



Public Not Following Battles in Washington Over Kassebaum/Kennedy and Medical Savings Accounts

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Most Say Don't Know Enough To Express An Opinion; Those
Who Do, Favor Insurance Reform and Are More Negative
Toward MSAs

Most Americans Oppose Changes in Medicare, Even to Save
Program from Bankruptcy

Washington, D.C. -- While Congress wrestles with health insurance reforms and medical savings accounts (MSAs), most Americans say they have neither read nor heard about these debates. Even after being read descriptions of the proposals, many say they don't know enough to form an opinion, according to a new national survey. Those who offer an opinion regarding insurance reforms are favorable, while those with an opinion on MSAs tend to be more negative with the size of the MSA deductible affecting the levels of support and opposition.

After the extended debate of the last year, Americans are more likely to have opinions about Medicare and Medicaid. The public is resistant to major spending reductions in the Medicare program, even to prevent it from going bankrupt. Americans are split over whether responsibility for Medicaid should be turned over to the states, but the majority of the public opposes a Medicaid block grant when they learn that along with more flexibility states would also get a fixed amount of federal money.

After a considerable lapse in public interest following the demise of the health reform debate, health appears to be rising again on the list of issues people say they are concerned about. Health care in general (excluding Medicare) ranked third, behind concerns about the economy and candidate characteristics among issues that people say would influence their vote in the upcoming presidential election. In addition, Medicare was tied for seventh. The vast majority of Americans believe that health care costs and the uninsured are bigger problems today than five years ago. And, a plurality believe that the health care system is getting worse.

These findings are from the latest survey designed to monitor public knowledge, opinions, and beliefs on health and health-related issues conducted by the Kaiser-Harvard Program on the Public and Health/Social Policy. The survey was designed by the Kaiser Family Foundation, Harvard University, and Princeton Survey Research Associates (PSRA), and conducted by PSRA.

"In the post-health reform world, there will be many more debates about important incremental proposals like Kassebaum/Kennedy and MSAs. The challenge will be to engage the public and make them understand how these reforms could impact their health care" said Kaiser Family Foundation President Drew E. Altman, Ph.D.

"Views on changing Medicare appear to be hardening, presenting a real dilemma both for Republicans and Democrats who will have to make tough choices to control future Medicare costs," said Professor Robert J. Blendon, ScD., of Harvard University.

The Public and the Policy Proposals

Kassebaum/Kennedy (Insurance Reform Legislation)

In the wake of the debate over comprehensive health insurance, one of the most hotly debated health reform measures this past year has been the Kassebaum/Kennedy bill, which would require health insurers to offer coverage to people who lose or change their jobs -- without regard to pre-existing medical conditions; yet, a majority (56 percent) of

the public report neither having heard nor read about the proposal. After being read a description of the proposed insurance reforms and the arguments for and against them, almost three times as many Americans favored insurance reform (31 percent) as opposed it (12 percent), but most people (57 percent) felt they needed more information to make a decision.

Of the 43 percent of Americans who say they have followed the debate, nearly half (47%) favor the proposed insurance reforms with only 14 percent of those following the debate saying they oppose the bill.

Medical Savings Accounts

In the debate over the Kassebaum/Kennedy bill, there has been much discussion about adding a medical savings account provision. However, fully 69 percent of the public say they neither heard nor read about proposed legislation to create MSAs. After being read a description of MSAs and arguments for and against them, over a third of Americans say they do not have enough information to express an opinion. Those with an opinion on MSAs are more likely to oppose MSAs, although the size of the deductible affects their levels of support and opposition:

- A MSA that would provide medical coverage after an employee pays \$2,000 in medical bills is supported by 28 percent of the public and opposed by 36 percent, with 36 percent saying they need more information.
- A MSA that has a \$5,000 deductible is favored by 18 percent and opposed by 42 percent, with 40 percent needing more information.

When asked if they would choose an MSA if they had a choice, 21 percent of Americans say they would be very likely to choose an MSA with a \$2,000 deductible and 22 percent say they would be somewhat likely to choose an MSA at this level of deductible. Only 12 percent would be very likely to choose an MSA with a \$5,000 deductible and 25 percent would be somewhat likely.

Only a minority of Americans (30 percent) say they have

followed the debate over MSAs, but they are more favorable than the general public toward the proposal -- 44 percent favor a MSA that would provide coverage after an employee pays \$2,000 in medical bills, while one-third (35 percent) oppose it. For a MSA with a \$5,000 deductible, support among those following the debate falls to 34 percent and opposition rises to 42 percent.

Medicare

In the war of words over the future of the Medicare program, much has been staked on whether the debate is about the future solvency of the program, balancing the Federal budget, or tax cuts. When asked what they believe the debate over Medicare is about, the public is divided with 34 percent saying that the debate is about balancing the federal budget, 31 percent to save the program from bankruptcy, and 20 percent to pay for a tax cut. Regardless of the rationale offered, however, there is little support for altering the present system. A majority of Americans believe Congress should not make major reductions in future spending on Medicare, even to head off insolvency (54 percent). Changes to the Medicare system draw even less support when the objective is balancing the budget (77 percent oppose).

Likewise, the public has not entirely warmed up to a defined contribution or voucher plan for Medicare: only 32 percent favor mandatory vouchers that would be used to purchase private health insurance, while 64 percent favor keeping Medicare as it is today. Attitudes towards a voluntary voucher are more mixed with slightly more Americans opposing a voluntary voucher system (49 percent) than favoring it (45 percent). Support for a voluntary voucher drops to (21 percent) if told that such a program might increase costs to those who remain in the traditional Medicare program, a criticism some made of voucher plans. Among those 65 years and older, only 19% support a voluntary voucher plan.

Among Americans who say health care or Medicare will influence their vote in the 1996 election (14 percent of the general public), almost nine out of ten (89 percent) oppose major reductions in Medicare spending to balance the federal budget. Twenty-two percent of Americans 65 years and older say health care or Medicare is one of the top two issues which

will influence their vote.

Medicaid

Americans are split on whether they think responsibility for Medicaid should be turned over to the states with 47 favoring state control and 43 percent opposing it. However, support for state control drops to 29 percent and opposition rises to 57 percent when the public is informed that in addition to being given flexibility in running Medicaid, each state would be given a fixed amount of Federal dollars under a block grant.

The Public and Managed Care

Despite the growing shift in health insurance coverage to managed care and the increasing attention to managed care in the news and as a policy issue, only 27 percent of the public say they know what the term "managed care plan" means. Thirty-seven percent of the public says they've never heard the term "managed care plan" and 36 percent say they've heard of managed care but are not sure what it means.

In addition, one in ten (11 percent) of the public think it would be a good thing if they or their family received their health care in the future through managed care. Twenty percent say it would not make a difference. Among the 19 percent who feel it would be a bad thing if they or their family received care through managed care, 58 percent say their feelings are based on their own experience (33 percent) or on what they've heard from friends and family (25 percent). Thirty-six percent say it is due to what they have heard through the media.

The Uninsured

Seventy percent of the public know more people are uninsured in the U.S. now than five years ago. However, even after years of debate on this issue, the public is still more likely to think that the uninsured are from families where no one is employed (50 percent) rather than from families where someone is employed (42 percent). (In reality, 85 percent of the uninsured are from families where someone is employed full or part time.) Most Americans -- 62 percent -- believe that the uninsured are still able to get needed health care.

When asked about where to start with phasing in health care coverage for the uninsured, the public would begin with children (48 percent), followed by working people (22 percent), low-income people (15 percent), and those needing long-term care (10 percent).

Americans' Health Care Priority Agenda

Health care remains high on the public's list of issues about which they are concerned. When asked what the most important issues will be in deciding who to vote for in the upcoming Presidential election, health care in general (excluding Medicare) (10 percent) ranks third behind economic concerns (14 percent) and candidate characteristics (11 percent). When those who say health care in general is an issue likely to affect their vote were queried on what issue matters most to them, one in four (25 percent) named Medicare or health care for the elderly followed by health care and insurance costs (18 percent), and access/availability issues (17 percent).

Similarly when Americans were given a list of health care issues and asked which ones they wanted the next President and Congress to address, they picked these five highest priorities:

- Waste, fraud and abuse in government health care programs, chosen by 17 percent of the public;
- Health care for children, 12 percent;
- Health care costs, 10 percent;
- Americans losing their health insurance, 9 percent; and
- Health insurance for those who can't afford it, 9 percent.

In a period when the public is very resistant to discussions of tax increases, the majority of the public (60 percent) say they are willing to pay higher taxes or insurance premiums to guarantee health insurance coverage to more people. At the same time, however, the public ranked rising taxes among their top overall concerns. The public expressed support for action on long-term care, with 68 percent saying they would be willing to pay more in taxes to help provide such care to the elderly. Thirty-eight percent say they would be willing to pay more to improve mental health coverage for all Americans.

Methodology

The Kaiser/Harvard/PSRA survey was conducted by telephone with 1,011 adults nationwide between June 20 and July 9, 1996. The margin of error is plus or minus 3 percent.

The Kaiser Family Foundation, based in Menlo Park, California, is a non-profit, independent national health care philanthropy and is not associated with Kaiser Permanente or Kaiser Industries. The Foundation's work is focused on four main areas: health policy, reproductive health, HIV, and health and development in South Africa.

Copies of the actual questionnaire and national top line data for the findings reported in this release (#1166) are available by calling the Kaiser Family Foundation's publication request line at 1-800-656-4533.