The American Public's Pragmatic Liberalism Meets Its Philosophical Conservatism

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The last decade or so has witnessed an extraordinary transformation in the financing and delivery of health care. By the mid-1990s, managed care plans had grown to cover 85 percent of employees at the expense of traditional fee-for-service (FFS) indemnity insurance. Previous practices in health care delivery were fundamentally challenged by managed care’s development of provider networks and negotiation of contracts with providers that shifted the financial risks of care from purchasers to hospitals, doctors, and patients. Instead of deferring to physicians in determining medical treatment, health plans scrutinized treatment in order to restrain patients’ access to treatment by monitoring physician practice patterns, requiring approval before expensive treatments, and other measures.

Research by Lloyd Free and Hadley Cantril and others offer useful insights into the reaction of Americans to the change in health care. Free and Cantril (1967; see also Ladd 1985; and McClosky and Zaller 1984) suggested that while Americans are philosophical conservatives who are committed to minimal government and maximum liberty for individuals to pursue their interests, they are also operational liberals who are devoted to specific and concrete government programs. Free and Cantril’s distinction is useful in reconciling Americans’ enduring dread of government with their strong support for large social programs like

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Medicare as well as smaller programs aimed at reforming specific aspects of health care delivery and financing.

Americans’ conservative/liberal inclinations affect their evaluation of policy responses to managed care. On the one hand, Americans are alarmed at the nature and rate of change heralded by managed care. This has fueled support for concrete and specific government reforms and opposition to expanding the role of managed care in Medicare. On the other hand, Americans’ liberal inclinations regarding actual government programs are tempered by philosophical uneasiness regarding the intrusiveness and financial cost of government intervention.

Our analysis of public opinion of managed care is divided into three sections. The first examines the place of managed care on the public’s agenda and the source of public concerns. The second focuses on the public’s evaluation of specific policy proposals. The final section discusses possible directions of future trends in public opinion. Our analysis is based on an extensive search of already published surveys, which are archived in the Roper Center and the Internet sites for Wirthlin Worldwide and the Henry J. Kaiser Family Foundation. (The Kaiser Foundation in conjunction with the Harvard School of Public Health commissioned Princeton Survey Research Associates to conduct a series of surveys.)

I. The Public’s Agenda: The Rise of Managed Care as a Problem

A useful historical barometer of Americans’ overall policy concerns is the Gallup Organization’s longstanding question that asks respondents to identify the “most important problems” facing this country. Although problems associated with health care received virtually no attention prior to the mid-1980s (Smith 1980, 1985a, 1985b), health care rapidly rose to the top of the public’s agenda and was identified as one of three most important problems by January 1994, when 31 percent of Americans identified it. The importance attached to health care problems dropped to the high single digits after the demise of the Clinton health plan (Bowman 1998). What is striking is that five years after the battles over Clinton’s proposal, health care continues to draw attention—a stark contrast with the period before the 1980s.

In addition to the emergence of health care as an enduring policy concern, managed care in particular is attracting strong public concern. A November–December 1998 survey by Princeton Survey Research Asso-
Jacobs asked a series of questions about the health care issues that President Clinton and the new Congress should address in 1999. These questions found that reforming managed care was ranked second (at 22 percent) just below the issues of access and coverage (40 percent). The survey also confirmed findings from previous surveys during 1998 that 81 percent of Americans rank managed care reform as a “top” or “important” priority.1 In short, health care and, in particular, managed care reform are prominent problems in the public’s mind.

Yankelovich conducted surveys in 1994 and 1998 for Time/CNN that provide some data on changing public evaluations of quality. The data are presented in Table 1. Two points stand out. First, the “very good” rating for HMOs in 1994 drops by 15 percentage points (from 44 percent to 29 percent) in 1998. Second, the gap in public evaluation of HMOs and traditional insurance dramatically widens: Americans’ preference for traditional coverage as offering “very good” coverage grows from a moderate 4 percentage points in 1994 (44 percent to 48 percent) to a striking 22 percentage points in 1998 (29 percent to 51 percent).

Table 1  Time/CNN/Yankelovich Poll

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Insured</th>
<th>Very Good (%)</th>
<th>Good (%)</th>
<th>Poor (%)</th>
<th>Very Poor (%)</th>
<th>Don’t Know (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>Total Insured</td>
<td>37</td>
<td>51</td>
<td>7</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Traditional</td>
<td>51</td>
<td>42</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>HMO</td>
<td>29</td>
<td>58</td>
<td>9</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N 1024</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date: 30 June–1 July 1998</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>Total Insured</td>
<td>44</td>
<td>46</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Traditional</td>
<td>48</td>
<td>45</td>
<td>5</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>HMO</td>
<td>44</td>
<td>47</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>N 800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date: 4–5 May 1994</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Kaiser Family Foundation/Harvard University, Public Opinion Update: Managed Care, 17 September 1998.

1. Similar results were found in response to questions in the summer and fall of 1998 by Princeton Survey Research Associates on whether managed care regulation was very or fairly important; limiting the survey to registered voters did not significantly change the results.
Table 2 presents four Louis Harris surveys that tracked Americans’ reaction between 1995 and 1998 to whether the “trend away from traditional fee-for-service coverage and toward managed care is a good thing or a bad thing.” (The 1995 survey used slightly different question wording than the items in 1996–1998—the 1995 survey omitted reference to FFS coverage.) The proportion finding the change to be a “bad thing” rose 19 percentage points from 1995 (28 percent) to 1998 (47 percent); it rose 10 percentage points from 1996 (37 percent) to 1998 (47 percent), which is based on identical questions. In addition, the public’s evaluation of the shift reversed direction: Americans viewed the transition as favorable by a wide 59–28 percent margin in 1995, but flipped in a negative direction (40–47 percent) just 3 years later. (The identical question wordings in 1996 and 1998 show a similar flip from an overall favorable evaluation to a negative evaluation.)

Table 2 shows the findings of Louis Harris on whether managed care hurt the “quality of medical care that people like you receive” between 1995 and 1998. The percentage of Americans who felt hurt by managed care rose by 19 percentage points. Moreover, the public’s evaluation of managed care flipped from 48–39 percent believing that it helped to 58–31 percent concluding that it hurt.

Furthermore, Princeton Survey Research Associates examined the public’s evaluation of “different groups . . . serving the needs of health care consumers” in September 1997 and September 1998. It found a significant increase in the percentage of Americans who reported a “bad job” by HMOs (from 25 percent to 42 percent), managed care plans (from 21
percent to 36 percent), and health insurance companies (32 percent to 40 percent). By contrast, the public’s ranking of the “bad job” by hospitals and pharmaceutical or drug companies did not change in a significant manner (KFF and Harvard 1998a).

The negative turn in the public’s evaluation toward the quality of treatment under managed care as it has expanded is striking; as striking, though, is the erosion in public perception of the efficacy of managed care. The main selling point for managed care among the public (and policy makers) was its impact in containing costs. Yet, the public is losing confidence in the contribution of managed care to cost containment. Table 4 shows that the proportion of Americans ranking managed care as helping to contain costs declined by 11 percentage points between 1995 and 1998, according to Louis Harris surveys. By July 1998, the public was split as to the contribution of managed care to cost control.

In addition, Princeton Survey Research polls showed that the proportion of insured Americans under 65 in “heavy managed care” who were very or somewhat “worried that your health plan would be more concerned about saving money than about what is the best treatment for you” grew from 61 percent in September 1997 to 71 percent in August 1998; the worry of those in heavy managed care exceeded the percent of those who were worried in traditional insurance by a striking seventeen percentage points. Similar or larger gaps between HMO patients and the traditionally insured emerge on questions regarding paying for emergency room visits, paying for costly treatment, paying for serious medical problems, and other topics (KFF and Harvard 1998b).

Single survey items by different survey organizations add still more

Table 3 Harris Poll, Question 2

<table>
<thead>
<tr>
<th></th>
<th>7/95 (%)</th>
<th>8/96 (%)</th>
<th>8/97 (%)</th>
<th>7/98 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve</td>
<td>48</td>
<td>38</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Harm</td>
<td>39</td>
<td>43</td>
<td>54</td>
<td>58</td>
</tr>
<tr>
<td>No Effect</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Kaiser Family Foundation/Harvard University, Public Opinion Update: Managed Care, 17 September 1998.
evidence of a wide gap in the insured public’s satisfaction with the quality of medical care. Echoing the findings in other polls, a July 1998 ABC/Washington Post survey showed that a far greater proportion of those holding traditional insurance were “very satisfied” (58 percent) than those in HMOs (40 percent). A June 1998 Yankelovich survey revealed that insured adults in HMOs were more likely than those with traditional coverage to make the following complaints: “have to see doctors unfamiliar with your case,” “not enough time with doctor,” and “difficulty getting appointment with doctor” or “information about costs you had to pay.” Nearly double the proportion of insured adults in HMOs would “change to another type of health plan if the choice were available” than in traditional insurance.

II. The Public’s Evaluation of Proposed Managed Care Reforms

The public’s concerns about managed care and its deleterious impact on quality has stimulated support for new government regulations for concrete and specific purposes. Continuing philosophical reservations about government intervention, though, dampen public support.

2. The following question was asked of insured adults: “How do you feel about the quality of the health care you receive — would you say you are very satisfied with it, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?” Similar findings were reported by a June Yankelovich survey.

Table 4  Harris Poll, Question 3

Do you think the trend toward more managed care — with more people belonging to HMOs, PPOs and other managed care plans — will help to contain health care costs, or not?

<table>
<thead>
<tr>
<th></th>
<th>7/95 (%)</th>
<th>8/96 (%)</th>
<th>8/97 (%)</th>
<th>7/98 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will help contain</td>
<td>59</td>
<td>52</td>
<td>51</td>
<td>48</td>
</tr>
<tr>
<td>health care costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will not contain</td>
<td>31</td>
<td>34</td>
<td>42</td>
<td>45</td>
</tr>
<tr>
<td>health care costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>605</td>
<td>1,008</td>
<td>1,007</td>
<td>1,011</td>
</tr>
</tbody>
</table>

Source: Kaiser Family Foundation/Harvard University, Public Opinion Update: Managed Care, 17 September 1998.
Support for Specific Regulations

Large numbers of surveys have found strong support for specific government regulation of managed care. For instance, supermajorities of 70 percent or more favored government intervention to require managed care companies to provide “consumer projections,” allow patients to select their own doctors, mandate access to medical specialists without prior authorization, dictate independent review for patient appeals when payment for medical treatment is denied, require emergency room care outside plan, and other matters (KFF and Harvard 1998b).

Support for specific government regulation enjoys wide public support, which crosses party lines. A December 1998 Princeton Survey Research Associates poll found that 78 percent support a law that would require managed care plans and insurers to “provide people with more information about their health plan, make it easier for people to see medical specialists, allow appeals to independent reviews when someone is denied coverage for a particular medical treatment, and give people the right to sue their health plan.” Although Democratic voters were the most supportive, 71 percent of Republican voters still favored this law (KFF and Harvard 1998c).

Public support for regulating managed care plans holds even when the public is presented with a balanced question that notes the “good” and the “bad.” A June 1998 NBC/Wall Street Journal (WSJ) survey found that the good outweighed the bad aspects of regulation by an impressive 51 – 32 percent margin.3 A similarly worded question about a “patients’ bill of rights” by NBC/WSJ in July 1998 found that the margin of support substantially widened to 69 – 21 percent.4 A Washington Post survey in August 1998 found a 65 – 28 percent on the side of “government needs to

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3. The question was the following: “Please tell me which of these statements comes closer to your view about dealing with HMOs and other managed care plans. Statement A: Passing new regulations on HMOs is a good idea because consumers have been treated unfairly by health plans and have not received the quality medical care they deserve. Statement B: Passing new regulations on HMOs is a bad idea because it would result in huge government bureaucracy and significantly raise the cost of health insurance for everyone.” Four percent responded both and 13 percent were not sure.

4. The question was the following: “Which of the following statements comes closer to your view about regulating HMOs and other managed care plans. Statement A: Congress should pass a patients’ bill of rights, because it is necessary to guarantee consumers more rights in dealing with their insurance plans, including the rights to appeal HMO decisions and to have access to emergency rooms without advance permission. Statement B: Congress should not pass a patients’ bill of rights, because it would increase the size of the federal bureaucracy and raise the costs of health insurance, which would result in some people being unable to afford coverage.” Four percent responded both and 6 percent were not sure.
protect consumers” rather than “additional government regulation is a bad idea.”

The public’s uneasiness regarding managed care is also reflected in opposition and reservations about reforming Medicare to expand the role of managed care. An August 1998 Princeton Survey Research Associates survey found that after explaining arguments for and against encouraging seniors to enroll in managed care 56 percent of respondents opposed the reform. Fifty percent in the survey believed that expanding managed care into Medicare would make it harder rather than easier for beneficiaries who are sick to see medical specialists. (Nine percent responded easier, 34 percent believed it would not make a difference, and 7 percent reported not knowing.)

The Public’s Reservations

The public’s support for regulating managed care plans was not unambiguous. Not far under the surface were genuine reservations. Although there were large majorities in favor of specific government actions, the public’s support decreased (within limits) when it was pressed further. For instance, a NBC/WSJ survey in June 1998 found that Americans were nearly evenly split on whether there was “too much” or “too little” regulation of HMOs.

Public support dropped off when respondents were alerted to the increased financial costs and expanded government role that would accompany reform. According to a number of survey items, informing respondents of increased premiums and government involvement reduced by upwards of one-half the supermajorities which had favored government regulations requiring managed care companies to provide “consumer projections,” access to medical specialists without prior authorization,

5. The following question was asked: “Which position comes closer to your own view about government regulation of HMOs and managed care health plans. The government needs to protect consumers from being treated unfairly and not getting the care they should from HMOs and managed care plans. Additional government regulation is a bad idea and would raise the cost of health insurance too much for everyone.” Three percent responded neither and 4 percent had no opinion. The survey was conducted in conjunction with the Kaiser Foundation and the Harvard Survey Project.

6. The question was the following: “When it comes to regulating HMOs and other managed care plans, do you think there is too much government regulation, too little government regulation, or the right amount of government regulation?” Twenty-nine percent responded too much, 35 percent too little, 20 percent the right amount, and 16 percent not sure. The survey was conducted by Hart and Teeter Research Companies.
independent review for patient appeals when payment for medical treatment is denied, emergency room care outside plan, and other reforms. Although the margin of support decreased, the change did not produce (in most survey items) opposition to the regulation; the public was still supportive or, at least, evenly split on the reforms (KFF and Harvard 1998b).

Informing respondents that insurance premiums would rise $20 per month for a typical family reduced the support found in the December 1998 Princeton survey from 78 percent to 51 percent (with 41 percent opposed). While this is consistent with findings in other surveys, what is telling about this survey is that Republican voters shifted from support (71 percent) to opposition (43 percent). Not surprisingly, the philosophical reservations about the financial cost and intrusiveness of government regulation affects Republicans more than Democrats (KFF and Harvard 1998c).

What the Future May Hold

The future direction of public opinion toward managed care may be especially affected by real world changes, political debate, and the mass media’s coverage of the issue. We focus here on the possible impact of the latter two.

Public attitudes are very likely to affect the political debate. The elevated support of Democratic voters for regulation and the general public’s overall tendency to be most confident in the Democrats’ commitment to this issue create strong political incentives for Democratic policy makers to pursue government regulation of managed care. A December 1998 Princeton Survey Research Associate poll found that 52 percent of all voters concluded that the Democratic Party would “do a better job dealing with making sure that managed care and health insurance plans provide people with the care they need” compared to 29 percent who said Republicans would do a better job. (Democratic voters, of course, were more trusting of the Democratic Party than Republican voters by a 81 percent to 25 percent margin [KFF and Harvard 1998c].) The preferences of Democratic voters and the general public create powerful incentives for Democratic officeholders and candidates to promote managed care regulation.

In addition, the intensity and nature of political debate can have a significant impact on the public’s evaluations. As we have seen, the public
is ambivalent, driven by both philosophical conservativism and operational liberalism. Politicians and their supporters can influence public opinion by emphasizing one dimension over the other. Democrats committed to stirring public support for regulation can emphasize fear of the dire consequences of managed care and the public’s liberal inclination regarding specific and concrete government actions; Republicans can attempt to activate Americans’ longstanding uneasiness with “big” government. Ironically, the public’s ambivalence in an era of partisan polarization is likely to encourage dueling efforts by rival camps to reinforce and intensify this ambivalence.

The media’s coverage of health care and debates over health policy is also likely to influence public opinion. But, in an era in which the media are credited or, more often, blamed for most of the ills in American politics, it is important not to overstate the media’s role. A Princeton Survey Research Associates poll found that Americans primarily relied upon their own experience to evaluate the job of HMOs in serving consumers, followed by friends and family and then the media—or so they report. According to Princeton surveys, the media appeared to exert slightly less influence on the public’s favorable evaluations in 1998 than in 1997; the proportion of respondents who identified the media as the “main” reason for feeling that HMOs do a “good job” of serving consumers declined a bit, from 17 percent to 12 percent (KFF and Harvard 1998a).

Our own research (Jacobs and Shapiro, 2000) suggests that media coverage largely represents the intensity and content of political debate. It is politicians, and not simply the media working as an independent force, who drive media coverage. In particular, the way the media frame or organize news stories in terms of political conflict or the national consequences of policies has a significant influence on the public. But the content of the news and its influence originates from debate and conflict among political elites.

There seems to be a clear lesson for the future: As the debate on regulating managed care heats up, keep your eye on politicians and the degree of partisan polarization on the issue. If the managed care debate becomes enmeshed in ideological warfare, expect the media to emphasize the genuine conflict and strategy that envelops health policy debate. Under these conditions, the public’s support for government regulation of managed care may not be stable or lasting.
References


