

Privatization Will Worsen State Mental Health Care

By Dr. Branko Radulovacki

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A for-profit company based in Florida is fast-tracking its way toward ownership of Georgia's mental health crisis as state officials tout privatization as a solution to treating the mentally ill.

As a hospital-based psychiatrist who regularly treats very difficult -- sometimes life-threatening -- mental and addictive diseases, I applaud the urgency Department of Human Resources Commissioner B.J. Walker has brought to the state's mental health care crisis. But is privatization going to solve the problem? Or will it actually deepen this crisis?

The impulse is to trust a free market solution -- and, in a recent opinion column, Walker made clear that she does ("Privatizing state mental hospitals," @issue, Dec. 19). She described her faith in the private sector's ability "to deliver innovative health care." And she asked, "Doesn't someone with mental illness deserve the same level of care as a cancer patient?"

Of course they do.

But the critical flaw in Walker's logic is that she equates the private sector with for-profit companies. That is a dangerous mistake.

Before going into medicine, I earned an MBA and worked to maximize profits for several different companies. I believe in the free market system. But for-profit companies aren't the answer to our state's mental health crisis.

Here's why: A for-profit company puts profitability, rather than high quality patient care, atop its list of priorities. This undermines the goal of providing innovative health care to the mentally ill.

In a free market system, for-profit companies succeed or fail based on their ability to provide what customers want. If enough customers refuse to do business with a company -- because of poor quality products, or inferior customer service -- market pressures force that company to respond.

But as "customers," our state's mentally ill do not have free market power. They are in desperate need of immediate care. They cannot choose to take their business elsewhere, or wait until the quality of service improves. They have no insurance, no money, and -- without an ombudsman to help them -- no voice and no options.

They must rely on the state to provide the care they need. Struggling with mental illness, a crippling addiction, or both, they must take *whatever* is offered.

In a steadily worsening economy, a for-profit company providing services to our state's mentally ill will see the need for its services grow, while the tax base (that provides its revenue) shrinks. How will that impact these vulnerable patients?

First, the company will ask the state for more money -- to provide the promised services while protecting its profits. When that fails, the company will claim it is forced to begin cutting costs. It will provide fewer critically needed services. Then, wages and staff will be cut. Meanwhile, the risk to patients will steadily increase.

All this to protect profit margins.

There is a better solution. It lies in another part of the private sector: not-for-profit hospitals. The best acute care hospitals in Georgia – be they medical-surgical or psychiatric -- are not-for-profit. Without shareholders and profit pressures, hospitals like Northside, Piedmont, St. Joseph's, Emory, Children's, and Ridgeview Institute are free to reinvest revenues in ever-improving quality of care.

That means low staff-to-patient ratios that insure direct attention, better treatment and more successful outcomes. It also means investing in top-quality medical leadership teams, along with innovative and effective programs that result in referrals from around the country.

Unlike out-of-state, profit-focused hospitals, these local not-for-profit hospitals insure accountability. Their governing boards are comprised of Georgia residents. These people have a personal stake in caring for fellow Georgians. And, each of them cares deeply about the quality of care their neighbors-in-need receive.

Georgians helping Georgians. Not for profit, but because the need is great, and so is the desire to help. That's a trustworthy solution we can all support.

I believe that mental health privatization, based on free market principles, can work. However, rigid adherence to the belief that free-market equals for-profit is counterproductive. It divorces an economic concept from its true impact on the mentally ill. And then, it puts the allegiance to the concept ahead of compassion.

That is not the wisest investment we can make in response to our state's mental health crisis. Wouldn't it be better to remove unnecessary profit pressures and focus on top-quality care? That's the kind of care Walker has promised to deliver to the mentally ill.

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