
RESEARCH REPORTS

Reviews of new research at public agencies and private institutions

"Medicaid Financing Crisis: Balancing Responsibilities, Priorities, and Dollars."

Kaiser Commission on the Future of Medicaid, AAAS Books, P.O. Box 753, Waldorf, Md. 20604. 224 pp. \$22.95

Editors: *Diane Rowland, Judith Feder, and Alina Salganicoff*

The cost of the nation's Medicaid program, which finances health-care for low-income Americans, has soared in recent years, rising from \$51.6 billion in 1988 to \$88.6 billion in 1991. Before the late 1980s, the program's cost had risen about 10 percent annually, but in 1989, it jumped 13 percent; in 1990, 19 percent; in 1991, a whopping 26 percent.

The explosion in costs is usually attributed to federal mandates to expand Medicaid coverage for pregnant women and children. However, an analysis by the Kaiser Foundation's Commission on the Future of Medicaid indicates otherwise.

Between 1988 and '91, Medicaid enrollment increased from

22.2 million to 27 million. But only half of the new beneficiaries were pregnant women or children, and the costs of covering them accounted for only about 11 percent of the total increase. The other new enrollees, such as families on welfare and the aged and disabled poor, accounted for nearly one-fourth of the total increase in Medicaid spending. The recession may have pushed an abnormally large number of these people into the program.

Two other major factors were behind the upsurge of Medicaid costs between 1988 and '91. Medical price inflation—higher prices for prescription drugs, hospital and nursing-home stays, and other items—accounted for nearly one-third of the growth.

The other factor, responsible for 28 percent of the total Medicaid spending growth, was increased average expenditures per beneficiary. This, the Kaiser analysts say, reflected a rise in home health care for the elderly and chronically ill; improved services for children; higher payments to health-care providers due to litigation; and deliberate efforts by New York and other states to shift eligible persons out of state-only funded programs and into Medicaid, with its federal matching dollars.

Medicaid is a program for the poor, but its ballooning costs, the commission concludes, have less to do with poverty than with the larger problems of the nation's health-care system.

"Cuba After the Cold War."

Univ. of Pittsburgh Press, Pittsburgh, Pa. 15260. 383 pp. \$49.95; paper, \$19.95

Editor: *Carmelo Mesa-Lago*

Fidel Castro's Cuba, almost the only country left in the world that has both a communist regime and a command economy, is on the skids. The economic deterioration began even before the Soviet Union and its empire collapsed, notes Mesa-Lago, a professor of economics and Latin American studies at the University of Pittsburgh. In 1986, after a decade in which some modest market-oriented reforms had been tried and the island nation's Soviet-subsidized economy had grown vigorously, Castro reversed

course and, in the face of Soviet *perestroika*, launched the so-called Rectification Process, bringing the economy back under his direction. Whereas Cuba's "global social product" (GSP, based on a Soviet measuring system) had grown by nearly 42 percent between 1981 and '85, it shrank by six percent between 1986 and '90. Since then, the decline has greatly accelerated. A sympathetic American scholar estimated that national income fell by 35–40 percent between 1989 and '91 and by a further 7–12 percent in 1992.

Cuba under Castro was extremely dependent on the Soviet Union, much more so than Moscow's other socialist allies. The Soviets provided all of Cuba's oil in 1987, 91 percent of its fertilizer, 94 percent of its grain, and 70 percent of its trucks and light vehicles. The Soviets also imported more than 3.7 million tons of Cuban sugar. Between 1981 and '85, Cuba received nearly \$15.8 billion in Soviet subsidies for the sugar, oil, and nickel trade, and \$6.3 billion in loans. Between 1986 and '90, it got \$10.1 billion in

subsidies and \$11.6 billion in loans. During the attempted coup in the Soviet Union in 1991, Castro remained neutral. After the coup's failure, all economic aid from the former Soviet Union ceased, and trade was dramatically cut. Cuba's trade with Eastern European countries, meanwhile, has slowed to a trickle.

The result, Mesa-Lago says, is Cuba's worst crisis since Castro came to power in 1959. "Rationing has been extended to virtually all consumer goods, and current quotas are the most stringent since the revolution,

barely at a subsistence level. . . . Food scarcity has provoked an increase in crime."

In response to the crisis, Castro has increased repression. The steps taken, Mesa-Lago writes, have included "purges in the army and internal security forces, organization of rapid action brigades to physically attack the regime's opponents, [less toleration] for human-rights activists, imprisonment of dissidents, announcement of reinstatement of popular tribunals, [and] warnings and threats to church leaders and opponents." In July 1992, the 1976 constitution was

(illegally) amended to give Castro the power to declare a state of emergency and suspend the constitution.

The 66-year-old Castro remains the undisputed Maximum Leader. Since 1990, he has ended all of his speeches with the slogan, "Socialism or death." He has opposed market-oriented reforms—though some change has occurred lately—and vehemently rejected any move toward a multiparty political system. In Mesa-Lago's view, Cuba's plight is only going to get worse—and a military coup seems the most likely outcome.

"Scientific Opinion vs. Media Coverage of Environmental Cancer."

Center for the Study of Social and Political Change, Smith College, Northampton, Mass. 01063; Center for Media and Public Affairs, 2101 L St. N.W., Ste. 405, Washington, D.C. 20037. 27 pp. Free
Authors: S. Robert Lichter and Stanley Rothman

Nuclear power plants, alar, and exposure to sunlight. Which are important causes of cancer? All of the above, report the nation's news media; only one, say most scientists.

The Roper Center for Public Opinion Research interviewed 401 scientists, all members of the American Association for Cancer Research, and asked them to rate various cancer risks and the mass media's news coverage of those risks. The results, say Lichter, of the Center for Media and Public Affairs, and Rothman, of the Center for the Study of Social and Political Change, show that media coverage of cancer risks is often skewed.

Ninety-six percent of the scientists considered tobacco

smoke a major environmental cause of cancer; majorities also put diet and sunlight in that category. Large numbers viewed smoking tobacco (95 percent of those polled), chewing tobacco (66), and asbestos (56) as major hazards. But majorities of the scientists regarded other oft-publicized environmental perils as of only "minor" concern: medical drugs (54 percent of those polled); food additives and preservatives (57); chemicals in the home (62); and medical or dental radiation (67). And large majorities of the scientists rated saccharin (75 percent) and other sweeteners (83), alar (64), and nuclear power (73) as also of only minor concern in terms of their cancer-causing risks. Fifty-two percent viewed DDT as a minor peril.

Most of the specialists thought the media fairly depicted the cancer-causing risks posed by sunlight (60 percent), tobacco (59), and radon (50). But they said the media overstated the risks from nuclear power plants (61 percent), pollution (54), and food additives (53).

Only six percent of the scientists thought TV network news was a "very reliable" source of information about cancer causes. More surprisingly, perhaps, only 22 percent put the *New York Times* in that category. More than half of the scientists, however, expressed faith in the *Scientific American* and the *Journal of the American Medical Association*, and 72 percent held the *New England Journal of Medicine* in high regard as a source of reliable information.