

Elite Views on the Future of the Health Care System

Harris Interactive recently conducted a survey on an interesting topic, the future of the U.S. health care system. But readers should be fully aware of its limitations. The survey was conducted among a **sample of people who planned to attend the World Health Care Congress (WHCC)** in Washington D.C. on January 26 and 27, 2004. This is a heterogeneous group of health care executives, managers and researchers who are employed in very different ways (see Table 1). **They are not representative of any specific group except themselves.** Nevertheless, we found their replies intriguing and decided to share them with a wider audience. For the reasons given above, however, it is important not to claim that these replies are representative of a larger population.

Methodology

The World Health Care Congress invited Harris Interactive to conduct this poll among those who planned to attend the World Health Care Congress in January 2004, in Washington, D.C. The results are based on 106 completed interviews with planned attendees. The survey was conducted online by sending an email invitation to participate to all attendees for whom the WHCC had an email address.

TABLE 1

Organization That You Represent Or Work For

“Which of the following best describes the organization that you represent or work for?”

Base: Attendees of World Health Care Congress

	%
Health insurance (including HMO and Managed Care)	22
Hospital or hospital system	20
Pharmaceutical or biotech company	13
Large employer or employer coalition (but not in any of the above)	13
Professional services/Consulting firm	9
Association/Policy organization	6
Media/Publishing	5
IT Systems provider	3
Financial services	3
Not-for-profit	2
Medical device company	1
Pharmacy benefit management company	1
Other	3

Note: Percentages do not add up to 100% due to rounding.

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What's Ahead in Health Care News?

During this year, Harris Interactive and IMS Health will launch a global physician poll that provides insights on the perspectives and experiences of physicians in the U.S., U.K., France, Germany, Italy and Spain. Look for results in upcoming issues of the Harris Interactive *Health Care News*.

Threats and Opportunities

The three **biggest threats** to the organizations attending the Congress are perceived to be:

- The rate of increase of health care spending
- The erosion of employer-provided insurance
- The increasing numbers of uninsured and underinsured.

TABLE 2

Biggest Threat Over Next Two To Five Years

“Looking ahead to the next 2 to 5 years, which two do you think are the **most serious threats** to your sector of the health care industry?” (Multiple Response)

Base: Attendees of World Health Care Congress

	%
The rate of increase in health care spending	31
Erosion of employer-provided health insurance	19
Increasing number of uninsured and/or underinsured	15
Reimbursement rates	13
Slow adoption of information technology	13
A public backlash against your industry	10
New federal legislation or regulation	9
Labor shortages	9
Rising consumer out-of-pocket costs	9
Pressures on pricing for prescription drugs	8
Increased utilization	8
Price regulation or price controls	6
Not producing enough valuable new products or services	6
Increasing prevalence of chronic medical conditions	6
Consolidation of health insurers	6
Shortage of capital	6
Malpractice/Liability premiums	6
The cost of new technology	5
Increasing rates of patient non-compliance	3
Rising input costs	2
Increased competition	2
Public health infrastructure	2
Increasing specialty, or “boutique” providers	2
Consolidation of hospitals	1
Other	3

The most **significant opportunities** for attendees are thought to be:

- The adoption of information technology
- The evolution of employer-provided health insurance
- Increasing prevalence of chronic medical conditions
- Rate of increase in health care spending.

TABLE 3

Most Significant Opportunities

“Which two of these do you think are the **most significant opportunities** for your sector of the health care industry?” (Multiple Response)

Base: Attendees of World Health Care Congress

	%
Adoption of information technology	47
Evolution of employer-provided health insurance	22
Increasing prevalence of chronic medical conditions	18
The rate of increase in health care spending	17
New federal legislation or regulation	13
Increased utilization	12
Pharmacogenomics	12
Pressures on pricing for prescription drugs	10
The cost of new technology	8
Reimbursement rates	8
Increased competition	7
Increasing rates of patient non-compliance	6
A public backlash against other sectors of the industry	3
Price regulation or price controls	2
Other	10

Expectations

On balance (using median responses) **most attendees think** that in the next 10 years:

- The *number of uninsured* will increase to 18% of the population
- *Health care spending* will increase to 18% of GDP
- The *number of insured employees* will fall from 67% to 55%
- *Out-of-pocket spending* will increase from 17% to 25% of all health care costs
- The proportion of *Medicare beneficiaries insured by the private sector* will increase from 12% to 16%.

TABLE 4

Some Hopes, Fears And Expectations On Key Measures

“Please note for each of the following what you would like it to be in 10 years and what you think it will be in 10 years.”

Base: Attendees of World Health Care Congress

	Would Like It to Be (Median)	Think It Will Be (Median)
The proportion of the population that has no health insurance (currently about 15%)	5%	18%
Total cost of health care as a percentage of GDP (currently about 14%)	13%	18%
Percent of all employees with employer-provided insurance (currently about 67%)	80%	55%
Percent of all health care costs paid by consumers out-of-pocket (currently about 17%)	20%	25%
Proportion of Medicare population insured by private sector health plans (currently about 12%)	25%	16%

Majorities **also anticipate** that:

- The *proportion of hospital beds provided by investor-owned hospitals* will rise
- The *proportion of health insurance provided by investor-owned companies* will rise
- *Tiering of the system* will increase.

TABLE 5

Some More Hopes

“Please note for each of the following what you **would like** it to be in 10 years.”

Base: Attendees of World Health Care Congress

		Much Lower	Somewhat Lower	No Change	Somewhat Higher	Much Higher
The proportion of hospital beds provided by for-profit investor-owned hospitals	%	22	15	35	23	6
The proportion of health insurance provided by for-profit investor-owned insurance companies or managed care plans	%	16	21	21	28	14
“Tiering” of the health care system by the ability to pay	%	19	18	19	26	18

TABLE 6

Some More Expectations

“Please note for each of the following what you **think** it will be in 10 years.”

Base: Attendees of World Health Care Congress

		Much Lower	Somewhat Lower	No Change	Somewhat Higher	Much Higher
The proportion of hospital beds provided by for-profit investor-owned hospitals	%	3	14	25	49	8
The proportion of health insurance provided by for-profit investor-owned insurance companies or managed care plans	%	4	10	24	54	8
“Tiering” of the health care system by the ability to pay	%	2	8	14	54	22

Drug Prices

The overwhelming majority believes that maintaining the current system with its great price differential for pharmaceuticals between the United States and Canada or Europe is unsustainable.

TABLE 7

Are U.S. Premium Drug Prices Sustainable?

“Looking ahead 10 years, do you think it will be possible to sustain a system in which the price differential for pharmaceuticals between the U.S., Canada and Europe is as great as it is today?”

Base: Attendees of World Health Care Congress

	%
Will be sustainable	7
Will not be sustainable	89
Not sure	5

Cost Containment

Large numbers of attendees see many ways to contain costs which are both desirable and effective. **Their priorities for cost containment** are:

- *Improving quality of care* through IT, practice guidelines and other proposals made by the Institute of Medicine
- *Increasing the efficiency* of providers so that they can provide more and better care at lower costs
- *Disease management programs*
- *Having a really competitive market* with strong competition between different insurers and different providers
- *Reducing administrative costs* of the reimbursement system.

TABLE 8

Effective And Desirable Ways To Contain Costs

“Which of the following do you think are both effective and desirable ways of containing health care costs?” (Multiple Response)

Base: Attendees of World Health Care Congress

	%
Reducing the administrative costs of the reimbursement system	81
Improving the quality of care via the use of IT, practice guidelines and the other proposals made by the Institute of Medicine	79
Containing the costs of professional liability insurance for providers	79
Disease management programs	78
Increasing the efficiency of providers so that they can provide more and better care at lower costs	76
Reducing inappropriate care and fraud	75
Having a really competitive market with strong competition between different insurers and different providers	58
Having consumers pay a substantially higher share of their health care costs	43

TABLE 9

Two Best Ways To Contain Costs

“And which two of them would be your top two priorities?” (Multiple Response)

Base: Attendees of World Health Care Congress

	%
Improving the quality of care via the use of IT, practice guidelines and the other proposals made by the Institute of Medicine	49
Increasing the efficiency of providers so that they can provide more and better care at lower costs	29
Disease management programs	26
Having a really competitive market with strong competition between different insurers and different providers	25
Reducing the administrative costs of the reimbursement system	23
Having consumers pay a substantially higher share of their health care costs	18
Containing the costs of professional liability insurance for providers	15
Reducing inappropriate care and fraud	14

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