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To: Friends of Democracy Corps
From: Anna Greenberg and David Walker
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RE: HEALTH CARE AND 2008¹
Country Ready for 'Universal Health Care' Debate Again

Introduction

While the war in Iraq dominates the daily news and contributes to a bleak national mood, under the surface, concerns about the health care system are growing and breaking through. It is certainly the biggest domestic issue for 2008. In the nearly fifteen years since the U.S. last addressed health care, costs have more than doubled.² The U.S. now spends more than twice per person on health care than other developed countries, but ranks near the bottom in life expectancy, infant mortality and overall performance.

This presidential contest may be the first since 1992 when health care will play a defining role in the election, particularly when we consider not just the health care system broadly, but concerns about Medicare and the cost of prescription drugs. Two Democratic presidential candidates are offering broad health care reform plans, more will follow, and two major states (California, Massachusetts) have taken the lead on trying to offer universal health insurance to their residents while prominent progressive organizations are pushing the issue hard. What this new national survey for Democracy Corps shows is that voters are ready to go beyond narrow proposals focused on costs, like prescription drugs, to proposals for major reform and universal health care. However, Democrats must understand the public still wants to make sure it gets its money's worth from the government and they must remain open to innovative ideas.

Voters know the system is broken:

¹ Greenberg Quinlan Rosner conducted a national survey of 1,000 likely voters May 29-31, 2007. The results are subject to a margin of error of ± 3 percentage points at the 95% confidence level.

² Marc Kaufman, (2006), "Record share of the economy spent on health care" The Washington Post, January 10.

Country Ready for ‘Universal Health Care’ Debate Again

- Huge majorities complain about the costs of American health care and nearly half complain about the quality.
- Two-thirds support profound changes in the American health care system and the dramatic expansion of health care coverage.
- Seven in ten support a Massachusetts-style individual mandate for health care coverage.
- Three-quarters prefer “major changes” or “completely rebuilding” the system over “some (small) changes.”
- Even a single-payer or Canadian-style system finds a fair hearing in the current electorate.

These voters want to act boldly and are impatient with incremental efforts to tinker with a fundamentally overpriced and uneven health care system.

The current health care debate on the progressive side is often too narrowly focused on some limited proposals for addressing costs and misses both the support for larger scale reform and for new ways of addressing the health care issue. The current debate focused on cost misses what people really are trying to maximize once you move the debate to major reform. ‘Knowing I will always have health care coverage’ – health care security – trumps almost every other change we examined. That takes us back to President Clinton’s health care principles, though the policies look very different. They want to make sure that quality and choice is maintained, that government is accountable and that change encompasses a range of new ideas, from Massachusetts-type universal coverage, guaranteed coverage for children and tax cuts or tax credits that help individuals and small businesses broadly. As a progressive argument, the appeal of a universal system is not only that it would serve the 47 million Americans without health insurance, but that it provides security to the 250 million Americans who have health care insurance, but fear losing it.

There is broad support for various approaches to achieving major reform, though there is now a new openness to a range of specific policy ideas with broad implications:

- Expanding Medicaid and the State Children’s Health Insurance Program to make sure every American child has health insurance.
- Investing in more preventive health care, such as providing incentives for people who lead healthy lives and making sure everyone has cancer screening.
- Providing tax deductions for families and individuals who purchase health insurance to compensate for their costs. While Republicans have included this idea, it is quite popular and might be an attractive part of progressive health proposals, employing refundable tax credits and tax help for small businesses.

- Requiring all Americans to have health insurance, like they currently do in Massachusetts, while providing subsidies to those who cannot afford it.

What is clear in this survey is that taking up health care and bold proposals in this current environment shows the right values and offers considerable opportunity for political gain. There is much greater danger that Republicans will fail to be relevant than Democrats will be seen as too liberal or overreaching.

Despite the desire for boldness, reform faces challenges as well. In February, we reported that doubts about government’s ability to deliver efficiently and effectively hinder efforts to make progressive reform.³ This survey shows that this skepticism remains in play when it comes to health care. Voters do not see government as primarily the vehicle for delivering health care and, particularly among independent voters, concerns about “government waste and inefficiency” drive voters’ doubts when it comes to health care reform. Accountability must be written into the system. Importantly, despite huge doubts about Republican commitment to this issue, some Republican alternatives are attractive, including tort reform, “eliminating bureaucracy,” and providing tax breaks to bring down costs; at the very least their reform will not jeopardize a health care system most voters are satisfied with at the household level.

And yet, as some measure of how serious the issue is, voters support big changes in the current health care system, despite the cynicism about government and an attachment to the high quality care most people believe they receive. Reassurances on these concerns are important and they allow Democrats to address the major changes voters want. Voters need to see a sense of seriousness in Washington, a sense that the debates and fights Democrats are joining matter in their own lives. They need to know that it is about something bigger than scoring partisan points. The desire for reform is real and matches 1993 in its intensity, but the question remains, can progressives deliver on the leading domestic issue of our time.

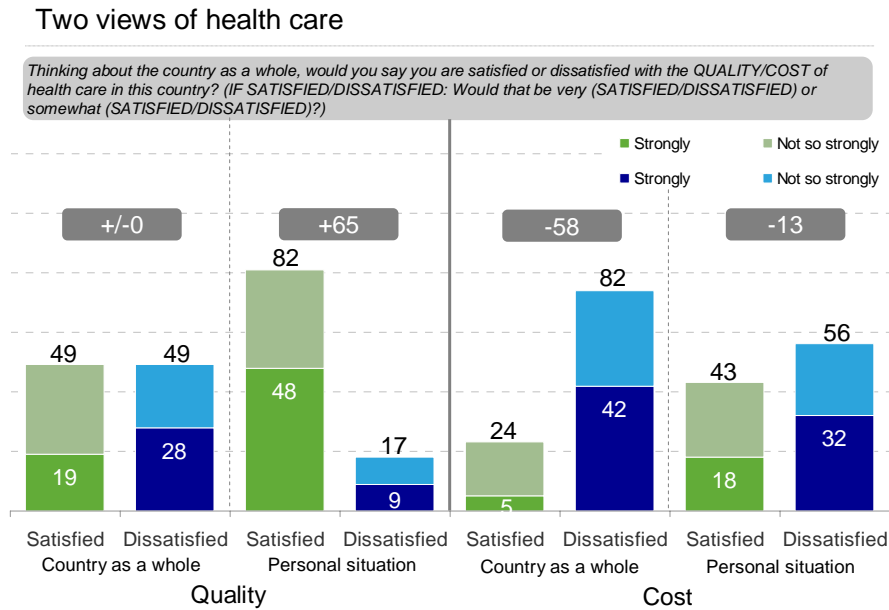
Perceptions of the American Health Care System

An accurate perspective of voters’ perceptions of the nation’s health care system needs two different lenses. From the national perspective, voters express doubts about the quality of the American health care system (49 percent dissatisfied, 49 percent satisfied), but cost drives more

³ In the February, 2007 Democratic Corps survey we noted that anti-government cynicism has been amplified by the incompetence of the Bush administration, but it clearly pre-dated Bush and will remain after his administration leaves office.

of their dissatisfaction (74 percent unsatisfied).⁴ In open-end responses, voters’ applaud both the perceived quality of the health care system and the choices available to them, even while deploring its costs; nearly half (47 percent) of the open-ended criticisms of American health care blast the system’s price.

At another, more personal level, a slightly different picture emerges. Fully eight in ten (82 percent) describe themselves as satisfied with the quality of the health care they receive personally. This number jumps to 90 percent among seniors (64 percent very satisfied), but includes impressive majorities of nearly all groups, including those without insurance. But cost remains a significant grievance at the household level (43 percent satisfied, 56 percent unsatisfied), even if less intense than concerns about costs in our overall health care system. Little wonder given the fact that American voters report, on average, over \$1,110 per month on out-of-pocket health care expenses, a broadly accurate assessment.⁵



A quick view of who is paying what reveals the pernicious and regressive nature of the current system. Those who are paying the most are those who can least afford it. High school graduates report spending over \$1,600 per month, compared to \$725 among college graduates. Lower income voters report spending over \$3,000 per month—surely overestimated—but costs

⁴ Most studies of infant mortality and other indices suggest that even mixed, American perceptions of their own health care system is overly generous. It would be a worthwhile experiment to see how some basic facts about the American health care system, beyond the number of uninsured, increase support for more significant reforms.

⁵ In 2006 the annual premium for an employer health plan covering a family of four averaged nearly \$11,500.

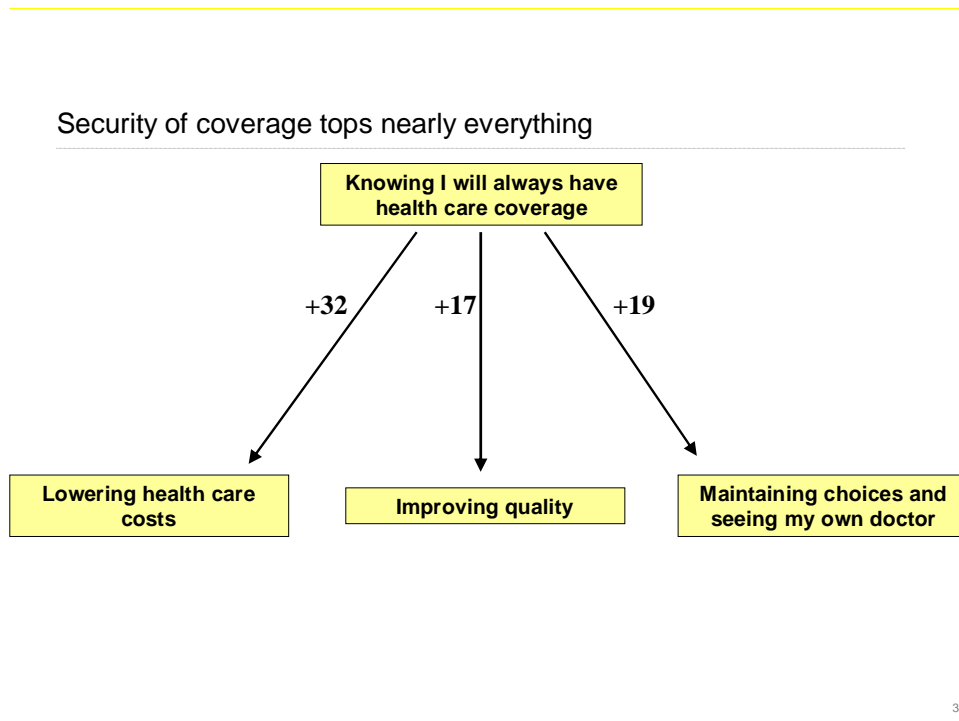
drop to \$400 among voters earning between \$50,000-\$70,000 and \$945 among upper income voters. Unmarried women – among the most economically marginal people in our society – report spending over \$200 more per month than the average American household.

This dual nature of the health care system explains some of the tensions we see in the health care reform debate. There is a deep and powerful belief that costs are out of control and real ambivalence about the quality of the system overall. But people’s personal experience is better, particularly among the middle class and affluent, which potentially tempers broad demands for reform. Yet, it does not really mean that people do not support broad reform, - as we will see below - merely that they want reform to preserve what is good about our health care system (e.g., choice, quality).

Improving Health Care At Home

Most of the political debate in recent cycles has centered on the issue of affordability, appropriately so given the concern that voters express about cost. In more recent years, the debate has been intensely focused on the cost of prescription drugs. While costs clearly must occupy a central place in progressive efforts for health care reform, this emphasis seems overly narrow. Asked to choose which health care reform voters find most important, voters identify always having health care coverage (28 percent), followed by access to the best medical treatment (24 percent), improving quality and reducing medical errors (17 percent) and only then lowering cost (14 percent) and maintaining choices (12 percent).

Ironically, when it comes to household health care priorities, by a 65 percent to 33 percent margin, voters stress “knowing I will always have health care coverage” over “lowering health care costs.” *In fact, health care security trumps almost every change paired against it, including maintaining choice and seeing their own doctor (57 to 38 percent) and improving quality (57 to 39 percent).* Of course, there is also a strong desire to preserve what people value about the current system: choice and the best quality treatment. Maintaining choice is a powerful health care desire, beating lower costs by 59 to 37 percent; among seniors, the margin grows to 70 to 23 percent. Voters split fairly evenly on the choice between best medical treatment (52 percent) and always having health care coverage (46 percent).



As we can see, the health care narrative currently is too proscribed, focused too much on affordability. It fails to capture their desire for security AND maintenance of their current access to high quality care. In fact, the health care narrative may be better served as it focuses on security (“health care that is always there”) that can only be delivered on a national level. This kind of guarantee necessarily means some kind of universal coverage. A key selling point to a universal system is not simply covering the 47 million uninsured Americans, though that remains a critical moral and political imperative, but also that a universal system means health care can never be taken away from average families. Here lies the intersection of voters’ health care priorities at the household level and national, progressive health care reform efforts.

The Case for Major Change

Health care is one of the leading, if not the leading, domestic priority on the American agenda. Nearly half (45 percent) identify health care as one of the top three issues for Congress and the next President, a number which matches making our country more independent of oil (44 percent). Democrats (58 percent placing health care among the top three issues) and progressives (63 percent among liberal Democrats) drive voters’ interest in this issue, as do other groups critical to the 2008 progressive majority; younger women (52 percent), blue collar voters (52 percent), people of color (57 percent), and unmarried women (59 percent). Importantly, voters who are satisfied with the quality of their own health care, but critical of the quality of the American health care system also rank the issue high (57 percent). In other words, this desire to

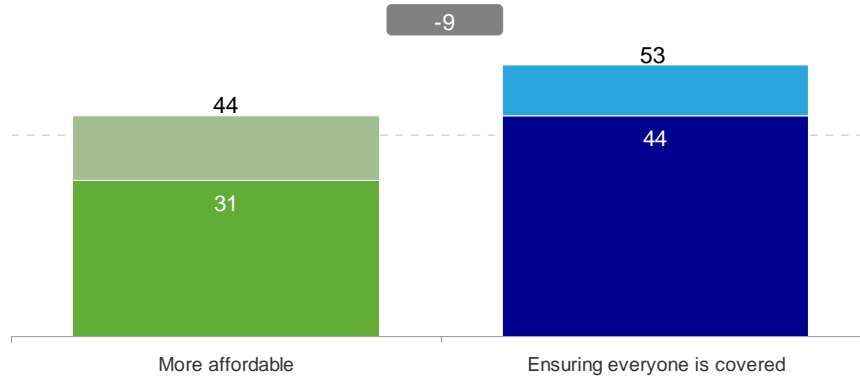
deal with the health care issue is not just self-interest; health care has become a normative issue, which speaks to a candidate’s—and a party’s—core values.

Voters stress coverage over costs

Now I'm going to read you some pairs of statements. As I read each pair, please tell me whether the FIRST statement or the SECOND statement comes closer to your own views, even if neither is exactly right:

Statement 1: For my vote, making health care more affordable is the more important issue.

Statement 2: For my vote, making sure everyone has health care coverage is the more important issue.

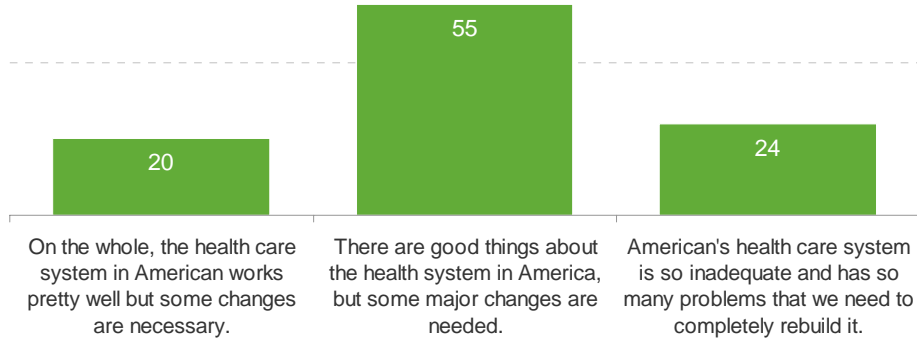


On the scale of change, voters want major reforms. Democrats, in particular, are not content to tinker, not satisfied with incremental reforms, and willing to make some sacrifices in the process. A majority of all voters support a proposal that provides every American with health insurance, even at the price of a tax increase or increased health care premiums (73 percent favor among Democrats). A majority of all voters support a proposal that provides every American with health insurance, even if it meant they would have to change their health care provider and insurance (74 percent among Democrats).⁶

⁶ One outlier worth noting; while most voters would be willing to achieve universal coverage at the cost of changing their provider, seniors are not (55 percent oppose, 44 percent strongly oppose).

Most Voters Want Major Changes

Which of the following do you agree with the most?



Similarly, even reform like a Canadian system finds, at least, a fair hearing and majority support among Democrats, despite some very tough language in opposition.

Voters open to Canadian system

Now I'm going to read you some pairs of statements. As I read each pair, please tell me whether the FIRST statement or the SECOND statement comes closer to your own views, even if neither is exactly right:

	Stmt Total	Net
Now is the time for single payer health insurance that is funded and administered by the U.S. government. This Canadian-style system would guarantee affordable health care coverage for all Americans and reduce costs by streamlining the administration of health care.	46	
OR		-3
We need to make changes to our health care system, but we cannot put it in the hands of the government. While health care accounts for 15 percent of our economy, a government takeover is a radical move that will reduce quality of care and eliminate a patient's choice of doctor.	49	
Now is the time to establish a Canadian-style national health care system that provides affordable health care for all Americans.	53	
OR		+10
We can improve our health care system through incremental steps without taking radical measures that will result in a government takeover.	43	

Voters may not be ready for a single-payer system; their cynicism about the government (see below), their attachment to an employer-based system, and their fear about such a system destroying the quality of their current health care may all represent too many high hurdles for such a system to overcome. But the majority support for wide scale change speaks to the depth of voters’ desire for fundamental change.

National Health Reform

We tested two major reform plans in this survey, though there will certainly be others that merit serious consideration and research. Both of these plans deliver at least the promise of universal coverage. A national “Massachusetts” plan that includes a health care mandate—requiring businesses to pay their employees health care or pay into a national fund and requiring citizens to have health insurance—finds broad support: 68 percent favor, 25 percent oppose. The idea of requiring people to have health insurance is not controversial (64 – 31 percent favor).

Program of universal coverage with employer mandate and citizen mandate

Let me tell you about a proposal to reform the health care system in this country. This plan would require businesses to either cover their employees or make a contribution to a pool that would help fund health care coverage for the uninsured. It would require all Americans to get health insurance and provide subsidies for Americans who could not afford it. It would also make insurance more affordable by creating new tax credits, expanding Medicaid and taking steps to contain health care costs. Having heard this, do you favor or oppose this proposal?

This plan finds more support among reform advocates like Democrats, as well as economically marginalized groups, such as younger voters and unmarried women. But even some skeptics sign on, including seniors (62 – 31 percent favor), Republicans (53 – 37 percent) and voters satisfied with health care costs (55 – 42 percent).⁷

⁷ Voters on the Pacific Rim, dominated by California which is in the middle of a debate over a similar plan, find this idea notably less appealing: 46 percent favor, 46 percent oppose the mandate.

A single-payer system, tested here without a counter-argument, also finds a majority support, albeit weaker (54 – 42 percent). Democrats deliver a larger margin to the Massachusetts plan than single payer; liberal Democrats respond equally well to both plans (84 percent support single payer, 87 percent support the Massachusetts plan).

Single Payer System

Let me tell you about a proposal to reform the health care system in this country. this plan would use what some people call a single-payer health care plan. Under this plan, you still would be able to see your own doctor, just like under Medicare, but the federal government would pay the health care costs for all Americans. This would require a significant tax increase, but all of your current health care costs and insurance premiums would be covered by the government. Having heard this, do you favor or oppose this proposal?

We also tested a number of specific health care reforms, some more sweeping than others. It is clear that voters express the normative value of universal coverage in their reactions to a candidate advocating the expansion of Medicaid and SCHIP to provide health care coverage to all American children. Moreover, even looking at modest reforms, the same security narrative emerges. Voters respond to reforms that prevent providers from withholding coverage to those with pre-existing conditions, provide a commission to stop insurance companies from pricing them out of health care insurance, require people to have health care insurance and, of course, make sure that, at minimum, their children are covered

But almost all of these ideas create appeal for a candidate, including some of the more conservative plans such as providing tax deductions for health insurance costs and taking on medical malpractice. Opening up Medicare to patients under 65 proves a bit less appealing, particularly among seniors.

Top tier proposals

<i>After each please tell me whether it would make you much more likely, somewhat more likely, a little more likely, no more likely or less likely to support a candidate for Congress advocating this proposal?</i>	
	Much More Likely
Expanding Medicaid and the State Children’s Health Insurance Program to make sure every American child has health insurance.	53
Requiring insurance companies to keep their plans open to everyone, regardless of age, medical history or preexisting conditions.	43
Investing in more preventive health care such as providing incentives for people who lead healthy lives and making sure everyone has cancer screening.	36
Creating a health care commission that would require all private health care plans to seek approval before raising rates.	36
Providing tax deductions for families and individuals who purchase health insurance to compensate for their costs.	34
Requiring all Americans to have health insurance, like they currently do in Massachusetts, while providing subsidies to those who cannot afford it.	33

Bottom tier proposals

<i>After each please tell me whether it would make you much more likely, somewhat more likely, a little more likely, no more likely or less likely to support a candidate for Congress advocating this proposal?</i>	
	Much More Likely
Reforming malpractice laws to cap the amount of money that can be awarded for non-economic damages in lawsuits against doctors.	29
Providing health savings accounts, which would be tax-free money families could set aside for medical expenses.	25
Expanding Medicare coverage to all Americans, not just to those who are over 65 years old.	24
Requiring all businesses to provide health care for their employees or contribute to a government program providing coverage to the uninsured.	20
Adopting electronic medical records to improve efficiency and cut costs.	16

Accountability, the Role of Government and Other Health Care Players

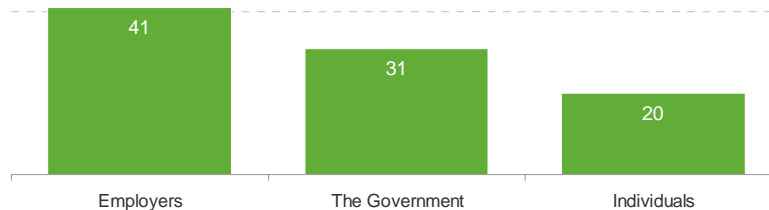
In our accountability research, we noted that voters are pulled between a desire for a more activist government than they are getting and a deep cynicism about whether or not government can function efficiently and effectively. Not surprisingly then, voters identify “government run programs are wasteful and inefficient” as the most pressing concern about health care reform (37 percent). Among independent voters, this concern jumps to 49 percent. A

lower quality plan or an increase in taxes collectively rank second (17 percent each) with loss of their choice of doctor (12 percent) in third. Accountability measures must be written into the plan.

We cannot underscore enough how important it is to deal “head on” with the role government will play in health care reform. The majority of the most innovative progressive plans continue to rely on employers as the primary source of health care, something the voters agree with as well. Sticking with an employer-based system may not be the right approach from a policy perspective, but abandoning this World War II-era tradition seems beyond voters’ comfort level and too vulnerable to attacks tapping into voters’ cynicism about government. This is not to say that government cannot play a positive role – frankly, there is no choice if we are going to make major reform – and, ironically, “government” agents in the health care debate are favorably reviewed by voters; favorability ratings for both Medicare (50 percent warm, 22 percent cool) and Medicaid (45 percent warm, 29 percent cool) are quite strong. Moreover, the private actors – insurance companies (21 percent warm, 54 percent cool) and pharmaceutical companies (24 percent warm, 55 percent cool) – are not favorites in this debate.

Voters comfortable with employer-provided health care

As you may know, health care costs can be paid by three different sources – the government, employers and individuals. Of these three sources, which do you think should pay for most of the cost of health care?



Moreover, accurately or not, the right wing has successfully introduced the notion that malpractice lawsuits are responsible for the rising cost of health care. A 44 percent plurality believes these suits contribute a “great deal” to the rising costs and even progressives see some liability here. Trial lawyers (17 percent warm, 46 percent cool) are easy “villains” in this debate. A health care plan that fails to address this issue gives our opponents a substantial argument.

In fact, while generically Republicans enjoy little credibility when it comes to health care, it is a mistake to assume they have no voice.⁸ Republican arguments that speak to voters’

⁸ A February, 2007 New York Times/CBS news survey of 1,281 adults showed Democrats leading 62 to 19 percent when it comes to the party more likely to improve health care.

cynicism about government, alternative ways to find relief from costs (e.g., tax breaks), and populist biases against trial lawyers seem to deliver on the broad challenge of finding change appeal. As we see, health care reforms that deliver tax breaks or reform malpractice laws appeal to voters. When paired against two Democratic arguments, one more incremental than the other, a Republican statement enjoys significant support despite real problems with the Republican brand.

Republican message resonates more so than plan with national insurance program

Now I'm going to read you some things two candidates have said in their campaign for President. After I read these descriptions, please tell me which one you agree with more:

	Strongly Favor	Total Favor	Net
Candidate A is a Democrat who says that we need to fundamentally change our health care system. We need to make sure everyone has health insurance by requiring employers to pay for health care for their employees or pay into a fund to provide health care for those who cannot afford it. We need to make health care more affordable by creating a national insurance program anybody can buy into that is big enough to force insurance and drug companies to lower their rates.	28	38	
OR			-19
Candidate B is a Republican who says that, of course, we need some major changes in our health care system. We need to cut bureaucracy and reduce the number of frivolous lawsuits. We must help states make affordable private health insurance available to their citizens and give tax incentives to every individual purchasing health insurance. But we should make sure Americans can still make their own health care choice and not be forced into accepting lower quality health care plans.	43	57	

Republican message resonates more than plan with national prevention initiative

Now I'm going to read you some things two candidates have said in their campaign for President. After I read these descriptions, please tell me which one you agree with more:

	Strongly Favor	Total Favor	Net
Candidate A is a Democrat who says that we need to fundamentally change our health care system to cut costs and create a framework to provide coverage to all Americans. We need a national prevention initiative to reduce diseases such as cancer, introduce a paperless health care technology system to cut costs and reduce error and create an independent "Best Practices" institute to empower consumers, providers and health plans to make the right choices and put in place common-sense malpractice reforms	24	38	
OR			-22
Candidate B is a Republican who says that, of course, we need some major changes in our health care system. We need to cut bureaucracy and reduce the number of frivolous lawsuits. We must help states make affordable private health insurance available to their citizens and give tax incentives to every individual purchasing health insurance. But we should make sure Americans can still make their own health care choice and not be forced into accepting lower quality health care plans.	43	60	

Democrats need to think about a greater role for progressive tax proposals as part of health care reform so Republicans do not get away with attractive sounding proposals that can actually make the problem worse. Tax breaks or health savings account do little for lower-middle-income families struggling to live pay-check-to-pay-check, starve the federal treasury of revenue that could really address the problem and politically postpone more fundamental reform. But tax credits, refundable credits and credits for smaller businesses can play an important role and ought to be highlighted.

Conclusion

1. **Think big. And bold.** The goal of this memo is not to arbitrate competing progressive plans, but in terms of scale, the politics of the issue are clear. America delivered a mandate for change in 2006 and, from all indicators, this howl for reform will reach even higher decibel levels in 2008. While there are cautions against overreaching on the health care issue (e.g., voters have some concerns about “single-payer” plans) voters support fundamental change in the system. While this is driven by progressives and Democrats, it includes other, swing voters as well.
2. **Commit to universal coverage.** “Universal” is an asset. It addresses a key element of voters’ insecurity about the current system, which is a greater concern among most voters than lowering costs. Reform that falls short of universal not only fails broader progressive goals, but fails to adequately address household issues of health care security.
3. **Frame the narrative around health care security.** We need to move the framework beyond this false choice of lowering costs versus universal coverage and create a narrative with universal coverage that meets their health care priorities, specifically in providing long-term health care security.
4. **The anti-government cynicism cannot be overstated** Accountability must be built into the system. Twice as many voters identify government waste as a concern with health care reform as identify tax increases. The 1993 reform effort lost, in part because Republicans successfully portrayed the reform effort as an unaccountable government “take-over.” Voters need to see the new system as more accountable than the current system. They may not be willing to trade one bureaucracy (the insurance industry) for another (the government).
5. **Similarly, do not underestimate Republican efforts to steal this issue.** Lowering health care costs through tax breaks and malpractice reform are part of voters’ health care agenda. Moreover, their starting point is that most voters are satisfied with the quality of their own health care; language that promises to protect what works in the American system, attacks trial lawyers, promises more efficiency and the illusion of lower costs and greater coverage can have great appeal, even when—especially when—paired against a similarly cautious progressive proposal. An overly cautious plan will not achieve enough differentiation to move this issue forward.