

## Public Attitudes to Hospitals, Pharmaceuticals and Managed Care Companies Improve Significantly

*Best numbers on “serving consumers” since 2002*

5 | Volume

4 | Issue

May 11

2005

Every year at this time, Harris Interactive presents a cross section of U.S. adults a list of different industries and asks whether they are generally doing “a good job or a bad job of serving their consumers.” In this year’s survey the industry which gets the most positive and lowest negative replies is the supermarket industry. Fully 92 percent of adults think supermarkets generally do a good job and only eight percent think they do a bad job, giving them a net positive score (i.e. good job minus bad job) of 84 percentage points.

Harris Interactive first asked these questions in 1997. Four healthcare industries have been included in the list – hospitals, pharmaceuticals, health insurance and managed care – and they have been among the most volatile of all the industries covered. Only the oil industry has changed as much.

In this year’s survey, pharmaceuticals’ net score (calculated as good job minus bad job) has improved by 17 points. Furthermore, managed care companies and hospitals have each improved their net scores by 10 points. However, pharmaceuticals, managed care and health insurance have only recovered a modest amount of their big decline in public approval over the full eight years of these measures.

These are some of the results of a nationwide telephone survey conducted by Harris Interactive among 1,010 U.S. adults between April 5 and 10, 2005.

**Hospitals** now have a net score of **59 points positive** (79 percent good job minus 20 percent bad job), a 10 point improvement since last year and their best score in all eight years of this series. It is interesting, perhaps surprising, that hospitals score so well when increased hospital prices have, for most of the last few years, been a major contributor to increased healthcare costs. However, most people have not had to pay these higher prices themselves.

**Pharmaceuticals** now have a net score of **13 points positive** (56 percent good job minus 43 percent bad job). This is a substantial improvement since last year’s net score of four points negative. However, it is still far below the overwhelmingly positive net scores the industry enjoyed in 1997 (60 points positive) and 1998 (50 points positive).

**Managed care companies** still have a **net negative score of 13 points**, but this is an improvement from the negative 23 points last year. This is the sixth consecutive years of negative scores. Only in 1997 and 1998 did managed care have net positive scores.

Over the years the distinction between managed care and health insurance has greatly diminished because most insurance companies (and all the larger ones) now provide HMOs, PPOs and other managed care services. At times the ratings of managed care have been better than health insurance; sometimes they have been worse. This year **health insurance** has a **negative 19 points** score (40 percent good job minus 59 percent bad job), virtually unchanged from last year.

### Why have the scores changed?

Surveys are much better at measuring change than explaining it. However, we know that large changes have occurred when prices increase sharply, when the media have run a large number of negative stories about an industry, or when the public experiences change.

As gasoline prices rise, the oil industry's ratings fall. The public's attitudes to smoking and those who promote it explain the low scores of the tobacco industry. The pharmaceutical industry's reputation fell like a stone as their prices and, in particular, the out-of-pocket costs paid by consumers rose sharply between 1997 and 2004. Recently drug costs have been rising more slowly. It is also possible that the industry's advertising campaigns have also had some effect.

The improvement in the (still very low) score of managed care companies may result from a decline in all news, and especially unfavorable news, about managed care, as the public debate has focused on Medicare reform, the Medicare drug benefit and the trend toward consumer-directed health plans.

**TABLE 1**  
**Industries Doing Good Job/Bad Job Of Serving Their Consumers**  
“Do you think ...generally do a good or bad job of serving their consumers?”  
Base: All Respondents Assigned (Variable Base)

		Good Job	Bad Job	Not Sure / Refused	Good Job Minus Bad Job
Supermarkets	%	92	8	*	84
Airlines	%	80	18	2	62
Computer hardware companies	%	84	10	6	74
Packaged food companies	%	83	16	1	67
<b>Hospitals</b>	%	<b>79</b>	<b>20</b>	<b>1</b>	<b>59</b>
Computer software companies	%	81	14	4	67
Banks	%	78	21	*	57
Electric and gas utilities	%	75	25	-	50
Online search engines	%	79	11	9	68
Internet service providers	%	72	21	7	51
Car manufacturers	%	66	32	2	34
Life insurance companies	%	70	26	4	44
Online retailers	%	70	19	11	51
Telephone companies	%	70	28	2	42
Investment and brokerage firms	%	65	30	5	35
Cable companies	%	63	35	2	28
<b>Pharmaceutical and drug companies</b>	%	<b>56</b>	<b>43</b>	<b>1</b>	<b>13</b>
<b>Managed care companies, such as HMOs</b>	%	<b>41</b>	<b>54</b>	<b>5</b>	<b>-13</b>
<b>Health insurance companies</b>	%	<b>40</b>	<b>59</b>	<b>1</b>	<b>-19</b>
Tobacco companies	%	35	63	2	-28
Oil companies	%	31	67	2	-36

**TABLE 2**

**Difference Between Good Job/ Bad Job By Industry**

“Do you think each of the following generally do a good or bad job of serving their consumers?”

Base: All Adults

										<b>Changes</b>	
	1997	1998	2000	2001	2002	2003	2004	2005	1997-2005	2004-2005	
	%	%	%	%	%	%	%	%	%	%	
Supermarkets	N/A	N/A	N/A	N/A	N/A	74	79	84	N/A	+5	
Computer hardware companies	71*	70	70	71	49	57	64	74	+3	+10	
Online search engines	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68	N/A	N/A	
Computer software companies	71*	71	71	72	48	57	62	67	-4	+5	
Packaged food companies	N/A	N/A	N/A	N/A	N/A	58	62	67	N/A	+5	
Airlines	N/A	66	45	15	47	40	61	62	-4	+1	
<b>Hospitals</b>	<b>57</b>	<b>50</b>	<b>48</b>	<b>41</b>	<b>56</b>	<b>53</b>	<b>49</b>	<b>59</b>	<b>+2</b>	<b>+10</b>	
Banks	52	46	49	46	54	50	52	57	+5	+5	
Online retailers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51	N/A	N/A	
Internet service providers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51	N/A	N/A	
Electric and gas utilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50	N/A	N/A	
Life insurance companies	35	39	39	36	34	29	27	44	+9	+17	
Telephone companies	61	53	32	27	22	20	17	42	-19	+25	
Investment and brokerage firms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	35	N/A	N/A	
Car manufacturers	44	44	40	40	41	38	44	34	-10	-10	
Cable companies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28	N/A	N/A	
<b>Pharmaceutical and drug companies</b>	<b>60</b>	<b>50</b>	<b>24</b>	<b>20</b>	<b>30</b>	<b>4</b>	<b>-4</b>	<b>13</b>	<b>-47</b>	<b>+17</b>	
<b>Managed care companies such as HMOs</b>	<b>13</b>	<b>3</b>	<b>-27</b>	<b>-30</b>	<b>-12</b>	<b>-23</b>	<b>-23</b>	<b>-13</b>	<b>-26</b>	<b>+10</b>	
<b>Health insurance companies</b>	<b>13</b>	<b>1</b>	<b>-15</b>	<b>-19</b>	<b>13</b>	<b>-12</b>	<b>-20</b>	<b>-19</b>	<b>-32</b>	<b>+1</b>	
Tobacco companies	-28	-28	-34	-37	-36	-32	-30	-28	-	+2	
Oil companies	24	38	-13	-39	-6	-6	-25	-36	-60	-11	

Notes:

(1) \*In 1997 “computer companies” were rated together (i.e., hardware and software companies were not measured separately).

N/A= Not Asked

(2) The trends for airlines are from 1998, as they were not included in the 1997 survey.

Downloadable PDFs of the Harris Interactive *Healthcare News* can be found at: [http://www.harrisinteractive.com/news/newsletters\\_healthcare.asp](http://www.harrisinteractive.com/news/newsletters_healthcare.asp).

## Methodology

*The Harris Poll*® was conducted by telephone within the United States between April 5 and 10, 2005, among a nationwide cross section of 1,010 adults aged 18 and over. Figures for age, sex, race, education, number of adults and number of voice/telephone lines in the household were weighted where necessary to align them with their actual proportions in the population.

In theory, with a probability sample of this size, one can say with 95 percent certainty that the results have a sampling error of plus or minus 3 percentage points of what they would be if the entire U.S. adult population had been polled with complete accuracy. Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (non-response), question wording and question order, interviewer bias, weighting by demographic control data and screening (e.g., for likely voters). It is impossible to quantify the errors that may result from these factors.

*These statements conform to the principles of disclosure of the National Council on Public Polls.*

## About Harris Interactive

Harris Interactive Inc. ([www.harrisinteractive.com](http://www.harrisinteractive.com)), the 15th largest and fastest-growing market research firm in the world, is a Rochester, N.Y.-based global research company that blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application. Known for *The Harris Poll*® and for pioneering Internet-based research methods, Harris Interactive conducts proprietary and public research to help its clients achieve clear, material and enduring results.

Harris Interactive combines its intellectual capital, databases and technology to advance market leadership through U.S. offices and wholly owned subsidiaries: London-based HI Europe ([www.hieurope.com](http://www.hieurope.com)), Paris-based Novatris ([www.novatris.com](http://www.novatris.com)), Tokyo-based Harris Interactive Japan, through newly acquired WirthlinWorldwide, a Reston, Virginia-based research and consultancy firm ranked 25th largest in the world, and through an independent global network of affiliate market research companies. EOE M/F/D/V

To become a member of the Harris Poll Online<sup>SM</sup> and be invited to participate in future online surveys, visit [www.harrispollonline.com](http://www.harrispollonline.com).

# Healthcare News

5 | Volume  
4 | Issue  
**May 11**  
2005

## Get Smart!

Did you know that Harris Interactive conducts up to five free webinars a month? Spanning a variety of business issues facing a handful of industries, these one-hour interactive sessions allow you to catch up on the latest research advancement, propriety industry findings, and best practices. Register for one or more sessions at <http://harrisinteractive.webex.com>. Visit often as our schedule changes weekly.

For a complete list of events, including webinars, where Harris Interactive thought leaders are presenting, exhibiting and sponsoring, visit <http://www.harrisinteractive.com/news/events.asp>.

---

## To Subscribe

Please submit your contact information online at <http://www.harrisinteractive.com/news/healthcaresubscribe.asp>.

## To Unsubscribe

Please send an email to [Health\\_Care\\_News@harrisinteractive.net](mailto:Health_Care_News@harrisinteractive.net) requesting to be removed from this newsletter distribution list.

For more information, please contact us at:

**877.919.4765**

or visit our healthcare webpage at [www.harrisinteractive.com/healthcare](http://www.harrisinteractive.com/healthcare)

## Media inquiries, contact:

Kelly Gullo 585.214.7172  
[kgullo@harrisinteractive.com](mailto:kgullo@harrisinteractive.com)  
Nancy Wong 585.214.7316  
[nwong@harrisinteractive.com](mailto:nwong@harrisinteractive.com)

©2005, Harris Interactive Inc. All rights reserved.  
Other product and/or company names used herein are trademarks of their respective owners.