

# Arizona cuts Medicaid funding for organ transplants

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The state of Arizona's Medicaid program has stopped financing certain organ transplants. The move potentially affects an estimated 100 Medicaid patients who have been anxiously awaiting a transplant, but will now be denied the life-saving surgery if they cannot come up with the hundreds of thousands of dollars to pay for it if an organ donor becomes available.

Effective October 1, Arizona's version of Medicaid—ominously named the Arizona Health Care Cost Containment System (AHCCCS)—stopped covering seven types of transplants, including heart transplants for non-ischemic cardiomyopathy, lung transplants, pancreatic transplants, some bone marrow transplants, and liver transplants for patients with hepatitis C.

The Republican-controlled state legislature voted for the cuts in response to a \$2.6 billion shortfall in the state's \$8.9 billion budget for fiscal year 2010. Federal law does not require states to finance organ transplants under Medicaid, the program for low-income people that is financed jointly by the state and federal governments.

The legislature and Republican Governor Jan Brewer, who signed the cuts into law, say the organ transplants now being denied to Medicaid patients have lower success rates than other transplants, a view disputed by many health experts.

Even if these lower success rates can be documented, the fact remains that transplants do save lives, and these lives are now to be sacrificed as a result of the cutbacks. Dr. Robert S. Gaston, president-elect of the American Society of Transplantation, told the *New*

*York Times*, "It seems inappropriate that life-saving care has the potential to be withheld based solely on budgetary issues and the bureaucratic determination of relative benefits."

The cuts have already taken a tragic human toll, with numerous individuals—many of them having waited years for a transplant donor—being booted off the list because they cannot pay. Francisco Felix, 32, and father of four from Laveen, Arizona, was waiting for a liver transplant. He learned several weeks ago that a family friend who was dying wanted to donate her liver to him. Due to the new restrictions, he no longer qualified for the transplant under Medicaid.

According to the *Arizona Republic*, Mr. Felix was prepped for the procedure at Banner Good Samaritan Medical Center in Phoenix, but when his relatives could not come up with the \$200,000 needed to pay for it the liver went to another recipient. Bill Byron, a spokesperson for Banner Health, said the organization has 22 other Medicaid patients in a similar position and was not prepared to underwrite the estimated \$12 million to \$15 million in potential costs related to these transplants.

Commenting on the transplant that had just been denied, Byron said that Francisco Felix "will need a transplant within the next 12 to 24 months" or his condition would be dire. The Felix family was planning a yard sale, and have also contacted the private National Transplant Assistance Fund in an effort to raise the money. Francisco's wife Flor told the *Times*, "I know times are tight and cuts are needed, but you can't cut human lives."

Randy Shepherd of Mesa, Arizona was placed on the waiting list last year for a transplant to replace a failing heart weakened by childhood rheumatic fever. He was devastated when he learned he was no longer qualified to receive a transplant under Medicaid. ABC News quoted the 36-year-old father of three: “They said I would be placed on the inactive list until I could arrange some kind of alternative financing because it is considered elective surgery.”

Shepherd, a plumber, has been disabled for almost two years and his wife works as a dental hygienist. In January he will qualify for a transplant under Medicare disability insurance, but it will cover only 80 percent of the costs, whereas Medicaid would have covered 100 percent. That would leave the family with “between \$100,000 and \$120,000 that we have to raise privately,” Shepherd said.

Mark Price, a father of six fighting leukemia, needed a bone marrow transplant. His doctor, Jeffrey Schriber, found donor matches on October 1, the day the new restrictions went into effect, which meant that AHCCCS would not cover the transplant. An anonymous financial donor said he would pay for the procedure, but Price’s cancer returned and he died in late November before the operation could be done.

While Dr. Schriber did not directly blame the cuts for Price’s death, he told the *Times*, “Did it prey on his mind? Did it make his last days more difficult? No doubt.”

The Arizona restrictions on organ transplants are not the only cutbacks to hit the state’s Medicaid program, which has seen a 30 percent increase in enrollment as a result of the recession. The state has eliminated AHCCCS coverage for podiatrists’ services, preventive dental services, as well as wellness and physical exams for adult Medicaid enrollees. It has also restricted coverage for prosthetics.

Earlier this year, the Arizona legislature voted to eliminate its Children’s Health Insurance Program, but reversed the decision before it went into effect because legislators feared the move might violate federal requirements, which would result in billions of dollars

in lost matching funds.

Russell Pearce, the newly elected president of the Arizona Senate, is in favor of more cuts to Medicaid, even if it means the loss of an estimated \$7 billion in federal grants. “If we’re saving money the fact we lose some federal money means nothing,” Pearce commented recently. “If you can’t afford [department store] Dillard’s, even though they’re having a great sale, you can’t afford Dillard’s.”

With the onset of the recession and ensuing joblessness, Medicaid rolls have surged in virtually every state in the US, while services provided by state programs have come under attack. Due to restrictions connected to the federal stimulus package and initial implementation of the new federal health care law, states are restricted from denying Medicaid eligibility.

Facing record budget deficits, states are moving instead to reduce payments to providers and cut benefits. The Kaiser Family Foundation reported in September that 39 states had cut provider payments and 20 had cut optional benefits in 2010. A similar number of states were planning cutbacks in payments and benefits in 2011 as well.



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