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News and Commentary

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The High Cost of Hiding Social Costs

Ralph Townsend

We have increasingly become a society that wants its social problems hidden and also wants the costs of dealing with those problems hidden. Unfortunately, our political representatives have all too often been able to accommodate these twin goals, at least in the short run. But with both a hidden problem and a hidden solution, the public sees neither the human nor the budgetary dimensions of the problem. The political energy to solve the invisible problems becomes impossible to marshal. Unfortunately, Maine governments at both the state and local levels now face the legacy of this hide-the-problem/hide-the-solution strategy.

For the state government, a national decision to hide the problem of long term nursing home care has created budget-busting growth within Medicaid. For Americans both rich and poor, the most rational planning for long term care is to sequester one's assets in a way that makes a declaration of poverty possible (and hence provides Medicaid eligibility) when long term care is needed. But long term care is a readily insurable risk. Someone who purchased long term care insurance at age 50 would pay only a few hundred dollars per year for the rest of his or her life. Alternately, a national long term care program, funded in some combination by elders and by those still working, would not be difficult to design. But the public does not see the human degradation of a family hiding the assets of an elder in order to qualify for Medicaid, and the public assumes the explosive growth of Medicaid is for pediatric and maternity care for young families.

For local school boards, the state and federal decisions to hide the problem of care for children with severe physical and emotional difficulties means budget-busting growth in local special education budgets. The original mandates for integrated special education responded to very legitimate criticisms that school districts shunned the task of educating children with even mild physical disabilities. But because the definition of special needs included emotional disabilities, schools now find that the real challenge of special education is to manage students with severe emotional problems (perhaps including violent behavior) and whose problems are often complicated by living in dysfunctional homes. If found educationally necessary, the school board can be responsible for 24-hour-per-day institutional care at a cost in excess of \$100,000 per year per child. These high-cost cases are not really educational problems; they are tragic social problems. Solving these problems requires not expensive education programs but rather expensive social interventions. Moreover, the willingness of a school district to deal compassionately with the non-educational (but often overwhelming) burdens faced by a family with a severely disabled child depends largely upon the financial condition of the district. Shifting these social problems onto the schools neither solves the real problems nor necessarily creates a compassionate service delivery system.

But it is convenient for a state government to assign this problem to local school boards, both because of the state's own budget problems and also because the public is generally unsympathetic towards mental health services. For a small town that tuitions thirty to forty students to a nearby school district, a family that moves into town with one institutionalized child can double the education budget. Essentially this scenario caused one town (Greenfield) to disband recently. Again, the public does not see the problem, and the public attributes the growth in local school budgets to excessive salaries for teachers and administrators.

Even though these two programs serve very different constituencies through very different programs, there are great similarities in the how we got to the present, intractable position. The overwhelming burden of constant care for an incapacitated elder or for a severely disabled child evokes the human compassion to find a social program to help these families. But coldly economic calculations tell us that a specific program for long term care or for care of severely disabled children will meet a landslide of demands to serve elders and children with much less severe problems that might appropriately be handled by the family. The politically expedient strategy was to create "safety valve" programs hidden in Medicaid (for elders) and in school budgets (for children). Advocacy groups were not opposed to this solution, because hidden costs are a great advantage when arguing for program expansion. But both programs experienced cancerous rates of exponential growth that now threaten the health of their host institutions. Politically tractable extrications from the current structures are very difficult, in part because both involve program dictates (by the federal government to states for Medicaid and by the federal and state governments to school boards for special education). But perhaps if we bring both the problem and its budgetary implications into the open, we can openly discuss how a society can manage these problems with compassion and with sensibility.

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