PROSPECTS FOR NATIONAL HEALTH CARE REFORM

Tenth Annual Hilde and Bill Birnbaum Endowed Lecture
*Group Health Center for Health Studies*
May 6, 2009

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Vice President and Director Public Opinion and Survey Research
*Kaiser Family Foundation*
1. Introduction to the (Sad) History of Health Care Reform and Where We Are Today

2. Challenges and Opportunities Facing Today’s Reformers in terms of Getting and Maintaining Public Support for HCR

3. Politically What’s Different This Time

4. Predicting an Outcome
# A Brief History of Health Reform

<table>
<thead>
<tr>
<th>Who/When</th>
<th>What</th>
<th>Fate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harry Truman (1950)</td>
<td>Universal</td>
<td>“a socialist plot”</td>
</tr>
<tr>
<td>LBJ (1965)</td>
<td>Medicare &amp; Medicaid</td>
<td>“Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any supervision or control over the practice of medicine…”</td>
</tr>
<tr>
<td>Nixon / Ford / Wilbur Mills (1974)</td>
<td>Universal coverage, employer mandate</td>
<td>Mills falls in Tidal Basin with Fanny Fox</td>
</tr>
<tr>
<td>Jimmy Carter (1979)</td>
<td>Cost containment</td>
<td>The “Voluntary Effort”</td>
</tr>
<tr>
<td>Bill Clinton (1994)</td>
<td>Health Security Act</td>
<td>Scary Plan, Bad Strategy</td>
</tr>
<tr>
<td>1997</td>
<td>State Children’s Health Insurance Program</td>
<td># uninsured children falls</td>
</tr>
<tr>
<td>2003</td>
<td>Medicare Prescription Drug Act</td>
<td>progress and privatization</td>
</tr>
<tr>
<td>Barack Obama &amp; the U.S. Congress (2009)</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

Average time between major national health reform windows: **19.7 YEARS**
Stage 1: THE ELECTION

Democrats promote issue in Primaries

Big enough debate in General to keep momentum alive

Registers in exit polls

Becomes an economic issue
Democrats promote issue in Primaries → Big enough debate in General to keep momentum alive → Big enough debate in General to keep momentum alive

Registers in exit polls

Stage 1: THE ELECTION

Becomes an economic issue

Stage 2: THE PRESIDENT

Makes health reform a top priority
- wants action this year
- sets aside $634 billion in budget
- leaves details to Congress

- CHIPRA passes
- $149 billion “down payment” on health reform in stimulus bill
Democrats promote issue in Primaries

Big enough debate in General to keep momentum alive

Registers in exit polls

Becomes an economic issue

• CHIPRA passes
  • $149 billion "down payment" on health reform in stimulus bill

Stage 1: THE ELECTION

Stage 2: THE PRESIDENT

Stage 3: THE CONGRESS

Major Health Reform Legislation Passes this Summer or Fall

Opportunity Lost Again

All political scientists say “I told you so”
Challenges...

- Salience, competing goals
- Easy to agree on goals, hard to find solutions
- Competing goals of health reform
- Partisan disagreement
- Evaluate how it affects them personally
- Understanding the facts
- Unwilling to sacrifice
- Messaging matters
### Competing 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.... 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.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percent saying each should be a top priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the country’s economic situation</td>
<td>71%</td>
</tr>
<tr>
<td>Making Medicare and Social Security more financially sound</td>
<td>49%</td>
</tr>
<tr>
<td>Fighting terrorism</td>
<td>42%</td>
</tr>
<tr>
<td>Reforming health care</td>
<td>39%</td>
</tr>
<tr>
<td>Reducing the federal budget deficit</td>
<td>36%</td>
</tr>
<tr>
<td>Providing more support to improve public schools</td>
<td>35%</td>
</tr>
<tr>
<td>Working to create more clean energy sources</td>
<td>31%</td>
</tr>
<tr>
<td>Dealing with Iraq</td>
<td>30%</td>
</tr>
<tr>
<td>Dealing with Afghanistan</td>
<td>26%</td>
</tr>
<tr>
<td>Improving America’s image and standing in the world</td>
<td>21%</td>
</tr>
</tbody>
</table>

Note: Various items based on half samples
Source: Kaiser Health Tracking Poll (conducted Feb. 3-12, 2009)
CHART 9

Health Care Reform in Economic Hard Times

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

- 62% It is more important than ever to take on health care reform now
- 34% We cannot afford to take on health care reform right now
- 4% Don't know/Refused

Source: Kaiser Health Tracking Poll (conducted Feb. 3-12, 2009)
Do you favor or oppose the federal government doing more to help provide health insurance for more Americans?

75% Favor

21% Oppose

4% Don’t know/Refused

Percent of registered voters who favor each way to expand coverage:

- Tax breaks to businesses: 80% (15% MOST)
- Expanding Medicaid/SCHIP: 70% (11% MOST)
- Expanding Medicare: 68% (14% MOST)
- Tax credits to people: 65% (13% MOST)
- Employers pay or play: 63% (15% MOST)
- Individual mandate: 58% (14% MOST)
- Single government plan: 41% (15% MOST)

Note: Not exact wording of options
Source: Kaiser Health Tracking Poll: Election 2008 (conducted Sep. 8-13, 2008)
**Chart 12**

Nothing New: Level of Support for 3 Health Reform Plans, 1945

<table>
<thead>
<tr>
<th>Plan</th>
<th>Percent saying “good” or “fair” idea</th>
<th>Percent favoring in forced 3-way choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance company plan</td>
<td>88%</td>
<td>39%</td>
</tr>
<tr>
<td>Federal government plan</td>
<td>72%</td>
<td>34%</td>
</tr>
<tr>
<td>Doctor organization plan</td>
<td>69%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Partisans Disagree: TOP Priorities

I’m going to read you a list of some different things the new president and Congress might try to act on.... 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.

<table>
<thead>
<tr>
<th>Item</th>
<th>Republicans</th>
<th>Independents</th>
<th>Democrats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving economy</td>
<td>68%</td>
<td>71%</td>
<td>74%</td>
</tr>
<tr>
<td>Making Medicare and SS financially sound</td>
<td>40%</td>
<td>45%</td>
<td>57%</td>
</tr>
<tr>
<td>Fighting terrorism</td>
<td>58%</td>
<td>45%</td>
<td>31%</td>
</tr>
<tr>
<td>Reforming health care</td>
<td>22%</td>
<td>37%</td>
<td>49%</td>
</tr>
<tr>
<td>Reducing budget deficit</td>
<td>43%</td>
<td>32%</td>
<td>33%</td>
</tr>
<tr>
<td>Improve public schools</td>
<td>22%</td>
<td>36%</td>
<td>45%</td>
</tr>
<tr>
<td>Create more clean energy</td>
<td>25%</td>
<td>33%</td>
<td>32%</td>
</tr>
<tr>
<td>Dealing with Iraq</td>
<td>42%</td>
<td>30%</td>
<td>23%</td>
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<td>24%</td>
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<td>Improving America’s image in the world</td>
<td>27%</td>
<td>12%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Note: Various items based on half samples
Source: Kaiser Health Tracking Poll (conducted Feb. 3-12, 2009)
Partisans Disagree: 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

Democrats: 77% (More important), 20% (Cannot afford), 3% (Don't know/Refused)
Independents: 56% (More important), 40% (Cannot afford), 4% (Don't know/Refused)
Republicans: 38% (More important), 57% (Cannot afford), 5% (Don't know/Refused)

Source: Kaiser Family Foundation Health Tracking Poll (conducted Apr 2-8, 2009)
Partisans Disagree: Amount of Effort

Which one of the following three things would you like to see in a health care reform proposal from the new president and Congress?

- A new health care plan that would make a major effort to provide health insured Americans and would involve a substantial increase in spending
  - Republicans: 23%
  - Independents: 45%
  - Democrats: 67%

- A new health plan that is more limited and would cover only some groups of uninsured Americans, but would involve less new spending
  - Republicans: 37%
  - Independents: 27%
  - Democrats: 16%

- Keeping things basically as they are
  - Republicans: 37%
  - Independents: 25%
  - Democrats: 15%

*Note: “Don’t know/Refused” responses not shown.
Source: (U.S. Data)-Kaiser/Harvard The Public’s Health Care Agenda for the New President and Congress (conducted December 4-14, 2008)
Majorities Insured Satisfied with Own Situation

Among those with health care coverage, percent who...

- Satisfied with quality of care
- Satisfied with ability to get latest treatments
- Rate health insurance coverage "excellent" or "good"

Do you think (you and your family/the country as a whole) would be better off or worse off if the president and Congress passed health care reform, or don’t you think it would make much difference?

*Note: “Don’t know/Refused” responses not shown.
Source: (U.S. Data)-Kaiser Health Tracking Poll (conducted February 3 – 12, 2009)
Do you think you (personally/your family) will be better off, worse off or won’t it make a difference?

September 1993*  
- Better off: 20%  
- It wouldn’t make much difference: 57%  
- Worse off: 21%

April 1994**  
- Better off: 19%  
- It wouldn’t make much difference: 40%  
- Worse off: 37%

Note: "Don't know/Refused" responses not shown.

*Time/CNN/Yankelovich, September 1993. Question wording: "As you may know, the (President Bill) Clinton Administration is currently working on major proposals to reform the country's health care system. And from what you know of those health care reforms, do you think you and your family will, in general, be better off, worse off, or about the same?"

**Gallup/CNN/USA Today, April 1994. Question wording: Overall, if Congress passes a health care plan, do you think you personally will be better off, worse off, or won't the health care plan make much of a difference to you?"
Would you say that more uninsured Americans are... employed or from families where someone is employed, or that more of these uninsured Americans are... unemployed or from families where no one is employed?
Understanding Basic Facts

For each item I name, please tell me if you think it’s one of the single biggest factors in rising health care costs, a major factor, or less of a factor than that.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug and insurance companies making too much money</td>
<td>50%</td>
</tr>
<tr>
<td>Too many malpractice lawsuits</td>
<td>37%</td>
</tr>
<tr>
<td>Fraud and waste in the health care system</td>
<td>37%</td>
</tr>
<tr>
<td>Doctors and hospitals making too much money</td>
<td>36%</td>
</tr>
<tr>
<td>Administrative costs in handing medical insurance claims</td>
<td>30%</td>
</tr>
<tr>
<td>People getting treatments they don’t really need</td>
<td>30%</td>
</tr>
<tr>
<td>People needing more medical care because of unhealthy lifestyles</td>
<td>29%</td>
</tr>
<tr>
<td>The use of expensive new drugs, treatments and medical technology</td>
<td>28%</td>
</tr>
<tr>
<td>The population aging</td>
<td>23%</td>
</tr>
<tr>
<td>More people getting better medical care than ever before</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: (U.S. Data)-ABC News/Kaiser/USA Today Health Care Poll (conducted September 7-12, 2006)
Majority Say Reform Can Happen Without Sacrifice

Which comes closer to your opinion: To make any real reforms to the health care system, we…

- 56% Won’t have to change my existing arrangements
- 37% Will have to change my arrangements
- 8% Don’t know/Refused

- 58% Won’t have to spend more money
- 36% Will have to spend more money
- 6% Don’t know/Refused

Note: Not exact question wording
Source: Kaiser Health Tracking Poll (conducted Feb. 3-12, 2009)
Willing to Pay More?

Would you be willing to pay more -- either in higher health insurance premiums or higher taxes -- in order to increase the number of Americans who have health insurance, or not?

Note: “Don’t know/Refused” responses not shown.

**Messages Matter**

Would you favor or oppose requiring employers to either offer health insurance or pay money into a government pool?

<table>
<thead>
<tr>
<th>Favor</th>
<th>Oppose</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>26%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Still favor</th>
<th>Oppose</th>
</tr>
</thead>
<tbody>
<tr>
<td>29%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Would you favor or oppose requiring all Americans to have health insurance with help for those who cannot afford it?

<table>
<thead>
<tr>
<th>Favor</th>
<th>Oppose</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>31%</td>
</tr>
</tbody>
</table>

What if you heard that this could mean that some people would be required to buy health insurance that they find too expensive or did not want?

<table>
<thead>
<tr>
<th>Still favor</th>
<th>Oppose</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Note: Follow up question asked of those who initially favored. Responses shown on bottom graphs are based on total, where opposed includes those who initially opposed and those who opposed after follow up. “Don’t know/Refused” responses not shown.

Source: KFF/HSPH *The Public's Health Care Agenda for the New President and Congress* (conducted Dec. 4-14, 2008)
The “Issue-Attention Cycle” By Anthony Downs

1. The pre-problem stage
2. Alarmed discovery and euphoric enthusiasm
3. Realizing the cost of significant progress
4. Gradual decline in public interest
5. The post-problem stage

Debates and Messaging Matter: Clinton Health Reform Plan Debate

Change in public support for Clinton Health Reform Plan over time...

- September 1993:
  - Favor: 59%
  - Oppose: 33%
  - No opinion: 8%

- April 1994:
  - Favor: 47%
  - Oppose: 43%
  - No opinion: 10%

Debates and Messaging Matter: Truman Health Reform Plan Debate

Change in public support for Truman Health Reform Plan over time...

March 1949:
- Favor: 38%
- Oppose: 38%
- No opinion: 25%

November 1950:
- Favor: 29%
- Oppose: 60%
- No opinion: 11%

Source: Gallup Polls, 1949 and 1950.
Opportunities…

• Insecure about costs
• Real people having real problems paying
• Opportunity to link to costs
• Some (just SOME) agreement by party
• Some (just SOME) appetite for revenue raisers
• Combine approaches
Insecure About Costs, Losing Coverage

Percent saying they are VERY worried about the following...

- Having to pay more for your health care or insurance
- Losing your health insurance coverage*

*Note: asked only of those with health insurance
Source: Kaiser Family Foundation Polls
Many Face Medical Bill Problems

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

Would you say the amount of these medical bills was: (Based on total)*

- Less than $100: 4%
- $100-$500: 4%
- $50-$1000: 4%
- More than $1000: 13%

Don’t know/Refused: 1%

Source: Kaiser Health Tracking Poll (conducted Feb. 3-12, 2009)

*Note: “Don’t know/Refused”
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?

- Relied on home remedies or over the counter drugs instead of going to see a doctor: 42%
- Skipped dental care or checkups: 36%
- Put off or postponed getting health care you needed: 33%
- Not filled a prescription for a medicine: 29%
- Skipped a recommended medical test or treatment: 27%
- Cut pills in half or skipped doses of medicine: 18%
- Had problems getting mental health care: 8%

Did any of the above: 59%

Source: Kaiser Family Foundation Health Tracking Poll (conducted Apr 2-8, 2009)
Do you think the cost of health care is something the president and Congress can do a lot about, do a little about, or is that mostly beyond their control?

- 58% A lot
- 25% A little
- 15% Mostly beyond their control
- Don’t know/Refused

Partisans Agree: Major Changes Needed

Which one of the following comes closest to your view about the health care system in America today?

- Needs complete overhaul
- Needs major changes
- Needs minor changes
- Works fine as is
- Don’t know/Refused

Democrats

- 57% needs complete overhaul
- 38% needs major changes
- 16% needs minor changes
- 3% works fine as is
- 1% don’t know/refused

Republicans

- 67% needs complete overhaul
- 24% needs major changes
- 28% needs minor changes
- 4% works fine as is
- 1% don’t know/refused

Independents

- 82% needs complete overhaul
- 29% needs major changes
- 28% needs minor changes
- 4% works fine as is
- 1% don’t know/refused

Democrats

- 53% needs complete overhaul
- 16% needs major changes
- 16% needs minor changes
- 29% works fine as is
- 1% don’t know/refused

Paying for Reform Through Tax Increases?

Percent who said would favor each of the following:

- Increasing the cigarette tax: 51% Strongly favor, 14% Somewhat favor
- Increasing income taxes for people from families making more than $250,000 a year: 49% Strongly favor, 22% Somewhat favor
- Increasing taxes on wine and beer: 46% Strongly favor, 22% Somewhat favor
- Increasing taxes on unhealthy snack foods: 28% Strongly favor, 24% Somewhat favor
- Increasing taxes on soda and soft drinks: 23% Strongly favor, 23% Somewhat favor
- Tax generous health benefits: 17% Strongly favor, 24% Somewhat favor
- Increasing income taxes for all those who pay income taxes: 12% Strongly favor, 16% Somewhat favor

Source: Kaiser Family Foundation Health Tracking Poll (conducted Apr 2-8, 2009)
CHART 34

Opportunity to Combine Approaches

Example: Health insurance mandates

Requiring individuals to purchase insurance

- 47% Support
- 44% Oppose
- 8% Don’t know/Refused

Requiring individuals to purchase insurance; role for employers, the government and insurance companies

- 59% Support
- 33% Oppose
- 8% Don’t know/Refused

Note: Not exact wording of options

Source: NPR/KFF/HSPH The Public on Requiring Individuals to Have Health Insurance (Feb. 14-24, 2008)
What’s Different So Far from 1993-1994 Debate?

• President making it an early priority
• Leaving Congress to draft legislation
• Congressional leaders making it priority
Percent naming health care one of two most important issues for government to address

Note: "Don't know" responses were included in the base when percentages were calculated.
Source: NBC/Wall Street Journal; Harris Polls
What’s Different So Far from 1993-1994 Debate?

- President making it an early priority
- Leaving Congress to draft legislation
- Congressional leaders making it priority
- Recognize short window of opportunity
- Interest groups lining up differently

BUT THERE’S NO PLAN YET
STILL EARLY “HAPPY TALK” PHASE
NO ONE YET ASKED TO SACRIFICE
Rough Cost of a “Shared Responsibility” Universal Coverage Plan

**Full Year Cost in 2009 Dollars**

- Small business tax credit ($5 B)
- Medicaid expansion to everyone under poverty ($50 B)
- Subsidies for Low and Middle Income ($110 B)

**Total:** $165 Billion

10 year cost (assuming 7 years of operation) = about $1.7 trillion

Source: Kaiser Family Foundation analysis based on modeling for the Foundation by Jonathan Gruber and other sources.
Understanding the Magnitude of the Cost of a Comprehensive Plan

What if a $165 billion per year health reform plan were funded with a flat across-the-board income tax increase?

Additional Tax Per Tax Return With a Tax Liability

- Single: $1,238
- Family: $2,476

Source: Kaiser Family Foundation analysis based IRS figures for tax returns in 2006.
How They Might Get There

• Reduce the price tag (without sacrificing the benefit package too much)

• Share the responsibility
  – Employers
  – Consumers

• Savings
  – Cut increases in future Medicare payments to hospitals and doctors (sorry)
  – A public plan?
  – Delivery reforms

• Revenues
  – Taxing unhealthy behaviors
  – Cap the tax preference for employer-based insurance
  – Increase taxes on upper income people

• Phasing In

• Triggers
CHART 41

Which Scenario is Most Likely?

Stage 1: THE ELECTION

Democrats promote issue in Primaries

Big enough debate in General to keep momentum alive

Registers in exit polls

Becomes an economic issue

Stage 2: THE PRESIDENT

Makes health reform a top priority
- wants action this year
- sets aside $634 billion in budget
- leaves details to Congress

CHIPRA passes
- $149 billion “down payment” on health reform in stimulus bill

Stage 3: THE CONGRESS

SCENARIO A
Consensus bill emerges in Senate this summer, with bipartisan support. House follows. Administration gets on board.

Major Health Reform Legislation Passes this Summer or Fall

SCENARIO B
Reconciliation process: “slam dunk” by Democrats with 51% vote.

Opportunity Lost Again

SCENARIO C
No way to pay, partisan gridlock.

SCENARIO D
Congress/President fall back to an incremental step

All political scientists say “I told you so”
What to Watch For......

• Who is asked to sacrifice what in the actual legislative proposals?
• What is the tenor of political discussion around actual proposal?
• What do the interest groups do?
• What do the issue ad campaigns look like?
• Do people think they will be better off or worse off?