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HEALTH POLICY BULLETIN

FOCUS: MET LIFE'S SURVEY OF HEALTH POLICY LEADERS

The Metropolitan Life Insurance Company commissioned Louis Harris and Associates, Inc., to conduct a survey last fall about the nation's health care system. The survey report is titled *Trade-offs and Choices: Health Policy Options for the 1990s.* Nine groups identified as "stake holders"—senior corporation executives, federal legislators, key staff of congressional committees dealing with health policy issues and funding, senior federal regulators in the Health Care Financing Administration and other U.S. Department of Health and Human Services agencies, senior health executives from the largest labor unions in the country, physician leaders chosen from all the medical societies listed in the American Association of Medical Society Executives, CEOs from hospitals with fifty or more beds, members of the executive branches of state government and staff members of state health committees, and CEOs or other senior executives from the largest health insurance companies in the United States—were surveyed; a total of 2,048 interviews were conducted.

The report starts by noting, "There is a broad consensus among all the groups surveyed that all is not well with the nation's health care system and that **fundamental changes** [the emphases here and following are added] are necessary." So far, nothing new. But the report adds, "Most of those who want to see fundamental changes in the health care system or who believe that we need to completely rebuild it believe that we should try to introduce change in an incremental way." The surprise is that in this survey *incremental* includes **universal health insurance coverage.** We appear to have inched our way to a consensus: 72 percent of the sample agreed that universal health coverage should be available even if it requires a tax increase. Even corporate executives (53 percent) supported this.

Reallocating resources to spend $50 billion on **covering the uninsured** was supported by majorities of all nine groups; oddly, the lowest majorities came from state officials (50 percent) and insurers (52 percent). When respondents were asked to rank priorities for additional spending on the health care system, **access to preventive services** came first for all groups except corporate executives and major insurers (protection against catastrophic loss due to illness ranked highest with these groups). Additional spending to improve the quality of health care services and to maintain a cutting edge in technology ranked last; 16 percent of the sample chose improving quality and 9 percent chose technology.

Attitudes toward the current system reflected the traditional **distrust of government management;** only a majority of union leaders (58 percent) believed that government management of the health care system would improve it. Even federal regulators (80 percent) felt government management was not the answer. Nevertheless, there was strong agreement that government should be involved in some fashion; given a choice between government as manager and administrator or as rulemaker, all agreed that rulemaker is better. Also, all groups agreed by large majorities (physician leaders, at 68 percent, were the lowest) that a "major government initiative" (not defined by the survey makers) will be necessary to solve the problems facing the health care system.

If the attitudes revealed in the survey reflect those of most U.S. citizens, the preferred health care system of the future is a **mixed private/public system.** When asked to choose the most desirable of three options (employer-based private health insurance with Medicare and Medicaid, legally mandated private health insurance for all employees and government-provided insurance for all unemployed persons, and a comprehensive program paid for by taxes with all costs and fees controlled by the government), the choice by a significant plurality (43 percent) was the second: legally mandated employer-sponsored insurance with the government insuring the unemployed. Only labor unions (58 percent) supported a comprehensive government plan financed by tax dollars.

When asked which of the three options is most likely to be prevalent in the United States in 2000, half the sample again selected **mandated employer-based coverage and government insurance for the unemployed.** Corporate executives and union leaders, at 48 percent each, were the only minorities. When the effect of a mixed public/private system on cost and quality was considered, 77 percent of the sample believed the system would raise costs, and 57 percent believed quality would improve; the perception was that an all-government program would raise costs (72 percent) but result in lower quality care (67 percent).

Consensus tended to break down when **specific elements of coverage** were examined. For example, when all the groups were asked about choices, there was no clear consensus on whether (1) the present system with varied plans,

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benefits, and costs should be retained, (2) the system instead should have a limited number of plans with different benefit levels and costs, or (3) the system instead should have one plan with the same benefits and costs for everyone. A majority of insurers (67 percent) preferred the present system; surprisingly, a plurality of federal legislators (47 percent) and state officials (44 percent) also endorsed the present system. Majorities of key committee staff (56 percent), federal regulators (53 percent), and hospital CEOs (55 percent) preferred the second option. Union leaders offered the only significant plurality (46 percent) supporting option three.

Rationing is expected to be a feature of universal health care coverage; every group agreed that it likely will be necessary. Improvement in the quality of life (89 percent), extension of lifetime (80 percent), continued productivity (74 percent), age (61 percent), and cost of treatment (60 percent) were perceived as legitimate criteria for rationing; however, in what may be construed as a slap in the face for rationing in public insurance programs, 81 percent felt that the source of payment for the patient's insurance is not a legitimate criterion.

Some questions were asked in the context of trade-offs. That is, if asked to make concessions to reach a consensus, what would or would not be acceptable to you? The writers of the report stress that it is important to view the responses with the fact of trade-offs in mind.

How to **fund additional health care costs**? Most acceptable, at 88 percent each, were (1) raising taxes on cigarettes and liquor and (2) increasing premiums for people with unhealthy lifestyles. Higher income taxes were favored by only 57 percent. **Taxing insurance premiums** was acceptable to federal regulators (67 percent), physician leaders (63 percent), key committee staff (60 percent), state officials (58 percent), and major insurers (57 percent) but unacceptable to union leaders (74 percent), corporate executives (59 percent), and hospital CEOs (53 percent); federal legislators split evenly at 49 percent. **Paying more for health insurance premiums** was the least favored option.

Increased cost sharing? Only union leaders (68 percent) found it unacceptable. Joining **managed care** plans? Everybody accepted it—physicians, at 52 percent, had the lowest level of acceptance. **Prior approval for specialty care** was accepted overwhelmingly, with approval ranging from 65 percent (physicians) to 95 percent (major insurers). **Limiting plans to cost-effective providers** was heartily endorsed, in percentages ranging from 56 percent (physicians) to 95 percent (major insurers). **Waiting for elective surgery** was less popular: 43 percent of federal legislators and insurers approved, followed by 42 percent of physicians, while union leaders were split evenly at 50 percent. **Not covering some expensive treatment** was acceptable to all but corporate executives (49 percent) and union leaders (26 percent). The degree of support for **limitations on the right to sue** for malpractice appeared to be congruent with a recent Michigan Hospital Association survey; the range of support ran from 74 percent (federal regulators) to 95 percent (major insurers).

Cost shifting was widely disapproved but not to the point where respondents felt it should be prohibited by law; rather, a majority of every group preferred incentives (not defined) to discourage cost shifting practices.

The following points may be made in summary: (1) The system needs to be changed, and changes are expected to be incremental not radical, and (2) in 2000 the system probably will be a mixture of private and public programs, rationing of some type is expected but will not depend on the source of payment, and care likely will be delivered through managed care plans.

OF INTEREST

Senator John Schwarz, a physician from Battle Creek, has replaced Senator Phil Arthurhultz on the Senate social services appropriations subcommittee.

Although the legislature continues to be dominated by the budget, in the coming weeks look for

- the House Committee on Public Health to take up bills on dental specialties (numbers have not yet been assigned), sudden infant death syndrome (HBs 4555–4556), optometric scope of practice (HB 4407), clarifying the release of information about AIDS patients for statistical purposes (HB 4646)), and legislation permitting unsupervised practice by dental hygienists under limited circumstances; and
- the Senate Committee on Health Policy to take up safety measures for children's organized baseball activities (SR 54 and SR 71) and the repeal of the sunset on the Alzheimer's Disease Registry (SB 59).

The House of Representatives returns from its Easter break on April 16.

—Frances L. Faverman, Editor