

Wye River Group On Healthcare

PUBLIC OPINION POLLING: PAST AND PRESENT

Recently WRGH, in conjunction with American Enterprise Institute (AEI), invited healthcare pollsters from both sides of the political isle to share their perspectives on the public perception of healthcare today and the changes needed to create a more satisfying system for us all. This article summarizes what was learned from the pollsters as well as from the very knowledgeable participants in the meeting.

Everyone interprets healthcare in a personal way. And while men read about healthcare, women live it every day. But healthcare is not under a normal economic model, as the purchaser of goods and services is not the consumer. Further, healthcare is perceived as a “value.” As such, people view healthcare decisions in a “life or death,” or at least quality of life, context and will pay whatever they can to get what they feel they need. If they cannot afford something potentially beneficial, they will feel cheated, perhaps out of years of their life. Many assume for profit companies only function to make money, not help them live longer or better.

Further, healthcare and retirement are increasingly intertwined. Healthcare costs become a critical issue when retirement funds are not there, as healthcare is a big part of living comfortably. The concept of health as a security issue emerged strongly post 9/11.

To effectuate constructive change, it is widely believed that we need to create a new language that resonates with the majority of the American public—a language that is culturally palatable.....one that trumps politics.

In 1992, 45% of Americans wanted radical change. We were worried about healthcare costs and concerned that we would lose our insurance if we became very ill or lost our jobs. Managed care helped address the cost issue and by late 1994, only 22% were advocating drastic change.

However, the definition began to change, as we became sick of managed care restrictions, and in June, 1997 37% of the public demanded change that would allow them to once again choose their own doctor. And we were tired of insurance bureaucrats making medical decisions. These issues were ones that Congress could do something about!

Without Congressional action, the market began to address the excesses of managed care, but unfortunately by 1999 costs were again spiraling out of control. The number one concern of the public today is the surge in healthcare costs—defined as out of pocket costs, not the true cost of a healthcare service. And as a voting issue, this is the most important issue for Congress to address—not the uninsured, not a Medicare prescription

drug benefit. Worries about healthcare costs have greater impact than concerns about terrorism, the economy, or education. The fundamental story people tell themselves is that the greed of insurers, providers and lawyers has compromised the quality of care and driven costs, not technology or the aging population. The public believes that healthcare was once responsive to people's needs and doctors related to individuals on a personal level. But now, the doctor-patient relationship has been compromised by a "corporate model."

Today around 33% of the public advocate for significant change, including groups who are disenfranchised by the system and have little political clout, like the poor and minorities, as well as the very politically powerful group of women voters age 35-54. So change is likely to occur!

But what do we really mean by change? From a partisan perspective, Democrats want big, radical change, but they learned in 1994 that wholesale change of the healthcare system is not acceptable—it won't be supported. As a result, politicians in both parties are "gun shy" and want to start small. The "disease of the week" regulation of the past several years was the bridge between ClintonCare and the Patient's Bill of Rights.

But we need to keep in mind the fundamental disconnect between what people say about dissatisfaction with the system and how satisfied they are personally with their insurance and healthcare. Overall, people are still pretty satisfied with their own care. Also, unfortunately, people do not want to make trade-offs. The consumerism movement in other industries has helped to create the 21st century notion that we can have it all—more choice, lower price, higher quality. And managed care has made it worse. Once folks have had the comprehensive coverage of managed care, they are resistant to a fee for service system with more cost-sharing.

In essence, politicians are forced to make trade-offs but the public does not believe they are necessary. While we may accept some trade offs in a market sector we do not in a societal sector, and healthcare grew up in a societal model.

While candidates sell products, consumers buy benefits. People perceive they are buying healthcare coverage—they don't see it as insurance—and they want healthcare covered! Also worrisome is the fact that many experts are not so sure that, when given more choice and control, consumers will take responsibility for their healthcare choices.

We desperately need a national debate about equity and economics. We have no one in the system assessing value, and there is a fundamental conflict between our concerns about cost and our demands for choice and freedom. And we are in an upward cycle of our technical and scientific ability, which will have a MAJOR impact on cost, values and ethical decisions. How do we begin the debate? This conundrum will require a fundamental shift in how we view the value equation in healthcare.

So as we move toward a system characterized by more consumer empowerment and, importantly, personal responsibility for our health and healthcare, we need to ensure that we do not fundamentally undermine the security of the majority of Americans, or such change will be a political non-starter.

Communication will be key. We must test the words we use to describe the concepts. While it is nice to talk about the move from cost to value, in reality cost is still the driver of change. What are the messages and concepts besides cost that resonate today? Control and choice are very powerful. A basic premise of controlling my own healthcare is the ability to pick my own doctor and my definition of a good doctor is one I pick myself. When bureaucrats and cost are in the way I am resentful. Quality of care also wins debates. The public views sacrificing quality of care to cover more individuals as an unacceptable trade off. Portability of health insurance is very important, and media vignettes of pregnant women having to change doctors paint a powerful picture. But at the end of the day, we must convince people that a new concept will help them control the cost of care for it to “sell.”

Consumers will need a great deal of education if they are to be able to make good choices about healthcare plans and services. For example, most don't understand the concept of FSAs—they equate them with MSAs and do not like them. We also don't use the right language to talk about tax credits—we talk about them as vehicle, rather than describe what they can help us achieve.

What about Congress? It appears that here, too, education is warranted. In general, individual members are unsophisticated about health care. Their knowledge and understanding is largely based on anecdotal and personal experience. Thus, they have little comfort dealing with healthcare issues, although when facing an election year they will confront their discomfort! There is a remarkable gap between what the public says it wants and what politicians recognize and respond to! Currently there is no real pressure to do anything—no mandate, except perhaps for a Medicare prescription drug benefit. Congress won't pass HMO reform until HMOs are reformed by the market—but this is what the founding fathers intended!

And what about the future. It appears that there are essentially two competing visions of the future: A government run or single payer system, which will severely stifle innovation. This is not what Americans want! OR a system where I and my doctor make decisions, I can keep my doctor even if I lose or change my job and I can build up savings to pay for future healthcare needs.

Unfortunately, some experts feel it is likely our system will continue to deteriorate, unless we can find a way to move it in the right direction. This will take a charismatic, energetic legislative leader; a general movement that gets big enough that it can't be ignored; or a large, powerful group decides it wants such change. We need to move the debate back into a private sector mode where change can more readily take place. The country wants a

contract on healthcare, but we must remember that insurance is just a subset of healthcare. How you pay for it is just a part of the equation and if we keep focusing on the insurance model, we will never have meaningful change, because a 2% benefit to ME is relevant.

Yet change is occurring—there is some self-correction of the market, within current regulatory constraints. People are being offered more choice. We are defining quality in a meaningful way, such as by decreased medical errors. The real question is can we unleash more competitive forces without doing damage to what we have?

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