

## Poor economy means poorest Americans face health care cuts

Hammered by economic recession and rising unemployment on one hand and by soaring drug and hospital costs on the other, state legislatures across the US are cutting benefits for those least able to afford health care — members of poor families that depend on Medicaid.

Unlike Medicare, the health program covering Americans 65 and older and disabled people, Medicaid is a means-tested entitlement program financed by federal and state governments. It provides basic health coverage for 44 million low-income Americans, including 20% of the nation's children.

Medicaid is already the biggest and fastest growing item in most state budgets, where it accounts for about one-fifth of total spending; 37 states exceeded their Medicaid budgets last year, and there are projections that spending will continue to grow at an average annual rate of more than 8% until 2010. The increased demand has arrived just as the tax revenues needed to fund it started plummeting because of the Sept. 11 events and a faltering economy; the recession has also forced many newly unemployed Americans to seek Medicaid. (Families USA, a consumer health advocacy group, estimates that more than 900 000 Americans lost their jobs — and the accompanying health coverage — between March and November 2001.)

The choices facing state governors are bleak: cut benefits, reduce payments to doctors, charge copayments, apply tougher eligibility criteria and even disqualify certain groups from coverage. "States cannot provide services for new people coming on to the Medicaid rolls in their current financial situation — it's as simple as that," says Kentucky Governor Paul Patton, vice-chair of the National Governors Association. Nationwide, the US currently faces a Medicaid shortfall of \$15 billion; if unemployment rises to 6.5%, that could double.

Medicaid bears some similarities to Canada's system: it is funded by the states and Washington and administered by the states, and is designed to cover basic services according to certain federal criteria. But state governors have much more flexibility in altering benefits and eligibility rules than Cana-

dian politicians bound by the Canada Health Act. And that flexibility is their safety valve: several governors have proposed cutting Medicaid payments to doctors and hospitals by 5% to 13%.

When South Carolina was faced with a budget shortfall of \$500 million, officials cut 4% across the board from all state agencies. The *American Medical News* says this cost physicians serving Medicaid patients at least \$8 million over 8 months. Although physicians are not obliged to see these patients, most

GPs do. However, they limit the number because of low fees, such as US\$24 for a visit by an established patient whose complaint requires examination and a straightforward medical decision.

Managed care organizations, which cover 56% of all Medicaid beneficiaries, are already voting with their feet. The number of commercial managed care plans exiting the Medicaid market has increased steadily during the 1990s, while the number entering has done just the opposite. — *Milan Korcok, Florida*

### ON THE NET

## Online schizophrenia resources

Schizophrenia affects nearly 300 000 Canadians, or almost 1% of the population, but Tony Cerenzia, president of the Schizophrenia Society of Canada, says it remains one of the most widely misunderstood and feared illnesses. "The lingering stigma associated with schizophrenia too often results in discrimination and, consequently, reluctance to seek appropriate treatment," he says.

The Internet is providing new ways to help break down some of the barriers facing these patients. One of the primary online sources of information is the Schizophrenia Society of Canada's own site ([www.schizophrenia.ca](http://www.schizophrenia.ca)), which offers resources for both the patient and professional, including access to various reports, studies and tools.

There is an impressive list of vetted resources, along with a collection of contacts for FPs who treat schizophrenic patients. It includes names, telephone numbers and email addresses of people who are available to help manage patients with schizophrenia and related disorders across the country.

Another useful Canadian resource is Internet Mental Health ([www.mentalhealth.com](http://www.mentalhealth.com)), which is run by Vancouver-based psychiatrist Phillip Long. It provides information for patients, caregivers and health care professionals on a wide range of disorders, including schizophrenia.

For those recently diagnosed with the illness, a good place to start is the US National Institute of Mental Health's site ([www.nimh.nih.gov/publicat/schizoph.htm](http://www.nimh.nih.gov/publicat/schizoph.htm)), which has a general introduction to the disease that is suitable for lay people.

Finally, the CMA offers online resources for physicians and other health care providers. The *Journal of Psychiatry & Neuroscience* ([www.cma.ca/jpn](http://www.cma.ca/jpn)), published by the CMA, includes links to recent articles and research abstracts dealing with the treatment of schizophrenia. — *Michael O'Reilly, mike@oreilly.net*

