

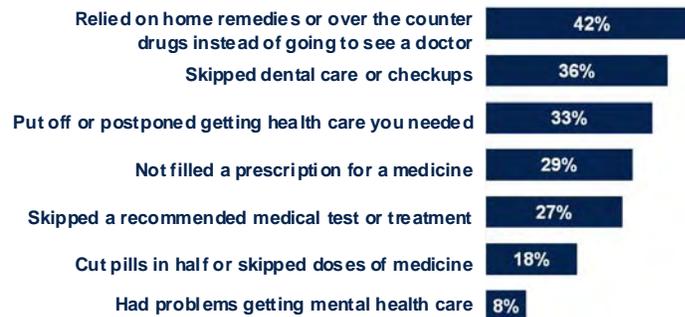
Many Americans Still Delaying Care, Struggling to Pay Medical Bills

As the economy continues to falter, a majority of Americans continue to say they or someone in their household have taken steps to put off health care for cost reasons over the course of the last year. Overall, six in ten (59 percent) say they have taken at least one of seven steps to delay or skip care this past year.

According to a new Kaiser Family Foundation health tracking survey, most common was relying on home remedies or over the counter drugs rather than consulting a physician, which 42 percent report, followed by skipping dental care. Three in ten reported not filling a prescription.

Putting Off Care Because of Costs

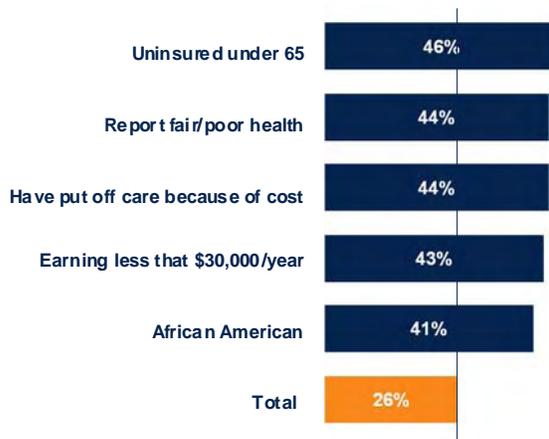
In the past 12 months, have you or another family member living in your household done each of the following because of the cost, or not?



Did any of the above **59%**

Problems Paying Higher in Some Subgroups

In the past 12 months, did you or another family member in your household have any problems paying medical bills, or not?



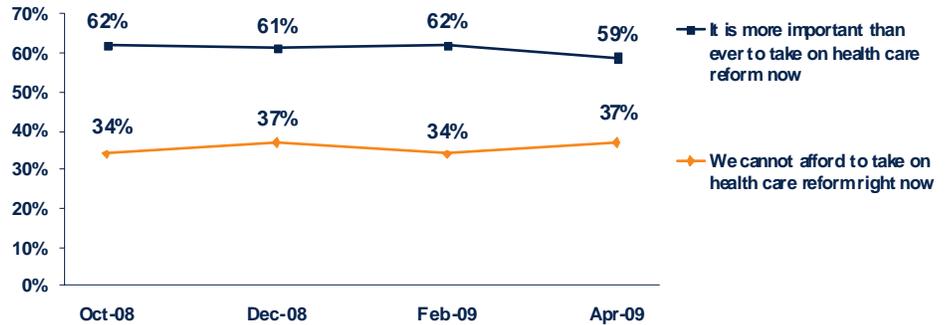
Of course many people are not able to put off care, and so must face the medical bills that will inevitably come due. Some have more problems meeting these financial obligations than others. Overall, one in four Americans (26 percent) say someone in their household has had trouble paying medical bills over the course of the past year. But in lower income households or households without insurance coverage, these problems are even more frequent, affecting upwards of four in ten Americans (43 percent and 46 percent, respectively). African Americans also report a particularly high rate of problems paying medical bills (41 percent).

Health Care Reform: The Big Picture

Perhaps because many Americans continue to face challenges affording the care they need, the country's overall economic woes have not dampened the public's interest in taking on health care reform. A majority of Americans (59 percent) continue to say that economic challenges make it more important than ever to take on health care reform now, while 37 percent say we can't afford to tackle reform at this point. This division has been roughly the same since last fall, despite worsening economic news.

Support Remains Despite Bad News

Which comes closer to describing your own views? Given the serious economic problems facing the country...

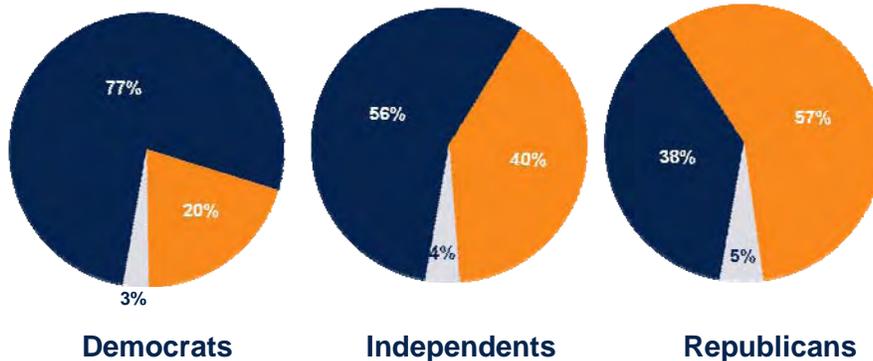


As has been true all along, there are dramatic partisan differences of opinion as to the timing of health care reform, with a majority of Democrats (77 percent) and independents (56 percent) saying we need health care reform now, and a majority of Republicans saying now is not the right time (57 percent).

Democrats, Independents See Need for Reform Now

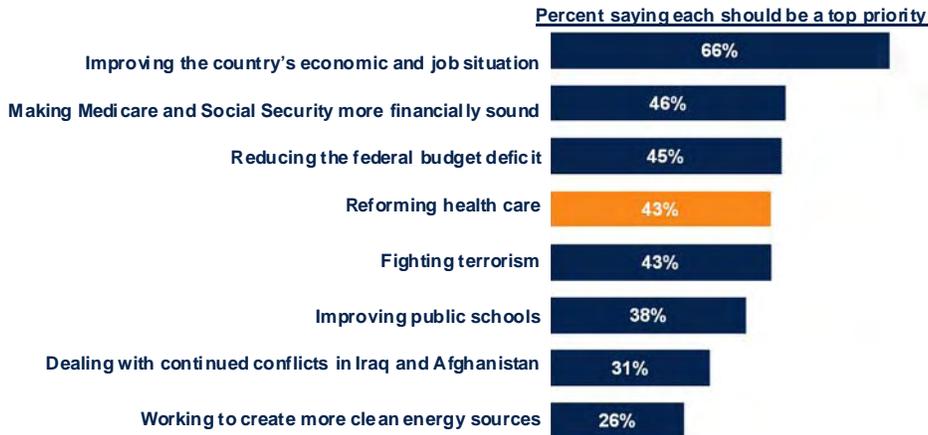
Which comes closer to describing your own views? Given the serious economic problems facing the country...

■ It is *more important than ever* to take on health care reform now
 ■ We cannot afford to take on health care reform right now
 ■ Don't know/Refused



Priorities for the President and Congress

I'm going to read you a list of some different things the new president and Congress might try to act on this year. As I read each one, tell me if you think it should be one of their top priorities, very important but not a top priority, somewhat important, or not that important.



In the bigger picture, the public priority list has been fairly stable over the course of the year, with economic hard times remaining people's top issue. The economy and jobs continue to be named by two in three Americans as a top priority, while health care nestles in the second tier with budgetary concerns, the deficit (which has moved up the list in the past two months), saving the major entitlement programs, and fighting terrorism. Iraq and Afghanistan rank seventh on a list of eight issues.

Republicans, Democrats and independents agree that the economy should be job one, but after that their priorities diverge, with health care ranking second on Democrats' priority list while ranking fifth for independents and seventh for Republicans.

A majority of Americans (56 percent) believe that the country would be better off if Congress and the president do pass health care reform. Overall, 43 percent believe their own family would be better off, while 36 percent say it wouldn't affect them and 14 percent say they would be worse off. Democrats are significantly more likely than Republicans to say that health care reform would make them better off (56 percent do, compared to 25 percent of Republicans and 38 percent of independents)

Partisans Agree: It's the Economy - After That Priorities Diverge

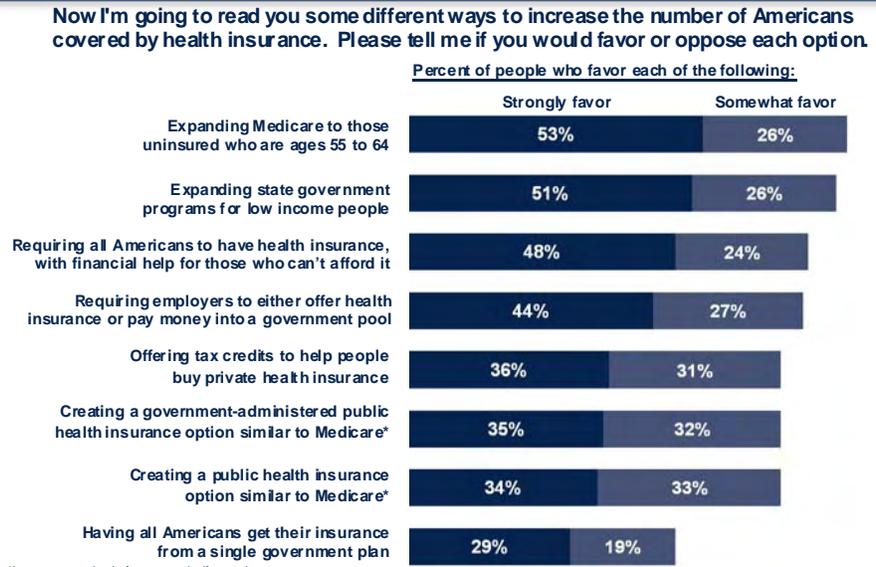
Percent among each group saying each should be a top priority

<u>Democrats</u>	<u>Independents</u>	<u>Republicans</u>
Economy (76%)	Economy (65%)	Economy (57%)
Health care (57)	Terrorism (46)	Terrorism (52)
Medicare and Social Security (52)	Budget deficit (46)	Budget deficit (48)
Public schools (47)	Medicare and Social Security (42)	Medicare and Social Security (42)
Budget deficit (42)	Health care (40)	Iraq and Afghanistan (38)
Terrorism (34)	Public schools (30)	Public schools (35)
Iraq and Afghanistan (30)	Iraq and Afghanistan (27)	Health care (27)
Clean energy (29)	Clean energy (26)	Clean energy (16)

Health Care Reform: Specific Proposals

As far as specific options for health care reform, a range of individual proposals meet with majority support. Topping the list in terms of popularity are a Medicare buy-in for those aged 55 to 64. Overall, just over half of Americans (53 percent) “strongly” support such a proposal and an additional 26 percent say they support it somewhat, totaling 79 percent backing. There is similar support for expanding state government programs for low income people, and just slightly less for individual and employer mandates. As we will see in a later section, however, this support is far from firm, perhaps reflecting Americans’ desire to ‘do something, do anything’ more than their support for particular policy solutions.

Public Supports Many Ways of Expanding Coverage



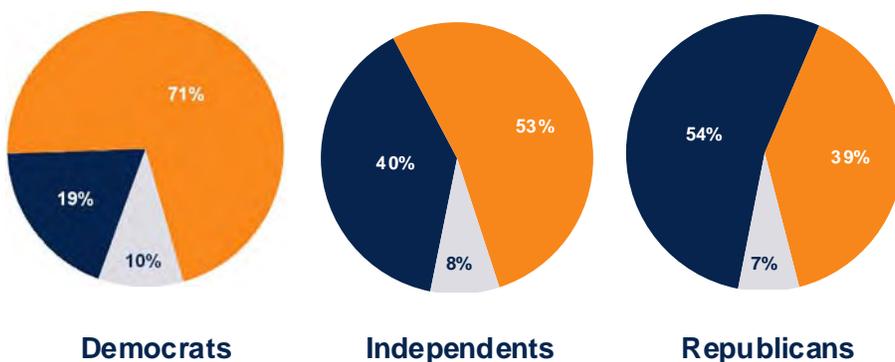
Exploring Public Views on a Public Plan

One polarizing point in the current discussion of health care reform is the possible inclusion of a public plan to compete with private sector health insurance offerings.

Partisan Divide on Form of Competition

Which do you think is a better way to encourage health insurance companies to provide the best product for the lowest price? To have private insurance companies...

■ ...compete with each other
 ■ ...compete both with each other and with a government-administered public insurance plan similar to Medicare
 ■ Don't know/Refused



Looking at the concept with a wide lens, most Americans say that including a public plan in competition with private insurers would improve the available insurance options. Specifically, 57 percent of Americans say that having private insurance companies compete both with each other and with a public plan would be a better way of encouraging the private sector to “provide the best product for the lowest price.” Roughly a third (35 percent) say that private sector competition alone would provide a superior product.

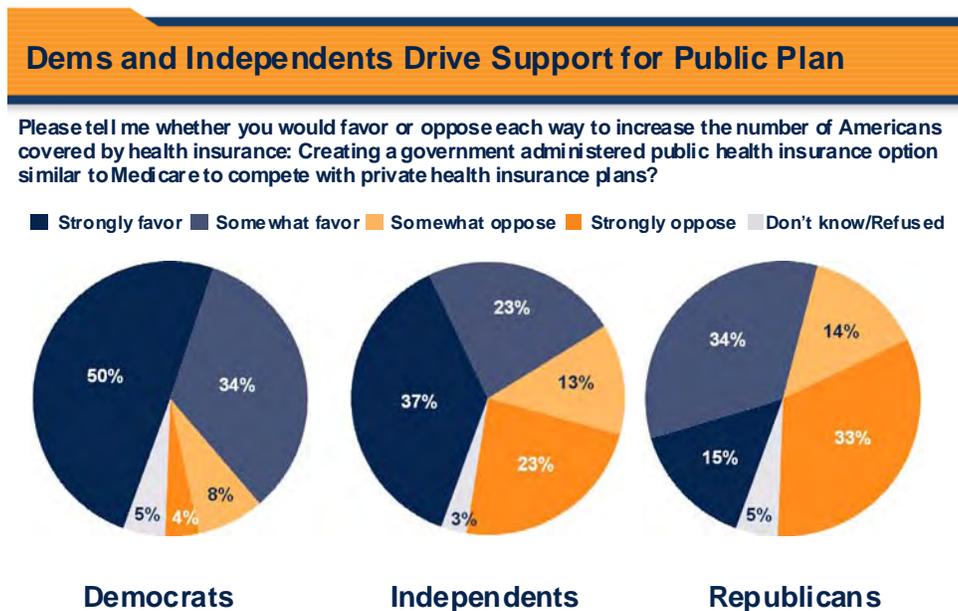
Views on the topic differ markedly by partisan affiliation, with 71 percent of Democrats saying the public plan would improve the insurance product, compared to 53 percent of independents and 39 percent of Republicans.

The survey also included the public plan option – worded as “creating a public health insurance option similar to Medicare to compete with private health insurance plans” – as one of the long list of possible reforms presented in the previous section. The results suggest that the majority of Americans favor creation of a public plan at this early stage of the debate, led by strong support among Democrats for a public option and somewhat less unanimous, though still majority support from independents. Republicans are very divided on the concept, though they show more support than their leaders in Congress, who line up strongly against such a program.

Currently, however, 67 percent of Americans are favorably disposed to a public health insurance option. It’s worth noting, however, that only half of this support – 34 percent overall – comes from those who say they are strongly committed to the concept. Support for the idea remained equally high (an identical 67 percent) when a separate sample was asked a version of the question that included the words “government-administered” in describing the plan.

As was suggested above, majority support for the concept of a public plan is quick to turn to majority opposition when supporters are faced with possible tradeoffs. We take this aspect of the issue up in a separate section on message testing later in the brief.

Democrats are the most likely to back the public plan, with eight in ten in favor, followed by political independents, six in ten of whom back the idea. Republicans are divided in half on the topic, with 49 percent in favor and 47 percent opposed when the question is phrased a “government-administered public health insurance option similar to Medicare” and a virtually identical division when the reference to government administration is absent.



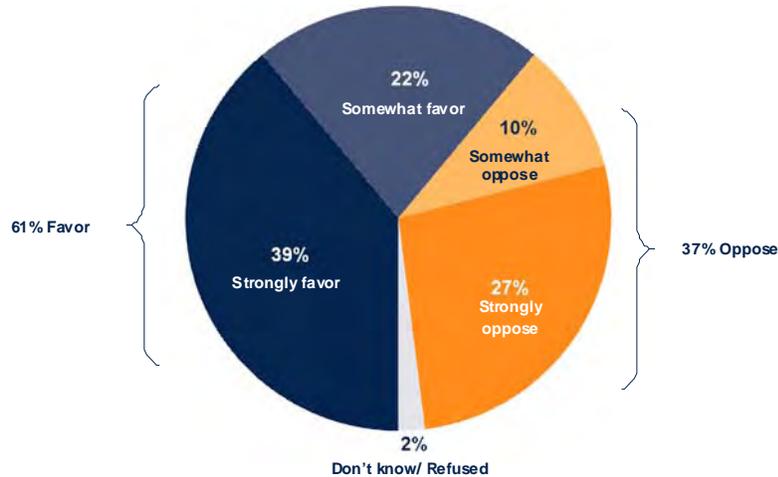
Exploring Paying for Reform Through the Tax System

One of the most important challenges in reforming health care is the question of how to pay for it. The survey suggests that taxing the wealthy and adding to the cost of cigarettes continue to be popular options, with some support for taxing wine and beer as well. Fewer Americans would back a change to the current tax treatment of employer-sponsored health benefits.

The survey suggests that there continues to be substantial support for taxing the wealthy in order to pay for health care reform. Currently seven in ten support increasing taxes on families making more than \$250,000 per year, nearly the identical proportion who supported this proposal last December. There is no such widespread support for raising income taxes more generally, however. Overall, only 28 percent would support increasing income taxes for all taxpayers. Fully half “strongly oppose” such a plan.

Public Response to Taxing Unhealthy Behaviors

In order to help pay for health care reform and provide coverage for more of the uninsured, would you favor or oppose increasing taxes on items that are thought to be unhealthy, such as soda, alcohol, junk food, and cigarettes? (Based on half sample)



The new poll also finds some support available for taxing unhealthy behaviors, the type of taxes sometimes called “sin taxes.” Overall, six in ten say they would be in favor of raising taxes on “items that are thought to be unhealthy, such as soda, alcohol, junk food and cigarettes” when these items are presented as a group. Roughly four in ten say they “strongly support” this, with the rest of the backing coming from more lukewarm supporters.

Though one argument against these sort of taxes tends to be that they hit lower income Americans harder, those with lower incomes are somewhat more likely to be strongly in favor of the tax. Overall, 68 percent of those in households making under \$30,000 per year

say they favor the tax, including 47 percent who strongly favor it, compared to 55 percent among those making more than \$75,000 per year (35 percent strongly favoring). Women were also somewhat more likely to back this method for raising revenue for health reform and potentially promoting good health than men (69 percent versus 53 percent), and Democrats (69 percent, including 54 percent who “strongly favor” the idea) more than political independents (59 percent) or Republicans (48 percent).

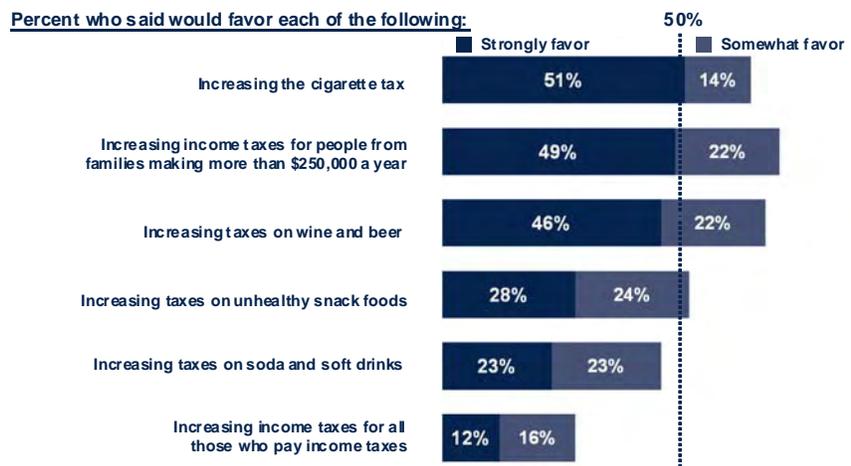
As has been true for the other public policy proposals discussed earlier in the brief, these views prove malleable in the face of arguments from the opposing position, as we will discuss further in the section that follows.

Since it is possible that some elements of such a bundled package of taxes are more palatable to the public than others, a separate half of the sample was asked about the ingredients of the above proposal separately. The results suggest that taxes on cigarettes (65 percent support) and on wine and beer (68 percent) are more popular than taxes on unhealthy snack foods (52 percent support) or soda (46 percent).

Those who supported a tax on soda and soft drinks to fund health care reform were also asked how much they would be willing to pay. Overall, 30 percent of Americans say they would be willing to pay as much as 15 cents per 12 oz. soda. Dropping the tax to 10 cents does little to garner additional supporters – an additional 3 percent would be willing to pay it. If the tax burden went down to 3 cents per 12 oz. soft drink, overall 39 percent say they would be willing to support it.

Paying for Reform Through Tax Increases?

Please tell me if you would favor or oppose each of the following to help pay for health care reform and provide coverage for more of the uninsured. (Based on half sample)

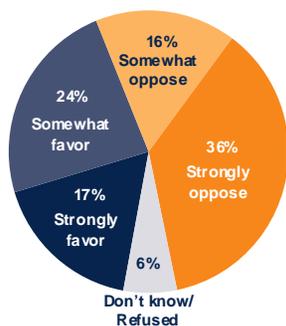


Though some have expressed interest in changing the tax treatment of employer-provided health insurance for those with the most generous benefits, this proposal is not currently popular with a majority of Americans. Overall, roughly four in ten (41 percent) back the idea, while 52 percent are opposed to this change in a current benefit. Those who currently have employer-sponsored health insurance are even more likely to oppose the proposal (33 percent favor, 62 percent oppose). Among this group, 38 percent say they believe they would qualify as having generous benefits and so be subject to the tax.

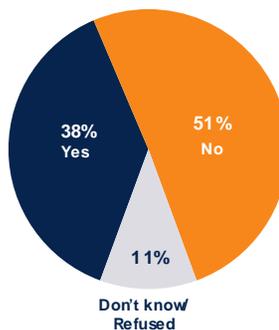
There is some partisan difference of opinion on changing the tax treatment of employer health benefits, though in no group does the concept attain clear majority support (for example, 50 percent of Democrats are in favor compared to 29 percent of Republicans).

Changing Tax Treatment of Employer Health Benefits

Do you favor or oppose changing the law so that workers with the most generous health care benefits would pay taxes on the money their employer puts toward their coverage?



AMONG THE 41% WITH EMPLOYER-SPONSORED HEALTH INSURANCE:
Do you think your health insurance plan would be considered among the most generous and be subject to the new tax, or not?



Simulating a Vociferous Debate: What Happens to Public Views When Exposed to Arguments

A survey can at least strive to present possible policy changes in an even-handed way, but in the messy real world, this balanced presentation isn't necessarily the way that the average American will learn about proposed plans. It's a safe bet that health care reform in 2009, as was true in 1993-1994, will play out in the context of a spirited debate, with opponents and proponents taking their cases directly to the public, with substantive, impassioned pleas mixed in with specious arguments and spin. For this reason, we chose a handful of the endless possible numbers of messages for and against these policy proposals and asked supporters and opponents separately if they would "still support" or "still oppose" if they heard this argument against their position. And what we found is that, at this early but still crucial stage of a possibly fast-moving process, there are many arguments (true or not) which can move opinion for or against.

Employer Mandates: For example, as was true in February, while the majority of Americans support the idea of an employer mandate in principle, support falls when people are given the argument that such a policy change might “cause some employers to lay off some workers.”

Mandates Popular but not Immune to Challenges

Would you favor or oppose requiring employers to offer health insurance to their workers or pay money into a government fund that will pay to cover those without insurance?



Supporters were asked: What if you heard that paying for this may cause some employers to lay off some workers?



Opponents were asked: What if you heard that this would be more fair because today some employers pay for health insurance and some do not?



Note: Follow up question on left asked of those who initially favored. Graph below it based on total, where “oppose” includes those who initially opposed along with those who opposed after hearing the follow up. Follow up question on right asked of those who initially opposed. Graph below it based on total, where “favor” includes those who initially favored along with those who favored after hearing the follow up.

Initially, 71 percent say they support the idea of “requiring employers to offer health insurance to their workers or pay money into a government fund.” When those who favor the concept are told that this may mean some job loss, most change their minds and oppose the plan. Overall, after hearing this one-sided challenge, support is at 27 percent and opposition at 65 percent.

The survey also included an argument test for opponents, who were told this might be “more fair because today some employers pay for health insurance and some do not.” This converted about three in ten opponents to the other side. If the public was only exposed to arguments in this direction, the poll suggests support would be at 78 percent and opposition at 17 percent. Arguments aimed at opponents provide a less dramatic result since they enhance the existing majority position rather than flipping it, as in the case of arguments aimed at supporters.

Public Plan: A similar dynamic comes into play in discussion of a public plan when, in the face of opposition arguments, majority support for the plan erodes. The argument that a public plan would give the government an unfair advantage over private insurance companies moves opinion on the public plan option to 32 favor and 59 percent oppose. Mentioning that a public plan might be a step toward a single payer system also erodes majority support, though not quite as dramatically, resulting in 41 percent supporting the public plan and 50 percent opposing it.

It is also true that arguments about increased choice and lowering cost work to increase the initial margin in support of a public plan by changing the minds of

some opponents. Since there are fewer opponents to start with, however, it follows there are fewer of them available to switch sides. Still, told that a public plan would give consumers more option, enough opponents switched sides to up the majority to 78 percent favor and 16 percent oppose on the issue.

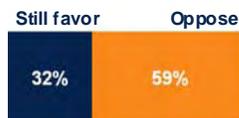
Public Plan: Arguments Posed to Supporters

Would you favor or oppose creating a (government-administered) public health insurance option similar to Medicare to compete with private health insurance plans?

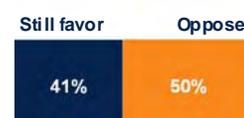


ASKED OF THOSE WHO FAVOR A PUBLIC OPTION:
What if you heard that a public health insurance option could...

... give the government an unfair advantage over private insurance companies?

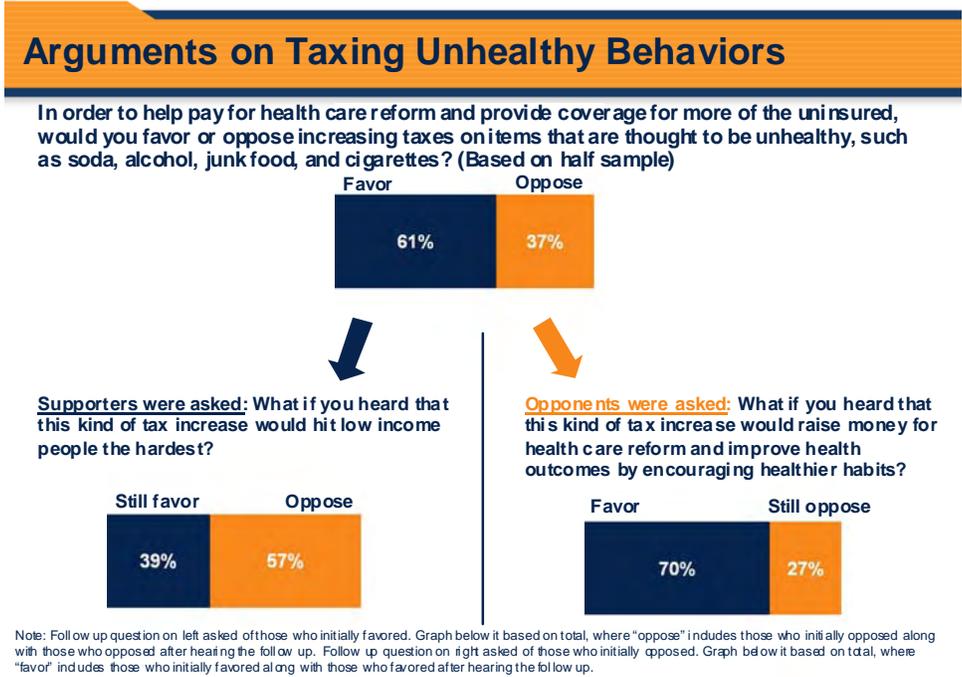


... be the first step toward single-payer, government-run health care?



Note: Follow up questions asked of those who initially favored. Responses shown on bottom graphs are based on total, where “oppose” includes those who initially opposed and those who opposed after hearing the follow up.

Taxing Unhealthy Behaviors: It is also appears to be possible to move those on the margins to the opposite view when it comes to taxing unhealthy behaviors. For example, when supporters are told that lower income Americans would be hit the hardest by this type of taxation, enough move to the other side to tilt the majority toward opposition – 57 percent oppose, 39 percent favor. Arguing from the other direction that such a tax would raise money for health care while also improving health outcomes turns one in four opponents into supporters and increases the margin in favor of a sin tax package to 70 percent in favor, 27 percent opposed.



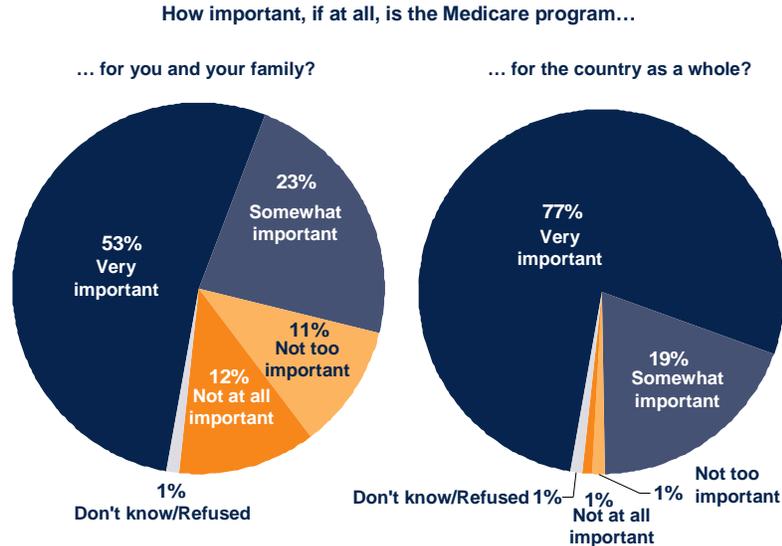
We obviously cannot gauge in advance what arguments will be made, who will make them and how successful they will be in having them heard and absorbed by the public at large. And, of course the fact that arguments are made does not make them true (or false). The above is just a reminder that discussion about the possible tradeoffs inherent in any complex policy change does serve to dampen hypothetical public support relatively quickly at this stage of the process.

Medicare

One distinctive feature of the current policy debate is that even as policymakers begin tackling health care reform, leaders at the highest levels are also discussing making changes to the Medicare program to preserve its financial viability. As such, the survey also explored Americans' attitudes toward Medicare and, to a lesser extent, Social Security.

Just over three in four Americans say the Medicare program is "very important" for the country as a whole, and just over half say it is very important for their own family. Seniors – who make up the bulk of current participants – are even more likely to say the program is important to them: nine in ten of those aged 65 and up say the program is important to them and their family, with nearly all of these (78 percent overall) calling it "very important." Medicare is also viewed as particularly vital by those with fewer resources – fully 68 percent of those in households making less than \$30,000 per year say Medicare is very important to them. It's worth noting that the program is also viewed as very important by half (49 percent) of those making more middle class incomes (\$30,000-75,000 per year).

Value of Medicare Program



The majority of Americans are aware that Medicare is facing significant financial challenges. Three in four say either the program is already in financial crisis (30 percent, up 12 percentage points from 2003) or is facing major financial problems (44 percent). Indeed, current estimates are that Medicare's Part A hospital fund will be depleted in 2019, though an impending trustees report is expected to suggest that the day of reckoning is even closer.¹ The public seems to have a sense that this is the case: according to the poll, just over half believe Medicare won't be able to cover its share of seniors hospital bills in the near future (16 percent see this happening in the next five years, and another 39 percent say this will happen in the next five to ten years).

A related area in which opinion is less informed is the contrast to the financial problems facing the Social Security program. Overall, 52 percent say Social Security will be the first to suffer a serious financial crisis, while 39 percent say Medicare's bills will come due first. However, according to experts, funding for Social Security is not expected to be exhausted until 2041.²

¹ *The 2008 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds*, published March 2008.

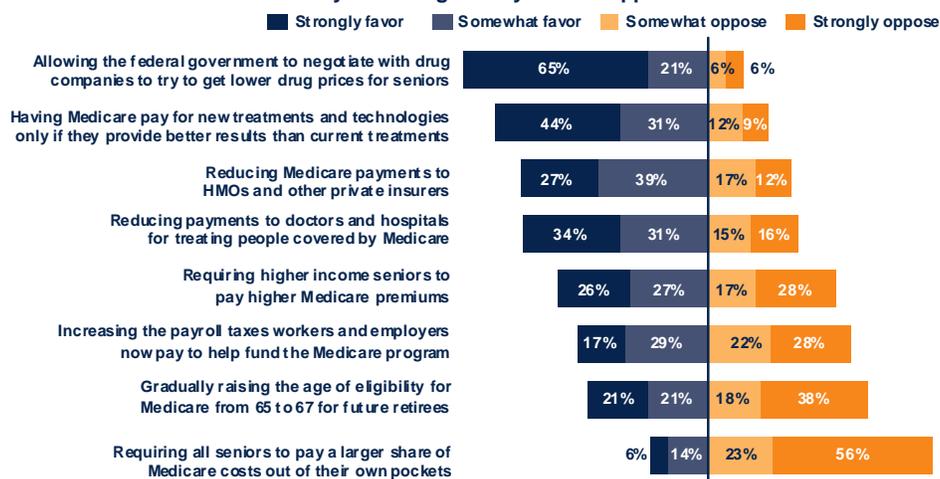
² *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, published March 2008.

This awareness of impending financial crises may be leading many Americans to doubt whether Medicare will be available to them when they retire. Overall, roughly six in ten (58 percent) non-seniors say they are “very concerned” that today’s Medicare benefits will not be available for them when they retire, a level of concern that does not vary widely by age.

Despite having a high level of concern about Medicare’s solvency, most Americans are not interested in proposals to address these financial challenges that require personal sacrifices. Topping the list in terms of popularity is an option that the Congressional Budget Office does not think will actually save any money³: allowing the government “to negotiate with drug companies to try to get lower drug prices for seniors,” a proposal favored by an overwhelming 86 percent of Americans.

Ways to Keep Medicare Financially Sound

I’m going to read you some proposals that could keep Medicare financially sound in the future. Please tell me whether you would generally favor or oppose each one.



Following this, three in four would support having Medicare “pay for new treatments and technologies only if they provide better results than current treatments.” It’s worth noting, however, that this support is malleable, as shown by the message testing we did in this area as in the area of health care reform overall.

If supporters are told that “this change meant some people might not be able to get all the treatments recommended by their doctor,” most advocates switch sides and overall support falls to 28 percent. It is also possible to push people the other direction by arguing that this change “might improve quality of care and help control health care costs.” In this

scenario, enough opponents switch sides to make the overall total in favor jump to 84 percent.

In the third tier of popularity for Medicare fixes are options that cut payments to providers and plans. Two in three would favor reducing payments to HMOs and other private insurers, while just as many would reduce payment to doctors and hospitals. It’s worth noting that seniors themselves are less supportive of cutting back on payments, perhaps fearing this would jeopardize their benefits or their access.

The ‘tax the rich’ proposal included – “requiring higher income seniors to pay higher Medicare premiums” – is not as popular in the realm of Medicare as it is in the larger venue of health care reform, perhaps *because* it is targeted at seniors only. In this poll, 53 percent back this option.

After this, fewer than half support increasing the payroll tax, raising the age of eligibility, or requiring seniors to pay a larger share of Medicare costs.

The poll also suggests that Americans realize the role that rising health care costs play in Medicare’s financial troubles, though at the same time they overemphasize the role fraud plays in the system and are quick to say that the professionals – from doctors and hospitals to insurance and pharmaceutical companies – are charging too much money. Asked about the ‘main reason’ behind the financial difficulties facing Medicare, 19 percent named fraud, 18 percent said doctors and hospitals charge too much, and 17 percent alluded to the fact that health care costs in general are going up.

³ Congressional Budget Office, *Budget Options, Volume 1: Health Care*, published December 2008.