

New Survey on Affordability and Health Care Coverage

November 16, 2009: Georgetown University's Center for Children and Families and Lake Research Partners conducted a survey November 3-10, 2009 with 1,034 registered voters to learn how families cope with the costs of health care coverage.¹ The goal of the research is to understand how paying for health care can affect family budgets and learn more about what voters consider to be "affordable" for health care coverage. This survey shows that families are still reeling from the recession, feeling pessimistic about the future, and struggling to afford health care. Health care costs are squeezing families financially, forcing them to make hard choices. For this reason, their goal for health care reform is overwhelmingly to make health care more affordable and to lower premiums and copayments that people must pay for their insurance coverage. What families consider to be affordable health care coverage is lower than what many are forced to pay each month, and lower than some options being considered in health care reform. Following are key findings from the study:

- **Paying for health care puts families in a financial bind.** In the last two years, many voters report that paying for health care has caused them to cut back on household spending (44%); build up credit card and medical debt (23%); use up all or most of their savings (21%); and have someone in their household do without health insurance (21%).
- **Voters' priority for reform is making health care more affordable.** The priority for two-thirds of voters is to make health coverage more affordable to families (66%) RATHER than making sure health reform does not cost the country too much money (33%). When asked about various priorities for health care reform, the top response is "bringing down the cost of premiums and co-payments so more people can find affordable coverage" (31%).
- **Voters respond to options for affordable coverage.** For a family of three earning \$27,000 a year, voters are more likely to consider a monthly premium of \$69 to be "about right" than \$103 a month (66% vs. 57%). For a family of three earning \$45,000 a year, voters are more likely to consider \$305 a month "about right" than \$362 a month (41% vs. 29%). These amounts are in current health reform legislation being decided by Congress.

Detailed findings from the survey can be found on the following pages.

¹ The margin of error for the survey is +/- 3.05. The study also included four focus groups with diverse voters in Baltimore (9/10/2009) and Salt Lake City (9/28/2009).

DETAILED FINDINGS

A. Many Voters Are Hurting, Feeling Pessimistic

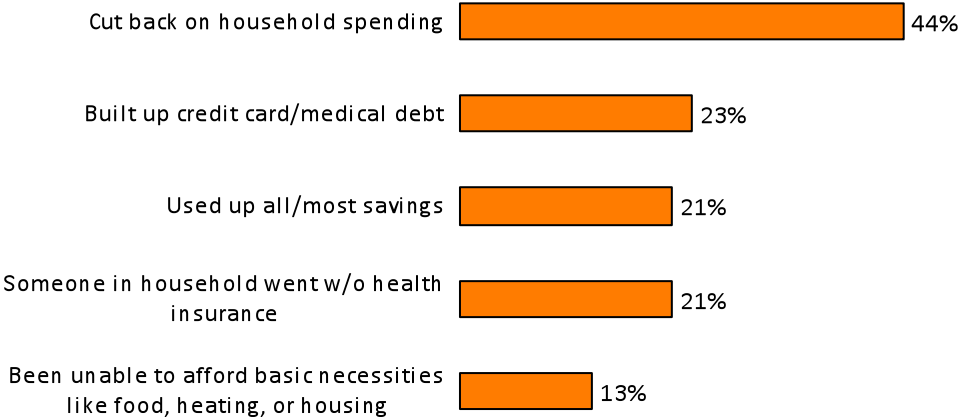
More than 4 in 10 voters in the survey say they are worse off financially than they were just a year ago (44%). Slightly more (47%) say they are about the same financially as they were a year ago. About 1 in 10 (9%) say they are better off financially. The economy is affecting all income groups in the survey, but those most likely to say they are “worse off” than a year ago are the lowest income group, those earning under \$20,000 a year. In addition, less than one-quarter of voters feel the economy is getting better (22%). Instead, most feel the economy is getting worse (37%) or staying the same (41%).

B. Many Voters Are Being Squeezed By Health Care Costs

In the last two years, a number of voters report that paying for health care has had a negative effect on the family’s budget and insurance status. The impact includes cutting back on household expenses, increasing debt, using up savings, doing without health insurance, and, for some, not being able to afford basic necessities. In every case, those in the lower income groups – less than \$20,000 and \$20,000-\$39,999 – report they are feeling the effects more intensely than those families with higher incomes. (See Figure 1.)

Figure 1: Effects of Paying for Health Care on Families

Q: In the past two years, have you experienced any of the following as a result of paying for health care costs?
% responding “yes”



The majority of voters say the amount they have been paying for health coverage has increased during this time period. More than half of voters (55%) say that the amount they are paying each month for health coverage for themselves and their immediate family has increased a lot

(15%) or some (40%) in the past two years. About 4 in 10 voters (39%) report that their monthly amount for health care coverage stayed the same and three percent report it decreased.

C. Where Voters Draw the Line on Health Coverage Costs

Voters were asked at what monthly amount they would NO LONGER be able to afford health coverage for themselves or their family. (See Table 1.) One in five (21%) drop off at \$100 a month and the same amount (19%) drop off at \$200 a month. When you add in the fourteen percent who can no longer afford coverage at \$300 a month, that is more than half of voters (54%) who say they could no longer afford health coverage if they had to pay \$300 a month for themselves and their immediate family.

Table 1: Monthly Amounts Voters Would NO LONGER Be Able to Afford Coverage

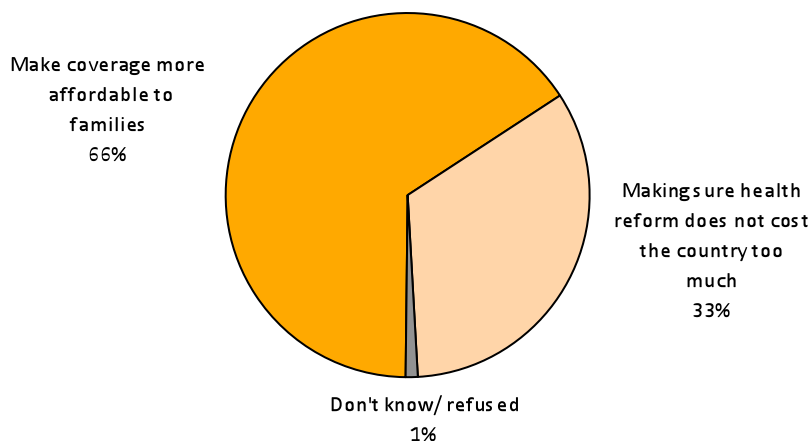
<i>Monthly Amount</i>	<i>Percent Saying "No Longer Able to Afford Health Coverage"</i>
\$100	21%
\$200	19%
\$300	14%
\$400	10%
\$500	10%
\$600-\$1,000	18%
More than \$1,000	6%

D. Most Voters Want Affordability to Be the Priority in Health Care Reform

When asked what was more important to them, two-thirds of voters (66%) respond that making coverage more affordable to families was more important than making sure health reform does not cost the country too much money (33%). (See Figure 2.)

Figure 2: What Is More Important in Health Reform?

Q. What is more important to you- making sure that health care reform makes coverage more affordable to families or making sure health reform does not cost the country too much?



This emphasis on affordability cuts across all income groups in the survey, with those earning \$20,000-\$39,999 a year most likely to prefer making coverage more affordable over making sure that reform does not cost too much (74% vs. 24%)

When asked about a number of priorities for health reform, the top response (31%) is “bringing down the cost of premiums and co-payments so more people can find affordable coverage.” The second response, selected by one-quarter of voters (25%) is also affordability-related: “controlling costs of our health care system.” The remaining responses are “giving people a public option they can afford” (21%), “ending insurance company discrimination based on factors such as pre-existing conditions and gender” (13%) and “reducing the number of uninsured” (8%).

E. Voters Respond to Options for Affordable Coverage

To explore further what voters consider to be affordable health care coverage, the survey tested options currently included in health care reform bills being debated by the US Congress. Survey respondents considered families at two different income amounts (\$27,000/\$45,000) and were provided with the monthly premium amounts each family would pay under the two bills. The final House bill, which passed recently, includes lower amounts that families would pay for coverage while the bill being debated now in the Senate includes higher amounts. The survey shows that the lower amounts in the House bill (\$69/\$305 a month) are more likely to be rated as “about right” than the higher amounts in the Senate bill (\$103/\$362 a month). (See Table 2.)

Table 2: Affordability of House and Senate Bills	Too Much	About Right	Too Little
House Health Reform Bill:			
A family of three earning \$27,000 paying <u>\$69</u> a month for family coverage (n=503)	19%	66%	15%
A family of three earning \$45,000 paying <u>\$305</u> a month for family coverage (n=510)	52%	41%	5%
Senate Health Reform Bill:			
A family of three earning \$27,000 paying <u>\$103</u> a month for family coverage (n=531)	30%	57%	10%
A family of three earning \$45,000 paying <u>\$362</u> a month for family coverage (n=524)	68%	29%	3%

As mentioned earlier, a monthly premium of \$300 for health care coverage is considered “no longer affordable” by more than half of voters (54%) in the survey, so it is not surprising that the amounts a family earning \$45,000 would pay in monthly premium under both bills is considered “too much” by a majority of voters.

Conclusions

The survey results underscore that the recession is still affecting families and that health care costs contribute to the financial struggles they face. Health care appears to be a “budget buster” for voters. Indeed, in order to pay for health care, a striking number of families are cutting household expenses, running up credit card and medical debt, using up their savings, or foregoing coverage altogether. It is no wonder they prefer that health care reform focus on making coverage more affordable to families than worrying about spending too much on reform. Voters are very focused on their own pocketbooks and personal health care costs and want them to get under control. They look to health care reform to lower their premiums and copayments. They are also more likely to prefer the costs included in the final House bill for health care reform rather than the higher costs in the Senate bill.