



EBRI News

2121 K St. NW • Suite 600 • Washington, DC 20037-1896
(202) 659-0670 • www.ebri.org • Fax: (202) 775-6312

For Immediate Release: **EMBARGOED FOR RELEASE: Oct. 28, 2004**
Contact: Paul Fronstin, (202) 775-6352, fronstin@ebri.org
Steve Blakely, (202) 775-6341, blakely@ebri.org

2004 Health Confidence Survey:

Americans Cut Savings To Pay Rising Health Bills; Fear Future Cost, Access Problems

WASHINGTON—Americans' satisfaction with the quality of medical care they personally have received remained stable this year, but there is growing dissatisfaction with the health care system as a whole and concerns are growing among Americans about their ability to afford quality health care in the future, according to the 2004 Health Confidence Survey (HCS) released today. Many Americans say they are dipping into savings accounts and reducing retirement savings to pay for rising health care costs.

“Americans are coping with the rising cost of health care in a variety of ways, but it is clear that rising health costs are causing financial pain among many, and are leading to a reduction in savings in general—and retirement savings in particular,” noted EBRI CEO Dallas Salisbury. For instance, the HCS finds:

- One-quarter of those experiencing cost increases say they have reduced retirement savings contributions because of growing medical bills.
- Nearly one-half—48 percent—report reducing other savings.
- Nearly 2 in 10—18 percent—say medical bills are making it more difficult to pay for necessities like food and housing.
- Three in 10 say such costs have made it more difficult to pay other bills.
- One-quarter say they have used up most or all of their savings to pay such bills.
- Fifteen percent report borrowing money to pay health bills.

When people are asked to rate the entire system and look to the future, their perspective becomes fairly negative:

- Only 14 percent now call the nation's health care system *excellent* or *very good*, while 60 percent rate it as *fair* or *poor*.
- Since 1998, the percentage of HCS respondents who rate the health system as poor has doubled to 30 percent.

The HCS, sponsored by the nonpartisan Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates, finds that health care ranks statistically equal with terrorism and national security as the nation's most critical issue, followed by the economy, the war in

((MORE))

((EBRI/HCS/page2))

Iraq, and education. Twenty-two percent of HCS respondents rank health care as the most critical issue in the country, compared with 21 percent for terrorism/national security, 17 percent for the economy, 16 percent for the war in Iraq, and 13 percent for education. The survey has been conducted annually since 1998 and has a 3-percentage-point margin of error.

The 2004 HCS continues to report that most Americans are quite satisfied with the care they are currently receiving: Well over half (56 percent) reported being *extremely* or *very* satisfied with medical care received, nearing the 57 percent high reported in 2001 and 2002. An added 34 percent said they were *somewhat* satisfied.

Among those who received care within the two years prior to the survey, a quarter are *not at all* satisfied with the cost of their health insurance (up from 15 percent in 1998), and 28 percent are equally dissatisfied with costs not met by insurance. That's up from 20 percent in 1998.

More than two-thirds (67 percent) of those with health insurance are satisfied with the employment-based coverage they have, and 20 percent say they'd be willing to take a pay cut in return for more comprehensive coverage. As earlier surveys have found, the 2004 survey also shows that health insurance remains by far the most popular employee benefit. If their employer gave them the money now spent on health insurance, a substantial majority would attempt to purchase coverage on their own. However, only 17 percent are confident they would be able to afford coverage.

Among other topics, the HCS found widespread support for initiatives to provide consumers with more health care information, and a majority report changed behaviors (particularly in the selection of generic drugs) as a result of cost pressures and added information. But responses to various facets of new, "consumer-driven" health insurance measures are mixed: At least 4 in 10 believe each of the measures examined would make no difference in the quality of their care, and more than a quarter (27 percent) believe that health care would deteriorate if they paid for more of their health care costs directly instead of through an insurance company. The HCS also suggests that most consumers are not actively seeking the added decision-making responsibilities associated with consumer-driven health plans; two-thirds of respondents said they simply follow whatever counsel they received from medical professionals rather than researching medical implications further.

"American satisfaction with the quality of health care *provided today* remains high," said Paul Fronstin, senior health analyst at the Employee Benefit Research Institute. "But there is clearly growing dissatisfaction with the health care system as a whole, and Americans are increasingly worried about their ability to afford and receive quality care in the future."

Full results of the 2004 Health Confidence Survey are published in the November *EBRI Issue Brief*, which is available on EBRI's Web site at www.ebri.org or by request.

###