others, said, “This is outrageous. This is not how you present information to the President. It should be a small group of people. This is a process that should be without the President, the President then makes a decision subsequently.” When Leon eventually became the Chief of Staff, that process was winnowed down to a more orderly and a smaller group of people who would present to the President.

Now, in terms of Chris Jennings, I would sit in on those meetings frequently, primarily to answer questions about congressional reactions to various approaches. However, the big players in policy were Ira and Mrs. Clinton. Bob Rubin, then of the NEC; Laura Tyson, then of the CEA [Council of Economic Advisors]; and Leon Panetta, then of the OMB, would participate from the White House. Then there would be specific policy presentation from OMB or HHS or, sometimes, Treasury.

**Lambrew:** Judy.

**Jennings:** From HHS, Judy Feder was frequently the lead, though Donna Shalala also participated and always was a player—sometimes Ira did not think she was overly constructive and was too turf conscious.
Now, subsequent to the bill being introduced, because of the sensitivity of this is “Hillary-care,” there was an attempt to get the President out more frequently and her a little bit less exposure. She wasn’t put in the closet by any means, because remember, in the fall of 1993 she was an absolute star, wowing the Congress, the groups and the media alike. So she was still viewed as an asset. I mean, there were some people who hated her, but generally as an incredibly positive asset, and particularly for private meetings.

There was an attempt to have the President become more linked to and active on the Health Security Act. Indeed, he did numerous events. Nonetheless, there was an increasing frustration among some in the health care world, like Ira and others, who felt that he needed to be out there more often. Unfortunately, as I mentioned, pressures of the day and distractions of the day precluded his ability to do as much as people felt was necessary or desirable.

**Gottschalk:** Was there a sense it was because of distractions or was it also that he might want to distance himself from this because by spring maybe it wasn’t going to fly?

**Jennings:** Well, later on when it became clear, I’d say in the early summer, that it wasn’t going to fly, there wasn’t as much interest in him being out there all the time on this. Early on, he wanted to try to do everything he could.

**Gottschalk:** So more scheduling and these other distractions.

**Jennings:** That’s my sense, that was my memory and history. There were some famous meetings. There was that NGA [National Governors Association] meeting where he somewhat opened the door to the legislation not having to achieve 100 percent universal coverage. I can’t remember when that was. There was this perception that he got in trouble with Mrs. Clinton for raising that as a possibility. The truth is that he may have been sensing we could not win on that front and that we might want to explore other opportunities.

**Gottschalk:** Somebody leaked that?

**Jennings:** No, no, he said it in front of his Governors.

**Lambrew:** That was July, I think.

**Jennings:** Is that of ’94?

**Lambrew:** Must have been, because that was when the 95 percent trigger came into the dialogue, right?

**Riley:** Functional universality.

**Jennings:** I mention that because even that late in the process, the whole concept of universal coverage was still important. It still would have been a big deal to go off of it. It would have been very hard to pivot to another legislative strategy because of the President’s association with universal coverage, and in particular, his threat to veto any bill that did not attain that goal.
Lambrew: Who were the people doing the 95 percent trigger policies? Was that Nexon?

Jennings: In the spring, early summer, we had conversations about triggers that would move into the mandates. I am sure David Nexon in Kennedy’s office was involved. Certainly Senator Mitchell thought that we should look at alternatives. Initially, these proposals were designed to trigger in universal coverage—through a mandate—if a certain amount of coverage was not achieved on a voluntary basis within a certain period. That didn’t work; there weren’t enough votes for that by that time. Indeed, there were likely not enough votes for virtually anything because the Republicans did not want the President to have a signing ceremony, and many base Democrats did not want to compromise down. Even when non-mandate options were raised at the end of the debate in the summer, it was clear any bill was dead.

At any rate, I think in retrospect the President’s involvement could have been more effective, could have helped, but there were so many other issues going on that I wouldn’t attribute the failure of health care to his lack of involvement. I think there were so many other issues on the table.

Riley: To clarify, his increased involvement might have helped in terms of crafting a more sellable policy, or could he have been a more out-front presence as a marketer and lobbyist for what had been agreed on?

Jennings: More the latter than the former. He is a great marketer of ideas, and yes, I think a greater time commitment would have been helpful but not dispositive. In terms of policy and negotiations around it, I don’t think he would have altered the approach based on the Democratic politics of health care of the day. So would it have been a different bill if he was even more involved? Maybe slightly, but probably not a lot. I think that there needs to be recognition that he didn’t view himself necessarily as a health care expert, although he’d done health care, and he trusted Mrs. Clinton a lot on issues like that, just as he trusted her a lot with education. He felt at some point in the legislative process, subsequent decisions would have to be made to make a compromise but I don’t think he disagreed with the bill that they started out with or felt uncomfortable with it by any means.

Gottschalk: You mean the size of it and the level of detail, that was nothing surprising to him?

Jennings: I think he deferred to what he felt was the advice of the Democratic leadership to unveil a policy that assured universal coverage, would be viewed as credible by the CBO, and was detailed enough to be scored. I don’t think he instinctively would have said that that would be his particular approach, but by that time we needed to be responsive to the Democratic leadership about how we should proceed, because we needed to maintain decent relationships with them. Parenthetically, these leaders would say we failed to deliver them a proposal that was politically viable; moreover, they would say we included too many details; too many decisions, which undermined their ability to make their own deals. To get back to the President, though, he—like everyone else—was never thrilled by the amount of details that we thought were necessary.
Gottschalk: It seems to me the picture you’re presenting of President Clinton is slightly different from the one we commonly have, that he’s this intense, involved policy wonk. In fact you seem to be presenting a picture that he delegated a lot and could cue in when he needed to cue in but that he also felt very comfortable letting things go the way that they were going. I’m wondering if that’s just because Mrs. Clinton was particularly involved in this, or could you say that that characterized other issues as well?

Jennings: The President is a policy wonk relative to any other President in the history of this country, there’s no question in my mind about that. But I also think he utilizes personnel better than anyone I’ve ever seen, too. He doesn’t, himself, roll up his sleeves and say, “Give me the policy run on this.” But he gets very good people to staff him. He trusts them, but he relies on them to present policy options and directions, and then he’ll make the big decision. If your question is, did he get involved in every detail of the legislation and how it was drafted, and what policies were included in every single section of the bill, that’s not his style. That wasn’t his style anywhere. But he would be angry if his staff didn’t protect him on all those provisions and he had high expectations that there wouldn’t be any surprises.

Lambrew: I might add that I think there are two different ways of thinking about whether he was a policy wonk. One is the amount of time spent in meetings and discussions, which I think Chris has characterized. But we haven’t gotten to post-health reform. I think health reform is its own unique world. We often did memos and background information. In some of these memos, we would have to “dumb them down” to get through the White House clearance process, even though when they got to the President he would ask for more information. He didn’t request books, but very accurate, specific, numbers-driven information that he would read and comment on and question, et cetera.

Jennings: He was a sponge in terms of reading and accessing information. All I’m saying is, explicit drafting of language, that’s not him.

Gottschalk: I don’t have that image of him but I do have from you more of a sense that he would key in at moments, but then the process would be—

Jennings: The Health Security Act, I think largely that was the case. When he had to engage, he engaged. He was given detailed briefings by Ira, both personal and paper. I would not characterize it as a daily, stay on top of the policy issues throughout the process. He knew what the big issues were. He had familiarity with them. He knew what were top-line decisions and he deferred the rest to other people.

If I had to compare him in that process with other people I’d been around in terms of his understanding and grasp of the issues beyond the top line, he still was far more informed than anything I’ve seen by any other member of Congress. So it’s a matter of relativity. For example, when Bill Clinton gets in a room with members of Congress and they say, “Oh my God, he knows so much.” He does, but it’s relative to them. [laughter] You have to understand we have members of Congress who still don’t know the difference between Medicare and Medicaid.

Lambrew: The bar is kind of low.
Jennings: I don’t want to understate what he knows. He always amazes me. In fact, it always was somewhat of a problem. He’d be reading articles and journals and sending them, “What do you think about this?” Well, I didn’t have time to think about it, I hadn’t even read the articles. The guy is extraordinary.

I guess I’d characterize him as one of the most curious people I’ve ever seen, who doesn’t seem to sleep. We had a weekly update from every agency in the whole administration and every department within the White House. That was a weekly thing, which was probably about three to five pages from everyone, from every single agency. So it was three to five, times fifty. Every week. He’d read every single one of them. He would comment and there’d be bullets: “I need a memo on this, what about that? What about that?” There was never a time he didn’t do it.

Lambrew: If I could just add, he also had people who surrounded him who would try to act as that filter, so that you weren’t bringing to the President issues that could or should be decided at different levels to his attention.

Riley: Was that also true of the first couple of years? I get the sense, as you indicate from our prior conversations—we went out to California and talked with Panetta and have gotten this from other sources as well—that there was a kind of sea change in internal behavior when he came in, that things became much more structured. We also get so many reports about what have been characterized almost as dorm room sessions—

Gottschalk: All-night study sessions.

Riley: The all-night study sessions. He must have felt that that was serving some useful purpose for him as a President.

Jennings: Yes.

Riley: I want to draw you out on that a little bit because the other system was imposed on him when others felt he needed to have a structured system.

Jennings: I think he’s understandably mistrusting of one source of information. So he would have multiple sources, including his own personal reading, the “friends of Bill’s,” which must be the largest circle of friends in the history of mankind, plus others. Look, it’s no secret, for example, that he had the Leon world in 1995 through 1996, but also had the Dick Morris world. They were different lines of information. But I’ll tell you something about him, the President likes to amalgamate information. Then he comes in with what he concludes is the right and most workable policy. He generally thinks the right position is somewhere in the middle of the debate. So he listens to all sides before he moves. It’s not at all surprising, therefore, that not only would he read numerous and varying articles and books, not only would he listen to Leon or Dick Morris or whomever, but he would also have dinners or friends come over and they would have policy wonk and political viability discussions.
He would still go to and enjoy the Renaissance weekend, for example. He felt it gave him broader perspectives and exposure to new ideas, frequently unconstrained by Washington politics and economic limitations. I never felt ignored though, as a staffer. In other words, as if, “Your information is irrelevant,” or “I’m not going to utilize it,” or, “I’m going to go outside the White House process.” The complete contrary is true—he relied a great deal on his staff—and it was quite rewarding from a professional and personal standpoint. Ultimately, the only time that this wasn’t the case was in the worst of the Dick Morris days. Outside of that, even in ’93, ’94, there was sort of a semi-process, however chaotic it was.

I do believe, by the way, in ’93, ’94, Leon had a point and I think that there were too many people. It wasn’t an efficient use of the President’s time. It was not a great organization. But I don’t think it was necessarily the fault of someone like Mack [McLarty]. I think that was the President’s style and he wasn’t used to being confined so much. The White House, by nature, eventually becomes somewhat confining, and all Presidents find it to be too secluding at some point.

Walcott: But you think that Clinton in effect learned over those first couple of years that you needed to succumb to some of that confinement in order to get the job done.

Jennings: To be more efficient and get a job done. And look, after you lose the Congress you think there must be different ways that you can do better.

I should say one more thing before we leave ’93, ’94. The President believes that the disastrous ’94 election was much more about perceptions about the economy, tough balanced budget votes, the lack of progress in welfare reform, gun votes, gays in the military, value-oriented stuff, than it was the failure of health care, even though health care served as a “big government” metaphor for some voters. If you ask him today, that’s what he’ll say.

Riley: Jeanne, what are we missing? If we’re going to try to go ahead and put a bow around the first couple of years and move on beyond that, what is it that we’re not asking that we ought to be asking? I mean we could spend hours on details of the policy but—

Lambrew: The only other thing I’m interested in, since I came in October of ’93 and was on the fringes, working at HHS on the policies, was also a cohesion within the chaos. There were people making decisions. There was some kind of process moving forward. The First Lady and Ira Magaziner were working aggressively on the Hill every day. Who was that small group of people, beyond the First Lady and Ira, who made those decisions, and how did that communication get structured? There must have been something else there besides the two of them.

Jennings: I agree. I think that after ’93 Harold Ickes was very much involved. He was coordinating the process. At that time, I guess Howard had left and Pat Griffin had come on. Pat had legislative affairs and was working with Harold to try to get something done. At that point the White House, when the President got engaged, then the West Wing got engaged in terms of the operations of the outreach to the Hill and coordination. I then worked very closely with Pat. I was playing a role there because I had been doing the Hill stuff for Hillary, but I was sort of
viewed as a Hill guy, so Pat felt comfortable with me. In essence, they were pushing Ira aside and then trying to find a workable internal committee process to make it work and bring up Ira if there was a policy discussion. So that was sort of the process.

I would say Ira ceded a little bit to Harold, Harold supervised Pat and Ira, and they kind of worked that through in that regard. They had their communications world too, which kept on changing. They had the so-called “war room” that we haven’t really talked about, but that was set up to do rapid response to criticism, produce positive messages, and release state by state analysis—

Lambrew: County by county, district by district.

Jennings: We had county by county health impact data on all sorts of health related policy breaks, amazing.

Riley: Was Roger Altman running—?

Jennings: Roger Altman was involved a little bit at the beginning, I think.

Riley: I knew he did the budget and then NAFTA.

Lambrew: What about Greg Lawler?

Jennings: Greg Lawler was one of the numerous people who ran the war room.

Lambrew: Who was the young person who went to North Carolina? Jason?

Jennings: Yes, but he didn’t run it. They had that whole operation we haven’t even talked about. Harold tried to run that. There were actually daily meetings, every morning, from I don’t know, January on in ’94, where Harold would lead the meeting with this whole group of everyone that was involved. HHS people, Treasury people—

Riley: This is explicitly about health care?

Jennings: Only about health care. In this big old communications room, in the Old Executive Office Building, I think I had blocked this all out in my mind.

Lambrew: Wasn’t it in Room 180 in the—

Jennings: I can’t remember what room it was. No, it was farther down. It was this big pit of a room and they had the computer, and they had lots of young kids doing research, basically had a campaign. I think it would be wrong not to acknowledge the hard work that was put forth in there. Every day, Harold would lead off, Jack Lew and I would present the Hill update, Melanne would advise us about the FLOTUS schedule, and Greg or someone else would give a communications update. We were given our marching directions for the day, or what the
message of the day was, or what we needed to respond to, or what report we were releasing. Jeanne did so many different reports for the analysis.

Lambrew: HHS did.

Jennings: And HHS. I don’t want to characterize it as if there was nothing. There was this whole process that was happening, maybe not being successful, but everything everyone could think of they were doing.

Lambrew: There was more structure there, that’s why I was asking the question. I have a memory of more structure than I think comes out.

Jennings: There was, there definitely was at that point more structure.

Gottschalk: You’re saying more structure on both sides, the policy side and the war room communications side.

Jennings: Yes.

Lambrew: Correct.

Riley: So it’s a more disciplined operation by the time you get into ’94, but the problem is that you’re in a much more—

Jennings: We’re treading water a little bit.

Lambrew: Communications is high energy, a lot of work, and it is probably treading water, but it wasn’t necessarily chaos. There is a difference.

Jennings: It was keeping it alive. The reason why this didn’t die until the spring/summer of ’94 is because this work was ongoing. Even in the face of all those challenges, people think it died a lot sooner than it did. Now it may have been already terminally ill.

Gottschalk: But the White House was actually coordinating the message of the day, that was as late as January of ’94.

Lambrew: It was June, July of ’94.

Jennings: Oh, yes.

Gottschalk: But it started January of ’94?

Jennings: Yes. I think Harold came in around December and realistically it was around that time frame, is my memory.
Walcott: So it sounds as though at about that point, communications took priority. You had the policy questions pretty well done.

Lambrew: Policy was done and they had to sell it.

Jennings: That’s exactly right. Sell and defend, and it was a lot of defending.

Lambrew: George Stephanopoulos was involved in it, wasn’t he?

Jennings: He was involved, not tons.

Riley: Was David Gergen at all?

Jennings: David Gergen was a little bit, but he was always trying to find the centrist deal. He thought there had to be a way to get to Danforth and Chafee. He tried to encourage those meetings that took place with the President with those members. I remember in the Oval Office, I was there with John Chafee and others with the President. You know, efforts were made. I think that the President, had he not made the universal coverage pledge and had the dynamics been different, might have contemplated some compromises.

Riley: The pledge being, “This is my plan and I’ll veto. . . .”

Jennings: Yes. The thinking about it originally was that it was necessary to maintain the left flank and not be accused of “BTUing” the House—the House felt the President reneged on his budget provision on BTUs and people in the White House feared we could never get to universal coverage if the President did not draw a line in the sand.

Gottschalk: You’ve described Hillary Clinton’s style with staff members and members Congress. Can you say a little about the President’s style, his meetings with Congress people and also how he dealt with people in these 40- to 50-people sessions. Are there some consistencies, or would it vary a lot by what the audience was or the issue was?

Jennings: Let’s see. If you contrast him with Hillary Clinton, he sometimes is a little bit more playful. Let me start with the big policy meetings. He loved listening to the different policy meetings. He liked seeing different people present. It was never, “I’m bored,” or, “Why am I here?” This was frustrating to some of the political people, who were bored and who wanted to get him out of there. Of course, policy people will talk endlessly. I mean, if you have an audience for a politician who cares and is interested, that happens maybe once every blue moon, so people will just keep on yakking away.

It wasn’t even just a listening, it was an interaction. “And what about this?” and very insightful questions that sometimes people had to come back, didn’t even know the answers to.

Gottschalk: Mostly policy questions?

Jennings: Yes.
Gottschalk: Even in these policy forums, would he talk political strategy questions, or was it sort of a separate compartment for him?

Jennings: He would ask, “What does this group think” about something, but he was primarily interested in the policy discussions. He wouldn’t completely decompartmentalize, that’s just not his style. But primarily the policy discussions were oriented to just policy discussions: impact on people, numbers, dollars, things like that.

In the members meetings, I think he first tried to put members at ease. There is this aura about the Oval Office, and he well understood that. He would make them comfortable. There would be, at that time, a little bit of nervousness on both sides about either one giving up too much. For example, if he was meeting with Republican leadership, the White House staff and the Republican staff were always worried that they would lead to something that neither side really wanted them to do at that point in time. The President has a way of talking in words and phrases and intonations that lead everyone to believe that he said what they wanted him to say. But if you look at the transcripts, they’re much vaguer than you think, which helps explain how people generally, when they meet him, think, God, he understands and he’s with me.

So in terms of clarity, Mrs. Clinton was a little bit clearer than the President in those types of conversations. But both sides would say, “Well, he didn’t say anything wrong or different than she said. But he said this or that,” or suggested this or whatever. I think that there was more hope on some of the dealmakers that if you got him in the room, outside of the staff and Mrs. Clinton, you could cut some sort of deal. So I think there was always that perception. That was the perception throughout, by the way, the whole White House tenure. It was not just the first two years.

Walcott: Did President Clinton meet with these people, members of Congress, interest group folks, without any staff in the room?

Jennings: Occasionally. For example, he would have leadership meetings. Usually there would be at least the Chief of Staff there, mostly to make sure that no one could say something was said that wasn’t said. Or the Vice President, sometimes he played that role. Generally on the health meetings when members came in, there was Pat Griffin, or Steve Ricchetti, or myself—some combination of us were there. Ira was there sporadically. It would depend on the meeting and whether the dynamic would be viewed as positive or not positive.

Gottschalk: There were two powerful people in the White House both working on the policy; it’s very disruptive of the understanding of hierarchy and how Washington works. How did having Hillary Clinton and Bill Clinton both in the room at the same time and both a pivot of this policy, how did it affect the dynamics of who people deferred to, and how he deferred to her or vice versa?

Jennings: Interestingly, a lot of those meetings it would just be him. She wouldn’t come.

Gottschalk: So these 40- to 50-people meetings that you’ve talked about—
Jennings: No, those were the policy meetings.

Lambrew: In the member meetings.

Gottschalk: Yes, but in the policy meetings.

Jennings: In those meetings, she would be there. I mean everyone thought they knew what she wanted and so they were interested in what he was going to do. Different people will say different things, will he come to a different conclusion if she was in the room or she wasn’t in the room? It depends on the decision.

Gottschalk: Was she quiet mostly during these meetings?

Jennings: Not in the policy meetings, no, she wasn’t quiet. If anything, I would say she would impose more discipline on the meetings in terms of getting through them. Not in a way that explicitly led to an outcome, but ways to make sure that the President’s time was used a little more efficiently. She had her views and everyone knew them. If there were people on the economic team that felt that the President made a decision that was more towards her liking, they would think, *He wouldn’t have made that decision if it was just me and him.* So there definitely were those feelings. You’ll talk to people who will say that.

Gottschalk: You say he often didn’t advance, though, his decisions at those meetings, that you saw his inclinations.

Jennings: Yes, but subsequent decisions were known.

Riley: I think that’s something we’ll want to touch on later when you’re much more deeply integrated in the Oval Office activities.

Jennings: Exactly.

Riley: Because there is a sense at least in some of the literature and in some of our interviews, that there were different channels to the President and it was often difficult to tell when closure had been reached on an issue. I want to get you to comment on that, but not just this moment. What I would rather do is come back and maybe as a way of tying all of this together, ask you if there’s anything important about the reform effort that we haven’t touched on that you want to talk about, and get you to give us some general conclusions. Obviously you’ve spent a lot of time thinking about this. It would only be human to second-guess things a little bit and ask what might we have done differently. What might you have done differently? Was this an occasion that could have produced significant reform that was missed? Or if not, why not?

Jennings: I guess I believe that once having made the tough decision to do deficit reduction, and not being able to do the health care in the context of reconciliation, that it was almost impossible to realistically conceive an alternative way that would have achieved a meaningful legislative achievement that would have been viewed as a victory for the President.
Riley: So 60 votes was never in the cards.

Jennings: I just think it was very difficult, in the context of all those other tough things that were going on and the political environment around it. I think that that’s right, which is not to say that having done it all over, we should not have done things differently. We should have. There has to be a recognition of the level of tough issues one President can do in a very unpredictable environment. In retrospect, I think his feelings towards welfare reform may be right. However you want to define it, whether it’s bipartisanship, whether it’s trust in government, whatever. The President gained in terms of the public’s perception with his strong views on welfare reform and his strong views on crime. Those sorts of value-oriented issues strengthened his hands to give him credibility to be more progressive in other areas. So if it was possible, starting with welfare reform may have better set the stage for health care.

Having said that, I just want to go back to the one point, which is the expectation of the Democrats in ’93 after the ’92 election was to go to health care. At the time of election, few thought that this President’s agenda was going to be deficit reduction. People felt it was going to be jobs, a middle class tax cut, and health care reform. The Democrats in power did not believe that tough medicine initiatives, like deficit reduction, welfare reform, and campaign finance reform were great priorities. Many of the base Democrats were mad with us when we pursued deficit reduction as our first priority. Delaying or substantially diluting the health reform bill—which was viewed by many Democrats as too modest anyway—would have been a tough sell at virtually any time in that Congress. Moreover, I am dubious that we would have picked up as many Republicans as we lost Democrats, particularly in the first session of the first Congress.

Having said that, what else would I do differently? I don’t think we should have done a big taskforce. I would have still used Hillary Clinton in some major way but I probably wouldn’t have put all the pressure on her. I wouldn’t have had a Washington outsider head up the process, which is not meant to be a personal critique of Ira. It’s just so hard to move the Congress if they don’t know or trust you. I think that I would have found a way to better integrate the agencies, the departments, in that process because there was a lot of outside criticism from our own administration about our policy that was very hurtful.

Riley: That’s interesting, because I don’t know that we’ve talked about that very much. Could you elaborate on that a little bit?

Jennings: It definitely existed. The context is that historically health care is predominantly designated to be the turf of the Department of Health and Human Services. Donna Shalala wasn’t viewed as a health care person, the White House was definitely pushing health care and there was a tension between the roles of HHS and White House as well as OMB and Treasury and Labor. HHS felt it should have a preeminent role and it perceived that it did not. Treasury felt that Ira and the First Lady were not necessarily listening to their economic guidance on health care. So leaks out of Treasury and HHS that were detrimental in terms of the public positive reception towards the process were not unusual and were viewed by the White House as unhelpful, at best, and destructive and disloyal at worst.
Gottschalk: How could you have brought them along more?

Jennings: If you didn’t have a White House taskforce that brought people outside of their jurisdiction or control.

Lambrew: This is an implicit rejection of them as the policy makers, as was the traditional role for people at the agencies.

Jennings: Exactly, the traditional role was that they were the lead in policy development and the implementation. They felt that that didn’t occur here. Now having said that, I want to be clear I still think something as big as a presidential priority has to be run out of the White House. Because you do have multiple agencies who have different perspectives on this. Treasury and HHS were not in the same place on health care. You had to have White House involvement and investment and you had to have them leading the way. But there needed to be more investment and participation or perceived participation.

Now, Mrs. Clinton and Ira will argue, and I think fairly argue, that they were at the meetings, they were integrated and all the rest. But whether fairly or not, and whether that’s accurate of not, the agencies didn’t perceive themselves to be. The consequence of that was they were some of our biggest and most hurtful leakers during that process. So I would have designed and implemented the policy development process differently. And of course, I wouldn’t have produced or released so detailed of a plan. I don’t think the President and the First Lady would either.

Riley: Had you made this more of a departmental and agency initiative, that would have probably also facilitated the congressional relations aspect?

Jennings: Conceivably, because they all have their individual relationships too. So yes. They had longstanding ties with agencies, the committees of jurisdiction generally deal with agencies, and because health care wasn’t a White House involvement over the last 12 years previous to this, they weren’t used to dealing with the White House on health care. Even a Pete Stark would prefer an HHS to be involved, because they think they’re more progressive and experienced than the White House. They didn’t trust this whole thing called managed competition.

Let me see what else I would do differently. I would have spent less time on the details and more time on the validation, the outside external validators. I think that would be important. Riley: To press you on this outside validation—were there elements of the business community that were winnable early on that maybe if you’d had something established, that you could have gotten those people to take the pledge then and there?

Jennings: Yes, conceivably. The other issue would be—and this goes back to something we said earlier—but if it could be done, I wouldn’t have tried to do it over a two-year period of time, I would have done it over a one-year period of time. You cannot sustain any big thing for that long without it getting the drip-drip tear-down treatment. It’s like fish. It’s going to go rotten pretty quickly. It’s not because of the policy, it’s just because it exposes inevitable flaws in health care. Health care cannot be done without alienating someone.
Gottschalk: Can I push you on the outside validation, because there is a sense, looking back on all of it, that the Clinton administration wanted to bring basically everybody along. There was that brief foray where Hillary Clinton singled out the pharmaceuticals and said there was a bogeyman out there. But more or less, the message was never, “There are going to be winners and losers in this.”

Jennings: Everyone’s going to benefit.

Gottschalk: Everybody is going to benefit. But at the end of the day, there could be an argument made that some people said the outside validation had to come more from going to the public, and going to the grass roots, and saying, “Look, this is where your health care dollar is going. These people are getting unfair benefits.”

Jennings: Right. That was a very strong debate within the White House, particularly the December-January period. It was an issue of, do you go after them, do you make it a populist-type message, or do you stay with a kind of, we’ve done it so everyone can do okay? The feeling by the communications people was we should go after the pharmaceutical industry and we should go after the insurance industry. They’re going after us, we should go after them. That would get the public, they actually have great distrust in those entities, it will serve as an external validator that what you’re doing is real, and it will motivate people to be more active.

The outcome was probably the worst of both worlds, because we didn’t really go after them, in a major way. We did a sort of, semi, depending on the day. So I guess if you’re going to do it, you’ve got to do it. If you’re not, you can’t go halfway, because what you end up with—

Riley: Like feeding a tiger.

Jennings: You alienate, you get them upset, and then they come after you. This divided the economic team and other people. The congressional people said, “I don’t like this thing. I don’t like this outside-in strategy. It never works in reality. It sounds good, makes you feel good for a moment, but in the end it hurts you.” Because of that, there wasn’t an implementation that was effective on either side.

Lambrew: When you talk about validation you’re talking about—

Jennings: Expert validation.

Lambrew: Correct. I think that’s an important clarification.

Gottschalk: Yes, because that’s not a public validation. I mean, there was at one point an effort to get Rockefeller, right? And then AARP [American Association of Retired Persons] and that one ardent group that they got together, but it never really went populist.

Jennings: Right, right.
Gottschalk: Can you remember, was there a meeting when this strategy was presented to Mrs. Clinton or to the President? That look, we’re sort of going halfway and we have to really in January or February figure out if we’re going to go after the pharmaceuticals and the insurance companies. Was there a conscious effort to either go populist or not go populist? Or did it just sort of evolve?

Jennings: No. My memory of it was that we were responding to the environment more. But I will tell you, I don’t think I can answer that well. I think that’s a Harold Ickes question.

Riley: We’ll make a note of that. I think that that particular issue was something that started from day one and ran through the end of the administration, wasn’t it? The tension between the “let’s try to be centrist” New Democrats, and people from the campaign on, who were much more aggressive, at least in the early stages, who were the keepers of the campaign flame.

Jennings: Yes. Although interestingly, you’re right about the Begalas and the Carvilles and the Stan Greenbergs. But you also had differences of views about legislative and communications strategy in and outside of the White House. I think it is reflective of the President’s desire to have multiple people giving him contrasting advice and then him deciding. Now, some could argue his style was such that he didn’t give strong implementing instructions. More accurately, he does not like to offend or confront people—particularly those he likes and respects.

Riley: He’s not a good attack dog?

Jennings: I think he feels uncomfortable being an attack dog.

Walcott: Or was it that he had a hard time bringing things to closure? It sounds as though this was one where the decision never quite did get made.

Jennings: Again, I think decisions were made. I’m not sure they were effectively implemented. I remember it with great pain, but I don’t remember with great memory. I remember we had these daily meetings on the strategy, “Are we going to do it, or are we not going to do it? How strong can you go?” I do remember that the divisions were the legislative and economic team did not want to do it and the communications people and the political people did.

Walcott: Did you ever get those people in the same room at the same time arguing those points?

Jennings: Oh yes, they would argue.

Walcott: And the President would be there?

Jennings: Yes, I think the President was in some of those meetings, yes.

Walcott: When they were over, did you ever have a sense that something had been decided?

Jennings: Yes, I think that there were decisions to be more active. Then they weren’t implemented well.
Riley: I’ll rescue you here. You’re dealing with an almost insolvable legislative problem, which is you’re trying to craft a middle when everybody is polarized. Right?

Jennings: Right.

Riley: So if you go left, then everybody on the right’s falling away. If you go right, everybody on the left’s falling away, and it seems that the middle is continuing to get thinner and thinner. It seems to me then that strategically you’re in a lose-lose situation. The best you can do is hope that maybe tactically, for a few days you can tack this way a little bit and see whether or not you’re able to get people to rally to your side a little bit. Then if that doesn’t work, you tack some other way.

Jennings: I don’t know what the right call would have been. I think it was a big, tough decision on the communications side. One of the considerations was how far you could go without totally alienating the labor community, and risking their opposition to the Health Security Act. Then you have the worst of both worlds—saying that you’re going to do something and not really backing it up. Because then you’ve alienated the dealmakers and you haven’t brought the public along. You have achieved the worst of both worlds.

Riley: Okay. You get to the point where you have your conversation with George Mitchell and he tells you it’s over. What happens at that point? Are you convinced that nothing meaningful in health care is going to happen in this administration? Are you at that point deciding, “I’ve got to go back to the Hill or I’m going to lose my mind?” Talk us through what happens in the fall, before the elections.

Jennings: It was very depressing. I don’t know when these buses arrived, the buses that were coming across the country, for health care security. They limped onto the White House lawn and it seemed like such a metaphor. Everyone was tired, they didn’t want to be there, and it was hot. Hillary and the President tried to put their best—

Lambrew: Face on it.

Jennings: —Face on it. My mother came. She’s a big single-payer advocate. Can’t we just do that? I was really mad at everyone because the single-payer advocates, because they held out, held out, held out, they wouldn’t push for anything because it wasn’t their thing. I yelled at her.

Riley: Yelled at your mother.

Jennings: Yelled at my mother. It got really bad. I had no patience for anyone. It was very depressing. I guess I can’t adequately express how much heart and soul goes into these things, and then it just stops.

Lambrew: There was an exodus too.
Jennings: It was just a quiet ending. I remember, at the end, they had this big group of people for a picture—I didn’t even go to it. There was no closure. It just ended. Then everyone went their own ways. It went from lots of people to no one’s left. I didn’t know whether I was going to stay or not, because what’s my job? Maybe the Hill, but I’d already given up the job I wanted, the Aging Committee’s staff director’s job was gone. And I had a personal feeling of unfulfillment. Too much work for nothing. It was hard to justify doing so much for nothing in return.

So I decided if I could stay in a capacity that I might be able to get something done, I would like to do that. Concurrently, they were trying to figure out what would happen with health care out of the White House subsequent to this. You know, there were some different people I’m sure they were thinking about. They knew Ira was not going to continue to be the health care coordinator. I had a good working relationship with Ira. I tried everything possible to help him upgrade his image, to help him understand the Hill, to do whatever I could. I tried to be a very honest broker. I think Leon was Chief of Staff by that time.

Riley: Chief of Staff? Summer of ’94.

Jennings: Yes. They had a meeting, I think, and they said, who should be—? I think they trusted me, and they knew I worked, they knew I knew the policy, I knew the politics, and I knew the White House people and I could work with the departments on the Hill. And I was there.

Riley: You had an office.

Jennings: So suddenly I was asked to stay on, and, largely because of that void that I felt, I decided to stay on.

Lambrew: Don’t you think your relationship with the First Lady helped in that, because there was a hand off—

Jennings: Oh yes, absolutely, I should say that. She was very—it was definitely a President, Hillary, Leon thing. I had managed to somehow survive a disaster without being viewed as the reason.

Riley: There was discussion about your position in the organization?

Jennings: Yes, what they decided was that they wanted to have a more traditional National Economic Council, Domestic Policy Council, policy development process within the White House as it related to health care. What that meant was that they were going to have Carol Rasco and at the time Laura Tyson be the co-chairs of that process. I was designated to be their lead staff to coordinate that policy. I was brought in as Special Assistant to the President to do that. From day one, we started, actually—

Riley: You’re with him at this point?

Lambrew: I was at HHS but he was making me work on day one.
Jennings: I don’t remember Jeanne ever not being there. She wasn’t in the White House but she might as well have been.

Riley: Okay.

Jennings: We had some people, Jen Klein, who moved from her duties as a statutory language drafter to Hillary’s domestic policy advisor. In short, we went back to a more traditional White House staffing situation. We were very small, very traditional, NEC/DPC/White House organized, but definitely we integrated OMB, HHS, Labor. Together we would develop policy options and directions upcoming for the FY ’95 budget.

Riley: You say very traditional, but I would have thought that the most traditional avenue—and I’ll look to my expert on staffing here—would have been under the domestic policy operation.

Lambrew: That’s where he was.

Jennings: I was DPC, NEC. It was under Domestic Policy Council and NEC. My home was DPC, but I was shared with NEC.

Riley: Okay, so you weren’t effectively above the staff there doing coordinating work in a way that would have been similar to the taskforce?

Jennings: No. I was subsumed within. It was Laura and Carol and I was reporting to them.

Walcott: So in effect, you were tying the two together.

Jennings: Right.

Lambrew: Very unofficially, though. I don’t think on paper you would ever see that.

Jennings: Yes, but that was in essence what the job was. Now, it was unusual for any White House to have an NEC/DPC health policy coordinator.

Riley: Right, there was no—

Jennings: If there was anything, it was OMB, health PAD [program associate director].

Lambrew: Although wasn’t Gail Wilensky supposedly a White House health coordinator under [George H. W.] Bush I?

Jennings: She was there for a year but it really wasn’t the same.

Lambrew: Although I’d argue that that was partly because of the priority of the issue and who you are.
Riley: That was the reason I was questioning. It seemed to me that this was something—

Jennings: It was still priority, it was not something that they wanted to let go. They wanted to have someone who had some energy and focus it and they would keep pushing the agenda. And would, on their behalf, make sure it was still a White House-run thing. It wasn’t traditional in that we’re letting the departments take over. It was traditional in the sense that they were part of the process and were well integrated into it.

Lambrew: Again, on the organizational chart it would look traditional.

Walcott: Were there any other people like you in other policy areas?

Jennings: Yes, sort of. The difference was that I had unusual access to high-level people and the other Domestic Policy Council staff really didn’t. I was also unusual in that I had a close and trusting relationship with the White House Legislative Affairs office. Pat Griffin and John Hilley just used me as an extension of their office. The public liaison office wanted me to deal directly with the groups—

Lambrew: A lot of this is because other people didn’t want to deal with it, because health care is complicated and technical.

Jennings: The communications people, the press people, would trust me more than they would trust other people. And most importantly, the West Wing leadership did too. So I was very advantaged from my position, unusually so, which has helped subsequent people in the current administration who have that job now.

Walcott: And that made health care special, but it was there because health care was special.

Jennings: Totally. That was exactly right. Health care had to be treated specially. There was some confidence that maybe I could do something with it. In fact, I did this—can I do my letter?

Lambrew: Okay, you can do the letter now.

Riley: Please.

Lambrew: This was after we actually were working all fall, though. You did, day one, start developing options for the next year’s budget.

Riley: Let me know any of these that I should keep.

Jennings: You can keep that one.

Riley: The letter, just for the record, is dated December 27, 1994 to the Honorable Newt Gingrich.
Jennings: It went to Newt Gingrich—this was right after the election—and it went to Leader Dole, and it basically says, “While we couldn’t agree on a health care solution, we need to continue to work toward it. I’d like to at least make steps forward in these following areas.” It promotes insurance reform, covering children and the temporarily unemployed, making Medicare, Medicaid more efficient, and contributing to deficit reduction. In a way, it was a letter that served as a roadmap of what we would do in the next few years.

The reason I remember this letter so well is I wrote it right after we had this big health care meeting and it was a very successful one with the Cabinet. It was a traditional meeting in the Cabinet room where you had HHS, Treasury, OMB, DPC, NEC, everyone was there. We had a very good, thoughtful conversation with the President on health care and where to go. Although we couldn’t be aggressive because we were basically—“irrelevant” was the word—in the post 1994 election environment.

Riley: This is after the election.

Lambrew: This is after the election.

Jennings: Right. We were reviewing and the President was approving taking incremental health care steps. Anyway, I went to a party with the President, with my 3-1/2 year-old son, and he played with him for two hours. He said he liked the meeting and underscored his desire to keep pushing a health agenda. Right after Christmas I was in the Oval and asked him to sign that letter. He was saying, “Yes, we should do this, I really want to pursue this.” So I guess what I wanted to say that there was a pivot point, almost immediately after the perceived failure, to put the issue back on the agenda and keep pursuing it. It was a signal that was sent not just to the Hill but throughout the administration.

Riley: Right, let me dial back just a second ago to that brief interval between August and when I guess you’re trying to get your head clear and making decisions. Were there conversations before the election? Because my recollection is that the election took everybody by surprise. It didn’t look good but—

Jennings: It was a shock.

Riley: But the consequences of it were unforeseen. Can you tell us anything about the plans that were being contemplated before the shock of the Republican revolution and how that changed immediately thereafter? Your own personal reflections as a Democrat who’d been on the Hill for a while. I’d be interested in knowing what you read into the election returns.

Jennings: I think there was a commitment to keep health care a priority, but people didn’t know what that would mean. As I recall, immediately after that, many of us health policy folks were afraid to even show up at meetings, because health care had such a negative association and some felt it was a major contributor to the election outcome.
Lambrew: I would just underscore that in Washington at the time, it was perceived that you couldn’t go near health care again for years. That was the way it was being played in the press, on the Hill: this issue is now permanently dead.

Jennings: That’s not how I felt.

Lambrew: No, but that’s what the environment was like.

Jennings: I’d go into a room and someone would put a crucifix up. So we didn’t feel that bringing health care up immediately into that environment was a smart thing to do. They needed a break. So the break was going to be the next discussion about the FY 1995 budget formulation, which generally started after the election, late November, December. That’s when we did the budgets for each budget cycle. So we were laying low. We were doing structural stuff. We were doing meetings internally with the departments, just the people who did health care. Not anyone else, because no one wanted to talk to us and it would have been counterproductive.

Lambrew: Waivers, we did Medicaid waivers.

Jennings: Yes, we did things administratively, what we could do. As Jeanne mentioned, Tennessee, Florida.


Jennings: We did waivers.

Lambrew: Which are big state reform efforts.

Riley: Right.

Jennings: Those took a lot of time. There are a lot of things you don’t see outside the legislative policy process in the White House that take significant amounts of time, and those are a lot of administrative functions, overview of the department, health care, even nominations, confirmations, budget processes. It’s just all hidden from the public’s view, but it is very time consuming. Anyway, that’s what we did. We continued that through November, and then the end of November we started the budget process.

Gottschalk: Can we go back to this letter? This letter that you wrote, did you come up with the idea? Do you really have discussions with the President? You just said, “Here it is, would you sign this?”

Jennings: I think we talked about it briefly in one of the budget discussions in the Cabinet meeting room, I think it was late December we had that meeting. He said, “Go ahead and draft it.” I saw him that night and then I said, “I’ll bring it in after Christmas,” or something like that.
Gottschalk: Was your impression, it was in the press at least, that the President went into a funk after the ’94 election and was hard to connect with on a lot of issues? So it’s very surprising to see that he signed this letter in late December.

Jennings: Well, I don’t think the funk—the thing you have to understand about him is—

Lambrew: His funks are our good days, right?

Jennings: His funks spur him on to do things. It’s sort of like, “I’ve got to get out of the funk.” He does get in funks and he was not in good mood sometimes. He was impatient and he was frustrated by the lack of attention to the role of the Presidency. All that’s semi-well documented. But you know, you just can’t keep him down, it’s one of those things. He just goes back into the work.

I think it is semi-true that there was a sentiment in the White House that if anything got too good, we feared there was something bad that was preordained to occur. So we never got too “heady” or too depressed. We just kind of kept on moving and that’s really what he wanted us to do. The other thing I need to describe to you is from a White House staff perspective, there wasn’t a lot of introspection, or “what’s going on?” There might have been at the political level, but there’s always so much work to do. You are almost protected by that. You’re working all the time. There’s always some other issue coming up. It really didn’t affect us and I don’t think it really affected him. It may have affected the political Svengalis but it didn’t hurt us or help us or anything. He is like that too. He gets refocused and he moves on.

Riley: Do you recall consultations that you had with the legislative affairs staff after the turnover about how in the world are we going to deal with this new environment?

Jennings: Well, yes. Those were just because I was close to those people. Again, early on, I wouldn’t have dared to say, “I have a new idea for how we can do a big health care agenda.” It was more defensive, like, “What are we going to do so we can show we’re still interested and that we can move the agenda step by step, but it doesn’t undermine or hurt the President in any way?” I think that was the year we had health care keep a low profile in the budget.

Lambrew: We didn’t have much in that budget.

Jennings: We didn’t have much in that budget. Then what happened was the Republicans started their whole agenda with the Speaker. But yes, the legislative affairs people asked, “How are we going to do our agenda, what agenda items can we pick, how will we define ourselves versus the Congress?” I think initially they thought it was going to be very defensive. It was going to be, “How do we push back, how do we stop bad things, what are they going to do, how are they going to follow up on their Contract?” We did a pretty status quo budget because we wanted the controversy to be more about them than anything we did. So that’s how that started. That began ’95 and that instigated a whole new chapter in the health care fight.

Riley: Your working relationships at this time, do they alter significantly in terms of who you’re dealing with on a daily basis? I’m assuming you’re not seeing the First Lady as much as you did
before, since that effort is over and you’re having a much more conventional kind of White House policy making—

**Jennings:** The First Lady, early on, still stayed involved in health care policy development and the process. She wanted to be part of it. I remember in late ’94, a meeting with Bob Rubin, our whole group, Treasury and HHS, and we were all in a kind of funky mood. We had lost the Congress and a lot of the people were blaming the votes on the budget because they were tough votes that a lot of our Democrats took.

**Riley:** Jim Sasser was one of them.

**Jennings:** And the economy was not humming along then. I can remember, there were people in the room, including Mrs. Clinton, who were saying, “We did the tough medicine but where’s the benefit?” Bob Rubin said, “Stay the course, you’ve got to be patient. It takes longer than you hope, but it’s going to happen.” He was very calming and very confident, although almost all of us were not.

**Riley:** I guess that’s what happens when you have a million dollars.

**Lambrew:** No kidding.

**Jennings:** It’s more than millions, my friend.

**Riley:** Mark Twain once said, “He had the cool confidence of a Christian with four aces.”

**Jennings:** Yes. It’s always nice to be able to say, “I can leave and it doesn’t matter.” So we had those discussions and she was involved. I think over the next year or so, slowly, I think her daily or weekly involvement declined. It was as much a decision on her point not to be a touchstone for anything else; it wasn’t a signal of her lack of interest. She still wanted to know, she still wanted to be involved.

She explicitly wanted me to keep her appraised, but that was a separate channel. It was not the process and it was not any type of micromanagement at all. It was, “I care, don’t think I don’t care, keep me apprised, keep me advised.” Then I think it was restored a little bit, she had a lot of intrigue with the children’s health care stuff that happened, ’96, ’97, which we can talk about, but I don’t want to jump ahead too far.

**Riley:** We’ll keep plugging away. I thought maybe we’d work until a little bit after four, for about another hour. Let me know if you need a break at some point and we’ll do it, otherwise feel free. Questions then on this era? What’s the first big initiative? There are some important things that come down the pike but my memory isn’t very good about the sequencing on these things.

**Jennings:** I think the biggest issue really was not so much what we did in the beginning, it was a response to what they did. It was their huge and unprecedented attempt to restructure Medicare/Medicaid. Not just in terms of cuts and savings, but in terms of the financing structure
of the programs. Moving much more towards a block grant, capped funding, defined contribution, so to speak. Which, really, if you look through the history of the health care debate, it always comes down to that. It comes down to Republicans’ desire to move toward more of a defined contribution and Democrats’ desire generally to maintain some level of guarantees. They’re willing to impose risk on beneficiaries and we’re more willing to make it risk-oriented toward the government. I think that’s kind of the ongoing debate for decades.

In this context, they just decided if they were in it for a dime, they should go in for a dollar. They went big time. They went for $270 Medicare cuts, $182 Medicaid cuts—

Lambrew: Billion.

Jennings: Billion. Capping, having a mechanism that it would be enforceable on the Medicare side and having a block grant on the Medicaid side. It was very threatening to those programs and the people they serve. In a way, it served for many of us—for me, I’ll say—almost an opportunity to vent. They accused us of overreaching, but in many, many ways, they went the complete polar opposite direction and did the same thing—they went too far, too fast. The difference from our perspective was that the outcome of their policy would be devastating. It would have led to more uninsured, more uncovered people and more problems for low-income.

This really was the time where we got our wheels back on a little bit. It was when Leon and Erskine [Bowles], who was his deputy, and Harold who was his deputy, really organized the White House to respond to the Republican budget proposals. The four issues were Medicare, Medicaid—

Lambrew: Energy and environment.

Jennings: Energy and the environment. Sometimes they threw in technology, always had that guy. But at any rate, two of the four big issues were health care. They were attacking the programs that were serving some of the most vulnerable populations. So Jeanne Lambrew and others were called in to major efforts to document and highlight what the impact of these cuts and structural changes would be on people.

Lambrew: I wouldn’t call it the most rigorous, scientific research that I’ve ever done. [laughter]

Riley: It was a conscious effort, then, to put a number and a face on the cost of what—

Jennings: The impact of the Contract on America.

Lambrew: I was at Health and Human Services at the time and Judy Feder was still there. But it was basically a skeletal team because all the best and brightest who came for health reform had gone back to their jobs. Judy was going back to Georgetown in the summer of ’95 and I was still thinking about what I wanted to do. There was a small group of us who were doing analysis on both Medicaid and Medicare.
This work was done primarily with the Hill, because it wasn’t yet clear where the White House would be. The White House was gearing up, but it was I think the congressional Democrats who were left over after the 1994 election who were saying, “This is horrible, we’ve got to do something about it.” So we reconnected with the Hill at that point. [Richard] Gephardt’s people—Andrea King and Andy Scheider were working for Gephardt at that time, a lot of folks were really anxious about this. So the spring was a big preparation time for the details and the fights that were coming.

**Jennings:** The House Democrats in particular felt this was a great opportunity to define the Contract with America as a Contract on America. So they wanted it just to be all about criticizing, which we thought was important to highlight the problems and the policy shortcomings and the implications. We all agreed with that and it started fairly soon, March, April, May.

**Lambrew:** Summer as well.

**Riley:** Let me ask you about this because that really was an epochal moment in American politics, in terms of how the composition of the entire Washington community existed. People have spent a fair amount of time talking about the learning curve that the Republicans had in learning how to be a majority party again.

**Jennings:** Right.

**Riley:** On the Hill, which was your native community. I’ve always been of the opinion that the Democrats also had a learning curve to figure out how to be in the minority.

**Jennings:** Totally.

**Riley:** You agree with that. Was the effort to develop a successful Democratic opposition strategy primarily derived out of Capitol Hill, or are you telling me that a lot of that was in fact White House driven? I’m trying to figure out who is the moving force to say, “We have to do something.”

**Jennings:** I think the Hill felt it was a great opportunity and really wanted to push hard, most quickly. But it wasn’t an issue, there wasn’t any disagreement in the White House. Leon Panetta and George Stephanopoulos and others thought, absolutely, the Republicans were overreaching.

**Lambrew:** I can just say from my perspective, there were always doubts early on, at least amongst the people I was talking to on the Hill: Would Clinton be there on these issues?

**Jennings:** That was even the case even when we were attacking the Republicans’ policies.

**Lambrew:** Yes, that’s what I’m saying.

**Jennings:** I’ll get back to that. In terms of actual implementation, the critique, we moved in pretty quickly.
Lambrew: Actually, remember how much congressional Democrats blamed the administration for the election. I don’t know who it was who decided to really work with them developing information for the August recess, but that was a big breakthrough, when we finally were able to reach out and help them.

Jennings: Help define the Republican agenda. Yes, that helped, that did help. What I think, when you say the minority, they didn’t have anyone else other than the administration to serve as the roadblock. They were almost forced to work with us in a way. They never had any power levers. They didn’t have any resources, they had substantially diminished staff resources and limited ability to get the media’s attention. So they had to rely on the White House and the departments. In fact, in an interesting way, the Democrats became much closer to the White House when they were in the minority then when they were in the majority. Maybe not surprising when you think about it, but that clearly was the case.

Now as Jeanne suggests, Bill Clinton had a reputation as a pilot who rarely signaled where he was steering. That worked to his advantage in many ways, but there was initial doubt about his willingness to stand up to the Republicans. The first nervousness occurred early in 1995 because the Democrats felt the best strategy was just to pummel the Republicans for their policy, just kill them. The President, as I mentioned, hated not having his alternative. He was going along with the strategy, but he desperately wanted to have a vision of his own.

He was frustrated to the point where he didn’t believe his own White House. He thought the White House was serving the Hill more than him. Finally he got us in and he said, “I want my budget and I want it next week.” [banging on table]. We all came and worked 24 hours a day to get this policy together and the House Democrats just couldn’t believe it. They thought it was the craziest strategy. It validated that indeed the deficit was a problem. It validated the Medicare trust fund was going insolvent. It would inevitably lead to a compromise between whatever balanced budget the Administration came up with—which couldn’t be good because Clinton was going to cut some of our “favorite” programs.

They thought it was bad not just from a policy perspective, but absolutely wrong from a political strategy. As it turns out, they were wrong. One, because the President couldn’t be as effective as he was without feeling good about where he was positioned, just as a personal matter. And, as a policy/political perspective, a legitimate balance budget proposal strengthened our hand with the press, the public, and the Republicans. So he forced that policy out of us and we put a hundred and some billion dollars—

Lambrew: Fifty-four billion for Medicaid.

Jennings: Fifty-four?

Lambrew: Fifty-four billion in Medicaid.

Jennings: Medicaid, but how much on Medicare? Medicare was about $124 billion from ’96 to 2002.
Jennings: Anyway, he put some significant savings on the table. Far less than half of what they did, but still, some significant savings. But no block grant, no capped programs, no structural policy designs that would hurt the program over a long period of time, would shift all the risk to beneficiaries and enrollees. At first it was very poorly received on the Hill. But we combined it with the critique: there’s an alternative way to get to a balanced budget. Suddenly we had a message to get a balanced budget without hurting people. Suddenly it was a message that everyone could deal with and everyone could live with. That went on and on and on. All we did, frankly, was study after study.

Lambrew: Analysis after analysis.

Jennings: Talking point after talking point, event after event. In this context, by the way, I want to make this a very important point. Groups who were unwilling to come together and advocate for health security, health comprehensive coverage for everyone, because it wasn’t exactly what they wanted, were all too willing to spend time and resources assaulting the Republican plan. If it’s about fear, if it’s about a take away, groups will go the extra mile. But if it’s about a policy that may make things better, the groups are skeptical and hold back—hoping they can negotiate for more. That’s a very important message about politics and policy in Washington. Fear drives the debate, not hope or trust. If you have to sell trust and hope, you better have a good marketer and have a pretty good policy, and you better have some real message behind it, because it’s going to be a very hard sell, particularly in health care. Anyway, that’s my other little detour statement.

Bottom line is that the Hill worked with us and they used all the information. Jeanne’s work is still cited, everywhere I go.

Lambrew: HHS work.

Jennings: Okay, about the impact of the analyses. Wherever I went around the country, it became clear that the materials really seeped in over time. People started getting more and more aware.

Lambrew: The policy people were working hand-in-hand with the communications people at that point. I mean, there was heavy involvement by the communication people.

Jennings: Absolutely. So there was sort of a mini war room on the budget side too.

Lambrew: Yes.

Jennings: It was Erskine Bowles, Gene Sperling, in particular. Jeanne’s right, everyone was involved. It was like a venting. You went after us, we’re going after you, and we are going to do it without mercy because you are threatening our very programs that we fought for decades to maintain.
**Lambrew:** Yes, it was probably the venting. Two years previously we were talking about enacting legislation to bring the U.S. into the league of nations with universal health care. Then we were talking about sending it back by contracting existing programs. I mean, the health policy community, which we tapped into, was truly aghast at what kind of changes were being proposed. But it also reinvigorated it, because that community had fractured after the loss of health reform.

**Jennings:** It did bring it back together. Much quicker than it otherwise would.

**Lambrew:** Quicker and closer, because these people were now back in the same room.

**Jennings:** Yes, it really helped to consolidate the Democratic Party against something. If they can’t be for something, at least they can be against something.

**Lambrew:** The Democratic Party, but I’m saying the health community as well.

**Jennings:** The health community and broader coalitions as well. So anyway, that happened throughout the whole year. Even then, as Jeanne points out, towards the end of 1995, there was this huge nervousness on the Hill that the President would not draw a line. Being threatened of the closure of the federal government, he would back down and sign something. This was not just a fear on Capitol Hill. This was a fear within the administration and elsewhere. We weren’t certain. Remember, the President hadn’t vetoed anything yet. So people were wondering, “Well, is this guy going to stand up and say no, and wrong is wrong?”

People didn’t really know how strongly the President felt about how bad the things they were doing were. This all came to fore in a meeting that I did not sit in on, in the Cabinet room with Newt Gingrich and Dick Armey and Bob Dole and the Democratic leadership and the President in the end of ’95, I think it was. Right before it was going to close.

**Lambrew:** Which time, the second time? Because there were three closures.

**Riley:** November 14th there was a shut down, that was the first one, November 14th.

**Jennings:** I think it was after that, though.

**Lambrew:** I think it was later in the year.

**Riley:** The second was December 16th.

**Jennings:** Ninety-five.

**Lambrew:** Yes, because there was the first continuing resolution, they put the premium, the Medicare increase premium on that one.

**Jennings:** Right, right.
Lambrew: That’s all they put on the first one, and then the second one I can’t remember what happened, but it was later, you’re right.

Jennings: At this particular meeting, Dick Armey was complaining that some of the criticisms that he was reading about, that we were raising concerns about, were about federal nursing home standards and it really bugged him. He said, “I would never do anything to hurt my mother in a nursing home,” something like that. “That rhetoric is so untrue.” Yet, the Republicans were talking about eliminating federal standards and having states do quality standards. The reason we wanted federal standards is because states had a long history of problems and weren’t enforcing quality standards adequately, and that combined with cuts in the Medicaid program undermined confidence that seniors in nursing homes would be protected.

The President said to him, “I’ve run these Medicaid programs. I know what’s going to happen here. We will not have funding for these programs. There will be cutbacks, people will be threatened. It won’t be just people in nursing homes. It will be kids, it will be women,” and he went on and said, “I want you to know something. I will do a lot of things, but I will not sit here and sign this. I can lose my election over it, you can keep sending it to me, but I am never going to sign it. You will have to override me, but I’m drawing the line here.” He got very passionate about it.

He walked back in the Oval Office and Leon and Gene Sperling and the Vice President were there. Leon said something like, “I wish the whole country could see who you are and what you are.” Gene Sperling was almost in tears. He was so proud of him. We all were. The President was saying no to the Medicaid block grant, which we all thought would be fundamentally devastating to the program and the vulnerable people it serves.

Lambrew: Again, there was a fear—

Jennings: —that the President would risk so much on a program for the poor. We were just so happy to be associated with this guy. Al Gore said, “I wish people could see you like that.” The President said, “If I was at 10 percent approval rating, I’d still veto it.” Al Gore said, “You know, you’d probably do it if you were at zero.” And the President said, “Well, if it was zero I might not.” [laughter]

Anyway, it was one of those moments when people thought, He does have a strong moral compass, and he will draw a line. It made him a stronger President because people knew that there was a line. I can’t tell you how much that helped him with the Democrats on the Hill. It just meant to them that he will be there when he’s needed to be there.

Lambrew: And it carried trust, I would argue, for the rest of most of the second term.

Jennings: Yes.

Lambrew: The relationships that were created at that time, when it was the darkest hour, were incredibly important to everything he did subsequently on health care, at least.
Jennings: I don’t want to say that they trusted us every time. The truth is, Democrats distrusted us as much as Republicans hated us in many ways, but it was less so after that.

Lambrew: Significantly less so.

Jennings: Certainly on our issue areas.

Lambrew: Exactly. On health care. He could now keep it in our box.

Jennings: Yes.

Riley: This is one of the places, you mentioned earlier that there was a fear sometimes that the President would get into a room with people and would find himself persuaded to do something that he might not otherwise do. We get the same reports on the part of the congressional Republicans with respect to Gingrich, that he would do the same thing. There must have been a rather unusual rapport between those two.

Jennings: There was a rapport.

Riley: Tell me about that.

Jennings: In many ways they’re both policy junkies. They loved talking about policy, and they’re really smart. Gingrich in many ways had the same type of inquisitive mind and curiosity that Bill Clinton has. I think the difference is he didn’t understand how he came across publicly, where Bill Clinton has a very good sense of what he can say and what he can’t say publicly. The Republicans believed that Newt Gingrich was hypnotized by Bill Clinton. Now Democrats did not believe that. They were always afraid that when they got together bad things occurred.

That relationship, I think, it was something. But what happened with Newt Gingrich is he not only overreached from a policy perspective, but he did it publicly. He came across not only as being condescending and arrogant, but also kind of small. The whole plane incident and a lot of other things that seemed to suggest that he didn’t know that he was not the co-President. There was a lot of that, and that combined with the policies that he was promoting, ended up leaving him with a very negative reputation. I think the fate was sealed over that budget negotiating period.

I have to tell you, I think there was a genuine affinity. I have to tell you also, I’ve never really seen President Clinton dislike people. Even people we don’t want him to get along with, he gets along with. Unless he’s personally assaulted, and even then he tends to forgive more than most.

Gottschalk: He also had temper outbursts, right?

Jennings: Who, the President?

Gottschalk: The President. Did you have to manage those?
Jennings: Yes, he could get angry. He generally had spurts. It wasn’t sustained. Intense, but not prolonged. I guess I’d say that you had to talk him back down. You couldn’t just say, “You’re right, we messed up.” Well, if you messed up you did have to acknowledge you messed up. But if he was just not getting it, if he wasn’t focused on the reasons for it, and you talked it through with him, he generally would be talked back down. I tended to either push him back or I would acknowledge I was wrong, but either way it always seemed to work.

Gottschalk: Is that part of the temperament? One senses that he did sometimes beat up on staff, lose his temper.

Jennings: I’m a long-time believer that Presidents’ staff are there to take some of that. Publicly if they express a human quality that is bad, it can be portrayed, particularly in this age of media, in a way that can harm you forever. So I don’t have a problem with that unless it’s totally abusive or whatever. But I think that’s a role of staff.

Walcott: You have to beat up on people you trust.

Jennings: You have to feel comfortable to be able to be frustrated in that type of environment. They have to be able to let down their hair occasionally. It’s just unfair to be on stage all the time.

Lambrew: Especially in the kind of pressure cooker.

Jennings: I have such sympathy about that. I don’t really begrudge them at all that. I’ve been the recipient of it and I’m still alive.

Lambrew: It wasn’t personal, was it?

Jennings: No, I never really viewed it to be personal. It’s hard not to take things personally, but I don’t ever remember it being personal. There were other people who had that more than I did. George got personally hit up more than some. I don’t know if there are a lot of other people who had that exposure who don’t talk about it or are not worried about it. I don’t know of anyone in the White House who found lifelong scars.

Walcott: When President Clinton was not happy with something, did he ever freeze people out? Did he ever just not include people for a while to show them that they’ve screwed up?

Jennings: I think he definitely had times when there were people who were more favored in the administration than others, but I don’t think I would say that he would freeze them out. In other words, he would find times to spend more time alone with someone other than another person, but it wouldn’t affect the operation of the White House in terms of the structure or process.

Walcott: So you wouldn’t start getting not invited to meetings.

Jennings: Right, I’ve never known that.
Gottschalk: That was not his strategy to consciously promote competition between aides. FDR used to give the same project to several people and then have them compete on it.

Jennings: The President talked to several people about different issues and certainly, the best example of that internally was the whole Dick Morris process. That happened to coincide with this ’95, ’96 period too.

Riley: Tell us how you encountered this. How do you first find out that this is going on?

Gottschalk: You smile every time Dick Morris’s name comes up.

Jennings: Maybe so, he’s such an enigma. It’s hard to believe he’s actually even real. He has no feelings for people beyond their value as subjects or providers of data. I’ll tell you, he’s a fascinating person. You know how you can be transfixed by evil as well as good, just because it’s just so interesting? I think he’s a very smart man. He certainly believes he is. He does have a sense for polling and surveys and how they can be used to segment people into groups.

Gottschalk: It’s for a sense of history.

Jennings: There was an interview subsequent to the administration when he was selling his book. Some guy in the audience said, “You know, you seem to understand the public so well. Don’t take this wrong, but you’re really such an unappealing person who doesn’t reflect anything that I value at all. How do you reconcile these two things?” And he was offended, “I don’t know what you’re talking about. There are people in the Clinton administration who are much worse than I am. Look at all the divorced people in the administration.” It was as if his trysts with prostitutes and his almost taking down a President was a minor sideshow.

Dick Morris came on the scene quickly. I didn’t know he had been in the White House for months, but he had been, quietly behind the scenes. Then he had his own office run by a couple of other people in OEOB. Not in the West Wing, but OEOB. He would try to track down people who could give him ideas and information to make his case. It was an awkward time because we didn’t know how we were supposed to respond to him. I got entreaties and inquiries from him—

Riley: He just showed up on your doorstep one day.

Jennings: He would, or he would call, “Will you come down?” or whatever.

Riley: Did he just say, “I’m Dick Morris”? Did he tell you he had a portfolio to be doing something for the President?

Jennings: I think it was sort of known or assumed. By the time he tracked me down, it was clear—

Riley: It wasn’t a total surprise.
Jennings: No, no. He would do that several times. I think sometimes I would say to Leon or someone, “Should I be responsive?” They said, “Just give him factual information.” They didn’t feel empowered to say no. They didn’t like it. It put us in a very awkward situation, I felt.

Walcott: Was Panetta trying to at least keep track of what was going on in Morris’s world?

Jennings: A little bit, although there was a perception that it was impossible to do that. It’s not like he asked for a full report if something happened. It was an expectation, if something was a real issue, that we would say something. It wasn’t an order by any means.

I just remember, just different times with him, where we’d give him information and he would cherry-pick what information that he thought fit his message of the day, and he would ignore the rest that didn’t. I remember there was a speech and he said, “I want to say that home care is the cheaper alternative and will save the government lots of money.” And I said, “Well, you can’t do that because no one will validate that. If you give everyone home care, actuaries will project a “woodwork effect,” and all the cost estimates show that it’s tens of billions of dollars.” He said, “But the public believes it will save money, I’ve surveyed it. Therefore, that’s the way it’s going to be.”

And I said, “No, you’re not. The President isn’t going to say something we can’t back up with validated numbers.” We got into a fight over whether it was going to be in a speech. I just stayed by the computer with the manuscript, and would not leave until I was certain that it wouldn’t get in the President’s remarks. And yes, the President would like to say that, and yes the public may believe it and all the rest, but that can’t happen. We exist to make sure the President doesn’t say things that are without foundation. Now sometimes we don’t succeed, but we did a pretty good job. Our record on his statements of accuracy is tremendous, when you think about all the different statements and opinions he said on health care over eight years, the lack of inaccuracies is extraordinary.

Walcott: It was in the Morris era, though, when criticism really began to surface that politics drives the Clinton White House, that all they do is read polls and come up with the policy of the month.

Jennings: Yes.

Walcott: I gather you think that that was wildly exaggerated.

Jennings: It’s like everything, there are partial truths in it. I think the President did care about polling and surveys and he did support things as a consequence. But yes, I think it’s wildly overstated. If no one understood what a Medicaid block grant was and would be happy if there were some cutbacks in a welfare-oriented program called Medicaid, and it polled pretty well, I think he would still veto it. He wouldn’t have gone to Haiti if it was polled. There are a lot of other examples of things that he wouldn’t have done. So I believe that polls are like a lot of other things, they educate and inform but they aren’t and shouldn’t be dispositive on anything. What I resent is the [George W.] Bush White House suggesting that they never look at polls and
surveys, which is a bunch of baloney, it’s just not true. Karl Rove, that’s all he does. The press liked to say that that was the only thing we did.

I will also say that in all of our policy development processes in the White House, in every single one of them, there was never a time that a decision about a policy on health care was done or not done because it polled well or didn’t poll well. No one ever called me up and said, “Hey, we just got this polling back and it says that your policy sucks, so change it.” That never happened. So my own personal experience with that is that while it might have guided general directions, it didn’t affect us in an excessively negative or inappropriate way.

Gottschalk: There are reports that it was demoralizing for people to have Clinton connecting with Dick Morris.

Jennings: Oh yes, because it was a process outside of a process. It was, in effect, from a White House staff perspective, a rejection of the White House staff. That can’t be denied and in some ways it was more open in the White House—I’m not sure it was that public—but it was more open in the White House than, say, Roosevelt asking for separate policy options. People knew this guy; he was there. They knew the President was talking to the guy and they saw an impact. They didn’t know exactly how much one impacted the other, but they knew it was quite real.

Lambrew: This is also all ’96, right? This is all during the election?

Jennings: Ninety-five, ’96. Yes, up until the convention.

Lambrew: That I remember.

Gottschalk: Did anyone directly bring this up to the President? It seemed like Morris just kind of came on the scene and then insinuated himself there. It’s almost like this person is here, but we don’t talk about it. Did people talk with the President about what should we do with him, or where are we going heading into the election?

Jennings: There was lots of talk in the staff about him and jokes about it, but I think it would have been a Leon, Harold, or Erskine conversation—there was no one under them who felt it was appropriate to say one way or the other. The President gets to choose who his counsel is.

Lambrew: The reason I was asking about ’96 is that as you get into ’96 and the election begins to take over, the policy making functions began to decrease, although of course you remained busy.

Jennings: There were a lot of things happening in ’95 to set the stage for a busy 1996.

Gottschalk: There were a lot of reports in the press that basically Clinton was very focused on fundraising, that policy was much less important. That was the big thing that Morris brought, to raise the money early and to start the early advance with the advertising—
**Jennings:** Yes, that was his big push. He thought it was really important to highlight accomplishments and advertise early. The economy was starting to improve and he raised money to play up positive developments in key states. But yes, the President is not a political neophyte. He realized he had to raise money and get his message out in 1995. A lot of people looking back at that think that that isn’t necessarily a bad political move on his part.

**Gottschalk:** It wasn’t a distraction for him? Because when you read his schedule, how much time he was actually spending campaigning, it was a lot of time.

**Jennings:** It was a lot of time. Our agenda was to frame and define the Contract, so that was sort of easy to do.

**Lambrew:** A lot of work was involved in it.

**Jennings:** It was a lot of work. But I mean, we didn’t need micro-management or an excessive amount of his time.

**Riley:** When you say “our,” you mean only in your shop, or pretty much the entire White House staff?

**Jennings:** We were particularly relevant because—

**Lambrew:** We were particularly effective.

**Riley:** The two M’s.

**Jennings:** Medicare and Medicaid were so big. You remember the $270 billion in Medicare and the block grant in Medicaid. It was an overreach by the Republicans and, combined with flawed policy on the environment and education, it made them easy to define as out of touch. We were overwhelmed with work highlighting the implications of their policies.

**Riley:** You said that the President’s not a political neophyte. Did you ever quite understand what he saw in Morris? What was it that Morris provided him that a President of the United States couldn’t get other places?

**Jennings:** I think the President felt that he was getting too much direction that was framed by the House Democrat leadership, and that he was the President of all the people, not just the Democrats. Morris worked for [Trent] Lott, worked for conservatives, understood them, had a sense of their values, and a good feel for middle ground areas that could be sought without fundamentally altering Democratic principles—of course, with Dick, many questioned if he had any principles other than self-aggrandizement.

Of course, the big issue that was at the heart of the debate during the ’95, ’96 period was welfare reform. At least it was the case after the budget stalemated. To his credit, Dick Morris was a big advocate of the President having his own balanced budget and the President did agree with that. I would be surprised if George Stephanopoulos, for example, counseled for an alternative budget. I
think George, during this time, felt a little bit pushed out of the inner circle scene and Dick Morris a little bit more into the scene.

Actually, interestingly, over time, George found a way to work with Dick Morris. The way to do that was to play the filtering role for the President, that is, don’t kill every idea, because not every idea is stupid. George became somewhat more important again because he could separate the wheat from the chafe, so to speak.

**Gottschalk:** Can you say what some of those were?

**Jennings:** Oh, I don’t know. You can ask some of these other people. One person thought that he wanted to do big things, like a manned mission to Mars. There were just some things, at a time when we had big deficits or something, it just didn’t seem to be reconcilable to everything else.

**Walcott:** But the process by which Morris was advising Clinton allowed other people to get in the way, other people to find out about it and filter it.

**Jennings:** You mean because they knew that he was there?

**Walcott:** In some way, I’m thinking of a dark counterpart, Chuck Colson during the [Richard] Nixon administration, who in some ways played Nixon the way Morris played Clinton. Part of the problem they had there was that Colson and Nixon would hatch stuff that nobody who would have been able to filter it ever found out about, until it was too late.

**Gottschalk:** Karl Rove, too.

**Walcott:** Right, that may be what’s going on. So something like that wasn’t happening in the Clinton administration, it was a little opener somehow.

**Jennings:** Because the truth was, as much influence as Dick Morris had or didn’t have, he couldn’t be the ultimate implementer. The White House staff still had to do it; we had to execute it. He couldn’t do the press release, he couldn’t do the policy, he didn’t have the apparatus. And I’ll say one thing about the President, because I think it is important, the President didn’t have a blind allegiance to whatever Dick Morris said. He was curious and he was interested in what Dick had to suggest. Dick was always so positive he was right; he had an overwhelming amount of confidence—many would say arrogance—but he demanded and captured the attention of many, including, of course, the President. But the President generally knew there was a fine line between brilliance and insanity.

Some people would argue that net-net, it might have been an overall right decision to bring in Dick at the time. The only thing I’m remembering, in ’96 at the convention, when we found out about Dick, it was so awful, because we were in Chicago for the convention and everything seemed to be going so well. It was a beautiful time and it was all set up to be perfect; even then, we felt the President was going to be re-elected easily. And Dick Morris was doing whatever he was doing with a prostitute. But that same week was when all these magazine articles ran about, “Who is this Dick Morris?” He had got a lot of play. But the day that the news came out, CNN...
was running “Who is this Dick Morris?” stories, and they’re running him walking down the OEOB stairs to the West Wing with me walking right by him. [laughter]

**Lambrew:** They ran that for two weeks. Poor Chris.

**Jennings:** My mother and father would call.

**Lambrew:** And of course, Chris is about a foot taller, so it looks like Chris is deferring to Dick Morris as he’s walking down the stairs.

**Jennings:** It was just awful. But he is an intriguing person.

**Riley:** Clinton had a screen of his own, then, that allowed him to filter out some of the craziness.

**Jennings:** I think he did. He had his own and he also had other people.

**Riley:** Hillary did not care for Morris?

**Jennings:** Well, Hillary was supportive of bringing Dick Morris in.

**Riley:** Is that right?

**Jennings:** As far as I know she was, because this wasn’t the first time Dick Morris was utilized by the President. It also happened when he was Governor. So I don’t think she was opposed. I think there’s a perception that she hates him, and she might. But most people who get to know him for any length or period of time find him strongly intriguing—if also somewhat lacking in social skills or certain basic values.

**Riley:** We’ll have to bring him in and subject him to one of these.

**Jennings:** Yes, he’ll be happy to talk to you.

**Riley:** We’ve just a couple of more minutes, and Marie, because you’re not going to be here tomorrow, I wonder if there’s anything out of the second term that you wanted to inquire about. I know there’s a lot of policy stuff that we have yet to cover. You’re not going to be around, so now might be the time.

**Gottschalk:** I have a couple of questions. It’s still amazing to me that the CHIP [Children’s Health Insurance Program] got through. I’m wondering how much of it was the massaging and politicking and how much of it was the actual program and how much of it was the other benefits that the Republicans got, like they got their Roth IRA’s [Individual Retirement Accounts] in sort of that cross deal that was made.

**Lambrew:** It starts at the convention, right?
**Jennings:** The President was very much intrigued by doing the children’s health coverage. It was something he really wanted to do in ’96, and then ’96-’97 for the budget proposal we had a small piece for children. We kept on playing up the language of children’s health care, children’s health care, children’s health care. In fact even in that 1994 letter, we promoted children’s health care. This was something that was a longstanding interest of his and the First Lady’s and Donna Shalala too. I think that in the overall scheme of things, two really good things happened here.

We had a very good negotiating team in the balanced budget process. We had John Hilley, Erskine Bowles, Frank Raines, and we had Gene Sperling. Personally, I was very close with Gene and John and we worked very closely together in this whole process. There came to be a feeling in this process that there had to be some real victories. Not partial victories, but major wins beyond just balancing the budget. It became clear that that issue, children’s coverage, was more visible and more desirable, not just to the President, but also to a lot of people on Capitol Hill. So it helped us develop support of Democrats for a deficit reduction package by saying, “Yes, there’s some Medicare savings, but there’s a big unprecedented investment for health care.”

The thing that I’m most proud about is there was an outcome that enabled us in the budget negotiations, not only to obtain a significant investment—$48 billion over ten years—but a process, although short in duration, where we could get the policy people who knew something in the room drafting it. Jeanne Lambrew and Gary Claxton and some other folks, who I think produced a remarkably thoughtful document, within the constraints that we could. It was not a Medicaid expansion. It was a mandatory grant program, but it was a meaningful benefit and it was something that, if constructed right, could ensure a good benefit for kids that would be likely taken up by many states.

We spent some capital on getting that, and yes, there was some of the tax policy stuff that they wanted. I think it was—

**Gottschalk:** The capital gains.

**Jennings:** It was capital gains.

**Gottschalk:** The Roth IRA.

**Jennings:** Yes, the Roth IRA, but the capital gains was the big thing.

**Gottschalk:** Yes, that’s the real dollars.

**Jennings:** We got to a point where we had John Hilley and Erskine Bowles refusing to walk out the door unless we got the full funding for it. I think the secret thing, though, was the policy drafting that happened afterwards that made the policy pretty good and stand up to time. The last thing I’ll say about CHIP is that remarkably, all 50 states voluntarily chose to take it up, which was very exciting in many ways, in a very short period of time, within two years.

**Lambrew:** Yes. Texas was the last.
Jennings: Texas was last. What I think is equally important to the CHIP story—because I know you’re not going to be here—is not just the passage but it was the implementation. The amount of work that was done in the White House and with the departments—

Lambrew: The President, First Lady on down. It was an incredible effort.

Jennings: It was huge, huge. They wanted coverage immediately.

Lambrew: Instantaneously.

Jennings: They wanted five million kids tomorrow. There was enormous pressure on us to make this a successful program. If you do any work on this subsequently, you should talk to Jeanne about it, because in terms of implementation she did more than anyone in the whole administration. It was a remarkable story, toll free numbers, outreach programs, school-based enrollment, etc.

Lambrew: Martha Stewart, remember?

Riley: What was that story?

Lambrew: We did a whole event on public-private partnerships, so we got K-Mart and Martha Stewart to come in. They were advertising the program on their banners that run at K-Mart. We also got—what is network that does Law and Order, NBC, Law and Order people were doing public service announcements. We got Safeway to put the toll-free number on the bags, ambulances placing it on the back of their ambulances. I’ll keep the story short. We were able to tap into an incredible interest, nationwide, in the private sector to help us get this program up and going. We can enumerate dozens and dozens of activities.

Jennings: And foundation work.

Lambrew: Foundation work, Robert Wood Johnson came in with its “Covering Kids” initiative to build on that 1-800 number that we developed. But we also had inter-agency support. The President sent an executive order to all the agencies throughout the government to say, “What can you do to find these kids?” These same kids are in food stamps, school lunch programs, programs for the homeless, and low-income housing. We had at the end, I think, 12 agencies who came up with 150 ideas on how to get this program up and going in their communities, and they were just superb efforts. HUD [Housing and Urban Development] did a great job, working with homeless kids, to try to figure out how they could identify them and get them into the system.

You pass a law, but to get an agency that is typically not a rapidly moving organization to implement it fast, we had weekly meetings at the White House to develop policy, to figure out what we needed to do to get it going. We had these different work groups going. We probably had three or four different presidential or First Lady events to get this going.
We wrote regulation, rapid regulations and directives to states on how to make it work.

**Jennings:** It’s an invisible part of running a White House and executive branch, but it takes a lot of work and time. A lot of the political people and communications people aren’t really interested in it because it’s kind of boring from their perspective. *What’s new? You already passed the law.* But it’s essential to make it successful, and the President and the First Lady were willing to do it, both of them spent a lot of time, energy, and resources undertaking this mission.

In fact, another untold secret about the President is in the face of congressional apathy, what the President did a lot of was not just public education stuff, but signed numerous executive actions. Not just in health care, but in many areas. Actions that have the force of law were taken—I think there’s some scholarship on this issue—but the use of executive orders and executive actions out of the White House is worthy of a whole exploration.

**Riley:** Were you involved in trying to devise mechanisms for him, or areas for him to take action with executive orders?

**Jennings:** Oh yes.

**Riley:** Was that part of your responsibility, to come up with these?

**Jennings:** Oh yes.

**Riley:** And this is coming from the President himself.

**Jennings:** Oh yes. He couldn’t do enough executive actions.

**Lambrew:** He couldn’t do enough, period. There was a question of could you come up with the ideas and the way to make them happen, especially without Congress, which, as a Republican Congress, didn’t really want to do so much for us, or with us.

**Riley:** So this essentially happens after ’95.

**Lambrew:** Mostly second term.

**Jennings:** Yes, I’d say a lot more second term executive actions. We did them, first, to get things done. The President hated nothing happening on the Hill and progress happened much too slowly for his tastes, so anything we could do to expedite his agenda through executive action was desirable. Second, the communications people loved it because it showed him being strong and acting and doing something. That was particularly important in ’98 because the press and the Congress were focusing on Monica [Lewinsky].

**Lambrew:** Ninety-eight, ’99.

**Jennings:** So we had to think about a lot of things. We had executive actions in Patients’ Bill of Rights and genetic discrimination and the children’s stuff, just countless other. Mental health...
parity. There are many agenda items that he took care of through federal agencies that made a real impact and still affect the policy debate right now.

**Gottschalk:** One other thing I did want to ask you about is what was going on with FDA [Food and Drug Administration]. There’s an argument that in the ’90s important legislation passed regarding FDA, but also implementation issues were important. In effect, the pharmaceutical industry and the supplement industry were basically deregulated.

**Jennings:** You want to talk about that, Jeanne?

**Lambrew:** PDUFA [Prescription Drug User Fee Act] was ’96, right?

**Jennings:** There’s PDUFA and there’s the modernization act. FDA was the target agency, one of the target agencies for the Contract with America. It was viewed as hostile, excessively regulatory, took too long to approve drugs, et cetera. When you really go back, you’ll find that it was part of the key agencies in the Vice President’s REGO efforts, re-inventing government. They fortunately or unfortunately had to go through the scrutiny of the Vice President first, because they were being assaulted.

[David] Kessler at the time actually thought it was in his interest to be semi-cooperative with the Vice President on that because he thought it could immunize him from much worse legislation on Capitol Hill. So we had a whole process, a very painful process, and the two agencies that I had to deal with on that were FDA and HCFA, because they were viewed as the hated agencies of health care. There were reforms that came out, actually, in many ways, the FDA Modernization Act was as much a codification of those changes as it was a huge new change. It was important to codify in the views of the industry because they didn’t trust the agency. Nonetheless, it wasn’t a big leap really from where they were.

With regard to supplements, I didn’t really have many dealings with it. Even in my days on the Hill, the only people who really cared a lot about those things were these vitamin advocates, who were always concerned that FDA over-regulated and hyper-regulated. There was always concern on the regulatory side of that. In ’95, ’96, ’97, it was hyper anti-FDA and everything that was done by the administration was done in conjunction with David Kessler to protect it from much worse regulatory openings. If you have a conversation with him, he’ll say he feels that those efforts actually protected the agency and its regulatory authorities much more so than it hindered it.

**Gottschalk:** It’s just that period where you begin to have the explosion of pharmaceutical advertising and things like that.

**Jennings:** Well, that’s true too.

**Gottschalk:** Because of the way legislation, but also the way that FDA implemented and understood some of the new rules.
Jennings: Yes, I agree with that, although I think some of that could have happened even in the absence of those rules. Part of this was an explicit marketing strategy by the pharmaceutical industry. Rather than increase their profits through inflating drug prices, they decided to develop a strategy of expanding market share, because they thought it was much less visible to the policy community. If you inflate drugs, people pay attention.

Lambrew: They notice prices.

Jennings: If you increase utilization, it’s not as visible, but you get the same benefit.

Gottschalk: But FDA could have stopped some of that marketing. I mean, FDA made decisions about how much you had to talk about side effects in commercials.

Jennings: True, I agree with that. I totally agree with that and I’m very skeptical of all this marketing. All I’m saying is that I think that the industry was going to find a way to do more advertising, more marketing, more detailing, et cetera.

Lambrew: The only thing I would add, as an observer rather than a participant in those issues, was at that time with limited time and capital, you were responding to perceived big problems as well as trying to act on things that there was an environment to act on. You could do just so much with a Republican Congress. I think that we’ve really only seen the focus on the problems in the advertising the last two years.

It was developing when we were there, but it wasn’t as much of a perceived problem as it became when we began doing our prescription drug legislation. Then we started noticing it and worrying about it. But by then, we were focusing all of our energy on how do we think about a prescription drug benefit and Medicare and balancing out the industry issues. We were making a lot of enemies on that front in terms of how do we structure a prescription drug policy.

Jennings: Yes, but it’s funny, it was viewed as a benefit to the industry, but not a sop to the industry. In other words it was viewed as we have to do what we have to do, but it will save the agency from doing other things.

I actually thought you were going to ask on FDA, because I think the other big issue of the Clinton administration, which I was involved with but not as much as you might anticipate, was the whole regulation of tobacco debate with Kessler. I point to that as another example of FDA’s attempt to stay pro-consumer, even in a very difficult environment. I would also cite that as a very unfortunate lost opportunity to do a lot more in health care.

Gottschalk: You mean, to regulate it as a drug?

Jennings: Not just to regulate it—

Lambrew: The settlement.
Jennings: The settlement and the lack of resources that went back into health care. Just a huge disappointment in many ways. And if you look at where those dollars have gone—

Gottschalk: Evaporated.

Jennings: It’s just amazing.

Riley: Well, we’ll pick up on this tomorrow. We’ve had a long day.

Gottschalk: Can I ask two final questions? One, you’ve only mentioned the Vice President about three times.

Riley: I’ve got a note down here for myself on that, but go ahead.

Gottschalk: Okay.

Jennings: Well, the Vice President’s role in health care—when Hillary was involved, he really said, “I’ve got to make a name for myself someplace else. It’s not going to be health care.” So whether desired or not, it ended up being REGO, re-inventing government. As I said, my involvement there was those two issues and I worked very closely with him. Subsequent to that, from ’96 on, I would say that he became increasingly interested in playing a more significant role.

We did a number of events on issues related to long-term care, cancer, clinical trials—

Lambrew: NIH [National Institutes of Health].

Jennings: NIH funding was a big issue for him. Even he did some events on kids’ coverage. He was another one who did some kids’ coverage. Then he did his family conference on health care too, a whole day. He had this annual conference that was involved with health care. Then, of course, it would be a mistake not to mention Tipper [Gore], because—

Lambrew: Correct.

Jennings: She was a great advocate of mental health parity, which was partially enacted in 1996 and extended by executive action through the FEHBP [Federal Employees Health Benefits Plan]. She also had a huge hand in the first mental health conference, the White House Conference on Mental Health, and the Surgeon General’s report. So we spent a lot of time with her as well. I would say the Vice President’s involvement in the first term was REGO, the second term was all those other issues. He also helped certain states on disproportion share of payments. And organ transplant related issues—back into ’84 and beyond he was very much involved in some of our education campaigns. Then he had a very strong, ongoing involvement with FDA. So I would say, if I haven’t mentioned him, it’s only because I was focusing on the chronology, but the second term he really got much more involved.

Riley: You had a second?
Gottschalk: I just have a broader question—Dick Morris’ memoirs, he talks about having this conversation with Clinton about where Clinton would be rated in history, and Clinton recognizes he wouldn’t be in the first tier or even second tier, where you really have the great events like depressions and wars and things like that. That he could maybe get into this third tier, this sense of history. I would just like to ask you, did you get a sense of Clinton’s sense of history and his place in history? A lot of people will argue Presidents are very conscious of that, where their moment is in political time and what they can do.

Jennings: I think he’s even more cognizant of that than most. It’s funny, if you had asked him going in what his big accomplishments would be from a historic perspective, I don’t think he would have assumed it would be deficit reduction and the environment, which I think are two hugely visible areas. Where people tend to undervalue his role in health care is they focus solely on ’93–’94 and nothing beyond, which I think historically is a huge mistake based on the substance of the achievements. We have a new Clinton administration accomplishments document to give to you; it really is an amazing list of impressive initiatives that improved health coverage and care.

Probably the most important achievement—and I say this frequently about him—is that he made health care a presidential issue. In his wake, no President really can ignore it any longer. He didn’t just talk about it, he developed policy around it. He passed, he enacted, and he implemented countless policies, and he set the agenda for the next President. I mean, what are we talking about as we sit here? The Patients’ Bill of Rights, we are in the middle of the Medicare drug benefit debate, and we are discussing how to contain costs and expand coverage. Those are the same issues that he was personally involved with, and offered specific policies to address.

It makes it much more difficult for this current President not to deal with the issue, where in the past I think Republican Presidents would generally say it’s a low priority issue.

Gottschalk: On the other side, he’s legitimized then a certain sense of what you can do as a President, to dismantle some of the various structures of health care too.

Jennings: It cuts both ways. What we had worked very hard for was to have Vice President Gore be President, and when he was, to have resources to invest in a lot of health care initiatives. It was so frustrating to play a role in making Medicare and Medicaid much more efficient programs, save lots of money that went to the surplus, and set up and environment to enable Gore to invest in health care, only to see President Bush come in and use those dollars for a tax cut. I can’t even begin to describe the disappointment that we all feel about that. We feel we did all the hard work, he got the surplus, and he got an easy tax cut.

Lambrew: And then goes about dismantling Medicare, Medicaid, and the Children’s Health Insurance Program, which will go away under his Medicaid reform proposal. He eliminates it.

Riley: Well, on that bright note, we’ll go ahead and close for this afternoon.
Riley: We’re a bit more intimate today than we were yesterday. We’ve had a break and have lost an interviewer, so Chuck and I will continue. The first thing I thought I would do is to ask the two of you, it’s not uncommon for people having slept on a day’s session to mull over things that were discussed before and have things pop in their head that they wish they had said. So I’ll start by seeing if there’s anything that came up. Maybe you’re preoccupied with your consulting or—

Jennings: I did want to say one thing: in the aftermath of the Health Security Act, and some during it, there were always those who suggested that had there been an attempt to work out that middle-ground deal, something could have happened. And if it happened early enough, it would have been signed into law. For the record, if there was a deal, no one would have been happier than someone like me. I am what I would consider a radical incrementalist. If something can get done, one should get it done.

Having thought it through as I have over the years, I am not at all convinced that the politics or the environment would have supported such a deal. In fact, as I stated yesterday, I don’t believe that there would have been Democratic support for the President to move to a more “centrist” position before it was clear it was necessary and before the relatively few number of Republicans who originally wanted a compromise altered their position or became so small in number that it didn’t matter any way. In other words, I think it is far from a certainty that a grand deal was possible. It doesn’t change anything that I said, I just want to say that I would have been very happy if we did it and it worked, but I just don’t think it would have.

Riley: That’s interesting. There is somewhere in the briefing book a post-mortem that was done in the New York Times, a series of interviews that they had done with maybe ten or 15 people. They’d asked them basically this question. I think the remarkable thing about that is the number of people who said, “Yes, something could have gotten done.” But when you piece together what it is that each individual says could have gotten done, it was the polar opposite, so there’s no consensus among the group about what might have arrived at the middle ground.

Lambrew: Right.

Jennings: I’m just not at all confident. There may be a time when a “center-out” approach could work, it just wasn’t going to be ’93, ’94. I underscore this because I think it’s also important from a historical perspective to avoid any conclusion that a broader reform can’t be done. I don’t believe that is a fair reading. I think that all of that has more to do with the environment around the opportunity, the implementers of the strategy to enact reform, and political leadership from all sides of the spectrum.

I also think the lesson is that there has to be a broad vision and it has to be sustainable over a period of time. More members of Congress have to be invested in the policy goal, rather than
marketing and defending an excessively detailed policy document from the beginning. I fear that some people tend to conclude that the lesson of the Health Security Act is you can’t do a comprehensive care bill, you can’t do universal coverage in this country. I just don’t think that that lesson is clear.

Having said that, I also believe that sometimes you have to look toward the states to do more things on their own, to get other states who haven’t done it, to say, “Why can’t we do this?” The history of Social Security and Medicare and pensions and a lot of other national policies has been rooted in state-based policies that eventually go national. So a state-based movement first might be the ultimate way that you get to universal coverage. Similar to what happened in Canada, which was province by province, until it developed into the Canadian system.

I claim no great wisdom about this country or where it’s going, nor do I have the exact formula for coverage—in fact, I am skeptical of those who think they do. But I just don’t want the wrong lessons to be learned from the experience of the Health Security Act. I think there are lessons to be learned, but I don’t want it to be that you can’t do universal coverage.

Riley: Jeanne, did you have anything you want to add to that, anything that you thought of overnight that you wished that you had said?

Lambrew: It was mostly about the years prior to my heavy involvement.

Riley: Okay. Well, we have three hours roughly ahead of us to talk about the other involvement. There were a couple of things that were said at dinner last night that I thought I would come back to, as is my prerogative.

Jennings: You paid for dinner.

Walcott: You can always say it was off the record—

Riley: Yes, if you don’t want to. One was a series of comments that you made, Chris, about the importance of having your own analytic staff in the White House. You were talking about how valuable Jeanne had been to you in this regard. I thought it was important, not just because it was a compliment to one of our guests, but it was also important—

Jennings: To understand why that’s important.

Riley: Exactly, exactly. So can you tell us a little bit about what you were saying?

Jennings: Yes. I want to make sure whatever I do is right, done well and quickly. I have patience for process, but I don’t have patience for a process that leads to lost opportunities.

Riley: And we understand that the President also had little patience.

Jennings: The President had a lot of interest in doing a lot of different things, so there was a lot of pressure on the White House staff to deliver. It was my experience, and I think it’s the
experience of all White House people who are overworked and understaffed, that you have to rely on the agencies, in a significant way, to do the analytical work. For the most part that’s very good; they’re great people, great staff. I think I developed and forged wonderful working relationships with both career and political staffs of all the agencies that I was responsible for coordinating and working with. I still hear from career people today about how much they valued that, how much they valued being integrated.

Having said that, if you go to that process blind, if you don’t have analytical information, if you don’t have a sense of what the parameters are or what buttons you need to push, or the time process that’s a reasonable request, or just a second person to work through the analytical models to see if your gut is right or wrong, I think you’re less effective in the White House. Also, on those occasions, which are frequent in the White House, where you need to have something now and you don’t have time to ask OMB or HHS to pull together something, you need another reliable source. For example, when the President says, or someone from the West Wing says, “I want to have something in an hour.” That usually isn’t something that the agencies can produce.

So when did I actually formally get you in, Jeanne?

Lambrew: January ’97.

Jennings: After ’96, which was a very busy year health-wise and we’ll talk a little bit about that—insurance reform, privacy protections, and mental health parity, as well as a number of different things that set the Patients’ Bill of Rights foundation, and the President’s convention—I concluded that for me to be effective I needed to have someone officially there.

Lambrew: You need to be very clear about where I was.

Jennings: Jeanne was at Georgetown at that time, yes?

Lambrew: Yes.

Jennings: It’s not as though I didn’t access policy experts outside of my world before 1997. I would talk to Jeanne and others quite a bit. But to be effective, when they asked me to stay on after the election in a new capacity, I said I would but only if I had some additional staffing and particularly analytical capabilities. And also in fairness to her, to have a life that was not split between two demanding jobs, so to be specific, to be within the White House where I needed her and she could be most effective.

Lambrew: You also got a job title change that helped too.

Jennings: I got a promotion, although everyone thought it was a demotion, because in the White House you go from Special Assistant to Deputy Assistant, people said, “Oh, what did you do?” I remember, Senator Pryor always said to me, “Why did you become Deputy? Special sounded pretty good.” In the world of White House, it’s Special, Deputy, Assistant, that’s how it works.
Lambrew: But I did not work for you, literally. That’s what we need to make sure is on the record. I worked for Gene Sperling at the National Economic Council as the NEC version of a health analyst, because Chris was the DPC person who did health analysis. Gene Sperling would make sure that it was known at every single meeting that I worked for him, not for Chris or Bruce Reed, in a friendly sort of way.

Jennings: In effect, she had to work all throughout for me and with me and all the rest. That was a negotiation with Jeanne, but the truth was, the construction of my role was officially and unofficially a DPC/NEC joint role. One of the challenges of DPC/NEC at the White House, when you had an NEC, was that there were overlapping issues. How do you divide health care between domestic policy and National Economic Council? There are huge policy issues, huge financing issues, and you can’t disaggregate those issues.

The advantage we had in the latter years is that Bruce and Gene—and the entire West Wing—were really very good about empowering me to be responsible for health care. They trusted me to carry out the agenda of the President with obviously close consultation with them throughout the process.

Jeanne: If I could just add one other thing that may be unique about this White House, or maybe not, is that there was a huge reliance on numbers. There always had to be quantification of our different policy effects. We particularly felt this in health care, not only because of that demand, but because we dealt with financing issues, and in health care the numbers are in the billions, not the millions, so that there always seemed to be much larger disproportionate effects of health care policies versus welfare, education, et cetera.

Young: The numbers person in other administrations where the numbers have really driven the policy, in the first Bush administration, it was the OMB director, as you well know.

Lambrew: Yes.

Jennings: Yes.

Young: Dick Darman, who was the custodian and the brain of the numbers.

Jennings: And David Stockman.

Young: David Stockman also.

Lambrew: And there was tension having White House core staff working with numbers versus OMB. We tried to balance it out and use OMB tables, use their numbers wherever possible to minimize that tension because they felt like they were—not felt like, they were—the official scorekeepers.

Young: You also had CBO that you were referring to yesterday as a significant numbers producer.
Lambrew: Correct.

Jennings: Right. Actually, just for the record, our OMB was actually more accurate than CBO in virtually all the projections. Not just in health care but in projections of deficits, surpluses, growth rates, economic growth, et cetera. We were still conservative, but always more accurate.

So when the President said in the early ’93, ’94 cycles, “I’ll use CBO numbers,” he did that because of the perceived “funny numbers” produced by the previous Administration. When President Clinton said that, though, our OMB didn’t appreciate that. Our OMB ended up proving to be right more often than not. Jeanne subsequently went to OMB, to the OMB health PAD position, so she became even more sensitive to the OMB issue, clearly. OMB was the official scorekeeper.

Lambrew: Correct.

Jennings: I guess the way I would describe our periodic concern with OMB related far less to their numbers than the presentation of the material. Where I think that NEC/DPC is more helpful to the process is they have a little better sense of how the President, from a policy, political perspective, wants to see those options presented, rather than have a whole range of tables. Usually OMB produces many different numbers that are very complicated to follow and really don’t give the heart of the tough decision, the policy decision that needs to be made.

I think the useful part of NEC/DPC process was it served as a filter. Not as a replacement for, but a supplement to OMB’s work. I think it ended up in our administration actually being a net positive, although as Jeanne says, there were tensions. There was never a time where I perceived they felt shut out of the process. They were resentful of the process occasionally, but it wasn’t that they weren’t integrated. Certainly, they were always part of the team.

Lambrew: And I would argue that this is in part because Nancy-Ann Min who was there at the time, who was OMB PAD, was very much a part of the team. She didn’t really feel that tension. I think it was mostly the career staff who viewed me as a substitute career person. I would just supplement their work, but in addition to interpreting the information and presenting it in a way that made sense—because, as we talked about yesterday, there aren’t always memos. It’s often just whatever is the one table that gets in front of the policy officials to make the decisions. The thought process behind this type of information was important. But it’s also knowing what to ask. That was one of the big challenges I found: how do you, within a limited time period, figure out what are the key questions and what are the key policy parameters? That’s where I spent a lot of my time as well.

Riley: Chris, were there any other people who were in similar situations to you with respect to other issue areas who were kind of bridges between NEC and DPC, or were you pretty much it?

Lambrew: Jason’s the only person. He wasn’t an NEC/DPC thing, he did numbers.

Riley: And that’s Jason . . . ?
Lambrew: Furman, Jason Furman.

Jennings: In the very end of the Clinton administration there was someone who played that role, I would say from a budgetary, overall budgetary tax policy perspective.

Lambrew: Correct.

Jennings: But I guess I would say he was the NEC person but he didn’t really have much to do with DPC.

Lambrew: No.

Jennings: So my role was pretty unique. I had an advantage, I had built up a longstanding relationship with the President and the First Lady and the West Wing hierarchy, so there was a trust that had been built over time. Secondly, as Jeanne mentioned, there almost by definition had to be overlap between the health care financing side and the policy side.

I want to underscore something Jeanne said. In the early years—again, this is post-Health Security Act, ’95, ’96, ’97—I recognized the importance of having a good relationship with OMB. Nancy-Ann and I worked very closely together and I spent a lot of time with her to make certain that I wasn’t doing something she didn’t know about or was uncomfortable with. I think she felt it was a good team. She thought I had a good sense of the President and the political side of the White House operation and she had a fairly good handle on how the numbers process was working. She wasn’t at all threatened by Jeanne. It was more, I would agree, the career staff at OMB who felt, We’re the ones who do the numbers. I have to say, though, there was never a time where I wouldn’t have picked Jeanne’s analysis over those of OMB. Which is not to say I didn’t respect their work, it’s just that if I had to go someplace quick, and I had to be certain of the numbers, I was going to go with Jeanne.

Riley: Chuck, have you got some questions about this, because this is your area.

Walcott: Well, it’s an interesting area and what I’m particularly interested in is how it was confined to health, because you can pick any other policy area and make the same claims. It has budgetary ramifications and policy ramifications. It seems like such an obvious good idea, once you create NEC, to have this kind of bridge. Why were you so unusual?

Jennings: First of all, there were tensions between DPC and NEC as well. You start with that. NEC was our creation; it was run by generally more aggressive people. The most important reason behind NEC’s involvement, though, was that health takes up so much of the budget.

Jeanne: Medicare and Medicaid dwarf budget numbers.

Jennings: Dwarf welfare, dwarf education, dwarf environmental and energy policy, and dwarf crime policy programs. These programs tend to be financed through discretionary—not mandatory—budget lines. The only other similar policy area is Social Security—another
mandatory program—and there NEC really took the whole thing over. I don’t even think there was ever much of a DPC role in that arena.

**Lambrew:** No, although I think of Social Security as an easier issue, because there’s one agency, there’s Social Security Administration. The person who was running SSA during the second term was Ken Apfel, who used to be at OMB, so the natural relationships were already formed.

**Walcott:** As you say, there’s going to be, health aside, a natural tension between people on the economic side and the people who are doing domestic policy. Clinton administration put NEC in there and created that tension.

**Lambrew:** Correct.

**Jennings:** Right.

**Walcott:** In some way or other you would expect mechanisms to arise to deal with that tension. In the realm of health policy, you were that. What was done in other policy areas to work between the two bodies?

**Jennings:** Well, in the second term—

**Lambrew:** It has to be education, right?

**Jennings:** And welfare a little bit. I guess the first thing is this. Between DPC and NEC there were sort of joint agreements as to who was the lead. The agreement was that Bruce Reed, or DPC, would be lead on welfare, crime. That education would be shared, that health care would be split, and that budget and tax issues were very much oriented to NEC. Then anything in the world that was social-value oriented—things like the film industry or school uniforms or separation of church and state—and in health care, like privacy or stem cell research or genetic discrimination—would be DPC jurisdiction. So, there were divisions of interest, budget, and history.

**Lambrew:** And personality.

**Jennings:** DPC, NEC personality divisions.

**Lambrew:** Staffing had something—

**Jennings:** Staffing strengths. Those who had the most credibility on a policy issue generally got the lead. But I would say it was a fairly collegial White House, a White House in which people generally seemed to work well together. There were jealousies and envies, of course, but for the most part respect for turf. We worked through any tensions and I think fairly productively. You didn’t see a lot of public infighting in the White House. Where there was infighting in this administration tended to be more in the early years than the latter years, and definitely more between the White House and the departments.
Walcott: Was the process by which the tensions were worked through more a matter of individuals just working it out between them, or were there structured events in which you came together and hatched it all out?

Jennings: Well, there were two things. There definitely were the personal, “We’ll work things out,” but the second was, there was very much of a process orientation in NEC/DPC, which I don’t get the sense is there right now. We really did have interagency process within the White House, which had players represented from each agency. In health care it was always Labor, HHS, Treasury, OMB. I think this is a tribute to initially Bob Rubin and Carol Rasco, Laura Tyson, and then subsequently throughout the process with Gene Sperling.

Lambrew: Occasionally CEA.

Jennings: Occasionally CEA. We would have other representatives within the White House when necessary. If leg. affairs was essential, if public liaison could give some important group perspective, if inter-government affairs was necessary for a state perspective, or if the communications office was helpful, they were directly or indirectly integrated in that process.

Lambrew: If I could just pause, it was fairly formalized, not only within health care, but across different topic areas. There were different levels, deputies, who are the people like Chris and Nancy-Ann, key people at the agencies who would meet and hash out the gory details.

Walcott: It would be face-to-face, not just a matter of circulating memos.

Lambrew: Rarely memos.

Jennings: Rarely memos. I mean, we would have pieces of paper that we would work off but not formal memos.

Lambrew: Correct. And it was my job to make sure those pieces of paper were cleared. We had a very significant clearance process where you didn’t walk into a meeting except under extreme circumstances without everybody knowing what was on the paper and having the opportunity to change it. If there was some perception—

Jennings: At the deputy level. So if you went then to a meeting with the head of NEC or DPC or the President, or any level above Deputy Assistant to the President, all the paper had been cleared through the process. You were not going to put something on the table that no one had ever seen.

Lambrew: And surprise people. It can’t be.

Walcott: The clearance was then handled by people like you, who were part of the working group, it wasn’t a staff secretary or something like that?

Lambrew: Correct.
Young: Staff secretary, I was going to ask about where did—

Jennings: The staff secretary is for the President. Anything that goes into the President, memos, paper, notes, letters, whatever, all went through the staff secretary.

Lambrew: That’s going from people to the President without a meeting. We didn’t go through the staff secretary for meetings.

Jennings: For the President?

Lambrew: Yes, did we?

Jennings: Well, if he got a memo prior to, it would always go through staff secretary.

Lambrew: Correct.

Jennings: But if we just had a meeting scheduled and for whatever reason we didn’t have a memo to him beforehand—and I’d say that happened maybe 50 percent of the time—the staff secretary wouldn’t have had that paper.

Young: Right.

Jennings: And in fact, that’s an interesting point, because on those occasions, I’m not sure the staff secretary ever got it.

Lambrew: Unless the President wrote notes on it and wanted a response. Then it would go back through the staff secretary to a staff person.

Walcott: So it’s kind of almost hit-or-miss, the staff secretary was or wasn’t involved depending on whether paper got there in time for the staff secretary to see it.

Jennings: If there was specific reason for the President to be briefed—there were many occasions where people wanted the President to have paper before that meeting because they wanted to get to the heart of the meeting first. So in those cases, the staff secretary would always have that paper. This is the one issue, if there was subsequent paper that had been cleared through the process underneath that that helped frame the meeting with the President, I don’t believe that that would be certain to be reviewed and maintained by the staff secretary. The one thing I would say about that piece of paper, though, it was not a narrative piece of paper.

Lambrew: Correct, that’s what I was going to say. There were few words. There were charts, graphs, an agenda. Tables with options.

Jennings: One, two, three. But if you didn’t have the context beforehand or were not part of the conversation, it would have been hard to really understand what this piece of paper was about.
Lambrew: Now granted, we had raging debates over footnotes on what went on that paper and how the numbers were characterized. I mean, that’s part of the process. These are documents that have major weight. What option went in what column? That’s the sort of stuff that we would spend a lot of time on.

Jennings: Everyone said, “Oh, there are three options. Well, of course, he’ll pick the middle option.” So we should have four options then; we can’t have three options. We can’t make it easy for him.

Young: The suggestion is made that some Presidents require the narrative to be laid out before them in very brief form. They use that paper as thought preparation, or decision preparation, and it is that that then goes to the staff secretary. I’m getting the impression that that wasn’t what Clinton really needed all the time. He could do with a chart or two and some footnotes, but he didn’t need—

Riley: That’s going to be an interesting problem for scholars in the future.

Young: Using the paper. We’re so used to having—

Lambrew: Memos.

Jennings: No, it’s very difficult in this administration. I have to say that the other thing about this President, he was so interested in and involved with and knowledgeable about the issues leading up to the meeting, that there wasn’t a need for a lot of education at the meeting. That is largely attributable to his unprecedented personal curiosities for anything, but also the formal process where he was informed about major developments weekly by all the agencies. And during the course of the week—because he would have interactions with members of Congress or the West Wing legislative affairs people or John Podesta or whomever, who would inform him of a whole host of different things—he would come to the debate under discussion about major policy options more informed than I have to believe virtually any other President has been. So it wasn’t always so necessary.

Now, there were times where he would say, “I need more information and I want to have more analysis and send me this and this and this.”

Lambrew: Our Medicare plan, when we did the binder on the Medicare plan, remember? We did a binder on Medicare which was a whole, multi-tabbed binder. We had a cover memo, right, and then there were pieces of our policy. This was 1999, when the President had decided within a very short timeframe he wanted to do his own Medicare plan after the failure of the Medicare commission to come up with a plan. There was a very intense process leading up to, I think, just one final decision-making meeting after Memorial Day. That was a case where it was happening so fast, there was a lot going on in the world then, he was traveling internationally, I remember, a lot that spring. So we had to put together different pieces of the policies, different from a memo format. It was a binder. That was the only time I remember doing anything like that.

Jennings: Yes, that was very detailed, and the staff secretary had that.
Lambrew: That got cleared, it got through staff secretary with some debates about the clearance process through staff secretary.

Young: Reagan had the sifting and all the preparation done by the Cabinet councils. I mean, Ed Meese was sort of running that.

Walcott: A little bit of input.

Young: On certain issues from domestic policy. Always it went having been, in effect, decided.

Walcott: Those are mechanisms for protecting the President against bad decisions or ignorance. It doesn’t sound like Clinton needed much protection.

Jennings: No, he wanted to be the decision maker and he wasn’t afraid. Interestingly enough, once he made a decision he was fine, he moved on. He wasn’t someone who would always look back. You know how you sometimes get that sense with Jimmy Carter, wanted to maybe over-think a little bit occasionally.

Riley: Let me press you on that because we do get testimony from some people that on the issue of closure, that there was a sense that sometimes decisions would be made and then suddenly the next day they were either unmade, or maybe I misinterpreted this. Did you ever experience that? To what would you attribute it?

Jennings: Honestly, once a decision was made and formalized and carried out, I don’t remember him backtracking. Do you?

Lambrew: No, but I would say that part of the reason why we were able to function fairly effectively is, with all the demands placed on the President and the senior staff, you really don’t get that much presidential time. Chris was so good at knowing the bounds, being able to predict within a fairly good range where he will come out, that we were able to operate fairly well on a day-to-day basis, understanding the broad parameters of what Clinton would want. Now if you didn’t have this sense, then you would need to go more often to these meetings, then maybe you would have more of the second-guessing. So on the back end of it you would also have difficulty carrying out and interpreting the results.

Young: I was familiar with this view, largely through reading of the press, that this just goes round and round and he never reaches closure. Being a cynic about the press sometimes, I ask myself, *I wonder who’s telling the press this?*

Jennings: The people who lost the policy option.

Young: Would that be a better explanation than reality within the White House for explaining this notion that Clinton—
**Jennings:** The President talked to a lot of people and listened to a lot of people. There was always a fear that if the wrong person found a way to get to him, that the last person to have a conversation with him would have had a disproportionate impact on the final outcome. I think that’s a traditional staff concern. It has a lot more to do with control than anything else. There were times when the President would be swayed by something, but I have to say, in my experience—and this is just my experience—that he trusted his staff more than I think some other Presidents do. Even if he was in a different place, you could bring him back if you had a legitimate policy or political argument.

I never felt that there was a time where—knowing his interests, knowing his policies, knowing his history, and knowing his predilections—that you couldn’t get to him a range of options that were more consistent with that than some outside source having influenced him in some potentially negative way. I personally never had an experience when a decision was made and then the next day the decision was changed. I think that helps to explain in the last part of the administration why there was a lot more discipline and comfort with the agencies, that if a decision was made, they knew about it. They knew the process and they were involved and invested in it.

**Walcott:** You mentioned the last part of the administration. Is it also possible that some of what Jim is referring to, which is the stereotype of the Clinton administration in some ways, refers to the first few months, when this process hadn’t really shaken down yet at all?

**Jennings:** On health care in 1993, I think clearly there was a belief by the agencies and some within the White House that there wasn’t a good process. They felt that paper was presented without their knowledge and it was skewed in particular ways. Whether it was a fair critique or not is a separate issue. In terms of the presentation, I think that Ira and the First Lady and other people tried to present it in an objective manner. But there really is something to be said for a process that leads to those meetings, because the paranoia of meetings with Cabinet Secretaries—there’s so much distrust of agencies in the White House anyway and vice versa.

**Young:** On the part of the departments, did you say?

**Jennings:** Actually it goes both ways. The Cabinet Secretaries generally believe that the White House is a bunch of young whippersnappers who think they know everything. On the extremes, the White House generally views the agencies as entities who want to run their own little fiefdoms and who don’t care that much about the President’s desires. That’s the ongoing tension. The White House thinks that they protect the President a lot more than the agencies do and the agencies think that that’s a bunch of hyperbole.

The only way to get over those things is through a process in which no one can complain that their views were not aired or were not integrated into any presentation to the President.

**Lambrew:** Correct. Their options weren’t there, their—

**Jennings:** I think we learned that painfully a little bit in the Health Security Act development process. There were perceptions about White House staff that, in some cases, were true in the
early years. Likewise, there were perceptions that there were leaks out of the departments that were painful to the administration that were true. So I don’t know whether the process responded to the problems or it was just a natural evolution, but it clearly became better over time.

Lambrew: Going back to your earlier question, though. I don’t think that Chris could have done this as well as he did in the second term without me spending most of my time doing this function, because you didn’t have time to work with the agencies as much as I did.

Jennings: I couldn’t have. Jeanne is totally right.

Lambrew: That was a major part of my job, spending lots and lots of time with actuaries, some of the lower-level political appointees at HHS and the different agencies working on options, reaching out. When we had our final good-bye party, you must have had 60 career people there. And these are 60 career people who worked most of their days on our priorities. That’s a big team of people.

Talking about the division of responsibility, we had different jobs. You were focused on whatever was going on the particular day, more of the communications, press, legislative outreach. I was focused on the agencies—

Jennings: And the process.

Lambrew: Technical drafting, process.

Jennings: And I couldn’t have done my job well. I would have—

Lambrew: Well, they’re two different jobs, I’d argue.

Jennings: Yes, they are two different jobs. But the process couldn’t have been done by one person.

Lambrew: You needed more than one person. When agency people couldn’t find Chris, he was in a meeting, they could find me. There was always somebody there to talk to.

Walcott: You need two people who work virtually as one. I can imagine those two jobs being split up by people who didn’t work too well together.

Jennings: That’s exactly right. In fact, Jeanne had two jobs at the tail end because she did that and she also did the OMB PAD job, which was very taxing.

Young: How did this work on the legislative outreach?

Jennings: Well, that was more my area. Jeanne is well known and highly respected on the Hill, but I had to deal with members and staff more. In that way I think I was different too from the traditional NEC/DPC staff because I had had the Hill background and had developed a trusting relationship with leg. affairs shop, particularly in the last six years.
There were tensions about me, by the way, in early ’93, ’94. I was part of Hillaryland and then the legislative shop in the West Wing, and they didn’t feel it was well integrated and I didn’t feel well integrated; it was an uncomfortable position. But subsequent to that, under Pat Griffin, John Hilley, Larry Stein, Chuck Brain, who were all the legislative affairs heads of the West Wing, they trusted me to be the emissary and communicator of administration health care policies to the Hill.

**Lambrew:** That was unique, though.

**Young:** That worked okay, the tension—

**Jennings:** It worked because I was one of them in their mind, because I came from the Hill.

**Lambrew:** They were all contemporaries.

**Jennings:** They were contemporary, they knew me before, they trusted me before. I was respectful of their roles when they needed to be part of it or they needed to be informed. Now, that was unique. I think in fairness, that wasn’t completely the case in education or welfare or any other issue. So I think I benefited from it.

Now, it was a lot of work. Frankly, I wanted that. I felt having the direct relationships with the Hill were important, but it was not to the exclusion of the White House legislative affairs shop. That’s rare. I think it somewhat helped my successor, Mark McClellan, who ironically is now in the Bush administration, is now the FDA commissioner, but he was in the Clinton administration, in the Treasury Department. We didn’t know he was close to President Bush.

**Lambrew:** Another difference between the Bush administration and the Clinton administration.

**Jennings:** He was the—

**Lambrew:** Deputy Assistant Secretary for Economic and Tax Policy.

**Jennings:** I dealt with him very closely, but anyway, he came on board and he had some of the benefit of that. I had sort of created my job, created my role, and he was able to play that role a little bit himself, in a different way than, for example, the previous Bush administration did, which was basically Tom Scully who had Jeanne’s OMB health PAD job.

I think that’s really important about administrations, they are uniquely developed around and administered by the personnel and how well they get along. And if they don’t work well together, then negative outcomes occur.

**Riley:** Can I ask you about that, then? You’ve talked a lot about the harmonious relationships here, so I’m compelled to ask you if there were misfits. Any recollections of people who were in places where they shouldn’t be? Other than Dick Morris, which was a different kind of case.
Jennings: Even Dick Morris, one could argue—and I promise I won’t get into any Dick Morris conversation with Jeanne—but even Dick Morris played a role. You’re right, there wasn’t great chemistry, but he played a role that may have, for a short period of time, been in a strange way helpful.

In terms of people, I hate saying people who are weak or strong. There definitely were different offices in the White House that were viewed as stronger or weaker. Sometimes the weakness helped facilitate a better working relationship because they’d be accepting of a decision and you wouldn’t have to have another fight. Sometimes the weakness created a problem in terms of their perceived stature to the outside world. You put this person here and that’s an important place for our people, but we don’t think they’re a real player, that sort of thing. I guess I shouldn’t go into specific people, but I think that on occasion our inter-governmental affairs office, for example, wasn’t viewed as the strongest within the White House and on occasion—

Lambrew: Public liaison.

Jennings: Perhaps. Having said, I actually think that for the most part the President’s appointments within the White House—which he viewed as pretty key—got along surprisingly well. The Chiefs of Staff all had very different personalities. You go from a Mack to a Leon Panetta to an Erskine Bowles to a John Podesta, they’re very different people. However, they all found their own way to make the office work to varying degrees of success.

I wasn’t enough associated with the Mack domain to really know. Obviously Mack gets criticized, but I’m not sure if that’s always fair. If you’ve ever interviewed—you did interview him? He’s the nicest man in the world.

Young: Yes.

Jennings: Maybe that’s a problem in that kind of—

Young: He’s no John Sununu.

Jennings: He’s no John Sununu. Sometimes you just have to say, “No, I don’t want you in this room.” Maybe that was one of his shortcomings. Obviously, anyone who knows him can’t help but love him. But Leon really did want to impose discipline and he was a great public face for the administration. He gave the air of leadership qualities and maturity that helped at a very important time. He tended to overwork himself, though. He was almost controlling to a fault. It got to the point where he was complaining that too many things were imposed upon him, but he imposed a lot of things on himself.

Where Erskine was not a control freak. He would delegate much more but would hold you accountable if things didn’t work out.

Lambrew: He was also the only one who would bring in groups of staff. He was a real manager.

Riley: Erskine?
Lambrew: Yes, he would bring in groups of people to his office, randomly, in different organizations, say how things are going, what could be done better. People like myself, lower level people.

Jennings: Yes, he’d want to do more of that. He was a Southern gentleman, but when he got angry it was not fun. Not a micro-manager at all, and someone who wanted to be—if he did something himself, almost over-prepared. Sometimes I would spend more time preparing him than the President of the United States any time he was going to give a speech or an interview. John Podesta was the ultimate insider, strategist, political insider. Probably one of the smartest people I ran across during that position. But not the communicator that Leon was.

So they brought different strengths, but at staff level, they found ways to play to their strengths. I think the operation of the White House went very well in the latter part of the six years. In fact, almost to a fault. It got to the point where we had a reputation on the Hill with the Republicans that we were too good, that we were so good that everything was planned, that we would all position everything—

Lambrew: Plotting, plotting everything.

Jennings: We were allegedly plotting, we supposedly had a strategy to screw the Republicans no matter what. So therefore, the Republicans thought, We can’t engage in any negotiations with them because if we do we’ll get screwed, we always lose, every time. It’s a really important point, because our reputation sometimes made it difficult to achieve—let alone initiate—agreements with the Congress. We’re like, Are you kidding me? All too frequently, we were flying by the seat of our pants just like everyone else in the country is. But that was not the reputation.

That’s the thing in Washington, the perception is so much more important than the reality. That helped us, all of us leaving the White House, because we were viewed as a fairly strong, cohesive staff. Most people in the Clinton administration have landed in pretty positive places because there’s a perception that they were pretty competent people, at least by the end of the administration.

Walcott: Could you talk a little bit about the implementation side of what you did with health policy? We’ve mainly been hearing so far about how policy got thought up.

Jennings: We talked a little bit about it yesterday and we can go into a little more detail about implementing programs like children’s health care. I think there are a lot of implementation issues that people don’t know about health care.

Lambrew: We spent a considerable amount of time—

Jennings: Unbelievable hours.

Lambrew: The Balanced Budget Act of ’97 had 400-odd provisions on Medicare alone that had to be implemented. Year 2000, I can’t even say it now.
Jennings: Y2K.

Lambrew: That. We had many, many planning meetings about how we were going take our systems past that barrier.

Jennings: In 1996 we passed the Kennedy-Kassebaum Health Insurance Portability Act. That legislation was really important in a number of different ways, but one was that finally something actually passed in health care. Two, it was far bigger than anyone ever imagined. People know it to be the insurance reforms bill, but it was far more than that. It had all the authorities for the eventual implementation of the privacy reg, which is one of the most significant pieces of regulation ever implemented. The electronic claims processing, which completely changes how you bill health care in this country, all had to be implemented subsequent to the enactment of HIPA. The regulations and the rules governing the insurance reforms, I can’t even go into a room and not hear complaints about the implementation. It was a massive undertaking.

The implementation of mental health parity and how people would comply and not comply involved countless weeks of work with Labor and Treasury and HHS, because there were multi-agency responsibilities. None of that is ever seen at all.

Lambrew: In the last year, 2000, we were trying to finish the implementation of many of our major bills. Partly so that if the Vice President won, he wouldn’t have to deal with that, but also partly if he lost, we would have that done.

There was a Medicaid managed care reg, hundreds and hundreds of pages that we had to try to get through in the last couple of months.

Young: These were typically implementation issues that involved more than one agency.

Lambrew: Mixed.

Jennings: Frequently, not always. That one was—

Lambrew: HHS, CMS [Centers for Medicare and Medicaid Services].

Jennings: Which one was that?

Lambrew: Medicaid Managed Care reg.

Jennings: Oh, the managed care, that was all HHS.

Young: Were you the overseers of the implementation?

Jennings: Well yes, I guess, in this context. Basically for implementation regs, those are very agency-focused and go through an OMB process, particularly through OIRA, the Office of
Information and Regulatory Affairs. We get a handle on the reg at usually the tail end. We got hit up when they’re nearing going final and when the affected parties are getting concerned that they will be hurt. We’re the last appeal in their minds.

**Lambrew:** After it’s been put out as interim. I mean, there’s the formal APA [Administrative Procedure Acts] process and we were very sensitive to that. But I would argue that it depended—there were kick-up issues, is the way it would be described. As people were developing the regulations, they would identify issues. We would decide informally if we thought it was worth having meetings about or not. If it was, we’d bring everybody over. We would usually try to have whoever the agency was do a memo and present those issues. In that case we would try to delegate so that they could come and we could try and make a decision in the room.

**Young:** Did you have good working relations with the agencies legally responsible for the implementation or was one of the problems getting them on the same page?

**Jennings:** It really depended on the issues. I think the general rule is this. The agencies when they implemented regs tended to be, wanted to be, fairly progressive and aggressive under this administration. But when you go through OIRA, OIRA as an organization within OMB is a pretty conservative, budget-oriented entity. I’m just saying this as a general matter.

A lot of these regs that would go through the process, people would complain about OIRA and then go back and the agencies would come to us, come to me and say, “Help me with these crazy people at OIRA, because you know the President wants—” So they would counter-lobby and try to work out a process. Then I would be engaged. That’s as a general rule.

**Young:** It’s hard to generalize.

**Jennings:** You can’t generalize. Now there were other issues, mental health parity, where Tipper Gore had very strong views and the Vice President, and wanted to make sure it was as progressive as possible. There were disagreements at agency level about that. In that context we might play a more proactive and active role than we might otherwise do in a reg.

Then there’s a whole series, besides the whole regs, there are executive actions and just overall implementation issues that aren’t just regs. It’s making the laws and the regs as effective as they possibly can be, in which the President and the First Lady and the Vice President can be effective at making a law successful. I think CHIP is a great example of that, but there are other examples as well.

**Lambrew:** QMB, SLMB.

**Young:** What’s that?

**Jennings:** QMB, which was Qualified Medicare Beneficiary.

**Lambrew:** SLMB is Specified Low Income Medicare Beneficiary program.
Riley: All these acronyms.

Lambrew: You’ll love them.

Jennings: What it is is low-income Medicare beneficiaries get assistance for their premiums and their co-payments. There’s a tremendous problem in terms of the populations not knowing of and obtaining their benefits. Just like our outreach efforts on CHIP.

Lambrew: But that’s an interesting process. I think it was ’99, maybe it was ’98. We always knew this was a problem. It’s something we’ve always cared about and tried to figure out budget initiatives to do something about, but never quite could get a handle on it. Some people in the outside world were doing a report that showed there was really a much bigger problem than we thought. We had only 40 percent of these people getting the assistance that they need.

So we basically had a meeting, you had me start the process to dredge up ideas, both inside the administration with agencies, but also with aging advocates, health insurance counselors, other people outside, to learn, “What can we do?” So we gathered the ideas, we began the vetting process, and figured out what we could do only within the executive branch realm. Within about six weeks we had a package of activities that we could do. The President announced it. The same day they released the report the President announced his responses to make this work. We actually had a follow-up on that as well.

Jennings: We haven’t even gone really through what actually happened in ’96, ’97, ’98. But as a broader issue, and not just because the President wanted to be proactive, but because we had problems getting things through Capitol Hill legislatively, we wanted to be aggressive in other ways, both in terms of implementation of the laws that we had passed, on executive actions that we could do independent of the Hill, and through the regulatory process. If you look through—and this isn’t just health care, but this administration—the broader, longer-range successes might be more oriented toward those things than actual legislative achievements.

Lambrew: If I could put my finger on the final thing. We talked about the larger policy making process with Congress—executive actions, regulations, these smaller “making things work” events. The last function that at least I have in my head is responsiveness, when things happen. Lots of events happen in health care on a daily basis, and a major part of Chris’s time was spent trying to figure out what you do about things that are happening in the outside world.

West Nile virus comes along, what do we do about it? Or a report comes out that medical errors in hospitals are killing 50,000 people a year.

Jennings: No, 98,000.

Lambrew: Thank you for correcting me, making sure that the record is accurate. But I do think that in a world in which daily media cycles are so important, not only daily responses but policy actions that could help address or redress these problems were really important.

Riley: Were you working directly with the press people?
**Jennings:** Yes.

**Riley:** Did they give you as much free rein as the legislative affairs people to do your work?

**Jennings:** Yes, to some extent. Generally we had the Mike McCurrys and we had all of our press secretaries, and by far and away they were the face of the administration.

**Lambrew:** And they had their own process, too.

**Jennings:** They had their own process. I basically provided them with background information and gave them context, and if we had an initiative, I explained it to them. I did build up a trust relationship with the communications people, with their confidence in me to be able to convey a message that was consistent with the President’s overall agenda, et cetera.

What Jeanne’s talking about, though, is in a way more the proactive. What really drove a lot of our days was the reactive. For example, Robert Pear of the New York Times writes a story about a problem that allegedly we’re not addressing or messing up in some way. Everyone wants to know, “Well, why haven’t you been doing this?” Or, “What’s going on?” What people need to understand about the White House is they’re like everyone else. An issue isn’t that important until they read about it in the paper. Then, “Oh my gosh, this is an important issue.”

Now, we can write memos on the same issue for three months or three years, but if it then suddenly appears on the network news, its significance becomes more real, particularly if it’s an article that potentially casts the administration in a negative light. That can be a springboard to action too. I think the medical errors is a good example, where we did something very explicit.

**Riley:** Had you been dealing with medical error beforehand?

**Jennings:** Yes, in the context of Patients’ Bill of Rights; this is interesting. In 1996, when the President was running, we were starting to pick up some problems about the managed care delivery system. There were some issues about our whole health care delivery structure. I remember during one of his debates with Bob Dole, I think in San Diego, California, the President asked everyone to raise their hands if they were satisfied with the care being delivered by managed care. The truth is, he expected a lot of people to raise their hands, because it was his perception that despite all the rhetoric to the contrary, people were generally okay with their care. Oh, no.

**Young:** You know, I remember that episode. He left the podium and he walked out.

**Lambrew:** In the dark room.

**Young:** Sea of hands. I would have thought that’s exactly what he expected from his expression, it was, “See, I told you so.”
Jennings: From that he had picked up a lot of these things. We decided in the fall, that election, that he was going to announce the formation of this new quality commission. The quality commission had two functions: one was to develop a Patients’ Bill of Rights, and the second was to improve the health care delivery system and improve medical outcomes. No one had paid attention to the second part of it, but that was long before the IOM [Institute of Medicine] report came out about the errors. But the press and the Hill really wanted to bash the HMOs [Health Maintenance Organizations] and implement a Patients’ Bill of Rights. If you had asked me in 1996 would I be spending the next three years doing events around Patients’ Bill of Rights, I would have just jumped out the window. We had—

Lambrew: Dozens and dozens of events.

Jennings: This is a great example of an external event leading to an action that we hadn’t anticipated moving on. Then, you know, this simple announcement, “I’m going to do a commission next year.” Well, everyone wanted to be on this commission. We had to go through this process. We had to pick a balanced commission, where you had consumers and labor and providers and health plans and experts. I swear to God more people in America wanted to be on that commission that you’ve ever seen. He was a popular President, he was talking about health care, an issue that was really hot, and the politics of this were amazing. They had to go through clearance processes. I can’t even begin to tell you.

Then we ran it through Donna Shalala and Alexis Herman, who were the co-chairs of this thing; then Donna wanted to have control of it. It went on and on. But it led to some recommendations on consumer protections that led to his two executive orders that applied all these patient protections throughout 85 million health plans. That made a very significant difference in terms of appeals rights and protections that consumers had, and of course led to his endorsement, embrace of legislation that has subsequently never passed, the Patients’ Bill of Rights.

Then their report came out. They had other recommendations about improving quality as well as assuring it. This initiated the establishment of what’s called the National Quality Forum, which is an agency dedicated to providing standards and improve medical outcomes. It’s well known in the quality world. But it wasn’t until this study came out in IOM about 98,000 deaths, that that side of the issue really got any attention. Then we developed some recommendations about reporting and other things and had a ceremony at the White House and had everyone involved. But it’s a good example—I don’t want to go through this myriad of issues and timeframes—but it really is an example of something that we had been focusing on—Medicare and coverage. Suddenly quality and medical outcomes got a lot of interest. They were legitimate issues and there were legitimate policy interventions that took place, but that whole agenda resulted from a fairly quick and unanticipated shift of public interest.

Young: And a lot of those issues fell more squarely in the executive—

Lambrew: Correct.

Jennings: You could do things by executive action—
Young: Than getting the legislature.

Jennings: We could do some executive actions, so we did them. There still was and is a need for legislation. The negative outcome of that was that so much focus was on Patients’ Bill of Rights that too little attention was on the uninsured or Medicare reform.

Lambrew: That’s what Howard Dean says, if you listen to him speak.

Riley: You said we haven’t taken you through the chronology and we don’t have time to do everything in ’96, ’97, ’98, but do you want to—

Jennings: I just want to give you a couple of highlights worth mentioning.

Riley: That’s what I thought.

Jennings: Then have Jeanne supplement it. In ’96, that was the year in which—to put it in some context, this was right after the government shut down. There was a thought early in the administration that there might be a deal on a balanced budget with Dole, but that was not to be. Dole was going to be running for the Presidency, it couldn’t work, et cetera. The President, during the State of the Union, highlighted the need to pass the Kennedy-Kassebaum health insurance legislation. It was our mission in life to get that enacted that year.

Senator Dole was the leader at that point, before he gave it up, but it was our political pressure that succeeded getting that bill to be brought before the Senate floor for a vote. It was a difficult legislative achievement, because there were a lot of amendments on both sides. Some Democrats wanted to strengthen it even more, but the fear was this compromise would fall apart. So there was a lot of legislative positioning and support that the executive branch gave to Senator Kennedy as he was drafting and pushing this thing through.

There was then a subsequent big conference debate over the role of medical savings accounts and a compromise on those. These are very detail-oriented issues that I’m not going to go into, but I think the most important thing is politically, the pressure of the Presidency relentlessly focusing on this issue increased the momentum and likelihood that this was going to pass eventually. It became clear, though, that there were tensions on both the Republican and Democratic side of the Hill not to do that. The Republicans didn’t want Clinton to get credit for signing a bill into law, and the Democrats, who were in the minority on the House side, really didn’t want to see incumbent Republicans get the credit of passing this legislation either.

Nonetheless, there was such an appetite for some achievements in the health policy world and elsewhere, because we’d been waiting for years to have anything done, that those provisions on health insurance protections, the privacy protections, the genetic discrimination protections, the electronic claims issues, the self-employed tax deduction, and a whole host of other things that were part of that legislation, did manage to get through. Of course the Republicans said, after it was passed and signed into law, that that was the death knell for Dole because it was a very popular achievement for the President. The Democrats blamed it for not being able to take over the House.
Lambrew: This is also the same time as welfare reform, right?

Jennings: I was thinking about the health world, but—

Lambrew: But the Medicaid piece is part of that too.

Jennings: Medicaid. Good point. In terms of the visible health care achievement, the signing of the Kennedy-Kassebaum Health Insurance Protection and Portability Act was key and something the President really cared about. It was a very emotional signing, almost cathartic, on the White House lawn. It was significant not just because legislation was finally enacted into law and that was quite significant, but what was included subsequent to it and how it was implemented by the Clinton administration was clearly important.

Now to Jeanne’s point, all through that process, though, there was an ongoing debate on the mandatory side of the programs as it related to low-income programs, both welfare and Medicaid. That was another very visible, very critically important and defining debate. On the Medicaid side, throughout ’95 and into ’96 with the Governors—

Lambrew: Until May of ’96.

Jennings: Until May of ’96, we had been literally closing the government over and fighting against a Medicaid block grant, a program critically important to low-income and poor populations. As we were doing that, we were working with the Democratic Governors, who were in a very difficult position because they wanted flexibility to administer their programs and to some extent block grants sounded, at least at an instinctual level, somewhat appealing. And an overwhelming pressure by the Republicans to make that a necessary precondition to get agreement on the budget.

Lambrew: And welfare, right? I thought they were trying to link welfare reform to Medicaid reform, because they’re both low-income programs, both—

Jennings: If you’re willing to do a block grant for welfare, why can’t you do that for the Medicaid program?

Lambrew: Correct.

Jennings: And that was a huge issue. In many ways, having agreed to move to an openness to agree to welfare reform, some people would argue that it weakened our position on the Medicaid side.

Lambrew: And vice versa. I think there are some who argue that, in the ultimate welfare reform package, Democrats’ hands were weakened because they had to spend all spring fighting to get the Medicaid piece out. So by the time you use all that capital to get the Medicaid out, there are some people who argue that it created a much worse situation for welfare.
Jennings: And I would argue that us being willing to be flexible on welfare made us stronger on Medicaid. I also would argue that the President viewed welfare and health care as two very different issues. Welfare being something that was very work-oriented and income based, and health care being an unpredictable expense of life that you can’t predict, that you can’t plan for, and that you have to have protections for. I believe he did make that very important distinction.

At any rate, we already described a little bit yesterday about that whole Medicaid debate and how proud we were of his involvement. Eventually we did provide some flexibility provisions to the Governors—

Lambrew: In ’97.

Jennings: —that they had requested in ’97, as part of this working process that we worked with the Democratic Governors. But the other big decision that summer was whether or not he was going to sign the welfare bill into law. That was a big debate and that was something that I fortunately was not involved with greatly. The White House took a fairly strong position that he should sign it. HHS took a fairly strong position that he should not sign it. Dick Morris and others felt that it was imperative that he sign it.

I think the President felt that he campaigned on welfare reform, he had made it as good as he could in this Congress, and then he was going to make a commitment to improve it in subsequent Congresses. So he rationalized and justified his signing of that bill. In subsequent years it seemed to be working fine. I’m not sure that people would define it yet as a complete success or not, but it certainly has not proven to be as bad as some people feared.

Lambrew: I will just say, though, that on the health side, [indecipherable ]

Jennings: Yes we should talk about that.

Lambrew: There were a couple of provisions that were in there that were not helpful. One was, in de-linking Medicaid from welfare, a lot of states inadvertently kicked a lot of people off of Medicaid. It was one of those things where it was a time of a booming economy, we couldn’t tell if it was people moving out of eligibility—the poverty ranks were dropping—or was it due to state actions? We did some investigations and this did culminate in rigorous guidance, but that guidance didn’t get out until April 7th, 2000.

So it took us a long time to be able to get into the position of forcing states to comply with the law, which is, don’t kick these people off. Although there were states—we were involved in our regional offices in New York, going into New York City and saying, “Change your computer systems. You’re kicking people off automatically, that’s wrong.” We had a New Jersey case. We isolated the cases, but it remains something that I wish I had focused on earlier so we could have gotten earlier action to prevent those people from losing coverage. There were also provisions in the law that we spent years trying to capture back. Legal immigrants were barred in that law from getting assistance in Medicaid and CHIP. These are people who pay taxes and their poor children can’t get help and health care. So every year we carried the weight of trying to pass that legislation to restore those benefits.
Young: There was a lot of publicity on that issue.

Lambrew: Yes, it’s still out there, it’s still an issue.

Jennings: And I think that’s the law of unintended consequences.

Lambrew: Correct.

Jennings: It is the case, inevitably, that if you have a link between welfare and health care that you’re going to have these issues. Now, it was supposed to be unlinked, it was supposed to be explicit and the law even provided explicit directives. But there definitely were problems.

But ’96, in health care was generally viewed as a great success. Stop the Medicaid block grant, promote health insurance reform and sign the law, enact the bipartisan mental health parity legislation and host the Republican sponsor, Senator [Peter] Domenici, in a Rose Garden signing. Tipper Gore was very pleased. Sign the 48-hour drive-by provision into law, which was sort of a political issue more than a policy issue, addressing the fear that HMOs and other managed care plans were forcing mothers, post-birth, from hospitals prematurely. It was really an anti-HMO piece of legislation.

Lambrew: That’s ’96.

Jennings: Very popular. The President gets re-elected overwhelmingly, has basically a great opportunity to move forward to get a balanced budget and hopefully take care of some other priorities as he is in an improving economy. He instructs his staff to produce a balanced budget and other budget priorities, including children’s health care, goals to be enacted by the end of the year. And it was a very interesting time. That was ’97. It was probably the best time. I mean, ’96 was a very good year, ’96 was a great year except for the convention and Dick Morris. Other than that, it was a really good year. And ’97, we felt like we’d gotten our sea legs, we knew what we were doing, we were moving forward, we had good guidance and we had good leadership with Erskine Bowles, Frank Raines, Jack Lew, Gene Sperling and John Hilley, all part of this budget team. I and we felt very integrated in that process.

So the President gave his State of the Union address, specifically talked about children and health care, specifically had budget proposals to move in that direction. Very quickly the children’s health care became a very major focus of the administration and the Congress. A lot of interest on Capitol Hill, but a hesitancy to expand through additional Medicaid program by the Republicans for that population. I’m just jumping ahead, do you want to come in here?

Lambrew: No, we talked on this issue yesterday.

Jennings: But an interesting legislative policy development process ensued, and basically driven out of the Finance Committee, we could not get a Medicaid law passed. So we had to go to an enhanced funding formula grant proposal that would expand coverage to children. I can’t remember how much money they spent.
Lambrew: It was only $16 billion.

Jennings: Yes, $16 billion.

Lambrew: In both the House and the Senate.

Jennings: The conference was $16 billion. The President and Senator Kennedy were the ones who advocated for $24 billion.

Lambrew: Over five years.

Jennings: I guess $48 over ten. We went into this negotiation, it’s kind of hard to increase a number that isn’t in either the House or the Senate bill, but the President and his team really held out for those investments. Had to make some trades, but he took care of all the appropriations priorities that he needed to take care of. He took care of EITC [Earned Income Tax Credit] provision that he cared a lot about and he traded a capital gains provision that he didn’t want but the Republicans really did. In return for that he got this children’s health care policy.

Lambrew: Something with the tobacco tax, isn’t that how he got the extra money?

Jennings: Yes, we had a tobacco tax provision in there too.

Lambrew: I think that’s how we got that extra.

Jennings: Which they hated, the Republicans hated. But this was the strength of the President, holding out, very strong in the negotiating process.

Lambrew: You had to go to the NGA meeting, right?

Jennings: NGA meeting?

Lambrew: Just as an example of how strongly he felt. It wasn’t just the money, it was also how you structured it. You could fail to do a lot of good with $24 billion if it’s not structured right. So we’re down in the trenches trying to get provisions into the legislation that will make it meaningful. One of the big questions was benefits, what do you provide these children? Governors wanted total flexibility. Our children’s advocates and Children’s Defense Fund were very heavily involved in this, wanted very defined, comprehensive benefits. That became one of the last issues that we were trying to resolve in this brutal drafting process, which we’re not going to go into here. But it was the last issue. We identified four key benefits we wanted children to have and were fighting to get those into the conference.

The President goes out to the NGA meeting in Nevada, the summer meeting, to give a speech, at which every single Governor spends all of his or her time telling the President, “No, no, we want total flexibility. This is a problem, that is a problem.” We’re up all night that night, do you remember that? Fielding phone calls from Nevada from the various people in Nevada saying,
“Gotta change this, gotta change this.” But the President went out the next day and made a speech saying, “These benefits matter. We’re talking about children here. They deserve these benefits. We’re sticking to it.”

**Jennings:** And it really empowered us in negotiations on the Hill. The legislation was drafted very well—by people like Jeanne and Gary Claxton. We talked about subsequent work toward implementing. But it was a real good example of what a strong President can do, even in a context where it’s not even a conference, he can produce more dollars. It was really important as a selling point for the Democrats who were wary about supporting the Balanced Budget Act.

**Lambrew:** And they weren’t part of the negotiations.

**Jennings:** They felt they had been excluded from the negotiations and in large part it was true, although the Senate Budget Committee chairman and ranking Democrat were involved, the committees of jurisdiction felt very excluded. The one thing that seemed to help with the Democrats in accepting this balanced budget was the children’s health care coverage piece. So it really helped get his overall objective accomplished, which was a balanced budget that included some of his priorities, and children’s health obviously was one of them.

**Lambrew:** You going to go over Medicare and the balanced budget?

**Jennings:** I’ll just briefly mention that part of that balanced budget law included Medicare savings.

**Lambrew:** And Medicaid.

**Jennings:** Some Medicaid, but primarily Medicare. Did we have to go with CBO on that then?

**Lambrew:** Yes.

**Jennings:** We agreed to go with Congressional Budget Office numbers—not OMB numbers. The only reason why I mention this, very quickly, is that this is a really important part of the process in Washington that no one understands. That is, the excessive significance that budget projectors have on the legislative process, on the policy process. If they say a specific provision does not achieve a particular budget/policy goal, more program cuts or tax increases are required—at least as long as budget “pay-go” rules are in effect—something that the Bush administration does not subscribe to now. CBO concluded that our Medicare savings proposals fell at least $20 billion short of OMB’s projection. As it turned out, both CBO and OMB were way off—and they both under-estimated savings.

**Lambrew:** Correct.

**Jennings:** And because they were wrong, the cuts in the programs actually had to be much deeper than necessary. Subsequent to that, in ’98, ’99, 2000, we had to deal with a big health care policy issue: not about coverage, not about Medicare drugs, not about Patients’ Bill of
Rights, but something called provider givebacks, which was just the providers lobbying for more money back from the Medicare program.

Lambrew: Restoring the cuts that we had made in ’97.

Jennings: So we had to spend all this time finding ways to put money back into the system. It tended to distract a lot of attention from issues that some people would say were more important. In fact, it started this whole new perspective from the health care provider community. Rather than focus on big issues like health care coverage or Medicare reforms, which have much more significant impact on them in terms of revenue streams and broader health care policy, they tended to refocus on very specific reimbursement policies.

Lambrew: It’s still there.

Jennings: It’s still there and it really is affecting the overall health care policy debate too.

Riley: If I could, you had indicated that in ’97 he was able to accomplish something, or used this as an illustration of what a strong President can accomplish. In ’98 the environment—

Jennings: Completely changed.

Riley: —completely changes. I guess what I want to do is to get your perspective on what it was like to be working in the White House in January of ’98 and as things were unfolding thereafter.

Jennings: Okay. Actually, I’m not even sure you knew this, but at the end of 1997 I was thinking about leaving. Even talked to some people. Then January came, ’98. They didn’t believe me that I was going to really leave, the people who were trying to hire me.

Lambrew: Smart people.

Jennings: At any rate, when the whole Monica thing came out, very few people in the White House felt it was an opportune time to leave. It would have looked bad, particularly anyone who was the least bit visible. They literally had to create a whole new side yard in the West Wing of the White House press gallery for the increased number of cameras that were covering the White House. With each passing day, people wanted to ask the staff all the time, “How are you feeling? How can you keep working in this type of environment?”

For the most part, people just did their work, but they were frustrated that no one cared. You did your work, but you no longer could get the exposure for it that you normally could out of the White House, because the focus was solely on this so-called scandal.

Lambrew: But it wasn’t as if we weren’t doing anything.

Jennings: No, we were. We went ahead. In fact, in some ways it was our savior. To be able to keep working was a good thing. So we did the implementation issues.
Lambrew: There was a lot of children’s health. We did probably four different events that spring. Our public-private outreach campaign, we did—

Riley: With the President or—?

Lambrew: Yes, he was at that one. He did two with us. The one with Gene and Bruce.

Jennings: We did Hillary’s.

Lambrew: Do you remember, we did lots of them. The interagency report was in June. That was the Vice President.

Jennings: We did a lot of Patients’ Bill of Rights events. The President himself kept doing Patients’ Bill of Rights events. Any type of executive action we could come up with, we did. There was more pressure on the West Wing for the President to be in reality and in perception still doing his job.

Lambrew: That was also the year of the tobacco settlement.

Jennings: The tobacco settlement, that was hard. I think it weakened us in that process.

Lambrew: And we were doing our long-term care initiative development that year too.

Jennings: That year the President, the Gores, and the First Lady were really interested in us doing a long-term care event.

Lambrew: Budget initiative.

Jennings: In fact, that was a substantial initiative. We proposed a long-term care credit and a caregivers’ initiative. It was a very big deal in health care, got widespread recognition. So I guess to answer your question, in issue after issue, we were still working and producing. Whether it was implementation of CHIP, whether it was legislative initiatives like long-term care, whether it was executive actions like Patients’ Bill of Rights, or anything else that we could come up with, that continued on.

Riley: Was it your perception that the President himself was still as fully engaged in these issues as he was before? Or was this the effect of administrative momentum built up over four or five years? Or is the Chief of Staff meeting with you and saying, “Guys, we’ve got to keep our eyes on the ball and keep moving forward with this?”

Jennings: Well, that happened. This is not a secret, but he has this remarkable ability to compartmentalize his life. We were talking about how he has this dual capability to write and talk and listen all at the same time.

Riley: Multi-tasking.
**Jennings:** I don’t know how he did it, but he did it. I couldn’t have done what he did. It was an enormous distraction and it was a frustration. But I’ll tell you, as we said, in the White House, there are always things to do. There’s always work. So we were always feeling like we’re working.

Now, some of the political people may feel differently. They may have had to deal with Monica all the time and were very frustrated. They viewed our work as welcome distractions, not major policy initiatives. But we went ahead and we did the work.

**Lambrew:** Sure. This is where I think it was harder for you than me, because my work is even more insulated from all of this. But it was a year in which we had a new Medicare buy-in proposal for older individuals not yet eligible for Medicare. We did a big event with Senator Moynihan, remember that, one of the few times we got the Senator to come out and be with us.

**Jennings:** Actually endorse one of our policies—a rarity indeed.

**Lambrew:** In March. We wrote legislation on that. We also drafted this long-term care initiative, and actually had a window to create policy in a more thoughtful way.

**Jennings:** That was the year we did the Medicare commission, right?

**Lambrew:** Yes, I’m repressing that. It is the Medicare commission year, you’re right. That’s primarily what I did.

**Jennings:** Yes.

**Lambrew:** That’s what I did in ’98.

**Jennings:** All year long.

**Lambrew:** God, it was awful.

**Jennings:** We had to appoint people for all these commissions, including the Medicare commission.

**Lambrew:** We had four presidential appointees to a commission of 16 or something like that. Fifteen?

**Young:** I want to make sure I understand what you’re saying, because this is something of an issue for academicians or editorialists also. There was the case, as you know, where the federal courts decided that the President would be subject during his office to civil suit. Wasn’t it in that case that the court held that the President could still do his job and still be harassed, in effect, with all this litigation?

**Jennings:** Right, right.
Young: Those of us on the outside tended to think the court was dead wrong. Are you telling us the court was right?

Jennings: I’m saying that I don’t think the President could be as effective. There’s no question in my mind that’s the case. Did the Presidency stop? Did he keep working? Were actions still occurring? Were executive orders being drafted and implemented that had effect of law? Were regs being implemented? The office of the Presidency was not closed, but the effectiveness of the Presidency was certainly undermined. I wouldn’t say to a fatal level, but in a detrimental fashion.

Lambrew: Especially in two areas, getting media attention to anything that was on the agenda, and passing things through Congress. Those were the two areas.

Walcott: I was going to ask about that. Were there any initiatives that you didn’t try because it seemed hopeless under the circumstances? Were there any things that lost that might have won otherwise?

Jennings: That’s a good question and I think it’s an unanswerable one. I guess I’d say I don’t believe that because it didn’t happen until—

Lambrew: Yes, it happened at an odd time, January.

Jennings: Immediately after our budget was released.

Lambrew: So the agenda for that year was done.

Jennings: That was a good budget. I have a feeling that we did not get things that we might have gotten in subsequent budget discussions, because the Congress knew that we were weaker. We still had, ironically, some very good budget negotiations.

Lambrew: In the appropriations bill.

Jennings: In the appropriations bill in ’98, the Republicans still believe the President cleaned up. So the actual impact of the impeachment process, the harassment process, or whatever we want to call it, wasn’t as fatal as some people feared, but certainly was detrimental in terms of the effectiveness of the Presidency. That’s how I’d put it.

Lambrew: I just may add that at least for our area, ’97 was our big year. There was major health policy happening in ’97 and just getting that implemented, with the implementation schedules, Y2K coming up, et cetera, was an accomplishment. We had our Medicare buy-in proposal but not a huge agenda.

Riley: So you had your—

Lambrew: That was for ’99, we introduced that in ’99.
Riley: You basically had your legislative authorization and your ability then to take the administrative aspects—

Lambrew: Correct.

Jennings: Exactly.

Riley: And run with them outside direct presidential—

Jennings/Lambrew: Outside of legislative arenas.

Lambrew: And we took advantage of that.

Jennings: We had to implement Kennedy-Kassebaum, we had to implement mental health parity, we had to implement privacy, we had to implement—

Lambrew: Balanced budget act.

Jennings: Balanced budget act.

Lambrew: And kids.

Jennings: Kids. So there were a lot of implementation issues that under any scenario would have overwhelmed us, in terms of the time commitments. But this President was never happy with sitting on laurels. He wanted to have more accomplishments, which was overwhelming in many ways. But I think that hurt us on the Hill, in our ability to do things.

Riley: Can I ask you about the culture within the White House at the time. Was this a subject of conversation or was it verboten?

Jennings: It wasn’t a verboten conversation and people would talk in the political world a little bit. It really was like the elephant in the room. It was there, it was always there, but it wasn’t discussed that much. In the political circles, it was discussed in the context of is there anything we can do to get this off the air for a day?

I think most people during the time didn’t believe it to be true. I didn’t believe it. I’ll just say personally, I didn’t believe it to be true.

Lambrew: I didn’t believe it.

Jennings: Because I’d been at many meetings, every day over at the West Wing. I was out with the President, in the Oval Office, many times. There were Secret Service all the time, everywhere, outside his office. There were always people around. How could anyone have an affair with the President and people not know about it? It was impossible. There were people who were explicitly in position to guard against any problems, protecting the President on all sides. It just seemed physically impossible. So I accepted the President at his word.
If you have that in your head—I know it may be hard to believe now—but I think a lot of people did. Some people even knew Monica Lewinsky too, and they really kind of questioned her. They viewed her as a stargazer. There was a belief that there was some sort of—what’s the word?

Lambrew: Exaggerated.

Jennings: Exaggerated perception of something that happened that really didn’t happen. So we just moved on, we figured this would go away. When the President issued his very strong denial statement, I think people just said, “That’s a pretty strong statement.” We didn’t define sexual relationships.

Lambrew: We didn’t have those conversations.

Jennings: We didn’t say, “Well, should we go through those words?” None of that happened. The people above me accepted him at his word.

Riley: The Chief of Staff at the time was Erskine?

Jennings: Erskine.

Riley: Did he come out of this heroically, or—?

Jennings: Well he left at the end of ’98, I think, isn’t that right?

Lambrew: Yes. Fall of ’98.

Riley: Sometime in there, but I don’t remember.

Lambrew: He left before impeachment, because I remember Podesta being there during that period.

Jennings: But at any rate, he left and he explicitly said he was disappointed in the President, subsequent to the August—

Young: Which you had not said earlier.

Jennings: I had not said, but I was credited as saying. People generally felt that in some ways the President had used the staff, or some of the Cabinet people felt that way.

The irony of that, though—and I think it plays to the President’s charisma or perception of his never-ending potential—is that very few people really left. Even in ’99, when it was kind of over, there was always a belief that despite his weaknesses, there was something possible. He could get something good and wonderful to happen. As a staffer, if you work for someone who uses your stuff and who really relies on you, depends on you, it’s a very rewarding experience. There was sort of a mutual loyalty among staff to hang in there.
Riley: I guess my question about the Chief of Staff was, were there people in the White House who took it as a part of their responsibility to keep people’s morale up, to keep it going? Or were people just so beleaguered all the way around that it was pretty much look after yourself and maybe your buddy?

Jennings: It happened. There were always off-hand jokes. There was always a feeling that we have to do an event every day so we can try to get the news off the issue. There was pressure for us to do that. But in all honesty, there was much more disappointment in the distraction than on the reason for it. There was much more dismay and frustration that turned toward the press than the President.

Young: Surely some toward the independent investigator.

Jennings: Oh, yes. So negative.

Young: Because it might have been hard to look at the historical context, but this was quite an unusual—

Jennings: That’s a very good point.

Lambrew: And we all were getting subpoenaed.

Young: —thing to use to bring a President down, because it’s never happened before.

Jennings: Oh, it was awful. You can’t imagine how many different subpoenas floated throughout the White House.

Young: Well, that seemed to me to be very distracting to some people.

Jennings: It was and it wasn’t. It was like a joke.

Lambrew: Oh no, those files on our computers—

Jennings: It was fishing expeditions. It was a waste of time.

Young: Were you ever subpoenaed?

Jennings: No.

Young: Were any of your records—

Lambrew: There were what we called paper subpoenas.

Jennings: There were paper subpoenas that went throughout the whole White House.
Lambrew: Correct. So you would on a regular basis—

Jennings: Any paper, e-mails, messages, notes, anything that could potentially be related to anything and all.

Lambrew: Correct. So for example, anybody who was on a joke e-mail circuit immediately took themselves off, because those jokes then had to be submitted to the counsel’s office because the word would come through.

Walcott: But what were the significant reactions to that? People refusing to leave a paper trail.

Lambrew: Correct.

Walcott: Really when they should.

Lambrew: Yes.

Jennings: Yes. But you know, I think that happened very early on in the administration, even before—

Lambrew: Because of all those suits.

Jennings: Whitewater, everything. It really wasn’t because there was a fear about Whitewater or any scandals; it just threw cold water on the deliberative process on paper. If they can get that, can they get this? It does have an effect on your willingness and desire to put everything down on paper. From near the beginning of the administration, we were very sensitive, not just to the subpoena issue but also frankly because of the ’93, ’94 experience, the leak process.

Lambrew: I agree; leaks are important.

Jennings: Leaks, from people who really didn’t know the context or want anything—but felt they were out of the loop and wanted to push their agenda. It could be very painful. I think now in this administration as well as our administration, I’m sure that very few people put a lot on paper.

Young: It had been almost an instructional agreement, among the top level White House staff, before Clinton even came in, that this was bad to keep paper on certain critical politically sensitive issues. So it goes way back, I’m thinking Watergate.

Jennings: Yes, since Watergate.

Young: Even with [John F.] Kennedy, they had—

Jennings: They had the same thing?
Lambrew: That’s interesting, because I don’t remember ever being spoken to on my way in the door. I do remember the discussion about records. You’re instructed on what you can bring in and what you can take out. So there are some of those discussions as an entry-level person, but I don’t remember any more explicit discussion.

Young: But you did it anyway?

Lambrew: Correct.

Jennings: Yes, we did it anyway.

Young: You were discreet.

Jennings: That was the world. You might recall there was a memo that Alice Rivlin did. I don’t remember what year—

Lambrew: Ninety-four, I thought.

Jennings: It was a listing of all these difficult policy options that weren’t particularly politically tenable but was characterized as necessary and desirable. It was perceived as putting the President in a bad light if he didn’t pursue them. It was viewed as very detrimental to the administration. That is an example of a substantively thoughtful document whose author had no intention of it being leaked, but when it did, it was a problem.

You might want to have that type of discussion, but you probably don’t want to have it on paper.

Riley: There was the episode of the Treasury officials, Josh Steiner I think his name was.

Lambrew: Early on.

Jennings: Yes, yes.

Riley: Required to get on the stand, denied, then told the truth in his diary, as I recall.

Jennings: Yes.

Riley: So I would think that would have a chilling effect on keeping records.

Jennings: I don’t know how anyone can do diaries in the White House. He was in Treasury, but who had time for a diary? [laughter]

Riley: Let me ask you, then. You get to the far side of this and you’ve got about a year or so left in the administration. I’ve heard on two different occasions, in one instance you were thinking about Gore and setting up Gore possibly for his own Presidency. Last night over dinner you mentioned, once the election returns were finally in, that you got immediate instructions to start doing some manipulations on the budget. I’m wondering if you could talk us through the last
year and tell us a little bit about what you were doing, in general policy terms, and if there are other instances of your changing your activity to work with—

**Lambrew:** I’m also wondering if we should talk about—prior to 2000, in 1999, in trying to get back to ordinary business, we did announce a long-term care policy. We did work on disability that year, Chris, do you remember that? That was our big initiative that year. Then there was the demise of the Medicare commission and the release of the President’s Medicare plan, which I’d argue by the summer of 1999, we were pretty well back in full gear, weren’t we?

**Jennings:** Well, yes. Monica was over and we were moving on. And doing so relatively successfully. However, we were burdened by having people starting to talk about the next President.

I think that our Medicare reform policy that, ironically, my successor in the Bush administration, Mark McClellan, contributed to, was a very significant initiative that probably didn’t get all the attention that it deserved. It was viewed by the *New York Times* editorial board and others as real major reform that deserved very serious consideration. But it didn’t seem as if Congress was going to move quickly on it—or they were going to find problems with it. The political requirement was that everyone said they were for a Medicare prescription drug benefit, and we started that whole process, the President was clearly associated with that. Proposing the reforms as well as the drug benefit really set the agenda, but I don’t think the Congress really wanted to work with us at all, frankly.

**Lambrew:** Sure, although I’d argue that initiatives like that were part of the legacy of what we did.

**Jennings:** Oh, I agree with that.

**Lambrew:** You can separate out the kind of—well, it was a poisoned Congress. There’s no doubt that in early-, mid-, even late-'99, and the disability story I think is key to that. It was a challenge. There were bad relations and I think that working with Republicans was much more difficult than in ’97. That said, the fact that there was an interest—and it got a fair amount of attention, that Medicare plan. I remember it being on the front page of the *New York Post* of all places, this big headline. We did a lot of work. It put prescription drugs, as an issue, back on the agenda. It had been off the agenda basically since ’89, ’90. It was in the Clinton plan, but it wasn’t really out there.

**Jennings:** And by the way, we signed the work incentives bill—

**Lambrew:** In the end of that year.

**Jennings:** Ninety-nine or ’98?

**Lambrew:** Ninety-nine, the last bill of the century, remember?

**Jennings:** The last bill that was signed into law before 2000.
Lambrew: There was a lot of stuff in 2000. There were real bills, the Breast and Cervical Cancer Coverage Act.

Jennings: Regarding the work incentives legislation, it provided the option for people to go back to work as a person with disability without losing their Medicaid coverage. It was a very important disability-empowering initiative that provided states new options to move in this area. It was significant because it was a Medicaid new option and expansion—

Lambrew: A Title XIX program expansion.

Jennings: It was not so big in dollars, but big in terms of the fact that it got through. I mention that because the Republicans’ leadership and committees of jurisdiction hated—well the House, in particular, hated—

Lambrew: And the Senate leader.

Jennings: The Senate leader, too, as well as Senator [Donald] Nickles, hated Medicaid expansions at any level, any programs for the poor, any types of entitlements. So even state options—this is not a requirement, it was a state option—could not pass their scrutiny. Even when you would have bills that pass the Senate with 70-80 votes, they would be killed in the House and rejected in any conference negotiation. Health care became, more than any other domestic policy issue, I would argue, the ideological litmus test. It was basically, “We’re against government expansions under any scenario, and we will only support things if they’re private, defined, contribution-oriented stuff.”

It’s just important to note that health care in this era really frames so much of the disagreement between party affiliation. Whether it’s Medicare or Medicaid or coverage expansions, they’re huge philosophical divides that are very hard to get over unless you can create more willingness to work in a bipartisan way to get through these disagreements, like we did with CHIP. CHIP was a great example of a compromise. Because of the negative feelings toward the President and because of his growing perception of weakness, it became harder and harder to get to that type of place where you could compromise anything. In fact, explicitly they wanted to go out of their way to reject them, so it was very hard in the budget negotiations in ’99 and 2000 to get anything done.

Lambrew: The only other thing I would add is—we won’t go into the details—this bill had no place for compromise. These are people with severe disabilities, they need what they need, they’re expensive, that’s the end of the story. I’d argue there’s the negative part, which Chris just described, as the beginning of what I would call much a more ideological era in health care. But there’s also the real positive part. Because of the nature of the problem, the nature of the solution and the circumstances, it was sheer, straight-up political chips that got put on the table for this bill to pass. Small bill, not going to change the world, not going to help that many people. But watching the key moments, where the President made the phone call from Greece, right? We finally got to a point where the Republican leadership couldn’t object to the policy any longer, it was how we were going to pay for it.
We were basically coming up with all these ideas, mostly our programs that we were cutting, and they kept finding reasons to reject our offset for the policy. So it’s Veterans’ Day, November 11th, whatever day that is. I’m pulling my hair out because I was the lead person working with the Hill on this and trying to find the solutions. I go to Chris and I say, “I don’t know what to do any more. I can’t find another offset.” So Chris marches me over the Chief of Staff’s office and we go over to the office and wait. Just unannounced, just waiting outside the office. He gets off the phone, we walk in. Chris explains it articulately as usual, and powerfully, and Podesta gets mad. He can’t believe that they rejected everything that they rejected. He can’t believe for this small bill that this is what they put up as a reason to reject it.

He starts banging on the table, gets his secretary to get Larry Summers, Jack Lew, Larry Stein, our legislative affairs guys, on the phone now. Gets them all on the phone. Yells all the more about the circumstances, says, “We have to do this, we have to find a way. Jack, give me some offsets.” He starts digging into his deep back pocket and finds something that he knows he doesn’t want to give, but he finds the money and Podesta is still banging on the table and Larry Summers, of course, can’t help at all but he tried. And sure enough, we got off the phone, I think actually Podesta called up to the Lott people, right? And yelled at them too. Said, “We’ve got the offset and we’ve got to get this done.”

But that’s the sort of experience that made, to me, everything worth it. It was people who got it, who cared, who were willing to use some of what was a very limited quantity at that time to help people who really needed it. We’d been working on that bill for two years.

**Jennings:** And this was a time, by the way, when the Republicans are spending surplus dollars like it’s going out of style. No need for offset on anything, provider givebacks—

**Lambrew:** And tax policies.

**Jennings:** No need for offsets. But if it’s for a program for the poor, a person with disability trying to work to maintain their coverage, you must have an offset for that. It just illustrates how hard they were going to make it be, and our willingness, even in our weak stage, to try to get something positive done. I think that is a good part of the story, and my negative memory is how hard it was to do even that. In 2000, we had similar policies too that had similar broad-based support in the Senate, and even if we had offsets we couldn’t pass it. So it was just an example of the fading of an administration into the sunset that faces a bitter and hostile Congress.

We had to make choices in the end of 2000 that were basically the least worse options in the negotiations. Having said all that, despite everything, because of the skill and the commitment of a lot of people in the administration, even in ’98, ’99, 2000, there were achievements that were quite amazing. I’m very proud of those and I was happy to stay on. I mean, people always ask, how could you have stayed on in that whole process? It was because people really were committed to doing something positive—to move the agenda forward.

I guess the only thing I’ll say about 2000 is that it was taken up a lot with the dynamics related to Vice President Gore running for President.
Riley: That was going to be my next question.

Jennings: And the role he played or he didn’t play, and how close he wanted to be affiliated or not be affiliated with the President. Of course there was some well-documented frustrations and bitterness between the two. The Vice President never felt that he got enough recognition or credit for the things that he was doing or caring about, or things that we could give him credit for. That’s a part of running for Presidency. The tension between the President being President and the Vice President running for President.

I think the second issue was that he was trying to define himself in ways that had a vision for the future that pretty much extricated the name Bill Clinton from that process. That was an understandable strategy. But in fact the implementation of it was fairly poorly done, at least from our perspective, in terms of getting credit for the Clinton-Gore administration for the positive achievements. I think that tension was well exposed during that process.

There was no impression on our part early on that he would not be President. We really wanted him to be President, we wanted him to carry on the agenda. My wife was worried that he would win and I would still work in the White House. The untold secret about this whole process is that one of the legacies in health care of the Clinton administration was that we, in effect, constrained public program growth and spending in Medicare and Medicaid in significant ways, achieving huge savings that contributed in large part to the surplus, which was then going to be subsequently used in the next four years for investments in health care. We were even a little bit resentful that Bill Clinton couldn’t have those resources and invest in health care—

Lambrew: Although in his last budget he put in a hundred billion dollars for a pretty big expansion.

Jennings: We put money in the budget but we couldn’t spend it because Congress would never give it to us. We thought Al Gore could. A new President, new mandate, new whatever. It was hugely disappointing to us, notwithstanding what Al Gore’s folks sometimes think. What I was going to say—and I think I’ve mentioned this before—is that despite those tensions, the health care team, Jeanne and I, we worked very hard to help Al Gore, not just in terms of getting credit, but also helping formulate his policy.

Lambrew: How many times at night at home?

Jennings: And he was very happy with it. He cleaned up Bradley on both. It’s funny, I don’t know who was saying this last night, but they were reading this article about the perception of Gore and Bradley—

Lambrew: It was me, I was on a panel last year. It was a political science argument that despite the fact that Gore had fewer details out when he was debating Bradley on health care, people liked his policy better. Bradley’s health care policy was critiqued by the press as being too expensive, or not adding up.
**Jennings:** Or hurting the poor, or whatever, because it had too many details. But the Vice President, perhaps in some part because he was viewed as an extension of Clinton and because he had a general vision, was positively received on health care. So he was very happy with our health care team and what we and Sarah Bianchi, his policy director, were doing for him.

**Lambrew:** As a note with a specific example, in the same way that we had all these outside influences that caused policy action, Gore was an inside influence who caused policy action. Part of our long-term care initiative was this family caregivers program, which would help people like us who have elderly parents learn how to care for their parents and provide some respite services for those folks. He cared about that. That got enacted. We worked hard on that. He was out there pushing it.

**Jennings:** He successfully advocated for Medicare coverage of clinical trials.

**Lambrew:** He did that. Also in 2000, he brought to our attention this issue of people—again, back to legal immigrants—people who didn’t sign up their children for health coverage, even when eligible, for fear that this would cause them to be deported, if they’re in the process of gaining citizenship. So we worked very hard with INS [Immigration and Naturalization Service] to say, “No, giving people health insurance is a good thing for public health, because then you and I are not going to get sick when these people get sick.” It’s a disease threat by not giving people health insurance.

That’s the sort of example where he was acting as a catalyst for a policy process to begin. In the world of resistance and problems, you always look for those catalysts to make policy happen.

**Jennings:** He did care a lot about those issues.

**Lambrew:** Cancer.

**Jennings:** But then the election occurred. You know, we did everything we could to help campaign, volunteer. Whatever was helpful, we tried. But it really wasn’t until after election eve and the whole recount started that the Clinton-Gore people came back to love one another again. They really pulled together. The Clinton people were very supportive of the Gore folks going through an extraordinarily difficult time. It was sort of like family. When something is really hard, families get even closer.

It happened as we were concurrently finalizing budget negotiations—

**Lambrew:** We weren’t done yet.

**Jennings:** Implementing all these regs, trying to finalize and clean up our offices and everything. The amount of work and emotion and mental fatigue, anything that you can throw into this list of descriptives, was all part of this whole process.

**Lambrew:** I’ll just emphasize that for a second, because the original plan was: Congress will finish up the budget in October, probably mid-October. There were bets in OMB about when
Congress would adjourn, but everyone was thinking mid-October, because that’s what they do in an election year, so they can go home and campaign. Then anybody who wants to volunteer in the campaign will volunteer in the campaign, it’s over November 7th. You do your regulations, you archive things, you look for a job, you’re gone. That’s the plan.

Here we were. They kept Congress in session all the way through the end of October, right? Around Halloween? Kept Congress in for a long time. Neither finished the budget nor the Medicare bill we were working on. Election happens. Delay, delay, delay.

**Jennings:** The Republicans did that because they had concluded that these end-of-the-year negotiations before elections are worse for them because they have to give away too much to the Democrats for high political priorities.

**Lambrew:** Except that they wanted to have their cake and eat it too. The bills before Congress adjourned looked nice. They had all sorts of projects for all the districts that were in trouble. Big, big bills. Now, there was no way that the Republican leadership would ever let that expensive bill get signed into law. So they left with a mark that was high, and there was this expectation that they would come back and lower it—depending on the election.

**Jennings:** Right. The special projects yes, but not our priorities at all.

**Lambrew:** Clearly, clearly.

**Jennings:** So they knew that they would be in a better position to negotiate and achieve their priorities after the election. So that was the complete strategy.

**Lambrew:** Congress didn’t come back for another two weeks. I mean, nobody knew what to do. This was total limbo. You had a call with Bill Thomas to figure out what we were going to do with the Medicare bill, but he was like, “I don’t know.” I mean, all waiting, waiting, waiting, waiting. So it wasn’t until December. Meanwhile, we’re trying to figure out what to do, position back-ups, beginning to look at the regulation process, because now we’re worried. We had significant backlog of regulations and 1115 Medicaid waivers, because we were doing those at that point too. All the state waivers that were in the queue.

**Riley:** And it’s this period you get the call from Jack Lew?

**Lambrew:** Yep, it was the night before Gore conceded, right?

**Riley:** And he says?

**Lambrew:** They said that budget negotiations were back on, they’re going to be over in 24 hours. He said, “Your goal is to do the best that you can.” He said it very specifically. “This is the baseline. Everything is downhill from here, especially in program areas that are traditionally Democratic program areas. Do your best, get as much money in those programs as possible because this is it.”
We started the process. We went up the Hill, the budget team went up to the Hill, again, I think the next day, although at one point we basically were not even allowed in the room. The Republicans said, “That’s it, you’re done. We’re going to negotiate with the Democrats on the committee and get the bill done without you.” At which point what we did produce was a very gory detailed list. We called our Democratic colleagues on the appropriations committees to get our initiatives in. The same thing was happening on Medicare, because you, Chris, were dealing with Bill Thomas at the last minute, on what we could do on the Medicare bill.

**Jennings:** We didn’t have any leverage at all.

**Lambrew:** You got a couple of things in. It was only I think because he was trying to be nice to you.

**Jennings:** Yes. Only based on personal relationships.

**Lambrew:** And that’s what we were doing at the end, scramble.

**Jennings:** Everyone was so afraid of what was going to happen with Bush that after the election and wanted the regs finalized. We wanted to ensure that even if they decided to overturn them, they would be criticized for doing so. So the amount of work that goes into a reg process and the amount of pressure that puts, not just on the political people but the career people, was amazing. The career people at the end of the process were basically saying, “We can’t work this much. It’s inappropriate that we do so.”

**Lambrew:** And the transition. There’s a general policy at OMB, especially because the budget has to come so soon, of allowing the new administration to start directing work for the career staff. So we had transition team people—my same staff—who, when I’m saying, “I need this Medicaid managed care reg done, I need this Maine prescription drug waiver done,” they’re saying, “We’re doing work for the transition.” That put them in a horrible position, horrible position.

**Jennings:** Part of the transition that people don’t know about.

**Riley:** So you’re relying on personal relationships there too.

**Lambrew:** Begging, pleading, absolutely.

**Jennings:** Totally. We had to pick and chose regs and it made people mad, the people that we didn’t choose.

**Lambrew:** It was an unhappy time.

**Jennings:** It was a hard time.

**Riley:** You mentioned yesterday, in conversation between the two of you, a final day presentation to the President.
Lambrew: Second to last day, I think we got.

Young: Let’s hear about the last days.

Lambrew: I do take credit for the idea, partly because—

Jennings: Go ahead, you do. You deserve it.

Lambrew: Back in December I was talking to a friend of mine in public liaison who was saying—this is I think after the final decision on the election—said how all the people she works with in the health care world were going to miss us.

Jennings: In fact, it really was Jeanne’s idea. My recollection is I was really not into it.

Lambrew: Yes, I think I remember you saying that.

Jennings: It was the last thing I needed.

Lambrew: We basically did the most important thing, we reserved the room. The most important thing you ever do is lock in the time, because everybody was trying to do everything at the end. Barbara went to work and got the funding for the flowers and the food. We started to write up an invitation list and it kept growing and growing. Finally, Chris got into it. The document that Chris gave to you on our accomplishments, the longer document, we did for that event.

Jennings: Oh yes, this is amazing.

Riley: That’s this.

Jennings: In the midst of—

Lambrew: This was done in two weeks in January.

Jennings: In the midst of all this stuff going on, regs, negotiations, trying to pack boxes. We did really want to give the President an accomplishment document, because we didn’t think even he really recognized everything he did. Only Jeanne Lambrew could find the time to do this type of work, because I was just so tired. I cared a lot about it, I spent time on it, I worked on it, but only Jeanne Lambrew could pull it together. So that was an important part of that presentation.

Lambrew: But the event, it was really special. I actually will admit, I remember, as you said yesterday, emotion and not substance. Senator Kennedy came and he gave the President this book, the Profiles in Courage signed by his brother, by JFK. Congressman Dingell came, who is just a legend.

Jennings: The dean of the Congress.
Lambrew: The bearing and stature, and the words that he said were extraordinarily eloquent, as far as I can remember them. The First Lady spoke and then the President spoke.

The President gave—and you’ll have to correct me on this—an analysis. What he did and what he accomplished and what he thought about his health care accomplishments over his career. When we had the discussion yesterday, about should welfare reform have gone first—that was where I thought I heard him talking about it, at this event. Maybe had we done things differently, timed it differently, gotten the trust of the American public, we could have gotten this done. Then in addition to this analysis of what went wrong, what went right, what he felt proudest of, he also, in his inimitable way, thanked everybody. Thanking Chris for all his eight years of dedication and the people in the room, who were all familiar faces to him for the eight years that he was there.

Young: Was he emotional?

Lambrew: Everybody was crying.

Jennings: Ted Kennedy was crying and I’ve never seen Ted Kennedy cry. Donna Shalala was there, and also—

Lambrew: Francis Collins.

Jennings: Francis Collins, who was the head of the National Human Genome research, which the President was really always very much into. He presented him the genome sequence on a CD in a plaque, which the President loved. Anyway, Kennedy gave him that book and he literally just started crying. I remember, I was walking out the door with him and he said, “You know, I never, never do that.” It was really very moving. It was a very cathartic thing.

Later that day, I happened to be in the Roosevelt Room for a meeting and the President walked in. All of us, there must have been about 40 White House people there and the President came in. People were just tired, but very emotional. They had been crying all week long. He mentioned how important this particular event was and he thanked me for it. It was just a really nice kind of exclamation point.

Lambrew: Yes, Chris was enjoying the moment of relaxing. I was still back in the office typing the final regs, on the phone. Actually, a funny memory was about Thursday before we left.

Jennings: It was.

Lambrew: When even Jack Lew, who was an extraordinarily conscientious, dedicated guy got tired of it. I get this call from him, “Jeanne, can you just take this phone call for me? I just can’t stand it right now.” He forwards me the phone. “Hi, this is Governor Jeanne Shaheen from New Hampshire. Can you quickly approve this waiver I have? It’s just like another one you approved. You have time to do it. It’s Thursday. Please approve this waiver, we’ll fax it to you right now.”
I had to say no. “No, Governor, I’m afraid that it’s just too late. My staff are going home.” That’s just one example of the last 24 hours I had.

**Jennings:** People were scared about what was about to happen and they were all asking us to help out. You know, in retrospect there’s a lot of things we would have done differently knowing what we know now.

**Lambrew:** Yes, I have a lot of regrets.

**Jennings:** Prioritize things differently. But no group of people worked harder. I just can’t imagine it. To try to do something good. Obviously it’s something that we are very proud of and happy to have been a part of, but it was hard. In fact, Friday, the last day, was basically final things and just cleaning up and clearing out your desk. And not doing any damage in the rooms, by the way.

**Lambrew:** My keyboards were intact.

**Riley:** I wondered.

**Lambrew:** Nobody told me about it. I hadn’t thought about it, but nobody told me.

**Jennings:** It was just totally baloney. None of the people trashed the office.

**Lambrew:** I was out at a restaurant the next week and a nice woman I knew from the GSA [General Services Administration] who is responsible for the building tracked me down in the restaurant. She saw me and she knew I worked there and she was distraught by all the reports of what happened. She said, “I went through the building on Saturday. There were some problems, but nothing like what was reported.”

**Jennings:** It wasn’t destructive. The only thing that people did, some did the W thing, but that was nothing. That was totally hyperbole. The thing about stolen things in the Air Force One, you know? The steward broke glasses when they were trying to serve the press for a toast. No one took anything. It’s just an example of how spin meisters work on these things.

**Young:** Just so mean.

**Lambrew:** It was hard for us. We’re left feeling good about the transition and then everything changed. Everything changed.

**Jennings:** And the real issue really was—

**Young:** The pardons.

**Jennings:** —the pardons. I don’t know enough about them to comment other than I wish they didn’t have them.
Lambrew: You and me both.

Jennings: Because they were an excuse to define in ways that were negative, and I don’t know how the President feels about them now or not, but I haven’t talked to him about it. I remember that night though, Friday night, it was raining, seemed appropriate. These big limos with the big longhorns in front. And I’m saying, “Oh, my God.”

Lambrew: Washington has changed.

Young: I thought that was LBJ’s [Lyndon B. Johnson] thing, the longhorns on his limo.

Lambrew: They were having inaugural fireworks while we were still there, remember that? Chris had the best office I think in OEOB, which is southwest corner.

Jennings: Seventeenth—

Lambrew: So he’s looking down onto the Washington monument, and there we were packing, cleaning, typing, and there are these fireworks going off out the window. It was a very surreal experience.

Jennings: Then the next day, I went out to the airport to see the President off. It was raining and cold and windy. The pardon issue was just starting to come up, but the bigger thing was these complaints about the office, which I knew not to be true. It was very frustrating. And then the charge was that the President was making a big exit to get coverage and take away attention from Bush. He wasn’t asking for the coverage. It was a farewell in a hanger. So it just felt like the day after the last day was the beginning of an awful, negative, transition away.

Riley: We’re almost out of time, but I wonder if there are some things, looking back, that you feel were unrecognized successes. We have talked about the incremental things in sum over a period of time that made a great deal of difference in health care. Is there anything else that you can think of that we ought to pay attention to with respect to this President?

Jennings: The big issue is that he kept health care on the agenda. He kept it as a federal responsibility. He not only passed, enacted, and implemented things effectively, he also set the agenda for the future. His stewardship of the economy had positive effects on people as well, in terms of bringing people out of poverty. There is a correlation between poverty and health care.

His ability, I think, to integrate departments and agencies and processes that hadn’t happened before, I think was very positive. I think the CHIP implementation issue is really a positive example of that, whether it’s Education or HUD or VA [Veterans Administration] or Agriculture, all these other programs. Thoughtful, constructive ways to creatively implement programs was a very significant achievement. I think that his commitment to programs that you haven’t even seen, like public health programs, infrastructure expansions, that his recognition of race and health disparities, his involvement in world AIDS [Acquired Immune Deficiency Syndrome], international AIDS stuff.
Lambrew: Immunization.

Jennings: The immunization rates. The infant mortality rates and the immunization rates have gone very positive in his administration. Very significant positive public health outcomes that people don’t know about and that are documented in here, were really all part of his legacy. I think also just putting health care back on the map as something that could possibly get done, both in terms of coverage and Medicare and a host of other areas, really represents very significant contributions.

The last thing I’d just point to is I mentioned the interagency issues, but I think not just in terms of implementation, but in terms of policy development, it was hard. But our policy development process in the last six years really was a model for getting things done, at least from an administration perspective. That should be utilized by subsequent administrations. Get good people, talented people who are committed to process and you’d be surprised how much you can get done.

Lambrew: I just have three things. First, there was the privilege of being able to work on big policy initiatives. Even for people like myself, who really are coming from an academic background and trying to think of how you take what is known from research and apply it in a policy context, I had the privilege of being involved in two major health reform efforts. One was the first major health reform effort, very tangentially, but also, with this Medicare plan that we came up with in 1999, it was a big plan. There were a lot of interesting, smart people that we tapped into to develop a plan that we felt was not overarching in terms of what it did to Medicare, but set it on a path towards something that I think is very respectable. Most academics look at this plan very positively three or four years later. We still haven’t seen action on it, but being able to work on initiatives like that was a real privilege.

Second, we haven’t quite talked about the work that we did with states. We do have this authority, which is, I think, the largest executive branch power, which is being able to waive provisions of the Medicare-Medicaid Act without congressional involvement. Fully one-quarter of federal Medicaid spending, which is now totaling $180 billion a year, is purely under administrative control, through these waivers. We can waive virtually any provision of Medicaid law, and we used that power to work with states. We worked with Tommy Thompson in Wisconsin and got a very respectable program up and going there. We worked with Maine to extend coverage for prescription drugs to a bunch of seniors; that’s now being challenged in court. We worked with a set of states to help people with HIV to get prescriptions. They’d otherwise have become so disabled that they would join the Medicaid rolls eventually.

So we did a lot of, I think, really interesting policy at the state level, which fed into the link between health insurance and economic growth and job security. That’s why Tommy Thompson was interested in this. That’s why Republican Governors in the late 1990s embraced children’s health as well as health insurance expansions, even if they were so-called entitlements. We were able to figure out that nexus. So we did so-called entitlement expansions with Republican Governors and that was a real positive breakthrough. I feel that we’re losing some of that, but I’m hoping as we progress, that this accomplishment is going to prevent worse things from happening.
My last comment is—and maybe it’s something that people like me care more about than most people—but there was virtually always support for making sure that policies three, four levels down, that never really hit the public screen, were done well. We were able to encourage the career people, who had ideas on making programs work better, push through those ideas. We were able to improve the daily operation of health insurance programs for the 85 million Americans whom the federal government affects through Medicare, Medicaid, military, veterans, federal employees. We were able to do I think a lot of quality work there, so you wouldn’t just have decent policies at the top level. You always focus on those because the President is directly discussing them, but we had this mandate to make sure that the policies three or four levels down were also equally positive and progressive and consistent with good health policy. That’s the story. I don’t know how you quantify or measure it, but I feel quite proud of it.

**Riley:** Thank you. I hope that future generations will benefit, not just from the work that you did but also from this donation of time over the last day and a half. It’s been a good experience for us and we’ve got a very rich record to draw on. So we’re very much indebted to both of you for spending this time with us.

**Young:** It’s not just future generations, it’s current generations.