

Can Budget Balancers First, Do No Harm?



By Paul Kleiman, Mar 30, 2011 5:15 PM

Last week on *Charlie Rose*, New York Mayor Michael Bloomberg appeared among a half dozen metropolitan mayors and eloquently defended the need for greater investment in education, enhanced immigration and more spending on infrastructure (now, while costs are low). At the end of the show, though, Bloomberg said we must stop wasteful spending. His example: "We" spend 40 percent of our budgets on older people and only 10 percent on children.

It was hard to tell, though, which government entity he was referring to, much less which programs. California, for example, spends over 40 percent of its budget on K-12 and higher education. If Bloomberg includes both federal and state spending, certainly Medicaid and Medicare costs have escalated beyond general inflation. But don't blame seniors for that, Mr. Mayor. Even conservative economists concede that U.S. health care inflation is the source for unsettling increases in those programs — as well as in private insurance costs. Cutting Medicare and Medicaid won't stop that cost growth.

The fallacious accusation of generational inequality in government funding is far from new. The federal budget includes large programs for seniors (Social Security, Medicare), and the biggest ticket for children is at the state level — education.

Bloomberg's far from the worst, but his facile default to budgetary generational conflict is echoed in articles nationally in the actions of mayors, governors and legislators, whose idea of leadership is to visit the fiscal pain on the suffering and do so ineptly enough to kick the burden of false economies — quick fixes certain to fall apart and cost far more — down the lane, well beyond their next election.

Call the idea of controlling U.S. health care costs a losing cause, if you like, but it's disingenuous for politicians to blame old people and the protections they need in health and income security, so easily reviled as undeserved "entitlements."

"Old and Alone, Together"

That brings me to John Leland's fine piece in Sunday's New York Times, "[Old and Alone, Together](#)." The article focuses one of New York's 256 senior centers, where, run-down as the facility is, the place and its low-cost congregate meals offer friendship and a mental health lift to those who visit the site. He reports that the city feeds 28,000 people daily.

Astutely, though, Leland notes that the food program emerged in the 1960s, "when stories of old people living on pet food shocked the city and nation." Leland adds, "Nearly one-quarter of New Yorkers over age 65 live in poverty, according to the city's Center for Economic Opportunity, which uses a formula that factors in the local cost of living."

The center is applying one of several new alternative measures to replace the long-outdated Federal Poverty Line, you know, the one that still does not include such factors as out-of-pocket health care spending or regional variations in the cost of housing. Elder poverty, by the new measure, includes one in four people. That compares to the federal measure showing the level is now less than one in 10. Which to believe? Consider that our federal government now says the poverty line for an individual is \$10,830. Try living on that.

Leland continues, briefly noting that the city closed 29 senior centers last year and the new governor, Democrat Andrew M. Cuomo, "proposed redirecting \$25 million from the centers to child welfare; that, said the city's Department for the Aging, would mean closing about a third of its center."

Leland notes that last week, the centers got a reprieve when the New York Legislature voted to restore the funds. State legislatures saving Democratic governors from their hide-preserving instincts might seem like a novel notion these days, but one need only look West for at least one other current example.

California's Contradiction

Among the stunningly harmful and myopic budget cuts proposed by California's once and present Democratic governor, Jerry Brown, was his initially zeroing out the state's 310 adult day health centers (ADHC) and slashing funds for a range of home and community care options to costly nursing homes for frail seniors and people with severe disabilities.

A subtext of these cuts was the governor's refraining from new cuts to K-12 education (for now). Education, of course, is disastrous, with California now sunk to 47th or 48th among the 50 states in per capita spending. But how many kids would think it's a good idea to shove Grandma's walker aside so they can get to their worn and torn school books, especially if Grandma is among the elders helping to raise their grandchildren?

As to the budget savings, last May a Lewin Group study contradicted a state legislative analysis showing that California would save \$176 million. That was in response to former Gov. Arnold Schwarzenegger, who also proposed killing off the centers for a similar "savings." The number crunchers at Lewin calculated that rather than reduce spending, the elimination of the centers would actually cost the state an additional \$51 million. Many of those dropped from the program would end up in nursing homes, emergency rooms and doctors' offices. Meanwhile, another 7,000 people would be out of work. (For more on this, see my [New America Media](#) article, "[California Budget Cuts at Odds With State's New Alzheimer's Plan](#)."

Last Thursday, though, Gov. Brown signed a healthcare budget bill eliminating the program. California's Legislature, however, is expected to pass another bill that would reinstate about half the centers' funding. Part of the deal involves shifting the program's structure from the existing Medicaid funding to a federal waiver program — including far tighter requirements to qualify for adult day care — tighter for people who already had to be deemed by the state as being at risk of institutionalization.

Meanwhile, earlier in March, California's health and human services department and the Alzheimer's Association released its new 10-year plan for meeting the escalation of the disease. Dementias, says the report, will double in the state by 2030 — and triple among Asian and Latinos.

One main conclusion: "Unless the State takes steps to provide better support in the home and community for those who are affected by this condition, volume [of Alzheimer's cases] alone will cripple public resources." Did I mention that development of the plan was authorized by the State Legislature and involved two-years of study. The report repeatedly calls on the state to quit cutting these services and begin investing more in them.

Even Brown's brilliant 35-year-old budget director, Ana Matosantos, has at times "seriously discussed the possibility of leaving her position rather than making another round of deep service cuts to the disabled," according to another [article in Sunday's NYT](#). She has remained on the job, realizing that if not her, someone else would have to do it, the Times reported.

While some state legislators have come to the rescue, others — well — take Florida, please! In Sunday's St. Petersburg Times (March 27), veteran reporter Stephen Nohlgren explains that the state aims to "save" Medicaid money on long-term care by moving vulnerable patients into managed care programs, both for-profit and nonprofit.

Nohlgren's piece, "[Florida Has Managed This Slice of Medicaid Well](#)," shows that while other states, such as New Mexico, have turned to managed care only to see cost escalate sharply, others — notably Oregon, Wisconsin and Florida — have kept costs low and minimized nursing home placements. They've done this by using well managed nonprofit, fee-for-service programs that deliver assisted living and home-based care to elders and those with disabilities.

Policy analysts he interviewed told Nohlgren that to save money, the state "should beef up the two fee-for-service programs, the same ones the Legislature now proposes to eliminate." Those services have long been run by the state's area agencies on aging.

Meanwhile, I can only wonder what, if anything, can reverse the current "first, do harm" political climate in the name of balancing budgets.

Yes, yes, I know all about the "painful" choices Govs. Brown, Cuomo and others say "we" all must "share in." But where's the political leadership that says, "First, do no harm?"

Across the political board, federal, state and local — including a few politicians, such as Rand Paul, MD, who presumably took the Hippocratic Oath once — bold decision-making has defaulted to "pain" for those already quite injured. One hopes that the likes of Brown, Cuomo and, yes, President Obama, have a moral leadership card up their sleeves.

For now, though the political pulpit is waiting for someone to rise and be bully.