



EBRI News

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New Research from EBRI:

Survey Finds Rising Costs a Prime Driver in Americans' Increasing Dissatisfaction With U.S. Health Care System

WASHINGTON—Rising health care costs are a primary driver of American's increasing dissatisfaction with the nation's health care system, the 2006 Health Confidence Survey (HCS) shows. Many Americans report that rising health care costs have hurt their household finances and believe that steps should be taken to slow the increases.

The survey, published today in the November 2006 *EBRI Notes*, found that half of Americans (52 percent) are *not too* satisfied or *not at all* satisfied with the *costs of health insurance*—a record in the nine-year history of the HCS. This contrasts with 16 percent who said they are *extremely* or *very satisfied* with costs. In addition, nearly half (48 percent) said they were dissatisfied with *costs left uncovered by insurance*.

“Americans’ concerns are understandable,” said Dallas Salisbury, president of the nonpartisan Employee Benefit Research Institute (EBRI). “These increasing health care costs have affected people in their daily lives, causing them, among other things, to reduce their contributions to their savings plans and to cut corners in many other ways.”

EBRI and Mathew Greenwald & Associates, a public opinion and market research organization, sponsor the survey, which was underwritten this year by 10 private organizations (full listing below). Among the survey's major findings:

- Six in 10 Americans rate the health care system as *fair* (28 percent) or *poor* (31), and the percentage of people rating the system as poor has doubled since the inception of the HCS in 1998.
- The number who say they are not satisfied with health care costs is up sharply (52 percent this year, compared with 33 percent in 2005), as is the number who are dissatisfied with costs not covered by insurance (48 percent, up from 37 percent).
- Those with health care coverage who have experienced cost increases are more likely to report they have decreased savings for retirement (36 percent, up from 25 percent in 2004) and other savings (53 percent) and had difficulty paying for basic necessities (28 percent, up from 18 percent) and other bills (37 percent, up from 30 percent).

One bright spot in the survey: In contrast to the ratings for the health care system overall, Americans' ratings of *their own health plan* are generally favorable and have remained relatively stable. More than half of those with health insurance are *extremely* (18 percent) or *very* (36 percent) satisfied with their current health plan and more than one-third (35 percent) are *somewhat* satisfied.

((MORE))

In addition, the survey found that Americans who have health insurance value it highly. When employed Americans with health coverage were asked whether they would prefer \$6,700 in employment-based health coverage or an additional \$6,700 in taxable income, three-quarters chose the employment-based coverage over the cash. Also, half (52 percent) said they were *extremely* or *very satisfied* with health care quality.

However, the survey found that an increasing number of Americans (60 percent) report they experienced a rise in the last year in the amount they are responsible for paying under their health care plan. And when asked which health care issues should be top priorities for Congress, Americans pointed to affordability issues. For example, Americans most often chose slowing the rising cost of medical care (55 percent) and ensuring that Medicare continues to pay for benefits (48 percent) over improved access to health care (38 percent) and using technology to improve the quality and safety of care (30 percent)

When asked about a range of policy changes designed to make sure all Americans have health care coverage, the survey produced these results:

- More than 8 in 10 said they said they would favor tax breaks to help people pay for coverage they purchase on their own (85 percent) or for employment-based coverage (83 percent).
- About three-quarters would favor requiring all employers to pay toward subsidized coverage for their employees (78 percent), allowing uninsured people to buy into government programs (78 percent), and expanding government public programs to cover more people (73 percent)
- Of all the changes tested, Americans were least likely to say they would support requiring everyone to participate in some kind of health insurance plan (67 percent).

Health care premiums rose steadily in the United States from 1996 to 2003, sometimes by double-digit amounts annually. While the rate of increase has slowed in recent years, it still remains substantially above overall inflation.

The HCS was conducted May 16 to June 3, 2006 through 20-minute telephone interviews with 1,000 individuals ages 21 and older. The survey, with a margin of error of plus or minus 3 percentage points, examines a broad spectrum of health care issues. EBRI is a private, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. www.ebri.org

Underwriters of the 2006 HCS include: AARP, Blue Cross and Blue Shield Association, Buck Consultants, The Commonwealth Fund, Deere & Company, IBM, National Rural Electric Cooperative Association, Pfizer, Inc., Principal Financial Group, and Procter and Gamble.