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10th Annual Health Confidence Survey:

Rising Costs Cause More Shifts in Use of Health Care System; Many Changes Positive, Others Could Have Negative Impact

WASHINGTON—Rising health care costs are increasingly changing the way Americans use the health care system. Many of these changes are positive, but others, such as delaying going to the doctor and not filling or skipping doses of prescribed medications, could have a negative impact on patients' health, according to the 2007 Health Confidence Survey (HCS).

Perhaps because of rising costs, Americans with employment-based health insurance value it above the actual dollar amount that employers pay toward the coverage, and many favor requiring all employers, regardless of size, to provide and contribute to insurance for their workers, according to the survey.

The 2007 HCS, released today, is the 10th annual assessment of the American public regarding the health care system in the United States. The nonprofit Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates, a public opinion and market research organization, sponsor the survey, which was underwritten this year by 15 private organizations (list below). Full results appear in the November 2007 *EBRI Notes*, available at www.ebri.org

“These results show the impact of rising health care costs is widespread and growing,” said Dallas Salisbury, EBRI president. “Previous surveys showed rising health care costs were affecting the household finances of many Americans. This year we learned that costs also are influencing how much individuals use the health care system, even to the point of delaying care when that could be harmful. Thus, it should be no surprise that the overwhelming majority of Americans are not satisfied with the costs of health insurance.”

More than 6 in 10 Americans with health insurance coverage (63 percent) reported an increase in the costs they are responsible for paying under their plan in the past year, the survey found. Of these, a sizeable and increasing percentage said the increase caused them to try to take better care of themselves (81 percent in 2007; 71 percent in 2005) and talk to the doctor more carefully about treatment options and costs (66 percent in 2007; 57 percent in 2005).

The survey also found these other changes in the use of the health care system: Nearly two-thirds of respondents said they went to the doctor only for more serious conditions or symptoms (64 percent in 2007; 54 percent in 2005), delayed going to the doctor (50 percent in 2007; 40 percent in 2005), and skipped or did not fill doses of their prescribed medications (28 percent in 2007; 21 percent in 2005).

Among other major 2007 survey results:

- Those experiencing cost increases also were likely to report that these increases negatively affected their household finances. For example, they said that increased health care costs have resulted in a decrease in contributions to retirement (30 percent) and other savings (52 percent) and in difficulty paying for basic necessities (29 percent) and other bills (36 percent), the survey found.
- Three-quarters of those with employer-provided health coverage (76 percent) said they would prefer \$7,500 in employer-based health benefits to an additional \$7,500 in taxable income. When those preferring to keep their coverage were asked how much they would need in additional taxable income to willingly give it up, the median response was \$12,000.
- More than 4 in 10 (42 percent) said that all employers, regardless of size, should be included in a mandate requiring them to provide and contribute to health insurance coverage for their workers. Almost 2 in 10 (18 percent) think employers with 30 or more workers should be included in the mandate, while 1 in 10 (12 percent) say those with at least 50 workers should be included.
- Although employed Americans were positive about wellness programs in general (82 percent), they were less comfortable with specific programs that employers might offer. Moreover, many had reservations about employer motivations for offering these types of programs.
- While half of Americans (51 percent) remained *extremely* or *very satisfied* with health care quality, less than 2 in 10 were satisfied with the cost of health insurance (18 percent) or with costs not covered by insurance (16 percent).
- Six in 10 rated the health care system as *fair* (29 percent) or *poor* (30 percent). Moreover, many felt the health care system needs a complete overhaul (24 percent) or requires major changes (47 percent).

Most Americans with employment-based health insurance coverage were confident that their employer or union will continue to offer health insurance for its workers, the survey found. Almost 3 in 10 (28 per-cent) were *extremely* confident that this will continue to be the case. This represents a decrease from the 35 percent who were extremely confident in 2004, but is statistically equivalent to the levels measured in 2000 and 2002. About 3 in 10 each were *very* (30 percent) or *somewhat* (28 percent) confident.

Few Americans who currently have employment-based coverage were confident they could afford coverage on their own, even if their employer gave them the money it currently spends on their insurance to help them pay for it. According to the survey, just 16 percent report they were *extremely confident* or *very confident* they could afford to purchase health insurance on their own if their employer stopped offering coverage. Nearly 3 in 10 (28 percent) were *somewhat confident*, but more than half were not too confident (22 percent) or *not at all confident* (32 percent) they could afford coverage.

The survey was conducted within the United States from May 17 to June 10, 2007, through 20-minute random telephone interviews with 1,000 individuals ages 21 and older. The margin of error was plus or minus 4 percent-age points. 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.

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