



EDWARD M. KENNEDY ORAL HISTORY PROJECT

Interviewer's Briefing Materials **Stuart Shapiro Interview, 04/03/2009, 05/15/2009**

Robert A. Martin, Research Director

Miller Center Documents¹

- Stuart Shapiro Timeline.
- Stuart Shapiro Fact Sheet.

Secondary Source Materials

- Adam Clymer, *Edward M. Kennedy: A Biography* (New York: William Morrow and Co., 1999) pp. 255-256, 269-270, 276-278, 282-284.
- Jill Quadagno, *One Nation Uninsured: Why the U.S. Has No National Health Insurance* (New York: Oxford Press, 2005) pp. 124-132.
- Steven V. Roberts, "The Making of a Congressional Bill: Aides Taking Larger Role in Legislative Process," *The New York Times*, 05/16/1978.
- Paul Starr, *The Social Transformation of American Medicine* (New York: Basic Books, Inc., 1982) pp. 411-415.
- T.R. Reid, "Kennedy, Stumping Texas, Solaces Iran Raid Survivors," *The Washington Post*, 04/30/1980.

Oral History Interviews

- Lawrence Horowitz interview, Kennedy Oral History Project, Miller Center, University of Virginia, 04/16/2008.
- James Mongan interview, Kennedy Oral History Project, Miller Center, University of Virginia, 05/09/2007.

¹ These are original documents created by Miller Center researchers for the Edward M. Kennedy Oral History Project. Please acknowledge credit for any use of these materials.

STUART SHAPIRO TIMELINE (1977-1981)

Prepared by Bryan Craig

Miller Center, University of Virginia, 03/19/2009

- 1977** Dr. Stuart Shapiro leaves his post as Massachusetts' Deputy Commissioner of Health to become a legislative assistant/senior staff member for health care on the Senate Labor and Human Resources Committee's Subcommittee on Health and Scientific Research, of which EMK is Chairman. (*The New York Times*, 10/02/1976; *The Washington Post*, 09/27/1992)
- January* Joe Califano is confirmed as Secretary of Health, Education and Welfare (HEW) and becomes the Administration's chief point man on National Health Insurance (NHI).
- Spring* With EMK pressing President Jimmy Carter to move ahead with NHI, Carter reportedly tells EMK, "If you come up with a program, that's fine and you'll have my support if it preserves a role for the insurance companies." (Jill Quadagno, *One Nation, Uninsured: Why the U.S. Has No National Health Insurance*, New York: Oxford Univ. Press, 2005, pp. 124)
- April* Carter proposes legislation to limit hospital cost increases to 9 per cent in 1978, with smaller increases in subsequent years, until a new system for paying hospitals can be implemented. Carter advocates NHI but says it cannot be enacted until health care costs are contained. The bill would be limited to inpatient services in acute care hospitals. Hospitals run by HMOs would be exempt. EMK, Senator William D. Hathaway (D-ME), and Senator Wendell R. Anderson (D-MN) introduce the administration bill (S 1391) in the Senate. EMK has reservations about the bill. He thinks the cost control proposal should have more incentives to encourage outpatient procedures and better methods for reducing overused services and encouraging doctors not to order expensive tests. Senator Herman E. Talmadge (D-GA), chairman of the Senate Finance Subcommittee on Health, which has jurisdiction over Carter's hospital cost containment bill, introduces his own bill (S 1470). The bill would change the reimbursement system under which hospitals and practitioners are paid by Medicare and Medicaid. (*1977 CQ Almanac*, pp. 499, 503)
- May* Larry Horowitz becomes staff director for the Senate Subcommittee on Health and Scientific Research. (*1978 Congressional Staff Directory*, Mount Vernon, VA: Congressional Staff Directory, LTD, 1978, pp. 187; Clymer interview with Horowitz, JFK Library, 05/29/1992, pp. 17)
- EMK and Horowitz meet with Califano at EMK's home. EMK informs Califano that he will challenge Carter publicly on the question of national health insurance if the President fails to act quickly. Califano reassures EMK that Carter is serious about national health insurance, and EMK and his staff spend much of the year

negotiating with Lane Kirkland, Secretary-Treasurer of the AFL-CIO, Doug Fraser of the United Auto Workers union (UAW), and other proponents of national health insurance to produce a bill that could win support from both the unions and from Congress. (Clymer interview with Horowitz, 06/23/1995, pp. 4)

From May 1977 until the summer of 1979, Horowitz meets several times with both Califano and Stuart (Stu) Eizenstat, Carter's chief domestic policy advisor, to discuss national health insurance. Because Califano and Eizenstat disagree about national health insurance on many points, Horowitz typically meets with them separately. (Clymer interview with Horowitz, 05/29/1992, pp. 17; Clymer interview with Horowitz, 06/23/1995, pp. 3-4)

August

The Senate Select Committee on Intelligence and EMK's Subcommittee on Health hold joint hearings to consider new reports and information concerning Project MKULTRA, a behavioral modification research program executed by the Central Intelligence Agency (CIA) in the 1950s and 1960s. Part of the program involved the administration of illegal drugs, such as LSD, to unwitting individuals in an effort to ascertain the effects of those drugs on human behavior. The hearings aim to gather as much information as possible about past abuses in order to prevent future ones as well as to rectify, to the extent possible, any negative consequences of the past experiments. As Chairman of the Health Subcommittee, EMK delivers opening remarks. (Shaffer Library of Drug Policy website, <http://www.druglibrary.org/schaffer/history/e1950/mkultra/index.htm>)

The Senate Labor and Human Resources Committee, formerly the Labor and Public Welfare Committee, reports a revised version of the hospital cost containment bill (S 1391). EMK strongly backs it. The modified Senate bill places a moratorium on new hospital construction and the purchase of expensive medical equipment until September of 1980, but broadens the exemption of the new law to include smaller hospitals. It also allows hospitals to raise wages for certain personnel without it counting against the cap. No other committee in the House or Senate reports a hospital cost containment bill in 1977. (*1977 CQ Almanac*, pp. 499, 506-507)

Fall

To encourage Carter to endorse NHI, Horowitz persuades Kirkland (AFL-CIO) and Fraser (UAW) to drop labor's insistence on a single payer system and accept a role for private insurance as long as coverage is universal and mandatory. Despite this significant concession, the Carter Administration says its first priority is going to be hospital cost containment and to stem rapid escalation in health care costs before considering any form of NHI.

December

Over Christmas of 1977, EMK and his staff negotiate intensely with the Committee for National Health Insurance. (Clymer interview with Horowitz, 06/23/1995, pp. 4)

1978

- Spring* Carter urges Congress to continue work on a hospital cost control bill. Shapiro begins talks with Talmadge's aide, Jay Constantine. To get things moving, EMK agrees to a voluntary phase where hospitals police their own costs with no mandatory measures. (1978 *CQ Almanac*, pp. 621; *The New York Times*, 05/17/1978)
- April* In a meeting at the White House, EMK and Carter reach an agreement on the general principles of national health insurance and aim for passage of legislation no later than 1980. (*The New York Times*, 04/04/1978)
- May* The Labor Committee reports an EMK bill (S 2474) providing funding for various new and existing health facilities and disease prevention programs. Among other things, the measure continues and extends funding for community and migrant health centers and lead-based paint poisoning prevention. It also funds two new grant programs. The first program supports primary care facilities run by hospitals. The second funds research and demonstration projects on behavioral and health aspects of smoking and programs to discourage teenage smoking. EMK's original proposal includes tough new regulations and taxes on cigarettes and a ban on smoking in all federal buildings but fails to make it out of the Commerce Committee. (1978 *CQ Almanac*, pp. 614)
- July* EMK publicly breaks with the Carter over NHI after Carter unveils his health care plan to EMK at a White House meeting with Califano. The plan would achieve universal coverage in stages over a number of years, provided inflation and fiscal conditions permit. The first phase would cover all low income children and provide "catastrophic" care for the aged for expenses not covered by Medicare. The new plan would not go into effect until 1983. Although EMK and labor leaders accept Carter's incremental approach, they oppose the contingency built into the expansion of coverage and refuse to support the administration proposal. EMK calls a press conference, calling Carter's approach "unacceptable." The administration publicly announces its commitment to various health care "principles" but does not propose a bill in 1978. (Adam Clymer, *Edward Kennedy: A Biography*, New York: William Morrow and Co., 1999, pp. 269-270; Quadagno, pp. 129-130)
- October* Congress approves a \$2.9 billion Health Services and Centers Act (S 2474) to continue and extend funding for various health facilities and programs, including new initiatives to prevent unwanted pregnancies through counseling and other services and a new water fluoridation program. EMK agrees to cut funds from the omnibus health bill on the floor and in conference in order to win passage. (1978 *CQ Almanac*, pp. 615)
- On the 12th, the Senate passes a bill for hospital cost containment. It exempts many hospitals from mandatory controls and it leaves cost cutting to a voluntary basis as long as they reduced costs by 12 percent a year by the end of 1979.

Originally Carter and EMK wanted no voluntary phase, but medical lobbyists and hospitals opposed it. It never reaches the House floor. (1978 *CQ Almanac*, pp. 619-625)

- December* EMK gives a speech at a “Workshop on Health Care” at the Democrats’ midterm convention in which he calls national health care “the great unfinished business on the agenda of the Democratic Party.” EMK talks about what access to the best health care has meant to his family. He talks about his son’s cancer, his father’s stroke, and his own broken back. “We were able to get the very best in terms of health care because we were able to afford it. It would have bankrupted any average family in this nation But I want every delegate at this convention to understand that as long as I am a vote, and as long as I have a voice in the United States Senate, it’s going to be for the Democratic platform plank that provides decent quality health care, North and South, East and West, for all Americans as a matter of right, not of privilege, for all.” (Clymer, pp. 276-277)
- 1979** EMK holds health care hearings around the country, which serve as issue forums but also as opportunities to test the political waters for a possible presidential run. (Clymer interview with Horowitz, 06/23/1995, pp. 3, 10)
- January* EMK becomes chairman of the Senate Judiciary Committee.
- May* EMK, working with labor leaders and other liberals, proposes his own NHI plan, the Health Care for All Americans Act. Under the plan, health insurance would be required for all Americans. The plan would establish a comprehensive package of benefits at the time of enactment, but they would be phased in over a number of years. Employers would pay about 65% of the cost of insurance premiums for employees and the government would cover the aged, disabled, and poor, not covered by Medicare or Medicaid. Five national health consortia would be formed to market health plans subject to regulation by a national health board. Hospital charges and doctors fees would be reimbursed at fixed negotiated rates. EMK acknowledges that selling his plan will be an “uphill battle” but says NHI is “the last, best chance” to bring health care costs under control. EMK’s plan does not go anywhere in 1980. (1979 *CQ Almanac*, pp. 538-539; Quadagno, pp. 130)
- June* Carter finally unveils his national health insurance plan, Healthcare, which would make catastrophic health insurance mandatory. It would require employers to offer health insurance to employees, with employees paying up to \$2,500 in medical bills and a portion of their premiums, or face tax penalties. Healthcare would cover the aged, disabled, and poor, combining Medicare and Medicaid, and would be contingent on the passage of separate cost containment legislation. EMK criticizes the plan as unfair to low-income families who could not afford the initial \$2,500 “deductible,” perpetuating the “separate but unequal” health care system in America. He also criticizes the Carter plan for being potentially very expensive as it contains no provisions to contain costs for doctor’s fees in the private sector. Nevertheless, EMK and Carter continue to negotiate behind the

scenes and agree on a compromise plan that would create two national consortia of insurance carriers that would control costs through a national budget and other mechanisms. But the compromise agreement is not acted on. (1979 *CQ Almanac*, pp. 539-540; Quadagno, pp. 130-131)

On the 13th, the Senate Labor Committee approves a hospital cost containment bill (S 570). It follows Carter's recommendations for mandatory revenue controls beginning in 1980 if hospitals failed to voluntarily control costs to a 9.7 percent increase during 1979. The bill does include some hospital exemptions and a sunset provision to end the program in 5 years. EMK adds an amendment to keep HEW from interfering in the management of hospitals that are exempt from the program. (1979 *CQ Almanac*, pp. 513-514)

July

Carter gives a national television address, later dubbed the "malaise speech," in which he focuses on the energy crisis, not health care. A few days later Carter fires several administration officials, including Califano. The speech and the firing of Califano help convince EMK that Carter is not serious about NHI. Years later EMK says Carter's speech convinced him: "We were losing what I thought was our most powerful and important issue and opportunity of our time. I was convinced that under different leadership we would be able to get this [national health insurance] passed." EMK calls NHI the "motivating, driving force" behind his decision to challenge Carter in 1980. (Clymer, pp. 283-284; Quadagno, pp. 131)

On the 12th, the Senate Finance Committee rejects the hospital cost containment bill that limits only Medicare and Medicaid payments to hospitals, a plan HEW was going to do already. The House begins to move on its own weaker bill. (1979 *CQ Almanac*, pp. 514-515)

September

On the 7th, EMK informs Carter at a White House lunch that he will run for president. EMK's staff is reportedly surprised, as no concrete campaign preparations had been made. (Clymer, pp. 284; *The New York Times*, 09/12/1979; Clymer interview with Horowitz, 05/29/1992, pp. 16; Clymer interview with Horowitz, 06/23/1995, pp. 3, 6-7)

In response to concerns for EMK's safety expressed by his children and staff, Horowitz meets with Dr. William M. Lukash, Carter's personal physician, in mid-September in order to discuss the possibility of securing Secret Service protection and medical care for EMK. Upon Lukash's recommendation and with the concurrence of other officials, Carter orders Secret Service protection for EMK on September 20th and Shapiro is one of three doctors that travel with EMK to provide medical care. (*The Washington Post*, 09/21/1979; Clymer interview with Horowitz, 06/23/1995, pp. 7-8)

Iranian militants storm the U.S. Embassy in Tehran and take 70 Americans hostage. The crisis dominates the Carter administration for the next year and pushes national health care off the national agenda. (Quadagno, pp. 131)

October On the 20th, EMK and Carter appear together at the dedication of the John F. Kennedy Library in Boston. (Clymer, pp. 289-290)

On the 29th, EMK authorizes the formation of “Kennedy for President,” an exploratory committee to be headed by Stephen Smith. (Clymer, pp. 291; *The New York Times*, 10/30/1979)

November On the 4th, EMK’s interview with Roger Mudd is broadcast on *CBS Reports*. (Clymer, pp. 285-287, 291; *The Washington Post*, 11/07/1979; *The Wall Street Journal*, 11/09/1979)

EMK appears at Faneuil Hall on the 7th to declare his candidacy for president. (Clymer, pp. 292-294; *The New York Times*, 11/08/1979; *The Washington Post*, 11/08/1979)

The House passes its own hospital cost containment plan that has no mandatory measures and simply creates a national commission to study hospital costs, while authorizing some funds for states to help with its hospitals. It is a major blow to the Carter administration that made this a key issue in its fight to control inflation and develop NHI. (*1979 CQ Almanac*, pp. 517-518)

December EMK draws heavy criticism during the hostage crisis for suggesting that the deposed shah “ran one of the most violent regimes in the history of mankind.” (Clymer, pp. 295; *The New York Times*, 12/04/1979)

1980

January EMK attacks Carter’s grain embargo on the Soviet Union as a weak action that will punish U.S. farmers. (*The Washington Post*, 01/06/1980)

On the 21st, Carter wins the Iowa caucuses with 59 percent of precinct delegates. EMK comes in second with only 31 percent of the delegates. According to Milton Gwirtzman, EMK briefly considers dropping out but then decides to cut expenses and to sharpen his differences with Carter. (Clymer, pp. 300-301)

On the 29th, EMK gives a speech at Georgetown University that reveals a change in campaign strategy. In addition to attacking Carter’s foreign policy towards Iran and the Soviet Union, EMK emphasizes more liberal themes such as wage-price controls and regulation of oil. EMK’s return to liberal themes is reportedly an attempt to justify EMK’s challenge to Carter. (Clymer, pp. 301; *The New York Times*, 01/30/1980)

- February* Carter defeats EMK in the New Hampshire primary on the 26th. Democratic National Committee (DNC) Chairman John C. White calls Dudley, the principal organizer of EMK's campaign there, and congratulates him on the campaign. White continually makes attempts to mend fences between the Carter and EMK campaigns, and calls EMK campaign aides after each primary or caucus to congratulate them and discuss the importance of party unity. (*The New York Times*, 02/27/1980, 06/03/1980)
- March* On the 1st, Smith announces that the struggling EMK campaign will dispatch some of its Washington staff to Illinois and New York, where EMK will face his next two primary challenges against Carter. Kirk will be traveling with EMK all the time, as will old hand Eddie Martin. Smith also announces that former Governor of Wisconsin Patrick Lucey will serve as the Washington-based spokesman for the campaign. (*The Washington Post*, 03/01/1980)
- On the 4th, EMK wins the Massachusetts primary but loses to Carter in Vermont. (*The New York Times*, 03/05/1980)
- Carter wins the Illinois primary on the 18th, taking 155 delegates to EMK's 11. Commentators speculate that Chicago Mayor Jan Byrne's endorsement may have been a liability for EMK. EMK's chief delegate counter, Rick Stearns, tells EMK that he cannot win enough delegates in the remaining primaries to take the nomination. (Clymer, pp. 303-304; *The New York Times*, 03/19/1980)
- On the 25th, EMK overcomes a recent string of losses to win the New York and Connecticut primaries. (Clymer, pp. 305-307; *The New York Times*, 03/26/1980)
- April* On the 1st, Carter wins a landslide victory in Wisconsin. Brown subsequently withdraws from the race. (*The New York Times*, 04/02/1980)
- On the 22nd, EMK edges out the Pennsylvania primary. (Clymer, pp. 309)
- During a campaign trip to San Antonio, Shapiro offers to help the four injured servicemen who sustained injuries during the failed Iranian hostage rescue attempt. (*The Washington Post*, 04/30/1980)
- May* EMK wins the District of Columbia primary but loses in eleven states. (Clymer, pp. 310)
- On the 2nd, DNC Chairman White declares the party's presidential contest resolved and says he will direct DNC efforts under the assumption that Carter will be the nominee. EMK's campaign challenges White's assertion that the contest is resolved and calls for White's resignation. (*The New York Times*, 05/02/1980)
- June* On the 3rd, the final day of primaries, EMK wins in New Jersey, California, South Dakota, New Mexico, and Rhode Island. However, Carter's victories in Ohio,

West Virginia, and Montana clinch the nomination. (Clymer, pp. 312; *The New York Times*, 06/05/1980)

During a White House meeting on the 5th, EMK tells Carter that he would consider releasing his delegates if Carter would agree to a debate. Carter tells EMK he would have the opportunity to present minority planks at the convention. After the meeting, EMK declares that he is still “a candidate for the nomination.” (*The Washington Post*, 06/06/1980) Carter reportedly decides the next day to agree to a debate with EMK, but is talked out of it by his aide Charles Kirbo. (Clymer, pp. 313-314)

- August* EMK withdraws his bid for the presidency in a powerful speech to the Democratic National Convention.
- November* Reagan wins the 1980 presidential election. The Republicans win control of the Senate and EMK loses chairmanship of the Judiciary Committee and the Labor and Human Resources Committee’s Subcommittee on Aging, Health and Scientific Research.
- 1981** Shapiro leaves the Subcommittee on Aging, Health and Scientific Research to become Philadelphia’s Health Commissioner.
- January* EMK and Joan Kennedy announce they are getting divorced.
- 1992**
- July* EMK marries Vicki Reggie in McLean, Virginia.
- September* Former EMK staffer, Richard Burke, publishes his book, “The Senator: My Ten Years with Ted Kennedy”, that reports EMK allegedly did drugs and had sex with some of his female staff. Shapiro comes to his defense stating Burke “was always craving attention” and “viewed himself as more than just a staff person, but often as the most important person there – as if he were the senator or more important than the senator.” (*The Washington Post*, 09/24/1992)
- November* Clinton is elected president, as the Democrats win the House, Senate, and White House.

STUART SHAPIRO FACT SHEET

Prepared by Rob Martin and Bryan Craig

Miller Center, University of Virginia, 03/19/2009

Key positions with EMK:

- 1977-1981: Health care legislative assistant/senior staff member of the Senate Subcommittee on Health and Scientific Research

Other positions:

- 2006-present: President and CEO, Pennsylvania Health Care Association and Center for Assisted Living Management
- 2004-2006: CEO, VirtualScopics
- 1997: CEO, the Presidents' Summit for America's Future. The summit creates the America's Promise Alliance
- President and CEO America Service Corp, Inc. that provided health care for prisoners
- Philadelphia's Commissioner of Health
- Massachusetts' Deputy Commissioner of Health
- Faculty of Harvard Medical School, Harvard School of Public Health, Wharton School at the University of Pennsylvania, and Georgetown University School of Medicine

Key issues Shapiro worked on with EMK:

- National health insurance: Shapiro works with Jim Mongan and Joe Califano in the Carter Administration on NHI negotiations; Shapiro also works with Senator Herman Talmadge's staffer Jay Constantine in 1978 on a compromise NHI bill.
- Hospital cost control: Shapiro works with Talmadge's staffer Jay Constantine in 1978 on a compromise cost control bill.
- 1980 presidential campaign: After seeking advice from Carter's White House doctors, Horowitz sets up system for providing emergency health care to EMK on the road while campaigning; Horowitz and Shapiro take turns traveling with EMK with emergency field medical supplies (another doctor, Bob Graham, also travels with EMK briefly); while campaigning in Texas, EMK sends Shapiro to meet with injured servicemen from the unsuccessful effort to rescue the U.S. hostages in Iran, who are being treated in San Antonio; at EMK's request, Shapiro arranges for EMK to meet with the injured servicemen, which comes two days after Carter's visit.

Other possible topics:

- Rick Burke book: After Burke's book, "The Senator: My Ten Years with Ted Kennedy," is published, Shapiro comes to EMK's defense.