



Presidential Oral History Program

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RONALD REAGAN ORAL HISTORY PROJECT

FINAL EDITED TRANSCRIPT

INTERVIEW WITH OTIS BOWEN, M.D.

November 8-9, 2001
Charlottesville, Virginia

Interviewers

University of Virginia

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Russell L. Riley
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Guest

Mrs. Carol Bowen

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| UNIVERSITY of VIRGINIA

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Young: Shall we call you Governor? What should we call you?

Bowen: I've been called a lot of names, so it really shouldn't matter. Some of them haven't been too good. It doesn't matter.

Young: We're here with Otis Bowen, who served as the Secretary of HHS [Health and Human Services] during the Reagan administration. We're also pleased to have with us Mrs. Bowen, Carol Bowen. They're seated at opposite ends of the table with a lot of scholars in between, so we hope that won't interfere with your communication at such times as you think you might want to chime in.

There are two things we do before proceeding to the actual interview itself. One is just a reminder, for the record, about our rules concerning confidentiality of these proceedings—that is, nothing said in this room goes out of the room, though we may use some information in this transcript. It may be used by other interviewers to help them prepare for subsequent interviews, but this stays within the group under rules of confidentiality. So nothing is divulged on the outside and the respondent, Governor Bowen, will have the opportunity to read the transcript and release it under such terms as you see fit at the proper time.

The second piece of business is to help the transcriptionist identify the voices—it helps for us to go around the table and say a few words so that the transcriptionist can identify the proper name with the voice. I've already said enough to identify myself. Why don't you say a few words.

Bowen: Well, before we get too far into it, remember that I'm 84, and these things that you're questioning me on happened about 12 to 15 years ago, and my memory isn't as good as it used to be.

Young: Neither is mine, and I'm not being interviewed. [laughter]

Knott: My name is Stephen Knott, and I'm an assistant professor and research fellow here at the Miller Center.

Hult: I'm Karen Hult, I'm a professor of political science at Virginia Polytechnic Institute and State University.

St. Leger: I'm Hannah St. Leger. I'm a graduate student here at the University of Virginia.

C. Bowen: I'm Carol Bowen, and I'm very happy that you allowed me to be a part of this interview.

Lee: I'm Beatriz Lee, and I'm the administrator of the program.

Riley: I'm Russell Riley, also an assistant professor and research fellow at the Miller Center.

Young: Okay, would you like to start off by just making some observations about how you came to join the administration? Or is there another subject that you'd like to open it up with?

Bowen: It was back in October of '85 that my wife at that time received a telephone call that said, "This is the White House calling." And she said, "Sure, sure. It's the White House." Finally, they convinced her it was. I was a professor of family medicine at the I. U. [Indiana University] Medical Center at the time. They had the call transferred to me, and it was the President on the other end asking if I would be his nominee for the office of Secretary of Health and Human Services. That's a position that, as a physician, I had been quite aware of all of the controversies within it, and it was a huge one—and it's one that I recall saying, "Boy, that's a job I'd never want." But when the President calls you personally and asks you to do something, it's pretty hard to say no.

So I went to Washington—I think even the next day—just for the announcement that he wanted to make, and for some pictures to be taken. I think there were, perhaps, two or three reasons he called upon me for this. One was Dan Quayle, who was a Senator at that time. We were pretty good friends. In fact, when I was Governor, he had worked in my administration some, so he recommended me to the President. Perhaps more important than that, though, is President Reagan and I had known each other when we were both Governors. There were a couple of years overlapping.

And I think the third reason was my being a physician and dealing with health issues—he felt that I might be qualified. Besides that, having had eight years as Governor, and six years as Speaker of the House, and 14 years in the legislature, I think he felt, maybe, that my administrative abilities—along with the medical area—might make me suited for the position.

Young: What did you see of Reagan as a Governor, when you were both Governors?

Bowen: Actually, we weren't that close. I don't mean this as a criticism, but as Governor—when he was Governor and I was Governor—it was a little bit difficult to get to know him. He had surrounded himself with several security people so that you couldn't get close to him and say, "Hi, how are you?" and have a little unimportant type of conversation. But he was always a gentleman, and I was much impressed.

In 1984, of course, I supported him very strongly. In 1980, I had supported President Ford [Gerald] over President Reagan, and that was only because I had become fairly well acquainted with President Ford, and I thought he was just an outstanding, common individual. He put on no

airs at all. He was easy to approach and get to know. But I don't think President Reagan held that against me, because he didn't get the nomination that year anyhow. But in '84 we went all out to assist in his nomination.

Young: You had served on some commissions, on committees under President Ford. Is that how you got to know President Ford, or was it through other ways?

Bowen: Well, through that, and President Ford was a sportsman. He loved all types of sports, and he wanted to come to the 500-mile race [Indianapolis 500], so he stayed at our residence at that time. It was interesting to watch him, because he loved every minute he was there, and he got to sit in A. J. Foyt's car—and when it came time for him to leave in the middle of the afternoon, his aides just about had to drag him away, because he wanted to stay and watch the finish of the race.

Riley: I want to ask a question that actually precedes this. How does a doctor decide to get into politics?

Bowen: Well, it's a short story, I guess. I started out as county coroner, and that position fit the medical end of it, determining causes of death in unusual circumstances. Then my precinct committeeman and county chairman came around and asked if I would be willing to serve, and I said, "Okay, I'll take my turn."

Our county had about 24 physicians in it at that time, and we felt that the position of coroner should be filled by a physician, so I ran and won. As I served, I found that I became more and more interested in local government, and then state government. I began growling about some of the things that were happening, and perhaps growling more about some of the things that should be happening that weren't. So those that heard me said, "Well, if you're that interested, you ought to get more involved." The position of state representative became vacant at the time my coroner's job was completed, so I decided to run for that.

Being a physician, it was kind of difficult to do, because of patients. I would not have been able to have done it had we had the long sessions then that we had later. I ran and won, and then was reelected for seven terms, the first of which I served on the Public Health Committee. Then, the next term, I was chairman of the Public Health Committee, and then I became minority leader when the other party was in power. Then, when we got the majority back, I became speaker of the house, and I served as speaker of the house for six years—or I think it was four terms—because there was one special session in there. At that time the legislature met for 61 calendar days every two years.

I decided after six years as speaker, I would take a run at the Governor's job, and ran and won and was reelected. I was the first speaker—or maybe the second speaker—to have served three successive terms, but with a special one in there, I served one session longer than anybody in the history there.

Of course, I was the only physician who ever served as speaker from way back to about 1850. I think there was a physician that served as speaker then.

Riley: I was just trying to get a sense of what things—

Young: Yes, it's rare. You don't find that.

Bowen: It's rare, but in serving as Governor, I think the fact that I had been in the legislative end for that many years, and my medical background, were both pretty good training for the job as Governor. At least 50 percent of everything the Governor deals with has public health involved, either directly or indirectly. Not too many people realize that, but if you start enumerating all of the things that you do, I suspect at least 50 percent of the issues are dealing with health.

Young: Certainly a lot—

Bowen: Public health, anyhow.

Young: A lot of that with some federal involvement, too.

Bowen: Yes, but not as much at that time when I was Governor. When I was Governor, you had to fight for things for the state, and when you got on the federal level, it kind of turned things around a little bit.

Knott: Did you have a sizable majority during the years you were the speaker of the house, or did you find you had to reach across the aisle quite often?

Bowen: We never had a huge majority, but when I became minority leader, the Democrat party had clobbered us the previous election. There were 78 Democrats to 22 Republicans, so they could do anything they wanted and they didn't have to listen to us. Of course, that made my job as minority leader easier, because you could growl at them all you wanted and it wouldn't do any good. The other times, I had a majority in one of the two houses every term, but I think there was only one term when we had a Republican house and Republican senate.

But the passage of one of the bills that has been a national model is the Medical Malpractice Act that we put through. We had a Democratic senate at that time. This wasn't really a political issue—it was an important issue to the people in the state, because many of the doctors were retiring early, so they didn't have to put up with some of the frivolous type suits that were being put forth. We were able to maneuver that to get through, and I think one of the main characters in helping to get it through was a Democratic senator. He was an attorney, but his brother was a doctor, and I think he was thinking of his brother a little bit more. But I don't think it would have passed without his help. Having been in the legislature quite a while—and knowing some of the ins and outs on how to get things through—I think that was why we were able to do it. I had good relationships with both parties and with most of the individuals in the legislature.

One of the reasons that I suspect I had good relationships with them is I carried my little black bag and put it under my desk at the time when some of the legislators thought they were ill. [laughter] They would come for advice. I wrote a few prescriptions, but I never really tried to practice medicine there—it was just as a temporary thing. If one of them had a fever or it

sounded like it was important, I did refer them to the lobbyist for the medical association, [laughter] who then saw that they got medical treatment immediately. And that, I think, played a little part in helping to get it through.

Young: Did they call you Dr. Bowen?

Bowen: I think most of them did.

Young: Important—Russell.

Riley: I was just going to say, I'm from Alabama originally, and for a while, I was that lobbyist for the medical association. So I got a few referrals, but we didn't have a Governor who was a doctor at the time.

Bowen: I have a grandson who is an assistant basketball coach at the University of Alabama at—

C. Bowen: Birmingham.

Bowen: Birmingham, yes.

Riley: That's a good program there.

Bowen: Yes, that's a good program.

Knott: When you ran for Governor, when you made the transition from speaker to running for Governor, I'm curious as to what the major issues were.

Bowen: You know, I had been in the legislature for 14 years—speaker of the house for six—and you have to have name recognition if you're going to run and be successful. I had a little running battle with the Governor at that time over the tax issues, and I thought with all the publicity—the battle back and forth—that my name recognition would be pretty good, but we had a poll taken and it was only 16 percent, a little surprising, even though you were in the limelight for a while. People's recognition of me was not very great. So that made us change our ways in campaigning. We had to get name recognition early.

Hult: I noticed that you were first elected in 1972, so that would have been when Richard Nixon was running for re-election. Were you helped at all, do you think, by the massive majority vote that President Nixon got in that campaign?

Bowen: I was helped by [George] McGovern. [laughter]

Young: Another way of putting it. [laughter]

Bowen: Yes, I think so. Nixon was popular at that time, and he was willing to have his picture taken with candidates for Governor. In fact, he set a date for all of the Republican candidates for Governor to come in and we had a sort of Henry Ford-style handshaking and picture taking. It

was interesting, the Governor candidate just before me was getting his picture taken, and when it was finished and he was walking out, Nixon kind of shook his hand and said, "Damn, that guy just about broke my hand!" That was Governor [James E.] Holshouser, I think, of North Carolina.

Knott: Did you campaign with Nixon at all during that '72 campaign? Did he come into Indiana?

Bowen: Most of the candidates for President kind of forget about Indiana, because it almost always supports the Republican nominee for President. That doesn't mean we are a totally Republican state at all, because we've had a Democratic Governor now for, it will be 16 years when this one finishes. But for some reason or other, Indiana usually goes for the Republican President, and then helter-skelter on the other candidates. What did you ask again?

Knott: I was just wondering if President Nixon came through—if you campaigned together in 1972.

Bowen: Very little campaigning together—the pictures, of course, and the TV and radio, and our campaign handlers made sure that we were associated with Nixon.

Hult: When you were Governor, you served on several presidential commissions and committees. Was that as a Governor, or was it for other reasons, do you think?

Bowen: I think it was as Governor, and President Ford named me to a couple of commissions—one of which was the Paper Reduction Commission, which is sort of a joke, really, because I think we created more paper than what they saved. [laughter]

Hult: What about some of the other committees? Were they somewhat more useful, in your view? Do you remember much about them?

Bowen: I think the one—the Paper Reduction—had some good points all right, but I don't think its effect lasted very long. One other I served on was concerning nursing manpower—or lady power, whatever you want to call it—and all it ended up concluding was that we needed more nurses. I think they had a few recommendations—perhaps how to get it done, and maybe to get the federal government to try to help—but I don't recall the exact wording on that.

Hult: What about this committee on science and technology?

Bowen: That's another one where I really didn't have much input. I was appointed, I think, because I was a physician and a Governor at the same time, so we just lent our support to whoever the people were. I forget the name of the organization—maybe you have it—that created this study. It wasn't the President, although it was a presidential appointment in the end, but he wasn't the one who recommended me for it.

Knott: Did you have any dealings with President [Jimmy] Carter? I think we came across some reference that you—

Bowen: I was President Carter's token Republican.[laughter] He was a gentleman in every way, but he was kind of a poor President, I think. But he really was a gentleman. I was his token Republican, because I was chairman of the National Governors' Association at the time. So I got to go to Washington on a few occasions at his invitation, and even spend a weekend at Camp David. He was especially interested in what we were doing, and called me to Washington for that when the coal strike or miners' strike was going on. This was throughout the country. So President Carter called all of the Governors that had coal production in their states to come to Washington, and to decide what they could do to help the situation.

Well, I think all of the Governors in the coal producing states except Indiana were Democratic Governors, and they weren't going to do anything, because of the labor unions not wanting them to do anything. So Carter called me over and said, "Thank God someone is doing something." It was interesting to be in that position with Carter. Because Indiana was 96% dependent on coal for energy our coal supply got dangerously small. So I called out the National Guard and the state police and we hauled coal. It worked.

Young: It sounds like you were a little bit more than a token.

Bowen: Well, he was kind to me.

Riley: Do you have any recollections about your visit to Camp David?

Bowen: Yes, but I don't know whether they should be talked about. [laughter]

Young: Why not?

Bowen: They served wine.

Riley: Did that surprise you?

Bowen: Well, I think one of his campaign statements was, "We'd never have anything like that."

It was all right, it was a good dinner. I sat by the daughter, Amy [Carter] wasn't it?

Young: Amy, yes.

Bowen: Amy on one side, and Mrs. Carter [Rosalynn] on the other. Amy read comic books through all of our dinner. But she was only about five or six years old at the time. I think most of the discussion at that time did concern the high inflation rate, and also the coal strike, but I had minimal input. It was interesting to be there and, at least, see Camp David.

Riley: I understand that although President Carter used Camp David in that way, that President Reagan typically did not—that he and Mrs. [Nancy] Reagan preferred it as a retreat.

Young: Used it as a retreat for themselves rather than a place—

Bowen: I really don't know about that.

Young: Let me skip ahead a bit, and just ask you a question about what you found, if anything, in your experience as a legislator and a Governor of Indiana, that helped prepare you for the job you faced in Washington. Was it a useful experience? What parts of it might have been useful—or was it just such a different environment that you had moved into something altogether new?

Bowen: In a way, it was good preparation—mainly from the administrative end of it. But as a Governor, you could lead; as Secretary, I had a lot of responsibility, but very little authority—and that made it very difficult to get things done. You had 535 bosses on the Hill, and you had the President, who was the top one, then the Vice President, and the other Cabinet members. You had, oh, 23 oversight committees that made it very difficult. You just spent half your time trying to explain to Congress why you were doing this, and why you weren't doing something else.

Young: And as Governor, you didn't have a legislature in session all that much, and you probably didn't have to worry about so many committees from the Indiana legislature. That was a big difference, I take it?

Bowen: Yes, it was a difference. It was just difficult to try to get anything done in Washington, but we were able to—with a two-and-a-half-year battle—finally get our Medicare bill, the Catastrophic Insurance Bill, passed. It was short-lived, unfortunately, because it would have solved a lot of the problems that they're having today.

Young: Well, that story we'd like to get into later because that's a major issue—given 535 bosses, 23 committees, other Cabinet members, the President who should have been, I suppose, the boss. But there were other people in the White House, I think, that you had to contend with who might be another set of bosses—

Bowen: You sure are right. [laughter]

Young: And in that context, the story of how you got anything done—especially something that was new and consequential in the Medicare field, the health field—is going to be important. So let's go into that a little bit later, and talk a bit about what arrangements you made—or what arrangements were in place—what problems you initially faced in trying to take charge of your department.

For example, you did talk about your confirmation hearing, which was bipartisan, a lot of bipartisanship there. There were also some understandings you referred to. We'd like to hear more about that—with the President, about your access to him, or your ability to deal directly with him in certain situations. We'd like to hear about those things.

Bowen: Well, perhaps one of my biggest jobs, when I went to Washington, was trying to straighten out the Department. There were—I don't know how many vacancies, probably 30 or 40 vacancies—of really top positions, and most of them were acting chairmanships. The reason for that was the feud between Secretary [Margaret Mary] Heckler and Chief of Staff [Donald]

Regan. They just didn't get along well at all. I think the Secretary had a pretty good point. She wasn't allowed to fill vacancies because she wanted her own choice in these positions, and Regan was quite political, and would want to send her people who he wanted appointed instead of letting her chose her own people.

I didn't have quite that problem. They did try to send over names all the time, and I tried to get those that I wanted in. I'd have to say, they never sent me any lemons, really, to try to get in. They would send about three names over to me and say, "Chose one of these." Most of the time, it worked out all right. They were good people. The White House personnel had knowledge of the contribution these people made to the campaign, and I think that had a little effect on who they sent over, but again, they didn't send over any real lemons. I would interview the three they sent over, and then make a choice.

I went to the mat on two of them that I wanted. One was my Under Secretary, Don Newman, and the other was my Chief of Staff, Tom Burke. I wanted Tom, especially, because he had served as executive director of the Social Security commission that I chaired for a couple of years. And I wanted Don simply because I knew him well, and trusted him, and he was very bright and very loyal. That's one of the things you really need in a position like we served in. You have to have loyalty.

We got those positions filled and things sort of came to life a little bit more. My first week I spent just going from one place to another in the Department, and the people who were running the Departments just couldn't believe it. They'd say, "I've never even seen a Secretary, let alone have one come along to my office." That was kind of a chore, because you had to go to Baltimore, where all the Social Security staff was, and you went over to where NIH [National Institutes of Health] was—not Bethesda—

Knott: Rockville.

Bowen: Yes. And it was very helpful on getting cooperation throughout the Department, and I think that it raised the morale of the people.

Young: Morale was a problem—

Bowen: It was a problem. I didn't realize it was that much of a problem until I got there, but just a little personal contact with each one of them was miraculous.

Young: Were there people in positions that you wished you did not have there? People who had been appointed before you came? This is really a question about when [Richard S.] Schweiker was there, and then Heckler. The role of the White House staff or the Chief of Staff or the counsel to the President in pushing favorites, let's say, into the Department in positions that were policy-sensitive.

Bowen: I can't recall any whom I would have said get rid of right away. I think that most of those had already vacated by the time I got there.

Riley: Did you talk with your predecessor about the position before you came in?

Bowen: Only after I was appointed, and she was appointed to go to Ireland. She had me in to lunch one day, and we spent a couple of hours. She was very gracious. She didn't badmouth Regan, she didn't badmouth the President. She was very helpful. I felt kind of sorry for her, really, although I think she was going into a nice position. [laughter]

Riley: Probably less stressful than the one you.... But were there any surprises about the internal operations of the Department? My assumption is that you were on a medical faculty at the time that you were appointed, right?

Bowen: Yes.

Riley: I would assume that you probably weren't paying a great deal of attention to the internal politics of HHS when you were in Indiana. I'm wondering about how you went about educating yourself—about the internal operations of the Department, about the existing politics of the Department before you went in.

Bowen: I just went in with my head down and charged in. I don't recall anything specific that I had to do.

Hult: Was, perhaps, your Chief of Staff, Mr. Burke, helpful in that regard—wasn't he a careerist at HHS?

Bowen: He was a careerist at HHS, and he was one of the most brilliant people I think I've ever seen. But he was also the most awkward person to get anything done, because he was like a bull in a china shop. He knew what he was doing, but he made a lot of people mad getting it done, so I had to work with him quite a little. But I could forgive him for some of the things, because he was of so much help to me. His profession was a medical economist—is that what you call them? But he was most knowledgeable about that.

Of course at that time, that was one of the things that made my job so difficult. The effort at that time was totally to reduce the budget—reduce and reduce it. And since our department was the fourth largest in the entire world, it was kind of tough. It would sound like it was easy to reduce, but it wasn't simply because 96 percent of my budget was all entitlement, four percent was discretionary. And it was that four percent that I had to cut from. Of course, four percent of \$425 billion is a lot of money, but when you're cutting some of the programs—especially Medicare and Medicaid—it was a difficult choice.

I guess, if I had one big complaint with OMB [Office of Management and Budget]—I had several complaints with them—but one big one, they tried to micro-manage your department. They didn't say, "Here's your money, use it wisely," but instead, they would try to get down to the tiniest detail, and tell you what to do. That's why I said I had a lot of responsibility, but not enough authority to get things done.

Young: Could you do anything to turn that around in your time there? The micro-management style?

Bowen: No, Jim.

Young: It persisted.

Bowen: At the OMB, Jim Miller was about as bull-headed as anybody that you'd ever want to work with.

Knott: I don't mean to take things out of sequence here, and maybe we were going to get to it, but we kind of skipped over your role as chair of this advisory council on Social Security prior to becoming HHS Secretary. Would you have any observations about that experience?

Bowen: Every six years or every four years—I'm not sure which—the law says that you have to review Social Security. I was told to stick to Medicare, period. That was the only thing we were supposed to review. I had a good committee, one that had very strong labor ties, and some just the other, and we fussed around for a year-and-a-half or so. It was difficult to come to any conclusions at all. Finally, it had come down to the point where I sort of banged my fist on the table and said, "Okay, we can't come to the conclusion, so let's vote on accepting the one program that we dislike the least," because everybody was unhappy with the possible solutions. We ended up—and I may not be totally accurate on this—stating that to rescue Medicare we had to either increase the income or take away some of the benefits. We came out, we said we should tax tobacco and alcohol heavily to help support Medicare. I think that was the crux of it. There was something else in it, I forget right now. It was a difficult job getting it done, but I think it was a preliminary step to the Medicare—

Young: It was a bipartisan group?

Bowen: Yes, actually I don't know that you could tell. There weren't any names spelled out that this one's a Democrat—but you could tell from their discussions who was what.

Young: And it was presidentially appointed?

Bowen: I think it was appointed by Schweiker, and then had to be okayed by the White House personnel. I think that's what it was.

Young: They would have a pretty substantial interest, wouldn't they, in the deliberations of the group?

Bowen: I remember one of them—or a couple of them—were high up in the union. A couple of others were high up in the Chamber of Commerce, and I think a couple or three others were just plain business people.

Young: Did any White House staff people sit with the commission or quiz you about what you were doing?

Bowen: No, I had pretty good freedom with that—of course, I wasn't really in the administration, so I could be a little less careful.

Riley: When you first had your meeting with President Reagan about the appointment, and you said that you'd gotten a telephone call, and you'd gone to Washington, do you recall any particulars of your conversation with him? Did he talk with you about the kinds of things he wanted you to do as Secretary, or was there any discussion of these appointments?

Young: Or vice versa?

Bowen: No, I had no discussion. I think just from his knowledge of my previous legislative and gubernatorial experiences, plus as a physician, that he was comfortable with me. I had often wondered why there had never been a physician appointed to my position. It sounds like there should have been but there wasn't, so I was the first physician and the 16th Secretary, and I did end up serving longer in that position than anyone up to that time. The two most recent ones have served longer than I did.

Hult: Who did you work out your agreement or willingness to take the job with? With the President, or with the presidential aide—those certain early understandings about what you would be able to do as Secretary?

Bowen: No, nobody gave me any advice.

Hult: Did you ask for particular things yourself before you would take the job or as you were taking the job?

Bowen: No, as I say, when the President asks you to do something, you just can't say no.

Hult: You say yes.

Bowen: I guess that's one of the reasons I wanted Tom Burke to be my Chief of Staff, because his knowledge was great—not only in the economics part of it, but also in the medical field. He was very knowledgeable. I had one big problem with Tom—I never realized until after I was Secretary—and that was, he was an alcoholic. He behaved excellently except for one time he gave me a lot of trouble, and I finally had to say, "You're going to go some place and get dried out or you have to leave—one of the two." So we made some telephone calls to a clinic of some type—I don't recall just what its name was—and the same day, took him down there. He was there about two weeks, came back and was just fine from then on. But I had to keep my eye on him pretty close. He was just brilliant, but he had that one fault.

Young: Were you pretty much worked to death in those early days? We hear stories.

Bowen: Only if you wanted to be—and I guess I wanted to be, because I was maybe overly conscientious on doing that. You're not supposed to take all your work home with you, but I plead guilty. I'm going through now trying to sort out speeches—where I'm leaving my stuff at

the library—and I had, I suspect, between 1,000 and 2,000 speeches that are stashed away, and I'm trying to dispose of now. So you were busy, busy, busy. The secret is to surround yourself with good people. You can't expect to do it all yourself, and that's, again, why I wanted Tom. He was so helpful, especially in the first six months of me getting oriented. You don't have to know the answer to all these things as long as you've got somebody at your right hand that does, so you have to delegate.

I think I was a pretty good delegator, but I did keep my eyes on what they were doing. I guess that's one of the comparisons I would make between President Carter and President Reagan. I think President Carter didn't delegate enough, and President Reagan maybe delegated too much—and that might be one of the reasons he got in a little trouble with the Iran-Contra affair. But they both had their good points. I think the delegation area was real.

Hult: How did you divide the work, the responsibilities—or however would be most helpful to put it—between yourself and the new Under Secretary that you insisted on, Donald Newman? Was there a way that you divided the work up?

Bowen: No, I was responsible for all of it, so I would just delegate certain things to him. Of course, you've got a chart in here that I think shows the chain of command—and I guess chain of command is the right thing—and we did have certain things that he would be responsible for doing, and certain things that Don would be responsible for doing. And we had an 8:30 meeting every morning with the three of us, so we knew what the other one was doing. Then, about once every week or ten days, we'd have a staff meeting with the whole bunch.

Young: The whole bunch being—

Bowen: We had about 40 people, the upper echelon of people who were decision makers instead of those just doing routine paper work. We'd go around the room and each one would briefly state what was going on in their department.

Knott: You had mentioned earlier, when you first became Secretary, that you thought you found an agency that had a terrible morale problem: was that primarily the result of all these vacancies, or were there other factors?

Bowen: The biggest factor was the quarrel between Regan and Heckler. Apparently, that got pretty bitter. That was before I got there, so I just got it secondhand. Well, it was bitter. And as a result, there were about 40 vacancies of important positions. Getting those filled, that meant extra work for others, and I think that probably hurt the morale for some.

Young: Regan was still Chief of Staff when you came in. Did his ways change toward the Department at that time?

Bowen: He was a Marine colonel, and no, they didn't change. You don't change a Marine colonel's mind very much. [laughter]

Young: So how do you deal with that?

Bowen: I guess that was the President's problem, because Regan wasn't there that much. But I've got to give Regan credit. I would never have gotten my catastrophic Medicare insurance bill even taken to the President had it not been for Don Regan. Regan went to bat for me and said, "He's done all this work, and now we've got to give him the opportunity." I guess we're going to get into that. So Regan was helpful to me in that particular instance. Another instance where he was helpful was in my first week there; it was the budget—to get it okayed—because they had whacked so much of my budget away for AIDS and almost everything.

Looking back, I shouldn't have written my letter, I suspect, to OMB complaining bitterly about them, again, micro-managing our department. If there's that kind of a quarrel over budget, there's a method to get it resolved—that is, you take it to the White House. And Regan, being the Chief of Staff, he's the one who oversaw all that, and he gave me a little of it back. The budget. Not much, but enough to say it was worthwhile going to him.

Hult: Was that part of the morale problem as well? Because the Department, to some extent, was shrinking in size—the number of employees during the time that you were Secretary, and presumably, before you became Secretary. Was that part of the morale problem as well?

Bowen: It probably was, but I wouldn't be able to say right now.

Young: What was an example of the kind of micro-management that really interfered with your ability to do your job? Can you think of any outstanding examples?

Bowen: Well, nothing outstanding, but one comes to mind. I don't recall just which area of my time that it surfaced: trying to cut back on costs. We had several offices throughout the country dealing with Social Security. Some of them were so tiny that they really didn't belong in existence. We tried to cut some of those out. And OMB got information from the Congressmen in that area, and said, "Don't you do it." So you were asked to cut your budget, but they wouldn't let you cut it where it ought to be cut. That's the only example I can think of right now other than—well, yes, I do have another one. You couldn't give a speech without having it first okayed by OMB.

Young: That's another thing I wanted to ask you about. Would OMB clear a speech?

Bowen: Yes, if there was a penny involved, they were going to watch it. It was covered by some of the underlings at the White House and OMB. So you had to submit your speeches in advance, and they would say, "You can't say this."

There's another place I can recall the micro-managing. The balance of trade was always a big item, and we were selling tobacco and cigarettes—that was the biggest thing to help counterbalance the balance of trade, all the tobacco we were sending to China and Hong Kong and so forth. And [C. Everett] Koop, who was the Surgeon General, he and I thought we should at least put the harmful effects on these packages like we did in this country. And they refused to let us put any warning on the tobacco that was going overseas.

Young: OMB refused?

Bowen: Yes, OMB and somebody at the White House, I don't know who. That was one of the problems that we had. In this job, you'd think that you'd have access to the President if you gave a good reason. Well, of course, we thought, especially on the catastrophic things, that there were so many times I'd like to say, "Mr. President, does this suit you?" But the underlings at the White House had *total* control.

I mean, even though you were a Secretary, they could bar you from anything—and they did. They would not let you see the President, so it ended up, about the only time you got to see the President was at the Cabinet meetings. And when the issue that was being discussed that day at the Cabinet meeting was domestic policy, then I got to sit right next to the President. I could then have his ear for a little bit on some of these things. And since the DPC [Domestic Policy Council] was such a big part of the government, it was fairly often that I got to sit next to him.

Of course, you had to pinch yourself to realize that you were sitting right next to the President, and he'd call you by first name. It would be kind of awesome.

Knott: You mentioned DPC.

Bowen: Domestic Policy Council.

Knott: Could you tell us a little bit more about—

Young: That was [Edwin] Meese's baby, wasn't it?

Bowen: Well, that gets into the Medicare thing.

Young: We won't be able to postpone that much longer. Let me dial back to your own key people in your own department. Let me ask how you dealt with the press, about your legislative affairs person. These worked under your Chief of Staff. Did you have any direct dealings with them? Were you satisfied with what they did—or what did they do—for you?

Bowen: Fortunately, I had a very good little black lady—who was just splendid—for the head of my public relations area and she handled the press real well. She was responsible for our press releases, and was very helpful in giving material to speechwriters that we should cover, so I think that our—

Young: Did you yourself have press conferences or meetings with the press regularly?

Bowen: Yes, she would arrange that. We had a lot of famous people who would come in and help us out on programs such as AIDS education, drugs, and pregnancy—teen-age pregnancy, things like that. Jamal [Malcolm-Jamal Warner] on the TV program, *Cosby*, he came and helped us out. Then we had athletes such as the 7-foot-tall [David] Robinson in basketball. We had numerous movie actors who would come in—Buddy Ebsen, who played Jeb on "The Beverly Hillbillies." Anyhow, we had a lot of them come in, and if it were national asthma week this

week, or national diabetes week the next, there was always something going on. We usually had a famous person come in and have pictures taken, and have publicity on various issues.

Riley: You said earlier that you wondered why there'd never been a doctor—a physician—in this position. Did you find, ultimately, that having been a physician was a big benefit to you in this job?

Bowen: Oh yes. When it comes to AIDS and teenage pregnancy and alcohol and drugs, yes. It was a big help.

Hult: I guess I had a less important question in a sense, but in dealing with the media and the public, whose idea was *House Calls*?

Bowen: A fellow named Randy Teach. I can give you his name, but I'm not sure I can give you his title. He worked in the PR department. I think it was probably effective. We had a two-minute program, once a week, on some particular issue. I got a feeling that it was helpful when my own brother-in-law said, "Golly, I heard you—" he was a heavy smoker—"I heard you on television the other day, where you were coming out against smoking and giving us all the bad points of it, and by golly, I quit!" I think that was Jim. Yes, I think it was helpful. Yes.

Knott: These were two-minute TV addresses in which you would deal—

Bowen: They were radio. Just one subject at a time. I don't know how long we did it, at least a year, a year-and-a-half, I suspect. We got a lot of licks in.

Hult: On roughly a weekly basis?

Bowen: Weekly, yes.

Young: What about help, staff help in dealing with Congress. You had all these committees, you had major legislative initiatives.

Bowen: We had a legislative liaison person that knew the ropes pretty well. We stole him from the Senator from Utah— [Orrin] Hatch—and of course he was pleased that one of his men got that position so he could come to the Congress. He was effective. He helped to give me tips on what to say in front of various committees that were dealing with certain problems we had.

Hult: Did you have to go through the White House legislative affairs operation to get approval for those statements before committees and so forth? Or did they interfere much in most of—

Young: When you had to give testimony, for example.

Bowen: Yes, you did.

Young: Did they tell you what to say and what not to say?

Bowen: They didn't put it down in so many words, but they okayed it or rejected—

Young: And that was true throughout your tenure.

Bowen: Oh yes. Sometimes it was a lot worse, depending upon the issue.

Riley: Any particular instances come to mind of cases where they asked you to do certain things? Did they interfere in a way where you wanted to do something and you found that you couldn't?

Bowen: I guess the cigarette issue was probably the most potent of them.

Young: Abortion?

Bowen: Yes, the abortion problem was easy, because all you had to do to suit the administration was say, "No, no, no." So it wasn't hard to say what you needed to say there.

Knott: You said you had 23 committees earlier—

Bowen: Twenty-three oversight committees, yes.

Knott: What percentage of your time would have been spent with either giving testimony or dealing with some aspect of congressional relations?

Bowen: I don't know what percentage, but it would be considerable. If I had to put a guess, I would say at least 30 percent of my time would be dealing with the Hill. And the bad part was you'd be before the committee, and they'd ask one question and you'd answer safely, and then they'd hand you a list of about 40 questions, saying, "I want answers to these by tomorrow. I mean, these are things that made it very difficult.

Riley: Did you have a few people on the Hill that you considered strong supporters whom you could rely on? And could you tell us a little bit about your relationship with those people?

Bowen: I got along pretty good with Congressmen in spite of.... You'd better try and get along with them or your life is going to be miserable. Hatch was a good one to get along with. [Edward] Kennedy wasn't too easy to get along with, but I've got to come up with one point in his favor. Whenever I did anything that was helpful—maybe unbeknownst—to him and his constituents, he'd always pen a little note—"Thanks for what you did—" and that softened you just a little bit in your dealings with him. [Bill] Gradison, of Ohio, was one of the best ones on the health issues. And then the tall fellow from Minnesota, begins with "D"—

Multiple: [David] Durenberger.

Bowen: Durenberger, yes. He was very helpful, and numerous others were, but those come to mind, because they were especially helpful.

Riley: On the other end of the spectrum, were there some people you could tell us about who seemed to be particularly difficult for you?

Bowen: [John] Dingell.

Riley: You know, we've never heard that in these meetings. [laughter]

Bowen: He was tough to get along with. Of course, he had so much seniority that he could get by with about anything he wanted.

Young: You know, you referred to micro-managing from the Executive office, were you micro-managed also? Was that a problem from the Hill? From these committees?

Bowen: No, they never tried. At least if they did try, it skipped me, because I don't recall—I had pretty good relations with them.

Riley: Any others that come to mind besides Dingell?

Bowen: [Henry] Waxman.

Riley: Of course.

Bowen: There were a couple others I'll think of pretty soon.

Riley: You've talked about staffing from the White House. Did you encounter the same problems on the Hill—that, occasionally, you felt the Hill staffers were maybe acting outsized?

Bowen: I can't think of any specific instances, but I would have to say yes, they did, but it wasn't very effective. If it was effective, I would think I would have remembered it.

Knott: What issues in particular would Dingell or Congressman Waxman go after you on that you recall?

Bowen: Oh, that you weren't pushing hard enough for this or that. They thought they were doing their job, I guess. Dingell, especially, if he felt there was some negligence in the Department—that we should be doing something and weren't—and Waxman, it was mainly just on welfare issues, and more money for this, more money for that.

Young: He was particularly strong on tobacco—smoking—wasn't he?

Bowen: Yes.

Riley: I would have thought, then, that you would have had a common—

Bowen: Oh, he treated me all right—it was just that he was so far out on these liberal things that made me say that.

Hult: Since you mentioned that about 30 percent of your time, roughly speaking, was spent on legislative issues and appearances on the Hill and so forth, could you give us a rough sense of what the other 70 percent of your time was spent on?

Bowen: Speaking. There were at least one or two speeches every day to somebody. I had, I think, four speechwriters, and they might come in five minutes every other day and I'd tell them, "Now, this is what I want to say on these particular issues," and they would come up with pretty good remarks.

Riley: Did you use speechwriters when you were Governor?

Bowen: Part of the time. I had two persons that were very good at it, but this was in addition to their other duties.

Riley: So you had developed a comfort level of having other people—

Bowen: You'd edit the speeches, of course, before they were finally ready.

Knott: Did you enjoy that aspect of the job, the speaking and the public outreach, or did you see it as a distraction?

Young: Chore?

Bowen: The only way to stay awake during a speech is to give it yourself. That's what I was told. I'm not an orator, I try to make up for it by saying something and not—

Young: We're not going to ask you how many speeches you had to listen to. Were these talks, most of them, to groups in Washington, visiting?

Bowen: National organizations. It was important. It gave you an opportunity to tell them what you were thinking and then you'd get some feedback from them. No, it was worthwhile, really. Of course, you couldn't have done it unless you had speechwriters. It would be totally impossible.

To help make things a little easier as I gave talks, especially when I was Governor, I had my secretary put it on light, really light green paper so there wasn't any glare. And I had it double and triple spaced and in big print. And I'd only put it on the upper two-thirds of the page so they wouldn't see me going up and down quite so much.

Riley: Did you have occasion to travel with the President?

Bowen: Yes, I would say three or four times. It was, I think, one time when the AIDS issue was very big, and we went to Philadelphia or someplace. I can't recall the other places we went, but we went two or three times.

Hult: But always within the United States?

Bowen: Yes. It was only within the medical field where I think President Reagan felt inadequate. When he would get questions from the audience, he would refer one or two of them to me that had medical implications.

Young: Did you contribute to his talks on health-related subjects?

Bowen: That he gave?

Young: Yes.

Bowen: No.

Young: Who did? Just his people? His speechwriters didn't consult you?

Bowen: I imagine his own speechwriters. It's possible they contacted somebody in my office, but I don't recall that they ever did.

Young: The State of the Union?

Bowen: On the State of the Union, he asked each department to submit to him a couple of issues that he could include, and we submitted the Medicare Catastrophic Insurance. It was kind of interesting. Various departments would vie on how many lines in his speech belonged to their department.

Young: I'm sure this is going to come up again in relation to Medicare and Catastrophic Health Insurance, but when the time came that you had to testify for appropriations for your department, was that handled any differently from other testimony that you gave on other substantive issues? Legislative issues affecting your department?

Bowen: I don't think so. I don't think it made any difference.

Young: You were given your marching orders, so to speak?

Bowen: By—

Young: By OMB?

Bowen: I'm not quite sure I understand what you're—

Young: When you were called upon to testify, in the process of appropriations, when deciding on the budget—

Bowen: Oh yes, OMB would have a big part in that, but the White House had a legislative liaison also. And I think that our liaison and their liaison got together and decided what should or shouldn't be said.

Young: Were you ever asked if you were satisfied by a member of Congress—whether this represented your view of what was needed for your department?

Bowen: Yes, I think so. I can't recall any specific instance, but they would play with each other—Democrat and Republican—on their questions. One of them would take your part and the other would *tear* you apart.

Young: There have been a number of cases—it happens fairly frequently—and the questioners on the appropriations subcommittees would ask what you asked for in relation to what the administration was asking for. It was that kind of thing?

Bowen: You kind of danced around that.

Knott: In your outreach to interest groups—I don't know if that's the right way to put it—but certainly there was a tremendous amount of interest group activity that focused on HHS. Could you talk a little bit about that?

Young: The most prominent groups?

Bowen: Sure, I see what you mean. Well, there were organizations that I never knew existed until I got there, but they all served a pretty good purpose. Those that gave me the most trouble were the AIDS groups thinking they were getting shortchanged all the time—even though the budget would go up and up and up. They had good points. It was a very, very serious thing, and I think, earlier, the administration didn't think it was as important as it really was. So they might have gotten a little less early on, but I did constantly try to get more and more for the AIDS research. I'd made predictions—just what is happening right now—about the 40 million people who have AIDS, and the devastation of the African young people. They're losing thousands and thousands of them. PETA [People for the Ethical Treatment of Animals], the animal rights group, was very vicious—they were kind of mean.

Young: They were going after NIH, mainly?

Bowen: Mainly. They even dressed in rat suits and other types of clothing, and appeared in the NIH compound for a few days at a time. They were radical in their approach to things. Of course, the AARP [American Association of Retired Persons] would be one of the biggest that you dealt with, and most of the time our dealings with them were very good. They had a strong legislative group, and they usually won—not usually, but they won more times than they lost. I think Congress was afraid to do anything to upset the older people. Incidentally, the older people have the best net worth of any age group going.

Organizations for diabetes and multiple sclerosis—there's an organization for everything. And every one of their heads wants to come in and see the Secretary, so it's impossible to do all of it. That's where your Under Secretary and some of the rest of them came in real handy, to relieve you from seeing everybody.

Knott: Would you find these groups to be useful sources of information?

Bowen: As long as you looked at the other side, too. Yes, they were very helpful on the information they presented, but that was just their side. If you could just turn to the other side, and weigh the difference, that's where you had to be careful.

Hult: What about the organized medical profession? You're a doctor yourself. Did the AMA [American Medical Association], for example, assume that it had special access?

Bowen: I'll have to take the part of the AMA this time. I was never pressured by them specifically coming to me and wanting special privileges—no. I had a saying when I was Governor: "It isn't your enemies who get you in trouble—you know where they stand. But it's your friends who get you in trouble, because they're asking for something a little more than what your conscience would let you do."

I think the same thing happened in the AMA. They realized that. I got information from them, but as far as saying, "If you don't do this we're going to get to you some way or other," no—they were decent.

But there were even organizations for things like brain injury—there's an organization for that, and it's real.

Young: As you say, I think for every ailment or every problem, there's an organization. Now is this a substantial part of their interest in the area of research funding through NIH, or also coverage?

Bowen: Well, in matters of health, yes. They would be dealing with NIH. I think that NIH is probably the premier research institution in the world. I don't think there's any question about that. If they don't do the research themselves, they do it through grants to other areas.

And they come in for a lot of criticism, because they want safety first. I think one word comes to mind that scares them to death, and that's thalidomide. Remember back during World War II, kids were born without arms and feet and legs, and thalidomide was the cause. They don't want another thalidomide, so they probably err on the safe side.

Young: What about, again, the NIH, the setting of priorities—which means funds—or where they're concentrating the research effort. You know, once it was heart, then more about cancer. How does the Secretary get involved in that process?

Bowen: He delegates the authority to the NIH.

Young: They work it out directly with OMB?

Bowen: I'm not sure that OMB is able to counteract Congress on where. They can decide on a total amount, but they don't say, "This amount for cancer, this amount for prostate," and so forth. But they do get pressured, because there are jealousies between the organizations—"Well, your

organization got X million, and we only got this amount.” So there’s that type of thing—and I suspect the wheel that squeaks the loudest gets the most grease.

Young: The dealings with Congress are mostly handled by their own people—I’m just asking, does the Secretary get sucked into this thicket?

Bowen: I never got sucked into it. Congress takes care of NIH, because that’s where they go for their health. That might be mean to say, but it is so.

Young: So they have the black bag.

Bowen: Congress makes sure that NIH is treated well. So that really wasn’t a big problem.

Riley: Was the question of bioterrorism at all on the radar screen when you were serving?

Bowen: Remember when they were injecting cyanide into oranges? That would be the only instance that I could think of—oranges and grapes with cyanide put in them. Also there was cyanide put into some capsules. That’s why the laws were passed to put on special types of caps, so you could determine whether or not they were fiddled with.

Knott: I was just wondering if you could talk about your relations with the Surgeon General and how that worked.

Bowen: He’s a legend. He was under me, but I gave him almost total freedom to do whatever he wanted. I’ve got the nicest letter on my wall from him saying, “Thanks, because anything I ever tried to do, you always assisted me, and I cherish that very much.” But he was loved by the news media, so whenever we wanted to get anything out to the public, we would say, “Give it to Chick [C. Everett Koop].” That’s why he did the “door”—every door got an AIDS pamphlet that was put out by the Surgeon General. But we had a lot to do with the way it was handled.

Knott: Was he there prior to your—

Bowen: He was there prior to my going there.

Hult: Did his activities change after you became Secretary? Being more visible in the press, for example?

Bowen: I don’t know what it was before I came, except I knew he got a lot of publicity. He had a tough time getting okayed by Congress. I think it took seven or eight months, I’m not real sure. He was very charismatic, very outspoken, but he was always doing what he felt was right.

Knott: Did you ever get the sense that the White House was not particularly pleased with some of the things—

Bowen: Yes.

Knott: How did they react?

Bowen: One thing, specifically, the anti-abortion people were trying very hard to get studies made that showed that abortion was another health issue. And he was told by somebody in the White House—this didn't come from my department—to make a study on the side effects of having had an abortion. He came up with a lengthy study that came out with nothing. Of course, the White House was very unhappy with that, very unhappy.

Hult: Were there other examples you can think of where someone in the White House asked someone in HHS to do something such as this study without going through your office?

Bowen: I can't think of any, other than when we get to the Medicare issue.

Young: What about Meese himself, and the Domestic Policy Council. In addition to the positions Meese took on the big issues, did the Domestic Policy Council, working under Meese, try to control the main policy agenda—or aspects of the main policy agenda in the health field and in the Social Security field?

Bowen: He chaired two things in which I was involved, one was the DEA or the Drug Enforcement Administration, and also the Domestic Policy Council. He was very anti what I was trying to do, and he would try to bypass me in many areas. Then in the drug enforcement area, he was just dead set on getting more and more money for the helicopters and hard things to get rid of the use of drugs. There was the supply side and the demand side. And Meese was looking on the supply side. I tried hard to get him to look at the demand side, because if you get rid of the demand, the supply isn't going to be any problem.

As long as there is a supply, people are going to want to use it. I think he forgot about the treatment end of it. There was room for about 10 percent of the drug addicts in any treatment facility at any one time. That left 90 percent to do whatever they wanted to do. So I felt we should put more effort on the demand side, and a little less on the supply side—but I didn't get very far with that.

Hult: There was no place to go in the White House itself—maybe in the Chief of Staff's office—to resolve those kinds of policy disagreements?

Bowen: He had the ear of the President probably as much as anybody. I don't know specifically if he talked to the President about this or not, but I assume he must have at some time.

Young: Nancy Reagan had a public role on the "Just Say No" side. That was mainly just public relations—she wasn't really concerned with treatment.

Bowen: No, no. That was on the demand side, I guess—educational. I don't know where that "Just Say No" came from, whether that was her idea or somebody else's idea, but it was a pretty good thing to do.

Young: Then Bill Bennett was around.

Bowen: Right, he was around.

Young: Was he the Drug Czar, so to speak?

Bowen: Well, he was a little of everything.

Riley: Meaning?

Bowen: He was bright, very outspoken, a lot of good ideas. But he was anti what I was trying to do, as was most everybody else in the administration.

Young: On all fronts.

Knott: You shared this idea that you need to go after the demand as opposed to the supply?

Bowen: Actually, you need to go after both the supply and the demand but it was lopsided in favor of the supply, which Meese strongly advocated. I really don't know where Bennett stood on that. He wasn't on the Drug Enforcement Administration group. He had an opinion on about everything, and I don't know where he came down on that one.

Riley: Were there instances where you recall having to appeal something directly to the President because of staff decisions that were making life difficult for you on important policy issues?

Bowen: No, I never got to the President about those. There was a way you would handle that. You'd go to the secretary of the Cabinet, and he was sort of the key man on helping you to make decisions on this or that, or whether it was worthwhile to go to the President, or whether it wasn't. But that's when you contacted him. When you'd contact him for some other thing—like the catastrophic thing—there were a lot of times I'd have liked to ask some questions, but somebody way down the line would block you, you couldn't get it. I don't think it was the President's fault. I don't think he knew that so much protective blocking was going on.

Riley: Sure.

Young: I think the Cabinet secretary generally works under others, he's not entirely having a free hand.

Bowen: He probably would answer to the Chief of Staff.

Young: Should we have a little break? It's about mid-morning.

[BREAK]

Young: Let me just note that the excerpts from Dr. Bowen's book, which we have in our briefing materials, concern mainly the Reagan chapter, as you call it. And I think there are some other things that are pertinent to that era of presidential history as well as certainly to the current

one about the government role in the whole health care field. There are some other parts of the book in which he talks about that, and I think we'd like to hear about that.

Bowen: I guess it would be okay if I refer to some notes here.

Young: Oh, please.

Bowen: The government does have a role in health care. I'll get to the medical part here first. As I mentioned earlier, I think the National Institutes of Health is the finest research institution in the whole world. One of their duties is to do basic research. They do the research that leads to a lot of new drugs by the pharmaceutical people, and they do the research that the pharmaceutical people don't do, because they're more interested in the bottom line. The basic research, though, is necessary for the production of other medications. Epidemiology is very important. The Centers for Disease Control is what I call the FBI of medicine. They search for causes of diseases and how to eliminate the cause. I can give you a good example of that.

There was an outbreak of dengue fever several years ago down in New Mexico or Arizona. No one knew why we had it, but we sent the CDC there. They found that they were getting used tires from South America sent to this area and they had water in the used tires. The mosquitoes bred there and so we got the dengue fever outbreak.

That's just one of the little things they do. We sent them when someone was injecting oranges with cyanide, and grapes with cyanide, and they were on the spot.

Young: These were imported fruits?

Bowen: The grapes were imported from Chile, and we made Chile mad, because we took grapes off the market for three or four days.

HHS also is to detect fraud and abuse, especially in the type of medical care paid for by the government. They are to take care of the health and welfare of all of the people, oversee the income, security to the elderly and to the disabled, and that's Social Security. And they are to promote access to care, and help control costs, do basic research and promote quality. It's kind of difficult to have one without the other. If one of these functions gets too much attention, the others suffer. So it does make for quite an ordeal at times.

The health care programs in our country are like a crazy quilt pattern. There is one type of health care for the older people, one for the poor, one for the veterans, one for pregnant women and children, one for the military, one for the Indian service, and one for Congress itself. And one for the railroad employees, so you see it really is a crazy quilt pattern. Health care reforms have to satisfy each of those three parts: the access, quality, and the cost. If the quality is too high, then the costs go up, and the access goes down. But if the costs are too high, the access also goes down. And if the access is too low, then the quality also goes down.

The costs have risen tremendously and everyone is searching for a cause for it. I tried to list the various causes of why the costs have gone up. There's enough blame to go around for

everybody. I think, number one, hospitals always want the latest and the best, and they want everything—even if the hospital on the next block has the same service. They want that, and that certainly makes the occupancy rates go down. They're always trying to justify new building and new equipment. Doctors are responsible to some degree. They receive only 20 percent of the health care dollar, but they control most of the other 80 percent, through referrals, and through the practice of defensive medicine—and through high malpractice costs. The defensive medicine costs more than people realize.

Young: Can you explain what that term means?

Bowen: If you've got a person with a crushed elbow—I don't care if you've got the best surgeon in the world looking after it—he's going to have a stiff elbow. You get up and wave that in front of a jury, and he's going to get one big amount of money. That's one example. If a father brings his child in to you to treat, and he says, "I don't care what it costs, get this baby well." Now, that's a threat, and if you don't get the child well, you're going to get sued. So this makes a doctor do unnecessary tests. If you fall and bump your head a little bit, and get a little dizzy, you're going to get \$500 or more worth of x-rays of your skull. And the doctor knows full well it isn't going to show anything. I guess that comes under CYA [cover your ass].

Riley: That we do know.

Bowen: But those are reasons costs go up. Another is more in the past than it is now. In the past, insurance companies just gave a blank check to the doctors and hospitals. As I said, that's not as it used to be. Unions demand first-dollar coverage, and that's not very economical to get first-dollar coverage. Employers acquiesce to the union demands, and their retirees are living a lot longer—and of course that demands more money. The government has to take a lot of the blame for the costs going up. They have caused a tremendous increase in the paperwork. They have caused the need for more personnel in the doctor's offices. They have caused increased legal expenses to protect themselves. Until recently, the government has subsidized the use of tobacco. The people have to take a lot of the blame themselves, because they demand the best, and the expectations are too high.

Also, the lifestyles of people. The use of tobacco, alcohol, drugs, sexually transmitted diseases, poor eating habits, overweight, too little exercise. Not using seat belts or helmets. They neglect immunizations—except for anthrax. I don't think they're going to neglect those. Some people do dangerous activities, such as bungee jumping, and those types of things. So people don't think about it much, but they do cause the cost of medicine to really go up.

Demographics of the aging alone are causing costs to go way up. We have an 80-percent increase in those above the age of 65, and we've had a 200-percent increase of those over 75. We've got a 280-percent increase of those over the age of 85, and it takes one-and-a-half times the amount of money to take care of an 85-year-old as it does a 65-year-old. So those are increasing costs that present problems in knowing how to cope with it. You've got to take care of them.

Expensive new technology, and the big expense of development of new medicines and new devices—it costs many millions of dollars to get a new drug on the market and it takes about six or seven years to get it through all of the steps to determine its value. We have a great increase in the use of disposable equipment. Now you've got syringes that are packed with one dose. You use it, you throw it away. Same way with rubber gloves and the use of disposable gowns for surgical procedures and so forth.

New diseases. AIDS, Legionnaire's disease, Lyme disease, swine flu and you can add anthrax to this now. The high cost of research and development, and then the high cost of claims. All of those things have a lot to do with the increase in costs. We've had a lot of attempts to reduce the costs to government. We've increased deductibles and co-payments. You limit the access to coverage for high-risk patients. We've tried preadmission reviews, second opinions, utilization reviews, the promotion of managed care, and none of them has worked at all. Well, not at all, but they haven't worked well.

There's a lot here on what I call do-it-yourself-diseases and injuries. There are more illnesses and injuries caused by what people do to themselves, and most of them are preventable. There are four areas here that I think need to be touched on: one is the sexually transmitted diseases; the drugs, to include alcohol and tobacco; violence of all types, to include homicides and suicides and accidents of all types; and then this miscellaneous group that I call overweight, too little exercise, poor diet, not wearing seat belts or helmets, neglecting immunizations and dangers—activities.

Now in those four groups, I think almost all of those are preventable—just due to lifestyles—and trying to convince people to do otherwise is a very, very difficult thing. I think the expectations of medical care are too great. As far as costs of care, it's possible, at the present time, to have three generations of people on Social Security and Medicare with only one, or at the very most two, paying for it. When Social Security first came in, there were 16 people paying in for every one drawing on it, and now about three-and-a-half paying in for every one drawing from it. This continues to go down as our population ages. So it goes down to three-to-one, two-to-one, and then one-to-one, and yet, with a couple of other generations drawing from it. So it's an impossible situation. Something has to give. I think that one of the things that has to give is you have to increase the age of eligibility faster than they are now—you just *have* to, but Congress isn't anxious to touch that any further, because it deals with the old people and they're—

Young: Didn't you propose that?

Bowen: Yes. I proposed two, raising eligibility level and living wills, but nobody listened to it. See, Congress won't vote on anything that hurts the senior citizen. Thirty percent of all Medicare and expenditures are for those in their last year of life; 23 percent is in the last six months of life, and 11 percent in the last 40 days of life, at which time special care rarely helps. And it leaves the patient with little or no quality of life, and a lot of those people don't want it done to them.

When I was Secretary, we had about 25,000 people over the age of 100. And now we have 100,000 people over the age of 100, and these are the very frail, the very elderly. It's going to take all types of care—and your generation is going to have to find out how to do that. I think

that living wills should be emphasized. The patient so often does not want all of these heroic things done to them, but you have to be very specific in the paperwork that you prepare for that. You need to have them sign the paper that says, “I do want this done,” or “I don’t want this done,” and it’s going to be a very tough thing to handle.

The older people worry about two things: they worry about their health and their money—and which one is going to run out first. A strong, loving family is the best social program in the world, and the highest art of government lies in choosing boldly between the unpleasant and the unsatisfactory.

These are just some miscellaneous statements. As a country we’re going to have to pay more for medical care than we do today. That sounds bad because our medical care is so expensive now. The population is aging, and the people want help. Today, it’s drugs, and tomorrow it will be long-term care. That’s a tremendous thing. Carol’s mother is in a nursing home, and it’s costing a little over \$40,000 a year just to keep her there. Further than that, her stepfather is in there, in the same nursing home, so that doubles it. That’s \$80,000 for those two people. Where is the money coming from? Fortunately they have enough to last for a couple or three years, but that’s rapidly running out, and then, it’s either Medicaid or family or begging—or whatever can be done.

I don’t think Medicare can turn down the sick, so that leaves only the government that can afford the price. But competition can help tell the government what the price should be. With the government, there are no marketing costs. You can sign up, it’s automatic, the premiums are paid electronically. Medicare bureaucrats—who conservatives love to hate—spend less than two cents out of every dollar on overhead. If you’re in the private sector, that goes up to 20 to 25 percent for marketing, and all these other things. Now, it sounds like I’m pushing for government to take over, I’m not, I’m just trying to tell you the *facts*.

I think that’s all I need on that, that should be enough to get some questions.

Young: Let me just ask—what kind of a hearing did you get for this situation as you just portrayed it? What kind of a hearing did you get in Washington for these views?

Bowen: I don’t recall getting very much. People are afraid of it, and they don’t know what to do at all.

Young: Yet every time a major reform tried to address the problem—including the problem of people who are not even covered for health insurance—something seemed to go awry. You had that experience too—something went right and then that went awry.

Bowen: Our government runs by crisis. Whenever there is a crisis, they’ll meet it. And they aren’t quite at the crisis yet, but it’s rapidly approaching. Social Security is a good example of that with the reforms of ten or fifteen years ago. But we are going to reach a crisis with the baby boomers coming along—the increase in aging and not only taking care of them medically, but taking care of them where they live.

Young: I just wonder how that crisis is going to be experienced, because the money does run out in a few years. Is it just a question of what is already known just becoming so much of it—so many people just being left to die, because there is no money to do anything else but die?

Bowen: That's the point that the government is facing, and nobody knows the answer yet.

Young: But it's still not a crisis.

Bowen: Not quite.

Young: Even though the facts are staring us all in the face.

Bowen: The crisis will come, and they'll do something about it. I have faith that they will, but whatever they do, the general population isn't going to be very happy with it. There will probably be an intergenerational fight. The young people are going to be saying, "Why do I have to spend my hard-earned money, and neglect my kids to take care of my mom and dad? And there's beginning to be some of that occurring now."

Young: So what is the government role? To wait for crisis?

Bowen: Well, I don't think the role is to wait, but I think that's what they will do—and mainly because they're just afraid to jump into that dangerous territory.

Riley: What kind of reception did the other policymakers in the White House give to this kind of information? Was there an interest in taking certain aspects of those control factors, and trying to use the government as an information-dispersing institution to get people to alter those behaviors? Or was there such a conservative aversion to what, derisively, was called the "Nanny State," to just ignore it completely.

Young: Head in the sand.

Bowen: I think that's where we've been in the last few years, our head in the sand. I think they're beginning to pull it out just a little bit, but they're not ready, because they're not in that crisis. I had what I think was a good idea, then again nobody paid any attention to it, because Congress is so reluctant to deal with these things: how can you make a change without Congress having to deal with it? Hook up age to eligibility. That way it's automatic. You wouldn't have to have Congress vote on it. They do have some relativity here. The age at which you're eligible.

Young: Eligible for—

Bowen: Eligible for receipt of Social Security and Medicare. I don't know what the formula would be on hooking them up, but a formula could be developed to link the age of the individual with when he becomes eligible. I don't know how to express it any better.

Young: In other words, people would get older before the eligibility began. Well, the eligibility, or the amount you get, varies depending on the age of retirement up to a certain age now. Just push that ahead?

Bowen: Congress did extend the eligibility a little bit, but they did it so that it isn't effective, really, until they're no longer in office.

Hult: It very slowly creeps up, the retirement age.

Bowen: That way, these Congressmen won't be running the risk of running for reelection.

Young: Just a personal note. When I joined the University of Virginia, I had to sign an agreement that I would not work beyond age 65. That was legal at that time.

Hult: But it no longer is?

Young: It's no longer legal. So that was sort of tied in with what you earned from Social Security. You make room for somebody else on the job. But the two have not since moved in tandem. I'm not telling you how old I am now. [laughter]

Riley: Well, we're glad you're here! Is there a governmental role—or did you perceive there to be a governmental role—in these matters of personal behavior that had public health consequences? Obesity, lack of exercise?

Bowen: Education is about the only way, but I think the medical profession itself is taking a bigger and better role in trying to educate the people as to the harmful effects of obesity, and all those things that I mentioned a while ago. Certainly, the sexually transmitted diseases are totally preventable. Wearing seat belts and motorcycle helmets, and stopping these dangerous activities. When they're hurt and hospitalized, that causes the rate for the rest of us to go up.

Riley: In that instance, we've seen legislation at least on the state level. I don't think there's a national helmet law.

Hult: No, but at the state level there is—and some insurance companies are also trying to write some of that into some of their policies.

Bowen: Insurance companies then can also help a little with giving discounts if you don't smoke and don't drink, and this type of thing.

Riley: I guess I'm trying to get a sense about where the lines are drawn between using the force of law on some of these behavioral issues and limiting the governmental role to education.

Bowen: I can, unhappily, I say that Indiana did have a motorcycle helmet law, and they repealed it. People said, "It's limiting what I can do, and I don't like it."

Riley: Exactly.

Bowen: I think those things have to come back, and I think insurance companies have to play a bigger part in rewarding those who live the right life.

Riley: Did you have debates within the Department or between yourself and other Cabinet members—or these other White House officials—about the appropriate role of government as an educator in these areas?

Bowen: I don't recall any specific things other than when you're just in a room during intermission and you're talking with the other guy.

Riley: One area where, as I understand it, there were some debates was with respect to birth control and sexually transmitted diseases, because of the sensitivities related to this. Do you recall any issues with people in the White House, or people in your department on that particular issue?

Bowen: I don't recall specifically with an individual, but I know it was brought up, especially the use of condoms and these types of activities. And in the AIDS area, you didn't dare, in that administration, talk about the use of condoms. I guess I'm kind of ambivalent here—I'm all for abstinence, but at the same time, I know that in the inner cities—not necessarily inner cities any more, every place—you're going to have the teenage pregnancies developing, but the only program that the administration would permit was "just don't."

Riley: Abstinence.

Young: Not realistic.

Bowen: No, it's not. But you take those who are ultra-conservative in that area, and they won't listen to anything else.

Young: So, did the ultra-conservatives in these areas tend to dominate the decision?

Bowen: They made more noise. I don't know whether that's domination or not. They were more active, I guess, in their cause.

Young: But it seemed to forestall the usefulness of any advocacy of an alternative point of view. The "you're with us or you're against us" attitude would have a chilling effect on realistic discussion of how this problem was dealt with. It also extended to clean needles, didn't it?

Bowen: Clean needles, and furnishing the needles. I tried to tell them to flush out their syringes—if they were going to use them—with some chlorine or Clorox, or some product like that.

Young: That brings up another dimension of the problem, which is federal mandates, to affect localities and states on what you may not do with some of the money—or what you must do with this money. I know the federal mandates in a whole variety of issues were very much opposed by

some of the big city mayors, and some of the states. At one time, you served on a commission on federal-state relations. But I'm thinking about how that applies to health care.

Bowen: Well, Planned Parenthood is a good example of what you're talking about. Planned Parenthood also gave counseling, and named abortion as one of the things that could be done—not necessarily saying that that was the only thing, but they did mention it. Congress passed a law—and I think it was pushed by the administration—that no money would go to Planned Parenthood or organizations that were using abortion as one alternative. Planned Parenthood was on the list to receive money, but only if they didn't talk about abortion.

Now some way or other, Joanne Gasper, who was one of my employees, was so far out on this that she refused to sign a contract with Planned Parenthood—even though it was legal, and had to be done, and Congress was adamant, too, that it be done. I had to fire her, reluctantly, because she was a good worker. But she refused to follow the law, and irrespective of my belief, I held up my end that we would obey the law. So that was kind of a rough day that I had on that one, because she was one of the pets of the administration. But I never got called on the carpet for it, simply because it was clear-cut: she wasn't following the law.

Hult: Were there efforts, then, within the administration to try to change that part of the statute that you remember?

Bowen: No, not that I know of.

Riley: And did you get any inquiries from the White House about your personnel decision on that? You said you weren't called on the carpet –

Bowen: Not at all.

Riley: Didn't hear from anybody?

Bowen: I covered myself pretty well. I had the attorney for my department, my chief of staff, the Under Secretary, all there at the same time that I talked to her and asked her specifically, "Will you sign the contract?" "No." I said, "I have no choice, then, but to relieve you." That was the end of it. I was surprised. I was expecting to get some heat.

Young: There was some talk in the press of her entering a suit.

Bowen: Yes.

Young: Did anything ever come of it?

Riley: Was there much of a press flurry as a result of that episode?

Bowen: No, I was amazed. Once she was fired, except for the threat of a suit, I heard nothing more about it.

Hult: Nothing from the Hill, either?

Bowen: No.

Knott: Did it surprise you? You go in, you're a Republican, and you're confronted with a number of these issues that you just discussed with us, and you seem to be encountering a considerable amount of opposition—either out of fears that this would expand the Nanny State—

Young: Money fears—

Knott: Deficit fear, yes—concern about the deficit. Did that take you off guard, or did you expect to encounter that kind of opposition going in?

Bowen: I don't think I was caught off guard. I agreed with the need to reduce the budget, there was just no question about it, but it put me in a heck of a spot. Where do I cut when I only had 4 percent to cut from? So we just had to swallow it and let it go. I got criticized for not jumping and yelling and creating a scene, and that wouldn't have done any good at all. We just did what we thought best, and still stayed within the boundaries of what the administration wanted. I served at the pleasure of the President, period. In fact, we all signed—before we ever went in—a resignation letter. All they had to do was pull it out and date it.

Knott: This criticism you received came primarily from Capitol Hill, or the media?

Bowen: Organizations. And, to a degree, people like Congressman Waxman, who were wanting more and more government control of things.

Hult: When you started at Health and Human Services, as I remember anyway, you apparently reorganized several units into a Family Support Administration. Could you talk a little bit about that?

Bowen: There were several minor departments in the HHS. One would be to run down fathers who had abandoned their children. There were four or five programs like that, that dealt specifically with the family, and rather than have somebody from Indiana, or any other state, come to Washington and deal with just that one, I tried to put all of them together, so they'd have one-stop shopping. It worked out pretty well.

Hult: What you were trying to do there, going back to your earlier statement, was to encourage, at least, stronger families?

Bowen: Stronger families. Cut down on teen use of drugs and alcohol, and cut down on teenage pregnancy—to run down the fathers and collect from them. Those were the types of programs.

Young: Was the legislation enabling, giving the federal government certain authority to deal with—

Bowen: I did that administratively, I don't think I went to Congress for that at all. I got a couple of the Congressmen upset, because every Congressman is jealous of the law that he has had passed. And if you had worked hard to get one of these programs that we put together, just one of them, he felt that we were trying to do him in. But it worked out pretty well. I think we had one complaint, too, from someplace that said that we couldn't use the name of Family Support, because there was some program someplace that had the same name. We didn't pay attention to that complaint, and it died out.

Young: Violating the copyright. [laughter]

Knott: You mentioned in your presentation the length of time it takes to get a new drug approved on-line. Were there initiatives taken during your time to speed that process up?

Bowen: Yes, we did several things, one of which was called "orphan drugs" They are for diseases that are so few that the bottom line won't permit the pharmaceutical companies to manufacture that particular drug. That's where the government had to step in and subsidize the payment for these people. And it was pitiful to hear and see some of the complaints that these people with these rare diseases had—that they were being neglected, and they were. We tried hard to improve that situation, and I think that it was fairly successful. To go back to the same old word, "thalidomide." That just scares them to death.

Riley: Your relations, generally, with the Food and Drug Administration were good?

Bowen: Yes. Very good.

Riley: Any particular instances of interaction that were memorable? Or any parts of the relationship that would be illuminating for us to understand, in terms of your relationship with them?

Bowen: The only association I can think of now is with the cyanide injections. You had to have not only the CDC [Centers for Disease Control and Prevention], but the Food and Drug [Administration] people there too. Now, it was the Food and Drug people who said, "We're going to take grapes off the market until we can get a hold of this." They did it, and it worked well. The grape growers of Chile were very unhappy about that decision.

Another time was when Chernobyl, the atomic energy plant in Russia, blew up. We monitored the air—even in Washington—and it showed that we were getting some over here, that far away.

Riley: No kidding.

Bowen: So our two departments—in fact all of us—worked on that one. There wasn't too much you could do other than keep the people informed. There wasn't enough of it to cause any danger in the United States.

Riley: In talking with other Cabinet officials, it's not at all uncommon for us to encounter situations where, for historical reasons, a kind of subcabinet agency or department has been

placed within a department where the rationale seems to have evaporated over time. I'm wondering if there were any agencies or departments within your orbit that you thought, *this really doesn't belong here, I can't do anything about it*, because it's here or it has the congressional stamp of approval on it. But if you were to start over and build a department from scratch, using your own logic, were there things where you would have constructed the Department differently?

Young: And on the other hand, whether there were things in other departments that made more sense to put them within—

Bowen: Well, family support is one area. We took it from one place, or several places, and put them in one. Another interesting thing was to make Social Security a separate department, and that did happen, but I think that I was able to prevent it from happening personally, because the head of the House committee that dealt with it was a good friend of mine from Indianapolis, Indiana, and he said, "Well, I'm not going to push it as long as you're here." So he didn't push it.

I opposed making it a separate department, because I felt that the senior citizens were so much a part of government that they deserved a Cabinet member head rather than just making it a subdivision of something else here. Now it's on its own, but I don't think it has Cabinet status. Do you know, I don't think it does?

Knott: No.

Bowen: But they probably deserve Cabinet status because so many millions of people are involved.

Hult: Could you talk about Cabinet status a little bit more? I think some of us see that as more of a symbolic kind of action that doesn't necessarily have that much impact. In your view, what does giving a task like Social Security Cabinet status do?

Bowen: Just a more potent spokesman is about all that it would—

Hult: Inside an administration, or outside an administration? Or both?

Bowen: I don't know. I don't know what the position of AARP was. I don't know whether they wanted it separate, or if they wanted it to stay where they were—or separate with Cabinet status. I expect that would be the preference, but I don't know.

Young: Analogy in the Veterans' Administration, make it a separate department.

Hult: Yes.

Bowen: Well they succeeded in that.

Young: It's a Cabinet department. But a lot of the component agencies in HHS had an independent life as something less than a Cabinet department. They were collected first, I think, as the Federal Security Agency. The Children's Bureau, for example, went back way before even

FSA. In a sense, the Department was a historical conglomeration of things where different programs had been brought under one head. And I guess one of the questions is if it got too big to be manageable, and your answer to that is no.

Bowen: Our department was probably too big, but at the same time the programs were all pretty closely related. There are people who said it couldn't be run, and former HHS Secretary [Abraham] Ribicoff said it was a can of worms—and almost all the other previous HHS Cabinet members said it was impossible to handle. Well, I don't know whether I was blind about it or not, but I think it ran pretty well. The secret is good appointments to do your work. You tell them what you want and say, "Don't tell me how it can't be done—I want you to tell me how it *can* be done."

Hult: Would you have said, after having been Secretary of HHS, that education should have been pulled back into it as it was under HEW [Health Education and Welfare]?

Bowen: I guess I don't have any real good thought on that. It shouldn't be, in addition to what it already had. But maybe putting it separately, it could be put back into HHS—but I certainly wouldn't advocate it.

Hult: So you didn't see, for example, that many of the tasks that HHS was performing would have benefited from having education back in the same department, so it could have been included, perhaps, more closely in discussions.

Bowen: Well, it might have been, but at the same time, you would have done away with education—as important as it is—from having a Cabinet member status. That's kind of important in Washington, maybe more so than out here.

Riley: You mentioned the importance of getting really good people in senior positions, and letting them do the work that you couldn't possibly do. You also said that when you came in, one of the biggest problems you were confronting was the fact that there were 30-some-odd—

Bowen: Vacancies.

Riley: Yes. Senior appointments that needed to be made. Could you tell us a little bit about some of the people that you put in these positions—places where you were particularly proud of having snared somebody to go into a role, and their performing well. Or were there any cases where you were disappointed, other than the one case where you had to fire someone?

Bowen: I had a thought a minute ago. When you get to be 84, these things slip away from you.

Riley: I'm 43 and the same thing happens to me—and I don't have that excuse.

Bowen: Sure. Give me your question again.

Riley: I was wondering, as a part of the historical record, we'd like to know a bit about the people and the personalities that staff the various agencies. And you've talked a little bit about

the process of appointments, but I wondered if there were any specific individuals you could tell us about as being strong people, and those that you might have been disappointed in—

Young: In addition to the key appointments—

Bowen: The key appointment was in the development of the Family Support Administration, because it was brand new. I brought in a fellow named Wayne Stanton, who was the welfare director for the state of Indiana when I was Governor. I knew his qualities and what he could do and, by golly, he came there and did it, did a good job for me. So that's an example I have of bringing in somebody that I felt was a real smart thing to have done.

Riley: You didn't get any heat from the White House or any—

Bowen: No, I didn't. I think because there weren't any new people coming in, and it didn't cost any more—at least very little more. So either the White House or OMB—we slipped one over on them, or they didn't care, I don't know which.

Hult: You've mentioned Kim Fuller at different times, what a wonderful job she did.

Bowen: I had a young lady named Kim Fuller who was just an outstanding sort of executive secretary. She ran the office. She could have ten plates spinning in the air at the same time and come out right. I ran into her down in the University of Arizona or Arizona State, I forget which one. I was involved in the program to help cut down on drinking by college-age students. She was the president of that in that area of the state. I was so impressed with what she was doing that I brought her in as my executive secretary. She did a splendid job.

Riley: Were there any of those decisions that you thought later on, after you brought somebody in, *Oh, I wish I hadn't done that?*

Bowen: I perhaps had one, but I'm not going to mention names.

Young: You don't need to mention names.

Bowen: I said that the White House almost demanded that they have a say in who was brought in, but I found you could fight with them a little and get your way part of the time. But they sent me three people, and I interviewed all three. Maybe I accepted the wrong one of the three, so I have to take the blame on that.

Riley: Did you get any input or pressure from members of Congress on any of these appointments? Were they interested?

Bowen: Only if they wanted one of theirs put in a specific position. That happened a few times. Hatch, for example. We took two of his people, but he was glad they were there because he could have a little more influence on what he wanted.

Young: We don't have very much time before we break for lunch, but I was reflecting as you were talking about abortion, the use of condoms, drugs, and you referred several times to the fact that you couldn't talk about abortion or it was a position you couldn't take—I mean, you couldn't say all you wanted on this issue. These opinions, or rules, were put on you by people in the White House—but I was reflective, where was Reagan himself on all of this? Was he giving these directions? You referred earlier to the fact that maybe he delegated too much.

Bowen: That was going to be my answer. I think that he wasn't aware of nearly all of these things.

Young: He wasn't aware of them?

Bowen: I think he delegated those authorities. Off the record, I might mention that Reagan was a little bit hard of hearing. And I don't think that he really heard everything in Cabinet meetings. He agreed, and he was just a little reticent to admit he didn't hear it. Now that's no real bad thing I'm saying, it was just an observation. I'm almost sure that his hearing was not quite what it should be.

Riley: The assassination attempt had an effect on that, is that correct? Because of the noise?

Bowen: I don't think so.

Knott: Earlier, in his Hollywood career, he had lost a good amount of hearing from a gun being fired two feet from his ear.

Bowen: I hadn't even known that. But he was on top of everything he thought he ought to be on top of. Again, you can't run a department as big as what he was trying to do, and not have people making decisions for you. I think that he overdid that just a little bit, and he wasn't aware—I doubt if he was aware that I wanted to see him on a couple of things. One of his underlings.... Even though you're a Cabinet position and they were down in the—they had the control over whether you could get in or out.

Knott: Are you suggesting that he may have been sympathetic to a number of the positions that you held that were being blocked by—

Bowen: I know he was, on the Medicare thing.

Young: Yes.

Knott: What about some of the so-called social issues? Birth control, and—

Bowen: I don't know specifically about birth control, but I know that abstinence would be his main theme there.

Young: But my impression is that outside of announcing his position publicly on this, he was not pushing any real—Whatever action came, it wasn't coming from the top. It came from others in

his administration, and perhaps people who were associated with that particular zealous group within the party. Because Reagan was not really—my impression is—he was an activist on a very few things, and this was not one of them—which is maybe why others moved in.

Bowen: You have to remember that he was under terrific pressure with the Iran-Contra thing.

Young: Yes.

Bowen: I think that is one of the reasons that he was anxious to get the Catastrophic Medicare insurance bill going, because that took the mind of some of the people away from the Iran-Contra affair. I think that was one of the areas where he delegated too much to those people handling the Iran—[Oliver] North I'm talking about here. It got out of line.

Young: And Mrs. Reagan, did she have any particular ideas about your department, or you? She had some ideas about Don Regan, that was clear.

Bowen: I think she was interested in who was going to be appointed to Secretary of HHS, but I don't think she made a big issue of it. I think I read once where she would be backing such-and-such an individual. I think it was somebody from California that she had known.

Young: I think I've heard that she was quite concerned about the state of affairs in the Department prior to your coming.

Bowen: She was probably overprotective of the President, but again, that's her husband, and I have no quarrel with that. But I think she was a little too overprotective. Then, of course, the problem that she and Regan had over the use of a seer—when you should do things—that was amusing, but at the same time, it didn't have the effect on my department that it might have had on somebody else's.

Young: We haven't discussed Howard Baker.

Bowen: Top notch.

Young: We have something like four minutes before we're supposed to go into lunch, but right afterwards, we might ask you, you also saw Baker leave and Ken Duberstein come in—So I'd like to get your observations on that, if anything changed about the way the White House people were affected. And then we can get into the major business on catastrophic—the Medicare issue. Okay?

Bowen: Okay.

[BREAK]

Young: Don Regan departed, and his replacement was Howard Baker, and then Ken Duberstein. Several months after you joined HEW, I think Iran-Contra began, and got more and more prominent and that—just to place it—that issue was bubbling at the same time, or soon after Regan left.

Bowen: Carol reminded me that I didn't mention one particular thing. The first day I entered the office at HHS, my attorney says, "Well congratulations on your entering, and you only have 50,000 suits against you already." [laughter] Everybody sues Social Security and Medicare, and he said it was 50,000.

Young: How many did your successor—

Bowen: I haven't the slightest idea. He said don't worry about it

Young: That does bring up kind of a point, because we had a former Attorney General—one of several we've had here—and they still have suits that were entered against them going on for years and years and years. It's just sort of something you cope with, but never 50,000. Okay.

Bowen: With Regan leaving the White House and being replaced by Baker, in my job, I noticed no difference whatsoever. The only differences were what I would read in the paper or would hear—I think it was obvious that there was more harmony in the White House.

Young: Inside the White House.

Bowen: Inside the White House, yes. And at Cabinet meetings, you might have felt it a little bit, but not much. Baker was a, I think he was a Godsend to Reagan at that time.

Young: In what sense did you feel that?

Bowen: Giving him better advice, I think, on Iran-Contra—things he should say or not say, and do. I don't know what those specific things would be, but the White House personnel seemed—what little I was around them after that—seemed a little more at ease, and not cantankerous. When Baker left and Duberstein came in, I didn't notice any difference there. Duberstein got along well with most of the people.

Young: Any difference you detected in attitudes toward the Cabinet members?

Bowen: No, I didn't notice any difference.

Riley: So the barriers to the President were still as prominent afterward as much as before?

Bowen: Oh yes. It wasn't the Chief of Staff that would prevent us from coming in. I think he was a little bit like Reagan—he probably didn't know that some of those under him would be so difficult.

Young: I imagine after Regan left there were no longer as many contested personnel issues about getting the vacancies—that had already been dealt with?

Bowen: There was much less in our department. It was the personnel director who gave us a rough time on the appointments, but we stuck to it.

Young: Did that taper off?

Bowen: Yes, it tapered off. I suspect I got two out of three that I wanted. If I took those that I knew well enough, then I would be getting over-heavy in Indiana people, and that wouldn't have been good.

Hult: Does that mean that most of the people that came in about the time you did—or soon after you did—stayed through the rest of the administration?

Bowen: Yes, I didn't have many turnovers. I think most of them stayed.

Knott: One of the issues that—I don't want to steer it in the direction, I'm not sure we should go here yet—but the issue of AIDS, and putting that on the policy agenda.

Young: Or way down, off the agenda. How did that happen?

Bowen: When I first went in, AIDS was just becoming a very, very serious subject, and I truly believe it had been a little bit neglected, except for Secretary Heckler. She was beginning to publicize it a lot more, and I think we just picked up from where she left off. We really tried hard to get budget enough to do the things that we thought should be done, but again, trying to get more money for anything at that time was most difficult. The number-one issue was, "Let's reduce the deficit spending," and that, again, made me have a very difficult job, because of the small amount, or proportion, of money that I could deal with. I would probably agree to their figures a little more than I would have had I not wanted the deficit reduction to take place. There were things that I knew needed more help. There was no use to argue about it at that time, because you weren't going to get any place.

Miller, the head of OMB, was very adamant. In fact, he would have some pretty harsh words if you tried to get by him.

Riley: Did you get the sense that he was able to do that because he was operating generally with the President's consent? Or was he able to do that because the President was being inattentive and that was something—

Bowen: I think the President was genuinely interested in debt reduction, and Miller knew that he had the President's support. He went, sometimes, a little overboard on doing what the President wanted.

Riley: I don't remember the sequence of events with respect to the AIDS situation emerging: had you been following that when you were teaching at the medical school?

Bowen: When you had a rare new disease like swine flu or Legionnaire's disease, something like that—it was new and would come up and blow over soon. We'd get ahead of it. But it soon became obvious that with AIDS, there was rapid spread, and the methods by which it was spread

were mainly male-to-male and intravenous drug use. They were the two big things. Heterosexually, it wasn't much of a problem, but it got to be more of a problem a little bit later.

In the domestic policy meetings, I had an awful time trying to convince Meese and [Beryl] Sprinkle and some of the others how serious the problem was. They were pretty adamant about not putting as much in as we wanted.

Young: Did you feel that the fact that the disease was so conspicuously associated with homosexuality made them more deaf to the issue than they would have been otherwise—compared with another major developing public health problem?

Bowen: People, in general, were sort of anti-AIDS, because of the way it was spread and so forth. It was difficult even to get anybody—except the AIDS lobbying group itself—interested in spending more money on it. It's tough to have a—well, for some other word—the church people were so adamantly anti-homosexuality that it was hard to convince anybody that you needed money to combat this—and that you were going to hurt yourself if you didn't.

Riley: You made the attempt to convince them, though, obviously?

Bowen: Oh yes, every opportunity that I could.

Young: Who were your allies? In the press, outside or inside the government.

Bowen: Well, there were darn few at first. Then, halfway through my term, it became such a problem that the President appointed an AIDS commission led by the head of the Mayo Clinic. He only lasted two or three months. It was just too big a problem for him to take time to deal with it.

Young: Were there people in Congress?

Bowen: There were several in Congress who would say, "Let's line 'em up and mow 'em down." And then there was the other side that would go overboard on wanting to do more than necessary. But in general, the public's interest in AIDS was sort of anti—"Serves 'em right." That's the type of attitude.

Knott: We came across some news articles that mentioned that you had opposed a federal law barring discrimination.

Bowen: That was, again, with a little pressure from above. But the reason I think that I gave in on that was that it opened a new door. If you're going to have that for the AIDS patients, what are you going to do for those with syphilis? What are you going to do for those with gonorrhea? What are you going to do for the others? So it created a new, not bureaucracy, well, yes, a new piece of bureaucracy.

Riley: So you were getting feedback from the White House about the direction the Department ought to be taking, and crafting a policy.

Bowen: The word from the White House—that may or may not be true—it was Meese who was the main one, and whether he was absolutely speaking for the President, I don't know. Probably was, to a degree.

Young: How did you turn it around?

Bowen: I don't think we got it turned around as much as I would have liked. But just the threat of spreading the way it was, people were afraid to even be around them. I think because male hairdressers, for example, were thought to be AIDS carriers, women quit going. There were a lot of little bits of misinformation like that that tended to spread, so people got more interested in it then. They reluctantly supported the fact that you needed more money.

Young: The CDC was keeping track of the statistics on the spread, is that correct?

Bowen: Yes.

Young: At what point did this occur—that it became apparent that this was not confined solely to homosexual people?

Bowen: The drug users and homosexuals.

Young: But it began to spread to—

Bowen: It began to spread worldwide, and Africa was especially bad. But our research there showed that it was going to be extremely difficult to do much about, because it wasn't anything—according to our research—for a man or woman to have 17 or 18 different contacts per month. You couldn't get across to them the cause—why they should be abstinent, or why they should use protection.

Riley: Were there voices of dissent within the Department about using scarce resources in this direction at the expense of other things?

Bowen: That was the argument that they would use, yes. There were much better places to put the money than on these useless people. The attitude was, it served them right.

Riley: Even within the Department itself? As well as the political pressure that you were getting from the Hill?

Bowen: It wasn't as great in our department as in the general public, mainly because of CDC and NIH. They were doing the basic research for it. My feeling is Dr. Tony Fauci is probably one of the most knowledgeable about AIDS of anybody in the country, and he has worked so hard trying to find cause and treatment. And he has been fairly successful. But I tell those that were so critical about slow progress in treatment that that wasn't so. It took 40 years to develop a vaccine for polio, and the virus that causes AIDS is a lot more complicated than the virus that causes polio. It took 17 years to develop a vaccine for hepatitis.

Our 40 years aren't up yet, but there's still no end in sight as far as a good vaccine. The treatment has been very successful, but that creates a problem, too, because it's expensive to treat them. The patients live a lot, lot longer, and it's nothing to have \$100,000 a year in expenses for one case. They can't afford it. So you have to have special programs for them.

Riley: Is this another case where your training as a physician proved to be particularly helpful?

Bowen: I think so. I worked some with the AIDS commission. It was a good group.

Riley: I wonder if I could ask if you think your training also made you more sympathetic to the need to deal with an element of the community that was considered an outcast among some of your fellow partisans.

Bowen: In all honesty, I didn't like them either, but I knew we had to do something about it, or it was going to spread just far, far too rapidly. I couldn't get a lot of sympathy for them, but I don't think I mistreated them. I tried hard to get funding enough to do something. It was a money issue more than anything else.

Knott: There are groups like the Act Up organization. Did that make your job more difficult?

Bowen: Impatient. You couldn't convince them that things really were being done. Their feeling was, "So what if it took 40 years for polio, we're talking about AIDS." They started out with small budgets, and then they got to be big. I don't know how many billions of dollars now that they're spending on AIDS, but it has to be big.

Knott: Did you meet with representatives from groups like Act-Up?

Bowen: Oh yes, you have to. You'd listen to them.

Young: The difficulty was in getting it recognized as a public health problem?

Bowen: Yes.

Young: When does something become a public health problem, and not just your problem?

Bowen: It was a true public health problem, and I guess education again—

Young: Prevention and education, at least to reduce the rate of spread of the disease.

Bowen: One statement I made in the policy committee meeting that shook them up a little was that if you have intercourse with somebody, just tell yourself that you're also having intercourse with the ten people before him. So that's how easily it was spread.

Riley: We're sitting around, having a conversation about a subject that has become normalized as part of our public discourse. It's difficult to think back to the period of time when each of

these subjects was completely taboo for public discussion. How did you manage to break through? And again, as a physician, you're accustomed to dealing with bodily functions and things like that.

Bowen: Just constant haranguing. Just constant repetition—saying the same thing over and over. Any talk you'd given in Colorado, for example, would be far different—they wouldn't know what you said there, so you'd repeat it in Florida, then you repeat it in Minnesota.... You'd think it would do some good someplace, but it just does good right there. But you have this whole area to inform, and in fact, not only in the United States, but the world.

Young: As a physician, you would know that this is not the first time that having a disease was regarded as disgraceful, and was concealed.

Bowen: Leprosy.

Young: Leprosy. TB was that way at a time. A disease largely of the poor in some of the big cities, and they would go to any lengths to conceal it—even to changing the death certificate.

Bowen: That brings to mind, too, that anyone that has had AIDS—if they've had TB in the past, it tends to reactivate the TB, so you had more TB coming on because you had more AIDS coming on.

Knott: I want to ask you about the question of heterosexual risk from AIDS. My recollection is that there was talk at the time that AIDS activists were inflating the threat to the heterosexual community in order to increase the pressure for governmental action.

Bowen: At first, the heterosexual numbers were very small, and they have risen slowly—not fast, but slowly. I think it's still the case—I don't know the figures on it now.

Hult: When you began your outreach in education efforts with very open and frank language, did you get pressure from the White House to perhaps not say some of those things—or not talk so much in public about AIDS?

Bowen: Yes we did. Koop was in on that, because we gave Koop the job of trying to help educate the people. But he had a lot of complaints from the ultra-ultra-right that you shouldn't mention these things.

Riley: Some of that was coming from in the White House too? You say the “ultra-ultra-right.” Do you know if it was the political activists or the journalists or—

Bowen: I would say the Gary Bauers and Meeses and those types. Gary Bauer was probably the head of most of that. He, unfortunately, had the position as Domestic Policy Advisor to the President. I think he did things thinking that the President agreed with him on everything—maybe he did, but Bauer was probably the one that spread that the most.

Hult: But it didn't have any impact on what you were willing to say, or what Surgeon General Koop was willing to say?

Bowen: No. We continued, but it was pretty hard to criticize us. They were just thinking of the moral issues, whereas we were thinking of the scientific and the health issues—epidemiology.

Riley: Stephen asked about some of the gay rights organizations: were you also being approached by your fellow members of the medical community who were specializing in these areas? I don't know whether the AMA took a position on this, but there must have been certain physicians' groups who were pleading with you to press ahead, to do more.

Bowen: I had very little pressure from that end. I think they just automatically were going ahead and doing what they could. You found a lot of general practitioners who were afraid to treat AIDS, and I think rightfully referred them to infection specialists—but they got a lot of criticism for being unwilling to go ahead and treat them.

Riley: Were there any mistakes or wrong turns—either in the policymaking end or in the strictly technical medical end—that we took in the early stages where, looking back, you could say we should have done this or that?

Bowen: We should have reacted quicker and with more, but given the way that the disease was spread, it was impossible to do much in the early days. The AIDS people came to town once every year, and they brought a quilt, or a comforter, that had the names of those who had died of AIDS. They spread those out, not at the White House lawn, but someplace—the Mall. And it covered acres and acres. That was very impressive as the amount of AIDS that there was, and the amount of deaths—because they put on there the names of the dead. That kind of stirred people up a little bit. It probably helped in getting a little more support, because it was right there in Washington, and received a lot of publicity.

Knott: Did you go over and visit this in your capacity as—

Bowen: Unbeknownst to them, I did. I milled around in the crowd. It was a little bit sickening to see men hugging men, and things like that, but that's—it was open....

Young: We're ready to move to the main attraction, so to speak.

Bowen: One other issue that might be of interest, that's on the use of fetal tissue.

Young: Oh, yes.

Bowen: If there were ever an issue where I parted with the President and some of his people, it was on the use of fetal tissue. Probably, had I stayed in office a little longer, it might have been a little more difficult, because this came up just at the time I was leaving, and I stated that I was for the use of fetal tissue. I was against abortion, but as long as abortions were being done, we were discarding some of the finest medical items there were, and that was the fetal tissue. Fetal tissue

has great possibilities in the treatment of Parkinson's and Alzheimer's—and even blindness, juvenile diabetes, spinal cord injuries.

So you had to weigh the one side against the good it would do, and I came down on the side of the use of fetal tissue for that. I also had stated—and it's sort of interesting at least to me—that, at the time, when we could grow our own cells, we would be able to do away with even the use of fetal tissue. And here we are now with the stem cell issue, and I applaud President George W. Bush for going as far as he did on it. It's tremendously exciting to consider the things you can do with these stem cells. Some of the worst genetic type diseases there are—at least we think in time—will be able to be helped, cured or done away with through the use of stem cells. Stem cells from aborted fetuses are a lot more useful than adult cells, because they are not thrown off as easily—they will “take,” so to speak. But that's an issue that's going to be debated more and more in the next few years.

Young: You don't think we're over the hump?

Bowen: No, not yet.

Young: The succeeding administration reversed that didn't they?

Bowen: Yes.

Young: Then the Clinton administration reversed their predecessor? Sorry if I have my history wrong.

Bowen: Clinton okayed it. [George H. W.] Bush, I think, the first Bush, had the same feelings as Reagan, and now the present [George W.] Bush has okayed it with limitations. Whether or not they have enough cell lines, no one knows yet, but if they do, there's great hope.

Young: It will come back.

Bowen: It's a long way off, yet.

Riley: You said that this was one of the places where you parted ways with the administration.

Bowen: Yes, they were anti, and I was for it.

Riley: You were aware of this. I guess my question is, how did you become aware of the fact? Was the President making public policy statements to this effect?

Bowen: I think it was Bauer more than anybody else.

Young: And it was in all the newsletters, alerts, all the activists were against it.

Hult: How did this come about in terms of your participation? You initially declared at least a temporary moratorium on the use of fetal tissue, is that correct?

Bowen: Yes, but it was with a little suggestion—

Hult: Suggestion from whom?

Bowen: Indirectly, I would say, from the President. I say indirectly, he never spoke to me about it.

Hult: I see, and conveyed through Gary Bauer?

Bowen: That's my suspicion, but I have no positive proof of that.

Hult: And at some period of time, you made your decision and announced it. What led you to make that decision, knowing the firm opposition?

Bowen: I was already out of it. I had a television station from Chicago that came down to my home a month or two after I was out, and that was the issue that they wanted to talk about. I said the same thing then as I just said a while ago: "As long as abortion is legal, let's use the material where it can do the most good."

Knott: I may be stepping out of bounds here. You were opposed to abortion—

Bowen: Yes, except for the life of the mother and incest or—

Young: Or rape—

Bowen: Rape.

Knott: Were you ever put on the spot in terms of being asked whether *Roe v. Wade* should be overturned?

Bowen: I think you could say I sidestepped that as much as possible, as long as I just sidestepped it.

Young: But as long as it was law, you followed the law.

Bowen: I would obey the law, had to, yes.

Riley: Did we talk about your confirmation process?

Young: No.

Riley: Is this a bad time to get on to that?

Young: No, no, go ahead. But we were coming to a major event.

Riley: I know we're postponing it, but it seems to me that this is relevant to this question, because it's probably the place where that kind of question would have been posed. Can you tell us a little bit about your confirmation?

Bowen: My confirmation quizzes lasted, I think, about five or six hours. Essentially, one by one, the Senators would come in. They weren't all there at the same time. They would come in and ask their questions, then leave. I don't recall even being asked about the subject of abortion, and I think the reason was that my position was previously known from what I had written as Governor.

Most of that time was taken up with the catastrophic insurance questions. Congress immediately grabbed onto that. Senator [Lloyd] Bentsen had a bill that he had put in, or was putting in, on the same subject and he said—after I had listed a whole bunch of things that I thought ought to be done—that he had a bill advocating the same thing and I asked, “Well, what's the number of that bill, Senator?” He got a kick out of that.

Riley: Before your hearing, did you make the rounds on the Hill to see various—

Bowen: That was one of the roughest times of being Secretary—before I became Secretary, the month before. It just drove you crazy, running from one place to another. Here I lived in Indianapolis, and I needed to get rid of my condo there and get one in Washington, and resign from the boards and things I was on. I went back and forth to Washington at least three or four times, and spent a day or two getting briefed on all the various issues.

They try to cram your head so full that, golly, your head is spinning there. But the liaison between the President's office and Congress made arrangements with the important people to see in Congress, and I'd go from one to another just to make a courtesy call. I was treated very nice by all of them. The biggest problem was these constant briefings on things.

Young: Who was doing the briefing?

Bowen: The White House liaison between Congress—would come to HHS and pick out the top man in this issue, the top man in that one, and you would get lectures on it. It was never ending.

Hult: Did the White House staff put you through a so-called “murder board,” that is, a simulated confirmation hearing?

Bowen: Yes, I got that.

Young: Was that fun?

Bowen: No, not much. They overdid the cramming part. I think a few well-chosen words would be to use common sense, period. And you'd have gotten by with all of the Congressmen.

Riley: They weren't dealing with a novice, not in politics or the issues.

Bowen: It was just so much thrown at you all at once. You had to get rid of every bit of stock that pertained to medicine, then you had to put everything else in a blind trust, and that took time to get all those things done. I didn't have a lot, but some stock in some pharmaceutical companies. I've learned since then that had I been able to keep them, I would be at least two million dollars better off.

Riley: Sorry about that.

Young: The price of public service.

Riley: Did your home state Senators accompany you through these rituals?

Bowen: Senator [Richard] Lugar did, and Senator Quayle, at that time, and Congressman [Elwood] Hillis was there. And the Congressman from Indianapolis, the Democrat I was talking about on Social Security, Jacobs, Andy Jacobs. They were all there and spoke good words on my behalf. Then as soon as they finished, they said two or three minutes of good things and then the committee took over.

Riley: But they didn't accompany you on your tour through the individual offices?

Bowen: No, just the liaison person, that's all.

Riley: Was that Duberstein at the time?

Bowen: No, he was the Chief of Staff then.

Riley: By that time?

Bowen: I don't know the name of that, there were a few—

Riley: I see.

C. Bowen: In the meantime, the FBI was doing their background check.

Riley: Oh yes?

Bowen: They went all over the state, and even interviewed the Democrat state chairman at the time to see if I were fit to serve.

Young: Somebody said, one of the Senators said, "There's not a blemish here."

Bowen: That was [Robert] Packwood. Packwood had his own ways....

Young: Maybe he had a different definition.

Bowen: Packwood, politely, didn't ask me any questions on abortion, but afterward he did. He was pro-abortion.

Knott: Were there some conservative groups that opposed your nomination not being sufficiently—

Bowen: There's a fellow named LaRouche.

Young: Lyndon LaRouche.

Bowen: And when it came time for Senator [Daniel Patrick] Moynihan, to quiz me, he said, "Now, I had a whole lot of questions, tough ones, that I was going to ask you, but I read in the paper this morning where LaRouche was against you, and, by golly, if he's *against* you, I'm *for* you, and I'm not going to ask you anything!" [laughter]

Young: Would you like to say a few words about Dan Quayle?

Bowen: Dan was a bright young man. He served in my [gubernatorial] administration for two or three years, and then he ran for Congress and got elected, and wanted to run for Senator. At that time, I had the inside track of running if I so chose—according to the people who thought they knew, and according to Dan. Dan said, "I want to run, but if you're going to run, I won't." He knew that I was leaning against running, so he had a badge prepared that said, "If not Bowen, then Quayle." I thought that was pretty clever of him. He was, as I say, a very bright, articulate young man who got an unfair deal from the media when he ran for Vice President with Bush. The media killed him.

Young: He was in the Senate when—

Bowen: He was in the Senate.

Young: Was he one of your supporters or allies on issues, or wasn't he on the right committees?

Bowen: I don't think he was on any of the committees that I was brought before, but in general, he was for me.

Young: And Mitch Daniels?

Bowen: Mitch was the President's political advisor, and to the best of my knowledge, he was helpful behind the scenes. Mitch is now the head of the Budget Agency, the one that Miller had before.

Riley: You should have been so lucky.

Bowen: Well, it's easier to be—at least before September 11th—it was easier to be OMB chairman now than what it was back in those times. In fact, they had the delightful job of having more money than they knew what to do with.

Young: All right, changing directions now, you can start out with the Medicare and catastrophic—you had declared in favor of some program, you already declared on this subject before you were Secretary.

Bowen: Yes, I had.

Young: So this was fully known, pretty well known—where you stood on this, as well as where you stood on the abortion issue when you were appointed.

Bowen: I guess part of that was because as a physician I had seen people including my patients spending themselves down to nothing, and having nothing left to live on as a result of prolonged illnesses. And I guess that's what moved me to want to do something about it.

Hult: After you were confirmed, then, you had the Lloyd Bentsen bill—that supposedly was in the hopper. Did you work from already drafted congressional legislation? Did you get parts of HHS to work putting together your own ideas?

Bowen: The President's State of the Union message, my first year there, gave me marching orders to find out ways where the private and public sectors could work together to prevent the pauperization of senior citizens as a result of prolonged illnesses. So we started from there.

Young: Excuse me, how did that get in his message?

Bowen: Each department—whether it was Agriculture or Commerce, whatever—gave suggestions to the President on things that they'd like to see in the message, and that was the one that our department submitted.

Young: Were you there at that time?

Bowen: Yes, I was there.

Hult: So, in essence, that was your priority that went to the White House?

Bowen: Right.

Young: So, apparently that survived—that suggestion survived the battles and the vetting and what gets into the State of the Union.

Bowen: The President even said by name, "I am directing Secretary of Health and Human Services Bowen to do this...." There were—I counted them up—69 different steps that we went through before the President signed the bill. I'm not going to read them all to you, but I've got a chronological order, meetings and things, before it became a bill.

The way it started out was, we developed an Executive Advisory Commission, composed of Tom Burke as a chairman, and then two or three others. Then I devised three separate groups—or task forces. One was to deal with the Medicare problems of those 65 and above, and then one

for the 65 and below, and then on the long-term care such as nursing homes. The only one of the three that Congress was interested in was those above 65. They kind of sloughed off the others. Each of these task forces developed their recommendations. The President gave his address on February the 4th, 1986. Then on November the 19th, 1986, that was from February to November, we had our plan completed, because the President asked for the report by the first of December.

So we did three years' work on one, and got the plan to the President, and it wasn't until February the 24th, 1987—which was about four months after I delivered the plan to the President—that the President announced that he was preparing to send the plan to Congress.

Young: Wasn't there a lot of down-time during that period? He gave you marching orders that you yourself sort of wrote in the State of the Union message, and then there seemed to be a backsliding somewhere. Then it was on again, and then it was down again.

Bowen: The Domestic Policy Commission did that.

Young: Well, was the attempt made to get it off the agenda—how did you get it back on?

Bowen: I guess with dogged persistence.

Young: Did you ask to see the President at any time?

Bowen: No, I wanted to, but I wasn't able to, because the plan had to go before the Domestic Policy Commission, which Meese chaired, and Meese was adamantly opposed to anything like this.

Young: On what grounds?

Bowen: Expanding government, I guess, was the biggest complaint he had. Then, on June the 24th—that was from February to June—the House of Representatives passed the bill, and sent it on to the Senate. Then, in October—from June to October—the Senate passed their version, and then December 9th, the conference committee was appointed to reconcile the differences between the House and the Senate. It wasn't until May the 31st—that's from December to May—that the conference committee reported a reconciled bill for final action. In June, the bill was approved by both Houses and sent to the President, and then June 1988—which was two-and-a-half years afterwards—it was signed by the President.

Now, it took so long because the Domestic Policy Commission was, again, adamantly opposed, mainly because of Meese and Sprinkle and Miller and [Donald] Hodel. Hodel was the Secretary of Interior, and Sprinkle was the economic advisor to the President. Meese, of course, was the Attorney General at that time. They did everything they could to derail it every step of the way—that's why there are so many time intervals in this.

Young: What was Hodel's role? Why was he in that group?

Bowen: Just his philosophy was all. He wasn't as opposed to it as the others were. I had six meetings, total, with the Domestic Policy Council. Three of those were with the President himself. Meese appointed a separate committee, omitting me from being on it, to find alternatives to what we were trying to do.

At another meeting, Meese invited the big insurance companies that handled Medigap to come into the White House, and brought me in there before them. I was probably the only one in there favoring the plan, and the insurance people said, "Sure, we can do the same thing," but the cost was going to be much, much higher. Remember that the cost in administering Medicare is two percent or two cents on the dollar, and this was going to be way higher. Then at one of the meetings with the President, Sprinkle presented a new plan using vouchers to cover the expenses. Luckily, I had one of these charts and a big pen I could draw with, and I drew a thousand lines across there tracing the cost of where a dollar would go.

Young: You had advance warning of this voucher plan?

Bowen: No, I didn't have any—I take that back, I did have some, but I didn't know he was going to present it.

Young: So you were prepared with your—

Bowen: This is where Don Regan came in handy. He's the one who said, "You've done all this work, we're going to see that the President gets to hear it." So if it had been up to Meese and Sprinkle, I never would have gotten in there. I owe Regan one for that.

So I was presenting my plan to the President, and Sprinkle presented his alternative plan, and then I drew the chart on where the money would go, and the people in the building were kind of chuckling. That ended Sprinkle's attempt to scuttle it. It wasn't until—I gave you the date a while ago—that we had our final meeting with the President, and then he told the Cabinet that day—all the Cabinet members were there—that he would study this and make up his mind in two or three days. About three days later, I got word that he had accepted it. Then, when it went to Congress, and Congress was beginning to debate it, Meese and Sprinkle had their people out in Congress making every effort to slow it up or derail it. But there were enough people in Congress that wanted it that that attempt failed.

Young: Miller wasn't with this group? Miller was with them?

Bowen: Miller was with them. He was head of the OMB, and he was adamantly opposed to it.

Young: What was the reaction of those people in the group when the insurance companies were brought in and said, "Yes, we could do it," and then the other shoe dropped. It would cost more. What was the reaction of the OMB people, and the people who thought they were going to get away with spending less money?

Bowen: I don't recall.

Young: It kind of shot a hole in their—

Bowen: I'm sure it did some, but not enough to discourage—

Hult: You might want to talk a little more about that chart you drew, because what you did was to show them how complicated the process was going to be.

Bowen: I drew all the lines of where the money would go. I don't know if I could remember the details now or not, but the government would give you a voucher, and the voucher would go from you to the provider, and then the provider would do something with it. Anyhow, the lines went all over the page and I exaggerated a little, but it worked very well.

Young: Big overhead costs and very complicated. Wasn't it a problem about how sick people could figure out how to go through all this stuff?

Bowen: How would an Alzheimer's lady of 90 handle the voucher? I think that was the blow to his plan—it would have been impossible for even me, who is supposed to know more about it, to handle all the details of what would happen to the voucher.

Knott: So you managed to convince President Reagan to support your position. Do you have any observations as to why that happened? I think you may have mentioned earlier—

Bowen: Well, first of all, I had practically no Cabinet support, except [Caspar] Weinberger was a little bit in favor, because he had previously been HHS Secretary. Bill Brock was for it, because he had been a Senator and knew a little bit more about the needs of the people—his grandson had just been through a long ordeal. He was premature, and had some medical problems. Secretary Brock spent thousands of dollars on his grandchild—but President Reagan and Bill Brock and I were the only three who had an elected position, and I think that we knew a little bit more about what the people wanted than the rest of them did. And I think that Reagan was for it, but didn't know how to get it done. He tried it when he was Governor but didn't get very far.

I think he hinted about it in his first term a little bit. And then when he had somebody come in and try to champion it, it gave him an opportunity to jump on the bandwagon for it. Again, whether this is so, I'm not sure, I'm a little suspicious: that was in the heat of the Iran-Contra affair, and I think he wanted something to divert attention away from that, and onto the health situation.

Knott: We've heard it said in some other interviews that President Reagan was very receptive to stories that really brought an issue home to an individual, a story about an individual. Was that part of this at all? Bill Brock's grandson's problems, or—

Bowen: I didn't hear the President ever say anything like that. I think that was just Bill's idea. I thought it was interesting that we were the *only* ones who had been elected. To run for an office, you soon find out people's ideas, and what they want, and to some degree what they need. I think it took a little courage for the President to do that, knowing that his number one, two, and three boosters were anti.

Hult: Do you have any sense of what his political affairs people were telling him on this subject? Presumably they were not in the Cabinet meetings or the Domestic Policy Council.

Bowen: I don't know, no.

Young: What were the prospects on the Hill that you faced at the time this plan was presented? And had you taken soundings at this point of congressional sentiment?

Bowen: Well, I consider myself a conservative. In Indiana, my next-to-last year in office, we ranked 50th in the nation as to the percent of your income we took to run state and local government. Now, I call that sort of conservative, but we still didn't, I think, neglect anything. The ultra-conservatives tried to use this against the bill, because so many Democrats were for it. They thought that I was a wild-eyed liberal on the thing. I think that's probably the reason.

Young: Even Reagan came in for a lot of fire in his first term as betraying the true believers, or so-called ideologues in the administration.

Bowen: Ideologues are very difficult to deal with. One-issue people cause me as much trouble as anything on—

Young: On the right and the left.

Bowen: Yes, that's right. Those with one issue—the National Rifle Association, abortion, those are two of the big examples of one-issue people. They could agree with you on nine things out of ten, but they are not going to support you because of that tenth thing that they're against.

Riley: I don't want to move away from this, if there are no more questions about it, but you mentioned the National Rifle Association. I had wondered, because I thought it was about this time that the American Medical Association had begun to take positions on gun control and public health problems associated with guns. Is this something that had bubbled up during your time in office?

Bowen: I think it did, but I don't recall it having any importance.

Knott: What were some of the alternatives being batted around when it came to this catastrophic coverage? Wasn't there some argument being made that the states could handle this?

Bowen: Well, that's passing the buck, I guess. I think there was some talk about it, but it never got off the ground.

Knott: Did your plan include—I should know this—but did it include a prescription drug component?

Bowen: Yes, when I first submitted it. I had a very simple little bill. It ended up with bells and whistles all over it, and of the bells and whistles that were put on, one of them was prescription

drugs. We started with just a simple bill, whereas the Medicare would pay for unlimited hospital bills. And they would pay the doctor bills with a \$75 deductible, and then everything out of pocket over \$1,370. That was then increased to probably somewhere around \$2,000. The new prescription drug became effective in 1990, that's after I was out. We put it in, but it took effect in 1990.

In 1990, Medicare would begin paying for some outpatient drugs, and also the intravenous and immunosuppressive drugs. Then in 1991, they would begin paying for all outpatient drugs with limitations. For example, the beneficiary would pay the first \$600, and then the government would pay 50 percent of the cost above that \$600. Then, in 1992, the deductible would be 40 percent of the cost; in 1993 it would be 20 percent of the cost. The other provisions—which I call the bells and whistles—all of these were very humane, good things, but they cost. And we didn't put them in—the Congress put them in: mammography every other year, and yearly if at risk; respite care was increased up to 80 hours—respite care would be mainly for the caretakers of Alzheimer's, and they're heroes, those people who take care of Alzheimer's; increased skilled nursing home care to 150 days, with the co-insurance only on the first eight days; unlimited hospice care; home health care up to 38 days a year; and one of the finest things was to prevent spousal impoverishment, but they finally put that in even after they repealed my bill. They put that in because it was such a good one. Then there were some special benefits for pregnant women and babies in the same bill.

Now, in my judgment—and the judgment of all of those who were on my side—we felt that there was a little more than there should be in there, but that it could probably be fixed up in the future, and we better grab it now. It was repealed within a year after it was put in. I'll give you my reasons for repeal if you want.

Young: First, before you get to the reasons for repeal, the reasons for success of the bill.

Bowen: Because it was a humane thing. Everything that was in there was good. Again, it was costly.

Young: It was before a body of elected officials. So there is a contrast here between the issue when it was before the body of appointed officials—except for Reagan, he was the one who gave you the final key to unlock it.

Bowen: I really believe that was the case.

Young: This was bipartisan, this wasn't a partisan measure, is that right?

Bowen: It passed overwhelmingly.

Young: Okay.

Bowen: It was repealed, I think, as much as anything, because *Time* magazine had on the front page—the cover page—the picture of a 70-year-old lady draped across the hood of [Daniel]

Rostenkowski's car. He was the chairman of the Ways and Means Committee, and this had wide circulation and publicity. There were a lot of senior citizens shown in the same picture.

Second, and I hate to place blame, but I'm going to, President Bush remained totally silent, made no effort whatsoever to keep the bill. Congress inflated a very modest proposal into a rather expensive one. Now, when you put in a very modest one you know that it's going to be increased, so we made it as simple as we could on purpose, but Congress went overboard. Each Senator or Congressman wanted to have it known back home that, "By golly, here is something I got done for you." But President Bush remained totally silent. AARP and other groups on aging misread their members. They misread them badly. The AARP totally backed the bill when it was put in, and they apparently did not feel that it was right.

Probably, one of the biggest causes was Jimmy Roosevelt and his group. He named it the Committee to Save Social Security and Medicare. They collected money, because it was a good sounding thing—save Social Security and Medicare. They had millions that they put in, a campaign to repeal it, and they said that everybody was going to be paying \$800 a year more, when in truth it was only about five percent of the people who would pay \$800. And if they paid the \$800, they could have actually not taken the Medigap, because this would have taken care of their situation—so they would have been money ahead, to pay the \$800 and drop their Medigap.

Young: This campaign was mounted after you left or toward the end?

Bowen: It began immediately. I think that was right close to the end of my term.

Young: But it wasn't successful until the next administration.

Bowen: It had to be in effect a little bit, they had to make their first payment, I guess. That's the thing that bothered me. I think Jimmy Roosevelt and his committee—along with these other four reasons I gave you—they all worked together to cause its repeal. Again, I don't want to brag about it, but if we had kept that, we'd have had a lot fewer problems with Medicare and medicine now than we have.

Knott: Did you get drawn back into the debate? I know you were out of office at this time, when the real effort takes off to repeal it. Did you participate in any capacity in trying to keep it alive?

Bowen: I didn't participate in any capacity, but I received a lot of nasty letters from senior citizens. This was scuttled by the wealthy old people. It was.

Knott: Scare tactics.

Young: The people who could most afford it.

Bowen: Yes. They had the highest net worth of any group, and they probably would have understood it, had Roosevelt—under that "Save our Social Security" banner—not been out there.

Hult: In retrospect, now that you know what happened to legislation that you think, for the most part, quite favorably about—but you know then it was repealed—is there anything that you can think of, given the constraints at the time, that could have been done during the legislative phase that might have stopped the eventual appeal from happening?

Bowen: I don't know what could have been done, unless you could have put a gag over Roosevelt.

Hult: I guess I'm wondering about things like the President being more involved in 1988, when the Democrats—mostly Democrats, but other members of Congress—kept adding the ornaments on the legislation that ultimately cost it to become so expensive.

Bowen: Well, the one ornament that cost a lot was the drug component. The others didn't amount to that much, and again they were compassionate, good things. I mean, the drug problem, I think, would have been the one taken off, but if they would have kept even that one, it would have cost a little more. But what you'd get from it would be a lot more, too.

Medicare was a good thing in so far as you didn't have to have a physical to get in it. You could be 101 years old, and get in it without any questions. You didn't have to have any—or it didn't matter if you had a pre-existing illness. I mean, what better thing could you have gotten for heaven's sake?

Young: What role did Senator Kennedy play in this whole affair?

Bowen: I don't know that he got out in front of everybody, but he was supportive of it. In fact, most of them were. It passed the Senate 88 to 11, and the House 350-something to whatever.

Young: I'm trying to think about the change in the composition. The turnover in Congress, how much of this, the repeal, was owing to any change and I—

Bowen: In the elections. I don't think so. I don't know whether President Bush could have saved it or not, but I would have felt a lot better if he had tried.

Riley: Did you have any interactions with the Vice President on this legislation?

Young: Vice President Bush at that time?

Bowen: I made a visit to every Cabinet member—including the Vice President—previous to this, trying to explain what we were trying to do, and again, the only little support I got was from Weinberger and Brock.

Riley: But this wasn't something that he was tuned into at that time.

Bowen: I don't think so.

Riley: I don't recall the campaign of '88 well enough to know whether this was something that had come up at all.

Young: I would have thought—that's kind of astonishing to me—because I would have thought, here was a Vice President who was looking for issues, preparatory to his own run for the

Presidency, and something that had such overwhelming support in Congress, it would seem to me to be something he'd want to associate himself with.

Bowen: This brings up another subject here. When my term was over, January 19th, on the afternoon of January 19th, I received a letter—and so did the other Cabinet members—from the personnel director, new personnel director for Bush, saying, "Be out of your office by tomorrow, noon." That's not much time to gather up your things and get out. I don't think that Bush even knew about it. His very arrogant Chief of Staff at that time, John Sununu, wanted to start totally with a new bunch of people, his own people. So we got let out real fast in spite of the fact that we had campaigned like the dickens for Bush. But I think it was Sununu, and not Bush, who did it.

Young: Was it Chase Untermeyer who was—

Bowen: He was the one who sent the message, Chase Untermeyer: "Be out of your office by tomorrow, noon." Then we got tickets to the inauguration that were so far back that we couldn't even see anyone up front.

Riley: I have to excuse myself. [Riley leaves.]

Knott: Did you hear grumbling from other Cabinet members?

Bowen: Yes, they couldn't believe it.

Young: Well, two Cabinet members were held over.

Bowen: Well, those were ones that Reagan permitted Bush to chose.

Young: [Richard L.] Thornburgh and—Education—[Lauro F.] Cavazos.

Bowen: Those were the ones who the President appointed.

Knott: And Brady, too.

Young: Nick Brady.

Knott: My recollection of this catastrophic insurance repeal was the Rostenkowski incident, where he was besieged. It was in his own district, if I remember correctly, and really sent a shock wave through the Congress.

Bowen: Well, he came back and threw up his hands and said, "I'm finished with them."

Young: What were they on the car about? [Re. the *Time* magazine cover.]

Bowen: Just blocked it. He was kind of driving through, and they got in front of the car and—

Young: These were the rich old—

C. Bowen: Did he send letters out to all the retired people with a lot of misinformation?

Young: Rostenkowski did?

Knott: Roosevelt?

Bowen: Roosevelt sent letters that had wrong information.

Knott: They were going to get socked with these heavy premiums.

C. Bowen: And that got people upset.

Bowen: The bill also did something that had never been done—two things that had never been done. One, the people who were most well off would pay more, and again, that excited the older people. What was the other one? The better off would pay more. And one other reason I had—Oh yes, those who were receiving the benefits would pay for the service.

Knott: He suggested a decline in the services they were going to be receiving?

Bowen: No, it wasn't that.

Young: Well, it was quite a turnaround. It wasn't like it had a narrow base of support. The election didn't change anything—

Hult: I suppose one could argue it was the character of the communication—and who it was coming from—that if someone in HHS, perhaps, had put together a fact sheet that had come out earlier than the Jimmy Roosevelt fact sheet for seniors, that attempted to explain what the implications were going to be—perhaps that would have made a difference, but it's hard to tell.

Young: Well, I have no reason to believe this was a factor, but it was true that the Bush administration was having to establish itself as something different from the Reagan. Now this, it seems to me, is not one of those things that one would want to distance itself on, but there was that in the air. And Bush came out with his own concern for the disabled and the handicapped. That, and clean air.

Knott: I'm wondering if Louis Sullivan took a stand.

Bowen: I should have mentioned that, too. He made no effort to keep it, none whatsoever. He was totally silent on it.

Hult: Probably the vacancies that hadn't been filled yet further down in the Department—

Bowen: Of course, being new in office, I doubt if he would have wanted to take the lead right then.

Young: But the measure was already on the books, it was already law.

Hult: But if a repeal effort was starting up in Congress just as you're getting settled and trying to establish priorities....

Young: Sometimes I have a slave driver staff that makes us work every hour of the day, and it says we run all the way to five. I think we ought to break about 4:30. There's no point to exhaust everybody. So let's take a little break now.

[BREAK]

Young: Where were we? We were lamenting, wondering aloud, actually, about the important breakthrough offered by a conservative and a professional person—professional in health care—your going through all these obstacles within an administration that was okay with the plan at the top—although opposed in the middle—going through all the business of getting Congress on your side and then, poof, it all goes away. I think this kind of thing would make an interesting case study. You mentioned, you have some cues mentioning some of the factors involved: presidential silence at a moment when the President speaking out might have made a difference; organized lobbying that some people would call by the greedy, “the haves,” who could afford it; and an astutely staged, at least symbolic, event. And Rostenkowski's district is not a rich district either, it's a working class district.

Bowen: But that's the type of person who would be more scared of the bill than somebody who was well off—or should be more scared that he couldn't afford the \$800 he thought he was going to have to pay.

Hult: And that, of course, is who Jimmy Roosevelt's letter was targeting in many ways.

Young: Scare them to death—they couldn't afford this.

Knott: Who was behind that Jimmy Roosevelt group? That was obviously a stroke of genius to land a Roosevelt to lead the charge against this. Do you know?

Bowen: I don't know.

Young: Did that precipitate the rebellion in the AARP ranks?

Bowen: I think it did. I think that was one of the big reasons.

Young: Well, wasn't Jimmy Roosevelt a rich, old person?

Knott: It could have been that Jimmy Roosevelt was behind it. [laughter]

Hult: When he was in the House, he was a relatively conservative House member.

Knott: That's true.

Bowen: I'd forgotten he served in the House.

Hult: Briefly, yes.

Knott: Jumping way off the Reagan track here, there was another more ambitious plan that came a few years after all of this, do you have any comments? If you wish to say that's out of bounds, that's fine—the Hillary Clinton plan.

Young: Let's not declare it out of bounds. Forget the personalities involved in it. But it was another major effort to do a whole bunch of things responsive to a felt need that got nowhere. It really went nowhere. Yours went somewhere and then....

Bowen: I don't believe you're going to get Congress to act on any health bill of any magnitude. They might take it piecemeal, no sweeping one unless they get the okay from every organization there is that has anything to do with health. They get their okay on it, then they might do something, but I don't think they will do a thing without that.

Young: That's almost to say that it's impossible.

Bowen: Until a crisis.

Young: Until some catastrophic event, which is a little hard to imagine what that would be. Requiring a bail-out. You know, there was the collapse of the savings and loan business and then there was a bail-out.

Hult: If some of the Blue Cross, Blue Shields somehow started having terrible financial problems, that could be one of those crisis points, but otherwise—Could we go back, just briefly, to some of the more incremental reform proposals and efforts that you did succeed in, as well. I was thinking, for example, of diagnostic related groups. That would seem to be something that one could have imagined a fairly strong lobbying group against, both in HHS and, to some extent, in Congress.

Bowen: That actually started before I came into office.

Hult: But you had to implement it, didn't you?

Bowen: It sort of implemented itself. I don't recall having any big to-do with it—it was a cut-and-dried thing. It was going to happen, and I think it just went ahead and happened.

Hult: What about Medicare coverage of organ transplants?

Bowen: That's an interesting story. It's the job of the Secretary to determine what's to be covered by Medicare. Heart transplants were not covered for a long time. They aren't to cover anything that's experimental. But heart transplants had long ceased to be experimental—they were doing it every day, and successfully, so I stated that beginning on such and such a date, we would be covering it. I know it's expensive, but again, it's not experimental, and it is a legitimate thing, and there is a need.

So I had to go through the Domestic Policy Council again, and there was Meese and Sprinkle carrying the load. It was Sprinkle and Miller this time—Meese was out of it. Sprinkle was a total free-enterprise individual, which I like, too, but he was a little excessive in it. He said, "Well, if we're going to cover them, let's let anybody do it—kitchen table or wherever." And Miller comes up and says, "Let's just pay for the successful ones." That's the type of mentality that I was facing. I really just didn't pay much attention to them, went ahead with it, and never heard much more about it. But they tried.

Knott: That standard would be that the government would pay for the successful ones?

Bowen: Yes, that's what he said. I don't know how you define successful, if you live a week or you live six months, or whatever.

Hult: Long enough to file a claim.

Bowen: I don't know what they're going to do about this artificial heart they're putting in. If it keeps going the way it looks like it might, if they still have the same policy of nothing experimental—that, soon, is not going to be experimental.

Hult: Was that departmental policy or statutory law? Do you happen to remember?

Bowen: All I know is, we did it.

Young: One often hears in these issues, as other expensive treatments, unless there is a clear prospect—or until there is a clear prospect of reducing the cost—this originally was an issue. I remember—you know more about this, Dr. Bowen, than I do—but dialysis, when it started, it was just terribly expensive, and there was a great shortage, relative to the number of people who might benefit from it. So there develops a system of rationing, of care, and what I heard you saying in your analysis of all the factors that are leading toward more people in need—more and more need for health care over time—that it's putting us into a situation where you have these difficult ethical problems of rationing care. That goes far beyond what's handled by living wills and medical directives. Is that a realistic analysis of the fundamental problems in this field, or is it overdrawn?

Bowen: No, I don't think it's overdrawn, but I don't think our society will ever back down on taking care of our elderly and our handicapped. I don't think our consciences would let that happen, even when you get down to the ultra-conservative ones. Sometime there will be some situation that will happen to them that will make them change their minds.

Young: They'll get old, too.

Bowen: I can tell you from experience that your attitude at my age is a little different than it was when I was a lot younger. You used to think, *So an 80-year-old, if he's sick, you don't have to go all out*, but now I think you do. I do believe in the wills, and letting the individual have a say as to whether he wants to—living will, I guess, is what I'm talking about.

Hult: Health care directives.

Young: This is governed by state law, too, and it varies. Some states make it easy and some make it much more difficult.

Bowen: I worry a little bit about Oregon's law, where you offer drugs and let the person do it himself. Although it seems to be working up there.

Hult: Although, I guess, just this week, Attorney General [John] Ashcroft said that physicians who did that put their prescription licenses in some jeopardy.

Bowen: Oftentimes, a prescription might be a legitimate thing, and then the death occurs, and then you're wrongly accused. There's the problem with that.

Knott: You mentioned earlier this morning when you were reading your list off, I believe it was one of the items that lead to costly medical care in the United States. I think you mentioned malpractice suits and the need for malpractice reform—was that a major item on your agenda as Secretary?

Bowen: It was one of the items. When I was Governor, we passed a malpractice law that I think is sort of the model for the country. But the other states can't get it through, because they have too many claims attorneys in the legislature so they won't let it pass.

Young: Was the reform a cap, or a narrowing of the definition of what's malpractice? What was the reform?

Bowen: The reform was that there would be a limitation on the amount of money for which one could sue. I think that was \$500,000 when we first put it in, and now I think it's up to a million. There would be a limitation on the time in which the suit could be brought. There would be a limit on what lawyers could charge—that didn't make them very happy. For those children under the age of 8, you could have eight years' time—that's to get any birth defects. Otherwise, it had to be brought within two years of the time of the occurrence, not two years from the time that you found out about it, but two years from the time of occurrence.

It was paid for by the assessment or tax on providers. It's proved to be very effective. We'd appoint a committee, a commission rather, to make a determination whether or not that was a frivolous lawsuit, or whether there was really something to it. The report of that commission would be admissible in court, so that you could get the thing settled in a reasonable time and without too much fuss. It has been effective. You compare that—The malpractice premium for a

brain surgeon in Florida is a little over \$200,000 a year. In comparison to that, in Indiana I think it's around \$40,000. For an obstetrician in Florida, it's about \$100,000 a year, and for an obstetrician in Indiana, it's around \$18-20,000 a year. Studies have shown that the patients are not hurt by it, and it's just as effective as those who have real high rates. I guess that's about the end of it.

For example, if the premium was real high—say on obstetrics—the general practitioners can deliver babies about as well as anybody, but when they have to pay \$100,000, they just quit practicing. So it left a hole in the access to care for these people and that's a big, big hole.

Young: Did this have the support of the medical association in Indiana?

Bowen: Oh yes, something had to be done. They weren't exactly pleased with the bill, but no one was, and that made it a pretty good bill.

Young: No one wants a tax on them.

Bowen: It cost them, but it didn't cost them near what it might have. And it gave a systematic way of handling the problem.

Knott: Was there an effort made at the federal level during your time?

Bowen: We had a commission appointed that went through the study. The study was printed and sent out to the people it should be sent out to, and I haven't heard a word about it since. Again, the reason is that the claims attorneys don't want you fiddling with their possibility of bigger suits.

Hult: That also raises an interesting issue of federalism, doesn't it? Did you have in mind national legislation, or just providing information to other states?

Bowen: No, what we did was make it an informational thing, tell them how to do it.

Knott: And to your knowledge, did other states follow suit?

Bowen: I think they did in a couple of the little minor parts of the bill, but as far as going all out, no, I didn't hear of any other state. So that was probably the study that made no one happy and cost little money to get it done, and I guess that's what bureaucracy is.

Knott: You also mentioned this morning, when you were reading your list off, about the high cost of medical care. You had some figures related to expenditures towards the end of a person's life. That would seem to me to be a very tricky, a very delicate issue. Was that something that you pursued at all?

Bowen: Terminal care, you mean? Only insofar as trying to promote living wills. A lot of these people don't want a tube in every hole. They don't want all these things, and I think they ought

to have a right to say something. I mean, you don't have to hurry it along, but you have a right to say, "I don't want this thing done to me."

Young: I'm curious about the opposition to this.

Bowen: There was some opposition thinking that this would lead to euthanasia. But that's pretty farfetched.

Young: It seems to me that if the person is directing, is issuing instructions, I don't see where euthanasia is concerned.

Bowen: I don't see where it would be brought in either, but the opponents of the living wills used euthanasia—the threat of euthanasia as their main objection.

Knott: I've heard that the fear is that someone might change their mind, but it would be too late.

Bowen: They should have the right to change their mind, and that should be in any bill that is passed.

Knott: But they might not be in a state where they would be able to convey this change of mind.

Bowen: Biggest problem is within families. Half of the brothers want it for their parents and half of them don't—and that creates a problem. But that's what Senator Moynihan based his decision on—accepting me as their appointee, I mean as Secretary of HHS. It was LaRouche who called me a radical Governor and that I approved euthanasia.

Knott: You had two Senators opposing you. One was Jesse Helms, if I'm not mistaken.

Bowen: Okay, I can tell you about that. Jesse Helms opposed me for one of two reasons, or both, I'm not sure which: my views on abortion were not quite pure enough for him, and the other, he's in a tobacco state, and I was anti-tobacco. The other was Senator [Jeff] Bingham from—was it New Mexico or Arizona?

Hult/Knott: New Mexico.

Bowen: He said that he was attorney general at the same time Indiana's attorney general by the name of Ted Sendak was attorney general, and they became friends. Sendak wanted to be Governor real bad and he never did give me any real cooperation, and he told Senator Bingham, "Don't vote for him, he's a crook." So I lost the vote.

Knott: He told you this?

Bowen: He told Quayle that. Those were Quayle's words.

Young: Well, this isn't pertinent to the interview, but getting back to living wills: the Virginia law changes on this every now and then, but in my routine visits with physicians, with my

physician, they hand out literature about this and they give you advice about it. There is now an office in the practice group, it's the University of Virginia Hospital, and you have to be increasingly specific as the law changes. But I consider the system for answering questions and counseling you about this is just part of your regular medical check-up. One of the problems is that some units in the hospital don't get the directive, so you may have it all there, but the people who are caring for you at that critical moment may not know about it. So that's why I'm so puzzled at the euthanasia—if I'm not in any condition to change my mind, I don't want to change it.

Bowen: You do need to be specific, real specific—such as they divide a few of the reasons up, like it's all right to give me oxygen, but don't put a tube down and feed me. You've got to spell each one of those out before I'd feel safe on doing it.

Hult: And even so, again, in Virginia, there are lawyers who will tell you that even if you do all of that, there is still some risk that it won't be followed.

Young: That's where the family comes in.

Hult: This is what the Hugh Finn case made very clear.

Bowen: Their living will may be in somebody's drawer and not found.

Young: Well. Do you have any speculation about why the successor administration did not put out any effort on catastrophic insurance?

Bowen: No, I have no information at all on any of that. I get a little aggravated every time I think about it—there's nothing I could do.

Young: What about the transition to the new administration. Was there any, or was it just, "Get out by tomorrow, noon?"

Bowen: That's it.

Young: Was there a transition team that worked with the professionals, looked at HHS?

Bowen: Sununu came over to my office a couple of weeks ahead of time, and just talked. And I had said that I didn't want to serve another term, but I would stay until they found a successor. That's the last I heard of that. There wasn't any successor for three or four months. That's a vacancy, they had an acting one in, but that's it.

Young: At the staff level, was there any communication with the transition team? Was there a transition group for HHS appointed by the Bush people?

Bowen: Not that I know of, not that I know of.

Young: Maybe that's one of the liabilities of the so-called "friendly take-over," friendly transition.

Bowen: They had a transition team, but that was for the big picture and not for this level.

Hult: You said you did a fair amount of campaigning for Mr. Bush before he was elected President. Would you talk a little bit more about what you did?

Bowen: I was a surrogate, I guess you'd call it, on three or four speeches where he couldn't attend. He needed somebody, and then at the convention of course we were there, and supported him strongly, and made visits to other delegations. They'd have a separate delegation for each state, and they divided the Cabinet members up so that each Cabinet member would have two or three different states. And they'd go over to visit their delegations and work for him.

Knott: You describe the transition as somewhat abrupt. Did you have, just out of curiosity, a final meeting with President Reagan, a farewell meeting of any sort?

Bowen: No, that was it.

Knott: Have you seen him at all in the years after?

Bowen: President Reagan?

Knott: Yes, President Reagan.

Bowen: No, it's my understanding that he is, physically—I'm getting this second hand of course—he's not too bad, physically, for his age, but you could be with him now and three minutes later, he wouldn't know who you were, or that you were there. That's, I guess, kind of understandable with the disease that he has.

Young: Well, he has broken his hip. He had a fall and broke his hip some months ago, and I haven't heard any reports on his health since he was hospitalized.

Knott: That's right.

Bowen: His daughter just died, too. I read in the paper that they didn't even try to tell him. I doubt if he would have understood.

Young: Let me invite you to talk about what advice you might give, or what pointers you might give, on the basis of your experience, to a theoretical successor.

Bowen: As HHS Secretary?

Young: Yes.

Bowen: One of the first things I would tell him would be, “Go meet your people that are going to be working for you, and create a good atmosphere so that they would want to do well for you.” I stumbled onto that. I didn’t realize that it was that important to the people, but it was. It absolutely turned things around in a couple of days—one would tell another and another, “Golly, the Secretary came to see me—I haven’t see the Secretary for years.” I think that would be the first thing.

Of course, next is to remember you’re serving at the pleasure of the President. So you have to know what that is, and try to stick to it. And if you can’t agree, then you better get out of it. I guess, too, that I would make every effort to visit the chairman and the various members of the committees that are important to your office. Again, when you have 23 of them, that makes it pretty difficult, but I think it pays off. Little things, like I had a breakfast meeting, called them up to my own dining room in the HHS building, with all of the Congressmen who had been Governors before. It’s amazing, we had, I suspect, ten or twelve up there. It helps to cement relationships. Didn’t have any specific thing to ask them, just a “glad you’re here,” and it was successful.

Young: What would you advise them about the White House staff? What you call the “underlings,” what to watch out for, and how to cope? What to expect, and how to cope with it.

Bowen: I guess one would warn them that the power of the underlings is pretty great, and I wouldn’t try to go behind their backs or they’ll treat you worse. That will keep them busy if they do all those things.

Young: There is a story that went around, he may have told it about himself, but I’m not sure. It’s about one of your earlier predecessors, Joe Califano, and Joe had served on Lyndon Johnson’s White House staff. You’ve undoubtedly heard this story.

Bowen: I don’t think I’ve heard the story, but I’m aware of the association there.

Young: Well, when it became HHS, one of the first things he did was go to Carter’s underlings and say he was there to tell them that they were not going to treat him like he treated them, the HHS Secretary when he was in the White House. He was very aggressive, in fact, about bypassing them, throwing his weight around. Of course, it didn’t get him to keep his job in the end, but it was a piece of advice that he would have given—your main problem is going to be dealing with people who speak in the name of the President, rather than the President himself.

Bowen: Califano was a very bright fellow. He was, as you say, very aggressive, but he was one of the leaders in the anti-smoking area, and I admire him for that. Also he was a little brash at times, but I kind of liked him. He was on the other side of the fence, but I got along well with him.

Young: Did you have any contact with other predecessors?

Bowen: Oh, I suspect three or four times a year, there’d be a meeting whereby all the past Secretaries would attend. The most recent was down in Atlanta a few months ago when they had

all of the previous Secretaries there for a meeting down at Moorehead College, which is an all-Black college, and that's where Secretary [Louis W.] Sullivan came from. It was a televised appearance and just focused on general observations of the health situation for past, present, and future.

Young: So this is an annual event?

Bowen: We just had it one time, but he said he was going to call them back again—Sullivan.

Young: What went on?

Bowen: Not much.

Young: You didn't get together and reminisce?

Bowen: Really, there wasn't too much to reminisce about. This was a meeting—well, I don't want to say that, either. They meant well in putting it on.

Young: Now you've got my curiosity up. [laughter] You can always take it off the tape, take it off the transcript. Does this mean you fell to fighting with each other?

Bowen: There weren't any ill feelings, it was just a meeting that I think promoted Moorehead College more than anything else. It was on their program and on their time. Secretary Sullivan was the instigator of it, and Dr. Satcher [David] was there. I understand, according to the papers, that he is resigning soon.

Young: Was Donna Shalala there?

Bowen: No. [David] Matthews, Heckler, [Richard] Schweiker, Sullivan.

Knott: Califano?

Bowen: Yes, Califano was there. He probably had as much to say as anybody, that doesn't surprise me.

Knott: The current HHS Secretary has had a heck of a month or two.

Bowen: It's been tough, I'm glad I'm not there. [Reference to September 11, 2001, and the ensuing anthrax scare.] It's hard to criticize anybody with all these things that are happening, but he probably got off a little too much, kind of brushed it aside, saying, "Everything is going to be all right," when it isn't all right. But he's a very conscientious and able man. I think he will serve well.

Young: Earlier, you were referring to all the many health care programs—the veterans, special programs for many in the government. Is that okay? Did you ever think of trying to bring those under one wing, to rationalize them?

Bowen: Well, in the family support area, we did. Otherwise, we didn't try. We did cut down a lot on personnel—mainly as a means of curtailing our expenditures, but we were essentially forced into that. Again, I approved, and I didn't like the idea, but we didn't try to combine any others.

Young: There was an effort, I think, in the Bush administration, wasn't it? Louis Sullivan and Edward Derwinski—the Veterans Department head—to combine a facility, in Virginia or something, a veterans' facility and something else. And the veterans absolutely rose up in arms—even though it was a very underutilized facility. And I think I understand why you wouldn't want to try to do this, given the fallout.

Bowen: Well, the veterans are a very potent organization, and they deserve everything they can get as far as the hospitalization and health.

Young: We don't know how much longer it will be sustainable, given the facilities they had.

Bowen: But if we keep having wars, there are going to be veterans.

Young: Well, I've sort of run out of questions right now, shall we adjourn and enjoy a bit of the outdoors? Maybe you have some more observations you'd like to make.

Bowen: I'm drained.

Young: Let me ask you one other thing. Do you have any ideas about where students of public policy in the health care field should turn to get the big picture—and the various factors in how they are interacting in health care? Do you know of any sources for anybody who wanted to study this problem, where you would refer them to? Or is that big overview something that you almost have to be there to see?

Bowen: I suspect trying to get internships in some of the various departments of government would be about the best thing they could do as long as the past President (Clinton) isn't there any longer, and internships can regain their good name. Yes, I think they could do that.

Young: Did you ever have any interns in your office?

Bowen: Not in my immediate office, but we had interns in a lot of the other areas. To the best of my knowledge, they performed well and were well-received and did learn. There are plenty of areas in the federal government where they can serve.

Young: And come away the wiser.

Bowen: And Congressmen's offices, too. They could learn a lot. We have an intern program in Indiana for the legislators, too.

Young: It's sort of "hands on" learning. You weren't an intern when you were in HHS? [Asking Hult]

Hult: No. I was a temporary analyst when I was in HHS, in the office of adolescent pregnancy programs. Another doctoral student and I were brought in to analyze the public comment on efforts by the administration in 1981 to require federally funded family planning clinics to notify parents of minors who got prescription contraceptives from the family planning clinics. It was called the "squeal rule" in the newspapers. We were originally brought in to do computer analysis. Then the administration learned that the comments were running at least ten-to-one against the rule, so we did other things. So, in the real sense, I was not an intern.

Young: You were analyzing the public comments.

Hult: We were analyzing the public comments, and helping draft the Federal Register response—as well as move toward the finalized rule. But it was clear from the beginning, of course, statutorily, you don't have to analyze public comments in any particular way—it was clear from the beginning what the answer was, which was the rule would be finalized. That came down from the White House.

Young: Public comment to the contrary notwithstanding.

Hult: One doesn't know what to do with public comments. There were about 150,000 of them at the time—the most that had ever been received. It's not clearly a majority-minority rule instance, because some were well informed, some were not. Some were motivated by interest groups, some were not. Some were emotionally based, some were based on clinical observations from doctors and arrays of other factors. So basically, they ranged across the board. However, the White House and the Secretary sent down word that, no matter what, the rule was going to be finalized. The U.S. district court ultimately overturned it, because it contradicted congressional intent. The Public Health Act says, of course, that you can't distinguish based on someone's age, and that's exactly what the rule did.

Bowen: Were you a Schedule-C appointee?

Hult: You know, I don't even think it reached that. It was some kind of a special appointment and I only worked there for about seven months. I was actually offered a Civil Service position at the end of it, but I opted to go back to graduate school.

Young: Who was Secretary at the time?

Hult: That was Secretary Schweiker. And the political appointee who was head of the office, I think—she was also head of the Office of Population Affairs at the time—was Marjorie Mecklenburg, and that was an office that was very close, at that time, to the Secretary's office. My immediate boss was a lawyer, who had been very active in Republican—not so much Republican, conservative anti-abortion politics. The other staff members in the office and I were brought in because of personal relationships. I happened to be at the University of Minnesota. Marjorie Mecklenburg is from Minnesota, and it had nothing to do with anything other than that.

Bowen: I recall Mecklenburg was still there when I was in there.

Hult: I was quite impressed with her. I was also quite impressed with some of the senior civil servants who worked with her in that whole cluster within HHS.

Bowen: I sort of bad-mouthed bureaucrats, but my service there corrected my thoughts. I found them to be very conscientious, very able people that would shift from one administration to the next without any problem. I think that often they were doing unnecessary work, and some of them were. But that's not their fault. They were doing the work of those over them, and those were the political people. So I had to change my mind, too, that they would do what they were expected to do, and work overtime if necessary.

I suspect there are a lot of people who still disagree with me on that, but I changed my mind on that. I think everybody should serve at some level of government at some time in an appointed or elected position. You become more knowledgeable and more tolerant. I became more tolerant of them and maybe more knowledgeable, too.

Young: I think you became more tolerant—maybe not of underlings. [laughter]

Bowen: I don't know there's a word for that or not, I'd have to look it up.

Young: Well, let's close for today and get some relaxation.

[BREAK]

Young: This is our interview with Otis Bowen, and this is sort of a wind-up session. I'm wondering if you had any thoughts that you'd like to bring to us today—some suggestions, some lines of discussion.

Bowen: I brought with me my remarks that I made to the President, and the entire Cabinet, when we were talking, trying to promote the bill. This was in the third meeting with the President—the final meeting, and just before he gave his okay.

Young: Decision.

Bowen: If you were interested in that—then the remarks that he made after he had accepted it.

Young: Good. So this is your final and most effective pitch, is that right? [laughter] I'd like to hear how you did it.

Bowen: Well, I'll just give the report on the catastrophic bill, as it pertains to those 65 and over. I had a little bit in here on the 65 and under, and also the long-term care, but those two things didn't seem to attract much interest in Congress or from anybody.

Young: Tell us who was in the room when you made this.

Bowen: This was a Cabinet meeting.

Young: Full Cabinet.

Bowen: Full Cabinet meeting, at which time the subject was the Catastrophic Medicare Insurance Bill. It was presented to the President and the Cabinet, and then after the President had agreed to send Congress the bill, he had a few remarks on that.

Young: Now, the Cabinet would have included Edwin Meese, who was then Attorney General.

Bowen: It included Sprinkle and Meese.

Young: Sprinkle was there, was he at the table?

Bowen: I think he was at the table.

Young: Really? And Jim Miller was there?

Bowen: They were all there.

Young: Okay.

Bowen: I said, "Mr. President, there is an honest difference of opinion on solutions that address the problem of catastrophic health care costs. The crucial challenge is to define the proper Federal role while the public is becoming increasingly concerned about the inadequacy of catastrophic health care coverage. It is an issue that has been smoldering for several years and is rapidly reaching a peak. This is a complex problem. There are many options floating around."

Incidentally, I had charts prepared that I would change with each little change in topic.

"Our report covered over 50 options and involved over 70 department staff; (1,600 pages of statistics and back-up information); several consultants; a private-public sector advisory committee, which was composed of consumers, employers, providers, insurers and elected officials; 8 nationwide hearings; and over 100 testifiers.

"After nine months of study, the result is a 117 page report and a 16 page executive summary which includes the options that we feel are the most practical. This in no way is meant to imply there are not other options. Before we did our study, I shared many of the concerns that are presently being voiced about our report. It does create a good starting point for further discussion and any needed modifications.

"I would be less than honest, however, if I did not say that I have a preference for what we have suggested in the executive summary and I will try to say why as I proceed.

"Permit me to say that in my 30 year political career I have a record as an opponent of expanding government, a proponent of the need for economy and common sense, a supporter of public-

private sector partnerships and at the same time showing compassion for people. I'd match these conservative credentials and experience in public life against almost anyone's. This is the philosophy I followed in my eight years as Governor of the 13th most populous state and fourteen years in the legislature with six of those as Speaker of the House.

"By my seventh year as Governor, we cut every tax except sales and gasoline. By cutting the individual income tax, the corporate gross income tax, inheritance tax, intangibles tax, and the constantly growing and unpopular property tax, Indiana ranked 50th in the nation as to the percent of an individual's income it took to run state and local government. This long experience of dealing with the public and being on the problem solving end has enabled me to recognize issues that are not only important to but acceptable to the public. It is this conservative philosophy and public record that I applied while drafting my recommendations.

"Our senior citizens, especially, worry about two things—their health and their finances. They have an intense anxiety over which one will run out first. With the increase in longevity, the likelihood of a devastating illness is greater and thus the likelihood of losing one's entire life savings is also greater. They want "peace of mind." They know that they may not be able to do much to prevent their health from deteriorating with age. They do think something can be done to prevent them from becoming paupers as a result. Yet we estimate that 1.3 million elderly will face this catastrophic risk in 1987.

"There are 3 groups of people who must be considered if we are to grapple with the whole problem. Each has a different set of problems and no single policy approach is possible. But a combination of options can help reduce the financial risks for most.

"First is the Medicare age group, those primarily over 65, with acute illnesses. They have catastrophic costs when they require prolonged hospitalization for medical or surgical treatment.

Second is the Medicare age group with long term care needs. They have catastrophic costs when they require prolonged nursing home care.

Third is the general population below age 65.

"I will talk first about the acute care of the Medicare age group. There are about 30 million in this group. 65% have some form of Medigap insurance to cover some of the items Medicare does not pay for. It's unknown how many of these Medigap policies are really catastrophic in scope. After analyzing the nature of the Medigap market, the fact is that the private sector has not or cannot cover the majority of elderly who are at catastrophic risk. The average annual cost of a Medigap policy is \$500 to \$600." It is much more than that now. "The average payout for a Medigap policy is only 60 cents on the dollar."

That was a very telling thing, that the insurance really was pretty expensive.

"Many elderly have purchased multiple policies with duplicate coverage that do not cover catastrophic illnesses."

We found just thousands of people who had cancer insurance, diabetes insurance and single types.

“The health industry’s estimate for private catastrophic coverage is \$175. This amount on top of the cost of traditional Medigap makes it almost impossible for someone living on Social Security payments of \$6-7,000 per year to afford. That’s probably why 35 percent of all elderly have no Medigap insurance at all.

“The demographics of our nation points to an additional problem. The population is aging rapidly. Those over 85 are increasing the fastest, and will quadruple to 8 1/2 million over the next years. Those over 85 are the frail elderly who are hospitalized more often than the rest, and require 1 1/2 times as much medical care expense as one who is 65.

“Our recommendation to this serious problem is to restructure Medicare by covering all Medicare services over \$2,000 a year. This amount of new coverage can be provided by an additional actuarially sound premium of only \$4.92 a month. Both the \$2,000 cap and the \$4.92 premium would be indexed for future adjustments.

“One argument against this approach is that the Medigap insurance industry would be destroyed. I contend it will not destroy it, but in the long run—even in the short run—would stimulate the business. The most competitive part of the Medigap market would still be there, covering Medicare co-insurance and deductibles up to the \$2,000 cap. Medigap would still be offered to cover non-Medicare services, such as drugs, eyeglasses or dental care. In addition, existing policies could be combined with the developing market for long-term care insurance. This market is in its infancy.

“Therefore, because the present Medigap catastrophic coverage is only a small part of the Medigap market, and so few elderly have catastrophic coverage in their Medigap policies, we aren’t replacing a private market with a public monopoly. This \$4.92 will buy that peace of mind that I have been talking about, and for which senior citizens have been yearning.

“This, Mr. President, as I understand it is comparable to one of the proposals that you made when you were Governor in California. This plan is not a cost to the Federal government, it’s a pay as you go plan. The people who get the benefits pay the cost.”

And, I might add in the final version of it, it was on a graduated scale, those payments. I’ll skip a bunch here.

“An editorial from the December 5th *New York Times* says” —and they paid a lot of attention to the *New York Times* in Washington— ‘Clearly an illness that requires prolonged hospitalization or drastic surgery could easily wipe out the savings of a lifetime. Only 1 in 35 of the 28 million covered by Medicare actually suffer potentially bankrupting illnesses each year. But all live in fear of it. That’s why 65% of those on Medicare purchase “Medigap” insurance. For premiums ranging up to more than \$1,000 a year, these policies will cover some—though not all—of the costs that Medicare excludes. Yet the Medicare program remains marvelously amendable to adjustments. These 28 million beneficiaries are capable of sharing risks in ways that make them

barely noticeable. That makes possible Dr. Bowen's calculation that increasing the premiums for Part B by only \$4.92 a month, or \$59.00 a year, could end the anxiety over catastrophic illness. ...The catastrophic-care plan, however, stands out as practical, self-funding, and immediately responsive to a widely felt need."

That was the end of the *New York Times* article.

"In addition, the *Los Angeles Times* editorial said in part, 'Just last month Bowen recommended a program that would resolve the problem of high hospital expenses for most Medicare beneficiaries through a catastrophic health-care insurance supplement that would be available for less than \$5 a month. That would go a long way toward restoring the peace of mind intended for older Americans when Medicare was first implemented.'"

That's the end of the *Los Angeles Times* article.

"I will proceed to the second group—those in need of long-term care."

"The threat of catastrophic insurance is very real. I believe the time is right to forge a partnership between government and the private sector that will help provide coverage for catastrophic illness. I have personally been through it twice.

"My first wife died after a 3-year bout with cancer. In the first 2 years she was in and out of the hospital several times and in the last year was hospitalized several times, with the last time being over 3 months. My 86 year old mother, the wife of a school teacher and mother of 5 children has now been in a nursing home a little over two years. The hard earned savings of my deceased father are disappearing rapidly.

"There is intense interest in Congress by Republicans and Democrats. My guess is that they are going to act and act soon on some form of catastrophic care. I would like to see this administration get the credit for this needed, humane and compassionate people program. The problem will not disappear with time. Indeed, delay may make it harder to solve as the population ages.

"In closing, let me return to where I began. There is an honest difference of opinion on solutions that address the problem of catastrophic health care costs. After much study, I believe these recommendations are more advantageous than other options. This study has proved to be more time-consuming, complex, exciting, and at times frustrating, than I would have ever believed. But taken all together, I wish to express my heartfelt thanks to you, Mr. President, for this truly worthwhile endeavor."

That was the end of my remarks, and, of course, it came up for discussion and that's when—

Young: Did you get applause?

Bowen: No. Then Sprinkle came out with his voucher idea, and then I had an opportunity to talk again after that, and I drew my lines—tracing a dollar—and I think that was fairly effective.

Now, at the end of my remarks, at the end of that Cabinet meeting, the President said he would think this over, and, in a few days, give his response. Then, about three days later, I was called to the White House and advised that he was giving his blessing to it, and was put immediately into a news conference concerning it—and that acted a little swifter than I would have liked, but it—

Young: Did you see him when you went to the White House?

Bowen: Did I see him?

Young: Reagan himself.

Bowen: I sat right beside him.

Young: I mean when he was going to make the announcement.

Bowen: No, that came through one of his aides, I think Ken Duberstein.

Young: You were in the press conference alone, not with him.

Bowen: Press conference alone. That was kind of interesting, because most of the media were with me on that, and I can well remember Sam Donaldson leading some of the cheers when he asked me good questions and was very complimentary.

Then the President, on February 12, 1987, said, “I will propose to Congress a comprehensive plan for providing health insurance for those who suffer a catastrophic illness. We all know family, friends, or neighbors, who have suffered a devastating illness that has destroyed their financial security. As medical science has given us longer lives, we must face the new challenges to ensure that the elderly have security in their old age.

“A catastrophic illness can be a short-term condition requiring intensive acute-care services, or a lingering illness requiring many years of care. It can affect anyone—the young, the middle-aged, the elderly. The single common denominator is financial. It can require personal sacrifices that haunt families for the rest of their lives.

“I am asking Congress to help give Americans that last full measure of security, to provide a health insurance plan that fights the fear of catastrophic illness.

“My plan would provide acute care for those over 65 by restructuring the Medicare program. Under my proposal, the elderly would receive the catastrophic health care coverage under Medicare while limiting out-of-pocket expenses to \$2,000. This coverage will be made available for an additional monthly Medicare premium of \$4.92. The plan also aims to improve protection for the general population and for the long-term care of the elderly.

“For too long, many of our senior citizens have been faced with making an intolerable choice—a choice between bankruptcy and death. This proposed legislation would go a long way to help solve that problem.”

That ended a long—

Young: Then the gavel came down.

Bowen: Yes, the gavel came down—

Young: On the Executive side.

Bowen: Then Meese and the rest of them—even though they were still not in favor of it—they had to act like they were, superficially. But behind the scenes, they were still doing everything they could in Congress to delay or postpone or do it in.

Young: But they didn't succeed in that, did they? They didn't succeed in gutting the proposal.

Bowen: Oh no, they—

Young: In fact, Congress—

Bowen: No, the bill went way too far—

Young: It went the other way.

Bowen: They just hung too many, as I say, bells and whistles on it.

Young: Now, when the bill was produced—came through—it came through as an [inaudible] bill for the President's signature. Did he have further remarks at the signing?

Bowen: No. Well, he did, but he signed it out in the Rose Garden, and I sat next to him, and he was very complimentary with off-the-cuff remarks. I didn't see any prepared remarks.

Young: Did you get the pen, one of the pens?

Bowen: I got the pen, and I gave it to my Chief of Staff, Tom Burke, because he played such a big part in doing this. I would have liked to have kept it, but I owed him one.

Young: Well, then the President should have done two—

Hult: Two at least.

Bowen: I think that he then, in turn, gave it to LaSalle University—I think it's in Philadelphia, isn't it? He gave it for their—whatever they do with a famous pen.

Young: Oh my. They should arrange an inter-library loan. [laughter]

Hult: Maybe they do. Could I ask just a couple of questions—you may well not remember, because it was so long ago. When you gave the presentation to the Cabinet, was your use of charts fairly typical for what people did when they gave presentations at Cabinet meetings?

Bowen: I attended every Cabinet meeting that they had, and I don't recall anyone using charts.

Hult: So you were, in your experience, pretty much the first one to do that.

Bowen: Yes, I think.

Hult: I find that interesting, because that seems to me to be a pretty good way of communicating with listeners.

Bowen: Well, it gives you sight and hearing both.

Hult: Yes. Had the President received advanced copy of your remarks?

Bowen: No.

Hult: So he was hearing all of this—

Bowen: No, I was on my own on that. A couple of the previous meetings that were arranged by Meese—he couldn't keep me from attending, because I was a member—but he tried to bypass me by appointing a separate study commission.

Young: Not including you.

Bowen: Not including me. When that was presented, I wasn't even called upon for any remarks.

Hult: Do you remember the President's expressions, his level of attention during your presentation and during the following discussion?

Bowen: Well, during the discussion, of course, I wasn't watching much of anything, except the charts and what I was saying. But when I started drawing the lines over, he chuckled.

Young: So he was awake for this one?

Bowen: Yes, he was awake.

Young: Did he ask questions or mostly listen?

Bowen: He just listened. He didn't ask any questions.

Hult: And that was through the entire discussion.

Bowen: As I recall, Senator [William] Brock made just a couple of positive remarks. I don't think anybody else did. I don't even think Weinberger did. But they all had an opportunity to say something.

Hult: Was that Cabinet meeting, in your experience, typical or more atypical in terms of the amounts of discussion of alternative policies?

Bowen: In all honesty, most of your Cabinet meetings dealt with foreign affairs. And even though the HHS had more money than any other area, it was kind of at the bottom of the list as far as discussions in the Cabinet. So that speech was short—I don't know how I could have said it in any fewer words—but it was probably a little longer than most of the presentations.

Young: Was this the only item on the Cabinet agenda?

Bowen: Yes.

Young: Did you have any trouble getting it put on the agenda?

Bowen: No, that's, again, where I owe Regan. The Secretary of the Cabinet and Regan were the two that made it possible for me to get it before the President.

Young: And Regan was there for the presentation?

Bowen: I don't remember the timetable, whether he left shortly before, or during, or after, but he was responsible for me being able to get it to the President. Remember, this was the sixth meeting that I had had with the council, three of which were with the President.

Young: This was the first full-Cabinet meeting on the subject?

Bowen: Well, whenever there's a Cabinet meeting, it's full. I don't recall ever having a Cabinet meeting without everybody being there.

Young: But the Domestic Policy Council was—

Bowen: The Domestic Policy Council is a spin-off, I guess.

Young: It was one of the Cabinet committees. There were stories in the press, I forget when, that Reagan would nod off at some of the Cabinet meetings, and of course—

Bowen: One of the jokes that went around was that the conference table would seat 20 and sleep ten. [laughter] I never did see the President nod. Of course, when you're sitting by him, you don't look up to see him—

Young: Not during your presentation anyway. Well, in the Bush administration—you've probably heard of this—there was something called the Scowcroft Award, which was for people who frequently fell asleep. Brent Scowcroft was the National Security Advisor. Now, this is well

known—it's no secret—but it's sort of inside the Bush White House. And Bush made the awards. Brent Scowcroft was apparently very good at falling asleep. In fact, I've even seen him sort of imitate himself, where you couldn't really tell until you studied it, and then he would immediately come to. So this was the Scowcroft Award, and Bush would pass out these awards—the Scowcroft Award for falling asleep.

Bowen: At every Cabinet meeting that I can recall that started out with an open—where the press would—

Young: Yes, a photo-op.

Bowen: They were very crude, really. Then the President would, I think, motion to one of his aides and he would try to shoo them out.

Young: Yes, I think it was during one of those that the President said something that he shouldn't have said, and the mike was open. It was a very unflattering comment about the press, which somebody asked him, "What was that you said?" and he said, "I said, 'I'd like to go to the beach!'" [laughter]

Bowen: I hadn't heard that one, but I can understand how that would happen. The news media would just be—there would be 20 or 30 in there, and all crowding in, each one of them yelling a question. But I never saw the President respond to them. This was just a picture opportunity, I guess.

Young: Well, included in our book was a page or two of jokes—your jokes, and Reagan also had a pile of jokes, too.

Bowen: Reagan had a story to tell, a long list on any subject.

Young: Did you hear any of those stories?

Bowen: I heard several, but I honestly couldn't try to remember. If I wanted to use it sometime, I'd usually make a note on it, otherwise I'd forget about it.

Knott: Here you are, a Republican, somebody who considered himself a conservative for your entire political career—

Bowen: The present President Bush is a compassionate conservative. I think that's a good statement.

Knott: Yes. So you go to Washington, and on a number of fronts you're getting resistance from these underlings who are perhaps—I think you classified them as ultra-conservatives.

Bowen: Ultra-conservative and ultra-protective of the President.

Knott: I guess, what I'm wondering is, after your experience in Washington—or while this was going on—did you begin to change politically?

Bowen: No. I think I mentioned that Meese and some of the others considered me a wild-eyed liberal. I'd like to turn that around and say "compassionate conservative" instead. No, I don't think I changed any. Before I went in, as I said yesterday, I had a lot of criticism of bureaucrats, but I changed my mind a little bit concerning them, because they were doing the work that their bosses told them to do—and their bosses were these very same appointed (not elected) heads of the Departments and conservatives.

The bottom line on most of these things that we dealt with at that time was dollars. Reduce the deficit. That was what was hammered into us at every opportunity.

Knott: Were these confrontations always civil, or did they ever take any sort of ugly turns?

Bowen: Well, I never saw anybody pound on the table or stomp their feet, but you could tell—I won't be able to give you any instances of it—but you could tell when some of them were irritated, and you could tell by their voice. And I suspect Miller was, probably, the most explosive—more so than Meese, even though Meese was anti. He either ignored you or still talked reasonable and sanely, and not mad.

Knott: Did anyone ever suggest that they thought you had become a captive of your agency—that those bureaucrats that you developed this respect for had somehow—

Bowen: Let me get something out here if I can find it real quickly. It's an editorial that appeared in one of the papers that dealt with that subject. This is an editorial that appeared in the South Bend paper, which is a Democrat paper, but they defended what we did very well here. Is it all right if I go ahead?

Young: Sure.

Bowen: "No one ever called Doc Bowen a radical or a bleeding heart or a nut. The highly popular two-term Governor of Indiana enjoys a reputation for integrity mixed with sensible wisdom with allies and with opponents. When Otis R. Bowen, MD, went to Washington to be Secretary of Health and Human Services, everybody in Indiana thought he would display the same qualities. He did. Not everybody in Congress—and the overly powerful lobbying establishments on the whole—got the whole message, however. They won't suffer for the oversight, but millions of other Americans will.

"Taking advantage of a public appearance at Indiana University recently, the retired statesman spoke out for the first time about the repeal of his catastrophic health insurance plan. He said the nation had set back the time when there will be solutions to the long-term care, to say the least. The repeal is, itself, a catastrophe sold to the American public as relief from oppressive taxation. It was relief for a handful, and the result of one of the most misleading and shrill pressure campaigns in recent congressional history. Bowen got the bill through Congress in the waning days of the Reagan years over the wishes of others in the administration. The act was to provide

protection for the savings and property of 33 million senior citizens in the event they faced financial wipeout from a long-term catastrophic illness. It was to be financed by a surtax on Medicare of about \$60 a year, with an extra hit on those retirees with an annual income of over \$16,000. That meant about \$4 a month at the base, and rose to \$800 a year for those with an income in excess of \$43,000. That is inordinately heavy and not what Bowen, for the record, ever suggested. It was imposed by members of Congress, who kept adding goodies to the original commendable purpose, and had to find a way to pay for it. Once the premiums started coming due in January, a storm burst.

“Only five percent of the American retirees were hit for the full \$800, but they were the five percent with the money, the clout, and the noise. Led by the heavyweight lobbyists of the American Association of Retired Persons, they produced a roar that shocked Capital Hill. You are blessed as a contemporary American with a Congress that responds like Pavlov’s dogs to certain stimuli—the chief of those being loud noise and big money.

“The well-off retirees have plenty of both, and the short-lived protection plan died. Now, millions of aged Americans of modest means face the loss of all security when that major, often ultimate, illness strikes. Members of Congress and Washington lobbyists will continue to have well-fed company appearance. Doc Bowen is pessimistic about a restoration of some sort of protection or planning—that it may take several years. We hope he is wrong, and that somebody in the national legislature will recognize a desperate need, and try again to meet it. In the meantime, you and 95 percent of America’s older citizens can admire Doc Bowen’s wisdom and compassion—add patience too: he has always been patient around knaves and fools.”

Young: If you had to do it over again, would you do it the same way, or would you be less patient with knaves and fools?

Bowen: Oh, I think I would have done it the same way. You can’t change 75 years of being one way.

Young: That’s another thing that becomes important, and it bears on both your experience and political maturity. You have developed what some would call a style of how to get things done. And you didn’t change that. You didn’t change that style or that method or that strategy when you got to Washington, despite sore temptations.

Bowen: The *Washington Post*, surprisingly, had a good editorial. I’ll just read the first paragraph. “Congress was closer to right when it passed catastrophic health insurance than when it repealed it. It is true that the program’s mostly elderly and already heavily insured beneficiaries are not the group in the country in greatest need, and that the clearest need they do have, insurance against the cost of long term care—the program did not meet. But the benefits were nonetheless viable, and the financing system both socially and fiscally responsible. The vote to repeal was a cave-in to a well-off pressure group that didn’t want to pay the necessary tax. Now private health insurance premiums will go up, and Congress will no doubt be indignant about that outrage, too.”

Coming from the *Washington Post*, I thought that was kind of interesting. Excuse me for bringing in my personal things there.

Hult: That's an important part of the record.

Young: No apologies. Do you happen to remember an article in the *National Journal* written by Julie Kosterlitz?

Bowen: I think that you included that—

Young: We included that in here.

Bowen: Yes, I—

Young: If I were a very cynical person, I would ask how this terrifically good press was arranged. But I'm not a cynical person. [laughter]

Bowen: You brought some nice things up but I—

Young: Did she cover—

Bowen: She must have, I cannot place her. I just can't, and I knew most of them. I'd forgotten all about them until you included that in the remarks.

Young: Well, much of it fits very well with the South Bend editorial you read and others. It also goes back to the question of the Bowen way of getting something through, and negotiating some of the mine fields. Why didn't you toot your horn more?

Bowen: Well, it's a lot more fun to do something and then be found out about it later.

Young: I don't think I know many people in Washington who have that attitude about it. It speaks very well for your political savvy and also your character.

Bowen: In the long run, I think you get things done better with dogged patience.

Young: Well, inside the beltway, you don't find many people who are that way.

Bowen: It's a different country inside the beltway. People there seem to think everything evolves around everything that happens in Washington—and a lot of people from the East think we still scalp Indians back in Indiana.

Knott: Were you uncomfortable with your press office? Did they ever try to set something up that made you uncomfortable?

Bowen: I don't think so—other than when they thought there should be a news conference. I'm not real big on news conferences.

Hult: Did the White House, sometimes, push you to do things as a presidential surrogate—apart from the election, but just in terms of governing—that you didn’t necessarily want to do?

Bowen: Well, I felt ill at ease when I went with the President to Philadelphia for some meeting concerning Medicare. I think it was obvious why he took me along—being more knowledgeable about what was going on in HHS than what he would be—but that’s the extent. I was just apprehensive, more because, golly, here I am with the President, and everything I say—when he says, “My Secretary will respond to this question,” you’re a little apprehensive that you’re not going to say it right.

There was one other instance I can recall where I was fearful, but nothing came of it. I made a talk at La Salle University concerning drug use and I stated that we’re really failing in our campaign against the use of drugs. And it wasn’t a half hour later, I got called on the telephone by some news media—I think on two occasions—and they said, “You’ve split with the President, haven’t you?” It was news to me. I thought I might get called on the carpet for saying that later, but I didn’t. I don’t think the President was upset at all when I said we were losing the battle. I think we were, and probably still are.

Knott: On those occasions when you would go with the President on a trip such as Philadelphia, would you be spending time with him on the plane as you were heading toward your destination?

Bowen: You got to sit in his compartment in the plane, but we were both more involved in scanning our notes than anything else, so we didn’t do much talking. He studied, too.

Young: You mentioned that when he was Governor—when you met as Governors at the Governors’ Association meetings, he always had—

Bowen: Security, yes.

Young: Was that physical security, or was it entourage?

Bowen: It was both. I mean, he didn’t have any armed people there, but I’m sure there were plainclothesmen. It was only natural that he should—with his popularity, and also with his Hollywood career—that he would have more security.

Young: More than the other Governors?

Bowen: I think it went a little further than what he needed to have. It was hard even to say hello to him, because they just surrounded him as he would walk in. He would have three or four men surrounding him. I had a contrast to that with Rockefeller, when he was Governor of New York at that time, and it was interesting. I didn’t see Rockefeller have any security—maybe he did in a way—but he’d come up, hit me on the shoulder and say, “Hi Otis, how in the heck are you?” You wouldn’t get that type of response from Reagan, just different personalities.

Hult: So if you had any other interaction with other California Governors, perhaps Pat Brown, they would not have had that type of security?

Bowen: I don't know, but it wasn't Pat Brown, it was his son, wasn't it?

Hult: Jerry [Brown], sure.

Bowen: No.

Hult: That was across parties.

Bowen: He didn't carry much weight at the Governors' conferences. [laughs] He would be there when he wanted to say something, and he would attract the media of course, but he rarely participated in the subjects at the Governors conferences.

Young: Did Reagan take a very active role in any of the Governors' conferences?

Bowen: Just made an appearance, probably influenced more because he had news media around him all the time.

Knott: Could you just clarify something for me. Yesterday, when we first started talking, you said you had supported President Ford in 1976 against Ronald Reagan—and then in 1980 Reagan ran again. Did you immediately sign up for the Reagan '80 campaign?

Bowen: Yes, I was with Reagan all the time except at the convention for Ford. I think the Indiana delegation was split with one more vote for Ford than for Reagan, so I was on the spot there with my own people, but I just had some experiences with Ford. I liked him, and I thought he was a very common-sense fellow, and probably was what we needed right at that time. I think that his pardoning of Nixon cost him the election—so I think he was sort of a hero to have the guts to do what he did, because I'm sure he knew that would be improper but he felt an impeachment would be most harmful for the country, and he did it as sort of a sacrifice.

Knott: You endorsed Ronald Reagan in 1980 fairly early in the process?

Bowen: Oh yes, sure. I was never anti-Reagan. I guess I just wanted Ford just a little bit more.

Hult: I want to go back to the time you spent with President Reagan, and it has to do with your medical judgment as well as your political judgment. Did you have any sense that he was developing the problems with Alzheimer's disease that we now know he has?

Bowen: No, not at all. And I think I would have been able to observe it if it was obvious at all. But there was nothing like that. The only complaint I would have—not a complaint, an observation—was that he definitely couldn't hear well, and I think he just didn't want to say "Huh?" I really think that was true.

Hult: Did that mean he wasn't using a hearing aid or amplifying devices of any kind?

Bowen: I think that he wore hearing aids part of the time—I'm not sure if it was all the time or not.

Young: Yes, I think it was reported in the press that he—

Hult: He occasionally turned it off. Yes.

Young: I had an uncle who had one, and whenever he didn't want to hear what he was being told, he just switched it off. Then you couldn't complain.

Knott: We usually like to ask some questions, as we near the end, that ask the respondent if there's something that we missed regarding Ronald Reagan or the Reagan presidency—or something that's conventional wisdom about Ronald Reagan that you would want future generations to know that in fact was not the case. Any misconceptions?

Young: Yes, part of the context for this is that—I'm sure you remember this—the editorialists and the political commentators make an effort right at the beginning to develop a stereotype or identifying character they impose on the President. When Jimmy Carter came in, it was first, "He's all style, no substance. That's just showmanship." Within six months, they were saying, "It's all substance, no style."

When Reagan came in, there were a number of successive characterizations that got wide circulation in the media. He also was an outsider to Washington politics. He never had anything to do with it. He had no experience there. He had that in common with Carter. But very early, he got the reputation of being a great communicator. That was one of his obvious skills, but it wasn't long before they were saying, "He's the oldest President," or something like that. And he began to be perceived as the President who was getting old and losing it. So the perception was that he's out of it, he's not in control or he really doesn't know what is going on around him—and this is a function of age.

Then, connected with that was another picture of Reagan as somebody who wasn't very smart. That is, he doesn't understand what he's dealing with here. He would make some remarks that would communicate to people that he didn't have the foggiest notion of what was involved there—and that was attributed to intelligence, a lack of a certain kind of intelligence, or grasp, whereas earlier, it was his age. And you go through this. It was a succession of these—all trying to find the fatal flaw, so to speak, in the President. And the press always tries to do this.

Interestingly enough, after Reagan has left office, that process of revision is continuing. Now Reagan is coming out much better than he did at certain points in the press at the time. So this is by way of context for Steve's question. What did you observe that would inform more sober historically minded judgments about the strengths and the weaknesses of this man as a President, or his special qualities as a person?

Bowen: Well, to say that he was not very bright, I don't think is quite right. I have said many, many times that going to Washington and being next to the President, the Vice President, and the Cabinet members, that these people were just ordinary people. They were no smarter than

anyone in this room, they just happened to be there at the right time. And it's hard for people to believe that they're just as smart as the President was, but I think it's true. They were just ordinary people who, fortunately, were at the place they were when they got elected.

But to say that he wasn't on top of things ... it may be that he wasn't on top of some of the things, but part of it, I think, was by choice, because he was a good delegator, in contrast to Carter. He even wanted to know who was playing on the tennis courts. If Carter would have delegated more, and Reagan a little bit less, maybe they both would have been a little more effective. Reagan liked Margaret Thatcher very, very well, and I think he enjoyed being with her, but some of the reports I've read recently were that, at least early on, she didn't think the President was as bright as he should be for the job he was handling. But I think he deserves a lot of credit for listening to her, because she did have a lot of good ideas.

I want to give him a lot of credit for what he did with [Mikhail] Gorbachev. I sat right in the front row, as did the other Cabinet members, when he and Gorbachev were just 15 feet ahead of us signing the treaties—and that was a real thrill. He certainly was on top of things there. Maybe he took some risks, but again, without risks, there's no progress. I think he did do a good job getting the Iron Curtain torn down and developing new relationships, especially with Gorbachev. I think Gorbachev has taken a bad rap. I think he was sort of a hero, as far as I'm concerned.

But I don't think Reagan could be considered “out of it” on anything. If you're delegating somebody to do something, it's obvious that you may not know the answer right then, but not being able to spit out an answer is not necessarily a sign of not knowing anything—knowing where to find the answer is the important thing, and I think he would have no trouble with that. He was fortunate, I think, to have a good Secretary of State, [George] Shultz, who was very powerful in the Cabinet meetings—well informed foreign policy, everyone really listened when he was talking.

Young: Both in the case of Weinberger and Shultz—two very powerful Cabinet members, one perhaps an older, closer friend of Reagan than the other, one head of Defense, one head of State—there's always conflict of some sort between those two people in their priorities, in the way they do things. But it reached newspaper proportions so that the conflict between Shultz and Weinberger was the same as in the Carter administration between [Zbigniew] Brzezinski and [Cyrus] Vance, the National Security Advisor, and so forth. That's the case of a major kind of conflict over policy—conflicting advice—Reagan was getting. So he has to do something about how he responds to that.

Now, I don't know if that is something you delegate or you just say, “Go away and come back with something you can get together on,” or whether the President takes it under advisement and makes a decision—or whether he responds to back-door influence.

In a sense, it was the same, it seems to me, in the area you were involved in. Here was the President. He had two sets of people who had very deep interests in certain aspects of welfare, health care, health reform, and other issues. And here was Otis Bowen on the one side, catastrophic health. And here was the other side—who was very much out of sympathy with that—and kept generating alternatives to whatever it was you proposed.

So how did you see Reagan as managing this problem? You were blocked in trying to get to him during the process to advocate. Others closer to him did have his ear, perhaps, on these questions. So here, the President was receiving, seeing, a conflict over a politically sensitive issue. So rather than asking you how you dealt with it, I think you told us the way you got around this and negotiated through this mine field, I'm trying to ask you to think about Reagan, and does it tell us anything about Reagan and what he did or didn't do when confronted with conflict.

Bowen: He was a take-charge individual. Again, you always have to bring in this lack of delegation as much as he should. But I think the very fact that I was so pro the catastrophic, and Meese was so against, and yet Meese was a personal friend of the President—you'd think Meese would lean Reagan's way—

Young: Yes—

Bowen: But I think it shows that Reagan was thinking this problem through from one end to the other, and he decided against Meese for what our program was. So I think in that instance he was very much in charge. He didn't listen to those who were his closest advisors. I wouldn't be a close advisor to the President, but I think he saw through certain things, and understood what the people wanted, and what his own conscience said should be done. Again, I'd like to attribute some of that to the fact that he'd been through the election processes, and was able to discern the desires and needs of the American people. I'm not sure that Meese and some of the rest of them were only thinking of the bottom line. Then again, the President was for reducing expenses, but actually, they didn't get reduced very much while he was in office.

Young: Well, this was, in a sense, a battle for the President's mind.

Bowen: Yes.

Young: In which he may have been conflicted, too. Yes, he wants expenses brought down, but—

Bowen: They forgot that our program was—as it was written out—budget neutral. Those who were going to get the benefits were the ones that were going to pay, and those who were better off were going to pay more than those who were less well off.

Young: Well, as a Bowen strategy, that tells me you can't throw the money argument at this. You've neutralized that. And that was a big issue, the money and the micro management. I noticed in your sales pitch too—I'm using a cheap term, that's a [inaudible]—I noticed you were very careful to point out your conservative credentials.

Bowen: I needed to do that right off.

Young: And also your record. You mentioned Reagan's conscience, but do you think there was also a political calculation in his decision? He made a calculation about the lay of the land?

Bowen: Oh—

Young: He didn't want to get creamed for being against, it would ruin his—

Bowen: I think that his conscience says that we need this program, and that it would be very popular with the older people—which it turned out not to be—but I think he thought it would be, and I did, too. I still think it would have been, had it not been for those circumstances we mentioned before. He welcomed this publicity about the catastrophic to take people's minds off the Iran-Contra thing, because he was deeply involved in that. He was deeply involved by not being involved, I think. That was his big problem. He didn't pay enough attention to what North and some of those were doing.

Young: Also, his approval ratings—or his standing with the public—had dropped, and here was an opportunity at the same time for him to associate himself with something positive on the domestic side. So it may not have been to distract attention, but it provided him with an opportunity to associate himself with something which was bipartisan, that was in the national interest and that was going to work.

Hult: Well, and was also something that—as your very impressive, persuasive statement pointed out—was linked to what he had tried to accomplish in California.

Young: That was brilliant.

Hult: That and drawing in personal experiences, which is often a way to make it concrete to the listener. Was this a pitch you wrote yourself?

Bowen: Yes. I had Tom go over it too, but that is one thing I didn't have—speechwriters.

Young: Did you research Reagan's governorship? Did he research Reagan's governorship to see what he'd done about this problem?

Bowen: No, I don't think.

Young: Somebody found out and thought it was useful—you may have known that yourself.

Bowen: I don't recall.

Knott: I think I'm probably on solid ground to say that this catastrophic program, you consider that to be your greatest accomplishment, even though it was repealed?

Bowen: I think it received the most publicity, but I think what we tried to do in the area of AIDS was more significant. And with great handicap, too—not many people, including me, had sympathy with them. But what would happen unless we got a hold of the problem was going to be bad, and that came in with a lot more importance in my mind than it would be to try to say that these are no-good people and so forth.

I think, too, the development of the Family Services Agency was a good move. It wasn't anything earthshaking, but I think it did help a lot—and at the time, at least, we were beginning to catch a lot of the deadbeat fathers. I don't know where that program is at the present time.

Young: It's doing very well.

Knott: What's your greatest disappointment, other than the repeal?

Young: For which you can not be held accountable.

Hult: No, not in the least.

Bowen: Well, that, obviously, was the biggest disappointment by far, because I'd spent a whole two-and-a-half years of trying to get it accomplished. I can't recall anything that really stands out. The AIDS was probably the most.... Also, I'm a little prejudiced on the NIH, which I still think is one of the best research organizations in the world. We helped to get them a lot more funding for research in the various types of illnesses, the basic research that those who were in it for profit would not make, but yet was very valuable information.

Young: You never sought this position.

Bowen: No, not hardly. I sure didn't ask for it, put it that way.

Young: But you were coming in midstream in the administration. But it's well known in the recruitment process that there is a lot of line for cabinet, subcabinet, other positions, and it's not done in a very public way, but it's high-stakes stuff. Did you observe any of that yourself?

Bowen: For every organization that there is, for every organization out there that's for something, there is something that's against it. I guess that was one of my surprises about how you were seesawed. AIDS would be one of those and the PETA group—they were a thorn in your side all the time. But I guess those were kind of disappointments to think that those exist. I wasn't aware, even being Governor, that there were some of these very vicious anti organizations.

Young: Issue groups, single-issue groups.

Knott: You mentioned yesterday that you offered to stay on at HHS during the Bush transition until they were able to fill your post.

Bowen: I offered that to Sununu, and I guess he didn't want it.

Knott: If they had offered you a permanent situation—for you to stay there—were you anxious to get back to Indiana? Would you have liked to have stayed on and pursued some other goals?

Bowen: Well, leave it this way. If the President, if President Bush, the incoming one, would have asked me to stay again, if the President asks you to do something, you do it. I would have

stayed. And I would have probably been better at it a second time around—especially in my dealings with Congress. I was almost terrified for the first couple of times appearing before the committees.

Knott: Oh, you were?

Bowen: Some of them—like Dingell—can be very, almost mean. And Kennedy was another one. But I forgive Kennedy a little bit, because any time you did something that helped his people, he always sent a little, just a little “thank you, doctor” for doing this—and that has to neutralize you a little bit.

Young: But you got very high marks for dealing with Congress on both sides of the aisle, in fact.

Bowen: That’s what worried the conservatives, because I had too many Democrats that were taking my side. [laughter]

Young: For every positive there’s a negative. So, “This guy’s effective—watch out, he may be against us!” I also want to come back to something else. The lady who wrote this article, Julie Kosterlitz.

Bowen: Who was she with?

Young: *National Journal*, not a newspaper. It’s the *National Journal*, it came out, what, every two weeks or so? And they didn’t do news. They did only think articles, analytical articles. Referring to a few well-publicized disagreements that you had with OMB, “Despite this, both sides say the relationship is amicable.” This was written in February, 1987. “The smooth relations benefit not only from Bowen’s low-key style, but also the advent of OMB director James C. Miller III—” I guess they were comparing him to [David] Stockman— “and associate director Deborah Steelman, whose styles are considerably more collegial than those of their predecessors. ‘There is no chain jerking here,’ says an OMB official.” Is that true?

Bowen: Well, I’m not sure I know what she means by being more collegial.

Young: Yes, I didn’t know either, because—or was there a change in your relationship with OMB, starting off rocky and ending up smooth?

Bowen: No, it started off rocky and never improved. I think that would be pretty accurate.

Young: I noted that there was a source at OMB that was saying it was improved.

Bowen: It wasn’t from my perspective.

Young: So they must have had some reason not to pick fights.

Bowen: Deborah Steelman—the word “steelman” fits, because she was steel. She was tough and very adamant in her thoughts on HHS.

Young: She was an associate director?

Bowen: Yes. And Miller, I think, had only been there a short while after Stockman left. And we had our first run-in with him my first week in office. That was over some under-funding, we thought, of AIDS, and maybe a couple of other things. I don't recall. But had I been there longer, I may not have submitted a protest letter, but probably, it was helpful to show.

Young: Hannah, you're busy writing.

St. Leger: Yes, keeping track of the flow.

Young: Do you have any comment or question you'd like to ask?

St. Leger: I don't think so.

Young: She's so busy keeping track of what's being said. But Hannah is a student of policy.

Bowen: In the graduate school?

Young: Yes, she's in the graduate school here. I don't know if you're getting another idea for a paper here or not.

St. Leger: I guess I would ask you what your dealings with HCFA [Health Care Financing Administration] were—since that was a time of transition from the HMOs [Health Maintenance Organization] and DRGs [NIH Division of Research Grants] that emerged in the late 1970s toward managed care in the mid-to-late '80s. Were they their own entity, or did you have some of those?

Bowen: They were sort of their own entity. And there was probably as much controversy in that area as anywhere. But I was fortunate in having Dr. [William] Roper to head the HCFA, and he was so knowledgeable and so good that I just left him alone. He is one of those where you delegate something, and then expect it to be done. He was a brilliant fellow doing it. So he pretty much ran HCFA, and as long as he was running it without a great deal of trouble to me, I left him alone.

St. Leger: Was he your appointee?

Bowen: Yes.

Young: And yet, this article, at least, says that he had good standing with a lot of the interested groups.

Hult: Were there any parts of HHS that you had more difficulty dealing with that were always on your agenda—as in “There's a problem in this part of the agency that we've got to look at, we need to address.”

Bowen: The biggest problem we had was when the lady had to be fired, because she didn't follow directions or the law. That's the only real controversy that I can recall. She was sticking up for what she believed in. She had to make the choice of doing what the law says to do, or get out—and she chose to get out. At first, it sounded like she was going to cause me a lot of trouble, but it died down. I think she got another job real soon with some organization that soothed her feelings a little.

Young: If you were asked to give some advice to some hypothetical future HHS—say the next Secretary—what is the principal advice you would give? Stay out of it? I don't think you'd say that.

Bowen: No, I don't think staying out of it.... I guess the first thing would be to find ways to get the confidence of those who were serving under you. I think that I was a little bit lucky in doing what I did and not realizing that it would have the effect that it did—so go see your top-notch people under you and get the feel for what they think and how capable they are. Then have in the back of your mind what your own conscience says you should do—but at the same time, know what the big boss wants you to do, and then you have to chart your course accordingly.

Hult: Did Tommy Thompson call you and ask you for advice as a former Governor who took the position?

Bowen: No, he didn't, but I sent him one little letter. I said, "Hey, why don't you dust off the old catastrophic thing and look at it, and see if there's anything in there that you think would be helpful." I got a thank-you letter.

Hult: But no commitment.

Bowen: I still think there might be some things in there that are usable.

C. Bowen: You had a couple of calls, though, from reporters, because of Tommy being a former Governor and—

Young: Did you and he overlap when you were Governors?

Bowen: No. I had a few phone calls from him over some problems that he was in the lead on—doing things with welfare. We weren't very close otherwise. He was wanting waivers, I think, for some things. I forget what those waivers were about.

Young: Looking back on it, do you think it would have been of any help or interest to you if there had been a ready source of experience, or lessons learned, by previous Secretaries of the benefit—just in a concise form of their experience in the office, the things that surprised them, difficulties they didn't expect, or what they came out of that office learning? What they didn't necessarily know when they went in? Would that have been at all useful?

Bowen: Might have been if it had been positive things, but goodness, all that I've read is Ribicoff saying it's a can of worms. Another one said it's impossible to administer, and things like that.

Young: Unhelpful advice. Basically avoid it if you can, and if you get stuck, get out as soon as possible. Well, I take your point.

Knott: So you did not find it impossible?

Bowen: Again, I think the number one thing that I did was get in good graces of those who were under me. They were willing, then, if they had confidence in you and liked you, to go all out to do what you felt needed to be done. I know that some of the people who worked on my program—who were in my department—they weren't always in agreement with what we were doing, yet they went ahead and did what I wanted them to do.

Hult: Why is it so repeatedly difficult, do you think, for people to go into government departments with that attitude? It's not just Republicans—also many Democrats go into secretarial positions or other subcabinet positions with the assumption that the bureaucrats don't work hard enough, or are going to fight all the way.

Bowen: It's just a longstanding—I don't know what you call it, but it's been that way for as long as I can remember. Everybody was anti-bureaucracy, including myself. I didn't speak too highly of it.

Hult: How can one change that—or is there a way to change it?

Bowen: It would probably take a generation or two to get it done.

Young: But it's interesting: we've interviewed a number of department heads, from different administrations, and maybe we haven't interviewed the ones who would say anything different, but the ones we have interviewed who have talked on this subject have all had similar comments to yours—the importance of establishing good working relations with the careerists in the department, and a great respect for their expertise and their judgment, and willingness to work for the program and the priorities.

When a new Secretary comes in, even though some say, "I didn't expect it to be this way, but I learned," some have come in—even businessmen who never had any political experience—who understood that right away. And they become very defensive against all kinds of outside attacks. It's really quite extraordinary that this is one of the first things that people in the large departments say. Some have had real problems. They've had to invest a lot of effort in building good relations with their career staffs.

Bowen: Well, building good relations—and developing the proper attitude—is extremely important if you want your department to succeed.

Young: You just can't get anywhere if you're ignored within your own department. There's no future in that. Well, any final thoughts? I think we've come to the end of our session pretty much, unless you have any final words.

Bowen: Nothing, except that I have enjoyed the experience a lot more than I thought I would.

Young: What did you think, we were gunning for bear or something? [laughs]

Bowen: I'm always apprehensive—when you're going to get quizzed.

Young: Well, it's not quite a quiz. It's a very productive experience for us, and we like to think it is for you. However, you know, we come into these meetings, too, not knowing what to expect. There are plenty of people who think, "A bunch of academics, they're just fools."

Bowen: But you're in the driver's seat.

Young: Well, we try to say, "You can be in the driver's seat if you want," and it works both ways.

Bowen: I understand.

Young: I want to thank you for spending all this time with us.

Bowen: Thank you for that, and thank you for permitting Carol to be in here.

Young: We're delighted.

Bowen: She's very knowledgeable about all these things. She was a banker before we were married.

Young: Well, we're very delighted for it, and thank you very much.