

**NATIONAL HEALTH INSURANCE:
DOES THE PUBLIC BUY IT?**

By Robert Blendon and Karen Donelan

In 1989, the Department of Health Policy and Management at the Harvard School of Public Health launched the Harvard Program on Public Opinion and Health Care. It focuses on the roles that public and leadership opinion play in the formation of health policy, in the US and abroad. The program has published reports on a range of topics including access to services, health insurance coverage, and satisfaction with health systems and services. It also works with various survey organizations to develop and conduct new health surveys, and to advise on the design of additional surveys relevant to health policy research and development.

Perception of a Need for Change

Recently, the program has paid special attention to the emerging debate over health care system reform in the US. In the course of this we have reviewed hundreds of surveys done on health reform issues. The need for change in the US system is now widely recognized—by leadership and policy groups and by the public. The United States spends more on a per person basis for health care than any other industrialized country: \$2,051, compared to \$1,483 in Canada, \$1,093 in West Germany, \$915 in Japan, and \$758 in Britain. Still, we fail to provide access to health care insurance to all our citizens, and our system is viewed more negatively by its populace than are the systems of several other industrialized nations by theirs (Figure 1).

Two concerns drive the call for reform in the US: costs, and uncertainty about maintaining health insurance benefits. When Americans who said either that there are some good things about our health care system but fundamental changes are needed to make it work better (44% in the 1990 Roper survey cited in Figure 1) or that the system has so much wrong with it that we need to completely rebuild it (25%) were asked in an open-ended question about the most serious problem facing the US health care system, more than half of them cited cost, while a third mentioned access to health insurance or services. Other studies have made similar findings. Eighty-four percent of respondents to a 1990 Conference Board survey said the cost of medical care was a serious problem—greater than the proportion making this judgment for crime, pollution, AIDS, homelessness, poverty, unemployment, and 14 other items. Only drug abuse ranked as high as medical care costs. The rising cost of health services is clear to Americans because they pay a substantial portion of those costs out-of-pocket: on

average, 25%; and nearly 20% pay more than 40% directly. This compares, for example, with the approximately 10% of health bills paid out of pocket by citizens of Scandinavian countries. Rising costs borne significantly by individuals themselves lead to a great public uncertainty among Americans about their ability to cope in the future.

Rising costs are also the driving force behind the more recent involvement in this debate by many US corporations. Large corporations say that the cost of providing health insurance is hindering their ability to compete in international markets. Small businesses argue that proposed government requirements that employers provide insurance would put them out of business. Disputes over health benefit premiums were the second leading cause of labor strikes in 1989. Employers surveyed by the magazine *Business and Health* indicated that increasing premiums, deductibles and copayments were the options they would most likely use to cut their health care costs in the future.

The general public is getting the message from business. More than 30 million people in the US are now without health insurance coverage, a number that has grown by 25% since 1980. A 1989 Census Bureau survey underscores that much of the populace has reason to be worried. More than one in four (28%) reported having been without insurance in a 28-month period prior to the survey. In 1989, a majority of insured persons feared they would lose their coverage if they changed jobs, or worried about having a health problem or a work schedule that would disqualify them from obtaining coverage through employers' policies. A 1990 Los Angeles Times survey found 18% reporting their insurance benefits had been reduced over the preceding two years. Since 1980, the share of health premiums paid by employers has declined from 80% to 69%, leaving employees to pay the difference.

Support for a National Health Insurance Plan

These factors have made Americans more receptive to change. There is now remarkable consistency in the public's response to the two primary national policy options. One is a national health insurance scheme, covering everyone, financed through general taxation or Social Security. The model most frequently cited is Canada's, but given the lack of familiarity with this system in the US, it is better understood here as Medicare for everyone. In surveys conducted by Harris, NBC News, Gallup, Roper, the Los Angeles Times, and state polling units in Connecticut and Kentucky, some 60-70% of Americans have backed this general approach. Support for a national health insurance program is higher now than it was a decade ago.

The second approach to health reform—put forth by Nixon in 1970 and in another form by the Pepper Commission in 1990—would (1) require all employers to provide

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private health insurance to their employees, and (2) create public insurance programs for the unemployed and poor. Such a program would address the fact that two-thirds of the uninsured in the US are employed, or are family members of someone who works. The latter plan has garnered a marginally greater measure of public support than an entirely government financed system. Surveys in 1989 and 1990 found 75-80% of Americans supporting the mandating of health benefits.

One problem with much of the survey data is that pollsters often don't give the public the major options in one question, to see which is preferred. We are left, then, with high support for alternative options to the current system and little indication whether people are willing to make a choice. A poll conducted by Gallup in 1972 showed the public, when offered three options, was split, with a plurality in favor of the "government requiring health insurance covering everybody who has a job and his or her family, with employers and employees sharing the costs, and the federal government providing insurance only for people who do not have jobs." In 1990 when Harris asked a somewhat different trichotomy, a plurality opted for a comprehensive national health insurance program. That option as presented, however, stipulated that "under such a program the government would control hospital costs, physicians' fees and other charges."

Satisfaction: Services vs. the Overall System

What is sometimes perplexing about public attitudes toward the US care system is that the high support for change is not accompanied by dissatisfaction with personal health care services. In fact, the vast majority of Americans who use the health care system are generally very happy with its services. In a 1990 Gallup survey for the American Medical Association, 85% said they were satisfied with their most recent visit to a physician; in another survey conducted by the Roper Organization for the Health Insurance Association of America in 1990, 88% were satisfied with the quality of their physician care and 76% with their hospital care.

The public wants, then, to maintain existing health care arrangements—but wants the services to cost less and to be guaranteed in the event of a serious illness. This conclusion is further supported by responses to a number of surveys in which Americans back cost-control policies which would regulate hospital charges and physician fees, regionalize expensive medical technologies and reduce unnecessary hospitalizations, tests, and procedures. They are not happy, however, with proposals to limit choice of health care providers (as in health maintenance organizations), or limit care to the elderly or terminally ill purely as cost-saving measures.

Is the Public Willing to Pay for Reform?

Three surveys undertaken between 1988 and 1990 show the level of support for adopting a national health insurance plan declining in proportion to the increase in taxes proposed to fund it. Americans back national health insurance if it entails only a modest increase in their tax burden. The Los Angeles Times poll found in 1990 that when asked how much each year they would be willing to pay in additional taxes to support such a plan, only 22% said \$200 or more (with a very large 33% not indicating what additional amount they would pay). Harris surveys have demonstrated that the most popular source of revenues to fund a universal health program are, in descending order, increases in taxes on cigarettes and liquor; Social Security taxes paid solely by employers; insurance premiums paid by the individual; and income taxes.

Possibilities for Shaping a Consensus

Despite the high level of public interest in finding a solution to the nation's health care problems, there is as yet no agreement about what plan would be acceptable. Based on our analysis, we believe that five guidelines should be followed in the design of new national health insurance proposals if a public consensus is to be achieved. (1) Elements of both public and private funding should be included in the final package. (2) Cost-containment proposals should not require dramatic shifts in individual medical arrangements, but rather should focus on hospitals, doctors, and insurers. (3) The new program should rely on taxes other than the progressive income tax, and revenues should be placed in a fund earmarked for this program. (4) Given the current perceptions of wasted money in health care, some of the resources for a program of universal health care should come from reallocation of funds already spent within the health system. (5) The costs of the new program should be phased in over a period of years so as to blunt the impact on the taxpayer.

A Note on Future Research

How can future survey research efforts help remove some of the uncertainties about the public's support for health system reform? We have three major suggestions. Questions should focus on reform options which are realistic. As noted, there are really only two such options: a national health insurance program covering all Americans, financed through taxes or Social Security; or a mixed private-public system in which employers would be required to provide coverage for their employees, and government would cover the unemployed and poor. In 1989, NBC News and Gallup each used appropriately worded questions describing these approaches. Beyond this, it's essential that more than one policy choice be offered within the same question. Too few pollsters ask people to

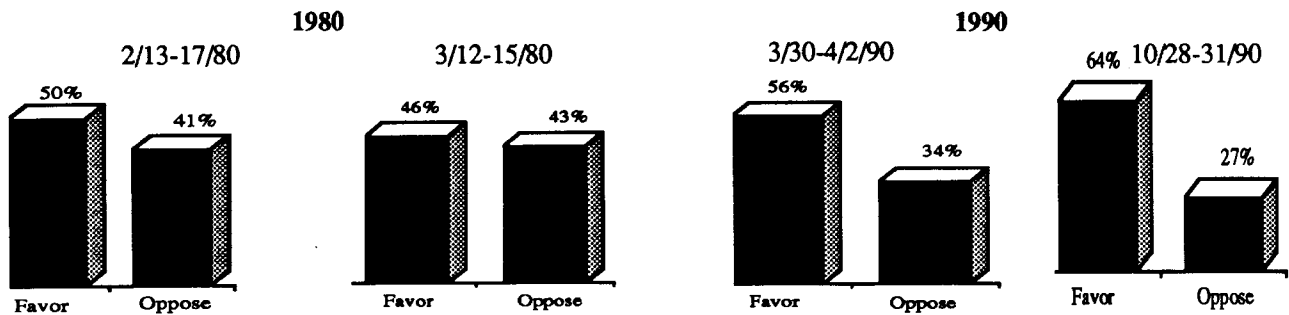
choose between the current system and a proposed change. The University of Connecticut's poll for the Hartford Courant (November 1990) provides a good example of a question with clearly worded options.* Finally, we need more useful measures of the public's willingness to pay for health policy changes. It's not enough to tell people that a new program will cost \$60 billion and then ask if they will pay the increased taxes to make it happen. It's also probably not reasonable to ask what they would pay on a yearly basis. On the other hand, monthly payments of insurance premiums and health care bills are quite common in our society, so this might provide a good standard of comparison. Tradeoffs should also be made clear. If a new plan means that people will pay more in taxes but less out of their pocket, the question should indicate that fact. Overall, careful attention to research already conducted on these issues will save us from some

of the confusion which results from having too many questions yielding seriously insufficient answers.

*The Connecticut Poll question asked: "There are differing opinions as to how health care insurance should be provided. Some people favor the present system of private insurance and health plans. Others say we should have a national system of health insurance provided through the government and paid for like Social Security now is. Which do you favor—our present system of private health plans, or a national health insurance plan provided through the government?"

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Table 1
An Apparent Increase in US Support for National Health Insurance



Question: Do you favor or oppose national health insurance, financed by tax money, and paying for most forms of health care?

Note: Surveys by CBS News and the New York Times.

Question: Which of the following statements comes closest to expressing your overall view of the health-care system in this country? (A) On the whole, the health-care system works pretty well and only minor changes are necessary to make it work better; (B) There are some good things in our health care system, but fundamental changes are needed to make it work better; (C) Our health-care system has so much wrong with it that we need to completely rebuild it.

Note: Surveys by Louis Harris and Associates for the Baxter Foundation and the Harvard School of Public Health, November 11-14, 1988. Percentages represent "B" and "C" responses combined. When this same question was asked in a 1990 Roper Organization survey conducted for the Health Insurance Association of America, 69% of Americans opted for one of the two critical options—responses which are closer to those in the other countries than the extremely critical 1988 US responses.

Figure 1

Does the Health Care System Need Major Change?
Responses from 10 Nations

