THE GREEN SHEET

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News About the U.S. Department of Health, Education and Welfare

Pueblo Star-Journal and Sunday Chieftan; 9/17/78

Califano: Study in contrast



HEW Secretary Joseph Califano

In an outsiders' administration, he is the knowledgeable insider. One of the President's men calls him the most effective secretary of Health, Education and Welfare ever. Joseph Califano is a man in perpetual motion, though none of his major initiatives has paid off in legislation so far. Here's a close look at the man in charge of what is probably the most influential segment of the bureaucracy.

By MICHAEL PUTZEL

WASHINGTON (AP) — On the first day, Joe Califano promised them support. He said their cause was like Martin Luther King's and he was committed to it.

On the second day, they were back. Those who couldn't see carried canes. Those who couldn't hear brought interpreters. Those who couldn't walk rode wheelchairs.

He had ordered a snack bar set up for them.

They shrugged off the courtesy, invaded his anteroom, demanded that he instantly sign regulations to end discrimination against the handicapped.

Califano, perspiring, stood on a table, guards at his feet. He assured the demonstrators he'd sign — but not before he was convinced the regulations were right. They jeered him. Califano disappeared into his inner office. The demonstrators stayed on. Night fell, and Califano's anger became apparent. Phones and food were cut off.

The next day, the group left, their objective unmet.

And then a surprise. Within a month, the secretary had signed stronger civil rights regulations than the demonstrators had demanded. But he still refused to sit down with them.

With like measures of compassion and pique, a kind word, a rush of temper, Joseph Anthony Califano Jr. touches the lives of virtually all Americans. For as his cumbersome cabinet secretary's title suggests, he is in charge of the nation's health, education and welfare, influencing what medical care millions receive, what the nation's schools teach their children, what shall be done for the poor in the government's care and how the Social Security system is administered.

A Washington insider in an outsider's administration, Califano learned politics in government at the knee of Lyndon Baines Johnson and credits the late president with giving him "the most spectacular course in government you could ever have." Yet, he has had a rough time on Johnson's old turf, watching one bold initiative after another disappear in Congress' great maw.

He has fought an equally ambitious but less noticed battle for control of the world's largest government agency, insisting it can spend its billions efficiently and serve its people with dignity.

Califano also is aware this president isn't like his last one.

As Johnson's domestic affairs aide during the genesis of the Great Society, Califano says, "I was working for a president who wanted a solution to every problem as soon as he found the problem. Somebody would walk in the office and say, 'It's terrible. In this country we have fire hydrants of a size that they can't take the hose from the neighboring county, and what happens if we have a five-alarm fire?' And Johnson would call me up, and we literally recommended something called the National Fire Safety Act, which was designed to encourage counties and cities to have the same equipment in areas where it could be important. . .

"President Carter is much more sensitive about the extent to which government should intrude. . .

"And the problems weren't management over here then. What Johnson was dealing with was getting the programs in. There was no elementary and secondary education program, very little higher education . . . There was no Medicare, no Medicaid, no Title Twenty (social services). Virtually none of the human development services programs existed, except the children's bureau. There was no Head Start, no Senior Citizens Centers or Meals on Wheels.

"Carter comes into office, and management problems are indeed the most difficult problems."

Califano does find it irresistible sometimes to propose new solutions to problems his very traditional sense of right and wrong tells him should have his attention: an antismoking campaign, teen-age pregnancy, child health, immunization. But as one businessman-aide says, "His resources are limited now, and he understands that — at least in the strategic sense."

As a young lawyer fresh out of Harvard Law School and a New York law firm, Califano came to Washington during the Kennedy years and was soon made one of the Pentagon's "Whiz Kids" by Defense Secretary Robert McNamara, the man who brought management techniques from Ford Motor Co. to the military.

"From McNamara, I got a phenomenal education in management," Califano says. ". . .Just watching him make decisions and ask questions . . . and get the best people he could get to do the job."

Now, at HEW, there's a wing just off the secretarial suite that civil servants call the "Kiddie Corner." It's headquarters for the new whiz kids who ramrod the secretary's special projects.

To manage department operations, Califano got an indefatigable young Citibank vice president named Leonard Schaeffer. As assistant secretary for management and budget a title Califano created, Schaeffer runs the secretary's Major Initiative Tracking System "service delivery assessment" and a training program for the contract officers who pay out the agency's billions.

"He's very good at zeroing in on results," Schaeffer said. "You should see him out in the regions trying to find out how his immunization program is going. He won't let them tell him about whether the forms got signed or how many people went to the meeting or — that great favorite of the bureaucracy — how well they're coordinating. 'Don't give me that,' he says 'What I want to know is: how many kids got the shots?'"

Johnson's domestic policy was studded with legislative triumphs, but the major legislative initiatives Califano has produced for Carter have not fared well. A proposed overhaul of the welfare system and a bill to control skyrocketing inflation in hospital fees both died in this Congress. The long-promised national health insurance proposal is months behind schedule and already in deep political trouble. The refinancing of Social Security, which Califano lists among his greatest accomplishments emerged from Congress with not one of his innovative plans to save the system from bankruptcy without knocking the wind out of the wage earner.

Stuart Eizenstat, the White House domestic counsellor, says Califano "is the most effective secretary we've ever had," praises "bold and innovative" initiatives and attributes their lack of success in Congress to Califano's tackling of "tough intransigent, long-standing problems that others haven't dared to face."

If Califano manages the department in the style of McNamara, his personal style is reminiscent of Johnson. Joe Califano is the imperial secretary.

"This place is a little White House," says one official who has survived several HEW secretaries. "The chef, the security guards, hot line phones. If he goes upstairs for a swearing-in ceremony, the distance is paced and timed, and the stage is blocked so he knows where to stand. Of course, it doesn't make any difference because he's never on time."

The official photographer is never on time and the secretary gets furious when the "Green Sheet," the department's daily compilation of newspaper clippings, which he reads religiously fold during his tenure, isn't on his desk.

Except for the handful of

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Continued from previous page

brief the secretary or discuss a problem. Califano rarely sees any of the workers in his building or the 145,000 who work for him across the country.

His press secretary told reporters early in the administration that their "First Amendment rights don't extend to the carpeted area" around the secretarial suite. And Califano won't even make his daily schedule public.

He has four or five body guards directed by the former chief of Johnson's Secret Service detail. When he dropped in on a farewell party in an assistant secretary's suite down the hall, a bodyguard stood posted in the corridor.

A secret button has been installed enabling him to seal the doors to his office instantly.

Some decry what they regard as the secretary's penchant for pomp and bluster; others see an underlying shyness behind the facade.

"He's not a mixer," an aide says. "It sounds crazy, but I think he's shy around people he doesn't know."

His formality in office alternates with an easy informality in private life. He eats lox and bagels at a local drugstore with his kids after Sunday Mass, has box seats for the Redskins football games and drives some of the city's notables to the stadium in a rusty station wagon.

He climbs down from a cramped commuter plane near his summer home at Cape Cod, changes into ragged shorts and T-shirt, toils through two hard sets of doubles and stops, unchanged, at a grocery store before going home to cook dinner for the kids. He makes his own pasta and sauce.

Those who contemplate the more regal side of Califano stress different scenes — as when he dispatched a $20,000-a-year aide to buy toilet paper for his office bathroom because the tissue used throughout government office buildings wasn't soft enough.

Or the meeting of senior assistants when Califano put his foot up on the arm of a deputy assistant secretary's chair and directed him to tie the secretarial shoe. Califano had had minor surgery on his hand a few weeks earlier, but the aide wasn't given a reason.

Most of those the secretary has picked to work for him, all of proven mettle and some certainly brilliant, joke about or shrug off the Johnsonian idiosyncracies, preferring the friendly, down-to-earth manner the secretary displays in private, his ready laugh and deep voice with just a touch of his native Brooklyn. He's easy to like.

But not notably easy to work for. The boss puts in 14-hour days six — but never seven — days a week, a picture of restless impatience; he can't sit still on a chair for long, frequently fidgets with his shoelaces.

"He gets annoyed if we're not here to answer the phone, even if we're off working on one of his projects," one special assistant says. "Sometimes I'd like to pull the plug, but on the other hand, we're all hoping the phone will ring. If you don't perform, he doesn't tell you; he'll just stop using you."

A typically busy Califano day shapes up like this: A briefing on Social Security disability set for the morning. A strategy meeting on control of hospital costs at lunch. Three papers awaiting the secretary's decision, another stack awaiting his signature. A weekly meeting with one of the assistant secretaries is scheduled, as is an interview with a reporter.

At 10 a.m., Califano picks up the hot line, pushes a button and sends a special assistant rambling for some numbers on student aid cuts. His speech writer is waiting to go over the draft of a luncheon speech that should have been distributed to the press but, as usual, didn't arrive in time.

The secretary is running late, as always, when Muriel Hartley, who came out of retirement to organize Joe Califano, scratches the day's neatly typed schedule. The White House is calling; President Carter needs to see the secretary. Could he pick up a congressman on the way?

Califano pulls off his ancient crew neck sweater of uncertain color, picks up the jacket to his lawyerly dark suit from a nearby chair, grabs his briefing books and rushes off to see his constituency of one.

When he has left, an aide slips into the empty office to read the three thermometers about the room and dutifully records a 72 and two 74s. There'll be hell to pay when the boss hears that. Perhaps, with the new $100,000 air conditioner airlifted onto the roof, the engineers will be able to keep the secretary's office a constant 72.

One marvels at the frenetic pace and wonders aloud how anything emerges from the blizzard.

"There's a lot of adrenalin in a job like this," Califano says, and he loves nearly every minute of it. "Every once in a while, you move a small step forward. This place will never move fast enough for me."

In the long run, the McNamara and Johnson schooling and Califano's wiles as a Washington insider may prove of less lasting importance than his way of solving controversies.

During his years of private law practice in Washington between Democratic administrations — years when his annual income grew to more than a half million dollars — Califano learned to settle out of court rather than fight every case to the bitter end. He believes government can solve many of its problems the same way.

After exhausting back-to-back trips to Europe this spring, he arrived home, closeted himself with his lawyers and civil rights chiefs, then picked up a phone in the night and squeezed the last words of compromise out of North Carolina to divert that state from a collision course with the federal government over college desegregation.

The department also has settled billions of dollars in claims and counterclaims involving the states and several major civil rights cases, some of which had been knocking around the department for a decade.

Califano is convinced that cutting off funds is self-defeating and the administrative route to do it too cumbersome. As a result, his lawyers are trying to develop procedures for mediating disputes outside the complicated federal enforcement process.

His general counsel, Peter Libassi, hasn't seen the inside of a courtroom in years but headed HEW's civil rights office during the Johnson years and knows how to make a deal.

"Joe's very good at finding third positions that both sides can talk about, not the middle ground but different approaches that get around an impasse," Libassi says. "He has an instinct for knowing which issues don't have to be fought, when you can negotiate."

Critics suggest Califano is too eager to compromise, too willing to settle short of principle.

"Joe doesn't have an ideology," says civil liberties veteran Joe Rauh, who plays softball with Califano on Sundays and has sparred with him in federal court. "He's running for something; I don't know what. . .but that causes him to take a totally political view of life."

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News About the U.S. Department of Health, Education and Welfare

Phila. Inq.;9/23/78

Medicare aide fired by Califano

By Michael Putzel
Associated Press

WASHINGTON -- HEW Secretary Joseph A. Califano Jr. has fired his chief of Medicare and Medicaid financing in a major reshuffle of top jobs in the government's largest department, it was disclosed yesterday.

The secretary of health, education and welfare accepted the resignation of Robert A. Derzon, in an exchange of letters released yesterday.

Sources close to the administrator, who has responsibility for managing the government's multibillion dollar health insurance programs for the poor and the elderly, said that the secretary asked for Derzon's resignation and it was quickly tendered.

The sources said that no single incident appeared to have led to the firing, but that Califano generally was dissatisfied with the slow pace of the department's efforts to integrate Medicare and Medicaid financing operations.

Derzon's deputy, William Fullerton, also has resigned, but it was not immediately clear whether his departure was related to that of his boss.

Derzon also was a key figure in the administration's unsuccessful two-year struggle for legislation that would put a cap on fast-rising hospital bills.

The Medicaid and Medicare programs together have been blamed by the HEW inspector general for two-thirds of the estimated $5.5 billion to $6.5 billion that HEW loses each year to fraud, abuse and waste.

Califano said that Assistant Secretary Leonard Schaeffer, who runs HEW's Office of Management and Budget, would replace Derzon, a former hospital administrator in San Francisco.

Schaeffer, 33, served as a vice president of New York's Citibank before joining HEW.

Califano said that he would put his executive secretary, Frederick M. Bohen, in Schaeffer's place and give Bohen's job to Richard Cotton, another key aide.

Chgo. Trib.;9/23/78

Cancer link to virus 'all but proven,' research team says

New York Times News Service

AN INTERNATIONAL medical research team has all but proven that a virus known to be widespread throughout the world is a cause of at least one type of human cancer.

For many years, scientists have been trying to prove that viruses are among the causes of cancer. Proof would be important for better understanding of the cancer process itself and for practical public health reasons—including the possibility of developing a protective vaccine against a proven cancer virus.

The new findings, from a field study begun in Uganda in 1971, "strongly support a causal relationship" between the virus and the cancer, the research group reported in a recent issue of Nature, the British scientific weekly.

THE VIRUS is called the Epstein-Barr virus after the two British scientists who discovered it more than a decade ago. The cancer is called Burkitt's lymphoma. It is a cancer of the body's lymphatic system that constitutes an important public health problem among children in some equatorial areas of Africa.

"The Epstein-Barr virus is the frontrunner in the race to be elected the first human oncogenic [cancer-causing] virus," said a commentary in another internationally known British scientific journal, The Lancet. "Some say it has already breasted the tape, but the evidence has so far been laboratory rather than epidemiologically oriented."

The new evidence is based on epidemiology. The field study involved taking blood samples, early in childhood, from 42,000 children in an area of Uganda where Burkitt's lymphoma is relatively common.

SINCE VIRTUALLY everyone in that geographical area becomes infected with the virus during childhood, it was not enough to show that the child who later developed the cancer had indeed been infected. There had to be something unusual about the person's virus experience.

The research group, led by Dr. Guy de-The of the International Agency for Research on Cancer, expected to test three hypotheses through their study.

The first was that there was no relationship between the cancer and the virus infection. The second was that the cancer developed shortly after infection with the virus. The third was that the cancers developed only after long and heavy exposure to the virus.

The findings from the study gave strong support to the third hypothesis and also reinforced the longstanding belief among scientists that there is another factor, in addition to the severe virus infection, that must be present if the cancer is to develop.

PRESENT AND PAST evidence has convinced many scientists that another essential factor for this type of cancer is malaria. A public health project already in progress in Tanzania is expected to give strong evidence on this. Public health workers there have been giving children drugs to prevent malaria and have seen a drop in malaria infection among them from 40 per cent to only 5 per cent.

If the strongly suspected link between Burkitt's lymphoma, E-8 virus, and malaria is valid, a drop in the frequency of that kind of cancer should become evident during the next several years.

In a commentary in Nature accompanying the report from Dr. de-The's group, Dr. M.A. Epstein said the newly reported study shows a stronger relationship between the virus and the cancer than the evidence that has established heavy cigaret smoking as a cause of lung cancer.

THE BRITISH scientist was the principal pioneer in efforts to link Burkitt's lymphoma with the virus that bears his name. In the commentary he noted that previous studies in the laboratory have proved that the virus is found in the patient's cancer tissue and that, in the test-tube, the virus is able to transform human white blood cells into a cancer-like state.

"Direct proof that Epstein-Barr virus causes Burkitt's lymphoma can only be obtained by showing that vaccination against the virus decreases tumor incidence," said Dr. Epstein, who has long advocated such a project.

CANCER, from p. 1

The best estimates on the rate of asbestos exposure in Baltimore indicate that the city's shipyards employed about 35,000 persons a year during World War II.

Calculating the turnover in the labor force, it could mean as many as 50,000 to 150,000 persons actually worked at the shipyards at some point during that period.

A new federal program has been initiated to warn former shipyard workers that they may have been exposed to cancer risks because of the asbestos.

So far, the program has resulted in 500 telephone calls from such persons or their survivors in the Baltimore area.

In a review three years ago, the National Cancer Institute discovered a strikingly high rate of lung cancer on the East Coast between Charleston, S.C., and northern Florida and along the Gulf Coast, mostly in Louisiana.

THE INSTITUTE'S Latest study, published in the New England Journal of Medicine, concludes that at least part of the reason for this trend is the shipyard work there more than three decades ago.

"Asbestos and possibly other shipyard exposures during wartime employment account for part of the excess mortality from lung cancer in certain coastal areas of the United States," the researchers wrote.

Asbestos, a fiber made from crushed rock, is used for insulation in shipbuilding. It causes lung cancer and mesothelioma, a rare cancer of the lining of the stomach or lung, but the diseases usually take 20 to 30 years to show up.

The researchers examined the records of 458 men who had lung cancer in coastal Georgia and found that 95 of them had worked in shipyards in Savannah and Brunswick during the war. Of 553 disease-free men, chosen for comparison, 80 had been shipworkers.

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News About the U.S. Department of Health, Education, and Welfare

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HEW Says Bakke Ruling Won't Restrict Programs

Associated Press

HEW Secretary Joseph Califano said yesterday the Supreme Court's Bakke decision will not restrict government programs to increase black enrollment or hiring in the nation's colleges and universities.

"Affirmative action is alive and well," the secretary of the Department of Health, Education and Welfare declared in a speech at predominantly black Howard University, where he received an honorary degree.

Califano said his department had conducted a review "of all HEW programs and regulations to determine their legality in light of the Supreme Court's decision" three months ago.

He said the report is incomplete, but "I can announce today the major

See BAKKE, p. 5

Kansas City Star; 9/17/78



"One of the President's men calls him the most effective secretary of Health, Education and Welfare ever." See in-depth feature story on Secretary Califano, p. 3

Wash. Post;9/23/78

Medicare 'Reformer' Fired; Didn't Shake Fast Enough

By Victor Cohn
Washington Post Staff Writer

Robert A. Derzon, Health, Education and Welfare Secretary Joseph A. Califano's choice to reorganize and reform Medicare and Medicaid, was fired this week for not doing the job fast enough.

He accepted Derzon's resignation yesterday as head of HEW's 18-month-old Health Care Financing Administration (HCFA), the Califano vehicle to try to make the $36 billion Medicare and Medicaid programs more "cost-effective."

Derzon aides said Califano asked for the resignation Monday night, following a series of sometimes fiery clashes in recent months.

Yesterday Califano said he is replacing Derzon, 47, formerly one of the nation's leading hospital administrators, with his assistant secretary for management and budget, 33-year-old Leonard D. Schaeffer.

It was Califano's first top-level replacement of one of his own people, the people he called "new blood." After taking office last year he rapidly fired a series of officials whom he called "old blood" that needed replacing.

Califano aides agreed yesterday that he felt Derzon was "not moving fast enough" to unify the mammoth Medicare and Medicaid programs, and "the secretary is a man who likes to move."

Derzon aides agreed that this had been an issue. But they also said Derzon—administrator until 15 months ago of the University of California-San Francisco hospitals and clinics—"was a man willing to tell Califano 'That's not right' or 'That won't work.'"

"Califano doesn't like that," they said.

"Derzon is a strong man and Califano doesn't like other strong people around," said one HCFA official. "And Derzon wasn't willing to go out and say the health industry was bloated and hospitals were ruthless and stealing the public blind, which Califano was saying."



ROBERT A. DERZON
...joined Califano 15 months ago

When the administration failed to have Congress put a tight lid on hospital cost increases, said other officials, Califano tried to get Derzon to tighten payments to hospitals by new ways of regulation. But again, said the officials, Derzon refused to move quickly enough to satisfy his boss, often claiming that hasty actions might be unwise.

"I think it was a difference in personality," said a Derzon aide.

But a Califano aide said, "I don't think personality was involved. Ther were no real policy disputes. But Cal fano wanted someone with expe ence in large scale financial manag ment to complete the job of puttin Medicare and Medicaid together."

In any case, said another offici "I wasn't surprised. At some meetin Califano was really yelling at De zon." Six months ago the Nation Journal quoted an HEW official saying Califano "beats on Derzon head at every turn, demanding know why HCFA cannot move faste

Medicare pays hospital and medic bills for Americans 65 and over a some others. Medicaid helps states p such bills for the poor.

Until March 1977 they were run se arately, with often conflicting polici within huge HEW. When Califa combined them in HCFA, he said hoped for significant savings.

Whether that will happen is still u clear. The programs cost the feder government $31.3 billion infiscal 19 and are estimated to cost betwe $35.6 and $36.4 billion in fiscal 19 meaning a 13.7 to 16 percent increas

Derzon's deputy administrator, W liam Fullerton, resigned this mont But associates said his main reas was financial and he will remain active HEW consultant. "Still," sa another Derzon aide, "I don't think would have quit if things had been g ing well."

Califano said his executive sec tary, Frederick M. Bohen, will repla Schaeffer as management and budg chief, and Bohen will be succeeded his deputy, Richard Cotton.

Until joining HEW, Schaeffer wa Citibank of New York financial vi president. He became vice preside of an investment firm in 1971, j two years after graduating fr Princeton, then in quick succession management consultant for Arth Andersen &Co., deputy director of t Illinois state department of men health, Illinois' budget director, a C bank officer and an HEW star.

Wash. Star;9/23/78

Baltimore Cautioned on Cancer Study

BALTIMORE (AP) — A researcher has warned against using a Georgia study of cancer in shipyard workers as a simple explanation for Baltimore's high lung cancer rate.

"There is so much more going on in Baltimore that potentially could relate (as cancer causes)," said William J. Blot, who worked on the Georgia investigation.

He added, however, that Baltimore is similar to the study area because it has a higher-than-average lung cancer rate and had a huge number of workers engaged in shipbuilding in World War II.

The federal study concluded that the risk of lung cancer is unusually high among men who worked in shipyards during World War II, probably because of their exposure to asbestos and other possible cancer-causing materials.

IN THE STUDY, conducted in coastal Georgia, researchers found that men who worked in wartime ship building and repair yards are 1.6 times more likely than usual to suffer the often-fatal form of cancer. The rate is far higher if the men also smoke cigarettes.

About 4.5 million American men held shipyard jobs during World War II.

See CANCER, p. 2

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Herald-News (N.J.): 8/17/78

Califano's off for a stay at the funny farm

WASHINGTON, D.C. (KNNS) — Joseph Califano, secretary of Health, Education and Welfare, has been placed under restraint and will be taken to a federally sponsored insane asylum for treatment of a disorder of the conscience, the Know-Nothing News Service has learned.

According to knowledgable sources, Califano was ordered to undergo treatment by a special committee of government civil servants known as the Status Quo Group. He will be taken by helicopter to Blandhaven, an insane asylum owned and operated by the federal government in "a very quiet area" of Maryland.

Califano, one of the most outspoken men ever to hold the post of HEW secretary, was ordered placed under restraint after he made remarks that "clearly indicated that his conscience had gotten the best of his governmental common sense," a spokesman for the Status Quo Group told KNNS. The remarks in question were made this past Monday before a Senate subcommittee studying health care in the United States.

Califano reportedly urged the



Mike Cleveland

subcommittee to take some action to remedy the government's "shameful failure" to provide free health care for all poor children and poor pregnant women.

"The rate at which infants die within the first year of life in this country is higher than that of 11 other nations," Califano said during his testimony on behalf of the administration's proposed Child Health Assessment Program. The program would extend its benefits to all low-income children under the age of 21 meeting state income standards and to all low-income pregnant women meeting such standards, Califano said.

Immediately after giving his testimony, Califano returned to his office where he was met by Status Quo Group special police and removed to a padded holding cell. From there he will be taken to Blandhaven.

The spokesman for Status Quo said the group, made up of civil servants who are pledged to block all attempts to spend money in ways that do not at least indirectly benefit persons in government service, had to act quickly in Califano's case.

"He's quite mad, you know," the spokesman said. "Mad at least in the sense that he doesn't understand that one simply does not get up in front of a Senate subcommittee or any other subcommittee in this country and advocate the use of taxpayers' money to aid poor people."

The spokesman said that nothing like that had ever been done before, thus the Status Quo Group couldn't see why something like that should be done now.

"Or ever," he said. "If it hasn't been done before, we don't see why it should ever be done. If it wasn't good enough for before, why should it be good enough for now or ever?"

The Status Quo representative said that Califano would be "well taken care of" during his stay at Blandhaven, a stay that may last as long as the rest of his life.

"It's difficult to say how long we'll have to keep him there," he said. "It all depends upon his regress. He has a lot of backward steps to take before he'll be ready to resume his place in American society."

The treatment the secretary will undergo includes individual and group discussions on the need to balance the federal budget by cutting out social and welfare programs.

"Our doctors will explain in great detail to the secretary why such programs, and not, for instance, the number of civil servants holding make-work jobs in government, or the defense budget, should be cut," the spokesman said. "One sign of his ability to regress to healthy bureaucratic levels will be his eventual understanding of the need of the defense establishment to be able to destroy the world at least six times over and of government offices to have at least three people doing the same jobs and why these needs are more important than a little health care for pregnant mothers or bratty kids who probably won't go into government service anyway."

The Status Quo spokesman also confirmed that the decision to take Califano to the asylum was based not only on the secretary's own evident need for regression therapy to cure his bleated conscience but also as a message to President Carter.

"We think it's time the President finally realized that change, while not currently a federal or state crime, is still an illness and should be treated as such," he said. "This is especially true where change would benefit people who have no power to make changes on their own. A desire to help them is indicative of a deep-seated progressivism psychosis that must be rooted out."

The Status Quo Group representative said Secretary Califano's treatment would begin tomorrow.

"The doctors at Blandhaven are already setting up the electric shock room. This treatment will be followed by screenings of government films dealing with the lives of some very, very happy poor people who have signed petitions asking the government to raise civil service salaries rather than help them because they don't deserve it. This is the first step in the secretary's long road to dedication of conscience and recovery."

Amsterdam News (NY): 9/16/78



For talented kids

Congresswoman Shirley Chisholm, right, explains the two $150,000 federal grants she helped Community School District No. 23 secure to Superintendent Nellie Duncan, who drew up the original proposal.

Chisholm secures $150,000 grant for Brownsville

Congresswoman Shirley Chisholm announced this week the awarding of a $150,000 federal grant to aid talented and gifted children in Community School District No. 23 in Brownsville.

Coming from the Health, Education and Welfare agency, the two grants are designed to represent a dramatic turnaround for the district, said the legislator. It followed the previous rejection of three proposals that Superintendent Nellie Duncan had submitted to HEW.

Turning to Mrs. Chisholm, she found a willing ally, who went to bat for her. Meeting with officials in the Office of Education at HEW, the Brooklyn Representative persuaded them to change their mind after a convincing argument.

Through the gifted program, artists will be brought to schools in the district to work with youngsters in music, dance, theatre and the fine arts. Upon submission of additional plans by Mrs. Duncan, the district could receive an additional $80,000.

Selected Items from the Regional Offices

News About the U.S. Department of Health, Education, and Welfare R1

Friday, September 29, 1978

7 pages

I Boston

Waterbury Republican (CN); 9/5/78

Califano a hypocrite

One of the outstanding hypocrites in American government, Secretary of Health, Education and Welfare Joseph Califano, is reportedly very upset over reports that there is a "safe cigarette."

Califano claims "there is no such thing as a safe cigarette or anything like it." This outburst by a reformed cigarette smoker was prompted by medical research indicating that there are some cigarette brands with substantially lower toxic tars and nicotine than others. These might help to reduce cancer in smokers.

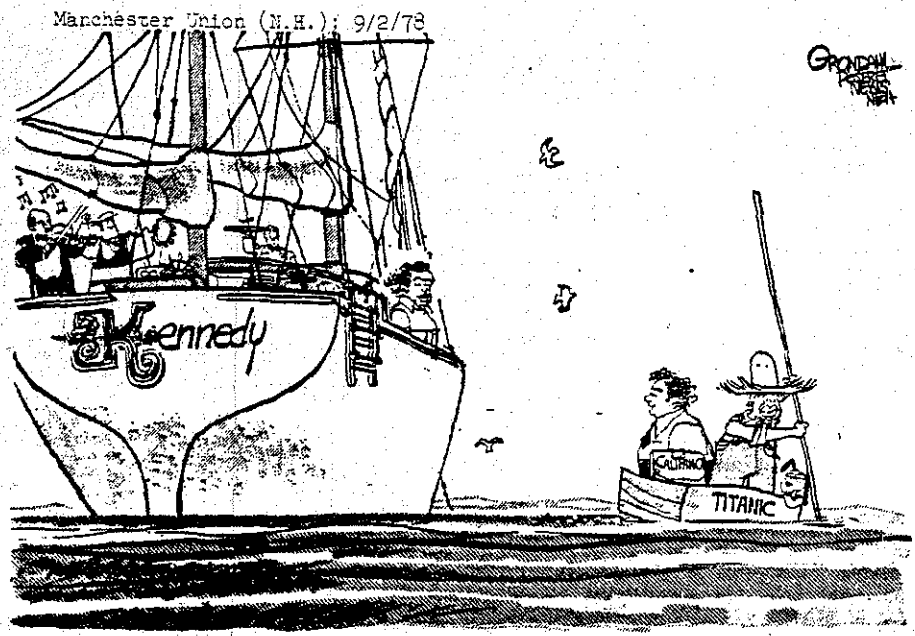
Dr. Gio Batta Gori of the National Cancer Institute claims the study shows that the incidence of lung cancer among smokers might be drastically reduced, not that the cigarettes are so safe they will not cause cancer.

It is obvious that Califano is interested in *publicity* but not controlling cancer. If he was truly concerned about cancer, he would be in the forefront of a campaign to prohibit government subsidies of tobacco growers.

But Califano knows he can't upset the tobacco farmers for political reasons, so he attacks legitimate cancer research because it doesn't inflame any identifiable political constituency.

Califano's anti-smoking campaign is designed to get him headlines, not to find a realistic method of reducing lung cancer.

Manchester Union (N.H.); 9/2/78



"National health insurance? Wow, that's a great idea, Ted, but do you think we can afford it?"

II New York

Advertiser (N.J.); 9/17/78

HMO Insurance Program Serving More than 22,000 in So. Jersey

Medigroup, Blue Cross and Blue Shield of New Jersey's Health Maintenance Organization (HMO) insurance program, now provides comprehensive health care services to more than 22,000 persons in South Jersey.

Barely five years ago, the program began with fewer than 2,000 members.

This year Medigroup covered 16,000 members of the Mercer Regional Medical Group (MRMG) in Trenton, and 6,000 members of the Cumberland Regional Health Plan (CRHP) in Vineland.

In July, MRMG, New Jersey's first HMO, marked five years with Medigroup. Since 1973 its membership increased 800%—from 2,000 to 16,000.

The Mercer group was begun through the combined efforts of the Blue Cross and Blue Shield Medigroup program, Mercer Regional Medical Plan, and Mercer Medical Center. MRMG serves its members in a 13,000 square foot ambulatory care center on the campus of Mercer Medical Center.

The Cumberland plan, New Jersey's second HMO, increased its membership from a few hundred to 6,000 since contracting with Medigroup in 1975. It operates through the combined efforts of Blue Cross and Blue Shield, Newcomb Hospital, where members receive most of their institutional care services, and Elmer Hospital.

The HMO system benefits its members because it provides health services on both a preventive and emergency basis in a centralized facility staffed by primary and allied health care personnel. A full range of preventive, diagnostic and treatment services are available.

Services coverd by Medigroup and offered at the Mercer and Cumberland facilities include, among others, routine office visits, surgery, pediatric and obstetric care, diagnostic X-rays, emergency services, and health education programs. In keeping with the HMO concept of preventive health care, periodic physical examinations and eye examinations are also offered.

The Blue Cross and Blue Shield Medigroup program serves people residing within a 15-mile radius of either of the two facilities.

The Medigroup program is offered only to firms which provide for a choice between the HMO and the traditional form of Blue Cross and Blue Shield coverage for employees and their dependents.

Medigroup charges a monthly premium which entitles a member to all the services provided by the HMO and affiliated institutions. A small co-payment may be charged at the time a service is delivered, depending on the coverage a subscribing company selects.

Members of groups who select Medigroup coverage may return to standard group coverage during their firm's annual open enrollment period. Persons who leave their place of employment can enroll in the Blue Cross and Blue Shield direct payment programs.