

Updated: December 2005

## **The Public On Health Care Costs**

### ***Views on Health Care Costs***

When asked to name the most important health problem for the government to address, health care costs historically top the list. In August 2005, such costs were mentioned by nearly four in ten adults (39%).

Many adults report experiencing rising health care costs. Two-thirds (66%) of those with health insurance say their premiums have increased over the past five years, including 38% who say premiums have gone up "a lot". Around half of insured adults say their co-payments for provider visits (51%) and health insurance deductibles (49%) have risen in the same period. The public believes rising health care costs to be caused by numerous factors, with high profits made by drug and insurance companies as the most commonly cited (35% of adults say this is the most important factor).

### ***Problems with Medical Bills***

Medical bills pose a significant challenge for many. Nearly one-quarter (23%) of adults report problems paying medical bills within the past year, and more than six in ten of these (61%) have health insurance. One in five adults (21%) reports currently having an overdue medical bill, and almost as many (19%) report experiencing serious financial consequences in the past five years due to medical bills. A similar share (18%) say health care costs are their biggest monthly expense excluding rent or mortgage payments.

### ***Health Care Costs Create a Barrier***

Health care costs create significant obstacles to obtaining health care for many people. Nearly three in ten adults (28%) report a time in the past year when they did not have enough money to pay for medical or health care.

A substantial minority of adults report delaying or skipping needed health care because of cost. Nearly three in ten adults (29%) say that they or a family member has avoided filling a prescription, has skipped recommended medical tests or treatment, or has cut pills or skipped doses of medicine because of cost. A majority of these (56%) assert that their condition worsened as a result.

### ***Vulnerable Populations: Those with Chronic Health Conditions***

More than four in ten adults (44%) report having a chronic health condition such as heart disease, cancer, asthma, arthritis, or diabetes, or a handicap that limits their daily lives. This group has a significantly harder time accessing health care specifically because of costs. For example, nearly four in ten of those with chronic conditions (38%) report they or someone in their household has skipped medical treatment, cut pills, or didn't fill a prescription because of the cost, compared to about two in ten (22%) healthier adults.

### ***Vulnerable Populations: The Uninsured***

Among the uninsured, cost is the most often cited reason for lacking coverage. Seven in ten (70%) uninsured adults say that cost is the main reason they are uninsured. Just six percent say they don't have insurance because they don't need it.

The uninsured report considerably more problems accessing health care because of costs than the insured. Uninsured adults are twice as likely to report that they or a member of their household skipped medical treatment, cut pills, or did not fill a prescription in the past year because of the cost (51% uninsured vs. 25% insured).

### ***Consumer Strategies to Lower Costs***

Despite their views, worries, and experiences with health care costs, consumers report having few cost-containment strategies at their disposal. Few respondents (11%) report trying to negotiate prices with their health care providers, though more uninsured than the insured say they have done this (24% vs. 8%). Nineteen percent of adults report having a doctor resubmit a rejected insurance claim, 9% have used the Internet to find lower prices on prescription drugs, and 7% have switched doctors to reduce out-of-pocket expenses.

Discussion of cost between medical providers and consumers is inconsistent. About a third (35%) of adults say their doctor has never explained the costs associated with a recommended procedure, and another 17% say this has rarely happened. Twenty-five percent of adults, in contrast, say their doctor "almost always" explains costs of recommended procedures.

## 1. Most Important Health Problem for the Government to Address

In an open-ended question about the most important health care problem for the government to address, responses related to the cost of health care have historically been the highest on the list. In August 2005, health care costs were mentioned by nearly four in ten adults (39%, including 17% citing the cost of health care, 15% citing prescription drug costs, and 11% health insurance costs).

Access to health care and insurance ranks second (23%), followed by senior citizens' issues (13%) and specific medical conditions (12%).

### Most Important Health Problem for the Government to Address

What do you think is the most important problem in health or health care for the government to address? Is there another health problem you think is almost as important?\*

	8-05	4-05	2-05	12-04	8-04	4-04	2-04	12-03	10-03	8-03
<b>COSTS (NET)</b>	39	43	42	46	46	43	44	35	39	42
Cost of health care	17	19	25	21	23	20	18	15	17	21
Cost of prescription drugs/medicines	15	16	14	19	21	17	22	16	16	17
Cost of insurance/affordable insurance	11	13	8	13	10	10	10	6	8	6
Costs – other (incl. doctor and hospital costs)	3	2	2	1	3	3	2	1	4	2
<b>ACCESS TO CARE AND INSURANCE (NET)</b>	23	26	21	25	26	19	23	14	22	19
Universal coverage / coverage for uninsured	11	15	12	14	17	10	16	8	17	12
Health care availability (general)	10	5	4	6	6	3	4	3	2	4
Health care for the poor	3	3	2	2	2	3	1	1	1	2
Access to health care – other (incl. staff cutbacks and difficulties w/pre-existing conditions)	1	3	3	3	3	4	2	2	2	2
<b>SENIORS' ISSUES (NET)</b>	13	17	16	16	15	21	24	25	23	22
Senior citizens' care/ issues (incl. Social Security)	7	10	8	8	8	9	11	9	10	11
Medicare	5	7	6	5	4	9	9	11	7	6
Coverage of rx drugs (for elderly/Medicare)	3	4	4	4	4	4	5	7	8	6
<b>MEDICAL CONDITIONS (NET)</b>	12	11	18	12	10	20	17	9	13	11
Cancer/Cancer Research	5	4	6	4	4	8	5	2	6	4
AIDS/AIDS research/HIV	3	3	5	5	2	5	6	2	4	3
Medical Conditions/ Procedures – other	6	7	9	5	5	11	9	6	5	7
<b>INSURANCE COMPANY CONCERNS (NET)</b>	3	6	8	6	4	9	6	8	5	8
Health insurance (general)	2	4	7	5	3	7	5	6	5	7
HMO/Managed care concerns	1	2	1	2	2	2	1	2	1	2
<b>OTHER POLICY (NET)</b>	10	10	8	7	8	9	9	7	11	9
Children's care/issues	2	2	2	2	2	1	2	2	3	2
Stem cell research	2	--	--	--	--	--	--	--	--	--
Too many frivolous lawsuits (malpractice suits)	2	--	--	--	--	--	--	--	--	--
Quality of care	1	2	3	2	2	2	2	1	2	3
Other policy/social issues (incl. abortion, drug abuse, Medicaid, etc.)	3	5	4	1	2	4	4	2	4	3

\*Note: Adds up to more than 100 percent because respondents were allowed to give more than one answer. Responses were open-ended.

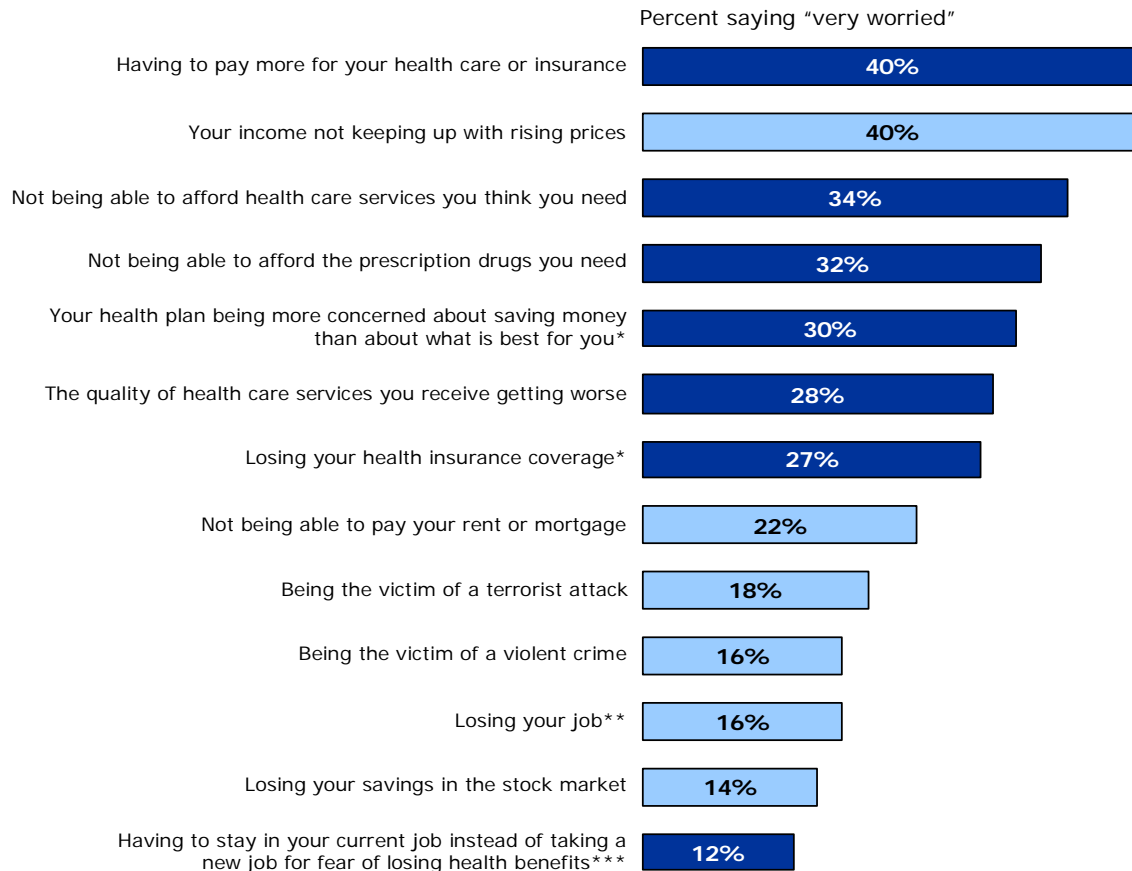
Source: Kaiser Family Foundation *Health Poll Report Surveys*

## 2. Health Care Worries in Context With Other Worries

Health care costs are also a significant source of personal worry for many adults. More adults worry about health care costs than about losing their job, paying their rent or mortgage, losing money in the stock market, or being a victim of a terrorist attack.

### Health Care Worries in Context With Other Worries

I'm going to read you a list of things that some people worry about and others do not. How worried are you about each of the following things – are you very worried, somewhat worried, not too worried, or not at all worried?



\* Based on those with health insurance coverage only.

\*\* Based on employed only.

\*\*\* Based on those who are employed with health insurance coverage only.

Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted October 4-9, 2005)

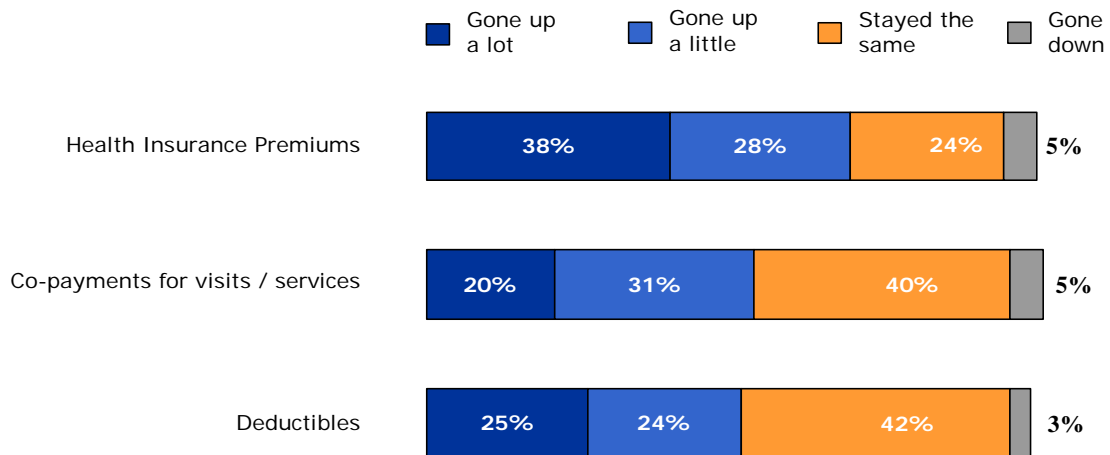
### **3. Health Care Costs Among the Insured**

Many adults report experiencing rising health care costs. Two-thirds (66%) of those with health insurance say their premiums have increased over the past five years, including 38% who say premiums have gone up "a lot". Around half of insured adults say their co-payments for provider visits (51%) and health insurance deductibles (49%) have risen over the past five years.

About four in ten say co-payments (40%) and deductibles (42%) have stayed the same, while few say these costs have gone down (5% co-payments, and 3% deductibles).

#### **Health Care Costs Among the Insured**

Among the 82% of insured adults: During the past 5 years, has the amount you pay for each of the following gone up, stayed the same or gone down?



Note: Don't know/refused responses not shown.

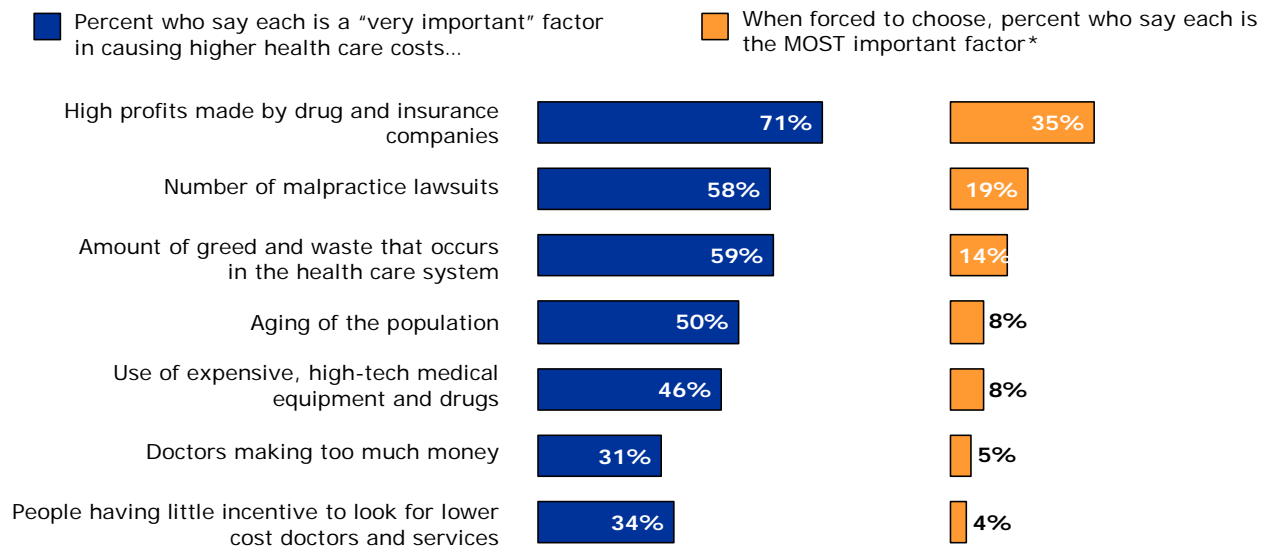
Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

#### **4. Perceived Reasons for Rising Health Care Costs**

The public believes that a number of factors are important causes of rising health care costs. More than seven in ten (71%) believe high profits made by drug and insurance companies are “very important” contributors to rising prices. Nearly six in ten say the number of malpractice lawsuits (58%) and the amount of greed and waste in the health care system (59%) are “very important” factors. Nearly half believe the aging of the population (50%) and the use of expensive, high-tech medical equipment and drugs (46%) are similarly important.

When forced to choose the most important factor contributing to rising health care costs, more than a third (35%) of adults cite high profits made by drug companies and insurance companies. The next most commonly identified reasons are the number of malpractice lawsuits (19%) and the amount of greed and waste that occurs in the health care system (14%).

##### **Perceived Reasons for Rising Health Care Costs**



\*Note: also includes those who said only one factor was “very important”

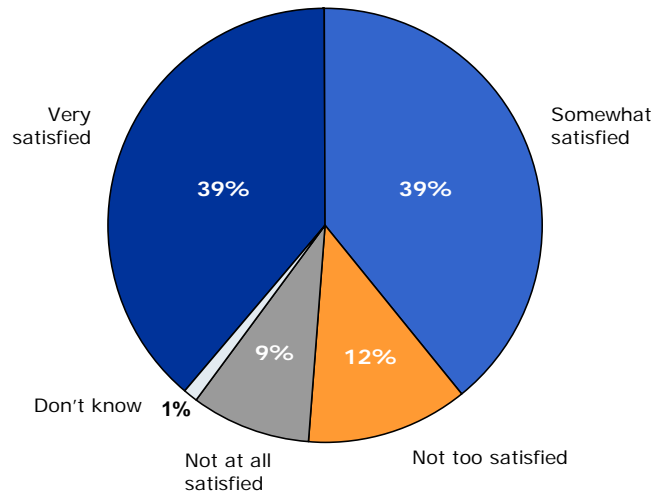
Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

## **5. Satisfaction with Health Insurance Costs**

Despite the public's concern with health care costs overall, a majority of insured Americans are at least "somewhat" satisfied with the cost of health *insurance* (78%, including 39% who are "very" satisfied). This satisfaction may in part reflect the fact that employers pay a large portion of insurance premiums for many adults, which shields consumers from the total costs of insurance.

### **Satisfaction with Health Insurance Costs**

Among 82% who are insured: How satisfied are you with what you pay for the health insurance you have?

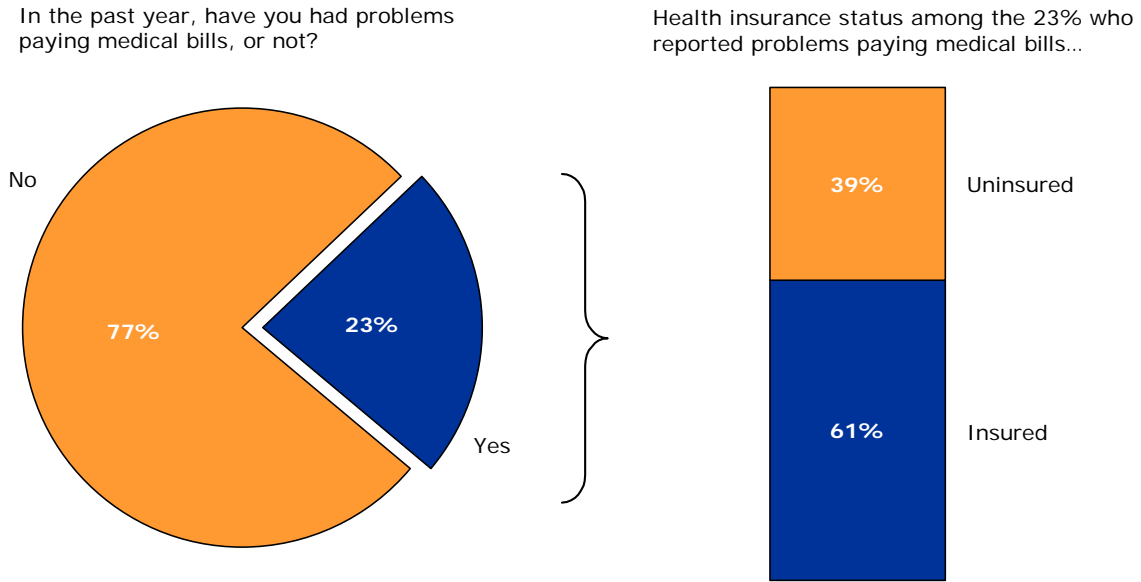


Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

## **6. Problems Paying Medical Bills**

Medical bills pose a significant challenge for many. Nearly one-quarter (23%) of adults report problems paying medical bills within the past year. More than six in ten (61%) of those reporting problems have health insurance.

### **Problems Paying Medical Bills**



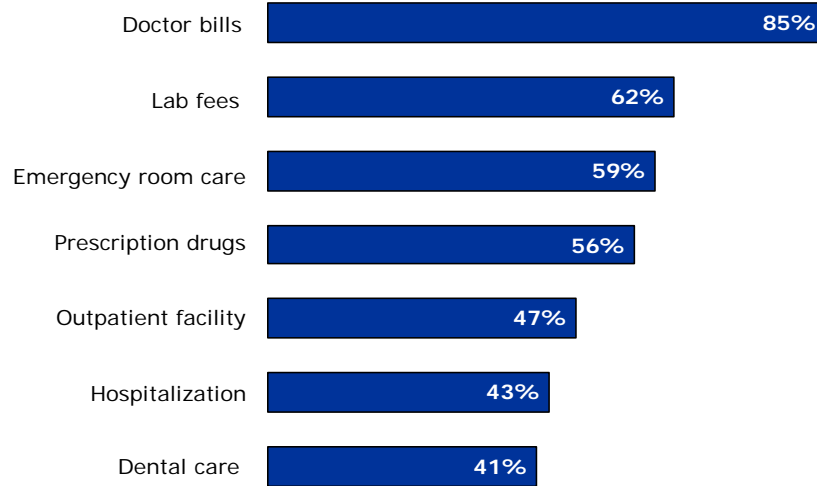
Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

## **7. Problem Medical Bills**

Among the 23% of adults who report problems paying medical bills, majorities say the bills are for care such as doctor bills (85%), lab fees (62%), emergency room care (59%), and prescription drugs (56%).

### **Problem Medical Bills**

Among the 23% who had problems paying medical bills, percent who say the problem bills included...

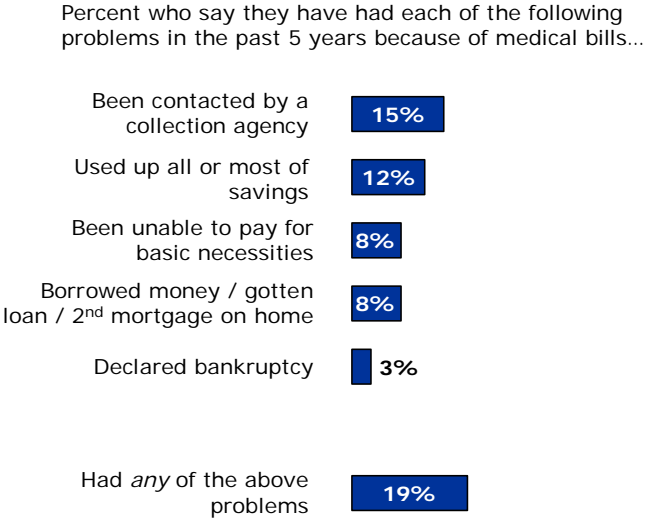
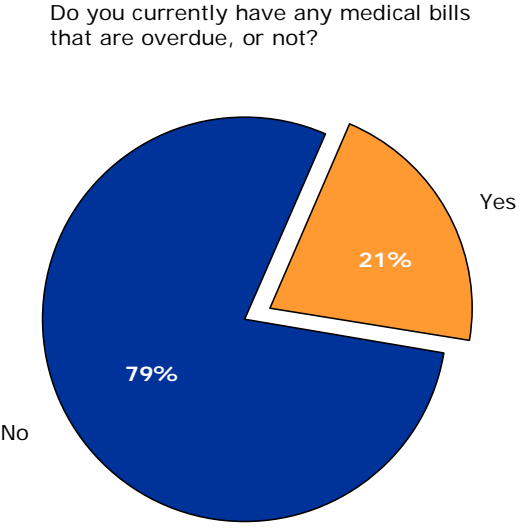


Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

**8. Financial Consequences of Medical Bills**

More than one in five adults (21%) reports currently having an overdue medical bill, and almost as many (19%) report experiencing serious financial consequences in the past five years due to medical bills. Fifteen percent of adults report being contacted by a collection agency because of medical bills; 12% have used “all or most” of their savings due to medical bills; 8% report borrowing money or taking out a second mortgage to cover medical bills; and 3% have declared bankruptcy due to medical bills.

**Financial Consequences of Medical Bills**



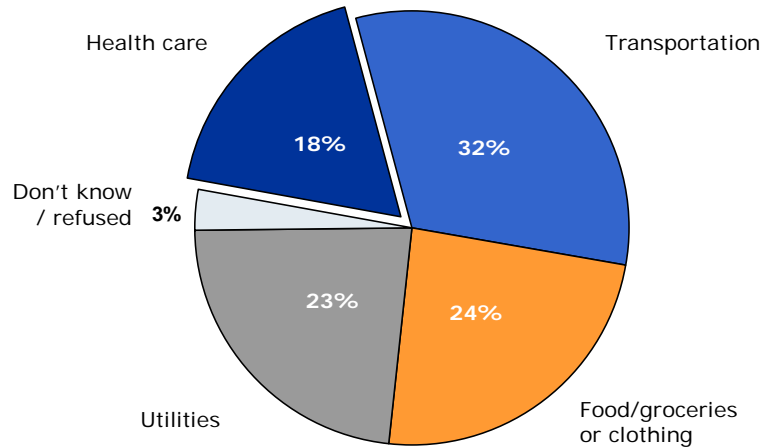
Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

### **9. Biggest Monthly Expenses**

Almost two in ten adults (18%) say health care costs are their biggest monthly expense excluding rent or mortgage payments. More than three in ten (32%) name transportation, and nearly one-quarter each say food or clothing (24%) or utilities (23%) are their biggest expense excluding rent or mortgage payments.

#### **Biggest Monthly Expenses**

Not counting your mortgage or rent payments, which of the following is your biggest monthly expense?



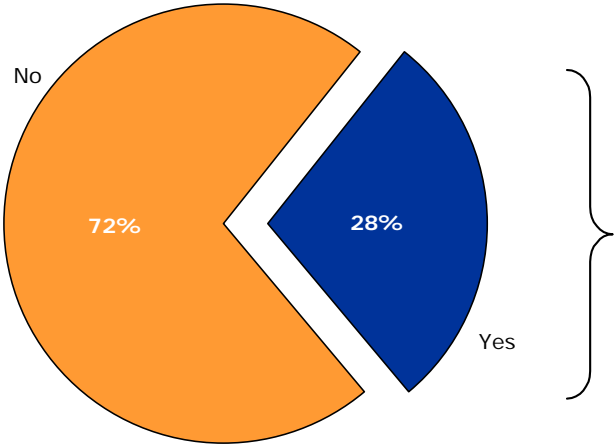
Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

**10. Problems Paying for Health Care**

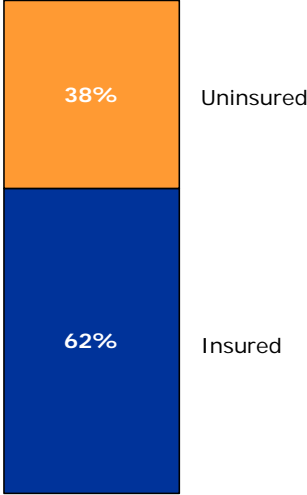
Health care costs create significant obstacles to obtaining health care. Nearly three in ten (28%) adults report a time in the past year when they did not have enough money to pay for medical or health care, and more than six in ten (62%) of these are insured.

**Problems Paying for Health Care**

Have there been times during the past year when you did not have enough money to pay for medical or health care?



Health insurance status among the 28% who reported not having enough money to pay for health care in past year ...



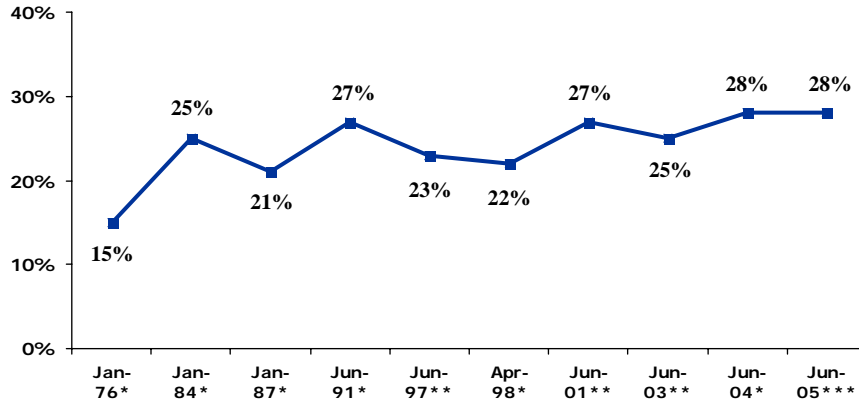
Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

## 11. Trends in Ability to Pay for Health Care

Since the mid-1980's, the proportion of American adults that reports not having enough money for medical or health care has remained stable. But this proportion is considerably higher than in 1976, when 15% of adult said there was a time they didn't have enough money to pay for care.

### Trends in Ability to Pay for Health Care

Percent who say there have been times during the past year when they did not have enough money to pay for medical or health care...



\*Source: Gallup Organization

\*\* Source: Pew Research Center

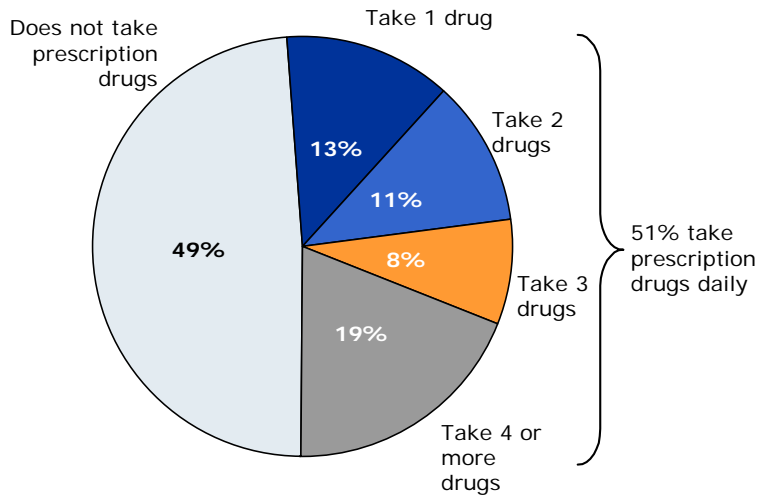
\*\*\*Source: *USA Today*/KFF/HSPH *Health Care Costs Survey* (conducted April 25 – June 9, 2005)

## 12. Paying for Prescription Drugs

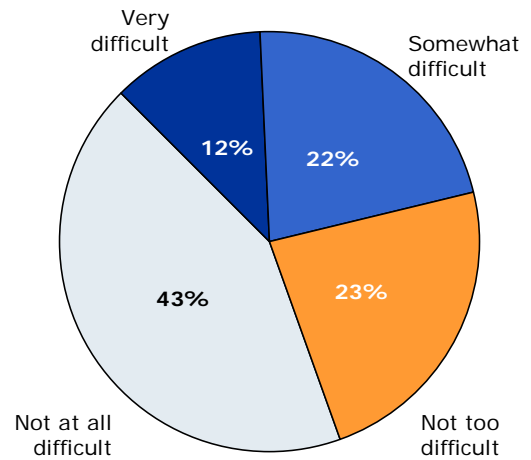
Prescription drugs play an important part in people’s lives, and many report problems paying for them. More than half of adults (51%) take at least one prescription drug daily, and more than one-quarter (27%) take three or more drugs daily. Among those who take prescription drugs daily, more than one-third say it is very (12%) or somewhat (22%) difficult to pay for them.

### Paying for Prescription Drugs

Do you currently take any prescription medicine on a daily basis? If yes, how many different prescription drugs do you take?



Among 51% who take prescription drugs daily: How difficult is it for you to pay for prescription medicines that you need?

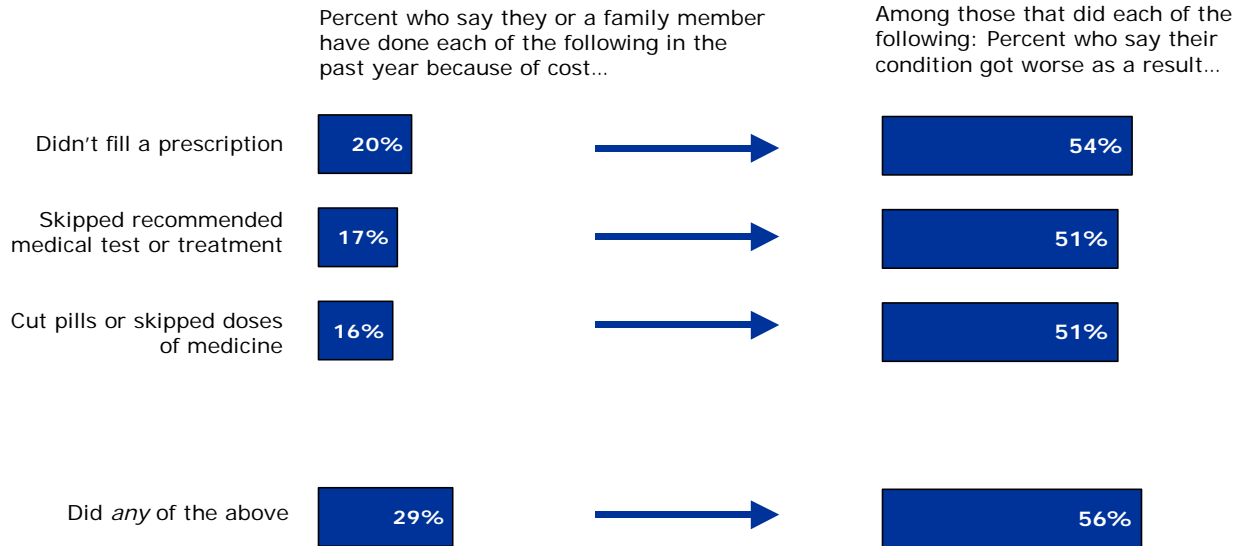


Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

**13. Burdens of Health Care Costs: Postponed Medical Care**

A substantial minority of adults report delaying or skipping needed health care because of cost. Nearly three in ten adults (29%) say that they or a family member has avoided filling a prescription, has skipped recommended medical tests or treatment, or has cut pills or skipped doses of medicine because of cost. A majority of these adults (56%) assert that their condition worsened as a result.

**Burdens of Health Care Costs: Postponed Medical Care**



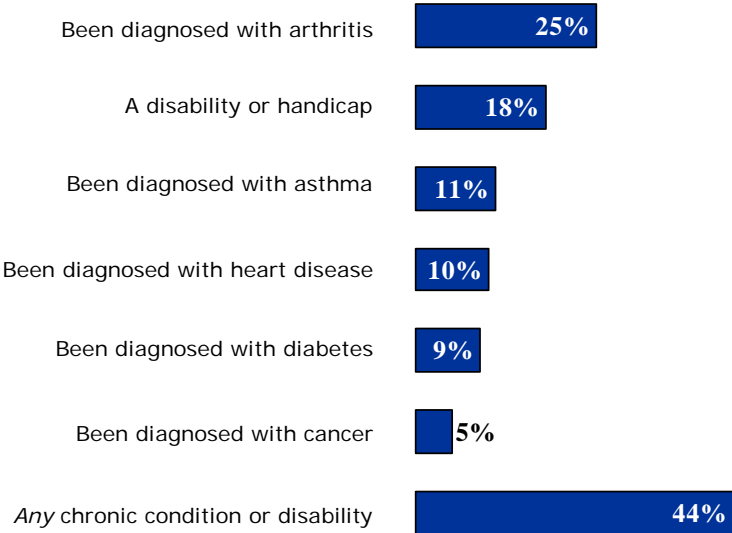
Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

**14. The Chronically III: Health Conditions**

Individuals with chronic health problems may be particularly vulnerable to health care costs. More than four in ten adults (44%) report having a chronic health condition such as heart disease, cancer, asthma, arthritis, or diabetes, or a handicap that limits their daily lives.

**The Chronically III: Health Conditions**

Percent who say they have...

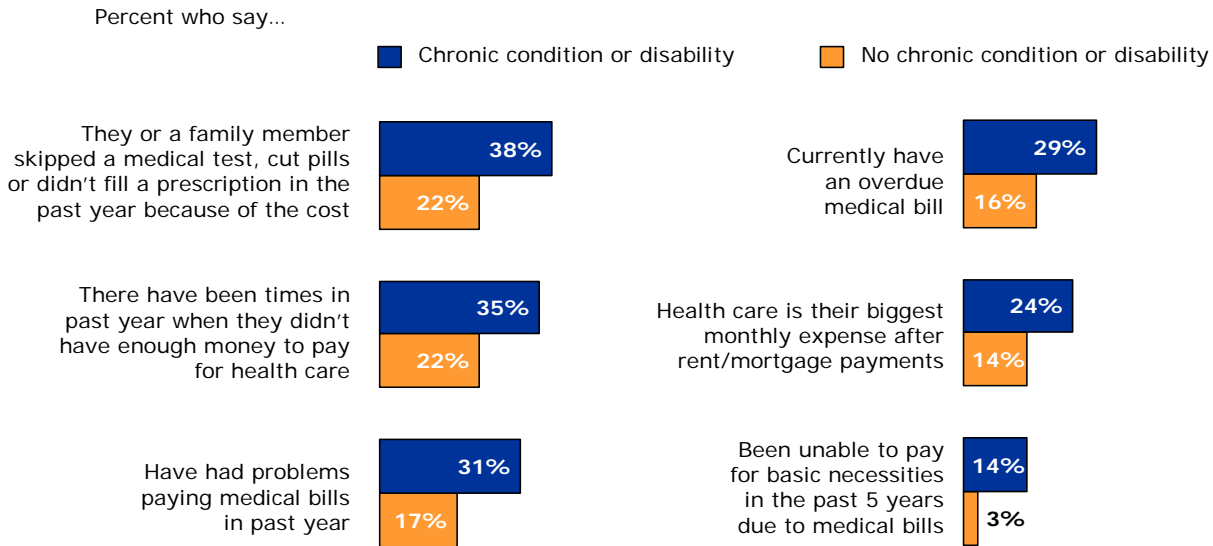


Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

**15. Problems with Health Care Costs, by Individual Health Status**

Those with chronic health conditions report having a significantly harder time accessing health care specifically because of costs. Nearly one-quarter (24%) of adults with a chronic health problem say health care is their biggest monthly expense after mortgage or rent payments, as compared to 14% of healthier adults. Those with chronic conditions are more likely than their healthy counterparts to report not having enough money to pay for medical care in the past year (35% vs. 22%), and are more likely than healthy adults to report overdue medical bills (29% vs. 16%). Nearly four in ten of those with chronic conditions (38%) report they or someone in their household has skipped medical treatment, cut pills, or didn't fill a prescription because of the cost, compared to about two in ten (22%) healthier adults.

**Problems with Health Care Costs, by Individual Health Status**



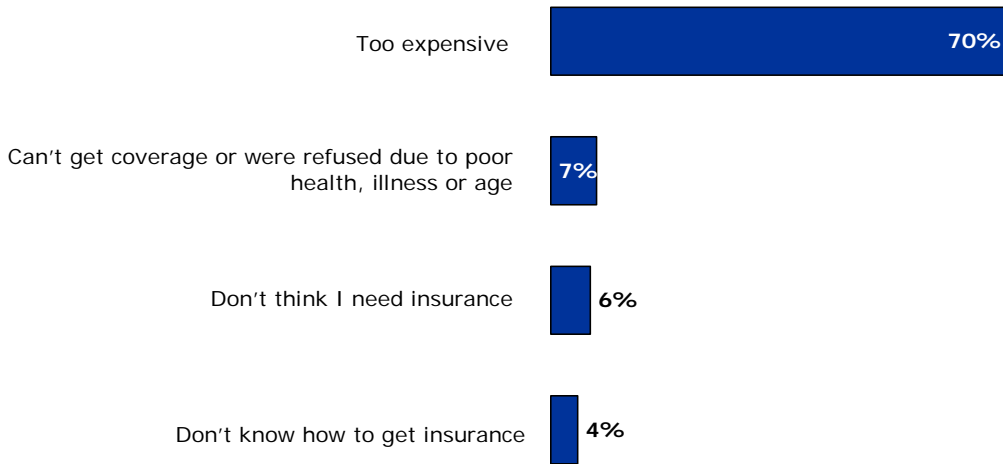
Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

### **16. The Uninsured: Reasons for Not Having Insurance**

Those without health insurance are also particularly vulnerable to the burden of health care costs. Among the 18% who report being uninsured, cost is the most often cited reason for lacking coverage. Seven in ten (70%) uninsured adults say that cost is the main reason they are uninsured. Just six percent say they don't have insurance because they don't need it, and 7% report being unable to obtain coverage due to poor health, illness, or age.

#### **The Uninsured: Reasons for Not Having Insurance**

Among 18% who are uninsured: Which of the following best describes the reason you don't currently have health insurance?



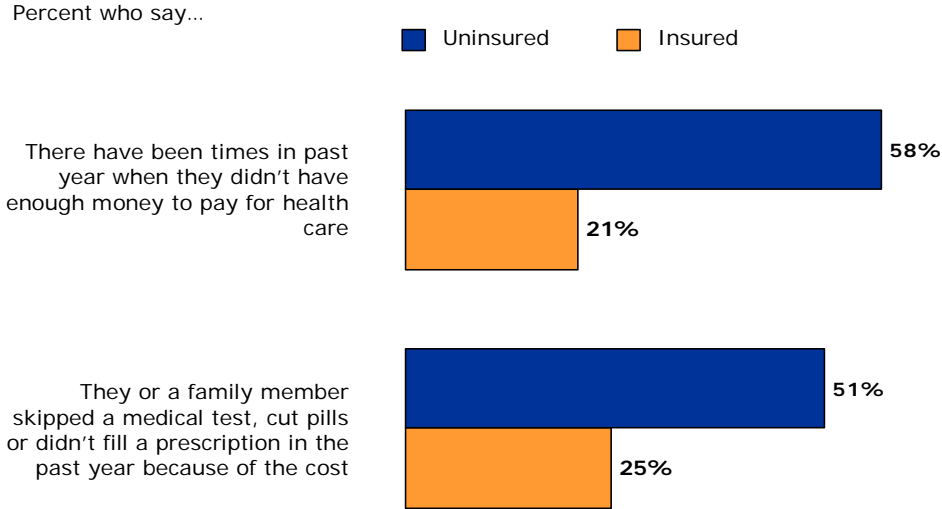
Note: 13% listed some other reason

Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

### **17. Postponed Care, by Insurance Status**

The uninsured (18% of adults) report considerably more problems accessing health care because of costs than the insured. Those without insurance are more than twice as likely as the insured to have had times in the past year when they did not have enough money to pay for medical care (58% vs. 21%). Similarly, uninsured adults are twice as likely as insured adults to report that they or a member of their household skipped medical treatment, cut pills, or did not fill a prescription in the past year because of the cost (51% vs. 25%).

#### **Postponed Care, by Insurance Status**



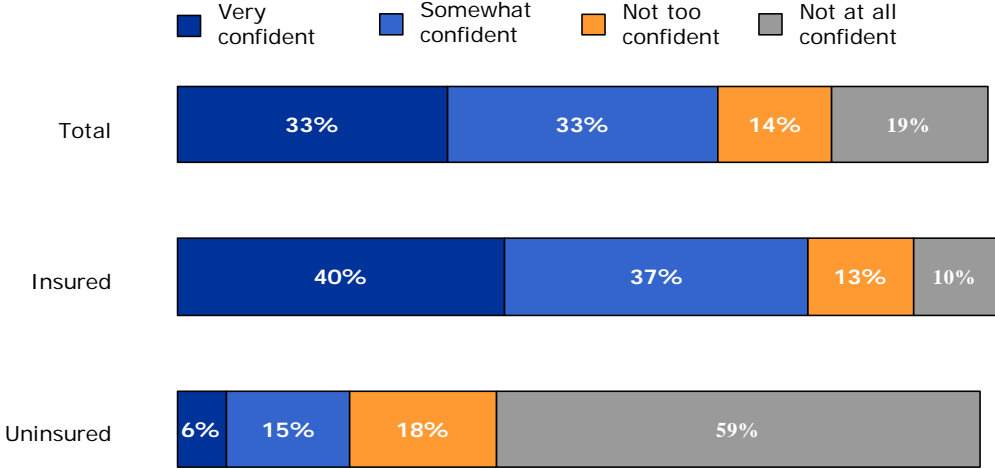
Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)

**18. Perceived Ability to Pay for Care, by Insurance Status**

Routine medical care can be difficult for the uninsured to obtain—a substantial point of contrast with their insured counterparts. Just over two in ten (21%) uninsured adults are “very” or “somewhat” confident that they have sufficient resources to pay for routine medical costs, compared with more than three-quarters (77%) of the insured. Fifty-nine percent of the uninsured are “not at all” confident that they have sufficient resources, compared to 10% of the insured.

**Perceived Ability to Pay for Care, by Insurance Status**

Generally, how confident are you that you have enough money or health insurance to pay for the usual medical costs that a family requires?



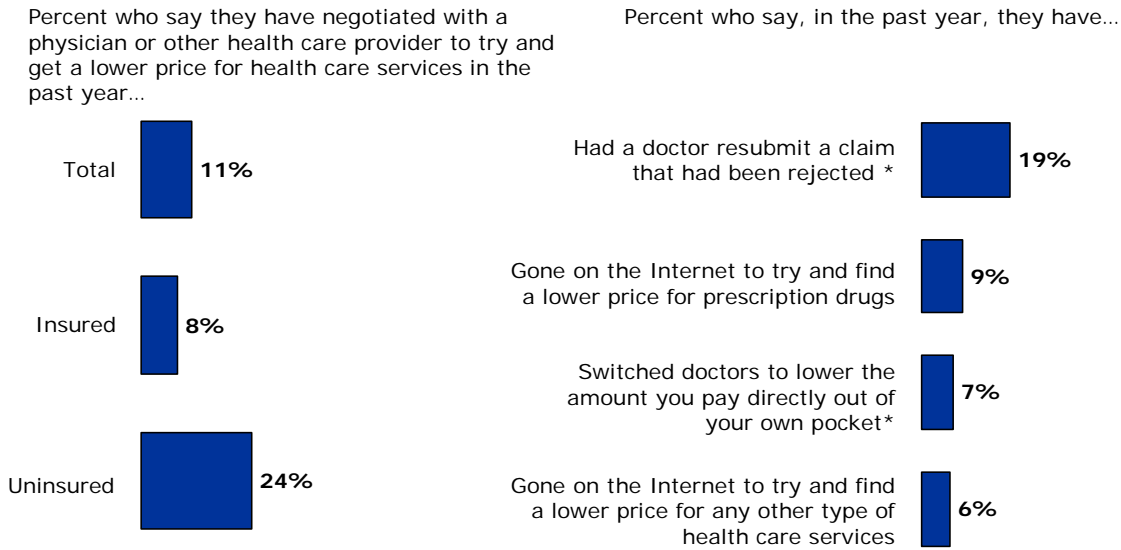
Note: Don't know/refused responses not shown.

Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

## 19. Negotiating Health Care Costs

Despite their views, worries, and experiences with health care costs, consumers report having few cost-containment strategies at their disposal. Few respondents (11%) report trying to negotiate prices with their health care providers, though more uninsured than the insured say they have done this (24% vs. 8%). Nineteen percent of adults report having a doctor resubmit a rejected insurance claim, 9% have used the Internet to find lower prices on prescription drugs, and 7% have switched doctors to reduce out-of-pocket expenses.

### Negotiating Health Care Costs



\* Asked of insured adults only (n=1,333)

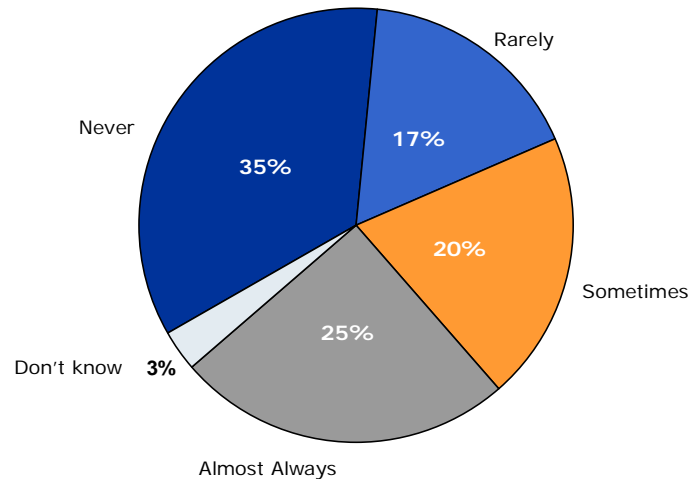
Source: USA Today/KFF/HSPH Health Care Costs Survey (conducted April 25 – June 9, 2005)

## 20. Discussing Costs with Doctors

Discussion of cost between medical providers and consumers is inconsistent. About a third (35%) of adults say their doctor has never explained the costs associated with a recommended procedure, and another 17% say this has rarely happened. Twenty-five percent, in contrast, say their doctor “almost always” explains costs of recommended procedures.

### Discussing Costs with Doctors

How often does your doctor explain to you the costs associated with recommended procedures (if insured – and whether they would be covered by your health insurance)?



Source: *USA Today/KFF/HSPH Health Care Costs Survey* (conducted April 25 – June 9, 2005)