

Alabama's health system is being put at risk. The culprit: a crash-and-burn strategy to reform state government.

Some of the architects of the strategy are people I admire. I understand their thinking. But I'm convinced that they're playing with fire. I submit that there's a qualitative difference between putting your health care system at risk and putting your education system at risk. One is a matter of life and death; the other is not.

Here's what the proponents are saying. The people of Alabama voted down the tax reform plan last year because they did not believe we really faced a budget crisis. The people will not change their vote until they experience budget pain. So the time has come. Budget year 2005 must be the year we feel the pain, so that next year we will be ready to vote for change.

These are not mean people. They are caring people. They resolutely believe that Alabama has to endure some bad policy results to get to the good policy decisions. They are even willing to team up with the "starve-the-beast" budget-cutters who want to shrink Alabama's already-starving government services.

It would be one thing if the pain were felt in the education system. If the schools had to close in April for lack of funds, parents throughout the state would be screaming for relief. We could endure short-term damage in hopes that things would get much better in the long run.

Unfortunately, we face a more dangerous scenario. Revenue for education is up; revenue for the General Fund is down; and the number one budget crisis is in Medicaid, the health program for low-income and disabled people. Notice that it's a crisis created by earmarking. The taxes earmarked for education—sales and income taxes—are growing. The taxes earmarked for the General Fund are still in a slump (and the inheritance tax is shrinking) at the same time that health care costs are rising faster than most other costs of government.

To his credit, Governor Riley has proposed a laundry list of budget measures that try to meet a \$240 million shortfall with only \$31 million in cuts to Medicaid. But it's difficult to find only \$31 million in a program that's already one of the most bare-bones, conservative Medicaid programs in the nation. We're not considering good-government reforms. We're talking about cuts that will harm—the least of these.

Try going down the list of proposed cuts. (See www.arisecitizens.org.) Look for one that won't harm low-income Alabamians. Your eye might catch the \$4.7 million to be cut from administrative costs, but from what I hear, the department is behind on important reforms because they just don't have the staff.

Our friends at the Hospital Association tell us that when Medicaid cuts the number of allowed hospital days from 16 to 12, hospitals won't start kicking sick people out of their beds. They will continue to care for the patients at the hospitals' own expense, further weakening their already-shaky finances.

Here s my greatest concern: that some hospitals will close, and unlike schools, we can t just reopen them when the money returns. The threat is real. The Hospital Association reports that at least 65% of Alabama hospitals have operated in the red for three years, and no relief is in sight. They are living on their reserves.

Our friends at Children s Hospital in Birmingham assure me that their facility won t close. But it may be that a child with leukemia will have to go to Vanderbilt for care if we lose the unit at Children s. We ve already lost our ability to offer one pediatric specialty; how many more will we lose this year?

After Medicaid announced its first cuts in February, a pediatric practice in Florence had to let a pediatrician go. He s leaving the state, never to return. A clinic in Tuscaloosa is considering closing its night clinic. Remember, these aren t good-government reforms, and they aren t cuts that affect only poor people. The health care system that you and I depend on is gradually crumbling.

What should be done? First, I urge my friends to drop their crash-and-burn strategy for now. It s not worth the cost; we won t be able to reverse the damage. Second, we all need to urge Governor Riley and our legislators to support a revenue package that will address the \$240 million Medicaid shortfall without cuts. The new revenue won t be the good kind, because we don t have time for a vote of the people on income or property taxes. We will have to swallow hard and accept regressive taxes because they are the only kind that can be imposed by a vote of the Legislature before Medicaid s July 1 funding deadline. But we can at least do this: If we resort to a tax that s not good policy, let s make it temporary, set to expire when new income and property taxes start.

For some of our leaders, this whole issue may boil down to a political question: Which are you more afraid for voters to see that you supported new taxes to resolve the crisis, or that you allowed our health care system to fall apart?

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