

States must cut health care programs



By Rob Sumner for USA TODAY
Robert Ruvkun, a physician assistant at Rainier Park Medical Clinic, has helped Lisa Huff get her diabetes under control

By Julie Appleby Kaiser Health News

Lisa Huff says the state-funded Disability Lifeline program in Washington state has lived up to its name, helping her get counseling for depression, treatment for diabetes and support for her ultimate goal: getting a job.

Now the program for low-income, temporarily disabled residents is one of many on the chopping block in Washington, where lawmakers face stark choices in closing a projected shortfall of \$4.6 billion in their next two-year budget, 2011-13.

At risk are some of the very programs seen as national models: a state-subsidized Basic Health insurance plan for low-income residents who don't qualify for federal help — the first of its kind when it began 20 years ago — and services that help seniors and the disabled stay out of nursing homes, as well as insurance for 27,000 undocumented children.

Washington's quandary is shared by many states: Demand for health-related services is growing, voters don't want to raise taxes, payments to doctors, hospitals and clinics have already been reduced, and states risk losing federal funds if they cut eligibility for the joint federal-state Medicaid health program for the poor and disabled.

Most states — including Washington — have cut services and budgets during the recession. Even though the economy is picking up, state revenue is weak — and billions in temporary federal stimulus funding that helped many governors avoid deeper cuts dry up June 30.

The next fiscal year is shaping up to be the worst since the [Great Depression](#), says Michael Leachman of the liberal [Center for Budget and Policy Priorities](#) in Washington, D.C. It reports that 44 states and the District of Columbia project shortfalls totaling \$125 billion for fiscal 2012, which begins in July for most.

Governors have asked for more flexibility on Medicaid, but the Obama administration has rebuffed requests for authority to sharply squeeze eligibility. Fueled by unemployment, Medicaid enrollment is at an all-time high. Medicaid accounts for nearly 22% of state spending when federal matching dollars are included, according to the National Association of State Budget Officers.

While Arizona's decision to stop paying for organ transplants for its Medicaid patients has garnered national headlines, other states are making tough budget choices. As of this month, dying Medicaid patients in South Carolina, for example, will no longer be enrolled in hospices. Washington state in January stopped covering adult dental programs and slashed payments to community health centers.

"No one wants to do these things," says Joe Antos of the conservative [American Enterprise Institute](#). "But states are really in fiscal trouble," partly because of health program costs, but also because they have not trimmed back their state pensions and benefits.

Lawmakers in many states are working on their upcoming fiscal year budgets and some vow to try to save some programs in jeopardy, but they have few choices.

Projected cuts include:

- In California, Gov. [Jerry Brown](#), a [Democrat](#), proposes to cut \$1.7 billion from the state's Medicaid program, partly by limiting doctor office visits to 10 a year and prescription drugs to six a month. He would end payment for adult day care programs that help keep people out of nursing homes. Similar efforts in the past have failed to clear the Legislature, but the state's budget problems are dire.

- Pennsylvania has notified 42,000 low-income adults that it will drop their state-subsidized health insurance Feb. 28.

- More than 5,300 people are on waiting lists for help in getting expensive, life-saving HIV/AIDS drugs from a federal-state program. This is a 50% increase since October, data from the National Alliance of State and Territorial AIDS Directors show.

- Meal programs for seniors and the homebound will be reduced or eliminated in 18 states, an AARP study found.

In Washington state, health care and social services represent nearly one-third of the state's general fund expenses; education accounts for about half.

"So it really does fall on social services and health care," says Gov. [Chris Gregoire](#), a Democrat. "Those are difficult choices. Do I cut health care to children or single adults?"

For Huff, the end of Disability Lifeline could make her diabetes medicine unaffordable. Untreated, the disease can lead to a host of expensive and life-threatening complications. "It's a slow process, but it can kill you," Huff, 49, says.

The state's budget gap is large even though Washington has trimmed workers and reduced services, decreasing spending by more than \$5 billion in the past three years.

Advocates for the poor, seniors and disabled are anxious about the impact of deep cuts. Home-based care services for low-income people will be reduced, affecting up to 45,000 people. And, unless lawmakers come up with a way to pay for it, Basic Health will end this spring, affecting nearly 60,000 residents who earn less than \$21,660 a year.

"It's a crisis," says Rebecca Kavoussi of the Community Health Network of Washington. A recent survey of community clinics there found that 40% expect they will have to close at least one location if proposed budget cuts go through, as well as make staff cutbacks and other changes. "Our clinics are already getting calls from patients wondering if they can still come in."

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