

## SECTIONS GALLERY MENU

# Mental-Health Cuts by U.S. States Risk Boosting Health Costs

By Melissa Silverberg and Bob Kazel  
February 23, 2012 9:17 AM EST



(Updates with Alabama cuts in second paragraph.)

Feb. 22 (Bloomberg) -- U.S. states looking to balance budgets by cutting mental-health facilities and Medicaid payments risk increasing health-care costs by pushing psychiatric patients into emergency rooms.

States trimmed 9.5 percent, or more than \$1.6 billion, from their mental-health spending from fiscal 2009 to 2012, according to the National Alliance on Mental Illness. The coming budget year will be worse in some states, with Illinois looking to shutter two psychiatric hospitals and Alabama planning to close all of its except for one serving the elderly and another treating criminal cases.

If patients can't find free or low-cost outpatient psychiatric care due to government cutbacks, they may swamp emergency rooms and raise health-care costs for all patients, said Dr. William Sullivan, an ER physician at University of Illinois Medical Center in Chicago.

"Saying that they're going to save money doing this is kind of short-sighted," Sullivan said. Patients "just don't disappear. Their problems don't get better. They go somewhere for care." Chicago's Public Health Department will shutter half its 12 psychiatric clinics by the end of April, and the state will close as many as two hospitals in the coming budget year. The measures are in addition to state trims in Medicaid that Governor Pat Quinn, a Democrat, is expected to announce today in his fiscal 2013 budget address.

### 'Catastrophic' Danger

The Alabama Mental Health Department last week announced plans to close four psychiatric hospitals by May 2013. The nearly 1,000 patients still in state-run hospitals will be moved to private-care providers or group homes, said James Tucker, associate director for the Alabama Disabilities Advocacy Program.

While the shift merely accelerates a longer-term trend of moving the mentally ill out of state facilities, Tucker said it could cause "catastrophic" results for those patients and raise health-care costs.

"Alabama could see a significant increase in the number of involuntary civil commitments, so there would actually end up being a need for new hospital beds," Tucker said. "It could completely backfire. There's a real threat to patient safety here."

### South Carolina Cuts

South Carolina, Alabama and Alaska lead the states for mental-health spending cuts since 2009, according to a national report issued in November by the Arlington, Virginia-based National Alliance on Mental Illness. South Carolina has reduced its budget by more than 39 percent, Alabama 36 percent and Alaska more than 32 percent.

"We saw cuts on a scale we've never seen before," said Mike Fitzpatrick, NAMI's executive director. "It was devastating."

Illinois' mental-health spending declined 12 percent to \$520 million in fiscal 2012 from \$591 million in 2009, according to NAMI Illinois, a patient advocacy group that's part of the national alliance.

Illinois' trims were among the deepest cutbacks in the U.S. and reflected worsening care for low-income, jobless and uninsured psychiatric patients across the U.S., said Dr. Michael Wahl, president of the Illinois College of Emergency Physicians.

"This is a huge issue that affects access to care to all," said Wahl, whose group represents more than 1,200 doctors. "It's like the pebble in the pond. The ripples go out and affect all."

### **ER Overload**

More use of ERs by people with mental illness, Wahl said, could mean additional overcrowding and make it harder for doctors to promptly see those who can pay, those with private insurance, and patients with nonpsychiatric illnesses and injuries. It also puts further strain on hospitals already struggling with balance-sheet pressure due to state reimbursement cuts to providers. In July, Illinois plans to close its Tinley Park Mental Health Center in south suburban Chicago. The facility serves only 50 patients yet costs the state more than \$20 million a year to operate. Yesterday, Quinn administration officials said they would also seek to close Singer Mental Health Center in Rockford in the fourth quarter of fiscal 2013. Illinois now runs nine mental hospitals. "The state is in terrible financial shape," said MaryLynn McGuire Clarke, senior director at the Illinois Hospital Association. "Tough times mean tough decisions. But you still hope the most vulnerable among us will get the care they need, because the illness doesn't go away."

### **Looking Elsewhere**

The six Chicago centers slated for closing serve about 5,300 people, most with no health insurance or receiving Medicaid, the joint state-federal health-care program for the poor. Many patients who can't get care at the remaining clinics will be asked to seek treatment at nongovernment community health centers or with private doctors and therapists. More admissions to emergency rooms could further test the financial health of hospitals, which consider that care a public service and not a money maker, said Wahl, an ER doctor at Evanston Hospital in north suburban Chicago. When psychiatric patients use the ER, costs may include security guards, social workers and sometimes "sitters" to accompany them on a medical floor if a psychiatric bed is unavailable. "You can't bill for a sitter's time or security time," Wahl said. "It's expected of the hospital. It's a significant expense. It adds up."

### **'Falling Through Cracks'**

A patient who gets treatment at one of the Chicago-run clinics set to close, Jacob Aronov, 56, said he has been going there about 10 years. The closest remaining one is an hour away by elevated train and bus; his current clinic is a short walk from his North Side apartment. He has glaucoma, and the longer trip will be more difficult. Aronov said he worried about interrupting his established therapeutic relationships and finding providers within a reasonable distance who accept Medicaid. "It will make it harder to make an appointment," he said. "Some of the patients won't get help, and will wind up falling through the cracks." Most users of the clinics that are closing can still find care, said Dr. Bechara Choucair, commissioner of the city's Public Health Department. He acknowledged that some would have to travel farther, but said his office would pay their public transportation.

### **About 1,100 Affected**

About 1,100 patients cut from the clinics -- mainly those with government insurance -- will be able to go to community mental-health agencies not operated by the city, he said.

Some patients who will have to travel farther will wait until problems are serious enough for an ER, said Dr. Leslie Zun, chairman of emergency medicine at Mt. Sinai Hospital in Chicago, who has studied the issue.

ERs increasingly can't find other hospitals to absorb psychiatric patients. The number of inpatient psychiatric beds in Illinois has dropped 28 percent in the past 10 years, according to the state hospital association. A nationwide study by the Lafayette, Louisiana-based Schumacher Group, an ER management firm, found 70 percent of ER administrators say they're keeping psychiatric patients for at least 24 hours because they can't be admitted or transferred. Ten percent reported boarding them as long as a week. Governor Quinn warned this month that Illinois might have to "step on the toes" of medical providers and offer still-lower reimbursement rates to trim spending, by about \$2.7 billion, his administration has said.

Many doctors and counselors already resist taking Medicaid, in part because of relatively low fee schedules and tardy payments, said Fitzpatrick, the NAMI executive director.

"If you're going to cut the reimbursements one more time, fewer docs are going to be willing to take Medicaid clients," he said.

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