

Examining the Concerns of the Anxious Insured: Lessons for Health Reform

By Marsha Simon, Ph.D. & Melanie J. Morris

Introduction

Washington policymakers are focused on writing a workable and comprehensive health reform bill this year. However, if Congress expects to pass a bill with the American public's support, it is important to understand what the American people value about the current health care system and what they want from a health care system overhaul.

In the past quarter of a century, there have been two major health care battles on Capitol Hill – the Medicare Catastrophic Coverage Act (MCCA) in 1988 and the Clinton Health Security Act (HSA) in 1994. While neither became lasting law, and were, by most accounts complete legislative failures, they present very valuable lessons that should be applied to the current health reform debate.

The MCCA was proposed by President Ronald Reagan to reduce the risk for the elderly of illness-related catastrophic financial losses. The MCCA became effective January 1, 1989, and was terminated eleven months later on November 30, 1989 by the Medicare Catastrophic Repeal Act of 1989. When MCCA passed it had near unanimous support from across the political spectrum on Capitol Hill and public support from Medicare beneficiaries. The influential advocacy group the American Association of Retired Persons was particularly supportive. As the bill progressed, comprehensive and expensive prescription drug benefits were added, driving up the overall cost of the bill. Very quickly seniors became convinced that the costs associated with the MCCA outweighed the potential new health benefits, and Congress repealed the MCCA.

In 1993, President Clinton presented his health reform plan to Congress; a year later it was dead, having never become law. President Clinton embarked on his health reform proposal with public support and favorable circumstances. However, Clinton was unable to sustain the political and public support needed to pass the bill. In fact, the public backlash against the bill became so strong, that the 1994 midterm election ushered in a new Republican majority that endured for over a decade in Congress.

In both instances, the reforms had a tremendous amount of early public support, but as the details of reforms became public, support drastically eroded. Both experiences demonstrate the consequences of failing to consider the views of what Jonathan Oberlander dubbed the 'anxious insured' in a 2007 [New England Journal of Medicine](#) article¹. As Oberlander writes, "Health care reform must thread the needle by persuading the anxious insured that reform is in their best interest and that the uninsured can be covered without disturbing (and ideally while enhancing) their coverage."

[Spectrum](#)² conducted a comprehensive study to identify what health consumers value. The study found that 82% of respondents were insured in the first wave of data collected by the study, during January 2009, and 74% of respondents were insured during the second wave of data collection in

¹ Oberlander, Jonathan. 'Learning from Failure in Health Care Reform' [The New England Journal of Medicine](#). Vol 357:1677-1679, Number 17, October 2007.

² Spectrum is a health policy, public relations and public affairs firm and has invested its resources in an ongoing study to ask the American consumer which health services, programs and products they value most and which they value least. This study will continue to collect data every quarter, indefinitely, and will provide updates and new reports on its Web site at www.healthvaluestudy.com.



April 2009 (the 'anxious insured'). The study evaluates the relative value consumers place on different attributes of health care, health and wellness programs and services. Russell Research conducted the online interviews, interviewing a sample of 2,025 respondents.

Table 1: Health Insurance

Question	Jan '09 %	Apr '09 %
Currently have health insurance	82%	74%
Of those who have health insurance, the health insurance is through an employer	77%	71%
Of those who have health insurance, health insurance is purchased directly from insurance company	23%	29%
Of those who have health insurance, health insurance is either paid in full or subsidized by employer	77%	71%

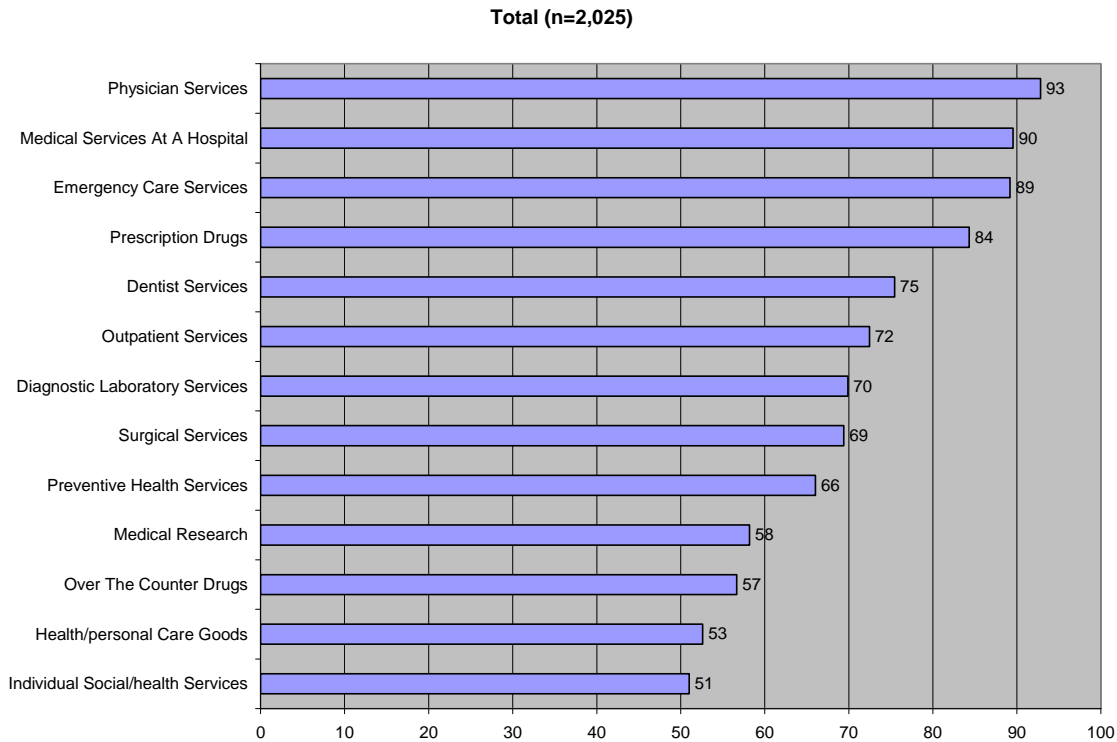
When respondents were asked the question, "Recognizing that health care costs vary depending on your level of insurance coverage and other health benefits that you either purchase or receive through an employer or other source, and thinking about the actual dollars that are spent, listed below are four health care services with costs that you and other individuals ultimately pay for either directly or indirectly. Of these four, which is the most important and which is the least important for you and your family as you spend **your** health care dollars?" Respondents were asked to rank four services at a time using the Max-Diff Methodology. The Max-Diff was administered by asking the respondents about a set of four benefits or attributes which a respondent evaluates (i.e. A, B, C, and D). If the respondent says that B is the "most important" and A is the "least important" we know that: B > A; B > C; B > D; C > A; and D > A. Thus, through two responses Spectrum was able to obtain five implied paired comparisons³.

The following chart demonstrates which services respondents value, and which services people value most⁴. The results are in percentages.

³ Additional information on the methodology of the Spectrum Health Value Study™ can be found in the Methodology section of the Web site at www.healthvaluestudy.com.

⁴ Both charts are taken directly from Spectrum analysis of the study data.

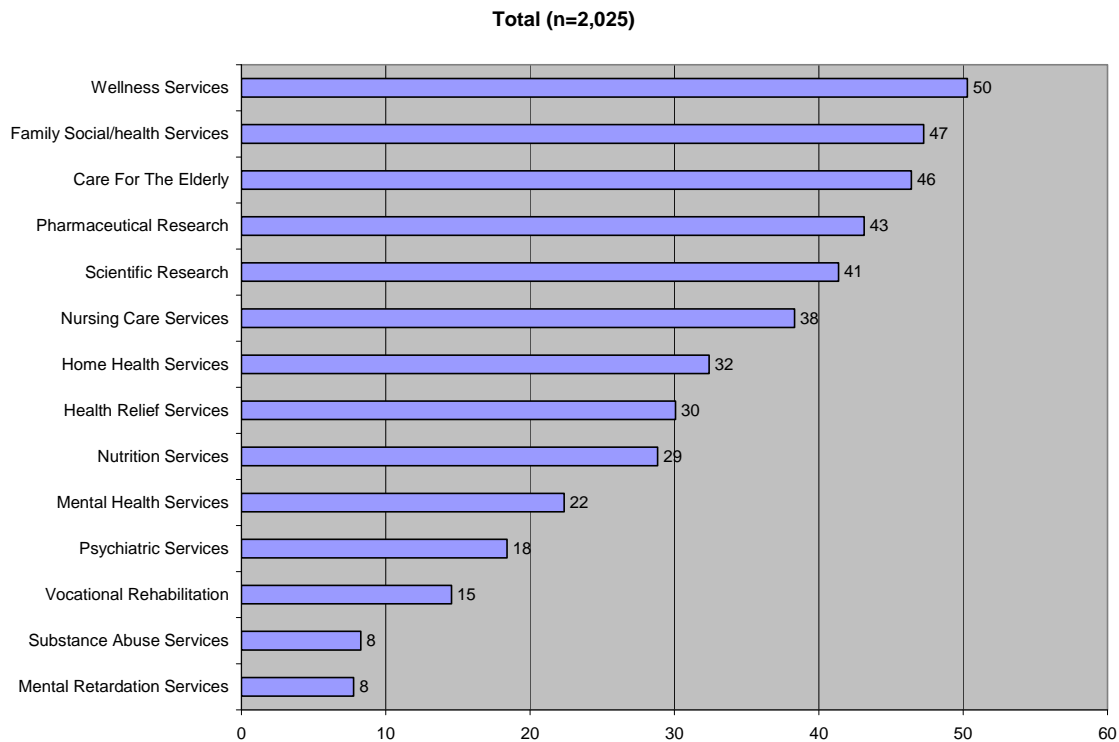
Figure 1: Services Most Valued by Respondents



Interestingly, the services most valued are: physician services, hospital services, emergency care services and prescription drug plans. Insured people value the services that they already have access to, as virtually all insurance plans cover these four services. Changing the coverage of these most valued services may result in backlash from the anxious insured.

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Figure 2: Services Least Valued by Respondents



Respondents value substance abuse, mental retardation, vocational rehabilitation and psychiatric services least. Interestingly these are also the least used benefits – only one percent of respondents had accessed mental retardation and two percent had accessed vocational rehabilitation services on a regular basis. One percent of respondents reported having accessed substance abuse services on a regular basis, and only five percent of respondents reported using psychiatric health services on a regular basis. (These figures are for the total period of the study, including both the January and April data collections.)

The Spectrum Health Value Study™ demonstrates that:

1. Preventive health services are not among the top priorities for the American public. Preventive health services ranked ninth in the survey.
2. The insured value most the services they already have – hospitalization, physician services, emergency services, and prescription drugs.
3. The insured do not value services they do not use; for example mental health and substance abuse services.



Conclusion

It is important to maintain lasting public support for health reform. Policy makers must reach out to and reassure the anxious insured that they will not lose their current coverage. As Ezra Klein notes in a piece on the “Lessons of ‘94” in The American Prospect, “...84% of the population has health insurance, 94% of voters do.”⁵

Therefore, it is essential that any health reform plan should protect the coverage that most Americans currently have and value. A possible approach might be to devise strategies for making these core services (physician, hospitalization and emergency room services and prescription coverage) more affordable for the anxious insured.

Policy makers should approach changing the coverage of preventive services with extreme caution. A consumer-driven approach that allows Americans to choose whether or not to pick up the routine and generally affordable costs of preventive care such as pap smears and PSA tests might be best received by voters.

A health reform effort should avoid adding new mandated benefits for health insurance and new public health programs thus upping the overall cost of the legislation in hopes of attracting additional political support from special interests. Policy makers, for example, should resist the temptation to add long-term nursing home benefits to placate the senior citizens’ lobby or occupational health programs for the labor unions.

The MCAA and HSA health reform efforts covered different health benefits and patient populations. Both began with strong White House leadership and strong political and public support. However, both ambitious efforts suffered an almost immediate rapid erosion of support as the voting public learned the plans’ details. The early results of the Spectrum Health Value Study™ suggest that the Obama Administration understands this important aspect of health reform effort, as the Administration has repeatedly reassured the American public that no one will lose their current coverage under Administration’s yet-to-be unveiled plan. As the Director of the White House Office of Health Reform, Nancy-Ann Min DeParle, reiterated at a recent speech, referring to Obama’s pledge not to interfere with patients’ current health insurance coverage, “If it ain’t broke, don’t fix it.”

About the Spectrum Health Value Study™

In 2008, [Spectrum](#) leadership observed that the discussion around health care and potential reform efforts was not fully informed in one important aspect. While much had been written and discussed about access, insurance, quality and effectiveness, there was no data or information from the American public about what they value when they face spending their own dollars on health care products and services.

Working with [Russell Research, Inc.](#) of New York, NY, Spectrum designed a national online survey to ask consumers what they value when it comes to these products and services. The Spectrum Health Value Study was created. Each quarter, data from 1,000 new respondents is added allowing for finer analyses and eventually for trend studies. The results will also be compiled to form an increasingly robust and informed answer to the question of what consumers value in health services and products, and to offer a look at how the value changes during these uncertain economic times.

⁵ Klein, Ezra. “The Lessons of ‘94” The American Prospect. January 22, 2008.



More information on study methodology can be found in the Methodology section of www.healthvaluestudy.com.

About the Authors

Dr. Simon is a veteran of the last two major health care battles on Capitol Hill. Dr. Simon was a member of First Lady Hillary Clinton's White House Task Force on Health Reform, as a representative of Senator Edward M. Kennedy. Currently, Dr. Simon is the President and Founder of [Simon & Co.](#) a health policy consulting firm, and adjunct professor at George Washington University. Ms. Morris is a Senior Director at Simon & Co. and has been working in health policy for the past several years.

This information is made available to the public as part of the Spectrum Health Value Study™, and may be used for media, academic and policy analysis purposes with attribution. Suggested citation: "Spectrum Health Value Study (www.healthvaluestudy.com), 2009."