

## While Managed Care Is Still Unpopular, Hostility Has Declined

*However, managed care is much more unpopular with the upscale, educated and (surprisingly) is disliked more by Republicans and Independents than by Democrats*

It is now seven years since Harris Interactive began tracking public attitudes toward managed care. In 1995, most people were, on the whole, supportive of managed care, but with every passing year until the year 2000, hostility and criticism increased and support declined. This was the time when we learned about “the demonization” of managed care in the media and the growing “backlash” against it.

However, the backlash seems to have peaked in the year 2000 and has declined somewhat since then. In issue 15 of our *Health Care News*, July 12, 2002, we reported that overall attitudes toward managed care had improved a little (and attitudes toward health insurance had improved a lot). In this issue of *Health Care News*, we show a modest decline in those who are critical of managed care on two separate issues:

- Those who believe the trend to managed care is “**a bad thing**” have declined from 52% to 44% (while those who think it is a good thing remain virtually unchanged at 36%).
- Those who believe that managed care will “**harm the quality of medical care**” have declined from 59% in 2000 to 51% in 2002, but this change is not because more people think it will improve quality. Rather there is an increase in those who don’t think it makes a difference or who are not sure (22% in 2002 vs. 12% in 2000).

While that is moderately good news for the managed care industry we have not found any improvement on the issue of **cost containment**. A 50% to 34% plurality believes managed care will not help to contain costs. While this gap (of 14 percentage points) is unchanged since 2000 (when a 53% to 39% majority felt this way), there has been an increase from 8% to 16% in those who are not sure.

Overall, therefore, hostility toward managed care has declined a little since 2000, not because it has made new friends, but because there are more people who are not sure what to think.

We believe that this modest trend probably reflects a decline in physician hostility toward managed care (right now reductions in Medicare fees are probably their top issue) and that, as a result, there are far fewer “demonization” stories in the media. It may also have been helped by current concerns about prescription drug prices and, more recently, increased hospital fees.

These new results come from a nationwide Harris Interactive survey of 1,011 adults, interviewed by telephone between September 19 and 23, 2002.

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**TABLE 1**

**Will more managed care help to contain costs?**

“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?”

Base: All adults

	1995 %	1996 %	1998 %	2000 %	2002 %
Will help to contain costs	59	54	48	39	34
Will not help	31	39	45	53	50
Neither/Not sure/Refused	11	6	7	8	15

**TABLE 2**

**Will more managed care improve or harm quality of care?**

“Do you think the trend toward more managed care – with more people belonging to HMOs, PPOs and other managed care plans – will improve or harm the quality of Medicare care people like you will receive?”

Base: All adults

	1995 %	1996 %	1998 %	2000 %	2002 %
Improve quality	48	39	31	29	27
Harm quality	39	50	58	59	51
No difference/neither	4	6	4	4	6
Not sure/Refused	9	5	7	8	16

**TABLE 3**

**Trend toward more managed care: A good thing or bad thing?**

“Given what you know, on the whole, do you think this trend away from traditional fee-for-service coverage and toward more managed care is a good thing or a bad thing?”

Base: All adults

	1995 %	1996 %	1998 %	2000 %	2002 %
Good thing	59	47	40	37	36
Bad thing	28	42	47	52	44
Neither (volunteered)	1	4	6	2	5
Not sure/refused	11	8	6	9	15

## Important Demographic Differences

While the modest decline in hostility toward managed care is welcome news for the health insurance industry, this new survey also includes some bad news. Hostility toward managed care is much stronger among upscale, more educated people than it is with poorer, less educated people. The reason this is bad news is that more educated people tend to have more influence and are more likely to vote.

This new survey also finds that Republicans and Independents are more critical of managed care than are Democrats – which may reflect their demographic differences. This is somewhat surprising; in the Congress it is the Republicans who tend to support managed care (including Medicare + Choice) and who believe that “the market” (i.e., competition between different

managed care plans) is the answer to the problem of health care inflation, while Democrats are more supportive of traditional fee-for-service Medicare. Furthermore the battle over “patients’ bill of rights” has mainly been supported in the Congress by Democrats and resisted by the insurance industry and the Republican administration.

Specifically this survey finds that:

- Those who feel that managed care **will not help contain costs** rises from 41% of those with no college education to 69% among those with post-graduate education.

Fully 58% of Independents and 51% of Republicans feel this way, compared to 47% of Democrats.

- Those who believe that managed care **will harm the quality of care** rises from 42% of those with high school diploma’s or less to 66% of those with post-graduate education.

This view is shared by 58% of Republicans and 56% of Independents but only 48% of Democrats.

- Those who believe that the trend toward more managed care is **a bad thing** rises from only 36% among those with no college education to fully 63% among those with post-graduate education.

About half of Republicans (49%) and Independents (51%) think this way compared to a lower percentage among Democrats (40%).

**TABLE 4**  
**Hostility Toward Managed Care – By Education**

	All Adults %	High School or Less %	Some College %	College Graduate %	Post Graduate %
<b>Managed Care:</b>					
Will not help to contain costs	50	41	55	58	69
Will harm quality of care	51	42	56	66	66
Is a bad thing	44	36	45	59	63

**TABLE 5**  
**Hostility Toward Managed Care – By Party Identification**

	All Adults %	Republicans %	Democrats %	Independents %
<b>Managed Care:</b>				
Will not help to contain costs	50	51	47	58
Will harm quality of care	51	58	48	56
Is a bad thing	44	49	40	51

## What Next?

Sometimes trends continue; sometimes (of course) they do not. Right now the health care spotlight has moved away from managed care to prescription drug costs, the Medicare drug benefit and the rapidly rising cost of care, driven by both higher hospital fees and increased drug spending. And, of course, health care has declined in importance as Washington and the president focus on Iraq and the war on terrorism.

So in the short and medium term the backlash against health insurance and managed care will probably continue its modest decline.

However, the larger issues remain. How do we balance the growing demand for the wonders of modern medicine and better care for the chronically ill, with finite resources? We believe that gap between what we want and what we are willing to pay for will increase. Many Americans believe that if they have health insurance they should get all the care they need, and the perception of need is increasing. When managed care doesn't provide it, it's an easy target.

This is not a uniquely American problem. All countries face the problem of a growth in the gap between what people want (and even expect) and what they are willing to pay for. But in most countries, the government is criticized for, in effect, rationing care.

America is unique in that this problem – how to ration care – was passed in large part to the private sector, the health insurance and managed care industry. And as long as the industry continues not to meet the public's expectations that they should be covered for all the care they want, it will be an easy target for more demonization.

## About Harris Interactive®

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