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**HEALTH CARE OPINION LEADERS' VIEWS ON  
THE PRESIDENTIAL CANDIDATES' HEALTH REFORM PLANS**

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**ABSTRACT:** The 13th Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey asked a diverse group of experts for their perspective on the health care reform proposals of the 2008 the presidential candidates. Survey participants strongly support reform proposals that applied a mixed private–public market approach. Additional favored policy strategies for reform include a requirement for individuals to obtain health insurance, new private market regulations, and a requirement for employers to provide coverage or contribute to a coverage fund. Alternatively, respondents think proposals that focus on tax incentives to purchase individual private health insurance are not an effective method for controlling the rising costs of health care or achieving universal coverage. Health care opinion leaders call for the next president to simultaneously address universal coverage and quality, efficiency, and cost containment policies to move our health care system toward high performance.

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## HEALTH CARE OPINION LEADERS' VIEWS ON THE PRESIDENTIAL CANDIDATES' HEALTH REFORM PLANS

The issue of health reform is receiving considerable attention, both from the public and political leaders. Thirty percent of Americans think health care is the top domestic issue in the upcoming 2008 election, and all the leading presidential candidates have put forward proposals for health reform.<sup>1,2</sup> A recent *Wall Street Journal*/Harris Interactive poll found that Americans consider providing health coverage to the uninsured the most important health policy issue, with slowing inflation in health care costs a close second.<sup>3</sup>

The latest Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey asked leaders in health care and health policy about their views on health reform, specifically about the proposals put forward by the 2008 presidential candidates. A majority favor reform proposals that build on the nation's current system of mixed private and public group insurance. A strong majority (83%) support a requirement for everyone to have health insurance, with premium subsidies for low- and moderate-income families. Opinion leaders also overwhelmingly agree (88%) that the financing of health reform should come in part from increased taxes on tobacco or other harmful products. Seven of 10 opinion leaders think the next president should focus on universal coverage, while at the same time working on policies to improve quality and efficiency, and to control costs.

These views on the 2008 presidential candidates' health reform plans are in line with the recommendations of the Commonwealth Fund Commission on a High Performance Health System, whose mission is to promote greater access, quality, and efficiency across the U.S. health care system. In a recent report entitled *An Ambitious Agenda for the Next President*, the Commission recommends simultaneously embracing five key strategies for change: ensuring affordable coverage for all, aligning incentives and effective cost control, providing accountable and coordinated care, aiming higher for quality and efficiency, and creating accountable leadership on the national level.<sup>4</sup>

### **The Health Care Opinion Leaders Survey**

The Commonwealth Fund and *Modern Healthcare* recently commissioned Harris Interactive to solicit the perspectives of a diverse group of health care experts on the presidential candidates' health reform proposals. The 221 individuals who took part in the survey—the 13th in a continuing series of surveys assessing the views of experts on key health policy issues—represented the fields of academia and research; health care

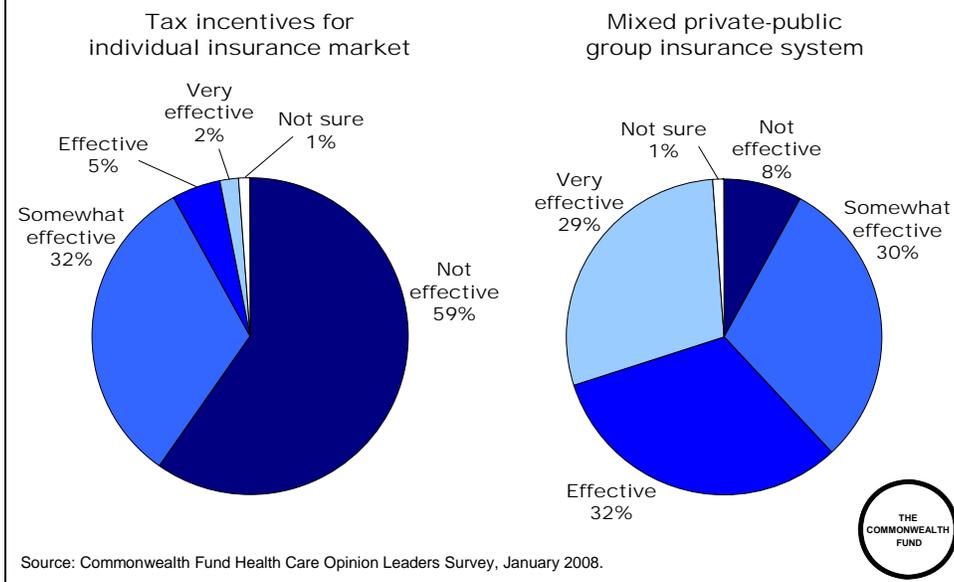
delivery; business, insurance, and other health industries; and government, labor, and advocacy groups (see Methodology, Appendix A). The survey questions were based on the leading Democratic and Republican presidential candidates' proposed strategies for reforming the U.S. health care system. On the Republican side, proposals by former New York City Mayor Rudy Giuliani, Senator John McCain (R–Ariz.), former Massachusetts Governor Mitt Romney and former Arkansas Governor Mike Huckabee would create tax incentives to encourage coverage through the individual insurance market. These incentives would take the form of tax credits or new income tax deductions, in some cases replacing the employer benefit tax exemption. Some proposals would allow people to buy health insurance in any state. Throughout this survey, these proposals are referred to as tax incentives for individual insurance market reforms.

In the Democratic camp, the three leading candidates—Senators Hillary Clinton (D–N.Y.) and Barack Obama (D–Ill.) and former Senator John Edwards (D–N.C.)—have proposed plans that build on the current mixed private and public group insurance system. Most plans include requirements for individuals to purchase coverage and for employers to offer coverage or help pay for it, expansions in Medicaid and the State Children's Health Insurance Program (SCHIP), and new group insurance options referred to as “connectors” or “exchanges,” with financial support for premiums and out-of-pocket expenses for lower- and moderate-income households. In this survey, these proposals are referred to as mixed private–public group insurance system reforms.

#### *Mixed Private–Public Proposals Favored*

Most health care opinion leaders (61%) believe that the mixed private–public group insurance system reform proposals put forth by Democratic candidates are an effective approach to achieving universal health care coverage, with nearly two-thirds (65%) of academic leaders and half of business/insurance/other health care industry leaders voicing support ([Table 1](#)). Proposals relying on tax incentives for the individual market, however, are seen by the same experts as an ineffective method for achieving that goal, with 59 percent of respondents saying they were not effective (Figure 1). More business leaders (20%) think tax incentive-based reforms are effective than academic (4%) or health care delivery leaders (4%).

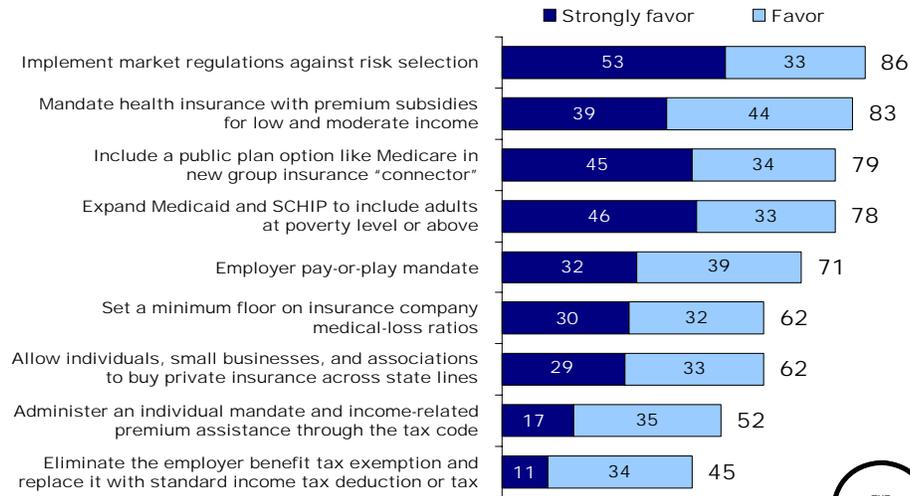
Figure 1. Three of Five Health Care Opinion Leaders Feel that Mixed Private-Public Group Insurance Is an Effective Approach to Achieving Universal Health Coverage



Respondents support key provisions of the mixed private–public insurance reform proposals. For instance, more than eight of 10 (83%) health care opinion leaders support a requirement for everyone to have health insurance, with premium assistance for low- and moderate-income Americans (Figure 2). Eighty-six percent of respondents support implementing private market regulations against risk selection, such as guaranteed issue and community rating in all states. Nearly three-quarters of respondents (71%) support requirements for employers to either offer coverage to employees or pay a percent of their payroll to help finance expanded coverage, with 66 percent of business leaders favoring this feature of the presidential candidates’ health reform proposals (Table 2). Nearly four of five (78%) respondents support expanding Medicaid and SCHIP to include adults at the poverty level or above.

Figure 2. Support for Features of Presidential Candidates' Health Care Reform Proposals

"To what extent do you favor or oppose the following features of the presidential candidates' health care reform proposals?"

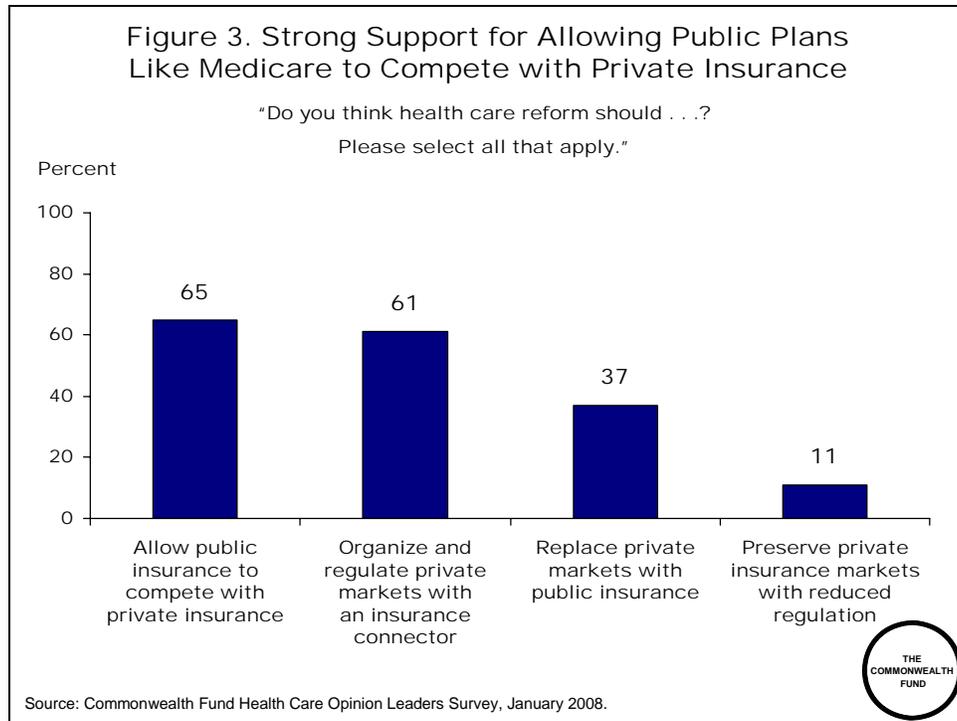


Source: Commonwealth Fund Health Care Opinion Leaders Survey, January 2008.



### *Changes in the Private Insurance Market*

Within the mixed private–public insurance reform proposals, health care opinion leaders favor a few key private group insurance market reforms, including the creation of a new insurance connector, more extensive market regulations, and allowing public plans to compete with private ones. Nearly two-thirds (65%) of respondents would favor allowing public insurance to compete with private insurance in the marketplace (Figure 3). Similarly, 61 percent of opinion leaders call for organizing and regulating private markets with an insurance connector. Large shares of business leaders (61%) and academic leaders (63%) favor the creation of a new group insurance connector—similar to the one established by Massachusetts as part of its health reform plan (Table 3). There is little support for single-payer reforms that would replace private markets with public insurance (37%) and even less for preserving the private insurance markets with reduced regulation (11%).



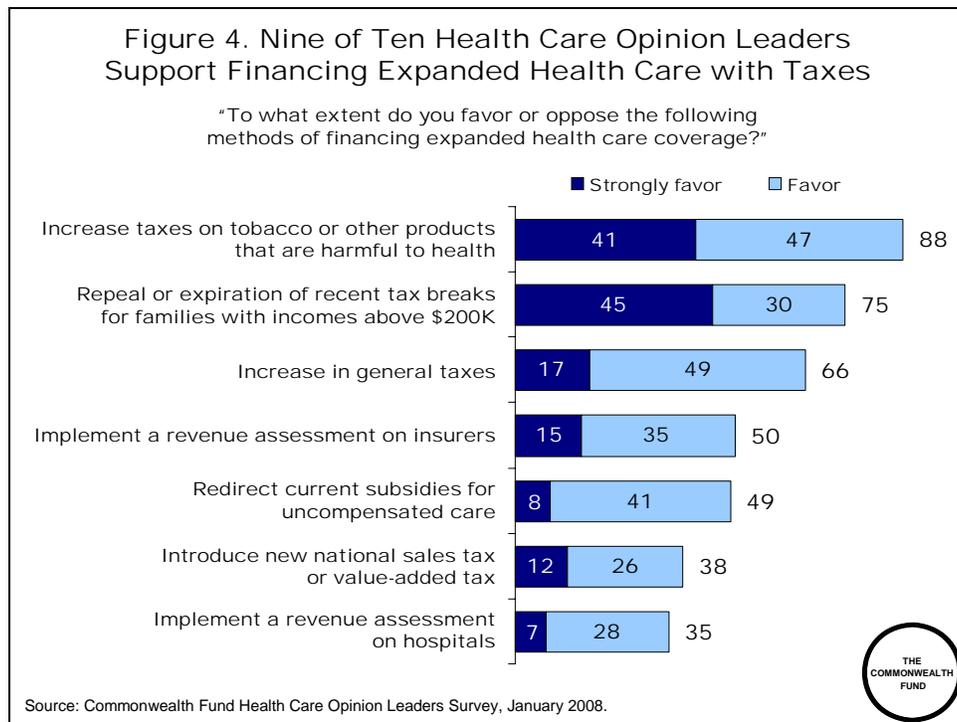
Opinion leaders also support setting a minimum floor on insurance company medical loss ratios (62%). This recommendation and others like it that would increase insurance market regulations are critical aspects of the Democratic presidential candidates’ plans. Alternatively, allowing individuals and small businesses to purchase insurance across state lines is more widely supported by Republican candidates. Interstate purchasing is favored by 62% of respondents (Figure 2), with more health care delivery leaders (73%) supporting this option than academic leaders (55%) and business leaders (66%) (Table 2).

#### *Shared Responsibility for Health Care Coverage Expansions*

The mixed private–public health reform proposals will require substantial financial investment by federal and state governments, employers, households, and other stakeholders. The leading Democratic candidates recommend either rolling back the tax cuts of the past few years or allowing them to expire for households with incomes above \$200,000 (Edwards) and \$250,000 (Clinton and Obama). These candidates have also identified other more minor sources of financing and savings through improved efficiency in the system.<sup>5</sup>

A diverse range of health care opinion leaders strongly support shared financial responsibility. An overwhelming majority (88%) favor an increase in taxes on tobacco or other harmful products to finance expanded health care coverage (Figure 4). Health care

delivery (82%), academic (91%), and business (85%) leaders agree on this recommendation (Table 4). Survey respondents also support requirements for employers to either offer coverage to employees or pay a percent of their payroll to help finance expanded coverage (50% [see Figure 2]), repealing or allowing the tax breaks for families with incomes above \$200,000 (75%) to expire, and revenue assessments on insurance companies (50%).



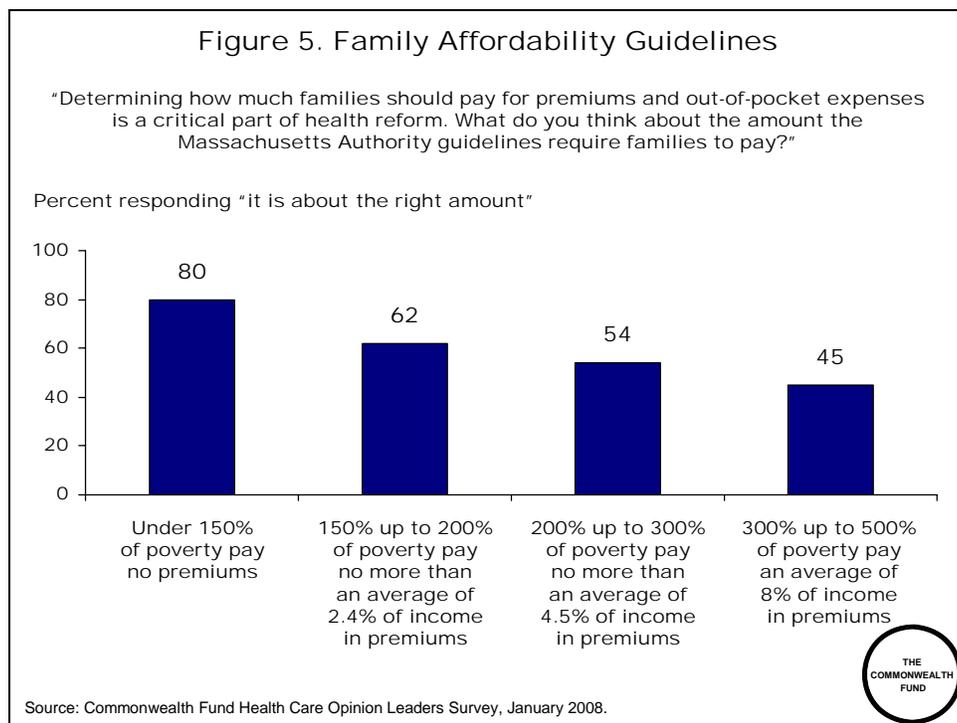
### *Ensuring Affordability*

The effectiveness of an individual requirement to have health insurance will depend in part on whether health plans are affordable. All the leading Democrats (Senators Clinton, Edwards, and Obama) have said that enrollees would pay only a set percentage of their income on premiums, but have not specified this percentage, or what would happen if affordable plans are not available. The Republican candidates have suggested subsidies and tax credits to help people in low- and moderate-income households buy coverage on the individual market but have not specified the amount of the subsidies.<sup>6</sup> Senator McCain has proposed a specific refundable tax credit for everyone that would not vary by income.

A recent study examined the affordability issue in the context of the new Massachusetts law that requires all individuals to have health insurance if an affordable option is available. This study found that people in low- and moderate-income households with individual market coverage spend a large percentage of their income on premiums

and out of pocket costs.<sup>7</sup> The authors suggest using the share of income currently spent by higher-income households on both premiums and out-of-pocket spending as the standard for all households. The health insurance reform recently established in Massachusetts requires that all individuals have health insurance if an affordable option is available. To determine affordability, Massachusetts currently uses premiums alone—people with incomes under 150 percent of the poverty level pay no premiums; those with incomes up to 200 percent of poverty pay on average 2.4 percent of their income on premiums; those with incomes up to 300 percent pay on average 4.5 percent; and those with incomes up to 500 percent of poverty pay on average 8 percent.<sup>8</sup>

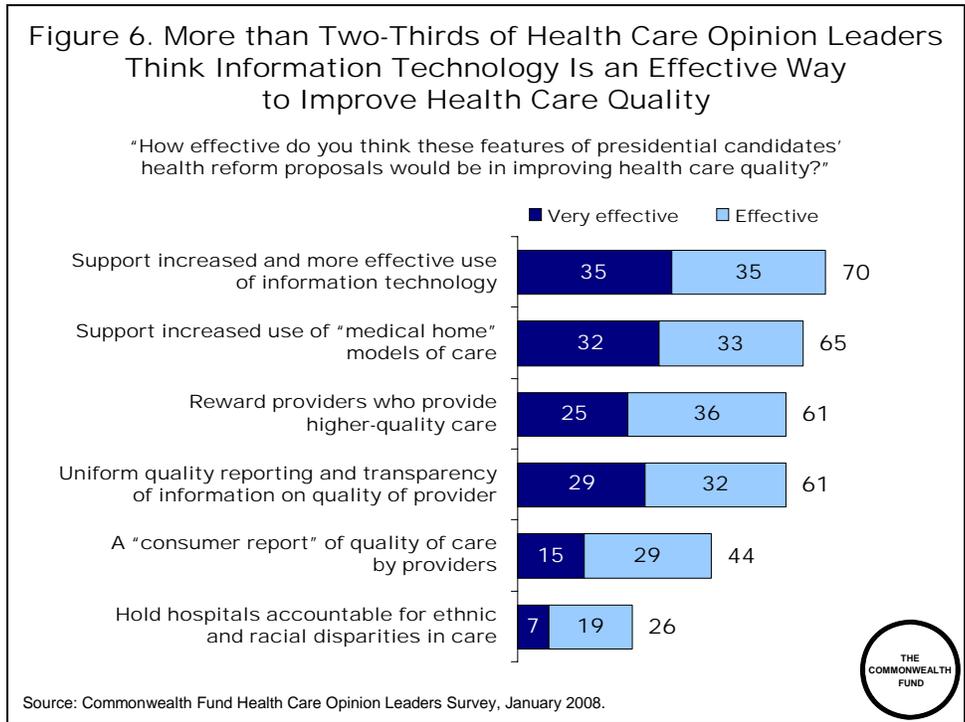
The Health Care Opinion Leaders Survey asked respondents about their views on these affordability guidelines. For families with incomes under 150 percent of the poverty level, 80 percent of opinion leaders agree there should be no premiums (Figure 5). More than three of five (62%) agree that families earning between 150 percent and 200 percent of poverty should pay no more than an average of 2.4 percent of income on premiums and half (54%) agree that families earning between 200 percent and 300 percent of poverty should pay no more than 4.5 percent of income on premiums. However, one-quarter of health care opinion leaders think that spending 8 percent of income on health care premiums is too much for families earning between 300 percent and 500 percent of poverty. Half of academic and health care delivery leaders think eight percent of income is the right amount, but only 34 percent of business leaders agree ([Table 5](#)).



*Information Technology: An Effective Way to Improve Quality*

The United States’ health system has significant gaps in the quality of health care provided to its patients. In a landmark study, McGlynn and colleagues found that American adults receive appropriate health care just 55 percent of the time.<sup>9</sup> In recognition of these gaps, most presidential candidates have put forth proposals to address the quality and efficiency shortfalls of the health care system. However, the candidates’ support for quality and efficiency improvement often amounts to a “laundry list” of features, compared with their more structured proposals regarding the health insurance system.<sup>10</sup>

Health care opinion leaders were asked about the potential effectiveness of a list of features from the presidential candidates’ health reform proposals. A majority (70%) voiced support for increased and more effective use of information technology (Figure 6). Another 65 percent support increased use of “medical home” models of care—that is, a source of primary care that provides patients with accessible, continuous, and coordinated care. In addition to strong support from health care opinion leaders as a mechanism to improve quality, a recent Fund survey found that adults who have medical homes not only have enhanced access to care but also receive better-quality care.<sup>11</sup>

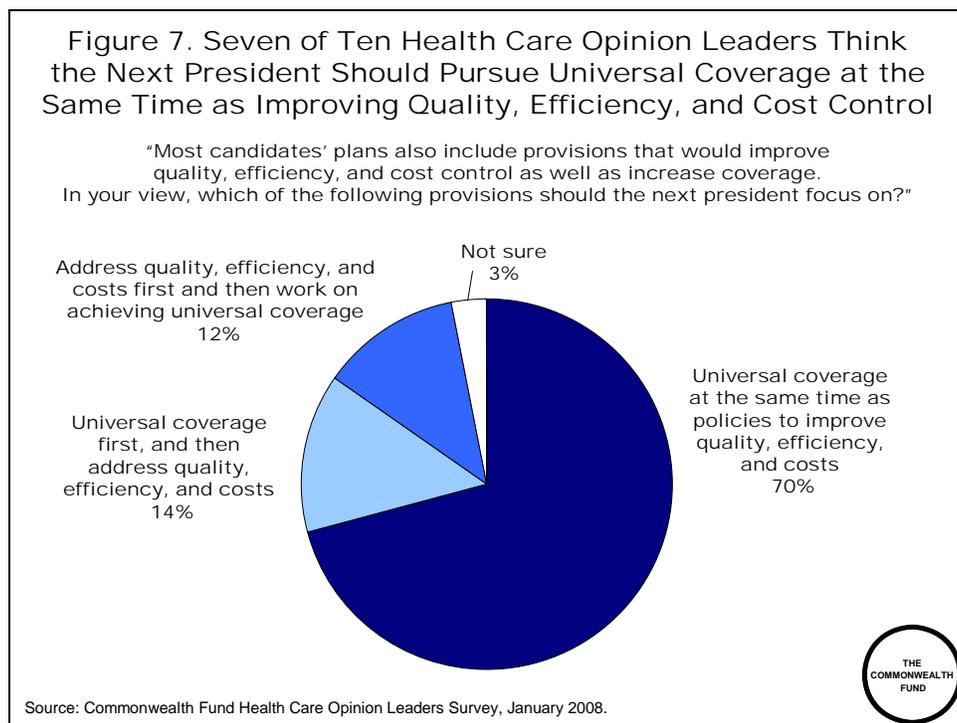


Sixty-one percent of respondents said that rewarding providers who provide higher quality care is an effective way to improve health care quality; almost two-thirds (63%) of business leaders and more than half of academic experts (56%) thought quality-

based rewards would be effective (Table 6). The majority of respondents (61%) also said that uniform quality reporting and transparency of information on providers' quality of care would be effective in improving health care quality. Few opinion leaders (26%) thought that holding hospitals accountable for ethnic and racial disparities in quality of care would be an effective way to improve quality (Figure 6).

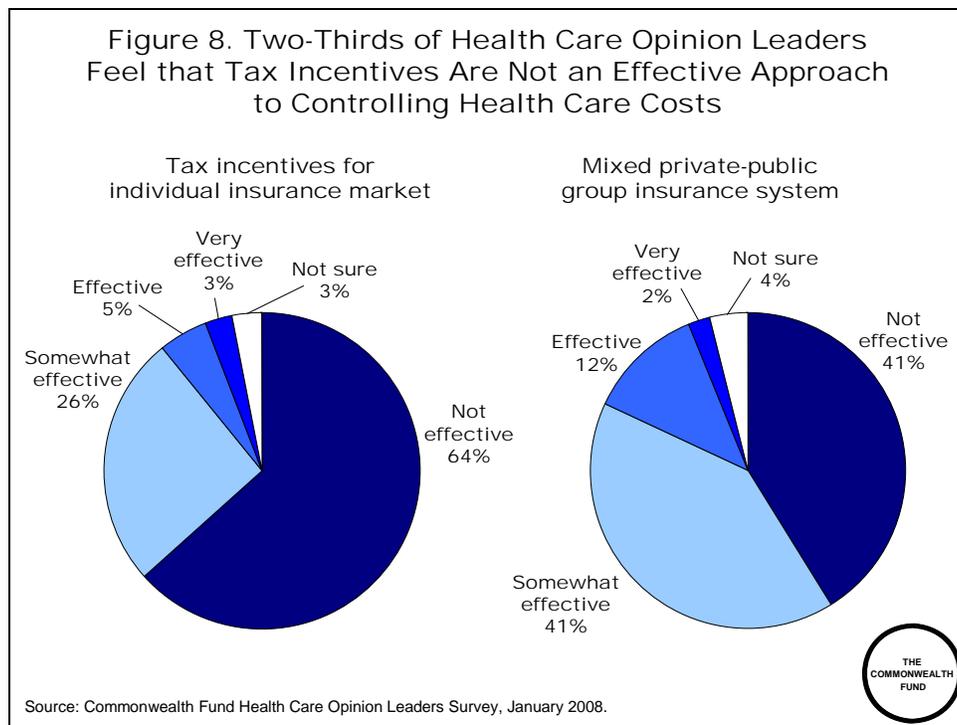
*Next President Must Simultaneously Address Coverage, Quality, and Costs*

Most candidates' health plans do include provisions to improve quality, efficiency, and cost control as well as to increase coverage. As such, health care opinion leaders were asked what the next president should focus on first: quality, coverage, efficiency, or costs. Seven of 10 opinion leaders believe the next president should pursue universal coverage at the same time that he or she develops policies to improve quality, efficiency, and cost control (Figure 7). Three-quarters of academic (73%) and health care delivery (75%) leaders think all four fronts should be simultaneously tackled. One-fifth of business leaders thought cost control and quality improvement should come first, compared with 11 percent of academic experts and 4 percent of health care delivery leaders (Table 7).



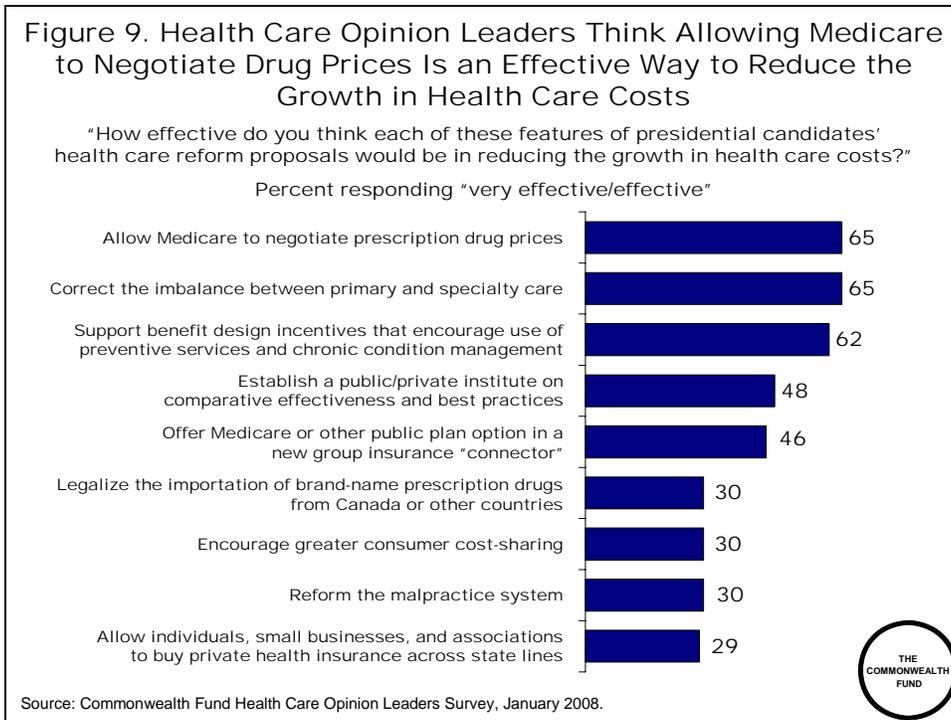
The U.S. spends a far greater share of its gross domestic product and its citizens spend more out-of-pocket on health care than do other industrialized countries, most of which have universal coverage.<sup>12</sup> Proposals that increase coverage through the individual

market have the potential to raise administrative costs, while those that provide large group coverage—especially through the Medicare program—have the potential to significantly lower overall administrative costs.<sup>13</sup> The Health Care Opinion Leaders survey asked respondents how effective the two general approaches of the candidates’ plans—mixed private–public group insurance and tax incentives for individual insurance—would be in controlling health care costs. Almost two-thirds (64%) of health care opinion leaders deemed tax incentives as ineffective in controlling rapidly increasing health care costs. In contrast, over half of opinion leaders see the mixed private–public approach as a very effective, effective, or somewhat effective mechanism for controlling costs (Figure 8).



The survey also asked respondents to assess the specific provisions laid out in the presidential candidates’ health reform plans to control health care costs. Health care opinion leaders think allowing Medicare to negotiate prescription drug prices (65%), correcting the imbalance between primary and specialty care payments (65%), and using benefit design incentives to encourage use of preventive services and chronic condition management (62%) are effective methods to reduce health care costs (Figure 9). Three-quarters of health care delivery leaders thought that the use of benefit design to encourage care management would be effective const control mechanism, compared with 59 percent of academic leaders (Table 9). A somewhat greater share of business leaders (73%) than health care delivery leaders (64%) think correcting the primary–specialty care imbalance

is an effective method to controlling costs. Among all opinion leaders, few believe that legalizing the importation of brand name prescription drugs from Canada (30%) or reforming the malpractice system (30%) would be effective ways to control costs.

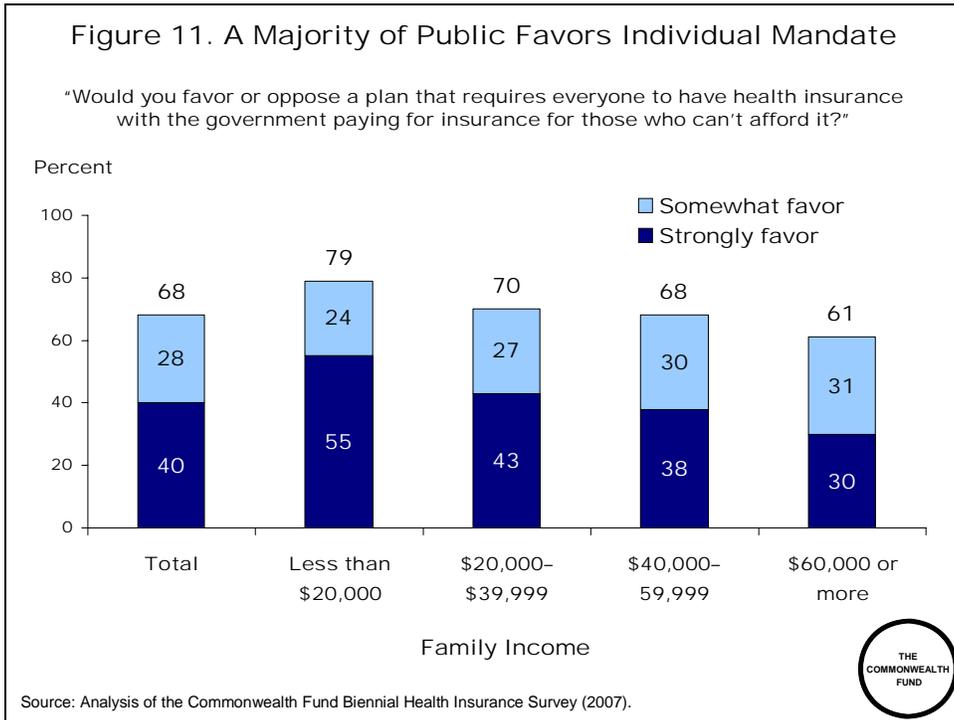
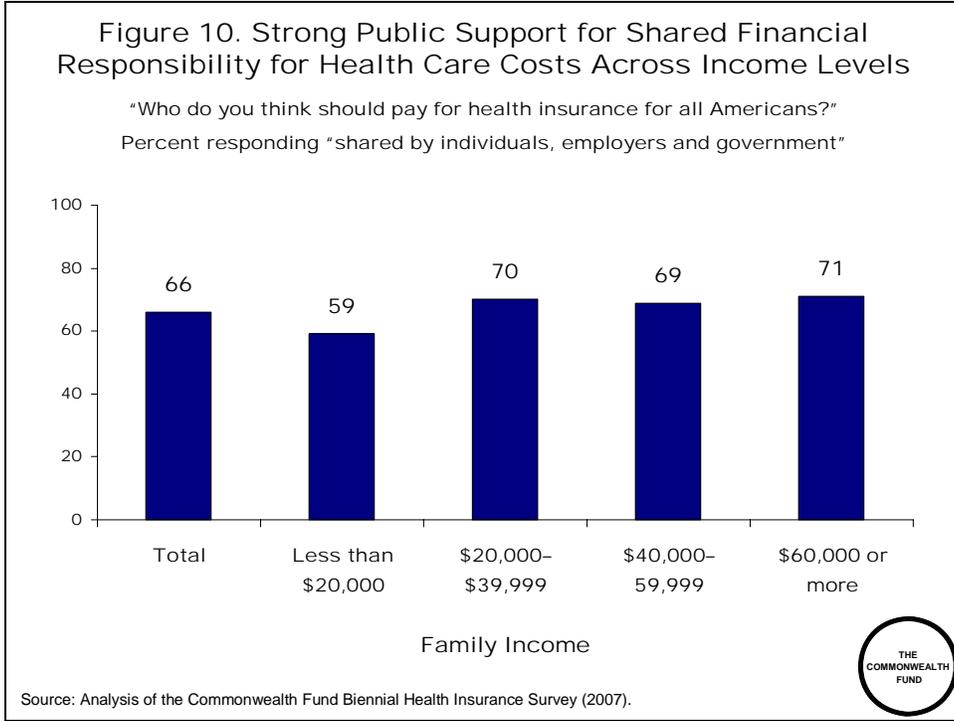


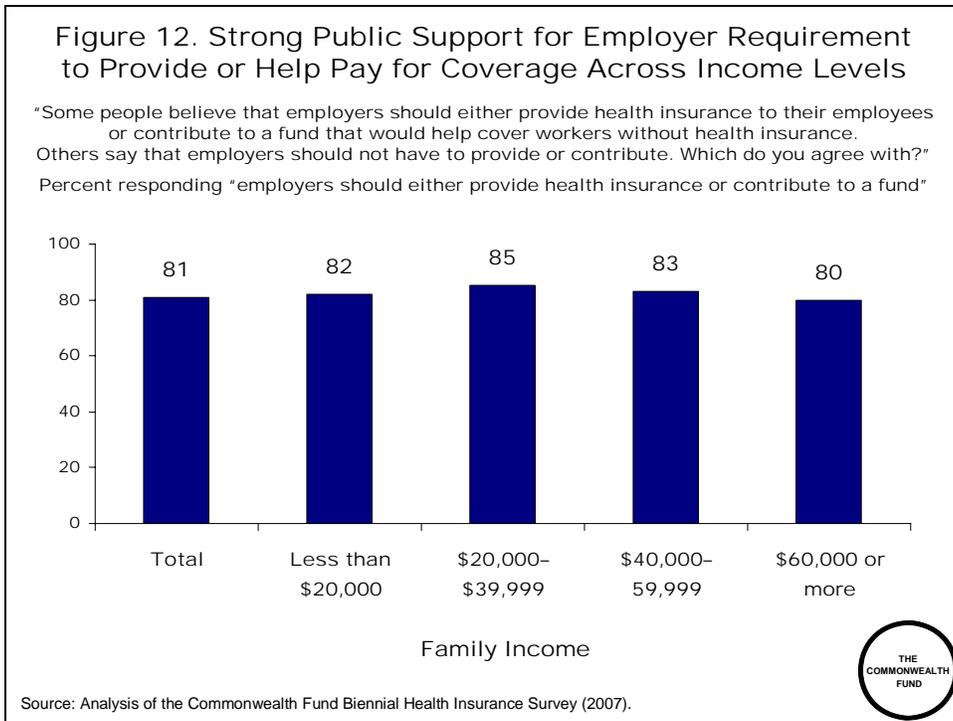
### *Health Care Leaders' Views and Public Opinion*

Health care opinion leaders' views on presidential candidates' reform plans parallel public opinion. A recent Commonwealth Fund survey found that 86 percent of Americans feel the candidates' views on health reform will be an important factor in their voting decision.<sup>14</sup> Two-thirds of American adults think responsibility for health insurance should be shared by individuals, employers, and government. This sentiment is felt across income levels, with more adults earning \$60,000 or more (71%) supporting the concept than lower-income adults (59%) (Figure 10). In addition, a majority of adults (68%) support a requirement for everyone to have health insurance, with the government helping those unable to afford it. Support for an individual requirement, with premium assistance for low and moderate income families, is highest among lower-income households (Figure 11). The public overwhelmingly agrees (81%) that employers should either provide health insurance to their employees or contribute to a fund that would help cover workers without health insurance (Figure 12).

Strong support for features of the presidential candidates' health reform proposals—such as shared financial responsibility, an individual requirement to buy health insurance

with subsidies for low- and moderate-income Americans, and an employer assessment for employers who do not provide health coverage—by both health care opinion leaders and the public point to a potential for real change in the U.S. health system.





### **Moving Toward a High Performance Health System**

As the 2008 presidential election draws closer, increasing numbers of U.S. families are spending greater shares of their income on out-of-pocket medical costs and premiums or losing coverage altogether.<sup>15</sup> To address the critical issues facing our health care system, the Commonwealth Fund Commission on a High Performance Health System has defined a high performance health system for the United States as one that helps everyone, to the extent possible, lead longer, healthier, and more productive lives. To accomplish that, the health care system must achieve four core goals: access to care for all Americans; safe, high quality care; efficient, high value care; and continuous innovation and improvement.

In particular, the Commission seeks opportunities to change the delivery and financing of health care to improve system performance and identifies public and private policies and practices that would lead to those improvements. To help the public evaluate the new policies put forth by the presidential candidates, the Commission identified the following key principles of health care reform essential to moving the overall health system toward high performance:

#### **ACCESS TO CARE**

- Provides equitable and comprehensive insurance for all.
- Insures the population in a way that leads to full and equitable participation.

- Provides a minimum, standard benefit floor for essential coverage with financial protection.
- Premiums, deductibles, and out-of-pocket costs are affordable relative to family income.
- Coverage is automatic and stable with seamless transitions to maintain enrollment.
- Provides a choice of health plans or care systems.

### **QUALITY, EFFICIENCY, AND COST CONTROL**

- Fosters efficiency by reducing complexity for patients and providers, and reducing transaction and administrative costs as a share of premiums.
- Works to improve health care quality and efficiency through administrative reforms, provider profiling and network design, utilization management, pay-for-performance payment models, and structures that encourage adherence to clinical guidelines.
- Minimizes dislocation; people can maintain current coverage if desired.
- Is simple to administer.
- Health risks are pooled across broad groups and lifespans; insurance practices designed to avoid poor health risks are eliminated.
- Has the potential to lower overall health care cost growth.

### **FINANCING**

- Financial commitment to achieve these principles.
- Financing should be adequate and fair, based on ability to pay, and is a shared responsibility of federal and state governments, employers, individual households, and other stakeholders.

As discussed in a recent Commonwealth Fund report on the presidential candidates reform proposals, the mixed private–public group insurance proposals with a shared responsibility for financing has the greatest potential to move the health care system toward high performance as measured against the Commission’s principles for reform.<sup>16</sup> Health care opinion leaders agree that mixed private-public models of reform are effective in achieving universal coverage and realizing cost savings. They also resoundingly agree with the Commission’s call for the next president to work on

coverage, cost, quality, and efficiency issues simultaneously. Health care opinion leaders view the upcoming election as an historic opportunity for our nation's leaders to ensure movement toward a high performance health care system.

### **METHODOLOGY**

The Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey was conducted online by Harris Interactive between November 29, 2007, and December 31, 2007. The survey was administered via e-mail to a panel of 1,080 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 221 respondents from various industries, for a response rate of 20 percent. Typically, samples of this size are associated with a sampling error of +/- 6.6 percent. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated. The sample was developed by The Commonwealth Fund, *Modern Healthcare*, and Harris Interactive. Data from this survey were not weighted.

## NOTES

<sup>1</sup> Henry J. Kaiser Family Foundation, Kaiser Health Tracking Poll: Election 2008–December 2007. available at [http://www.kff.org/kaiserpolls/h08\\_pomr122007pkg.cfm](http://www.kff.org/kaiserpolls/h08_pomr122007pkg.cfm), accessed Jan. 10, 2008.

<sup>2</sup> S. R. Collins and J. L. Kriss, *Envisioning the Future: The 2008 Presidential Candidates' Health Reform Proposals* (New York: The Commonwealth Fund, Jan. 2008).

<sup>3</sup> B. Bright, “Americans Want Leaders to Address Coverage for Uninsured, Poll Shows,” *Wall Street Journal*, Sept. 19, 2007.

<sup>4</sup> The Commonwealth Fund Commission on a High Performance Health System, *A High Performance Health System for the United States: An Ambitious Agenda for the Next President* (New York: The Commonwealth Fund, Nov. 2007).

<sup>5</sup> Collins and Kriss, *Envisioning the Future*, 2008.

<sup>6</sup> *Ibid.*

<sup>7</sup> L. J. Blumberg, J. Holahan, J. Hadley et al., “Setting a Standard of Affordability for Health Insurance Coverage,” *Health Affairs* Web Exclusive (June 4, 2007):w463–w473.

<sup>8</sup> Commonwealth Health Insurance Connector Authority, Affordability and Premium Schedules, June 2007, [www.mahealthconnector.org](http://www.mahealthconnector.org).

<sup>9</sup> E. A. McGlynn, S. M. Asch, J. Adams et al., “The Quality of Health Care Delivered to Adults in the United States,” *New England Journal of Medicine*, June 26, 2003 348(26):2635–45.

<sup>10</sup> Collins and Kriss, *Envisioning the Future*, 2008.

<sup>11</sup> A. C. Beal, M. M. Doty, S. E. Hernandez, K. K. Shea, and K. Davis, *Closing the Divide: How Medical Homes Promote Equity in Health Care: Results From The Commonwealth Fund 2006 Health Care Quality Survey* (New York: The Commonwealth Fund, June 2007).

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<sup>13</sup> C. Schoen, S. Guterman, A. Shih, J. Lau, S. Kasimow, A. Gauthier, and K. Davis, *Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending* (New York: The Commonwealth Fund, Dec. 2008).

<sup>14</sup> S. R. Collins and J. L. Kriss, *The Public's Views on Health Care Reform in the 2008 Presidential Election* (New York: The Commonwealth Fund, Jan. 2008).

<sup>15</sup> J. S. Banthin, P. Cunningham, and D. M. Bernard, “Financial Burden of Health Care 2001–2004,” *Health Affairs* (Jan./Feb. 2008):188–95; C. Schoen, M. M. Doty, S. R. Collins, and A. L. Holmgren, “Insured But Not Protected: How Many Adults Are Underinsured?” *Health Affairs* Web Exclusive (June 14, 2005):w5-289–w5-302; C. DeNavas-Walt et al., “Income, Poverty and Health Insurance Coverage in the United States: 2006,” U.S. Census Bureau, Aug. 28, 2007.

<sup>16</sup> Collins and Kriss, *Envisioning the Future*, 2008.