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health care file

Mr. Mark Gearan
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Mark

Dear Mr. Gearan,

Here is an advance copy of a report we will be issuing on physician attitudes toward managed competition and health care reform. It shows doctors with a surprisingly positive attitude toward this approach, and many other interesting things as well.

I hope you find it of interest and useful.

Sincerely,

Andrew Kohut

N E W S Release

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The Public, Their Doctors, and Health Care Reform

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AMERICAN PHYSICIANS: REFORM-MINDED AND POSITIVE ABOUT MANAGED COMPETITION

Two-thirds of America's doctors prescribe fundamental reform for the health care system of this country, and they seem ready to swallow a pill they have rejected for generations -- significant outside control of medicine.

A nationwide survey of medical doctors by the Times Mirror Center for the People and the Press found 58% responding positively to the managed competition approach being pushed by the Clinton Administration, even though the doctors predict that their incomes and freedom will suffer and the health of Americans will worsen. Opinion of the single payor system, which has been called nationalized medicine, was on balance negative (58% to 41%). But it was nonetheless striking that three out of four doctors had positive disposition to **either** managed competition or the single payor system which is viewed as a more extreme alternative.

The American public, which was polled along with their doctors, called for more radical reform than the physicians, at least in words. A majority (55%) want the nation's health care system completely rebuilt, a more far-reaching notion than fundamental reform. But the public is not willing to pay the price of its rhetoric by accepting reduced services. Indeed, almost half say too little money is spent today on health care, a view held by only 7% of doctors.

The positive response to managed competition and willingness to consider other reform ideas covered in the survey reflects a deep conviction on the part of most physicians that lack of access and the 35 million medically uninsured Americans are the dominant problems of the nation's health care system. More than four out of five doctors said the most important goal of reform is to guarantee access to the uninsured. Almost two out of three (63%) would prefer a lower tech medical system that provides better health care on average for all Americans, rather than a higher tech system to which access was conditioned on ability to pay.

Cost Control -- Low Priority

To attain the goal of universal access, most doctors would be willing to accept longer waits and lower medical technology for their patients. The public would be less willing than doctors to accept such restrictions, however. And the two are of the same mind on restricting choice of doctors: large majorities of both the public and the doctors would be unwilling to allow such restrictions in order to guarantee access to those without it today.

On the other primary goal of Clinton's plan, controlling costs, doctors and the public split. Physicians give virtually their lowest priority to curtailing the steep annual rises in costs, and they are equivocal about budget ceilings even if such limits are the only way to control costs. In the most direct comparison, 69% of the public believed it was very important to slow annual cost rises, while only 50% of the doctors felt that way.

Instead of costs, doctors are mainly concerned with bureaucracy, paperwork and the threat of malpractice suits. Third-party payors, whether the government or insurance companies, are the principal bad guys of American medicine today, they feel.

"They question our clinical judgment, they infringe on our time with unnecessary questions, they must add significantly to the overall costs of medical care," complained one irate Maryland internist who recounted this frustrating episode with an insurance-reviewing organization. Three days after a patient was admitted to the hospital, the doctor was phoned with three questions: the diagnosis, the treatment plan, and the expected length of stay. He gave the information to his staff who passed on the answers: Tussive syncope (fainting due to coughing spasms) and hyperglycemia (elevated blood sugar, probably due to diabetes); intravenous steroids and antibiotics; and five to six days. Additional questions came back the same day: name and dosage of antibiotics? blood sugar levels? additional tests planned? The doctor himself phoned back to complain, only to be told that a nurse practitioner needed the information in order to approve the initial hospital admission. He refused to participate further in what he called "the micromanagement of care" of his patient.

Almost four out of five doctors (78%) have no confidence in insurance companies to make wise decisions about health care reform, a level of distrust exceeded only by their attitude toward Congress (82%) in this respect. Among the players in health care reform, the public also had least trust in insurance companies and Congress. Doctors have most confidence in the American Medical Association, with 62% thinking the AMA will make wise recommendations about health care reform.

Doctors and Public Split on White House Task Force

A slightly smaller percentage of the public (53%) voiced confidence in the AMA. But the public and its doctors differed most on the White House task force on reform - 55% of the public think that Hillary Rodham Clinton's planners will make wise recommendations, while only 24% of medical doctor's subscribe to that view.

Politicians are distrusted on virtually all issues, but the antagonism toward insurance companies reflects their dominant role in the business of medicine today.

"It used to be said that the medical profession was run by the medical schools, then by the business schools, since management experts run the hospitals. But we now see today's medicine is really run by the law schools because the insurance companies are run by lawyers," complained the chief of medicine at a Washington teaching hospital.

While the public appears at least as conservative as doctors about how little it wants medical services to be affected, the problems of these medical consumers are much different than those given by doctors. Overwhelmingly it is the cost factor -- the cost of insurance, of catastrophic illness, of nursing home care -- that creates anxiety in the public. Yet when asked which is more important, guaranteeing access or limiting costs, the public is even stronger than the doctors in favor of guaranteeing access to all-- 74% and 68%, respectively.

Single Payor Plan Spurned

Reflecting their concerns and experiences, doctors are opposed to a Canadian-style single-payor system-- akin to national health insurance plans put forward a generation ago -- by almost three out of five, the survey found. They argue that a government-run system would increase their bureaucratic burden as well as government meddling in medicine. The poll shows that many of the objections toward a single-payor system are the same as complaints against Medicare operations today.

Yet support for the single payor system was surprisingly strong at 41%. In considering it, doctors responded favorably to two of its key aspects -- preserving patient choice, and guaranteeing payment to doctors. Managed competition promises much the same, but with less direct government control, which may explain its greater attractiveness to physicians, even though some doctors view it, as one doctor said, "as a half-way house toward the single payor plan."

While they preferred the concept of managed competition, doctors were bearish on what it would do to health care in practice. Seven out of ten believe physician incomes will fall, eight out of ten think doctors will have less freedom to make treatment decisions in the best interest of patients, and a bare majority believe the quality of health care for Americans will worsen. Significantly, these fears were expressed both by doctors who favored managed competition and those who opposed it.

> *"We say that under managed competition, the health care delivery system will have the efficiency of the Postal Service and the compassion of the Internal Revenue Service," joked a woman doctor in Springfield, Ill.*

Not A Referendum

Yet, one of the most striking findings of the survey was that three out of four doctors reacted positively to either managed competition or single payor systems, with only 23% rejecting both concepts. In that regard, it should be kept in mind that the survey was **not** a referendum on either managed competition or single payor, but rather a test of general reactions to these plans, as they were described in the questionnaire.

Given the complexity of these approaches, especially managed competition, a much fuller airing of the specifics of these plans would be required before physicians or any other sector of the public could be said to meaningfully favor or oppose these approaches. Nonetheless, the extent of positive reaction recorded in the survey reflects a willingness to at least give strong consideration to managed competition, rather than rejecting it conceptually.

Furthermore, the survey's conclusions are reinforced by the fact that physicians who said that they had heard a great deal about this approach prior to the interview were as positive to managed competition ( ), as were respondents who only learned about details of the plan in the course of the interview.

The biggest structural objection to managed competition was, as another Illinois doctor said, "it just won't work in rural areas where 27% of the people live." Many physicians, both urban and rural, cited studies which found that a pool of at least 180,000 persons was

necessary for one provider group of diverse specialists to be economically and medically effective; about 1,000,000 persons, about the size of St. Louis, are needed to support two or three competing provider groups. Yet the designers of managed competition speak of six or seven provider groups competing in the same region.

> *"One (provider) group for one or maybe three counties might be okay," said a Wyoming doctor, "but for half the state? Very difficult." Added a North Carolina rural physician: "If you have one group for a quarter of our state, you'll have the managed part but you won't have competition."*

Much as doctor attitudes toward single-payor and Medicare were linked, the survey found a correlation between physician views about managed competition and HMOs (Health Maintenance Organizations) as well as considerable overlapping support. Of those doctors opposed to single payor plans, almost two-thirds (63%) were also opposed to Medicare. And of those opposed to managed competition, 60% were also opposed to HMOs. (On the other hand, attitudes toward single payor plans were unrelated to attitudes toward HMOs, and attitudes toward managed competition were unrelated to attitudes toward Medicare).

In addition to rank and file doctors, whose responses provided the statistics cited above, the Times Mirror survey encompassed a group of more influential physicians who were heads of medical schools, teaching hospitals and medical societies. The two groups differed significantly in some responses, with the Influentials broadly more liberal and supportive of fundamental reform. They cited access to medical care twice as often as the rank and file (52% vs. 26%) as the nation's most significant health care problem, for example, and were far more willing to curtail medical services for patients in order to provide such guaranteed access. A strong majority of Influentials (63%) were willing to see more restrictions on choice of doctors; the same majority of rank and file were not willing to infringe on that choice.

Patterns of Response to Managed Competition

To probe physician attitudes in detail, the Times Mirror survey divided the managed competition and single payor concepts into key components and asked about each component separately before asking finally about opinion toward the overall plans. Responses varied considerably to the component parts and may be instructive in anticipating features of the plans which would draw the most fire from America doctors.

On managed competition, the least favorable features appeared to be mainly the role of the government and insurance companies. The most favorable aspects were annual contract renewals between purchaser and provider groups, and creation of a second tier of care beyond the basic package of services for those who could afford to pay extra. In the end, almost three out of five physicans (58%) gave a positive response to managed competition in its entirety. Responses are presented in Graph X.

Majorities came from virtually every segment of the physician population. These included primary care physicians as well as surgeons; doctors just starting out (5 years or less in practice), those in mid-career, and those who were senior (25 years or more of practice);

those in most types of practice (the exception: fee-for-service solo practice); those both affiliated with alternative delivery plans (like HMOs) and non-affiliated; and those of all income levels.

Reasons given for this broad affirmative response were led by the plan's promise of something for everybody -- for the patient, improved access and coverage, and continued choice of doctor; for the doctor, free market competition and some control in shaping the plan; and for the nation, effective cost control.

Most complaints paralleled those heard against HMOs in striking detail. Of the six most common items cited as the "worst things" about managed care, for example, five have direct reflections in the list of "worst things" about HMOs, even in the frequency of mention. These were: insufficient quality care, too money oriented, restricts patients' choice, too much paperwork, and insufficient role for doctors.

HMOs Divide Doctors

A plurality of rank and file was also against HMOs (47%), but fully 40% approved such medical practice. Influentials again differed, with a plurality in favor of HMOs rather than against (49% to 38%). Most doctors in all specialties and all income levels expressed unfavorable responses at about the same level. Doctors in solo practices who are paid a fee for service were most strongly opposed. Doctors in alternative health delivery systems were understandably more favorable, although not by a lot -- 44%, compared to 33% among the non-affiliated; and unfavorable views were held by essentially the same proportion of the affiliated and non-affiliated (48% and 47%, respectively). The West again stood out as the region most hospitable to HMOs.

As noted earlier, the chief complaints against HMOs ran parallel to those against the managed competition plan, led by insufficient quality of care and too price-oriented. Physicians with a positive view of managed competition had on balance a positive view of HMOs (49% to 39%), while those with a negative view of managed competition held an unfavorable opinion of HMOs (27% to 60%).

> *The head of a small town hospital's emergency room said his greatest concern about HMOs was typified in a 40-year-old heart attack patient who needed immediate catheterization and bypass surgery: "In an HMO that patient would die," he said, because the HMO would require that the patient suffer three attacks before consenting to the "invasive or intensive" measures that were needed.*

On the prognosis for health care under managed competition, doctors are certain they will suffer and are only slightly less sure about the nation. Between 70% and 80% believe they will have less freedom, less income, and an inadequate say in designing the plan. They are split on other effects, including whether annual cost increases and the paperwork burden will increase, decrease, or remain the same. They also divide on how much difficulty patients will have in chosing a provider group.

On the key issue of how the health of Americans will fare under managed care, beyond the 50% who said it will get worse, 27% said reform will have no effect and 17% foresaw it improving American health. The Influential Group was less pessimistic, although a sizeable proportion of 37% predicted American health would worsen. One woman doctor pointed out that the answer depended on the population involved: "Care for the presently uninsured will improve, while care for the presently insured will deteriorate," she said.

Doctors who were for managed competition and those against it differed relatively little on the nature of the health care challenge facing the nation and the profession, and on the steps to remedy the problems. Of roughly 30 questions, the two groups offered the same judgment on about 20 of them. The exceptions suggested a broadly more conservative attitude by the opponents of managed care, but not always. Opponents were less willing to accept restrictions on patients' choice of doctors, for example, but they were also marginally less confident in key institutions to make wise decisions about health care reform, including the wisdom of the American Hospital Association, insurance companies and even of the American Medical Association.

Patterns of Response to Single Payor

On the single payor plan, doctors reacted most positively to those portions of the system that would provide guaranteed choice and access by patients, and guaranteed payment by the government. They were least favorable to the prospect of government-set budget ceilings (with the likely presumption of government-set priorities), and then opposed to the overall plan (58%), although with a significant proportion (41%) in favor. The responses are presented in Graph Y.

Doctors in most categories opposed the plan, led by surgeons and those earning over $200,000 a year; considerable overlap between these two is possible, of course. Worst features of this plan, the doctors said, included the high level of government involvement, the likelihood of poor quality of care, the lack of competition, and the prospect of inadequate budgets.

> *Asked one critical doctor: "What happens in October if the annual budget has been used up? Would we close our doors?"*

Three of these four complaints parallel criticisms of Medicare to a significant degree, including too much paperwork and bureaucracy, payment for service too little, and insufficient coverage. The fourth was interference in medical issues by non-medical personnel.

Among those with majorities in favor of single payor were doctors earning under $125,000, those in practice for over 25 years, and those serving rural communities who face different problems than their urban colleagues. Reasons given for this view included the plan's promise of greater access for patients and of better cost control, while preserving patient choice.

Critiques of Medicare

A majority of rank and file doctors (56%) were not favorable to Medicare, but a greater majority of Influentials (67%) did like the government system of care for the elderly. Most opposed were surgeons (74%), presumably in large part because of Medicare reimbursement levels, with general practicioners essentially split (46% against, 42% for). Doctors earning the most money ($200,000 and over) were more opposed than those earning less, and doctors affiliated with alternative delivery plans (like HMOs) were far more opposed than those unaffiliated (63% to 43%). Western doctors were less hostile than those in other regions of the country but still mostly opposed. Only older doctors (25 years or more of service) showed a small majority for Medicare.

As noted earlier the key complaints against Medicare were the same as criticism of the single payor plan: paperwork and bureaucracy, inadequate fee schedules, insufficient coverage. Next in grievances against Medicare was interference by non-medical personnel and encouragement of overuse of the health care system.

In this regard, the survey found that physicians who were opposed to the single payor plan held unfavorable views of Medicare by a two to one margin (63% to 33%), while those with a positive view of single payor had a much better opinion of Medicare (43% favorable, 47% unfavorable).

Influentials Emphasize Access

Beyond differing with rank and file on Medicare and HMOs, the Influential Group was more positive toward managed competition (69% vs. 58%). As noted earlier, they mentioned the need for guaranteed acess twice as often as the most significant health care problem facing the nation, and gave much less emphasis to the need to limit annual health care cost increases (9% vs. 20%).

Influentials were more willing to introduce new technologies slower and let patients wait longer for routine care than were the rank and file, and were twice as willing (63% to 34%) to restrict a patient's choice of doctors and hospitals. They had much less confidence in the American Medical Association to make wise decisions about reform, but marginally more confidence in the American Hospital Association, the Congress and the White House task force on reform.

Altruism Observed

All these differences notwithstanding, the degree of concensus among American doctors -- who personified altruistic individualism for most of the nation's history -- was remarkable. Some examples:

- 64% accept the need for fundamental changes; 68% acknowledge that the most important goal of reform is to guarantee access to medical care for all Americans; and 83% favor reform to give all Americans health insurance to cover all medically necessary care.

- The top three "health care problems facing the country today," the doctors said, are all patient-related: access and availability of care, high cost of care to patients, the

unavailability of insurance and the uninsured in American society. Only afterward came doctor-related complaints such as malpractice costs and paperwork burdens.

- But encouraging preventative care was cited as a top priority item as often (by over 75% of the doctors) as eliminating paperwork and limiting malpractice suits. A second tier of priority concerns (around 60%) was universal insurance coverage and discouraging system overuse. In the third rank (40%) was more primary care doctors (vs. more specialists), and making routine and long term care more affordable. In the lowest rank (cited by 20% to 30%) was increased medical research funds, reduced drug company profits, and limits on overall annual increases in health care costs.

- When asked to chose their highest priority of all, doctors elected universal coverage first (choice of 25% rank and file but 48% of Influential Group), limiting malpractice suits next (22%, but only 4% of Influentials), and encouraging preventative care (16%, and 9% among Influentials). All other issues were single digit concerns of both groups of doctors.

- But by wide margins, neither group believed doctors would give up fee-for-service payment in favor of salaries if their topmost reform priority was achieved. Among rank and file, 74% said no; among Influentials, 66%.

Rural Perspective

Rural doctors, who may be left behind by managed competition, have different profiles and attitudes than their urban colleagues in key respects. On average, twice as many have incomes of $125,000 or less (33% vs. 16% in cities), twice as many are primary care physicians but twice as many are also surgeons, and almost twice as many are in their mid-career years of 11 to 24 years in practice.

Overworked, they are significantly more concerned with the need to discourage overuse of the health care system and to encourage more young doctors to take up primary care (rather than a specialty practice). And perhaps because their income is low, a majority of rural physicians favor the single payor plan -- 55%, vs. 42% for urban doctors.

> *"Under single payor, everybody would get paid," said a North Carolina rural doctor; "now we have too few doctors making too much and too many making too little."*

The difficulty of attracting younger doctors to rural practices, where Medicare may be the chief insurer and cultural attractions minimal, is well known. But the chief of staff at a Missouri teaching hospital said the efforts to attract minorities to medical schools was partly to blame, since the sons and daughters of rural physicians were often victims of the affirmative action, "and it would be those young people, of course, who would most likely go back to the rural areas to practice."

By Age and Sex

Generationally, older physicians (25 years or more in practice) were significantly more in favor of the single payor plan than youngest doctors (5 years or less of practice) by a margin of 53% to 31%. Both these youngest and oldest doctors were more favorable toward managed

competition than mid-career physicians in between, 62% to 52%. A final noteworthy difference by age is that the youngest doctors are significantly more attracted to managed competition but opposed to single payor than their older colleagues.

Physicians were generally indistinguishable by sex in their responses with notable exceptions. More male doctors were favorable to managed competition than female doctors, 60% to 49%, but more women thought limiting the overall annual cost increases of health care was very important than did men (65% to 47%) and were less willing to accept low tech in hospitals than men (50% to 58%). More women were also favorable to HMOs.

> *An Illinois doctor pointed out that medical school classes are now almost half women and that through marriage, two-doctor families are becoming increasingly common. "They will want shorter hours, I expect," he said, "but in any case, the impact of this demographic change among doctors on health care delivery has not been addressed."*

Public Impatience

The public's attitude toward health care reform was dominated by the strong support for radical change but weak willingness to pay the piper in reduced services. "A nation that invented drive-through banks and drive-through McDonalds is not going to easily accept patience when it comes to medical care," predicted a Kentucky doctor; "not Americans."

Those for completely rebuilding the medical system were largely members of Clinton's natural constituency: Democrats (70%, vs. 41% Republicans and 55% Independents) and non-Whites, those with low income, less than high school education, and without insurance (all 60% to 70% in favor).

The public saw cost of their care and insurance as the their biggest health care problem, with potential disasters of long-term nursing home care and major illness cited most frequently (68% and 63%), followed closely by loss or curtailment of employer-provided health insurance (59% and 53%). The poor, least educated, uninsured, and southerners expressed these concerns primarily.

But even paying for routine medical care (cited by 40%) was considered more of a problem than the quality and availability of medical and hospital care in their communities (all in the 20% level). Women and non-Whites more likely to worry about this cost, as well as the least educated, the uninsured, and the Democrats and Independents.

Public Wants More, Not Less

Yet most of the public said the nation was spending too little on health care (49%), rather than too much (36%) or the right amount (8%). This finding apparently reflects a view that more resources should go to medicine per se. Non-Whites led whites in this attitude (71% to 46%), and women led men (56% to 42%), and Democrats led Republicans (58% to 39%, with Independents at 50%), plus the uninsured and the least educated.

Somewhat inconsistently, however, the public by a huge majority (69%) said it was very important that annual cost increases in health care be limited. This may reflect mainly the public's concern about inflationary costs. And a majority (59%) said they would favor

government limits on health care spending if no other way could be found to control costs, a significantly larger proportion than doctors (48%).

A notable but not surprising result is that Americans over 65 years of age were less concerned about all of the cost issues above than those in the 50 to 64 year age bracket, apparently reflecting the confidence that Medicare brings to their lives.

Much as doctors, the public overwhelmingly chose guaranteed access, rather than limiting costs, as its chief reform priority, but doctors were more willing to restrict patients' access to medical services than the public was willing to accept. To achieve guaranteed access, however, doctors were more willing to introduce new medical procedures and technologies into hospitals than the public (57% to 48%) and somewhat more willing to let patients wait longer for routine care (61% to 56%), but both were unwilling to roughly the same extent (63% and 59%) to limit choice of doctors.

TABLES

Overall Reaction To Single Payor Plan

(Q.17c)

	Positive	Negative	N
PHYSICIAN SAMPLE			
General	42	58	(408)
Influentials	39	57	(93)
SEX[1]			
Male	41	58	(344)
Female	43	57	(64)
INCOME			
$200,000+	33	66	(94)
$150,000-199,999	31	69	(76)
$125,000-149,999	40	60	(79)
<$125,000	56	43	(137)
AFFILIATION			
HMO	27	72	(127)
IPA/PPO/NOT HMO	34	65	(77)
Unaffiliated:			
Fee for service	56	44	(95)
Salaried	57	43	(76)
SPECIALTY			
Primary Care	46	54	(141)
Specialists	37	62	(240)
Surgeons	23	77	(43)
Other	43	55	(195)
YEARS IN PRACTICE			
5 or less	31	69	(101)
6-10	36	64	(74)
11-24	45	53	(141)
25 or more	53	47	(83)
TYPE OF PRACTICE			
Solo Fee for service	49	50	(117)
Group Fee for service	30	70	(164)
Salaried	46	54	(142)
Rural practice	55	45	(70)

Question: *Now taking everything about this plan into account what's your OVERALL reaction to such an approach - is it very positive, somewhat positive, somewhat negative, or very negative?*

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[1]All the following percentages are based on the general physician sample only (N=408).

Overall Reaction To Managed Competition Plan

(Q.18f)

	Positive	Negative	N
PHYSICIAN SAMPLE			
General	58	41	(408)
Influentials	69	30	(93)
SEX[2]			
Male	60	39	(344)
Female	49	49	(64)
INCOME			
$200,000+	54	44	(94)
$150,000-199,999	73	25	(76)
$125,000-149,999	60	39	(79)
<$125,000	53	47	(137)
AFFILIATION			
HMO	67	32	(127)
IPA/PPO/NOT HMO	54	45	(77)
Unaffiliated:			
Fee for service	49	49	(95)
Salaried	62	38	(76)
SPECIALTY			
Primary Care	58	40	(141)
Specialists	58	42	(240)
Surgeons	60	40	(43)
Other	57	42	(195)
YEARS IN PRACTICE			
5 or less	62	37	(101)
6-10	52	46	(74)
11-24	52	47	(141)
25 or more	62	36	(83)
TYPE OF PRACTICE			
Solo Fee for service	49	49	(117)
Group Fee for service	63	36	(164)
Salaried	59	41	(142)
Rural practice	60	37	(70)

Question: *Now taking everything about this plan into account what's your OVERALL reaction to such an approach - is it very positive, somewhat positive, somewhat negative, or very negative?*

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[2]All the following percentages are based on the general physician sample only (N=408).

VIEW OF SINGLE PAYOR AND MEDICARE

(Based on General Physicians)

		View of Single Payor	
	Total	***Positive***	***Negative***
VIEW OF MEDICARE			
Favorable	37	43	33
Unfavorable	56	47	63
Don't know	7	10	5
	100	100	100

VIEW OF MANAGED COMPETITION AND HMOS

(Based on General Physicians)

		View of Managed Competiton	
	Total	***Positive***	***Negative***
VIEW OF HMOS			
Favorable	40	49	27
Unfavorable	47	39	60
Don't know	13	12	14
	100	100	100

VIEWS OF SINGLE PAYOR AND MANAGED COMPETITION

(Based on General Physicians)

	Positive Toward Both Single Payor & Managed Competition	*Positive Toward Single Payor Only*	*Positive Toward Managed Competition Only*	*Not Positive Toward Either*
TOTAL	23	19	35	23=100
AFFILIATION				
HMO	16	11	51	22=100
IPA/PPO/Not HMO	14	19	37	30=100
None	32	25	24	20=100
YEARS IN PRACTICE				
5 or Less	18	13	44	25=100
6-10	15	21	38	26=100
11-24	22	23	30	25=100
25 or More	33	19	29	18=100
TYPE OF PRACTICE				
Solo fee for service	22	27	27	24=100
Group fee for service	18	12	45	25=100
Salaried	28	18	31	23=100
Rural	30	25	30	15=100
SPECIALTY				
Primary Care	27	19	31	23=100
Specialists	18	19	39	24=100
Surgeons	6	17	54	23=100
Others	24	19	32	24=100

VIEW OF MANAGED COMPETITION

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.8a Willing to accept health care system in which new medical procedures and technologies are introduced more slowly into hospitals		
Total:		
Willing	57	58
Not willing	40	40
Don't know	3	2
Limit costs people:		
Willing	58	48
Not willing	36	48
Don't know	6	4
Guarantee access people:		
Willing	56	60
Not willing	41	39
Don't know	3	2
Q.8b Willing to accept health care system in which middle class people have to wait longer for non-emergency care		
Total:		
Willing	60	61
Not willing	38	37
Don't know	2	2
Limit costs people:		
Willing	53	63
Not willing	45	34
Don't know	3	4
Guarantee access people:		
Willing	63	61
Not willing	35	37
Don't know	2	2

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.8c Willing to accept health care system in which middle class people have more restrictions on choices of doctors and hospitals		
Total:		
Willing	39	26
Not willing	58	72
Don't know	3	2
Limit costs people:		
Willing	40	13
Not willing	52	88
Don't know	8	0
Guarantee access people:		
Willing	39	29
Not willing	60	69
Don't know	2	3
Q.9a Prefer which alternative: a. health care system with newest and most advanced medical technology but with access dependent on ability to pay or	26	23
b. health care system without newest and most advanced medical technology but one that provides better health care on average to all citizens	65	61
Don't know	9	16
Q.10a Confidence in White House task force to make wise recommendations about health care reform		
Have confidence	28	17
Don't have confidence	63	70
Don't know	9	13
Q.10b Confidence in Congress...		
Have confidence	13	15
Don't have confidence	83	81
Don't know	4	4

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.10c Confidence in AMA...		
Have confidence	65	59
Don't have confidence	34	36
Don't know	1	5
Q.10d Confidence in AHA...		
Have confidence	45	35
Don't have confidence	48	55
Don't know	7	10
Q.10e Confidence in Insurance Groups, such as HIAA...		
Have confidence	17	12
Don't have confidence	77	80
Don't know	6	8
Q.11a Providing health insurance for those who can't afford it		
Top priority	60	65
Important, not top	37	29
Not important	3	5
Don't know	1	1
Q.12 - most impt.	24	27
Q.11b Making routine or non-catastrophic care more affordable		
Top priority	48	43
Important, not top	44	40
Not important	8	14
Don't know	1	3
Q.12 - most impt.	5	4
Q.11c Increasing funding for medical research		
Top priority	22	23
Important, not top	60	55
Not important	18	21
Don't know	1	1
Q.12 - most impt.	*	1

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.11d Reducing the amount of paperwork in medicine		
Top priority	78	74
Important, not top	20	22
Not important	2	4
Don't know	0	0
Q.12 - most impt.	5	7
Q.11e Limiting the overall annual increase in health care costs		
Top priority	31	28
Important, not top	51	55
Not important	16	14
Don't know	2	3
Q.12 - most impt.	4	3
Q.11f Making longterm care more affordable		
Top priority	39	45
Important, not top	52	48
Not important	7	5
Don't know	3	2
Q.12 - most impt.	1	3
Q.11g Finding ways to discourage patients from over using the system		
Top priority	66	48
Important, not top	29	41
Not important	5	11
Don't know	*	0
Q.12 - most impt.	7	9
Q.11h Increasing the number of primary care physicians, relative to specialists		
Top priority	48	39
Important, not top	41	43
Not important	11	17
Don't know	*	1
Q.12 - most impt.	9	6

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.11i Limiting the frequency of malpractice suits and the size of settlements		
Top priority	76	73
Important, not top	22	24
Not important	2	3
Don't know	1	1
Q.12 - most impt.	23	20
Q.11j Reducing the profit margins of drug companies		
Top priority	27	21
Important, not top	48	49
Not important	20	26
Don't know	5	4
Q.12 - most impt.	0	0
Q.11k Encouraging preventive care		
Top priority	79	76
Important, not top	18	19
Not important	3	5
Don't know	0	0
Q.12 - most impt.	16	18
Q.12a If health care reform guaranteed top priority in Q.12, in return, do you think most fee for service docs would be willing to work on a salary basis or not?		
Yes	21	16
No	74	74
Don't know	5	10
Q.13 Overall opinion of medicare		
Favorable	36	38
Unfavorable	55	58
Don't know	9	4
Q.15 Overall opinion of HMOs		
Favorable	49	27
Unfavorable	39	60
Don't know	12	14

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.17a Government pays for all health care costs from taxes; people could select any provider and pay with national health card; Reaction?		
Mostly positive	39	63
Mostly negative	58	34
Don't know	2	3
Q.17b Ceiling on health care costs; medical societies would set fees for doctors based on annual government budgets; hospitals also given annual budgets by the government: Reaction?		
Mostly positive	29	36
Mostly negative	70	60
Don't know	1	4
Q.17c Overall reaction to single payor plan		
Positive in general	39	46
Very positive	7	8
Somewhat positive	32	38
Negative in general	61	53
Somewhat negative	29	29
Very negative	32	24
Don't know	0	0

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.18a Private organizations would purchase health care for all Americans; they would be run by representatives of business, government, labor and consumer groups; they would select 6 or 7 provider groups of doctors and hospitals to serve a regional area; Reaction?		
Mostly positive	68	10
Mostly negative	26	87
Don't know	5	3
Q.18b Provider groups organized by insurance cos. and/or HMOs and certified by the government; doctors and hospitals would have opportunity to join provider groups; Reaction?		
Mostly positive	70	10
Mostly negative	23	88
Don't know	6	3
Q.18c People would choose a provider group each year for basic services, similar to HMOs; set fee charged to the purchasing group for each patient; revenues for basic services from employers, employees and the government for unemployed and poor; Reaction?		
Mostly positive	85	26
Mostly negative	13	70
Don't know	2	4
Q.18d All provider groups would offer same basic service but prices could vary; purchasing agencies would negotiate with provider groups to get best basic service at lowest price; Reaction?		
Mostly positive	85	22
Mostly negative	13	75
Don't know	2	3

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.18e Patients could change provider groups each year; they would pay extra for services not in basic plan; Reaction?		
Mostly positive	94	57
Mostly negative	4	38
Don't know	2	4
Q.19 How much heard or read about managed competition		
Great deal	25	27
Fair amount	31	26
Only some	35	36
Nothing	10	9
Don't know	0	1
Q.20 Annual increase in cost of health care nationally how affected by this approach		
Greater	20	35
Less	47	17
Not affected	29	38
Don't know	4	10
Q.21 Overall, would physician incomes increase, decrease or not change; by a lot or a little		
Increase in general	5	2
Increase a lot	1	1
Increase a little	4	1
Decrease in general	74	69
Decrease a little	44	34
Decrease a lot	30	34
Not changed much	17	24
Don't know	4	5
Q.22 Physicians would have an adequate say in determining health services in basic package offered by health provider groups or not?		
Yes	30	9
No	57	89
Don't know	13	2

	Opinion Of Managed Competition	
	Positive	***Negative***
Q.23 Physicians would have more or less freedom to make treatment decisions in best interest of patients?		
More freedom	3	2
Less freedom	77	89
No different	18	6
Don't know	3	3
Q.24 Do you think the quality of health care provided Americans would get better or worse or not be affected		
Better	24	6
Worse	41	66
Not be affected	31	19
Don't know	5	9
Q.25 Amount of paper work in medicine would increase, decrease or remain the same		
Increase	36	53
Decrease	29	16
Remain same	30	26
Don't know	5	5
Q.26 Difficulty patients would have in making choices between provider groups		
Very difficult	14	37
Fairly difficult	34	32
Not difficult	45	26
Don't know	6	5

PERCENT THINKING CHANGE IS REQUIRED

(Based on General Public)

	Only Minor Changes	*Funda-mental Changes*	*Com-pletely Rebuilt*	*Don't Know*	*N*
Total	15	26	55	4 = 100	
Sex					
Male	17	27	52	4 = 100	
Female	13	25	59	3 = 100	
Race					
White	16	26	54	4 = 100	
Non-white	10	21	67	2 = 100	
Age					
Under 30	17	27	53	4 = 100	
30-49	14	31	54	1 = 100	
50 +	15	20	59	6 = 100	
Education					
College Grad.	16	47	36	1 = 100	
Other College	13	27	56	4 = 100	
H.S. Grad.	15	18	64	3 = 100	
< H.S. grad.	17	15	60	8 = 100	
Region					
East	14	26	56	3 = 100	
Midwest	14	27	55	5 = 100	
South	16	24	56	4 = 100	
West	15	28	54	3 = 100	
Party ID					
Republican	27	29	41	3 = 100	
Democrat	7	18	70	4 = 100	
Independent	12	30	55	4 = 100	
Health Insurance					
Yes	16	27	52	4 = 100	
Private	17	27	52	4 = 100	
HMO	15	32	49	5 = 100	
Medicare	22	20	53	5 = 100	
Other	6	33	54	7 = 100	
No	6	19	74	2 = 100	

Question: *Do you think the health care system in this country works pretty well and requires only minor changes, do you think it needs fundamental changes, or do you think it needs to be completely rebuilt?*

PERCENT THINKING EACH COST IS A MAJOR PROBLEM

(Based on General Public)

	Cost of Routine Medical Care	*Cost of Major Illness*	*N*
Total	40	63	
Sex			
Male	35	62	
Female	44	64	
Race			
White	39	63	
Non-white	45	64	
Age			
Under 30	39	60	
30-49	39	67	
50+	41	61	
Education			
College Grad.	25	53	
Other College	36	61	
H.S. Grad.	44	67	
< H.S. grad.	54	71	
Region			
East	38	60	
Midwest	38	59	
South	43	71	
West	38	59	
Party ID			
Republican	34	60	
Democrat	43	66	
Independent	43	64	
Health Insurance			
Yes	34	59	
Private	36	60	
HMO	23	52	
Medicare	36	54	
Other	35	55	
No	74	87	

Question: *As I read from a list, tell me whether or not the item I read is a major problem for you and your family. First, a) Paying for the cost of routine medical care; b) Paying for the cost of a major illness; Is this a major problem for you or not a major problem?*

OPINION OF AMOUNT SPENT ON HEALTH CARE

(Based on General Public)

	Too Much	*Too Little*	*Right Amount*	*Don't Know*	*N*
Total	36	49	8	7 = 100	
Sex					
Male	42	42	10	7 = 100	
Female	31	56	7	6 = 100	
Race					
White	39	46	9	6 = 100	
Non-white	19	71	2	7 = 100	
Age					
Under 30	25	61	11	4 = 100	
30-49	38	47	9	5 = 100	
50 +	41	44	5	9 = 100	
Education					
College Grad.	44	37	11	7 = 100	
Other College	41	47	8	5 = 100	
H.S. Grad.	29	57	8	6 = 100	
< H.S. grad.	32	55	5	8 = 100	
Region					
East	34	49	8	9 = 100	
Midwest	36	51	7	7 = 100	
South	36	51	7	6 = 100	
West	39	46	10	5 = 100	
Party ID					
Republican	45	39	9	8 = 100	
Democrat	30	58	6	6 = 100	
Independent	36	50	9	5 = 100	
Health Insurance					
Yes	38	47	9	6 = 100	
Private	40	45	8	6 = 100	
HMO	35	50	9	6 = 100	
Medicare	39	44	5	11 = 100	
Other	25	64	2	9 = 100	
No	26	61	5	8 = 100	

Question: *Thinking about the country as a whole, do you think we spend too much, too little or the right amount on health care?*

WILLINGNESS TO ACCEPT RESTRICTIONS ON CHOICE OF DOCTORS & HOSPITALS

(Based on General Public)

	Willing To Accept	*Not Willing To Accept*	*Don't Know*	*N*
Total	38	59	2 = 100	
Sex				
Male	40	58	2 = 100	
Female	37	61	2 = 100	
Race				
White	39	59	2 = 100	
Non-white	37	60	3 = 100	
Age				
Under 30	38	60	2 = 100	
30-49	44	55	1 = 100	
50 +	33	63	3 = 100	
Education				
College Grad.	38	60	1 = 100	
Other College	39	59	2 = 100	
H.S. Grad.	37	62	1 = 100	
< H.S. grad.	38	56	5 = 100	
Region				
East	38	59	3 = 10	
Midwest	34	63	3 = 10	
South	40	58	2 = 10	
West	43	57	* = 100	
Party ID				
Republican	37	62	1 = 100	
Democrat	41	56	3 = 100	
Independent	39	60	1 = 100	
Health Insurance				
Yes	38	60	2 = 100	
Private	37	61	2 = 100	
HMO	37	59	3 = 100	
Medicare	36	61	3 = 100	
Other	22	75	3 = 100	
No	43	55	1 = 100	

Question: *As I read from a list, tell me which of these would you be willing to accept in a new health care system that (limits costs) (guarantees access); c) More restrictions on your choice of doctors and hospitals?*

SURVEY METHODOLOGY

ABOUT THE PUBLIC SURVEY

The survey results are based on telephone interviews conducted under the direction of Princeton Survey Research Associates among a nationwide sample of 1,011 adults, 18 years of age or older, during the period April 1-4, 1993. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling and other random effects is plus or minus 3 percentage points.

In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

SURVEY METHODOLOGY

General Public

The sample for this survey is a random digit sample of telephone numbers selected from telephone exchanges in the continental United States. The random digit aspect of the sample is used to avoid "listing" bias and provides representation of both listed and unlisted numbers (including not-yet-listed). The design of the sample ensures this representation by random generation of the last two digits of telephone numbers selected on the basis of their area code, telephone exchange, and bank number.

The telephone exchanges were selected with probabilities proportional to their size. The first eight digits of the sampled telephone numbers (area code, telephone exchange, bank number) were selected to be proportionally stratified by county and by telephone exchange within county. That is, the number of telephone numbers randomly sampled from within a given county is proportional to that county's share of telephone households in the U.S. Estimates of the number of telephone households within each county are derived from 1990 Census data on residential telephone incidence that have been updated with state-level information on new telephone installations and county-level projections of the number of households. Only working banks of telephone numbers are selected. A working bank is defined as 100 contiguous telephone numbers containing three or more residential listings.

The sample was released for interviewing in replicates. Using replicates to control the release of sample to the field ensures that the complete call procedures are followed for the entire sample.

At least three attempts were made to complete an interview at every sampled telephone number. The calls were staggered over times of day and days of the week to maximize the chances of making a contact with a potential respondent. All interview breakoffs and refusals were re-contacted at least once in order to attempt to convert them to completed interviews. In each contacted household, interviewers asked to speak with the "youngest male 18 or older who is at home". If there is no eligible man at home, interviewers asked to speak with "the oldest woman 18 or older who lives in the household". This systematic respondent selection technique has been shown empirically to produce samples that closely mirror the population in terms of age and gender.

Non-response in telephone interview surveys produces some known biases in survey-derived estimates because participation tends to vary for different subgroups of the population, and these subgroups are likely to vary also on questions of substantive interest. In order to compensate for these known biases, the sample data are weighted in analysis.

The demographic weighting parameters are derived from a special analysis of the most recently available Census Bureau's Current Population Survey (March 1992). This analysis produced population parameters for the demographic characteristics of households with adults 18 or older, which are then compared with the sample characteristics to construct sample weights. The analysis only included households in the continental United States that contain a telephone.

The weights are derived using an iterative technique that simultaneously balances the distributions of all weighting parameters. After an optimum sample balancing solution is reached, the weights were constrained to fall within the range of 1 to 5. This constraint is useful to ensure that individual respondents do not exert an inordinate effect on the survey's overall results.

PHYSICIAN SURVEY SAMPLE DESIGN

The Times Mirror Physician Survey comprises two types of physicians; those who hold positions of leadership in policy making or education in the medical profession and general physicians from across the country. The samples for these two groups were drawn independently.

The sample for the general physician population was designed to be representative of all physicians living in the continental U.S. The sample was randomly selected from the American Medical Association's list of physicians. The AMA list includes both AMA members and non-members and is updated weekly through surveys, weekly publication mailings, the postal service address correction service and over 2,000 other sources.

The leadership sample was compiled from three sources and was designed to represent physicians in leadership roles in the areas of medical education, hospitals and state medical associations.

The leadership sample included:

1) Deans of the top 51 medical colleges rated as "Distinguished" or "Strong".
2) Medical Directors/Chiefs of Staff at hospitals associated with the schools listed above.
3) Presidents of the state medical associations.

Each person sampled for this survey was mailed an advance letter on Times Mirror Center for the People and the Press letterhead, signed by Andrew Kohut, Director of the Center. The letters were intended to introduce the survey to prospective respondents, describe the nature and purpose of the survey and encourage participation in the survey. The letters stressed the importance of the survey as a forum for expressing the opinions of doctors as work on the reform of health care begins, and further mentioned that the results of the survey would be released in newspapers, television and public forums.

Approximately one week after the letter was mailed specially trained interviewers began calling the individual sample members to conduct the survey or set up an appointment to conduct the survey at a later date. Interviewers for this survey were experienced, executive interviewers specially trained to ensure their familiarity with the questionnaire and their professionalism in dealing with medical professionals of this level. In an effort to accommodate the busy schedules of most doctors, calls were made at various times of the day and on different days of the week and on the first telephone contact, respondents were encouraged to set up an appointment to complete the interview at a time most convenient for them. In addition, an 800 number was provided to allow the doctors to call in at any time and complete the interview. The interviewing was conducted from March 15, 1992 through March 26, 1993.

In addition to the regular telephone interviewing, Robert C. Toth, a correspondent for the Los Angeles Times, and Maxine Isaacs, a Times Mirror Fellow, conducted personal interviews with over 20 physicians from both the leadership and general physician populations.

The final sample of general physicians was weighted to bring the demographic characteristics of the sample into alignment with the characteristics of the AMA list of physicians. The data were weighted on age, sex and surgical vs. non-surgical specialty.

THE QUESTIONNAIRES

TIMES MIRROR HEALTH CARE OPINION SURVEY
GENERAL PUBLIC SAMPLE
April 1-4, 1993
N=1,011

INTRODUCTION: Hello, I am _____ calling for Princeton Survey Research Associates from Princeton, New Jersey. We are conducting a telephone opinion survey for leading newspapers and TV stations around the country. I'd like to ask a few questions of the youngest male, 18 years of age or older, who is now at home (IF NO MALE, ASK: May I please speak with the oldest female, 18 years of age or older, who is now at home?)

Q.1 Do you approve or disapprove of the way Bill Clinton is handling his job as President?

		Feb 1993
49	Approve	56
29	Disapprove	25
22	No opinion	19
100		100

Q.2 What do you think is the most important problem facing this country today?

		Jan 1992	May 1990	Jan 1989	April 1987
18	Economy (general)	43	5	4	10
18	Unemployment/Lack of jobs	22	7	9	13
17	Deficit/National debt/ Balanced budget	4	11	19	11
13	Health care (cost/accessibility)	2	2	*	*
6	Morality/Ethics/ Family values	3	5	2	5

Q.2 Continued...

		Jan 1992	May 1990	Jan 1989	April 1987
5	Crime/Gangs/Justice system	3	8	8	3
4	Taxes	0	0	0	0
4	Drugs/Alcohol	4	11	22	37
3	Dissatisfaction with government/Politics	0	0	0	0
3	Racism	0	0	0	0
3	Poverty	0	0	0	0
2	Inflation/Difference between wages/Costs	0	0	0	0
2	Too much foreign aid/ Spend money at home	0	0	0	0
2	Homelessness	6	8	10	*
2	Education	0	0	0	0
2	Issues related to elderly	0	0	0	0
2	Environment/Garbage /Pollution	0	0	0	0
1	Other domestic	0	0	0	0
1	Other international	0	0	0	0
8	Other	9	3	1	3
4	Don't know/No answer	2			
58	**NET ECONOMIC**	**76**			

NEXT I'D LIKE TO ASK YOU A FEW QUESTIONS ABOUT HEALTH CARE....

Q.4 Do you think the health care system in this country works pretty well and requires only minor changes, do you think it needs fundamental changes, or do you think it needs to be completely rebuilt?

15	Only minor changes
26	Fundamental changes
55	Completely rebuilt
4	Don't know/Refused
100	

Q.5 What do you think is the most significant health care problem facing the country today?

36	Cost of health care
19	NET: Access (responses marked with *)
17	NET: Insurance (responses marked with **)
14	AIDS/HIV
7	*Availability of health care
7	*/**Availability of insurance
7	Aging/The elderly/Care for the elderly
6	**Insurance (general)
5	*Poverty/Welfare/Health Care for the poor
4	**Cost of insurance/High premiums
4	Dr. greed/Overbilling/Overcharging
3	Drug costs/Rising cost of RX drugs
2	Cancer
2	People not taking care of themselves
2	Children's health/Care for children
2	Medicare/Medicaid policies
2	Malpractice/Lawsuits
1	Heart disease
*	Paperwork/Forms/Bureaucracy
*	Clinton's plans/Don't trust government
2	Other
8	Don't know/No answer

Q.6 What is the most difficult health care problem facing <u>you</u> and <u>your</u> family today?

34	Have no health care problems/None
24	Cost of health care/Can't pay for it
17	NET: Insurance (responses marked with **)
8	NET: Access (responses marked with *)
8	**Cost of insurance/High premiums
6	*/**Availability of insurance
4	Other specific health care needs
4	Aging/Health problems associated with age
3	Cancer
3	**Insurance (general)
2	*Availability of health care
2	Drug costs/Rising cost of RX drugs
2	Heart disease
1	Long term care/Nursing home care
1	AIDS/HIV/Fear of AIDS
1	Medicare/Medicaid policies
1	Children's health/Care for children
2	Other
7	Don't know/No answer

Q.7 As I read from a list, tell me whether or not the item I read is a major problem for you and your family. First.....(**READ AND ROTATE**) (is this a major problem for you or not a major problem?)

	Major Problem	Not a Major Problem	Don't Know
a. Paying for the cost of routine medical care	40	60	*=100
b. Paying the cost of a major illness	63	36	1=100
c. The possibility of paying the cost of long term care in a nursing home for you or a member of your family	68	29	3=100
d. The possibility that your employer may cut back on health care benefits and/or make you pay a larger share of the costs	53	42	5=100
e. The quality of the medical care available in your community	23	75	2=100
f. The availability of medical care in your community	20	79	1=100
g. The quality of hospital care in your community	23	75	2=100
h. The possibility that you might lose your insurance if you lose or change jobs	59	37	4=100

Q.8 Thinking about the country as a whole, do you think we spend too much, too little or the right amount on health care?

36	Too much
49	Too little
8	Right amount
7	Don't know/Refused
100	

Q.9 Do you favor or oppose changing the health care system in this country so that all Americans have health insurance that covers all medically necessary care?

83	Favor
13	Oppose
4	Don't know
100	

Q.10 How important is it to you that we change the health care system in this country in order to limit the overall annual increase in the nation's health care costs? **(READ CATEGORIES 1-3)**

69	Very important
24	Fairly important
5	Not too important
2	Don't know
100	

Q.11 What do you think is a more important goal for the nation: to find a way to limit the overall annual increase in health care costs, or to change the system so that all Americans are guaranteed access to all medically necessary care?

20	Limit costs
74	Guarantee access
6	Can't say
100	

Q.12 As I read from a list, tell me which of these would you be willing to accept in a new health care system [NOTE IF CANT SAY IN Q11 DONT FILL ANYTHING HERE] that (limits costs) (Guarantees access) **(READ AND ROTATE)**

	Willing	Not Willing	Don't Know
a. Slower introduction of new medical procedures and technologies into hospitals	48	48	4=100
b. Waiting longer for non-emergency medical and hospital care	56	43	1=100
c. More restrictions on your choice of doctors and hospitals	39	59	2=100

Q.13 If there is no other way to control costs, would you favor or oppose government limits on health care spending?

59	Favor
32	Oppose
9	Don't know
100	

Q.14 As I read from a list tell me whether or not you have confidence in the group that I name to make wise recommendations about health care reform. First... **(READ AND ROTATE)**

	Have Confidence	Don't Have Confidence	Don't Know
a. The White House task force on health care reform	55	33	12=100
b. The Congress	32	61	7=100
c. The American Medical Association	53	40	7=100
d. American Hospital Association	42	43	15=100
e. Insurance Companies	22	74	4=100

Q.15 As I read from a list, tell me if you think the item that I read should be a top priority of health care reform, important, but not a top priority, or not too important? **(READ AND ROTATE)**

	Top Priority	Important But Not Priority	Not Too Important	Don't Know
a. Providing health insurance coverage for those who cannot now afford it	60	32	5	3=100
b. Making routine or non-catastrophic care more affordable	51	39	8	2=100
c. Increasing funding for medical research	38	48	12	2=100
d. Reducing the amount of paper work in health care these days	54	32	13	1=100
e. Limiting the overall annual increase in health care costs	58	33	7	2=100
f. Making long term nursing home care more affordable	60	35	4	1=100
k. Encouraging preventive care	59	35	4	2=100

Q.16 Do you currently have health insurance, or not?

Q.17 What type of health insurance do you have? Are you enrolled in **(READ ALL RESPONSES, ALLOW MORE THAN ONE RESPONSE)**

85 Yes

- 63 A private health insurance plan that is provided by an employer or that you buy yourself?
- 16 An HMO plan that is provided by an employer or that you buy yourself?
- 13 In Medicare?
- 5 Or in another government run program like Medicaid?
- 2 Other **(VOLUNTEERED) (PLEASE SPECIFY _____)**
- 1 Don't know

15 No

* Don't know/No answer

100

TIMES MIRROR HEALTH CARE OPINION SURVEY
PHYSICIAN SAMPLE
MARCH 15-26, 1993
N=501

Hello, I am _____ calling from Princeton Survey Research Associates on behalf of the Times Mirror Center For The People & The Press. We are conducting a nationwide survey of physicians on issues related to the health care situation in this country today. We would very much like to include your views in this important survey. You should have received a letter a few days ago from Times Mirror which described the survey and told you that we would be calling. As we explained in the letter, all of your answers will be strictly confidential and will be used only with the combined responses of all physicians participating in the study. The survey should only take about _____ minutes of your time.

NOW, FOR OUR FIRST QUESTION:

Q.1 Do you think the health care system in this country works pretty well and requires only minor changes, or do you think it needs fundamental changes, or do you think it needs to be completely rebuilt?

All Phy.	Influentials[3]	
24	9	Only minor changes
64	79	Fundamental changes
10	9	Completely rebuilt
2	3	DK/Refused
100	100	

[3]The "Influentials" (93) are not a subset of "All Physicians" (408).

Q.2 What do you think is the most significant health care problem facing the country today?

All Phy.	Influentials	
26	52	Availability of care/access to care
26	27	High cost for patients
23	24	Uninsureds/availability of insurance
11	4	Threat/cost of malpractice
8	5	Too much emphasis on nonproductive care
8	0	Paperwork/administrative/bureaucratic process
7	2	Cost of equipment and procedures
5	5	Unrealistic patient demands/expectations
5	1	Government involvement with medical issues
4	0	Private insurance coverage rules
3	3	Lack of responsibility for own health
3	1	Patient overuse/abuse of the system
2	1	Non-medical involvement with medical issues
2	3	Drug costs/pharmaceutical company profits
2	1	Increasing need for care
2	3	Decrease in primary care physicians
7	3	Miscellaneous other
*	1	Don't know/no answer

If A Practicing Physician:

Q.3 What is the most difficult problem facing you in your practice today?

All Phy.	Influentials	
27	32	Paperwork/administrative/bureaucratic process
16	11	Private insurance coverage rules
15	11	Reimbursement from 3rd party payers
10	7	Threat/cost of malpractice
9	11	Workload/providing care/healing people
8	11	Uninsured/availability insurance
6	4	Government involvement with medical issues
5	4	High cost for patients
4	4	Long term stability of system
4	1	Non-medical involvement with medical issues
2	0	Competition from managed care
2	1	Lack of responsibility for own health
2	3	Unrealistic patient demands/expectations
2	0	Too much emphasis on non-productive care
1	0	Patient overuse/abuse of system
*	3	Decrease in primary care physicians
1	3	Overuse/abuse of emergency facilities
4	6	Miscellaneous other
6	3	No problems/things work pretty well
2	8	Don't know/no answer

(386)(74)

Q.4 Overall, as a nation do we spend too much, too little or the right amount on health care?

All Phy.	Influentials	
44	32	Too much
7	4	Too little
42	35	Right amount
7	29	DK/Refused
100	100	

Q.5 Do you favor or oppose changing the health care system in this country so that all Americans have health insurance that covers all medically necessary care?

All Phy.	Influentials	
82	98	Favor
13	2	Oppose
5	0	DK
100	100	

Q.6 How important is it to change the health care system in order to limit the overall annual increase in the nation's health care costs? **(READ CATEGORIES 1-3)**

All Phy.	Influentials	
50	57	Very important
34	27	Fairly important
13	14	Not too important
3	2	DK
100	100	

Q.7 What do you think is a more important goal for the nation: to find a way to limit the overall annual increase in health care costs, or to change the system so that all Americans are guaranteed access to all medically necessary care?

All Phy.	Influentials	
20	9	Limit costs
68	77	Guarantee access
12	14	Can't say
100	100	

Q.8 As I read from a list tell me which of these would you be willing to accept in a new health care system that (limits costs) (Guarantees access) **(READ AND ROTATE)**

BASED ON THOSE WHO SAID LIMIT COST OR GUARANTEE ACCESS IN Q. 7
All physicians N=363
Influentials N=80

		Willing	Not Willing	DK
a.	A health care system in which new medical procedures and technologies are introduced into hospitals more slowly than they are today			
	All Physicians	57	40	3
	Influentials	69	26	5
b.	A health care system in which middle class people have to wait longer for non-emergency medical and hospital care than they do today			
	All Physicians	61	37	2
	Influentials	66	29	5
c.	A health care system in which middle class people have more restrictions on their choices of doctors and hospitals			
	All Physicians	34	63	3
	Influentials	63	36	1

Q.9 If there is no other way to control costs, would you favor or oppose national limits on health care spending?

All Phy.	Influentials	
48	47	Favor
47	44	Oppose
5	9	DK
100	100	

Q.9a Which of the two following alternatives do you more prefer:

All Phy.	Influentials	
25	14	A health care system that has the newest and most advanced medical technology available, but with access that is dependent on a patient's ability to pay?
		OR
63	68	A health care system that does not have the newest and most advanced medical technology, but one that provides better health care on average to all citizens.
12	18	DK/Refused
100	100	

Q.10 As I read from a list tell me whether or not you have confidence in the group that I name to make wise recommendations about health care reform. First... **(READ AND ROTATE)**

		Have Confidence	Don't Have Confidence	DK
a.	The White House task force on health care reform			
	All Physicians	24	65	11
	Influentials	31	43	26
b.	The Congress			
	All Physicians	14	82	4
	Influentials	22	73	5
c.	The AMA (American Medical Assn.)			
	All Physicians	62	35	3
	Influentials	44	47	9
d.	The AHA (American Hospital Assn.)			
	All Physicians	41	51	8
	Influentials	50	41	9
e.	Insurance Groups like HIAA (Health Insurance Assn. of America)			
	All Physicians	16	78	6
	Influentials	14	76	10

Q.11 As I read from a list, tell me if you think the item that I read should be a top priority of health care reform, important, but not a top priority, or not too important? **(READ AND ROTATE)**

		Top Priority	Important But Not Top Priority	Not Too Important	DK
a.	Providing health insurance coverage for those who cannot now afford it				
	All Physicians	62	33	4	1
	Influentials	82	17	0	1
b.	Making routine or (non catastrophic) care more affordable				
	All Physicians	46	42	10	2
	Influentials	41	44	10	5
c.	Increasing funding for medical research				
	All Physicians	22	58	19	1
	Influentials	29	56	13	2
d.	Reducing the amount of paper work in medicine these days				
	All Physicians	77	20	3	0
	Influentials	72	28	0	0
e.	Limiting the overall annual increase in health care costs				
	All Physicians	29	53	16	2
	Influentials	37	55	8	0
f.	Making long term care more affordable				
	All Physicians	42	50	6	2
	Influentials	46	47	6	1
g.	Finding ways to discourage patients from over using the health care system				
	All Physicians	58	34	8	*
	Influentials	52	43	5	0

		Top Priority	Important But Not Priority	Not Too Important	DK
h.	Increasing the number of primary care physicians, relative to specialists				
	All Physicians	44	42	13	1
	Influentials	59	30	10	1
i.	Limiting the frequency of malpractice suits and the size of malpractice settlements				
	All Physicians	74	23	2	1
	Influentials	66	33	1	0
j.	Reducing the profit margins of pharmaceutical companies				
	All Physicians	25	48	22	5
	Influentials	11	57	31	1
k.	Encouraging preventive care				
	All Physicians	77	19	4	0
	Influentials	72	23	5	0

If More Than One "Top Priority", Ask:

Q.12 Well, which ONE of these things do you think is most important to do from your point of view?

All Phy.	Influentials	
25	48	Providing health insurance coverage for those who cannot now afford it
5	2	Making routine or (non catastrophic) care more affordable
*	1	Increasing funding for medical research
6	2	Reducing the amount of paper work in medicine these days
4	6	Limiting the overall annual increase in health care costs
2	2	Making long term care more affordable
8	7	Finding ways to discourage patients from over using the health care system
7	9	Increasing the number of primary care physicians, relative to specialists
22	4	Limiting the frequency of malpractice suits and the size of malpractice settlements
0	0	Reducing the profit margins of pharmaceutical companies
16	9	Encouraging preventive care
5	10	Don't know/no answer
100	100	
(400)	(91)	

Q12a If health care reform guaranteed **(top priority in Q12)**, in return do you think most fee for service physicians would be willing to work on a salary basis or don't you think so?

All Phy.	Influentials	
19	24	Yes
74	66	No
7	10	Dk/Refused
100	100	
(382)	(82)	

Q.13 Overall, do you have a mostly favorable or mostly unfavorable opinion of Medicare?

All Phy.	Influentials	
37	67	Favorable
56	21	Unfavorable
7	12	DK/Refused -- **GO TO Q.15**
100	100	

Q.14 Why do you have a (**Answer in Q.13**) opinion?

Favorable Opinion

All Phy.	Influentials	
79	90	Provides access to care for elderly
15	8	System works pretty well/well run
10	5	Keeps costs down/effective control
3	3	Amount of payment not cost effective
1	3	Too much paperwork/bureaucracy
0	5	Encourages overuse of system
1	2	Ensures consistent treatment
4	0	Miscellaneous other
2	0	Don't know/no answer

(154)(62)

Unfavorable Opinion

All Phy.	Influentials	
49	70	Too much paperwork/bureaucracy
50	45	Amount of payment not cost effective
10	20	Don't provide enough coverage
10	10	Non-medical involvement in medical issues
10	5	Encourages overuse of system
8	5	Inconsistent/irrational policies
5	0	Oriented toward specific procedures
5	5	Miscellaneous other
*	0	Don't know/no answer

(226)(20)

Q.15 Overall, do you have a mostly favorable or mostly unfavorable opinion of HMO's?

All Phy.	Influentials	
40	49	Favorable
47	38	Unfavorable
13	13	DK/Refused -- **GO TO Q.17**
100	100	

Q.16 Why do you have a (**Answer in Q.15**) opinion?

Favorable Opinion

All Phy.	Influentials	
47	39	Keeps cost down/effective control
39	44	Improves access to/availability of care
17	13	System works pretty well/well run
14	9	Oriented toward preventative care
2	9	Don't provide enough care
3	6	Oriented toward primary care
2	2	Inconsistent/some good and some bad
3	0	Restricts patient choices
4	6	Miscellaneous other
2	2	Don't know/no answer

(161)(46)

Unfavorable Opinion

All Phy.	Influentials	
37	51	Don't provide enough care
32	26	More oriented toward money than patients
16	14	Restricts patient choices
12	14	Too much paperwork/bureaucracy
7	11	Non-medical involvement in medical issues
7	0	Oriented toward primary care
5	3	Don't pay doctors very well
3	0	Encourages overuse of system
2	3	Keeps cost down/effective control
3	0	Generally mismanaged
3	3	Miscellaneous other
1	0	Don't know/no answer

(196)(35)

I am going to read descriptions of two basic ways of reforming the health care system - we'd like your reactions.

Q17a As I describe this first approach I would like your reaction to various elements of the plan ... even before you have heard the entire description.

The government pays for all health care costs from taxes collected from workers, employers and from the general public. People could select any provider and pay with a national health card. What is your reaction so far? Is it:

All Phy.	Influentials	
49	46	Mostly positive
		or
48	52	Mostly negative
3	2	DK/Refused
100	100	

Q17b There would be a ceiling on health care costs. Medical societies would set fees for doctors based on annual government budgets for medical care. Hospitals would also be given annual budgets by the government. What is your reaction to this aspect of the plan? Is it:

All Phy.	Influentials	
32	42	Mostly positive
		or
66	56	Mostly negative
2	2	DK/Refused
100	100	

Q17c Now taking everything about this plan into account what's your OVERALL reaction to such an approach - is it:

All Phy.	Influentials	
7	10	Very Positive
34	29	Somewhat Positive
29	27	Somewhat Negative
29	30	Very Negative
1	1	Need to know more before saying **(VOL)**
0	3	DK/Refused
100	100	

Q17d What are the best things about this plan?

All Phy.	Influentials	
52	48	Offers more coverage/improves access
20	34	Effective cost control/cost cutter
13	4	No good things about it
11	5	Preserves patient choice
6	8	Less paperwork/bureaucracy
5	7	More control by doctors/less by bureaucrats
4	2	Would standardize care/uniform care
3	0	Free market competition/doctors can make money
4	4	Miscellaneous other
5	5	Don't know/no answer

Q17e What are the worst things about this plan?

All Phy.	Influentials	
41	36	Too much government control/involvement
16	20	Won't provide enough quality care
16	4	Stifles free market/no competition
14	12	Budgets won't be adequate/correct
8	9	Too much paperwork/bureaucracy
7	6	Encourages abuse/overuse of system
7	2	Too expensive to implement
5	3	Doctors not free to determine care
3	2	Not cost effective/won't save money
3	3	Hinders patient choice
1	3	Too profit/cost driven
*	2	Physicians not involved in set up
5	6	Miscellaneous other
6	3	Don't know/no answer

Now I' like to get your reaction to another plan that is being considered.

Q18a Private organizations around the country would purchase health care for all Americans. These organizations would be run by representatives of business, government, labor and consumer groups. Each year these purchasing agencies would select 6 or 7 provider groups of doctors and hospitals that would serve a regional area... What is your reaction so far? Would it be:

All Phy.	Influentials	
44	54	Mostly positive
		or
51	44	Mostly negative
5	2	DK/Refused
100	100	

Q18b The provider groups would be organized by insurance companies and/or HMO's and certified by the government. Each doctor or hospital in the region would have the opportunity to join a provider group. What is your reaction to this aspect of the plan? Would it be:

All Phy.	Influentials	
45	56	Mostly positive
		or
50	41	Mostly negative
5	3	DK/Refused
100	100	

Q18c Each year people would choose a provider group to obtain basic services, similar in scope to what is now offered by HMO's. A set fee would be charged to the purchasing group for each enrolled patient. Revenues for the basic services would come from employers and employees and from the government for unemployed and poor people. What is your reaction to this aspect of the plan? Would it be:

All Phy.	Influentials	
60	71	Mostly positive
		or
36	29	Mostly negative
4	0	DK/Refused
100	100	

Q18d All provider groups would offer the same basic service, but the prices could vary between provider groups. Purchasing agencies would negotiate with the provider groups to get the best basic service at the lowest price. What is your reaction to this aspect of the plan? Would it be:

All Phy.	Influentials	
59	64	Mostly positive
		or
39	33	Mostly negative
2	3	DK/Refused
100	100	

Q18e Each year patients could change provider groups. Patients would pay extra for additional services not in the basic plan, such as cosmetic surgery. What is your reaction to this aspect of the plan? Would it be:

All Phy.	Influentials	
79	80	Mostly positive
		or
18	20	Mostly negative
3	0	DK/Refused
100	100	

Q18f Now taking everything about this plan into account what's your OVERALL reaction to such an approach - is it :

All Phy.	Influentials	
16	13	Very Positive
42	56	Somewhat Positive
23	18	Somewhat Negative
17	12	Very Negative
1	0	Need to know more before saying (VOL)
1	1	DK/Refused
100	100	

Q18g What are the best things about this plan?

All Phy.	Influentials	
29	40	Offers more coverage/improves access
30	24	Preserves patient choice
24	26	Free market competition/doctors can make money
13	19	Effective cost control/cost cutter
12	11	More control by doctors/less by bureaucrats
11	2	No good things about it
3	2	Less paperwork/bureaucracy
3	2	Reduce abuses of the health care system
1	2	Would standardize care/uniform care
3	3	Miscellaneous other
3	5	Don't know/no answer

Q18h What are the worst things about this plan?

All Phy.	Influentials	
20	30	Won't provide enough quality care
14	17	Too profit/cost driven
14	10	Hinders patient choice
10	10	Too much paperwork/bureaucracy
11	6	Stifles free market/no competition
8	3	Physicians not involved in set up
6	13	Doctors not free to determine care
8	4	Too much government control/involvement
5	4	Not cost effective/won't save money
5	4	Interferes with doctor/patient relationship
5	4	Too expensive to implement
3	3	Encourages abuse/overuse of system
2	3	Budgets won't be adequate/correct
2	4	Too hard to implement/switch system
2	1	Open to corruption
1	3	Miscellaneous other
11	10	Don't know/no answer

Q.19 This type of plan we have been talking about is called managed competition - How much if anything have you heard or read about managed competition prior to this?

All Phy.	Influentials	
26	66	Great Deal
29	21	Fair Amount
35	11	Only some
10	2	Nothing
*	0	DK/Refused
100	100	

Q.20-27 ASKED OF THOSE WHO HAVE HEARD ABOUT MANAGED COMPETITION
All physicians N=368
Influential physicians N=91

I am going to ask you some questions about what you think is likely to happen to the health care system under a managed competition approach.

Q.20 First, do you think that the annual increase in the cost of health care nationally would become greater, become less or not be affected by this approach?

All Phy.	Influentials	
26	24	Greater
34	43	Less
33	25	Not be affected
7	8	DK/Refused
100	100	

Q.21 Overall, do you think physician incomes would increase or decrease or not be changed too much? Would this be by a little or by a lot?

All Phy.	Influentials	
1	0	Increase a lot
3	2	Increase a little
40	44	Decrease a little
32	27	Decrease a lot
20	24	Not changed too much
4	3	DK/Refused
100	100	

Q.22 Do you think physicians would have an adequate say in determining the health services that make up the basic package of services that all health provider groups would offer or don't you think they would?

All Phy.	Influentials	
21	26	Yes
70	56	No
9	18	Dk/Refused
100	100	

Q.23 Do you think physicians would have more or less freedom to make treatment decisions that are in the best interest of their patients or wouldn't that be affected?

All Phy.	Influentials	
2	5	More freedom
82	81	Less freedom
13	12	No different
3	2	DK/Refused
100	100	

Q.24 Do you think the quality of health care provided Americans would get better, get worse or not be affected?

All Phy.	Influentials	
17	21	Better
51	37	Worse
26	35	Not be affected
6	7	DK/Refused
100	100	

Q.25 Do you think the amount of paper work in medicine would increase, decrease or remain about the same?

All Phy.	Influentials	
44	36	Increase
24	39	Decrease
28	22	Remain same
4	3	DK/Refused
100	100	

Q.26 How difficult a time do you think patients would have in making choices between provider groups - very difficult, fairly difficult or not too difficult?

All Phy.	Influentials	
24	29	Very difficult
33	27	Fairly difficult
37	37	Not difficult
6	7	DK/Refused
100	100	

MEMORANDUM

To: Mack McLarty
Mark Gearan

From: Dwight DWIGHT

Date: April 14, 1993

Subject: Health Care Communications Group Projects

Boorstin's health care communications group is working on a calendar of events leading up to and immediately after the announcement of the plan. The plan is obviously very fluid.

"Hand off" from the First Lady to the President

The initial strategy had been to begin with a formal "hand off" from the First Lady to the President, highlighting the completion of her assigned task and giving the President ownership. This was scheduled to happen around May 17. The current thinking is that the artificial benchmark of Mrs. Clinton handing over the document will raise thorny issues: as soon as the document is turned over, the press will scramble for its contents; the leak problem will become a flood; and the press will ask the inevitable question: how will the President change the First Lady's plan? If he doesn't, is it really his plan?

ELLIOTT

The current proposal for transition strategy centers on having photo-ops at a number of decision-making meetings with the Task Force in the Roosevelt Room. This parallels the economic plan strategy. The meetings and photo-ops will convey the fact that the President is taking ownership and putting his mark on the plan. At the same time, we will avoid the expectation game of a high-profile "hand-off".

Possible Lead-up Events

The group has discussed a number of possible events pre-announcing various components of the plan and inoculating against likely attacks. Possible events include:

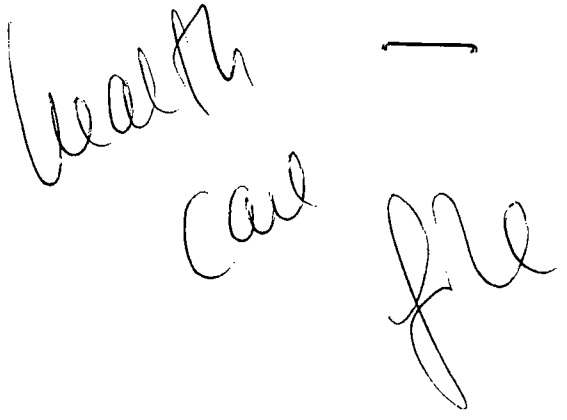
- Small business visit, highlighting guaranteed issue or subsidy
- Woman's health day event [for Mrs. Clinton]
- Prescription drug event--in NH, with an elderly couple who raised the issue with the President during the primary campaign
- Mental health briefing on Capitol Hill [Mrs. Gore]
- A second Task Force Hearing, highlighting programs that work
- Visit to Rochester, NY firm, with message "this can work"
- Malpractice reform event
- Paperwork reduction event
- Economy event--connecting health care reform to saving economy
- Workers compensation event--as sell to small business
- High profile meeting with doctors

Key Issues Workgroups

Boorstin has several groups working on issues which will be key to the communications strategy. These groups are:

- Reproductive rights strategy, led by Ricki and Melanne
- Malpractice strategy, led by Vince Foster
- Business leaders strategy, led by Public Affairs

The business leaders group is hoping to get input from Mack and Bob Rubin on reaching out to business leaders to enlist their support early in the process.


Health
care
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~~CONFIDENTIAL~~ MEMORANDUM

DETERMINED TO BE AN ADMINISTRATIVE MARKING
INITIALS: JAM DATE: 5/9/16
2011-0584-F

To: Mack McLarty
Mark Gearan
Fr: Dwight
Dt: April 2, 1993
Re: Report from March 31 Political Meeting with Stan

Stan presented summary findings from his initial research to the President on Tuesday. While you have already seen the numbers, I thought you might find it helpful to hear about the discussion.

Initial Support

Stan feels it is very likely that the plan--whatever it entails--will be met with an initial burst of support. Initial support will probably run 6-10 points higher than that for the economic plan, probably in the high 60s. Almost universally, people appreciate the fact that the President is trying: the President's "thermometer" score increases from the beginning of the survey to the end.

People are very supportive of health care reform, but they are also very satisfied with their current health care situation. 75% are satisfied with their costs, and a greater majority are satisfied with their doctor and their quality of care. However, people are worried about what might happen to them: they know someone or know of someone who has been denied insurance or who has been ruined by health care costs, and they are worried it is going to happen to them.

In addition, support for health care reform is laced with extraordinary suspicion of government's ability to fix the crisis without creating a bigger problems.

The combination of these two factors indicate that to win broad-based support for government-sponsored reform, it will be important to highlight how reform will effect them personally. As the President pointed out, he cannot ask people to think about how this will effect the country and not themselves; people want to know that this plan will do something to make their lives more secure.

It is also important to note that health care holds no where near the priority for people that the economic plan holds. 70% of the people Stan polled did not mention health care among their top two priorities.

The plan is popular across different demographic groups of the population, with seniors being the only segment which is notably less enthusiastic about the plan.

Message for Selling

The two principle concerns which hit home with people are security [freedom from worry about not having health insurance] and spiralling health care costs. Stan recommends leading with the security issue for several reasons:

- security is a more durable argument: people don't really believe we are going to control costs, so as you cast doubts on the cost argument, support erodes; and

- the people to whom the cost argument is most appealing are ultimately not very strong supporters of the overall plan.

As highlighted above, the plan's ability to enhance security must be brought home to people as effecting their lives directly. This cannot be a system change for poor people, middle class people want to know that this plan means they will never again have to worry about whether or not a family member will be care for when sick--without bankrupting the family.

Bringing the security issue home to people will be complicated by the fact that people have only occasional contact with the health care system. It's when a family member is sick that this issue hits home the hardest.

Plan Components

The public attitude about the benefits package is crystal clear: the package must include a comprehensive array of health services. The notion that the plan will result in a "leveling down" of middle class insurance packages is a serious danger. Any indication that the package does not include commonly covered services, and support for the plan fizzles. "If you give on the comprehensiveness of the plan," Stan said, "you undermine the entire structure of support for the plan."

This issue goes both to costs and phase-in of the plan. The more comprehensive the plan, the more costly. And the emphasis on comprehensiveness indicates that it would be a mistake to phase-in the plan according to level of services included in the package: you must begin with the full set up front. It is not clear that this means all services being considered by the plan, including those not currently covered by insurance like long term care, or just medical and health services commonly covered by health insurance today.

Costs and Financing

People expect to have to pay for health care reform. Support for the plan does not erode after informing people that tax increases will be necessary to pay for it. The only specific revenue source discussed in depth was the VAT. Stan tested support of a substantial VAT--12%. Even in the context of eliminating all other payments for health care, support for the plan dropped dramatically to 50%.

Other Issues

Reproductive rights will be a predictably divisive issue. There is no medical reason for omitting a specific medical procedure or drug therapy such as abortion and contraception. However, the issue will be difficult to navigate with the public and with congress.

Health care for "foreigners" is among the most common and visceral concern people expressed about the plan: people don't want "foreigners"--illegal aliens, resident aliens, foreign-born Americans, etc.--getting free health care with U.S. tax money.

-Doug

MDG

Attached is the poll and an addendum to my note on Stan's presentation to the Prez.

TDH

CONFIDENTIAL MEMORANDUM

To: Mack, Mark
Fr: Dwight
Dt: April 4, 1993
Re: Addenda to memo on Health Care poll

I've just done a careful read of Stan's memo to the President on his initial research, and a few additional things jump out to me as worthy of mention:

Importance of Bi-partisanship

Survey research reveals a broad opportunity for bi-partisan support for the health care plan: 45% of Bush voters support the plan, 65% of Perot voters. I do not think this bi-partisanship is currently reflected on the Hillin the shape of Republican support for reform. However, support is strong enough to exert some pressure: Almost half of the voters interviewed in an SEIU survey said they would be more likely to for their member if he or she supports the plan.

We should work Republican members early and work them hard, before inside-the-beltway partisanship locks them into opposition. This seems especially significant given the partisan battle we are currently enduring. The Health Care Plan might even become the vehicle for building a bi-partisan coalition which demonstrates the President's ultimate defeat of gridlock.

I do not know how extensive outreach has been to Republican members so far. Representatives of several Republican governors were invited to participate through the NGA, but staff of Republican members of Congress were excluded. You may explore with Howard and/or Steve Richetti what their plan is for bringing in Republican members early. Howard has mentioned that he sees the possibility for bi-partisanship, but I do not know if he has seen Stan's research to support this--he was not copied on the memo.

Phase-in

MDG
All the more reason why Richetti needs to be assigned full time...

While people are very supportive and even protective of the President's efforts, they are still very cautious and concerned about where change will leave them. This is reflected in overwhelming support for phase-in of the plan. On 43% in the SEIU survey support immediate passage of the health care plan, while 48% say move more slowly. Fifty-one percent favor a phase-in of some sort. Phase-in is particularly important to people who currently have an insurance--a key group for us to keep on board.

Danger of Focussing Efforts on Health Security

Stan highlights a few dangers in relying on health security as the major marketing strategy. The first danger outlined is that **health security** will be publicly defined as **access for the uninsured**. While people support universal coverage, it is not a primary reason they are groping for reform.

I have a related concern: The bulk of the reforms that constitute the "health security" which the middle class wants--guaranteed issue, banning pre-existing condition clauses, preventing "job-lock"--are relatively cheap. As a result, if our opposition were to draw a pie chart of what new health care taxes will buy, you might find that "health security" costs only a small portion of the additional money we will be asking for. The bulk of new revenues will probably go to providing universal coverage and enhancing health insurance plans of people currently "under insured".

Dedicated Fund

Stan's research found that people strongly support a dedicated fund for health insurance, similar to the Social Security Trust Fund. Creating a dedicated fund also increases support for new revenues.

DWIGHT

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~~CONFIDENTIAL~~
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DATE: March 31, 1993

TO: Mack McLarty

FROM: Stanley B. Greenberg

RE: POSITIONING THE HEALTH CARE INITIATIVE

The administration is in a strong position to present a health care plan that will excite the nation and lay the basis for long-term support. Positioned properly, the health care plan can prove even more popular than the economic program -- marginalizing opponents, generating enthusiasm and even a touch of bipartisanship. But people's feelings about health care are complicated, as reflected in these surveys. To sustain support over 6 months will require a campaign of change and reassurance, which is the subject of this memorandum.

The observations and recommendations here are based on the health care survey and focus groups conducted for the Democratic National Committee. The author also had access to a number of other surveys that he used freely to develop the best possible action plan. The research base is outlined below:

Greenberg Research	national survey focus groups (IL and CA)
Service Employees International Union Celinda Lake	national survey focus groups (IL)
Novalis Corporation	national survey
NBC/Wall Street Journal Peter Hart	national survey
Medica Foundation Greenberg/Quinlan	Minnesota survey
Kaiser Foundation Lou Harris	national survey focus groups (small business)
Insurance Industry Melman-Lazarus	national survey

The health care initiative must be bold, reflecting the public's desire to overhaul the system; it must touch on powerful emotions that keep people focused on the possibility of change. At the same time, it must offer critical reassurances to maintain broad support for the plan over a long campaign. Some of the findings and recommendations are highlighted below:

- Use the anticipated burst of support for the economic plan to establish confident presidential leadership, build bipartisan support in the country, and foster unprecedented public pressure on Congress.

- The public is very concerned about health care, but it is a weak second to the economy. It will require a sustained campaign to keep the public focused over more than 6 months.

- People want big change, but they are scared of it: as many people worry about what reform will bring as worry that the status quo will go unchanged. People hate the system, but they are protective of their own health care situation. The campaign must promote change but our goals must also include security and stability -- "peace-of-mind" in a changing world.

- The plan should be "phased-in" -- not as a matter of necessity, but as the best way to reassure the public and minimize the risks of change. The plan itself must preserve familiar relations in medical care and self-consciously promote the joint governmental-private sector role.

This is what will jeopardize provider support.

- The campaign should center around "health security" -- a powerful and personal concept that people will fight for -- making sure that people can never lose their insurance, ever.

- Health security will prove more enduring than cost in sustaining a 7 month campaign: people think it can be achieved (they doubt costs will be contained); health security is more vivid to people; people hold on to it, even when faced with a trade-off with doctor choice; it holds up better under fire; and finally, health security is more emotional ("scary" and "peace-of-mind").

- The campaign must prove ever vigilant against the prospect of downscaling. Skepticism leads voters to think these reforms are for the "masses" and "uninsured" -- diminishing the importance for middle America. Health security cannot become access; it must always mean never losing your insurance. Health security must contain costs -- bringing this out-of-control system under control. And Health security must remain "comprehensive" -- never slipping to basic or minimal.

- A phased-in program should begin with some broad reforms: never losing insurance when changing jobs, helping small business afford insurance, and freezing drug prices.

- The public seems prepared for a tax increase as part of health care reform. Indeed, the expectation game may lead to enlarged support, as happened on the economic program. The "recapture option" garners the strongest support, though there is also broad support for the 1 percent payroll surcharge to guarantee insurance. There is considerable openness to various "premium reforms" (10 percent/3 percent and 80 percent/20 percent)

- While there is broad support for cigarette and other targeted taxes, voters seem to prefer across the board simplicity to some combination of taxes. It is possible to gain tolerable support for taxing benefits above the comprehensive package.

- The double digit VAT fails badly and would endanger the entire health reform package.

- Managed competition is not a wildly popular concept, though about 40 percent of the public seems to have accepted the concept of limits in health care. The package gains its popularity from the add-ons: crack down on health care fraud, never being denied insurance, and preventive care.

- The strong attacks on the plan do not bring a collapse of support for health care reform. However, the most effective attacks center on illegals and foreigners, taxes, rationing and waiting lines, small business failures and loss of doctor choice.

- To maintain the middle class character of health care reform, there must be a strong emphasis on responsibility -- including people paying some portion of health care, restraint of law suits, and concern for small business.

- There must be targeted attention to those on Medicare and union members with full coverage who are very nervous about change and the plan.

The Clinton Plan: Burst and Protection

The public is ready to support a Clinton health care plan, and they are likely to be protective of it for some time after the "Joint Session" announcement. Support for the economic plan has held up over a month -- about 6 to 10 points below the initial peak -- and a similar pattern should be evident in health care. Indeed, the initial surge is likely to be stronger and more bipartisan, thus changing the dynamic somewhat in our favor.

Before knowing anything about the plan, voters are prepared to support it -- by at least a 2-to-1 margin (55 to 24 percent). When voters hear the plan described, support leaps toward 70 percent: 67 percent in favor and 27 percent opposed; 57 percent believe it will help them personally, while only 27 percent think it will prove harmful. (In the SEIU poll, their description, based on newspaper accounts, produced 71 percent support; the Kaiser description produced 81 percent). There will clearly be a burst of support -- 5 to 10 points stronger than for the economic program.

The burst of support should allow us to build walls around the program. First, the program, unlike the economic program, wins bipartisan support: 45 percent of Bush voters favor the plan (12 points above support for the economic plan); and 65 percent of Perot voters are supportive (16 points higher than for the economic plan). We need to reinforce the broad bipartisan character of our support to place the program above politics.

The bipartisan support for the Clinton plan is won on an uneven playing field. The Republicans lack the credibility to offer their own plan, and thus must seek some kind of role with the administration. In the NBC/Wall Street Journal poll, the Democrats enjoy an astonishing 57 to 9 percent advantage over the Republicans on health care. The best Republican plan (tax credits, malpractice, etc.) loses to the Democratic plan by more than 2-to-1 (SEIU). The Republicans dare not be left behind, lest they defend their opposition far into the future.

Second, voters are looking to Congress to support the Clinton health care plan: in the SEIU survey, 48 percent said they were more likely to vote for their member of Congress if he or she supported the plan; 19 percent were less likely -- a net advantage for voting with Clinton of 28 points. Members of Congress should face twice as much pressure (compared with the economic plan at its high point) to support the president. Public vigilance over Congress should permit us a powerful argument: the public will be

unforgiving if Members choose to stand on the wrong side of history.

Third, voters are protective of the overall health care plan, regardless of the specific criticisms. People want this change to happen. After the plan is attacked for rationing, waiting lines, high taxes, small business failures, and limits on doctor choice (without any response), support remains very high -- 63 percent in SEIU and 58 percent in our own survey. The plan retains the support of 78 percent of Democrats and 56 percent of Perot voters. Astonishingly, after the attacks, Clinton's thermometer score goes up 2 degrees, while trust measures remain steady. Voters want change and respect Bill Clinton for trying. They are protective of his efforts.

Not surprisingly, the plan wins and holds strongest support from the 1 in 10 who lack insurance (74 percent at the outset and 65 percent after attacks). Much more important is the strong support from the 1 in 3 who depend on company insurance but make some personal contribution (69 percent and 62 percent). The plan also fares well with the 1 in 6 who have fully funded company plans (64 and 61 percent).

The plan is weakest with the 1 in 5 covered by Medicare (63 percent at the outset and 57 percent after attack). We will address the concerns of seniors below, for that is a central task if the plan is to maintain overall support.

Health Care in Perspective: Keeping the Public Focused

The public is certainly concerned about health care, and 78 percent believe the system has failed most Americans (NBC/Wall Street Journal). A quarter of the public wants to completely "rebuild it," and another half wants to make "major changes." So there is a clear public demand for action.

But health care is a second-order problem to the economy. In a CBS survey prior to the Dan Rather interview, voters were three times as likely to want to ask questions about the economy and jobs as about health care (48 to 17 percent). In our survey, just 30 percent mentioned health care as the first or second most important problem (half the rate of mention for the economy and jobs).

The second order importance of health care means the health care campaign must work aggressively to maintain public focus. We should not assume the same level of public attention and durability as evident on the economy. Moreover, the Clinton plan wins

overwhelmingly among those concerned with health care (who are 2-to-1 Democratic). The key will be maintaining and sustaining support among the 70 percent who do not list health care as a major problem.

The Principal Tension: Personal Satisfaction and Systemic Failure

The public can slide in and out of this issue because of the tension between their own personal health care situation and their critique of the health care system as a whole. In surveys, people express an extraordinarily high level of confidence in their health insurance situation: 74 percent are satisfied with their current plan and 78 percent with how much they pay (insurance industry poll); 74 percent are happy with the availability of health care to themselves personally (NBC) and 74 percent are satisfied with the quality of care (Novalis). Our own surveys put personal satisfaction in the 75 percent range, though somewhat lower on cost (64 percent) and security (66 percent).

Yet, amidst this apparent personal contentment, is a powerful anger about the system as a whole. The same insurance industry poll shows 71 percent dissatisfied with the health insurance system. Our survey shows 64 percent dissatisfied (including 33 percent very dissatisfied). What is going on? To maintain support for reform, we have to keep people focused on the discontent, which means addressing a number of personal issues.

First, people experience the health care system in spurts -- leaving the problems hanging in the air as a prospective, theoretical difficulty. Almost half of the respondents say they spend less than $500 a year in all health care expenses (including deductibles, co-pays, out-of-pocket expenses, etc.). Over two-thirds have had no contact with the health care system in the last month. An effective critique that joins the personal and systemic will have to make the prospective problems more real and immediate. We cannot assume that personal problems are top-of-mind.

Second, people are conservative and protective of their own personal health care situation which has been negotiated amidst considerable instability. Their "satisfaction," therefore, is quite relative -- compared to other people and to what might have happened. There is reason to believe that people understand the profound insecurities underlying the deals that they have made to get by. But people's tendency to protect what they have is a central part of the health care reality. Indeed, the more uncertain the overall situation, the more protective people tend to

be of their own packages, as reflected in these focus group comments:

> I'm satisfied with mine -- from what I've had. Our company went through several different companies and you had to go to a certain doctor ... And that didn't work out too well. So now, we've got Blue Cross PPO, and everybody seems to be happy.
>
> Well, I'm satisfied. I take things into perspective. I look at what everybody else has, and I say, well, this is pretty good compared ... So, as far as ... in an overview of everybody that I know of, it's fantastic.
>
> Well, it's hard for me to really judge because I'm not affected that much. ...
>
> We have real good insurance now, but my husband won't get a raise for 5 years. It was a trade-off -- a 5 year contract with no raise for 5 years, but we got the benefit.
>
> I'm satisfied. We've had a major health care problem recently and because of coverage that we changed, unless I get surprises with them not allowing my claims, I'm very satisfied.
>
> I just happen to feel that I'm in a pretty good position, because my health plan is locked in right now. Of course, it can change.
>
> I have terrific insurance. It's wonderful, but I pay through the nose for it. I wouldn't have it any other way.
>
> I've never used it in 10 years. ... I'm pretty happy with it.
>
> I'm very happy with the health plan I have for myself and my family, but the frustrating thing for me is for 15 years, I didn't pay into that health plan because it was cheap enough for the company to pay. Now, because health costs have soared, most companies make the employees now share in health coverage and that hurts.

As a consequence, people are cautious about the risk of change. We cannot assume that people have accepted change as better than the status quo. We must make that case. In the SEIU poll, 47 percent said the greater danger is that things will stay as they are in health care, but nearly as many, 43 percent, say they worry that things will change too much. In our own survey, somewhat more, 53 percent, say they fear an unchanging status quo with health costs rising and problems with insurance; but a considerable 41 percent say they worry about the government creating new problems when trying to reform health care. One-third of Democrats and 40 percent of Perot voters are more worried about change than the status quo.

It is helpful that people understand the underlying instability in which they negotiate health care and the continuing pressure to erode their benefits. Even as people express "satisfaction," they note the "high deductibles," the growing element of surprise, finding yourself "thrown out" or not covered for cancer; they speak of being at "high risk" and not knowing what could happen; they speak of aging parents facing unbelievably expensive monthly premiums. There is a sense that "all of a sudden" your company changes plans, and you face uncovered expenses, new requirements for approved doctors and a waiting line "for prescriptions at Walgrens"; "they told us that our coverage would be the same, and it's not"; "it just seems like its always changing; they're always looking for new companies."

Third, voters want the government to take the initiative to fix the system, yet jump at solutions that keep the private insurance system (private doctor network) intact. Voters want the assurance that, after big change, their personal health care system will remain familiar. Thus, over 70 percent want a new national health care system (NBC), and over 60 percent want the government to take the initiative to bring about change (Medica). But over 70 percent want the solution to be a mix of government and private insurance; just 23 percent support government control over health care (NBC). Over half are open to tax credits for companies and individuals, as a substitute for a larger governmental role (Medica).

We need to propose big change in this package -- reforming all the externalities, but for the purpose of conserving some things that are fundamental to the individual. So, for example, there is overwhelming support for capping costs, eliminating bureaucracy and red tape, freezing drug prices and mandating insurance coverage. Those reforms are meant to save and protect, not undermine, the private doctor-patient relationship. Our reforms are meant to give something back to the patient and the doctor. Our goals include

security and stability and tradition -- "peace-of-mind" in a changing world.

Phase-in

That voters want both change and caution is reflected in their sense of timing when it comes to the health care initiative. At each point, voters say move forward judiciously:

- Just 43 percent say pass the health care program now, while 48 percent say move slowly (SEIU).
- Voters would raise fewer taxes and phase the program in over 5 to 8 years (70 percent), while only 26 percent would raise taxes to achieve a more rapid implementation (Kaiser).
- Just 43 percent want immediate implementation of the plan, while 51 percent say phase it in -- and that is after respondents hear a description of the plan and two-thirds support it.

The phase-in is particularly important for those people who have a reason to be risk-averse: people with private insurance (37 percent immediate and 55 percent phase-in). Half of the plan's supporters want to phase it in.

Voters would move immediately on broad-based initiatives: making sure people who change jobs do not lose their insurance (24 percent), creating larger insurance groups to help small business buy insurance (22 percent), and freezing the price of drugs (20 percent). There is less interest in ending pre-existing conditions (12 percent) and in extending insurance to all children and pregnant women (15 percent). The insurance industry's research shows strong support for moving immediately on immunizing all children.

Health Security

Our proposal for reform must touch powerful emotions -- ones that enable voters to join their private and public views of the health care system and that allow them to entertain new financial and medical arrangements. We must offer people something that makes the status quo unacceptable and that allows people to act on their desire for change.

There is a temptation to focus on cost, as that goal seems to involve the middle class directly in reform. In most surveys, cost is a more pressing problem than lack of insurance: 48 to 35 percent in NBC and 39 to 27 percent in SEIU. Indeed, even in our own survey, attacking costs wins out over attacking the loss of coverage, 52 to 41 percent. Getting costs under control is very important, to be sure, and the initiative must show that it worries about middle class America's struggle with rising costs; skyrocketing and catastrophic costs must become security issues that threaten coverage. But the cost argument by itself is not powerful enough to carry the initiative. But health security will. That is where we would put our money.

First, practicality: people believe that it is possible to guarantee health insurance coverage for everybody; they are not sure that reform can get costs under control. By 61 to 19 percent, people expect Clinton's health care reforms to make things better, not worse. They think it can happen. But people are uncertain about our ability to attack costs. By a small margin, 41 to 33 percent, people expect overall costs to get better after reform, but not the costs that people themselves pay (27 percent better and 35 percent worse). Even after the entire package is unveiled, voters only split evenly on the prospect of an improved cost situation (31 percent better and 32 percent worse).

Second, vivid impression: people are much more likely to mention security rather than cost elements when recalling the health care initiative. Security is what sticks in people's minds. When asked how things might be different in the NBC poll, 34 percent cite coverage issues ("easier to get," "coverage for everyone"); 27 percent mention costs being controlled or insurance becoming more affordable. In fact, the cost recall is further offset by the large number (11 percent) who recall that costs will go up. After we read the Clinton health care plan, 34 percent recalled health security or coverage for all Americans; 24 percent recalled costs under control.

Third, trade-offs: people are quick to trade off cost reforms when they clash with other valued things, like doctor choice. But people hold on to health security, even when it clashes with something valued:

- Costs under control **versus** freedom to choose a doctor — 47 to 46 percent
- Never losing coverage **versus** freedom to choose a doctor — 52 to 37 percent

The trade-off in favor of security is made by those without coverage (53 percent) and the larger group of those who contribute to a company plan (54 percent); it is strong for the critical group of voters who support the Clinton plan, but who are nervous about change (59 percent, security over doctor choice).

Fourth, under fire: health security arguments stand-up under fire. In the NBC/Wall Street Journal poll, the argument for reform (centered on keeping coverage no matter what) wins out over a strong attack (centered on taxes and limits on doctor choice) by 56 to 33 percent. The coverage argument holds up both among Clinton (69 percent) and Perot (58 percent) voters, and does respectably with Bush voters (38 percent), leading Peter Hart to recommend a security-based rationale.

In fact, it is very difficult to hold on to those voters who turn to health care reform for cost reductions alone. Half of them are core Republicans, compared to 38 percent among those focused on security. Those concerned with cost are twice as likely to express strong doubts about various aspects of the plan and to pull away.

Our campaign must focus on the plan's supporters who are worried about change (15 percent of the electorate): these voters opt strongly for security over cost reduction by 58 to 37 percent.

Fifth, emotion: voters who worry about security are more likely to rally to the Clinton plan (71 percent), compared to 62 percent among those who want to control cost. Dissatisfaction and the desire for change is much more strongly correlated with the desire for health care security: 42 percent are very dissatisfied with the health care system, compared to only 28 percent among those focused on cost.

The power of health care security is rooted in its emotional content -- "scary" when you do not have it and "peace-of-mind" when you do:

> If you got health insurance, everything is basically okay. If you don't have it, it's a disaster.
>
> Because my insurance is already covered, I don't have to worry about anything. ... If I lost what I have now, oh my.
>
> I'm very scared. I'm scared and angry also, because I do work, and I still am not covered. I don't know what would happen if I would need to go to a hospital.

> [Someone adds] Make you go to County ... the County facilities are so bad.
>
> I could be in debt for a long time, if I don't have it. I could be even bankrupt. [Someone adds] That's one of the reasons why people are homeless because of medical bills overriding their families and their housing.
>
> You're gonna worry all the time if you don't have it.
>
> I changed jobs last year, and I was uninsured for a whole month. That was scary. [Someone adds] It's scary. ... Just one time can wipe you out.

After hearing about Clinton's health security proposals, the sense of relief is palpable: "that no matter how sick you get, you'll be secure"; "gives me a good feeling." One of the men in Chicago concluded, "maybe you can better yourself, and the whole country would be better if that was one less worry."

We have to make security mean something powerful and personal for all those who currently have insurance -- making sure that people can always keep their insurance. No more losing insurance when changing or losing a job; no more being denied coverage because of a pre-existing condition; no more threat from skyrocketing costs that erode benefits and leave you defenseless. The core of the Health Security program is a comprehensive package of health care benefits guaranteed to every American.

Political Dangers in Health Security

The design of the health care campaign must reflect three major dangers that could threaten our control of the discourse. Each in their own way push our motivation downscale and limit our ability to speak to the great majority of Americans about their own health care.

Danger one: access. The first danger in health care security is its reduction to access. Access means reforming the health care system in order to extend coverage to the uninsured. There is precious little interest in that concept. But the pundits are apt to describe health security as the desire to insure the uninsured. If that happens, we lose the power of health care security.

Danger two: cost. We dare not lose the cost argument, for the erosion of benefits under the status quo is one of the biggest sources of insecurity. People believe the system is "out-of-

control." Failure to change and enact health care reform, will leave people more and more insecure before rising health care costs and the constant attempt by employers to renegotiate coverage. Part of ensuring security is bringing this out-of-control system under control.

Danger three: comprehensive package and downgrading. Voters are very supportive of a guaranteed set of comprehensive benefits that cannot be lost. And voters are serious about "comprehensive." To mean something and to be trusted, the comprehensive package must cover "everything" -- "no matter how you get sick, what you get sick from, they will cover it"; "I hate to sound greedy, but I agree, almost everything, anything that happens to you physically"; "comprehensive to me means everything, it would mean total"; "it lets you sleep at night"; "comprehensive means you're covered."

In that context, voters are very supportive of the core idea in the program: "more people will have access to medical care"; "health care for everyone"; "he will give everyone the chance to have insurance"; "equal health care for all people"; "fair to everyone."

But the support for equal and comprehensive coverage can slip very quickly, if the package or health care looks substandard. There is danger in even the words "core" or "basic" package: "very limiting"; "like minimum wages"; "just the bare necessities"; "sounds like a median"; "I think it's just like the minimum"; "simple package, ... minimal, ... the Yugo."

There is great danger in the public's tendency to downgrade the comprehensive coverage -- limiting its coverage, its genuine middle class character and broad appeal. When voters begin to associate the reforms with helping only the needy, support begins to drop-off, along with people's openness to change. There is a great worry that "insurance for everyone" will become "health care for the masses." "Health care will become more limited and hurt my family"; "run it like Medicare for any age! Big mistake"; "everybody covered minimally"; "a safety net basic health care plan for everyone paid for by taxes"; "control insurance costs to give the low income family a chance to have insurance"; "change toward health care to masses"; "more free clinics"; "it needs to take into consideration all classes, not just the lower classes."

Taxes and Financing

About half the public now believes that some kind of tax increase will be "necessary" as part of health care reform, even

when reminded that Clinton just raised taxes for his economic changes. In fact, 42 percent of Bush voters think a tax increase will be necessary, and support for a tax increase may be growing. One survey shows 56 percent in favor of a tax increase -- up 6 points in a year (Novalis).

In fact, voters seem ready to raise taxes to finance health security: 66 percent support it in the NBC/Wall Street Journal survey -- up an astonishing 19 points since June 1991 (NBC). Our description of the Clinton health care plan concludes with this sentence: "to finance universal coverage, the plan includes a broad and major tax increase, with the revenue dedicated to a health care trust fund." Support for the program reached 67 percent, suggesting that a visible tax increase is possible in the context of health security.

There is every chance that the President may benefit from the expectations game -- if people's direct taxes go up only moderately. When voters are told of a "big tax increase" (but before any details of the plan), support for health care change drops to even, with just 44 percent in favor. However, when voters are told the tax increase will be "small or moderate," support jumps to 66 percent. We have every reason to replicate what happened in the economic plan: pre-announcement worries about taxes assuaged, as the president demonstrates his commitment to minimize the impact on average Americans.

Voters are not quite ready for broad sacrifice when it comes to financing health care. A majority believe that all the necessary revenue can be raised from the abusers of the current system -- insurance and drug companies and doctors. However, there is a considerable bloc, 43 percent, that believes contributions will be necessary from everybody if there is to be a truly comprehensive system. That is a fairly respectable starting point, if the president is to build a national majority for financing health care.

The "recapture" option -- price control over 2 years with a tax on insurance companies to fund the health security trust fund -- wins the broadest public support (66 percent in favor and 26 percent opposed). The exact wording of the finance option is presented below:

> The proposal would limit increases in doctor, hospital and drug prices to the rate of inflation over the next 2 years which could reduce what insurance companies pay out. But the plan would then impose a tax on insurance

companies and use the money to build-up the trust fund to guarantee insurance for everyone.

Support for the recapture option carries across all groups, including Perot voters (62 percent) and conservative Democrats (84 percent). It wins crucial support among those who contribute to company insurance plans (67 percent).

There is significantly less support for all other financing options that seem to hit real people more directly. Nonetheless, there is broad support for simple across the board options, like "a **1 percent payroll surcharge** on all employers to create a fund to guarantee insurance for everyone": 61 percent in favor and 30 percent opposed. There is somewhat less support among tax sensitive voters, but still at a high level -- conservative Democrats (72 percent in favor) and Perot voters (56 percent). But support is high among the one-third of the electorate that contribute to private plans (68 percent).

There is also some support for a proposal to eliminate entirely premiums paid by employers and individuals and, instead, "provide that employers pay a 10 percent premium on payroll and employees a 3 percent premium on wages to cover health insurance" (59 percent in favor and 33 percent opposed). Adding a cigarette tax on top of that, to finance the uninsured, complicates the issue, and drops support to 50 percent, a dangerously low level. There are clearly benefits in simplicity.

There is slightly more support for a universal premium system -- at least 80 percent by the employer and up to 20 percent by the employee: 59 percent in favor, rising to 62 percent when exempting the first $8,000 and capping the contribution at 3 percent of wages or salary. The fixed premium option (80/20) has twice as much strong support as the percentage of payroll option (10/3 percent). Given the reluctance of many voters to remake their personal health insurance situation, we might lean toward policy options that leave familiar structures in place.

We can fight taxing benefits above the comprehensive package to a draw, though this is dangerous territory. As straight policy, it wins plurality support, 47 to 42 percent; when described as mainly a tax on upper-income individuals to fund universal coverage, support rises somewhat to 54 percent (with 38 percent opposed).

The double digit VAT fails badly and would endanger the entire health reform package. The basic policy is described below:

> The proposal would eliminate all health insurance premiums now paid by employers and individuals and, in its place, impose a 12 cent value added tax, a kind of national sales tax of 12 percent on all purchases, except food.

In half the sample, we added a salary give-back to employees, but it did not help. Just 46 percent favored the idea -- 20 points below the recapture option -- and 48 percent opposed it. A fifth of the electorate emerges as "strong" opponents. The proposal hurts us across the board, but especially in the Democratic base where support barely reaches 50 percent.

The VAT option nearly kills the overall Clinton health care proposal -- before it's even attacked. Support drops 12 points to 55 percent, with 37 percent opposed. That is a dangerous starting point to begin the campaign for health care reform.

The public is willing to support a number of specific taxes, though voters clearly like simplicity and grow concerned with piling-on. (Note the sharp drop in support when we add cigarette taxes on top of the 10/3 percent option.) The Kaiser survey found broad support for a $1 cigarette tax (74 percent), a $1 dollar tax on a six pack (79 percent) and a tax on guns and ammunition (75 percent). In a Minnesota survey, there was support for higher taxes and premiums for smokers (77 percent) and higher premiums for non-helmeted bikers and non-seat-belted drivers (73 percent) and those with DWI convictions (69 percent). However, there was much less support for taxing handguns (41 percent) or setting higher premiums for the overweight (34 percent) (Medica).

Managed Competition: Limits on Limits

There is modest evidence that people are growing a touch more realistic about unlimited coverage for all procedures and technologies, though only a touch. A minority of 39 percent oppose the concept that every person should be able to receive all the medical services they want -- up an impressive 15 points in a year. A Minnesota survey showed 46 percent who now believe reform will require new limits, including limits on the freedom to choose a doctor and order up any procedure (Medica). Respondents recalled important phrases, like "sacrifice from everybody" and "everyone taking responsibility." (More on that later.)

Keep in mind, however, that 56 percent believe in health care without limits (Novalis), and 53 percent say do whatever is necessary to save somebody's life, even if they have only days or

a week to live; 40 percent would entertain ending life-supports (NBC). While seniors have complicated views about ending life-support, they are generally extremely wary of limits on the right to choose a doctor.

The public is still inclined to leave these life and death decisions, regardless of cost, with the patient and family: by 56 to 36 percent, Michigan voters oppose the new law to limit Dr. Kervorkian from assisting suicide; 36 percent strongly oppose it (MRA).

Managed competition is a system of limits within a system of choice. Yet people are not very enthusiastic about a system where they enroll to gain access to an approved set of doctors. In the Minnesota survey, just 28 percent express willingness to enter such a system. The Kaiser study found broader support (64 percent) for such a program -- covering more insurance costs for those agreeing to join lower-cost managed care plans that limit the choice of doctors. But support was nearly 20 points below a program centered around an employer mandate.

Men are more open than women to limits, as are younger and better-educated segments of the population. Those most reluctant before these changes include older people, those in traditional families, downscale women and "middle brows" (those with some post-high school education). Seniors are strongly opposed to limits on the freedom to choose a doctor.

It is possible to describe a managed competition system that wins public support -- if you combine the basic managed competition principles with other things that people value. The insurance industry survey shows 65 percent support for such a program. But add-ons are the key (listed in rank-order below):

	appealing	extremely appealing
crack down on health care fraud	89	49
never denied insurance if change or lose a job	86	40
preventive care	84	34
insurance from health care co-op, if not insured by employer	80	33
No denial for pre-existing		

condition	78	38
eliminate red tape	74	29
small businesses given same bargaining power as big companies	73	28

In general people tend to support limits that do not save a great deal of money and hesitate before limits that really change health care practices. For example, they are strongly supportive of malpractice reform (76 percent) and government price setting (87 percent) (NBC); they may be willing to require that people see a general practitioner first (49 percent, with 34 percent opposed) (Medica). There is some willingness to consider limits on tests and the availability of advanced equipment: the public is basically split on these questions.

Support drops off, however, when we get to limiting choice of doctors (28 percent willing and 55 percent unwilling) (Medica); limits on high cost surgery for those who cannot benefit (27 to 57 percent, with 42 percent strongly opposed); setting priorities on procedures, as in Oregon (16 to 64 percent); and delaying the development of new drugs and technology (17 to 69 percent, with 48 percent strongly opposed).

Attacking the Clinton Health Care Plan

The Attack

The plan raises taxes again on the middle class and employers -- on top of the taxes already proposed in Clinton's economic plan. It hits small business particularly hard which is why the Chamber of Commerce is so concerned. The mandated insurance payments for even the smallest businesses means that many will be forced out of business, costing jobs. The American Medical Association and private doctors are concerned about new government regulations that will severely limit people's choice of doctors, forcing many people into HMOs and clinics. In fact, government regulation and budget controls will mean limits on necessary procedures and waiting lines at hospitals. This is radical change that Americans cannot afford.

The electorate, as we have seen earlier, is fairly protective of the health care plan. Even the strongest composite attack

raises serious doubts for just half of the people (including only 18 percent who express very serious doubts). The broadside above, with the full authority of the Chamber of Commerce and the AMA, followed by a series of unanswered specific criticisms (on abortion, taxes, waiting lines, bankrupt small businesses, free care for foreigners) only drops support for the Clinton health care plan to 58 percent, with 32 percent opposed. There is an impressive, durable majority for reform.

People like Bill Clinton for trying to change the health care system, despite the critiques. At the end of the survey, Bill Clinton is more popular than at the outset (59 to 61 degrees). There is little change in his overall image (in fighting for the middle class and in trusting him to do the right thing).

The specific attacks in rank-order importance are set out below:

- **Illegals:** This plan will cover illegals and foreigners who will come here to get health care, subsidized by working Americans (24 points net negative, serious doubts minus few doubts; 40 points net negative among Perot voters). This may sound like a crazy critique, but the subject was volunteered in 3 or 4 focus groups which is why we added the question here. People spoke of foreigners coming across the border to have babies, "free of charge"; "please don't make us pay for health care for illegal people."

- **Taxes:** This plan will impose a massive 12 percent federal sales tax on the middle class -- on top of those already imposed by Clinton's economic plan (24 points, net negative).

- **Rationing:** The plan provides for big government controls that will mean rationing, long waits for medical care and a decline in the quality of health services (23 points, net negative).

- **Jobs:** This plan will bankrupt many small businesses and impose many new taxes which will hurt the economy and cost jobs (19 points).

- **Choice:** This plan will force people into approved health plans and HMOs and will limit the right of patients to choose their own doctor (16 points).

The people that pull back from the plan single out tax increases as the biggest problem. They are largely non-college women (45 percent of the shifters) or younger non-college (41 percent). **Those who pull back are much more concerned than other voters that Bill Clinton may not be fighting for the middle class:** 38 percent say he is for the middle class, compared to 54 percent of all voters. This is a rhetorical issue, to some extent, but it is also one where Clinton must show empathy on costs and values.

Missing Components: Reassurance

There are a range of things that can be incorporated into the plan or the presentation that would address many of the concerns expressed in this report. Almost all of the suggestions address the fear that change will itself get out of control and endanger things that matter. Right now, participants like the plan and like Bill Clinton for proposing it, but there is a growing perception that he is a big spender: up 7 points during the course of the survey (SEIU). Our campaign must seek to assure, even as it promotes bold change.

Sky-rocketing costs. We dare not lose sight of health care costs -- even as we build our central rationale around health security. More people are concerned with costs, particularly those nervous about taxes. Showing that we will attack costs aggressively is critical to preserving broad support for the program. The public strongly favors price controls. People are overwhelmingly supportive of attempts to recapture the 25 cents of every dollar wasted on administrative waste; there is real emotion in attacking fraud, red tape and bureaucracy (74 percent say that is a convincing argument to support reform, SEIU).

> The power of the "waste" argument is somewhat mitigated by people's skepticism about government reducing bureaucracy. They think the proposal has "government written all over it"; "you got one bureaucracy eliminated, but its creating another one, you're eliminating one but creating 50"; "just another bureaucracy created."

Quality. The Task Force will have to offer the obvious reassurances about preserving health care quality. But there is a special need to reassure people on the quality of the comprehensive package. Comparisons to Xerox, Blue Cross and other packages are very comforting and enable the Task Force to make the case that this is a middle class package -- not a

basic plan for the "masses." We cannot allow people to give into their fears and downgrade the program.

Responsibility. The public overwhelmingly believes (88 percent) that everybody should pay some portion of their health care. It is extremely important that people see a president demanding responsibility of everyone. It is a sense of shared responsibility that allows people to entertain new limits on use of medical services and new taxes. Responsibility is important to the middle class character of this proposal.

Small business. The concerns about small business are real and constitute a potential Achilles heel for the overall proposal. A sense of rising burden and job losses could very quickly heighten people's aversion to risk. We should remind ourselves that twice as many voters are worried about the economy as health care. Yet there is already some concern that health care reform will hurt rather than help small business and the economy. Over half believe our health care proposals will hurt small business (up 6 points at the end of the SEIU survey) and a third believe they will hurt the economy (up 6 points). We must highlight proposals that advantage small business, as we are working against conventional assumptions about the consequences of reform.

Freedom of choice. A private doctor of choice is very important to people: in some studies, two-thirds say preserving choice is more important than controlling costs (Novalis). Over three-quarters say they have a personal doctor, and they are reluctant to see that relationship compromised. Some just say flatly, "I'm not giving up my doctor"; "I like my doctor, I wouldn't go to anybody else." And people are not fools: 42 percent believe HMOs give people less choice, while just 5 percent think more (Insurance Industry poll). We must be able to say, believably, that our health care reforms will preserve, even expand choice. But those on Medicare or with fully-funded company policies will be very skeptical.

Lawyers and malpractice. Lawyers are a principal villain of the piece -- people who act irresponsibly, encourage greed and drive up costs in the system. Attacking malpractice is enormously popular, but it also sends the right signals that the president will demand responsibility of everybody.

Pockets of downscale privilege. There are special problems with seniors -- 42 percent end up opposed to the plan, no doubt reflecting their concern with limits, taxes, change and

other matters. Union members are extremely cautious about change: just 31 percent say the greater danger is not changing the status quo, with the remainder more fearful of government reform (33 percent) or unsure. In health care reform, it is the non-union worker who is focused on change: they think the status quo is the greater risk by almost 2-to-1.

> The Task Force must consider some highly targeted components that re-assure these target groups -- perhaps coverage for prescription drugs for seniors; perhaps an active campaign by the unions themselves to address the concerns of workers.

Limits of macro arguments. The public has little interest in broad arguments about GNP, deficits, and total health care costs. This is a personal issue and must be addressed at a personal level, drawing on powerful emotion concepts, like health security. If anything, people believe that health care reform will increase spending and perhaps weaken the economy. By better than 2-to-1, people believe health care reform will worsen the deficit (SEIU). Obviously, the president will seek to educate the public, but the macro arguments cannot become the primary reasons for change.

Abortion. There is little to be won here. The public is split evenly on whether abortion should be included in the comprehensive package (44 to 44 percent), though the opponents are much more intense in their opposition (25 percent strongly opposed). Those who pull back from the plan are 2-to-1 opposed to including abortion in the package. Indeed, there was some tendency in the focus groups, particularly among downscale women, to think that health care reform would end up funding "abortion as a form of birth control."

cc: President Bill Clinton (1)
Vice-President Al Gore (2)
Hillary Rodham Clinton (3)
Ira Magaziner (4)
Mack McLarty (5)
George Stephanopoulos (6)
Bob Boorstin (7)
Paul Begala (8)
Mandy Grunwald (9)
David Wilhelm (10)
Stanley B. Greenberg (11)

Health Mtg - 7 April 1993

BC Reconciliation - late May - House
- late June - Senate

- Does announcement of program + how tax w/ it complicate reconciliation?

HRC: w/in 2 wks - last 3 mtgs
out basic principles
common elements

22 April begin consultation with Congress

Issue: ~~When~~ do you release TF report & allow for consultation — to stop the clock — so you don't clash with the economic plan?

Consultation with appropriate cmtee members → 10 days

HRC - it's in the air - already a delay past 5/3
- consultation will lead to Δ; TF you need time to clean up for a 5/15 presentation

Process goes on til 5/15 - the quickest
[illegible] consultation will - H omit.

BC: You could have thru 5/17 to put plan tgther for consultation
TF buy time thru June 1
↳ I can't figure how do get to July 1st to allow S vote on reconciliation

Leon: Focus on proposal itself – #'s
make sure we feel confort@ abt the elements + #'s.
I'm in doubt how long it will take.

Bentsen: We need X to study + get good #'s
Last week's #'s underestimate cost
1-2 wks for good solid #'s

Donna: To get good #'s, we need agiment on structure.
It must be simplified.
It will take awhile. Big decs. on structure.
If you move X– don't worry.
Huge decs ⇒ lots of options.

George: Consultation shld start now on procedure + #'s referral process.
Speaker did send it to E cmtee

H... – If we go past June 1 – it's must for 1093

HRC We could meet consultation deadline by 5/15
Then move to Jt Session Speech on 5/25
If you don't get bill in by June -
no vote by Dec.
Friends on Hill - say push for vote not later than Xmas

Bentsen - Can we get Moynihan to speed up Reconciliation

Howard - No credible argument for 1993 - if not in by June 15
Moynihan doesn't want it this year
People on Hill want to say on July 4 - it's dead

HRC Moynihan will tell you he don't understand it.
Welfare. Homeless.
He's got to understand

BC: Can we put welfare reform in budget or health?
Moynihan
Put $ in on welfare reform initiative.

Lean: Define methods you'll pay for it.
Entitlement reform.

BC: Biggest political problem we've got →
Moment of X on Reconciliation =
moment of X of focus on health care cost

BC: Let's get Mayor to move up Reach to –

AGT – 3 deadlines –

(1.) When do TF complete its work including inter-agency agreement of #'s & consultation?

May 3 → May 15/17

(2.) If we want a bill this year, then it has to be presented to them in June. I think that's a floating deadline – there's some leeway.

(3.) We think we want this after Reach vote –

- The 100 day + 14/20 days is a firm deadline for completion of TF work.
- I think it's impt to aim for Dec vote & push for it. If Reach is June 15 then you could come in formal presentation of bill after that.

You need some kind of bridge from May 15 – June 15

AGJ - Meet TF deadline - but due to complexity → consultation.

Weakness in idea is that during that timeline, details will leak, & you're going to have probs.

Ira: The way we came off the blocks is critical to the debate,
Consultation will lead to leaks—
forces garner in opposition.
↙
If we hold in public campaign til final announcement we may mean DOA.

BL: Once you do consultation - down to options / leak,
(I had originally thought V.P. timeline; but maybe at same pt - public campaign shld be known at an early time.
Don't want to have institutional help thwarted by timeline.

Howard: Reconciliation Conference in mid July -
so maybe no practical difference

Ira: But you can get by H.S. floor votes.

Bentsen: Conference c H/S - won't take long -
Hs Chairs

Lean: 1st thing fastrack Reconciln c Senate
both Rosty + Mynh wld feel better to fastrack
If health care

30 days after Easter

If we get Mynh on same track as Rosty
- they'll be in steps

2nd - Move health care preee, get decs. made
Dngell. Foley. Gephdt. Rosty →
Commitments: then we'll get it!
Still face filibuster

Time is dependent on substance.

Ira: Members want publicity → TF timing is impt.
They're waiting to see if we're serious +
If ~~Sasy~~ 50 - say so + demonstrate

Everything we hear - is that they must
hear that we're serious

Lean Consultation ō key players · Rosty · Dingell · Stark
they must feel in print · & then they'll
go to war

BC: I'd like to get NAFTA this year - it's less
popular now, than on Election Day. Esp in Calif.

If we adopt budget ō investment - it will be hard
to get Dem to vote for - ō showing stuff for working

GATT - extend negotiating period -

While there is a mouth of static on health care,
if we can get our act tgthr + get it's tgth -
People are ready for a big effort.
Substantively/politically → get it out
there & the ~~it's~~ work.

↓ Given straitjacket of current.

~~Wait until~~ If S vote - end of June/July
The larger landscape - take some risk
- June if it's the only way to have
a health care debate - '93

↳ Want credit for deficit ↓

Regula – The day after we come ō it – is the best day.
Public will give you enormous credit for trying.

Leon: Yes for 1-2 days. But make no mistake
if there's a big tax piece.
Not only 320 mil ~ research
but also health care tax!

BC: ↓ If Charles – AFL. AARP- Physn. Hosp
& wis → are for plan
This will Δ the environment.

~~If we can't get~~ It can't be a competence
estn.
Polls show insecurity.
The only way they can beat us is
to show more security.

AGJ: That's the danger.
We'll go for taxes ~ health care,
but not een plan.
The i rates ↑.
It depends on risk of negative synergy

BC: Proves importance of groups' supporting it.

HRC: We've done the right/responsible thing - that gets done. brat.

AGT: Doing the right thing means reconciliation passage.

Howard: Doing health care behind NAFTA — impossible c entities

End of April return & August return = short years

Rubin: False choice.

June — either consulting or enact ∉ consulting & leaky

Gra: Health care news c out there anywhere.

BC: TF shld continue to give last set of bkgs c a view toward range of final options sent to BC by 5/17.

Most - least - 2 in between

Then launch our consultative progr — at this pt (mid May) we'll know more about where we are on Rec list

↳ Then decide whether its June 1. 15. 25

Y Pass reconciliation bill → bigger bump than BResol
↳ it won't be long til we know if benefits are real

HRC: Tmpt we all say same thing —
BC wants to come c health pckge = June
+ wants to push to pass this year.

GS: That's a big story.

Tra: That will kill it c interest groups.

GS: Don't say anything diffnt for 3-4 days —
If word June gets c —

1) TF in May
2) Pass health care this year

Mack
FYI
Mickey

March 31, 1993

TO: Mack

FROM: Marilyn

I wanted to express to you my concern about how we are approaching the completion of the health plan during these final weeks. I have watched this process mostly from the outside for the past two months and am disappointed that we did not use the same game plan which we used to seek support for the economic plan. My concerns are targeted largely to groundwork which we have not laid.

The health team: there is no one in the inner circle of the health care team (note the attached memo) who has any insider experience with health care provider groups and therefore no one with knowledge as to what might insure their support (or at least help them sell the plan to their memberships despite what will be serious cuts in provider payments). There is no one in the inner circle who has any experience with health legislation and therefore would know which members of Congress are likely to cave-in to strong health lobbys at the first negative turn. In fact, the only people with any strong knowledge of health care before January, are several individuals from the academic community. On the economic plan we had people like Rubin, Panetta, and Bentsen, who had long experience with either Wall Street, the business community, or congress, and therefore truly knew how to 'balance what we want to do with what we can do.'

Public liaison: the individual designated to work with the health care provider community has worked hard and sincerely to meet with these groups. However, they all know him as someone who has spent most of the last ten years in healthcare advocacy groups and therefore opposing everything they have stood for. It is hard for these groups to believe that he will honestly reflect their (sometimes very justifiable, other times very politically relevant) concerns. It would have been like having a long time labor representative talk to Lod Cook or Augie Busch.

This is just not the way to solicit the support of individuals who could be won-over, or at least neutralized. The economic clout of hospitals, doctors, nurses, medical equipment producers/suppliers, social workers, and health employees should not be underestimated. We can't get them all, but we can divide and conquer.

I am now starting to receive calls from the heads of some of the provider groups wanting to meet with you or the President. They are frantic that during these final weeks they will never get an opportunity to talk with someone in the White House who they believe will understand some the politics of their concerns. All have talked with Ira and have been disappointed: he is bright, capable, sincere, but he has no institutional history on health care and his depth of understanding, (not knowledge), seems shallow.

All but one of these groups have worked hard during the past couple of years toward national health care reform, but as trade associations need to have some way to provide input on modifications that would sell with their membership. I have worried that there seems to be some belief among White House staff, that as liberal Democrats we can't <u>seriously</u> listen to these groups if we want to get a good proposal through and we can bypass the health groups and go straight to the public. I not only disagree with both lines of thought, but feel that both lines of thought would have similarly sunk the economic plan.

As you know, I have not been involved in any serious way with the health plan process. My observations are based from watching, reading, and picking up comments in general in the White House. When my old colleagues in the health care community call, I make it clear that I have no involvement in health policy any more, and my response is to reassure them to be patient and they will be pleasantly surprised to see a plan which is thoughtful, farsighted, and balanced. I hope that this is in fact what happens. As you begin to weigh in to the health care debate, I wanted to weigh in to you regarding my concerns. We will either get burned badly on this one, or it will be the really great acheivement of the year and probably the term.