



NOVEMBER 2011

Data Brief

COMMISSION ON A HIGH PERFORMANCE HEALTH SYSTEM

Health Care Opinion Leaders' Views on Health Spending and Reform Implementation

KRISTOF STREMIKIS, STUART GUTERMAN, SARA R. COLLINS,
AND KAREN DAVIS

The mission of The Commonwealth Fund is to promote a high performance health care system. The Fund carries out this mandate by supporting independent research on health care issues and making grants to improve health care practice and policy. Support for this research was provided by The Commonwealth Fund. The views presented here are those of the authors and not necessarily those of The Commonwealth Fund or its directors, officers, or staff.

ABSTRACT: Nine of 10 leaders in health care and health care policy believe it is important for federal and state policymakers to continue to implement the Affordable Care Act, according to a Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey. Three-quarters of survey respondents think the growth in national health spending per capita can be lowered without harming access to or quality of care. Large majorities support implementation of specific coverage expansion provisions of the health reform law, including insurance market changes, Medicaid expansion, and premium tax credits. Leaders also believe it is important to implement payment and delivery system initiatives such as the Center for Medicare and Medicaid Innovation, Patient-Centered Outcomes Research Institute, and Independent Payment Advisory Board. Large majorities support key elements of President Obama's recent framework to reduce the federal budget deficit by building on the law and achieving further savings in Medicare and Medicaid.

★ ★ ★ ★ ★

OVERVIEW

Health reform and health care spending remain key topics for Congress as it continues to search for ways to lower the federal budget deficit and improve the nation's return on its significant investment in health. Numerous approaches to reducing the growth of health care spending while improving system performance have been proposed, including strengthening the Independent Payment Advisory Board created under the Affordable Care Act and introducing new incentives for physicians and hospitals to move to more efficient models of care delivery.¹ Alternative reforms, such as repealing the health insurance expansion provisions of the law and capping federal budget outlays for Medicare and Medicaid, are also under consideration. Several of these proposals explicitly target reductions in national health expenditures while others focus exclusively on federal health spending.²

For more information about this study, please contact:

Kristof Stremikis, M.P.P., M.P.H.
Senior Research Associate
The Commonwealth Fund
ks@cmwf.org

To learn more about new publications when they become available, visit the Fund's Web site and register to receive Fund e-mail alerts.

Commonwealth Fund pub. 1566
Vol. 29

The latest and final Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey asked experts in the field about health spending and implementation of the Affordable Care Act. Nine of 10 health care opinion leaders think it is important for federal and state policymakers to continue to move forward in their work implementing the reform law. Survey respondents also indicate strong support for bringing the annual increase in health care expenditures more in line with economic growth, a central goal of the Affordable Care Act and the President's recent deficit reduction framework. Nearly three-quarters of opinion leaders believe the growth in national health spending per capita can be lowered without harming access to or quality of care. Only 4 percent of those surveyed think spending needs to increase at its currently projected rate or higher.

When asked about implementation of specific coverage provisions in the law, large majorities of opinion leaders identify insurance market changes (86%), Medicaid expansion (79%), and premium tax credits (68%) as being important priorities. Eighty-four percent of respondents believe the mandate that requires individuals to purchase insurance coverage is an important strategy for achieving the law's stated goals of reducing the number of uninsured, improving the availability and affordability of coverage, and improving overall population health. Sixty-eight

percent of survey respondents think it is important for states to develop and operate insurance exchanges.

Leaders also believe it is important to implement several payment and delivery system initiatives included in the Affordable Care Act, such as the Center for Medicare and Medicaid Innovation (83%), Patient-Centered Outcomes Research Institute (64%), and Independent Payment Advisory Board (64%). Large majorities support key elements of President Obama's recent deficit reduction framework, a proposal that includes policies designed to build on the law and achieve further savings in Medicare and Medicaid. More than three of four support all of the following: reducing fraud and abuse (90%), encouraging more efficient post-acute care (87%), and aligning Medicare and Medicaid drug payment policies (79%) in an effort to lower federal health spending. Fewer than one of three (32%) believe less government regulation is an important strategy for slowing health spending growth.

Many of these views are in line with the recommendations of the Commonwealth Fund Commission on a High Performance Health System, which has a mission to promote better access, improved quality, and greater efficiency across the U.S. health care system.³ The Commission has concluded that meaningful reform of the health system will require a pragmatic mix of public and private initiatives that extend affordable insurance coverage to all, align financial incentives to reward high-quality

ABOUT THE HEALTH CARE OPINION LEADERS SURVEY

The Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey was conducted online within the United States by Harris Interactive, on behalf of The Commonwealth Fund, from September 28 to October 25, 2011, among 1,302 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 185 leaders for a response rate of 14.2 percent. For analytic purposes, respondents were grouped into four nonexclusive sectors: academic/research institutions (56%); business/insurance/other health care industry (22%); health care delivery (21%); and government/labor/consumer advocacy (8%). Data from this survey were not weighted. A full methodology is available in [Appendix A](#).

care, and begin to organize the health system to ensure better care coordination.⁴ An analysis of the Affordable Care Act indicates that the significant insurance, payment, and delivery reform provisions included in the law utilize these strategies and have the potential to simultaneously lower health spending and place the nation on a path to a high performance health system that works for all Americans.⁵

The Health Care Opinion Leaders Survey

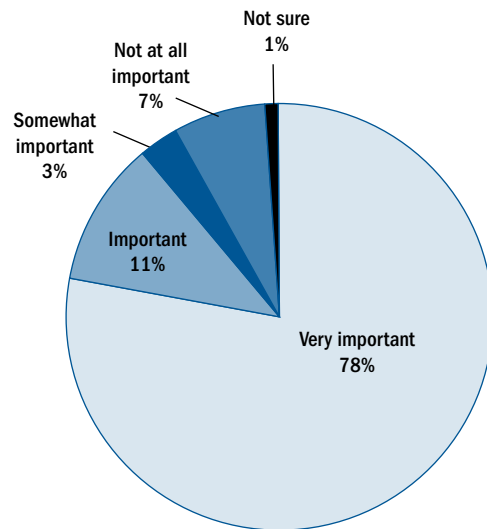
The Commonwealth Fund and *Modern Healthcare* recently commissioned Harris Interactive to solicit the perspectives of a diverse group of health care experts on health care spending and reform implementation. The 185 individuals who took part in the survey—the 27th and final study in a series of surveys assessing the views of experts on key health policy issues—represent the fields of academia and research; health care delivery; business, insurance, and other health industries; and government, labor, and advocacy groups (see Methodology, [Appendix A](#) for detailed demographic information). Between September 28 and October 25, 2011, respondents were asked for their perspective on health reform implementation.

Nearly nine of 10 health care opinion leaders think it is important for federal and state policymakers to continue to move forward in their work implementing the reform law.

Eighty-nine percent of health care opinion leaders think it is important for federal and state policymakers to continue to move forward in their work implementing the Affordable Care Act (Exhibit 1). Support is consistent across respondent categories, with more than eight of 10 leaders in academic and research institutions (93%), health care delivery (85%), and business, insurance, and other health care industries (83%) affirming the importance of implementing the law (Table 1). Only one of 10 respondents feel implementation is somewhat or not at all important.

Exhibit 1. Importance of Implementing the Affordable Care Act

“In general, how important do you think it is for federal and state policymakers to continue to move forward in their work implementing the Affordable Care Act?”

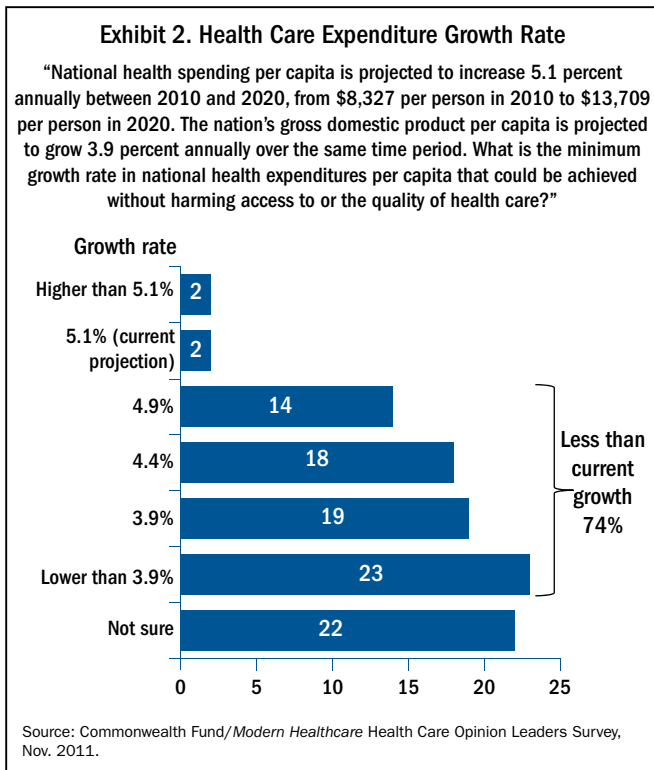


Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, Nov. 2011.

Nearly three-quarters of survey respondents believe the growth in national health spending per capita can be lowered without harming access to or quality of care.

National health spending per capita is projected to increase 5.1 percent annually between 2010 and 2020, from \$8,327 per person in 2010 to \$13,709 per person in 2020.⁶ The nation’s gross domestic product (GDP) per capita is projected to grow 3.9 percent annually over the same time period. Survey respondents were asked to indicate their support for bringing the annual increase in health care expenditures more in line with economic growth—a central goal of the Affordable Care Act and the President’s recent deficit reduction framework.

Nearly three-quarters (74%) of opinion leaders believe the growth in national health spending per capita can be lowered without harming access to or quality of care. (Exhibit 2). Six of 10 survey respondents believe it is possible to achieve President Obama’s specific goal of limiting the increase in health spending to the rate of GDP growth plus 0.5 percentage points or lower without harming access or quality. Only 4 percent of those surveyed think spending needs to increase at its currently projected rate or higher.



Large numbers of opinion leaders identify implementation of insurance market reforms, the Center for Medicare and Medicaid Innovation, and Medicaid expansion as important priorities.

A large majority of leaders support moving forward with major elements of the Affordable Care Act. Survey respondents identify several specific coverage expansion provisions as particularly important, including insurance market changes (86%), Medicaid expansion (79%), and premium tax credits (68%) (Exhibit 3). Payment and delivery system reform provisions such as the creation of a Center for Medicare and Medicaid Innovation (83%), Patient-Centered Outcomes Research Institute (64%), and Independent Payment Advisory Board (64%) also garner significant support.

Eighty-four percent of respondents believe the mandate that requires individuals to purchase insurance coverage is an important strategy for achieving the law’s goals.

Opinion leaders were asked to rate the importance of the individual mandate provision of the Affordable Care Act in achieving the law’s stated goals of reducing the number of uninsured, improving the availability and affordability of coverage, and improving overall population health. The mandate, set to take effect in 2014, requires individuals to carry adequate health insurance coverage or pay a penalty. There are some exemptions: individuals who cannot find a plan with a premium that costs less than 8 percent of their income, net of subsidies and employer contributions; individuals with incomes below the tax-filing threshold (currently \$9,350 for an individual and \$18,700 for a family); people who have been without insurance for less than three months; and certain other circumstances.

In return, insurers will be banned from denying or restricting coverage or basing premiums on

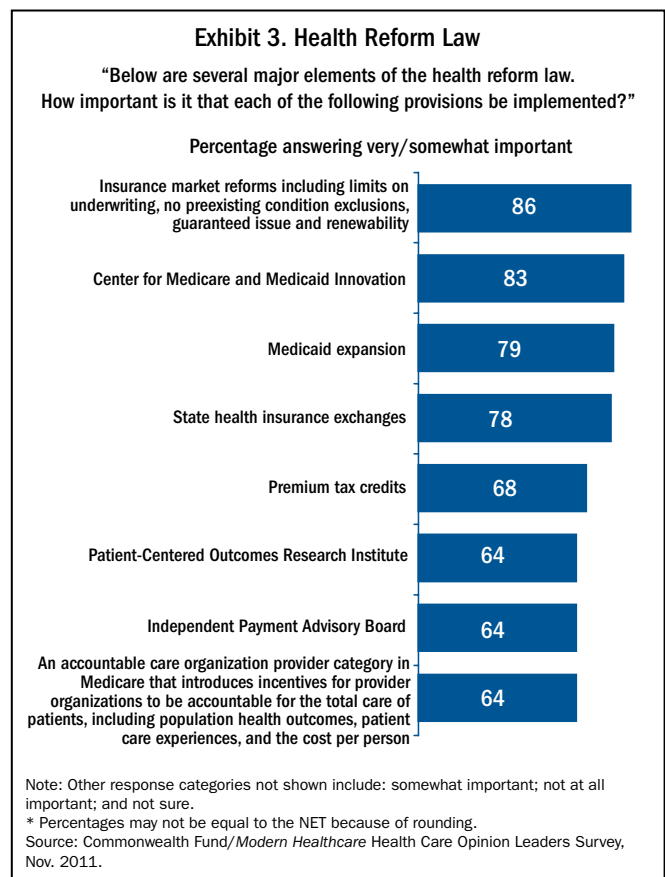
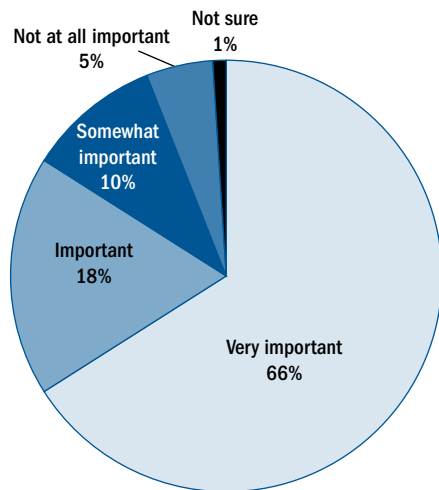


Exhibit 4. Affordable Care Act Individual Mandate

"Many of the constitutional challenges to the Affordable Care Act center on the legality of the individual mandate, a requirement that every individual obtain health insurance coverage, subject to specified affordability standards. How important is the individual mandate to achieving the law's stated goals of reducing the number of uninsured, improving the availability and affordability of coverage, and improving overall population health?"



Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, Nov. 2011.

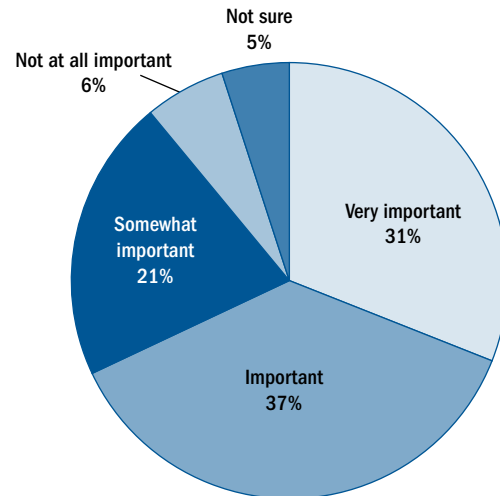
health status or gender. The individual mandate remains a controversial component of the new law and the basis for several legal challenges now working their way through the federal court system. Nevertheless, 84 percent of respondents believe the individual mandate is an important strategy for achieving the law's stated goals (Exhibit 4).

Sixty-eight percent of leaders think it is important for states to develop and operate insurance exchanges.

The state insurance exchanges are one of the centerpieces of the Affordable Care Act and will serve as health insurance marketplaces for people without employer-based coverage. Through the exchanges, individuals will purchase private plans and gain access to premium tax credits, Medicaid, and the Children's Health Insurance Program. States will have flexibility to include provisions aimed at enhancing plan value, lowering administrative costs, and fostering competition. The exchanges initially will be open to individuals and small businesses with up to 100 employees, and states will have the option to open the exchanges to larger firms in 2017. As of November 2011, 13

Exhibit 5. Development and Operation of Insurance Exchanges

"As of September 2011, 13 states have passed legislation giving themselves the authority to establish insurance exchanges under health reform, and several governors have issued or are planning to issue executive orders in the absence of legislation. How important do you think it is for states to develop and operate their own insurance exchanges?"



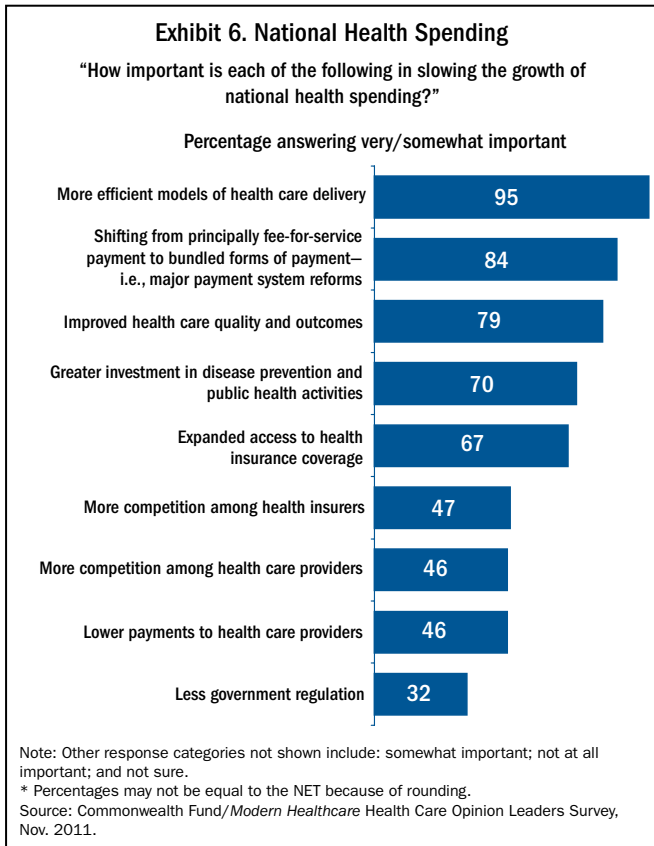
Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, Nov. 2011.

states have passed legislation granting authority to establish insurance exchanges under health reform, and several governors have issued executive orders in the absence of legislation to establish or develop recommendations for an exchange. Sixty-eight percent of leaders think it is important for states to develop and operate their own insurance exchanges (Exhibit 5).

Leaders identify moving toward more efficient models of care delivery, shifting from fee-for-service reimbursement, and improving health care quality as important strategies for slowing the growth of health spending.

Leaders believe many of the general strategies included in the Affordable Care Act are important policies for slowing the growth of health spending. More than three of four respondents support all of the following: moving toward more efficient models of care delivery (95%), shifting from fee-for-service reimbursement to bundled forms of payment (84%), and improving health care quality and outcomes (79%) are important approaches (Exhibit 6).

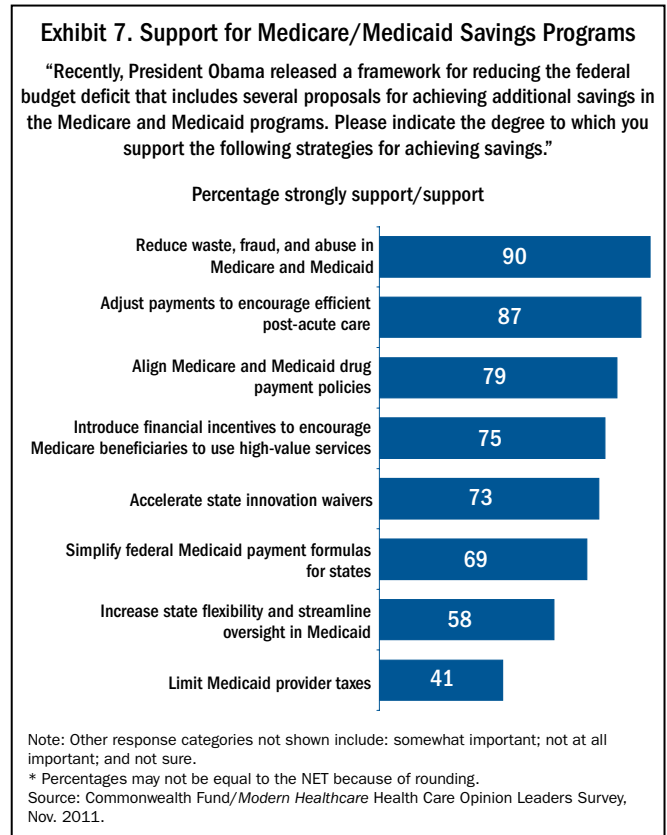
Encouraging more competition among health insurers (47%), more competition among health care



providers (46%), and lower payments to health care providers (46%) are seen as important strategies by less than half of opinion leaders, but sharp differences exist among respondent categories (Table 6). For instance, 63 percent of those in business, insurance, and other health care industries feel lowering health care payments to providers is an important cost saving strategy, while only 23 percent of those in health care delivery share similar views.

Large majorities of leaders support key elements of President Obama’s recent framework to reduce the federal budget deficit by achieving savings in Medicare and Medicaid.

Opinion leaders were asked to indicate the degree to which they support several strategies included in President Obama’s recent deficit reduction framework, a proposal designed to reduce the federal budget deficit in part by achieving savings in Medicare and Medicaid. Large majorities of leaders support reducing waste, fraud, and abuse in Medicare and Medicaid (90%); adjusting payments to encourage



efficient post-acute care (87%); and aligning Medicaid and Medicaid drug payment policies (79%) to lower federal health spending (Exhibit 7). Three-quarters of those surveyed support introducing financial incentives to encourage Medicare beneficiaries to use high-value services.

THE PATH TO A HIGH PERFORMANCE HEALTH SYSTEM

Health reform and health care spending remain key topics as Congress continues to search for ways to lower the federal budget deficit and improve the nation’s return on its significant investment in health. Despite continued debate in Washington and legal challenges in the nation’s court system, nearly nine of 10 health care opinion leaders think it is important for federal and state policymakers to continue to move forward in their work implementing the reform law. Large majorities support key elements of President Obama’s recent deficit reduction framework, a proposal that includes policies that build on the Affordable Care Act and achieve further savings in Medicare and Medicaid.

Commonwealth Fund research and analysis suggests it is both necessary and possible to simultaneously lower health spending and improve overall health system performance. Using a pragmatic mix of public and private initiatives that extend affordable insurance coverage to all, aligning financial incentives to reward high-quality care, and organizing the health system to ensure better care coordination are all strategies with significant potential for increasing efficiency and value while improving outcomes for patients. An analysis of the Affordable Care Act indicates that the significant insurance, payment, and delivery reform provisions included in the law utilize these strategies and offer the opportunity to enter a new era in American health care.

NOTES

- ¹ K. Davis, “Stark Choices: The Health Care Budget Proposals from the President and the House of Representatives,” *The Commonwealth Fund Blog*, April 29, 2011.
- ² K. Davis and S. Guterman, “Achieving Medicare and Medicaid Savings: Cutting Eligibility and Benefits, Trimming Payments, or Ensuring the Right Care?” *The Commonwealth Fund Blog*, July 13, 2011.
- ³ The Commonwealth Fund Commission on a High Performance Health System, *Framework for a High Performance Health System for the United States* (New York: The Commonwealth Fund, Aug. 2006).
- ⁴ The Commonwealth Fund Commission on a High Performance Health System, *Keeping Both Eyes on the Prize: Expanding Coverage and Changing the Way We Pay for Care Are Essential to Make Health Reform Work for Families and Businesses* (New York: The Commonwealth Fund, Nov. 2009).
- ⁵ K. Davis, *A New Era in American Health Care: Realizing the Potential of Reform* (New York: The Commonwealth Fund, June 2010).
- ⁶ Centers for Medicare and Medicaid Services, *NHE Projections 2010-2020, Forecast Summary and Selected Tables* (Washington, D.C.: Centers for Medicare and Medicaid Services, Sept. 2011).

APPENDIX A. METHODOLOGY

This survey was conducted online by Harris Interactive on behalf of The Commonwealth Fund among 185 opinion leaders in health policy and innovators in health care delivery and finance within the United States from September 28 to October 25, 2011. Harris Interactive sent out individual e-mail invitations to the entire panel containing a password-protected link, and a total of five reminder e-mails were sent to those that had not responded. No weighting was applied to these results.

The initial sample for this survey was developed using a two-step process. The Commonwealth Fund and Harris Interactive jointly identified a number of experts across different professional sectors with a range of perspectives based on their affiliations and involvement in various organizations. Harris Interactive then conducted an online survey with these experts asking them to nominate others within and outside their own fields whom they consider to be leaders and innovators in health care. Based on the result of the survey and after careful review by Harris Interactive, The Commonwealth Fund, and a selected group of health care experts, the sample for this poll was created. The final list included 1,246 individuals.

In 2006, The Commonwealth Fund and Harris Interactive joined forces with *Modern Healthcare* to add new members to the panel. The Commonwealth Fund and Harris Interactive were able to gain access to *Modern Healthcare's* database of readers. The Commonwealth Fund, Harris Interactive, and *Modern Healthcare* identified readers in the database that were considered to be opinion leaders and invited them to participate in the survey. This list included 1,467 people. At the end of 2006, The Commonwealth Fund and Harris Interactive removed those panelists who did not respond to any previous surveys. In 2007, recruitment for the panel continued with *Modern Healthcare* recruiting individuals through their Daily Dose newsletter. In addition, Harris Interactive continued to recruit leaders by asking current panelists to nominate other leaders. The final panel size for the Health Reform Implementation survey included 1,302 leaders. With this survey, we are using a new definition of the panel. One hundred eighty-five of these panelists completed the survey, for a 14.2% response rate.

With a pure probability sample of 185 adults, one could say with a 95 percent probability that the overall results have a sampling error of ± 7.21 percentage points. However, that does not take other sources of error into account. This online survey is not based on a probability sample, and therefore, no theoretical sampling error can be calculated.

The data in this brief are descriptive in nature. The brief represents the opinions of the health care opinion leaders interviewed and is not projectable to the universe of health care opinion leaders.

ABOUT THE AUTHORS

Kristof Stremikis, M.P.P., M.P.H., is senior research associate for the president of The Commonwealth Fund. Previously, he was a graduate student researcher in the School of Public Health at the University of California, Berkeley, where he evaluated various state, federal, and global health initiatives while providing economic and statistical support to faculty and postdoctoral fellows. He has also served as consultant in the director's office of the California Department of Healthcare Services, where he worked on recommendations for a pay-for-performance system in the Medi-Cal program. Mr. Stremikis holds three undergraduate degrees in economics, political science, and history from the University of Wisconsin at Madison. He received a master of public policy degree from the Goldman School at the University of California, Berkeley, and a master of public health degree from the Columbia University Mailman School of Public Health. He can be e-mailed at ks@cmwf.org.

Stuart Guterman is vice president for Payment and System Reform at The Commonwealth Fund and executive director of the Commonwealth Fund Commission on a High Performance Health System. His prior positions include: director of the Office of Research, Development, and Information at the Centers for Medicare and Medicaid Services; senior analyst at the Congressional Budget Office; principal research associate in the Health Policy Center at the Urban Institute; and deputy director of the Medicare Payment Advisory Commission (and its predecessor, the Prospective Payment Assessment Commission); and chief of institutional studies in the Health Care Financing Administration's Office of Research. He can be e-mailed at sxg@cmwf.org.

Sara R. Collins, Ph.D., is vice president at The Commonwealth Fund. An economist, she is responsible for survey development, research, and policy analysis, as well as program development and management of the Fund's Affordable Health Insurance program. Prior to joining the Fund, Dr. Collins was associate director/senior research associate at the New York Academy of Medicine, Division of Health and Science Policy. Earlier in her career, she was an associate editor at *U.S. News & World Report*, a senior economist at Health Economics Research, and a senior health policy analyst in the New York City Office of the Public Advocate. She holds an A.B. in economics from Washington University and a Ph.D. in economics from George Washington University. She can be e-mailed at src@cmwf.org.

Karen Davis, Ph.D., is president of The Commonwealth Fund. She is a nationally recognized economist with a distinguished career in public policy and research. In recognition of her work, Ms. Davis received the 2006 AcademyHealth Distinguished Investigator Award. Before joining the Fund, she served as chairman of the Department of Health Policy and Management at The Johns Hopkins Bloomberg School of Public Health, where she also held an appointment as professor of economics. She served as deputy assistant secretary for health policy in the Department of Health and Human Services from 1977 to 1980, and was the first woman to head a U.S. Public Health Service agency. A native of Oklahoma, she received her doctoral degree in economics from Rice University, which recognized her achievements with a Distinguished Alumna Award in 1991. Ms. Davis has published a number of significant books, monographs, and articles on health and social policy issues, including the landmark books *Health Care Cost Containment; Medicare Policy; National Health Insurance: Benefits, Costs, and Consequences*; and *Health and the War on Poverty*. She can be e-mailed at kd@cmwf.org.

Editorial support was provided by Deborah Lorber.

