## Kaiser Commission Cautions U.S. Legislators About Changing the Medicaid Program

In January the Kaiser Commission on Medicaid and the Uninsured released a policy brief summarizing how the restructuring of Medicaid financing could impact states, providers, and beneficiaries. The $413 billion federal deficit will likely cause the 109th Congress to target entitlement programs in order to meet the Bush Administration's commitment to cut the deficit in half by 2010. Any proposed changes to the structure of Medicaid should be balanced against the role that Medicaid plays in the nation's increasingly stressed health care system.

Although growth in Medicaid costs is frequently cited as a reason for runaway federal spending, Medicaid spending per capita has consistently grown at about half the rate of private insurance premiums. Compared with private health programs, Medicaid also has far lower administrative costs. Both of these factors show that Medicaid is a fairly efficient program, according to Kaiser brief. In 2004 Medicaid accounted for 8 percent of federal outlays (Medicare for 12 percent and Social Security for 21 percent). Over the next decade the cost of Medicaid is expected to increase from 1.5 to 2 percent of the gross domestic product. Although Medicaid represents a substantial federal commitment, the Kaiser brief notes, it is not a dominant contributor to the overall deficit projections.

What is at stake for states? Although Medicaid is a major source of coverage for people with low incomes, the Kaiser brief notes, it also serves as an engine in state economies, supporting millions of jobs in both the public and private sectors. Medicaid funds represent 44 percent of all federal revenue to states. In addition, if federal funds were reduced, states would have to decide whether to increase their own contributions or make cuts in their Medicaid programs. The policy brief notes that even if fewer federal funds were available, states might still be held accountable for providing services to medically vulnerable populations such as the "dual eligibles": about 42 percent of all Medicaid spending for benefits is for elderly and disabled individuals who are eligible for both Medicare and Medicaid.

What is at stake for providers? Medicaid accounts for one of every six dollars of health care spending and is the major payer for mental health services, HIV-AIDS care, and care for children with special needs, the Kaiser brief points out. Many public hospitals, children's hospitals, rural providers, and community health centers rely heavily on Medicaid revenue. Over the past four years, all 50 states and the District of Columbia have imposed restrictions on provider payments. Limiting federal Medicaid resources would place additional pressures on providers, reducing the number of providers able to serve Medicaid and uninsured patients.

What is at stake for beneficiaries? Medicaid is the major source of insurance coverage for many groups, including the poor and near poor, children, elderly persons, and persons with disabilities. If federal Medicaid funds were reduced, all these groups would be at a high risk of either losing coverage or access to essential benefits. Also, Medicaid accounts for about one-half of all public mental health funds. In addition, each state provides Medicaid coverage to some "optional" populations or provides beneficiaries with some "optional" services. People with disabilities such as autism, schizophrenia, and Down's syndrome who would not be able to receive private health coverage are disproportionately represented among the "optional" populations.

The Kaiser brief warns that it is critical to weigh the implications of changes in Medicaid at a time when there is no clear alternative to the program. "While some may argue that funding for Medicaid needs to be constrained," the brief concludes, "others argue that Medicaid is currently under-funded to meet the responsibilities expected of the program."

The four-page brief, *Medicaid: Issues in Restructuring Federal Financing,* is available on the Web site of the Kaiser Commission on Medicaid and the Uninsured at www.kff.org/medicaid.

## 52 WHO Member Countries Adopt Mental Health Declaration and Action Plan for Europe

Unanimously endorsing the statement, "There is no health without mental health," government representatives from the 52 countries in the World Health Organization (WHO) European Region have signed a mental health declaration and action plan for Europe. The historic agreement, which was adopted in mid-January at a conference in Helsinki, will raise the position of mental health on the policy agendas of European countries and focus particular attention on the need to eliminate stigma and to improve community-based services. In many European countries care for persons with serious mental illness continues to be provided in large, resource-poor institutions in which people with mental illness remain for long periods.

The prioritization of mental health issues comes at a time when nine of the ten countries with the highest suicide rates worldwide are in Europe. A total of 163,000 Europeans die from suicide annually—a rate of 18 per 100,000 population, compared with a global rate of 14.5 per

100,000 (873,000 deaths) and a U.S. rate of 11 per 100,000 (30,000 deaths). In Europe suicide rates per 100,000 vary from 1.4 in Azerbaijan to 44 in Lithuania, according to WHO data. Numerous speakers at the Helsinki conference compared the European death toll from suicide to the Indian Ocean tsunami death toll, which reached 160,000 on the day the action plan was signed.

The WHO action plan asks member nations to make a strong commitment over the next five to ten years to five priorities: "to foster awareness of the importance of mental well-being; to collectively tackle stigma, discrimination, and inequality and to empower and support people with mental health problems and their families to be actively engaged in this process; to design and implement comprehensive, integrated, and efficient mental health systems that cover promotion, prevention, treatment and rehabilitation, care, and recovery; to address the need for a competent workforce, effective in all these areas; and to recognize the experience and knowledge of service users and carers as an important basis for planning and developing services."

The plan directs countries to address 12 areas of concern and describes more than 100 specific actions to consider in these areas. For example, to "Demonstrate the centrality of mental health," countries are asked to make mental health an inseparable part of public health by incorporating a mental health perspective into new and existing policies and by assessing the potential impact of any new policy on the mental well-being of the population. Another area of concern is to "Tackle stigma and discrimination." The antistigma action steps call for enhancing the integration of persons with mental illness and their families by focusing on their empowerment. Countries are also asked to ensure that disability rights legislation provides equal coverage for persons with mental illness. Stimulating the development of organizations run by service users is another action step to reduce stigma.

Declaring that "There is no place in the twenty-first century for inhumane and degrading treatment and care in large institutions," the action plan calls for the development of a network of community-based services, including hospital beds. For people with severe illnesses, specialist community-based services are envisioned that are accessible 24 hours a day, seven days a week, and that provide care via multidisciplinary teams. Countries are also asked to focus on crisis care to prevent hospital admission whenever possible so that "only people with very severe needs or those who are a risk to themselves or others" are hospitalized.

Also included in the 12 areas of concern are promoting mental well-being for all; promoting mental health services and activities that are sensitive to children, adolescents, and elderly people; improving treatment of mental health problems in primary care settings; establishing partnerships across sectors to improve service coordination; creating a sufficient and competent workforce; establishing good mental health information through improved surveillance and reporting; providing fair and adequate funding; and generating new evidence by evaluating the effectiveness of current treatments and programs.

The 12-page "Mental Health Action Plan for Europe: Facing the Challenges, Building Solutions" is available on the WHO Web site at www.euro.who.int.

## NEWS BRIEFS

**SAMHSA suicide hotline (1-800-273-TALK):** The Substance Abuse and Mental Health Services Administration (SAMHSA) has created the National Suicide Prevention Lifeline (NSPL). Callers to the hotline will receive suicide prevention counseling from trained staff at the closest certified crisis center in the network. More than 100 crisis centers in 42 states are participating in the NSPL, which is funded by a three-year $6.6 million grant from SAMHSA's Center for Mental Health Services. The grant was awarded to the Mental Health Association of New York City and its partners—the National Association of State Mental Health Program Directors, Columbia University, and Rutgers University.

**Pediatric Medical Traumatic Stress Toolkit for health care providers:** The National Child Traumatic Stress Network (NCTSN) has created a toolkit to raise awareness among health care providers about traumatic stress associated with pediatric medical events and medical treatment. The toolkit is designed to promote "trauma-informed practice" of pediatric health care in hospital settings across the continuum of care and in a variety of settings within the hospital. The compendium of materials is designed for hospital-based health care providers (physicians, nurses, and other health care professionals) and may also be of use to mental health professionals who work in health care settings. The materials provide an introduction to traumatic stress as it relates to children facing illness, injury, and other medical events; practical tips and tools for health care providers; and handouts for parents that present evidence-based tips for helping their child cope. The materials are available on NCTSN's Web site at www.nctsnet.org.