

KAISER PUBLIC OPINION SPOTLIGHT

Kaiser Public Opinion Spotlights provide in-depth analysis of public opinion on a variety of health care and health policy topics. Each Spotlight uses public opinion data from Kaiser surveys and other sources to examine current views and trends.

Updated: October 2004

Public's Expectations of Health Insurance and Attitudes Towards Potential New Insurance Options

This Featured Topic uses data from the 2003 Kaiser Health Insurance Survey to examine people's expectations and priorities for their health care coverage, attitudes toward employer-sponsored insurance and opinions about several alternative health insurance plans that are currently under consideration.

Expectations And Priorities For Health Insurance

A large majority of non-elderly adults says that the most important reason to have insurance is to protect against high medical bills (71%), rather than to pay for everyday health care expenses (25%). When asked to choose the most important feature in a health plan, about a third (35%) choose cost factors as most important.

Nearly six in ten (57%) insured adults under age 65 say they feel well protected by their insurance plan while nearly four in ten (38%) say they worry that they may have health care needs that will not be covered.

Attitudes About Employer-Sponsored Insurance

About eight in ten (79%) adults with employer-sponsored insurance (ESI) say their employer is doing the best they can to provide them with affordable health insurance coverage. When given the choice, over half (55%) would prefer to continue to have their employer pay for their coverage, rather than receive cash to buy insurance on their own (7%); 37% say it wouldn't make much difference either way.

Most people with ESI would choose to keep the insurance coverage they have now, even if they have to pay more (76%) rather than switch to a more restrictive plan with fewer benefits and continue to pay their current premium (19%).

Views About Alternative Health Insurance Options

When the option of a tax credit is described, many people are doubtful they could find a plan to meet their families needs with a tax credit in the amount of \$1,000 for an individual or \$3,000 for families. Two-thirds (67%) of non-elderly adults say they would be likely to supplement it with some of their own money to purchase a better plan and about three-quarters (76%) of those with employer-sponsored insurance would choose to continue receiving insurance through their employer rather than try and purchase it on their own.

When a catastrophic-type health plan with a deductible of \$2,000 for an individual or \$5,000 for a family is described, large majorities of non-elderly adults say they have an unfavorable opinion of such a plan (77%), and that they would feel vulnerable to high medical bills with this type of coverage (79%).

Respondents express similarly negative views when a specific "consumer-driven" plan is described. Offered a plan where employers put \$1,000 for an individual (\$2,000 for a family) into an account that an employee could use to pay for medical costs and which rolls

over to the following year that also includes catastrophic coverage that would kick in after the individual has spent \$2,000 (\$4,000 for a family) on medical expenses, large majorities of those with employer-sponsored insurance say they would have an unfavorable opinion of the plan (73%), and would feel vulnerable to high medical bills with this type of coverage (78%).

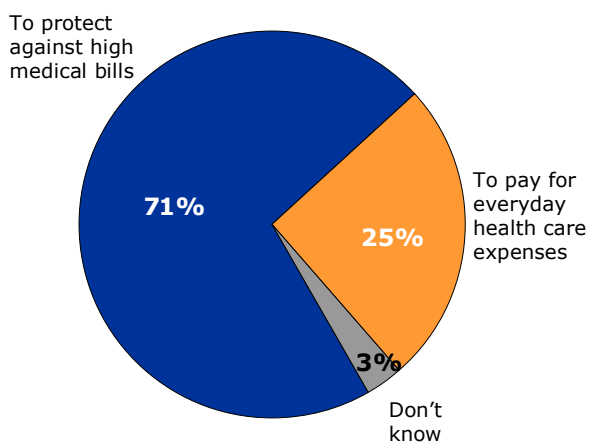
1. What's Important In A Health Plan?

A large majority of non-elderly adults says that the most important reason to have insurance is to protect against high medical bills (71%), rather than to pay for everyday health care expenses (25%).

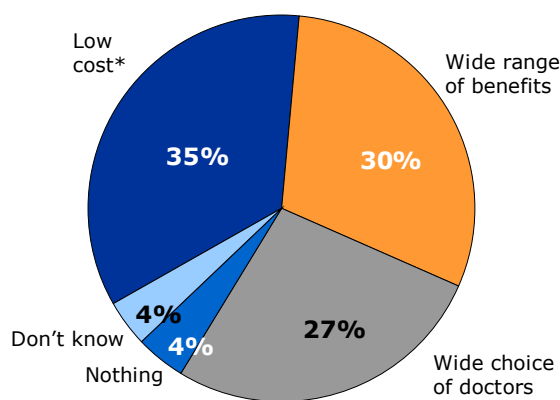
The cost of a health plan, choice of doctors, and range of benefits are each important factors to people when choosing or evaluating a health plan. However, when forced to choose the most important feature in a plan, about a third (35%) choose cost factors, 30% choose "a wide range of benefits", and 27% choose "a wide choice of doctors and hospitals". Perhaps not surprisingly, those with lower incomes are more likely to choose cost as the most important factor.

What's Important in a Health Plan?

Which one of the following do you think is the MOST important reason to have health insurance?



Which one of the following features is most important to you and your family in a health insurance plan?



* Includes "low premiums", "low co-pays" and "low deductibles"

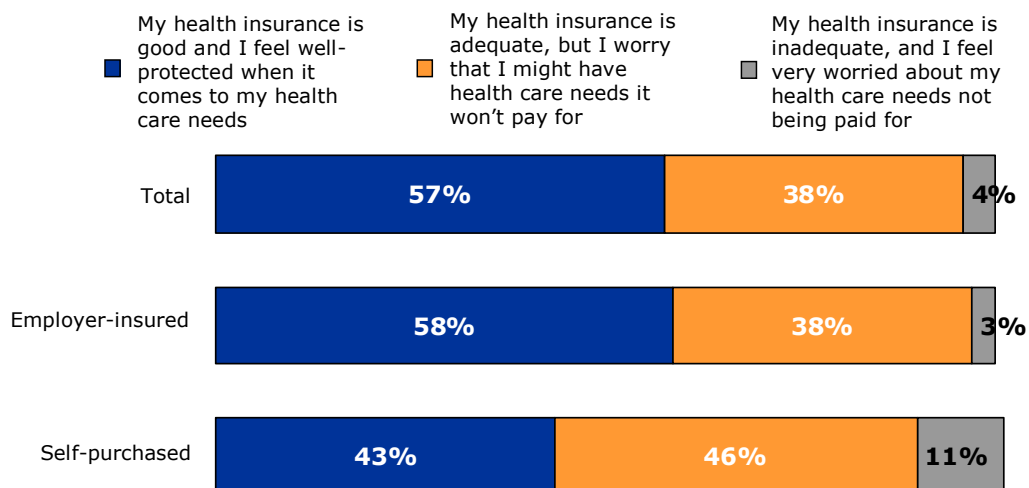
Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

2. Assessment Of Current Plan

Nearly six in ten (57%) insured adults under age 65 say they feel well protected by their insurance plan while nearly four in ten (38%) say they worry that they may have health care needs that will not be covered; just 4% say their health insurance is inadequate and they feel very worried about their health care needs not being paid for. People who purchase their own insurance are less likely to say they feel well protected by their insurance (43%) than people who are insured through their employers (58%). Nearly six in ten (57%) self-purchasers are at least somewhat worried that their health plan will not pay for their health care needs (including 11% who say their insurance is inadequate and they feel very worried).

Assessment of Current Plan

Asked of those with health insurance: Which of the following three statements comes closest to your own view about your current health insurance coverage?



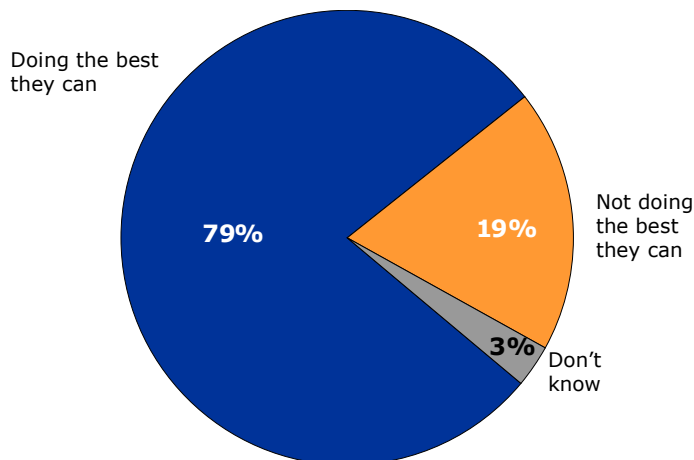
Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 – July 20, 2003)

3. Attitudes Toward Employer-Based Insurance

Adults under age 65 with employer-sponsored insurance feel sympathetic toward their employer, with nearly eight in ten (79%) saying their employer is doing the best they can to provide them with affordable health insurance coverage.

Attitudes Towards Employer-Based Insurance

Asked of those with employer-sponsored insurance: Would you say that your (or your spouse's) employer is or is not doing the best they can to provide you (and your family) with affordable health insurance coverage?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

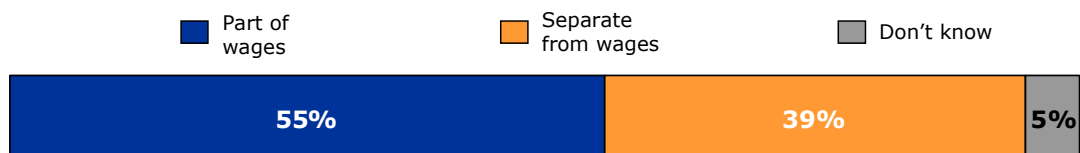
4. Views Of Health Insurance As Part Of Wages

Non-elderly adults with employer-sponsored insurance are somewhat divided on the question of whether they view health insurance coverage as part of, or separate from, their monetary compensation. Just over half (55%) say they consider having their health insurance paid for by their employer as part of their wages, while about four in ten (39%) say they consider it separate from their wages. This group is somewhat divided about whether they would prefer to have a larger amount deducted from their paycheck for health insurance (47%) or give up a future wage increase (41%). However, more than half (52%) say they would choose more comprehensive benefits over higher wages, while 36% say they would choose higher wages, and 11% don't know. Interestingly, people with lower incomes and those with higher incomes give similar responses to all three of these questions.

Views of Health Insurance as Part of Wages

Among those with employer-sponsored health insurance:

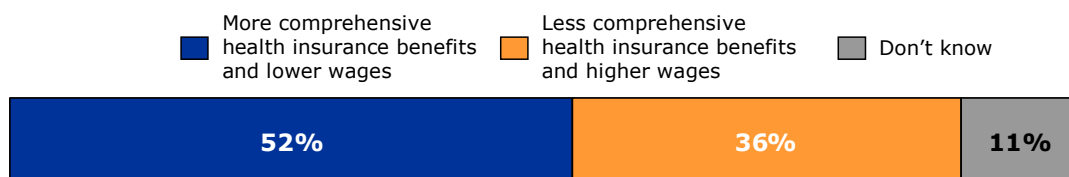
Do you consider having your health insurance paid for by your employer...



Employers are trying to find ways to deal with rising health care costs. Would you rather...



Would you rather have...



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 – July 20, 2003)

5. Getting Insurance Through Employer Versus Purchasing Own Insurance

When given the option, more than half (55%) of non-elderly adults with employer-sponsored insurance (ESI) say they would rather have their employer pay for their coverage at work, 7% say they would rather receive cash to buy insurance on their own, and 37% say it wouldn't make much difference.

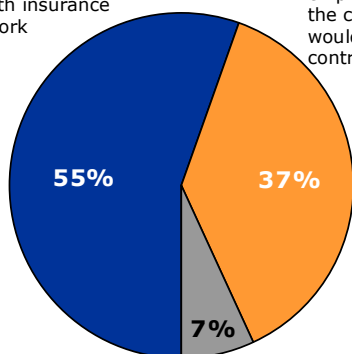
Large majorities of people with ESI say purchasing their own coverage would make it more difficult for them to get a good price for insurance (81%), to find or keep insurance if they are sick (79%), to handle administrative issues (73%), and to find a plan that matches their needs well (71%). (The remainder say purchasing their own coverage would make these things easier or wouldn't make much difference.)

Getting Insurance Through Employer Versus Purchasing Own Insurance

Among those with employer-sponsored health insurance:

Would you prefer...

Employer pay for all or part of health insurance at work

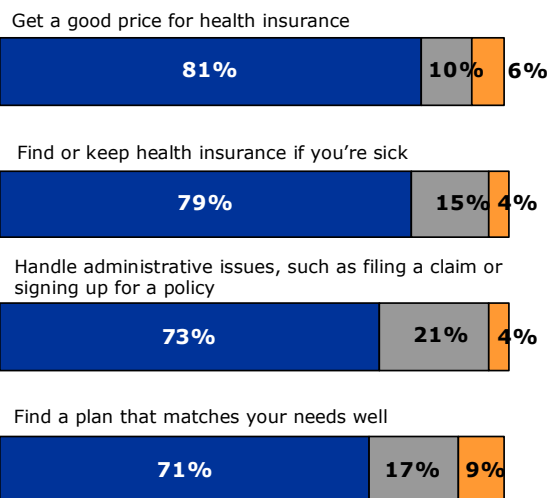


Doesn't make much difference

Buy health insurance yourself, with your employer giving you the cash amount they would have contributed

Do you think purchasing your own coverage would make it EASIER or HARDER for you to...

■ Harder ■ No difference ■ Easier



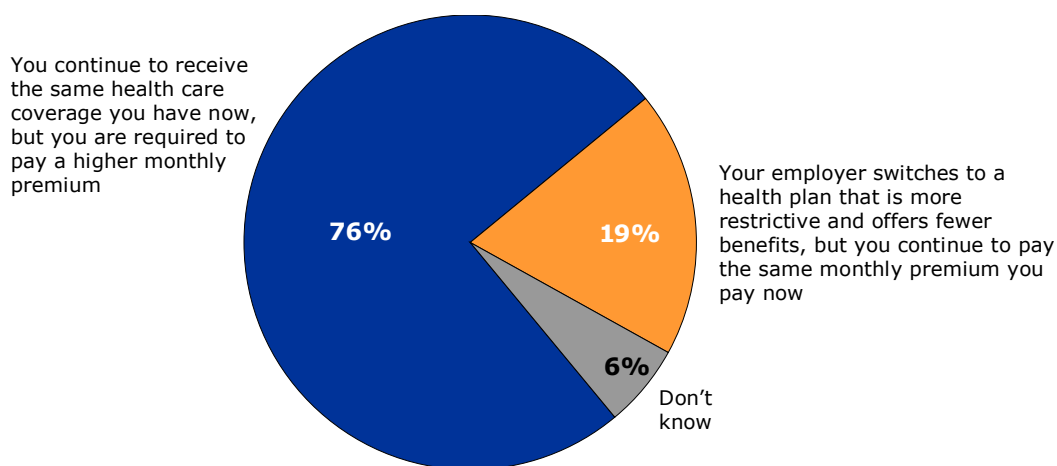
Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 – July 20, 2003)

6. Switching To More Restrictive Plans Or Paying Higher Premiums

Most people want to keep the insurance coverage they have now, even if they have to pay more. Given two options for employers to cut health insurance costs, three-quarters (76%) of non-elderly adults insured through an employer would prefer to keep their current coverage and pay a higher premium, rather than switch to a more restrictive plan with fewer benefits and continue to pay their current premium (19%).

Switching to More Restrictive Plans or Paying Higher Premiums

Among those with employer-sponsored health insurance: Suppose your employer gave you the following two options. Which option would you choose?



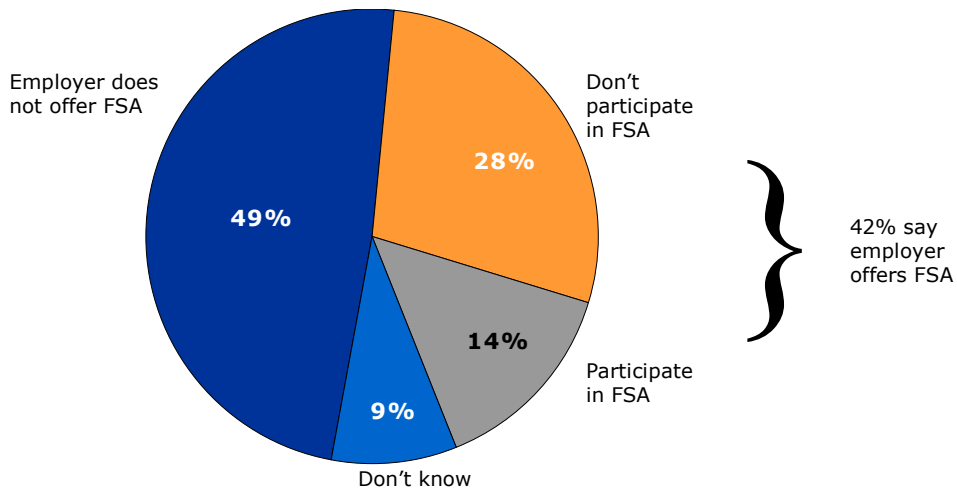
Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

7. Flexible Spending Accounts

Flexible spending accounts (FSA's) are one alternative employer-based option that has been in use for some time. While about four in ten (42%) of those with employer-sponsored insurance report that their employer offers an FSA, a much smaller share report having contributed money to an FSA in the last year (34% of those who were offered an FSA, or 14% of the total employer-insured population).

Flexible Spending Accounts

Percent of those with employer-sponsored health insurance who say their employer offers/they participate in a flexible spending account (FSA)?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

8. Tax Credits: Opinions

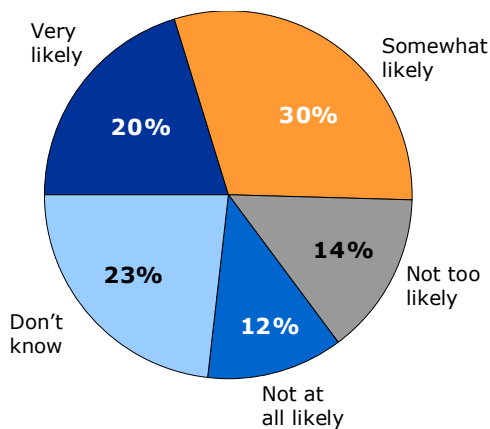
Many people are doubtful they could find a plan to meet their families needs with a tax credit in the amount of \$1,000 for an individual or \$3,000 for families. Half (50%) of the uninsured and those with private health coverage say they would be “very” or “somewhat” likely to find such a plan, about a quarter (26%) say they would be “not too” or “not at all” likely, and 23% say they don’t know enough to say.

Given a \$1,000/\$3,000 tax credit, two-thirds (67%) of non-elderly adults say they would be likely to supplement it with some of their own money to purchase a better plan, while one in five (20%) say they would purchase whatever they could find for the amount of the tax credit, and 9% would go without insurance.

Tax Credits: Opinions

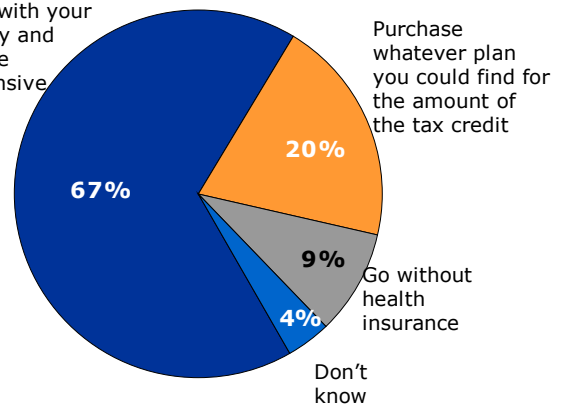
Asked of privately insured: On average, the cost of insurance is around \$3,000/\$8,000 per year for an individual/a family. If the federal government provided you with a \$1,000/\$3,000 tax credit...

How likely do you think you would be to find an insurance plan to meet your health needs?



Which of the following three things would you be most likely to do?

Supplement the tax credit with your own money and buy a more comprehensive plan



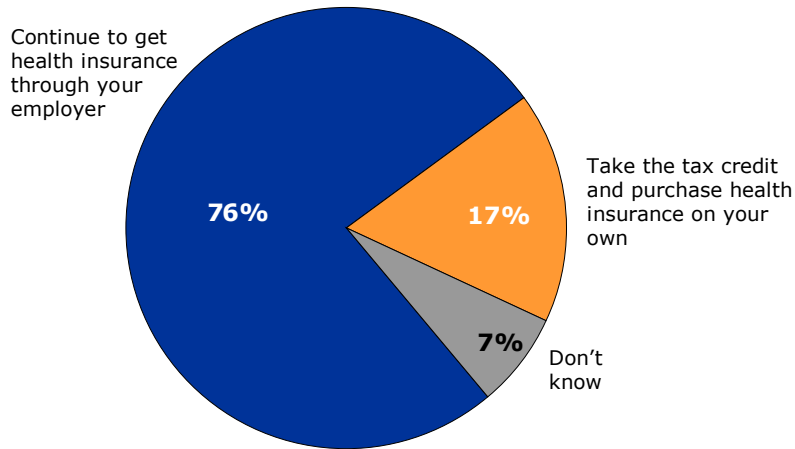
Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

9. Tax Credits: Preferences Among Employer-Insured

The idea of a tax credit to purchase insurance is not extremely popular among non-elderly adults who currently have employer-based coverage. Given the option of a tax credit (\$1,000 for an individual or \$3,000 for a family), about three-quarters (76%) of those with employer-sponsored insurance would choose to continue receiving insurance through their employer rather than try and purchase it on their own.

Tax Credits: Preferences Among Employer-Insured

Among those with employer-sponsored insurance: The federal government is currently considering some measures to help people with the cost of health insurance. One proposal is to offer individuals/families a \$1,000/\$3,000 tax credit, tax deduction, or other financial assistance that they could use to purchase health insurance on their own. If this option were available to you would you prefer to...



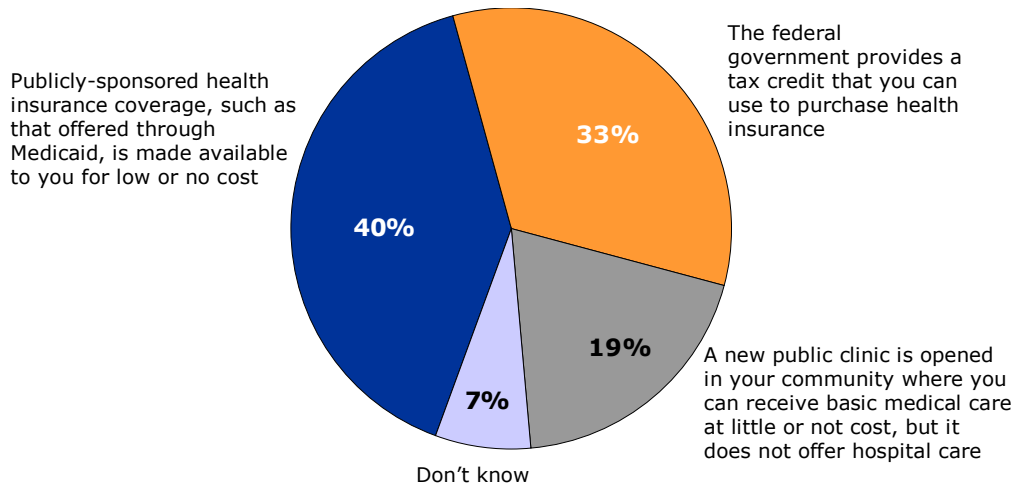
Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

10. Tax Credits Compared With Other Options For The Uninsured

Given three options for expanding their family's access to care, four in ten (40%) uninsured adults ages 18-64 say they would prefer to have publicly-sponsored coverage made available to their families, a third (33%) say they would prefer a \$1,000/\$3,000 tax credit, and about one in five (19%) say they would prefer a new public clinic in their community.

Tax Credits Compared with Other Options for the Uninsured

Among uninsured: Which of the following three options would you prefer to give you (and your family) greater access to health care?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

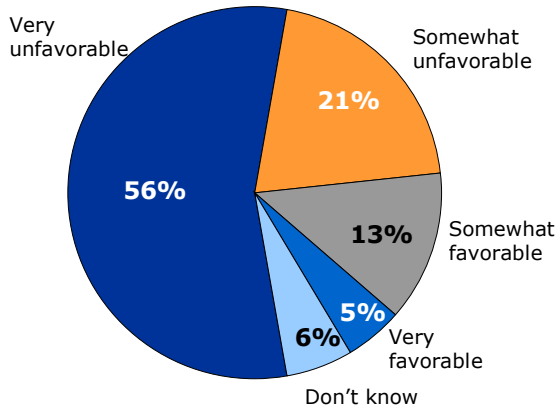
11. Catastrophic Coverage: Opinions

When a catastrophic-type health plan with a deductible of \$2,000 for an individual or \$5,000 for a family is described, large majorities of adults ages 18-64 say they have an unfavorable opinion of such a plan (77%, including 56% who have a *very* unfavorable opinion), and that they would feel vulnerable to high medical bills if they had this type of coverage (79%).

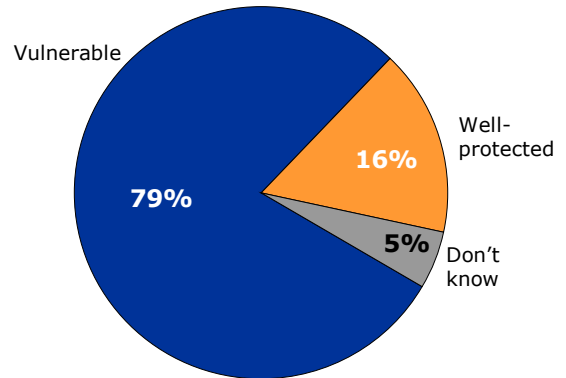
Catastrophic Coverage: Opinions

Suppose you heard about a type of insurance plan that starts paying once you (your family) have paid \$2,000 (\$5,000) out of your pocket. After that, it would cover medical expenses like traditional insurance, requiring you to pay some co-payments each time you use services. The monthly premium for the plan would be less than half of what you would pay for a typical comprehensive health insurance policy.

Would you have a favorable or unfavorable opinion about this type of health plan?



Would you feel well-protected, or would you feel vulnerable to high medical bills with this type of plan?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

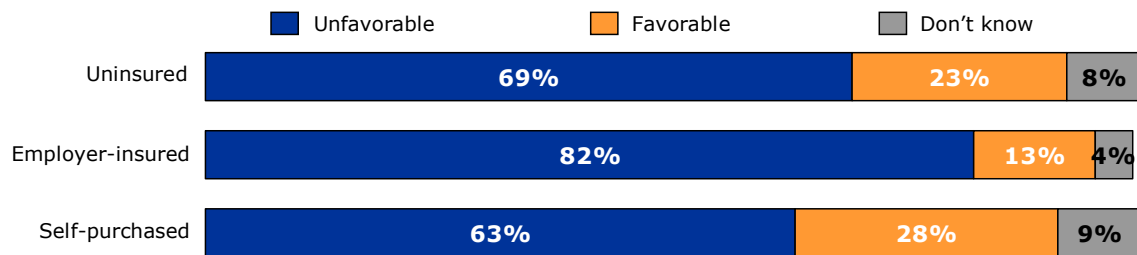
12. Catastrophic Coverage: Opinions By Insurance Status

Among those who currently purchase their own insurance, a somewhat higher share express favorable opinions of catastrophic plans. Almost one in three (28%) self-purchasers have a favorable opinion of this type of plan (compared with 13% of employer-insured and 23% of uninsured), and 30% say they would feel well protected with this coverage (compared with 11% of employer-insured and 19% of uninsured).

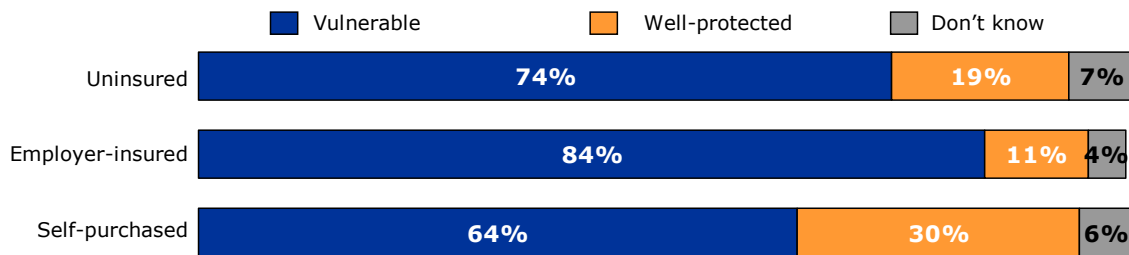
Catastrophic Coverage: Opinions by Insurance Status

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Would you have a favorable or unfavorable opinion about this type of health plan?



Would you feel well protected or vulnerable to high medical bills with this type of health plan?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 – July 20, 2003)

13. Consumer-Driven Plans: Opinions

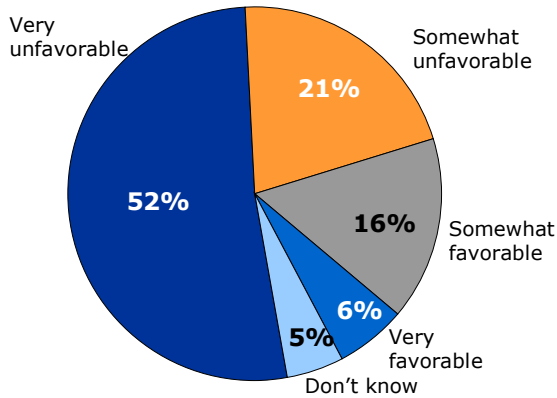
Survey respondents with employer-sponsored insurance were asked about a plan in which their employer would put \$1,000 for an individual (\$2,000 for a family) into an account they could use to pay for medical costs, and which rolls over into the following year if it is not used. The plan would also include catastrophic coverage that would kick in after the individual has spent \$2,000 (or the family has spent \$4,000) on medical expenses.

Almost three-quarters (73%) said they would have an unfavorable opinion of the plan (including 52% very unfavorable), and 78% saying they would feel vulnerable to high medical bills if they had this type of coverage.

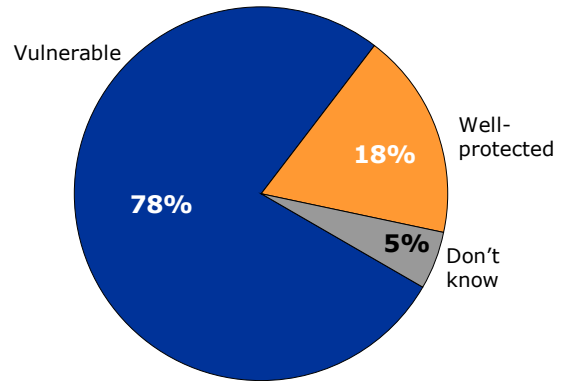
Consumer-Driven Plans: Opinions

Among those with employer-sponsored health insurance: There is a new type of health plan that some employers are considering. It works like this: your employer pays for a health plan that only starts to pay after you (your family) have spent \$2,000 (\$4,000) in medical expenses. They also put \$1,000 (\$2,000) in an account you can use for medical costs. If your medical expenses are more than \$1,000 (\$2,000) you have to pay with your own money until you hit the \$2,000 (\$4,000) limit.

Would you have a favorable or unfavorable opinion about this type of health plan?



Would you feel well-protected, or would you feel vulnerable to high medical bills with this type of plan?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 - July 20, 2003)

14. Consumer-Driven Plans: Opinions By Political Party Affiliation And Ideology

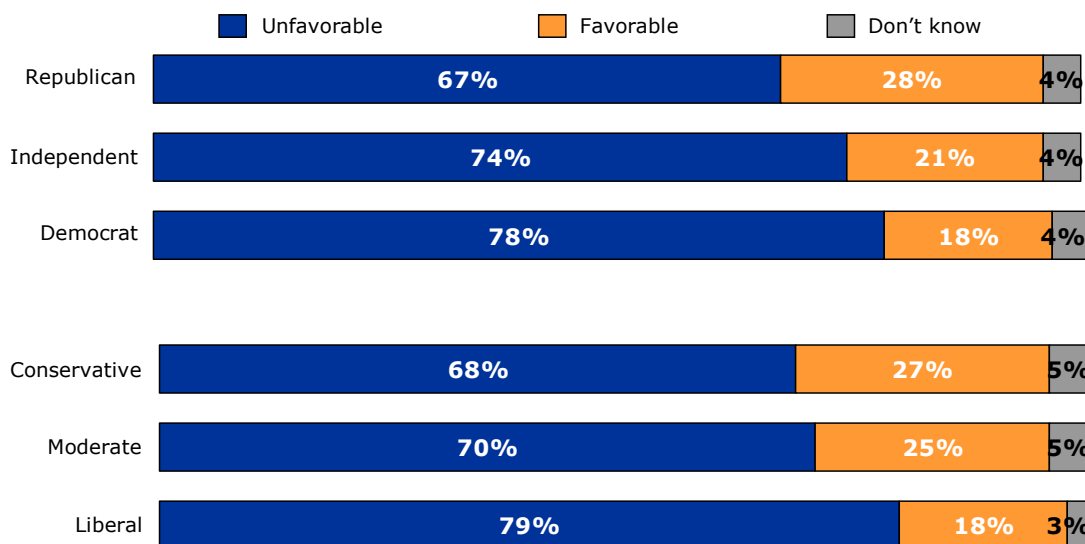
Among non-elderly adults with employer-sponsored insurance, attitudes towards consumer-driven plans divide somewhat along party and ideological lines. Republicans (28%) are more likely than Democrats (18%) or Independents (21%) to have favorable opinions of consumer-driven plans. Similarly, Democrats are more likely to say they would feel vulnerable with this type of coverage (82%) than Republicans (70%), though a majority of all these groups still say their opinion of these plans is unfavorable.

Similarly, those who identify themselves as politically conservative are more likely to have favorable opinions of this type of plan (27%).

Consumer-Driven Plans: Opinions by Political Party and Ideology

Among those with employer-sponsored health insurance: There is a new type of health plan that some employers are considering. It works like this: your employer pays for a health plan that only starts to pay after you (your family) have spent \$2,000 (\$4,000) in medical expenses. They also put \$1,000 (\$2,000) in an account you can use for medical costs. If your medical expenses are more than \$1,000 (\$2,000) you have to pay with your own money until you hit the \$2,000 (\$4,000) limit.

Would you have a favorable or unfavorable opinion about this type of health plan?



Source: Kaiser Family Foundation *Health Insurance Survey* (conducted April 30 – July 20, 2003)