"THE MEDICALIZATION OF THE SCHOOLS"

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We are witnessing today what could be described as the grandest expansion of the Nanny State (Socialism) in the history of America. And, I believe this expansion to be one of the most diabolical, intricate, and subversive schemes to plague the landscape of American public policy.

This atrocity is "The Medicalization of the Schools". From a purely educational viewpoint it could be termed "The Destruction of the American Educational System". From a health-care perspective, it could be viewed as "The Subversion of the World's Finest System of Health-Care". From a societal vantage point, it could be described as "The Subduing of the American Family". However, because of the integration of business and labor it could also just as accurately be dubbed, "The Collectivization of American Capitalism". And analyzed from a public policy perspective, it could be called "The Demise of Representative Government". All of these titles would be accurate because each of them describe different appendages of the same program. What is involved in the "Medicalization of the Schools"? At issue is Medicaid. Once the government sponsored health insurance program for the poor, Medicaid has now moved mainstream into our schools. It is paying salaries, funding multiple programs that boldly intrude into the sanctity of the home, and is the cause of escalating federal and state budgets. If this weren't objectionable enough, the Medicaid component is but one spoke on the wheel of the larger societal restructuring movement that clearly orchestrates a number of large federal entitlement programs to produce what the Clinton administration calls a 'safety net'. In reality, if left unrestrained, it will become Marc Tucker's "seamless web" through which no one will fall and ultimately no one escapes.

What started out as a brief phone call from a local school board member has turned into a behemoth. Over two years ago, I received a simple call asking for information about a program that the Pennsylvania Departments of Welfare and Education were jointly promoting to school districts under the ruse of obtaining "free money" if they would just sign up for their "partial hospitalization provider" status with Medicaid. After checking with appropriate committee staff and my fellow colleagues in the House and Senate, I found that no one had heard of this initiative. Not surprisingly perhaps, requests for information from the bureaucrats produced limited responses and raised one red flag after another. Particularly disturbing at this point was the realization that our un-elected bureaucrats were actively promoting a bold new initiative in the area of Medical Assistance at a time when Medical Assistance was growing faster than any other area in our state budget. Equally alarming was the apparent combining of Education and Welfare programs into a common thrust that appeared to have by-passed the Pennsylvania Legislature.

The inability to obtain full disclosure prompted me to introduce House Resolution 37. By a wide margin, the Pennsylvania House of Representatives passed this resolution and created a

Select Subcommittee. This Select Sub-committee was chartered to investigate the issues of Medicaid in the schools, how it got there, its fiscal impact, as well as the issues of parental consent violations, pupil privacy invasions, and data collection and security. As chairman of this committee, I pursued these objectives carefully. The Sub-committee completed and circulated its Final Report known as the H.R. 37 Report at the end of November. Probably the most documented and researched report to come out of a legislative committee in Pennsylvania, the H.R. 37 Report details these issues and makes specific findings and recommendations. We are now attempting to place these recommendations into legislation.

While many serious problems have been identified, there is one that is most serious because its presence breeds many others. This overarching finding is that dramatic public policy shifts are simultaneously occurring in the areas of health care, education, and work-force development. Almost all are through executive branch initiatives and bureaucratic maneuvering at times supplemented with questionable court settlements of lawsuits filed by liberal advocates. These shifts all have one thing in common - the realignment of control. Control is being wrested away from the individual, from the parent, from local school boards, from local health care providers and ultimately from employers. Without dispute, these shifts if left unaltered will produce a planned economy, planned not by parents and individuals across this land, but by government fiat. These monumental changes are for the most part by-passing Congress and the elected state legislatures because there is great urgency to make key structural changes before the year 2000. Congress and the Legislatures are simply viewed as impediments that must be avoided. As such, the necessary constitutional principle of Checks and Balances is violated and the scrutiny afforded public and legislative debate is pre-empted. The necessary safeguards and protections are not established and the citizens of this nation, our children, our parents and ultimately our entire population is victimized by the intruding arm of government. The picture of all that is happening is coming into focus and the picture is quite ugly.

To properly understand the problem however, it is critical to know the genesis of these changes. Certainly these changes are the result of an aggressive liberal philosophy that favors the policies of big government and disdains the American tradition of independence and local control. However, a quasi-official structure was needed to legitimize these efforts and to placate inquisitive minds. This structure took the form of an initiative adopted at the 1989 National Governor's Conference. Chaired by then Governor Bill Clinton, this group of governors pledged themselves to an initiative called, America 2000. Simultaneously, this structure began to be implemented at both the state and federal levels. This movement dubbed the "educational restructuring movement" became the umbrella under which other restructuring efforts in health-care and the labor force could occur without a great deal of suspicion. And because the strategically chosen object of this restructuring was and is children, it defies criticism by all except protective parents or by a few other courageous people.

The six goals of what is now Goals 2000 became the banner under which individual state initiatives were started or consolidated. For instance, Goal #1 states: "By the year 2000, all children will start school ready to learn". In Pennsylvania, our former governor placed Medical Assistance and other health areas under this goal. OBE was advanced as Pennsylvania's unique approach to learning, however, in reality, it conformed in total to the national goals. It also created further foundational changes within the state on which additional structural changes would occur. In Pennsylvania and many states, these changes were made regulatorily and went into effect without the sanction of the legislature. And remarkably, as each state began to

implement their version, a common pattern began to emerge.

In fact a master federal plan did exist. This plan was produced by none other than the U. S. Dept. of Labor in the form of the SCANS, short for the Secretary's Commission on Achieving Necessary Skills. This detailed document finished in 1992 tells it all. Produced pursuant to the adoption of America 2000 by the National Governor's Conference, this "blue print for change" remains the guiding federal document to this day. Combining labor and workforce skills emphasis, the SCANS spelled out the full details of how the labor force, education, and health would combine and how the school room would need to become the location for mental and emotional change in students in order to "prepare them for the 21st century". Considered to be "human capital" by proponents of this approach, children become objects for tinkering and experimentation by social planners. This emphasis assumed the name of School -to-Work and in its more "adult" form the Careers bill.

While it was known some years ago what the structure was going to look like, there appeared to be a shortage of funding in order to make it happen. It was apparent that wholesale structural changes in these areas could not be accomplished without a massive infusion of new dollars and these simply were not available on the state level. But never fear. Funding is as available as increasing the national debt. Two ready-made programs existed but had too many restrictions in them for broad-based use. They were Title I funding and Medicaid. However, these restrictions did not pose formidable obstacles either. Simply change them. In October of 1994, President Clinton signed into law the "Improving America's Schools Act." In addition to re-authorizing over $7 billion FY 1995 this legislation rewrote the Elementary and Secondary Education Act. Although Title I was established in 1965 to provide "extra" educational services to the nation's poorest and lowest achieving students, the re-authorized law provides parents, advocates, and school communities with a new opportunity to use Title I as a tool for broader school reform. Title I now incorporates the objectives of Goals 2000 and any school that receives Title I funding finds themselves being forced into compliance with the mandates of Goals 2000 whether or not they receive money under Goals 2000. Now by law, under Title I, children are determined "at risk" by not meeting state outcomes. Through the ingenious option of "school-wide programs", Title I funds can now be expended on all students as "educationally deprived" as well as "economically deprived."

For example, if just one school building has a student population of 50% that receive Free and Reduced Lunch, then the entire school district can be targeted as a school-wide Title I program. Of course, redistributing and rearranging students within a district to raise the percentage of these qualifying children to 50% percent could also qualify the entire school population for Title I funds. So much for a poverty based program, and so much for any type of cost containment.

As for Medicaid, similar changes have occurred. Originally a government sponsored health insurance program for the poor, now at least in PA, poverty guidelines have been dropped entirely for ages 0-21. Through the exploitation of a loop-hole in the Omnibus Budget Reconciliation Act of 1989 (OBRA 89), terms have been redefined. Disability now includes reading and math deficiencies or such things as "breaking up with one's boyfriend or girlfriend". Other terms have been expanded like "at risk", which now means 'at risk of becoming at risk.'' This assures that every child can become "identified". This is the point where the child once identified under OBE/Goals 2000 or Title I as "at risk" can now be re-mediated under Medicaid mental health "wrap around services". In order to provide these

mental health remedial services, the school must agree to provide mental health services. This can be done through the "partial hospitalization provider status" in order to bill for Medicaid. This is what allows the school to provide all health-related services through the vehicle of school-based clinics. The EPSDT (Early Periodic Screening, Detection, and Treatment) program is cited as the federal mandate to provide diagnosis and treatment under the "Rehabilitation" option available to the states. Medicaid then becomes the funder for all areas of identified "health and mental health re-mediation and rehabilitation." Not only will EPSDT/Medicaid pay for truly medical services, it will pay for a long list of subjective mental health diagnosis. It is this "identification" process fueled by new Title I requirements, EPSDT allowances, and School -to-Work requirements that necessitates the "profiling" of every child. Once the child is identified, the school then either bills Medicaid directly or as is most common, utilizes a data billing company who bills Medicaid for them. Schools can either hire their own counselors, therapists, and nurses or as is most common, allow outside agencies to provide services to these "identified" children, and either provide services within the school or wherever the child may be. For instance, mobile therapists can bill $42.00/hour for the time they spend riding the bus home with Johnny if Johnny is "stressed" by a bully on the bus. Since there is no classification for "normal" according to the DSM-IV manual, every child can be found in need of re-mediation - all paid for by Medicaid.

Pennsylvania boasts two infamous examples of what happens as a result of these initiatives. In both cases, parental rights were violated, pupil privacy was invaded and sensitive data was collected. In several school-wide Title I schools in the Pittsburgh area, psychological profiling was conducted by an outside psychiatric clinic without parental knowledge or permission on first, second and third graders. This emphasis sought personal information on both the child and the family. Once caught by parents, the program was halted, but the collected data has still not been turned over to the parents. The second infamous example occurred in East Stroudsburg Pa, where almost fifty 6th grade girls were given unclothed gynecological exams without the permission of the parents and against the objections of many of the girls. Under Medicaid, EPSDT requires unclothed physicals. This horrendous invasion of privacy is now being litigated in federal court as a major civil rights violation. Under the cloak of "helping the children", children themselves are victimized.

But, additional structural changes had to be made in order to allow states to begin providing these expanded health-related services on a state-wide basis. No problem. This authorization was given by one bureaucracy to another. Simply have the state executive branch and Department of Welfare apply to the Health Care Finance Administration and waivers will be granted. Once granted, these waivers allow for all types of things to occur. But there is a major problem with waivers. Isn't the very purpose of waivers to allow that which is not permitted by law? Even the Government Accounting Office (GAO) in testimony presented before the Congressional Committee on the Budget on April 4, 1995 testified, "*allowing the waiver process to be used to expand coverage to hundreds of thousands of additional individuals without the consultation and concurrence of the Congress appears inappropriate. The result of these waivers could lead to a heavier financial burden on the federal government.*" And I would interject, a substantially greater fiscal burden will fall on the states as well. Not only can expanded services be provided as indicated by the GAO, but health care reform is being accomplished through the use of school-based clinics and managed care within the Medicaid population. Orchestrated together as it is in Pa and many states, the Clinton health care reform agenda is being accomplished through the back door without express federal or state legislation. It's not that the Health Security Act did not pass in 1993, it just failed to pass

Congress. As in the 1989 adoption of America 2000, children were the object, so in the implementing of health care through the back door children were the object. In a document obtained from the released White House files produced in the Health care Task Force meetings, school-based clinics were identified as the vehicle for change. Because schools represent the place where most students are housed, they represent a "captive audience" and as such, prime targets for social policy change. The school based clinic concept conveniently enables the screenings to take place under the cloak of "health".

The Pennsylvania back door health reform plan was called "KidsFirst". According to these same documents, full implementation of government controlled health care would start with forced managed care of the expanding Medicaid population and would target children first in schools through the use of school based clinics. Full implementation would then work its way through the general population by age groups and is intended to completed by none other than the year 2000. In Pennsylvania, we are well on our way to meeting this target. Thus, "The Subversion of the World's Finest Health Care System.".

You may be in large measure, justifiably wondering about now, who or what is the momentum or engine behind all this. The answer is private foundations and private foundation money. The largest and most influential foundation avowedly committed to Clinton-style comprehensive health care is the Robert Wood Johnson Foundation in New Jersey. Extremely successful in influencing bureaucratically imposed public policy through the providing of grant money to state government for health-related pilot programs, this foundation has laid and implemented the health care reform component of this bigger equation. It has been and remains the glue, the muscle, and the brains behind the health component of this restructuring. The December 16 edition of Forbes magazine entitled "Trojan Horse Money" speaks eloquently this matter. By regularly circumventing the elected Legislatures in this process, the balance of power is tilted against the elected representatives of the people. If left unbridled, this abuse of the process literally becomes the "Demise of Representative Government".

And since the completion of the HR 37 Report, the march towards government-run health care on the backs of children continues unabated. And like a monster in some Hollywood Horror film, the idea of government-run health care continues to burst onto the scene when least expected. In Pennsylvania, the pilot was the Children's Health Insurance Program, referred to as the CHIP program, created in 1991 and funded by a tax on cigarette sales. This entity was created at the request of our former Governor, who did so at the bequest of RWJ. This creation was critical to RWJ strategy because they needed a structural change to "legitimately" direct public dollars into the private health care sector. Social liberals know the value of pilot-programs, and that the real value is to get the camel's nose under the tent. Well, the camel is now in the tent, and RWJ is using PA as a shining success story of how to use children, how to purchase public policy, and how to magnify people's fears to initiate social change.

Building upon the Pennsylvania model, the RWJ Foundation targeted multiple governors, wooing them with promises of grant money and soliciting the commitment of the Executive branch to pursue legislation vital to them. The Governors, consulted by RWJ lobbyists began a full court press on their legislatures earlier this year with legislation to establish an official government structure through which to flow public dollars for the purpose of providing children's health insurance similar to PA's CHIP program.

Their efforts were highly successful. The orchestration of such state level initiatives coordinated with major federal initiatives should make anyone stand in amazement. To my knowledge, this level of involvement is unprecedented and it is frightening.

So just exactly how does this involvement work with these state initiatives? The pattern is in essence the same throughout. Approach the Governor. Offer a grant, promise money, promise whatever else, write the bill, buy the votes, implement a legislative full court press, and of course, resist public hearings to avoid debate because the "urgency of the situation does not allow such delays". These efforts crystallize themselves in the form of public/private non-profit corporations sometimes named the Healthy Kids Corp., following the Florida lead or KidCare as it is also called in many states. This effort received full support of the Governor's office. And interestingly, it didn't seem to matter from which party the governor hails. In MO - Democrat, in Texas - Republican. In most cases, the major opponent was the opposing party. According to legislators in these states, a common method for implementation of this health insurance is the use of school-based clinics either overtly or covertly. So now state after state has legislatively institutionalized the structure to funnel public dollars to a private-sector run industry. Also, common in most states, not surprisingly, these new corporations are not answerable to the Legislature. The directors are appointed and controlled by the Governor. You can predict the dastardly deeds this unelected bureaucracy will commit.

So what's the latest federal component to this puzzle? The latest component, just passed as a part of the recent Federal budget agreement, refers to this new program as a "state entitlement". I've heard some Republicans who voted for this program, say that "we'll have to be careful so as to not allow this program to become an entitlement". Well, it already is and says so in the legislation.

This new program is officially designated as SCHIP which stands for State Children's Health Insurance Program. This federal action appropriates billions for children's health care.

It guarantees funding in the amount of $24 billion over five years, and $48 billion over ten years, but there is no assurance this amount won't increase before that time.

It amazes me how budget compromises work. President Clinton asks for $10 billion, the Senate recommends $16 billion, the House $20 billion, and the Conference Committee compromises at $24 billion!

Some Republicans in order to justify their vote, claim victory in this issue because the states were given a great deal of latitude in how they can spend this money on children's health. Consistent with RWJ strategy, however, the latitude is pure smoke. It simply does not exist because the bill does not properly place oversight with the state legislatures but lodges it squarely with the Governors who have already demonstrated themselves to be under the influence (of RWJ). The bill says the states can use these new health-care dollars to either augment and expand the very broad Medicaid program as in Pennsylvania or create a new structure to do it.

But let's look at what the bill really requires. Key mandates include:

1) Mandated Medicaid Expansion: To access funds, states must phase-in Medicaid

coverage **for children under poverty by 1998 to Age 17 and (by 2000) to Age 19. Problem:** This forces **states to phase in Medicaid to a very broad group of people up to age 19; it significantly raises the costs of Medicaid across the board for both states and the federal** government, it **accomplishes what the health care destroyers have been attempting to do through** state waivers **by circumventing the legislatures.**

2) Mandated benefits must equal or surpass the best preferred plan available within the **state including vision and dental. The 3 legislated bench marks are a) Blue Cross/Blue** Shield's preferred **provider plan; b) the state employee plan; and c) coverage offered** by the State's largest **HMO.**

3) Mandated Eligibility: a) no exclusion for pre-existing conditions; and b) **children** must reside **in families with income below 200% of federal poverty level = $31,200** for family of four.

4) Permits expansion to entire families: States may use funds to purchase family coverage for **target children. So, the truth is this is not just a children's health** insurance. Are any of us surprised?

5) Mandated Program Growth and Annual reporting: States are required to identify specific strategic objectives aimed at increasing enrollment. a) Mandated bureaucratic busy-work **requires the states to prove progress made in reducing number of uncovered low-income children; b) to prove success in increasing number of children with health coverage;** c) to **document the effectiveness of the program with family and children characteristics; and** d) to **prove the effectiveness of coordination with other public and private programs. Problem:** It is **here that I see a giant skunk in the wood pile. This program establishes the basis for employers to begin offering plans to employees without children's coverage. Employees will be encouraged to transfer their children's health care coverage to the taxpayer paid plans.**

6) Mandated Data Collection and Federal Government access to Data: a) Just in case some **states would file a report but not provide all requested information, states are required to file plans with the Federal Secretary assuring that the state will collect data, maintain records,** and **provide required reports to the Secretary; and b) the Federal Government, of course,** must **have access to all records. Problem: This provision further expands privacy concerns by requiring data collection and reporting. Since there is no prohibition against collecting individual identifiable data, you can be certain it will be specific.**

7) Mandated Advertising: A full 1% or 240,000,000 is mandated for use in marketing and advertising. But since outreach and administration is capped at 10% a full $2.4 Billion could be skimmed right off the top for new bureaucrats and to dispense juicy contracts to favored clients. The over-all problem with this legislation is that it is the Clinton Health-Care Plan. This **is not warmed-over Clinton-Care, this is the 1993 plan before our eyes, right on track. The Hollywood Horror Monster is alive and well.**

Folks, let alone the destruction this program will bring to quality health care, the cost of **this gigantic boondoggle will break the bank. The White House estimates 10 million uninsured children and the Clinton's requested $10 billion. Cost? - $200 or $17/month per child per year. The Children's Defense fund, however, states that the $24 billion now appropriated will only serve 5 million children at a cost of $960/year/child. Therefore, up the budget! The OMB says though that the $24 billion will only serve 1.7 million children. That figures out to**

approximately $2,823/year/child. That's $2,823/child or $235/month! Where does the OMB figure the extra dollars will be siphoned off? The commonly cited statistics used to "prove" the uninsured children "crisis" is pure bogus. The entire process is flawed so badly; even the ignorant should be able to detect a problem. Rather than any government-controlled health insurance program for children being legitimate child value, it is more accurately described as government-sanctioned child-abuse! How else can you describe a government program that strategically invades the family by stealth, and "uses" vulnerable children to accomplish a clear self-serving agenda? This is not Kiddy Care folks, it is Kitty Litter!!

So, what's the ultimate goal? The ultimate goal is for federal government control of education, labor <u>and</u> health care. Both the shadowy process by which the changes have been made and the official "blue print" speak clearly to the veracity of the claim for a "total managed economy". For the sake of these United States, for the freedom we have enjoyed, and for the children who will replace us; we must put a stop to federal government intrusion into education, health-care and the work force.

For the sake of our children, our professions, our freedom, let's not give up but stand up, speak out and hold fast.