

Americans support medicare reform, but not on their dime: poll

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(HealthDay) -- Medicare, the federal health insurance program for older and disabled Americans, may be hurtling toward the critical list, but most people don't want to pay for needed reforms from their own wallets, a new *Harris Interactive/HealthDay* poll finds.

Eighty-three percent of those polled believe changes are needed to keep Medicare affordable and sustainable, and 51 percent think that "a great deal of change" is necessary. But they'd rather not make any personal sacrifices, according to the poll.

"There's a clear majority who think there is a problem that needs to be addressed, but (people also believe) if the changes are going to cost me money in terms of higher co-pays, higher <u>deductibles</u> or higher taxes, no thank you," said Humphrey Taylor, chairman of The Harris Poll.

When people were presented with nine proposals for slowing the rate of Medicare spending, the poll revealed strong approval (72 percent) for cutting the price Medicare pays for prescription drugs to <u>pharmaceutical companies</u>, and modest support for trimming fees to hospitals (47 percent favor, 28 percent oppose) and doctors (41 percent to 35 percent).

Few favor higher taxes and out-of-pocket contributions, such as increased co-pays and deductibles. Fifty-three percent and 60 percent, respectively, oppose those options. But a majority said people with higher incomes should pay more for Medicare benefits than lower-



income individuals (57 percent favor, 21 percent oppose).

Medicare, which serves 49 million older and disabled Americans, is under severe financial strain. More than 15 percent of the <u>federal budget</u> goes toward Medicare, and that's projected to increase to 17.5 percent by 2020 -- the third largest <u>government expenditure</u> after Social Security and defense, government statistics show.

Experts say rising prices, new technologies, beneficiaries' increasing use of services and the aging of the population are fueling the growth in Medicare spending.

"You've got a situation now where health care is somewhere around 18 percent of GDP (gross domestic product), and it's going to go to 20 percent in a few years," said Nathan Goldstein, chief executive officer of Gorman Health Group, a Washington, D.C.-based consulting firm. "It's like a dragon eating the economy from the inside."

The situation will only worsen in the coming years as more and more baby boomers become eligible for the program, swelling Medicare enrollment to more than 80 million people by 2030.

Because of these trends, the board of trustees that oversees Medicare's financial operations predicts that the hospital insurance trust fund, known as Medicare Part A and a key component of the program, will be depleted by 2024.

To put the program back on stable footing, policymakers are considering a variety of cost-cutting and revenue-raising strategies.

One proposal being advanced by House of Representatives Budget Committee Chairman Paul Ryan (R-Wis.) and Sen. Ron Wyden (D-Ore.) would give seniors a voucher to shop for their own private health



insurance. Under their so-called "premium support" plan, Medicare would no longer provide a "defined benefit." Instead, beneficiaries would receive a "defined contribution" toward the cost of health insurance.

But support for such a plan depends on political affiliation, the poll found.

When described as "one proposal to change the Medicare program," a small plurality (32 percent to 27 percent) of those polled said they favor a voucher plan. When described as a House Republican plan, Republican support increases to 47 percent from 35 percent while Democratic opposition rises to 48 percent from 31 percent.

At a press briefing on Friday to unveil recommendations for Medicare reform, the American College of Physicians (ACP) said it could not endorse such a "premium support" plan without pilot testing and strong protections for beneficiaries. However, the college said it does support policies to improve the delivery of care, reduce the government's cost of prescription drugs and pay providers based on the value of services provided.

"Difficult choices must be made to ensure (Medicare's) solvency, but not at the expense of patient health," Robert Doherty, ACP's senior vice president of governmental affairs and public policy, said during the briefing.

A majority of adults (54 percent to 18 percent) polled agree that doctors and hospitals should be paid based on quality and results, rather than the volume of care provided. Even in Washington, D.C., Taylor noted, "there is an acceptance . . . that the traditional fee-for-service way of paying for things is a kind of toxic incentive and needs to be changed."



The poll also found that people like having a choice between traditional fee-for-service Medicare and Medicare Advantage plans. Only small percentages would like to see the program run exclusively by the federal government (12 percent) or by private health plans (13 percent).

The online survey of 2,229 adults aged 18 and older was conducted April 5 to 9. Figures for age, sex, race/ethnicity, education, geographic region and household income were weighted, where necessary, to make them representative of actual proportions in the population. Weighting was also used to adjust for respondents' likelihood to be online.

More information: The Kaiser Family Foundation has a primer on Medicare spending and financing.

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