

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. form	SF171 for Patricia Stubbs Fleming (9 pages)	05/27/93	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Carol Rasco (Meetings, Trips, Events)
OA/Box Number: 5041

FOLDER TITLE:

POTUS Briefing (Oval) 3 August 1994 10:00-10:15

rw187

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

orig: CLK - POTUS briefing file
xc: Joel Klein
man

FACT SHEET

Welfare and Medicaid Waiver Demonstrations and the Beno Case

Background

Beno v. Shalala involves a challenge by AFDC beneficiaries to one element of a California welfare demonstration project approved in 1992 by the Department of Health and Human Services (DHHS) pursuant to Section 1115 of the Social Security Act. On July 14, 1994, the Ninth Circuit Court of Appeals ruled that, in approving the demonstration, the Department had not established an adequate administrative record regarding one of the waivers of federal law related to the demonstration. The court held that because the record did not reflect that HHS had taken into account public comments opposing this specific waiver the Department must reconsider this waiver in light of these objections. On July 29, the Administration decided not to seek further review of this decision.

The Clinton Administration's Commitment to State Innovation

The Clinton Administration is strongly committed to reforming our health care and welfare systems and to working with states that wish to conduct welfare and Medicaid demonstration projects. Since January 1993, HHS has approved five health care reform waivers and sixteen welfare reform waivers. With this commitment in mind, HHS and the Department of Justice carefully reviewed the court's decision in Beno.

Rationale for the Clinton Administration's Decision

Based on the facts of this case, the nature of the court's decision, and a desire to remain fully supportive of state health care and welfare innovation, the Administration believes that further review by the court would not be beneficial to the Department's ability and discretion to support state experimentation.

The legal holding is very limited. The decision requires only that the Department create some administrative record to support its decision. Further, the Appeals Court did not reach other important issues regarding the validity of this waiver that were vigorously argued by plaintiffs in the lawsuit, and that would be open for review in a rehearing. In light of these considerations, the Administration believes that requesting further review is not appropriate in this case.

Effect on California's Welfare Reform Demonstrations

California is conducting several welfare reform demonstrations. The court's decision does not require California to discontinue the Assistance Payment Demonstration Project, the subject of the lawsuit. In particular, the decision has no effect on the waivers granted by the DHHS to California that enable working recipients to keep more of their earnings and that permit more two-parent families to qualify for benefits. These waivers were not challenged in the lawsuit and remain in effect. Further, the decision does not invalidate California's reductions in AFDC benefits.

The decision also has no impact on California's other welfare demonstration project -- Work Pays which includes Cal-Learn -- that received approval by HHS this year.

Under the court's decision, HHS will be required to reconsider the previously granted waiver that relates to California's submission of new Medicaid state plans, the only waiver vacated by the court.

Effect on State Waiver Demonstrations

The Clinton Administration has followed procedures consistent with the court's holding in reviewing demonstration proposals and granting waivers. Thus the opinion does not call into question other states' waivers that this Administration has approved.

Relationship to Welfare Reform

The court's decision has no effect on the Administration's welfare reform proposal, the Work and Responsibility Act of 1994, which retains the authority to provide waivers for welfare demonstrations under Section 1115 of the Social Security Act.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington D.C. 20201

*Sent Red dot
Aug 2
11:45am
to V. Baggins*

FACSIMILE

DATE MAY 27 1993

*OEB
153*

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NUMBER OF PAGES TO SEND (INCLUDING COVER SHEET): 10

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