

enactment of clarifying language on this subject would be useful in making clear Congressional intent with regard to this issue. I have attached a letter from Office of Management and Budget Director Jack Lew, which was sent at the request of Congressman Bill Thomas, detailing how such language would be scored by OMB.

With regards to managed care, we share your commitment to expanding choice and achieving stability in the Medicare+Choice marketplace. The BBA required that payments to managed care plans be risk adjusted. To ease the transition to this system, we proposed a 5-year, gradual phase-in of the risk adjustment system. This phase-in forgoes approximately \$4.5 billion in payment reductions that would have occurred if risk adjustment were fully implemented immediately. The Medicare Payment Advisory Commission and other experts support my Administration's risk adjustment plan. Consistent with this position, most policy experts believe that a further slowdown of its implementation is unwarranted. However, we remain committed to making any and all changes that improve its methodology. Moreover, as you know, any administrative and legislative changes that increase payment rates to providers in the fee-for-service program will also increase payments to managed care plans.

On the issue of skilled nursing facilities, we agree that nursing home payments for the sickest Medicare beneficiaries are not adequate. I intend to take all actions possible to address this. Administratively, we can and will use the results of a study that is about to be completed to adjust payments as soon as possible. While we believe that these adjustments must be budget neutral, we are continuing to review whether we have additional administrative authority in this area.

Finally, it appears that there has been confusion about the current policy for disproportionate share hospital (DSH) payments. Hospitals across a considerable number of states have misconstrued how to calculate DSH payments. The Department of Health and Human Services (HHS) has since concluded that this resulted from unclear guidance. Thus, as reported last Friday, HHS will not

recoup pass overpayments and will issue new, clearer guidance as soon as possible.

We believe that our administrative actions can complement legislative modifications to refine BBA payment policies. These legislative modifications should be targeted to address unintended consequences of the BBA that can expect to adversely affect beneficiary access to quality care. I hope and expect that our work together will lay the foundation for much broader and needed reforms to address the demographic and health care challenges confronting the program. We look forward to working with you, as well as the House Ways and Means and Commerce Committees, as we jointly strive to moderate the impact of BBA on the nation's health care provider community.

Sincerely,

Bill Clinton

NOTE: Identical letters were sent to William V. Roth, Jr., chairman, and Daniel Patrick Moynihan, ranking member, Senate Committee on Finance.

**Remarks on Signing the
Departments of Veterans Affairs and
Housing and Urban Development,
and Independent Agencies
Appropriations Act, 2000, and an
Exchange With Reporters**

October 20, 1999

The President. Ladies and gentlemen, let me, first of all, welcome you all here for the signing of the VA/HUD bill, and say what I would like to do. I want to make a statement, sign the bill, pass out the pens, and then if you have questions, I'll answer the questions then. Okay?

Q. It's a deal.

The President. We've got a deal? [*Laughter*] That way we won't all have to claw each other to death before we finish this.

I would like to welcome Senator Edwards and Congressman Walsh and Congressman Mollohan, Secretary Cuomo, Secretary West, NSF Director Colwell, NASA Director Dan Goldin, and FEMA Director James Lee Witt, as well as the representatives of all these groups who are here who worked so hard

with us to fashion what I think is a truly remarkable and positive piece of legislation.

I also want to say a special word of thanks to our OMB Director, Jack Lew, to Sylvia Mathews, and his whole staff, for the wonderful work that they did on this in working with the Congress, and all the people here represented.

For over 200 years, Presidents have been called upon to approve or not approve spending bills passed by the Congress. Because these bills can profoundly affect the future of our Nation, Presidents must carefully weigh their decisions about signing them. In the 6½ years I have been President, I have put my signature on spending bills only when convinced they reflect the values of our people, respected the need for Government to live within its means, and looked toward the future. The VA/HUD bill I'm about to sign clearly meets these standards. It not only maintains the fiscal discipline that has led us to this moment of prosperity; it also honors our highest values.

We value fairness and work; this bill reflects that by strengthening fair housing enforcement and by providing housing vouchers to help 60,000 more hard-working, low income families move closer to where their jobs are. I want to thank Secretary Cuomo, especially, for his initiative on this. The bill also provides significant increases in housing for elderly Americans and puts in place a plan to ensure that they will continue to have safe and affordable places to live.

We value opportunity. This bill expands opportunity to those who have not felt the full benefits of our prosperity yet. It maintains our commitments to empowerment zones and enterprise communities, while adding part of my new markets initiative, to give investors the same incentives to invest in our inner cities and poor rural areas they currently get to invest in new markets overseas. And the Vice President and I have worked very hard on this for many years, and I thank the Congress. I think the idea of bringing free enterprise and empowering poor communities is something that is becoming a bipartisan consensus in our country. I hope it is. We know that the Government can never provide enough economic opportunity in these areas. And we know if

we can't bring private sector enterprise to these areas now, when our economy is so strong, we'll never get around to doing it. So I thank the Congress for putting these provisions in.

We value clean air and clean water. This bill provides the Environmental Protection Agency with the resources it needs to protect our air and water.

We value our fighting men and women, and thanks to the leadership of the Vice President and the commitment of this Congress, this bill adds the extra resources necessary to improve our veterans' health care.

We value strong communities. This bill will help young people continue to serve their communities through AmeriCorps. And later today, we'll celebrate our fifth anniversary, and I'll have more to say about that.

The bill also provides critical funding for FEMA, to help communities cope with hurricanes and other unforeseen natural disasters—especially now, the disasters caused by Hurricane Floyd. Senator Edwards is here, and I want to thank him for his work on that.

Last night I asked the congressional leaders when we met to look at doing more to pay for the agricultural disasters caused, particularly in this part of our country, by the hurricanes coming on top of the drought.

This bill also looks to the future. It gives NASA the resources it needs to probe the mysteries of space and provides the National Science Foundation with the extra resources it needs to fund research on the frontiers of information technology. This is a little noticed, I think, but profoundly important part of this bill, which I predict will have a big impact on our future for years and years to come.

The legislation is important not just for what it will achieve but for how it was achieved. I'm pleased that our administration and the Congress were able to work together successfully on this bill in a genuine spirit of bipartisan cooperation to resolve our respective differences. Together, we produced legislation that is fully paid for and effectively addresses the critical needs of the American people.

We're especially pleased we were able to achieve acceptable funding levels in a number of areas by providing offsets that were

agreed to by both sides. There is no debate on this bill that there is any Social Security surplus money involved at all.

Now, as all of you know, I met last night with congressional leaders of both parties. We agreed to work together in that same spirit to resolve our remaining differences and make the tough choices necessary to reach an overall agreement on our other outstanding values and budget priorities.

First and foremost, we must protect Social Security and strengthen Medicare. I regret that the leaders of the Republican Party have said they won't take up the Medicare reform and the prescription drug benefit this year. I did ask them to consider my proposal, which would lengthen the life of the Social Security Trust Fund to 2050 and take it out beyond the life expectancy of the baby boomers, without a tax increase or without any benefit cuts. And I hope they will do that.

I believe the priorities that we have must also include making the largest and most diverse group of students in our schools ever, the smartest and best educated students ever, by giving them a world-class, 21st century education. That includes reducing class size by hiring 100,000 more teachers, building or modernizing 6,000 schools, connecting every classroom to the Internet, investing in after-school programs to keep our children safe, and demanding accountability, so that we can turn around failing schools.

We must also work together to keep the crime rate going down. I say again, I'm glad we've got the lowest crime rate in 26 years and the lowest murder rate in 32 years. No American believes our country is safe enough. We should set a goal of making this the safest big country in the world. That means doing more of what we know works, including putting 50,000 more community police into our toughest neighborhoods.

It also means, achieving this agreement, that we will have to put aside our differences and honor our commitment to our environment and our national security.

Again I say, in spite of all the conflicts of the last few weeks, we still have a great opportunity to make this a season of progress and work together to pass a budget that lives within its means and lives up to our values.

We've done it before, and we can do it again. We will be stronger in the new century because of what we have achieved here today, and I hope it is just the beginning.

Again, let me thank all of you for your role in this and especially the Members of the Congress who are here.

[At this point, the President began to sign the bill.]

The President. Helen [Helen Thomas, United Press International], how many pens did President Johnson use when he signed the Voting Rights Act?

Ms. Thomas. Fifty. *[Laughter]* He gave one to the press, too. *[Laughter]*

The President. When all else fails, I can always spell my middle name. *[Laughter]*

[The President finished signing the bill.]

The President. I'll answer the questions and then pass out the pens. How's that?

Meeting With Congressional Leaders

Q. Mr. President, after the meeting last night, why did both sides come out with such conflicting views on taxes, Social Security, tobacco—

The President. I'll tell you exactly what I said about the tobacco issue and what we said about spending. Now, first of all, there's a big controversy, as you know, about whether the Congress has already spent into the Social Security surplus. I don't think we can fully evaluate all that until we see all these bills, and we have a comprehensive resolution. This bill had its own pay-fors. There's no question that this bill does not get into the Social Security surplus.

So what I said to them is—I said the following things: Number one, let's try to have a comprehensive solution. Let's look at all these bills together, see where we are and where we need to go. Number two, there were some things that I felt very strongly that we ought to fund that weren't presently in the bills. I wanted to make sure that we continued to work on the 100,000 teachers, that we continued to work on the police, that we paid our commitments to the Middle East peace process, to reducing the nuclear arsenal in Russia, to our part of our efforts to alleviate the debt of the poorest countries—

that's a big part of the world's millennium project—to the U.N. dues. I'm trying to work that out. But that if I ask for extra money, over and above what they had appropriated, I would make a commitment that we would pay for it, we would find a way to cover that, so there would be no question that any extra funds we asked for—which, in the context of the overall budget, would be quite modest now; there's not that much difference in the dollars—that that would be paid for and that we ought to get all this together and look.

Now, with regard to the tobacco tax, what I said was, I was well aware that they were not going to raise the tobacco tax 55 cents, as I had originally proposed. I still believe that it would be good health policy to have a more modest increase or at least a look-back provision to protect kids from smoking. We're seeing all over the country an absence of those kinds of efforts. Even in the States that have gotten a lot of money, some States are doing it, some States aren't. So I think it would be good policy.

So all I said was that I realized they weren't going to accept my proposal, but that we were now talking about much more modest money that I thought we could find a way to pay for that they could live with.

2000 Election and Campaign Finance Reform

Q. Mr. President, Elizabeth Dole pulled out of the Presidential race today. And also, as you know, for I guess the fourth year in a row, Senate Republicans have defeated the campaign finance efforts. So I wondered whether—first, what you think of that, the fact that they've put that aside again, and also, whether Mrs. Dole's pulling out is another example, in your opinion, of why these efforts are necessary?

The President. Well, first of all, let me say about Mrs. Dole, I think she's a very, very, impressive person. She's had a lot of important public service in her career, and she was clearly qualified to seek the Presidency. And I regret the fact that finances alone kept her from going through the first few primaries and getting to the stage when all those candidates have debates and the voters can actually see them all in ways other than they see them in their ads. And I think

that's too bad, because I think she has a kind of experience that's different from that of any other person running, her work in the Cabinet and in the Red Cross. And I think it's a loss to the Republican Party and a loss to the country that she couldn't go forward.

Secondly, I think that part of what you see is that fact that Governor Bush is the first candidate in the history of the modern era when we've had Federal financing who has given it up so that an unlimited amount of money could be raised; so that puts all the others at, I think, a relative disadvantage. It's something that some people urged on me 4 years ago, because I could have done that, and I decided it wasn't fair, and I didn't do it. I didn't think it was the right thing to do.

And finally, obviously it does make the point, as Senator McCain pointed out earlier, that we do need campaign finance reform, that it's not just the Presidential campaigns. It's also the Senate races. It's also the Congress races. And I can only say, I'm very proud of the members of my party. There were some, I think when I got here in '93, some of our folks felt ambivalent about it, and we worked and worked and worked until we've now got, I think, 100 percent of our party in both Houses voted for both those bills.

You know, the truth is, this is now a matter that's in the hands of the American people. If they decide it's important enough that it will become a voting issue for them, we can change the direction of the country. If they continue to say they care about it but it doesn't influence their votes, then we won't—because it's a democracy, and they're in the driver's seat.

But obviously, I think we ought to pass something like the McCain-Feingold bill. I would even go further. I think—my whole view of this is that the biggest problem is the cost of communications. So if you want—and that's not a criticism of the people who charge us money to run our ads, either, because they can get even more money, as you know. In the election season, they can get even more money for commercial clients. But it costs a lot money. So you're either

going to have to have free or reduced television time, radio time, access to the newspapers, or some guaranteed source of funding, because no matter how you change the rules, until people can have more or less comparable access to have their views heard, it's going to be a difficult thing.

But I think we should keep working on it. I hope that Senator McCain and Senator Feingold aren't too discouraged. I hope they'll be willing to come back next year. And we'll keep working.

But the plain fact is that the American people need to say not only that they care about it but that they care enough about it for it to influence how they vote. And if they do, we'll make some progress.

Defense Appropriations Legislation

Q. Mr. President, are you going to sign or veto the defense bill?

The President. Well, let me tell you what I said yesterday to the leaders. That's not a decision that I have to make until early next week. And what I said to them I will say again to you. All these other bills raise questions already about how they're financed and whether they're properly financed. And then there are these outstanding questions I mentioned. I think the teachers—keeping the commitment that a bipartisan majority of Congress made just a year ago, in 1998, to the smaller classes and the 100,000 teachers; continuing to do the things we know will bring the crime rate down with the police; doing right by the environment—these things are important.

So what I said we needed to do is to look at all the bills that are outstanding so that we can evaluate exactly where we are and try our best to reach agreement by next Tuesday. And I promised that our people would work hard with the congressional leadership, the appropriators, and all the relevant committees and subcommittees, and that if we had to, we'd be prepared to work around the clock between now and next Tuesday to get the job done.

So I think that's how I would like to leave it now. I think it's important not to give the impression that this whole issue is just about one bill, because it's not. You can't just take one bill out of the reality of the aggregate

budget. We got the deficit down and eliminated it and then got to a surplus by looking at the big picture, and that's how we ought to deal with this.

Indonesian Elections

Q. Can you comment on the Indonesian elections and the outcome of that election's impact on the situation in East Timor?

The President. Well, first of all, they accepted the results of the referendum, which is good, because the Government offered the East Timorese the chance to vote, and they took it, and they voted—over 78 percent, I think—for independence. So the first thing that has happened is they accepted the results of the referendum.

The second thing that has happened is they have selected a new leader consistent with the constitution of Indonesia. And I think that has to be a very hopeful development for the world.

So I feel pretty good about where we are today. Now, there are still a lot of problems in East Timor. There are still a lot of hurdles for Indonesia out there. They've been through an incredibly traumatic time, not just politically but economically, and a lot of people have been hurt very badly economically. But I think the events of the last 2 days should give us all hope that a very great country that the world needs very much is on the way back, and that's what I'm hoping is happening.

Federal Budget

Q. Mr. President, you said on the budget that the amounts were quite modest now. How much? How much money are we talking about?

The President. I don't know. I've asked our people to go back and look at it. But we're not talking about a great deal of money, so that if we're just talking about that amount of money, I think we could reach agreement with the Republican and the Democratic leaders about ways to pay for it.

We're also talking about the substance, though, of some of the bills. I feel very strongly about not just the amount of money in education, but how is the money going to be spent. We shouldn't back off of the

commitment we made to the American people and to the children of this country just a year ago, that both Republicans and Democrats were bragging on in the election a year ago—we shouldn't just turn around and drop it. I think that's a big mistake, and I'll fight for that.

I think that we need to continue to push raising standards, testing kids, ending social promotion, but not blaming them for the failure of the system, which means you've got to have more after-school programs; you've got to have more summer school programs, and there ought to be a system which provides help to turn around failing schools, because we know that's working. In the States where that's going on, that's really working. Where these schools are being targeted and being told you're going to have to shut down if you don't turn around, it's working. But those aren't money problems. And then I have several environmental concerns that I hope we can work out, that I personally believe are quite important to our country's future.

Thank you.

NOTE: The President spoke at 12:47 p.m. in the Oval Office at the White House. In his remarks, he referred to Gov. George W. Bush of Texas. H.R. 2684, approved October 20, was assigned Public Law No. 106-74. A portion of these remarks could not be verified because the tape was incomplete.

**Statement on Signing the
Departments of Veterans Affairs and
Housing and Urban Development,
and Independent Agencies
Appropriations Act, 2000**

October 20, 1999

Today I have signed into law H.R. 2684, the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000."

This Act will fund vital housing, community development, environmental, disaster assistance, veterans, space, and science programs. Specifically, it provides funding for the Departments of Veterans Affairs (VA) and Housing and Urban Development (HUD), the Environmental Protection Agen-

cy (EPA), the National Aeronautics and Space Administration (NASA), the Federal Emergency Management Agency (FEMA), the National Science Foundation (NSF), and several other agencies.

The Act funds a number of my Administration's high priorities, including the Corporation for National and Community Service at this year's current funding level. National Service gives young people the opportunity to obtain funding for a college education while serving the country in areas of great need, such as the environment, public safety, and human services. National Service also allows young people to participate in service-learning programs that provide substantial academic and social benefits, including the opportunity to learn responsible citizenship.

I am pleased that the Act also provides full funding of HUD's highest priority: \$10.9 billion for the renewal of all Section 8 contracts, assuring continuation of HUD rental subsidies for low-income tenants in privately owned housing. I am also pleased that the Act provides 60,000 housing vouchers for low-income families. In addition, the Act adequately funds programs to help distressed communities, including my new initiative for America's Private Investment Companies (APIC), Community Development Block Grants (CDBG), assistance to the homeless, the Community Development Financial Institutions (CDFI) Fund, Brownfields redevelopment, and rural and urban empowerment zones. The CDBG program promotes housing and economic activity in low- and moderate-income areas. It provides funding for housing rehabilitation, construction, and homebuyer assistance. The CDFI Fund helps to create a network of community development banks across the country, spurring the flow of capital to distressed neighborhoods and their currently underserved low-income residents.

The Act includes funding that could support part of my New Markets proposal, which will help ensure that all Americans share in our economic prosperity. APIC and the rural and urban empowerment zones will help revitalize communities so that they can take advantage of the strength of the economy and help those left behind in our economic boom. Additionally, \$1.02 billion is provided for