



## **MEMORANDUM**

TO: AMERICAN HOSPITAL ASSOCIATION

FROM: BILL McINTURFF / LORI WEIGEL

RE: KEY FINDINGS FROM A SURVEY OF AMERICAN VOTERS REGARDING REIMBURSEMENT RATES FOR HOSPITALS

DATE: DECEMBER 3, 2012

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Public Opinion Strategies conducted a survey of voters throughout the country in November to assess views of hospitals and better understand attitudes toward reimbursement for the care hospitals provide to Medicare and Medicaid patients.<sup>1</sup>

The survey found that an overwhelming majority of voters — and voters across the political spectrum and in every age group — reject reductions in reimbursement to hospitals for the services they provide to Medicare and Medicaid patients. They say such reductions would decrease access to health services for seniors. On the more complex topic of rate differences by setting, voters do not have very strongly held views at this time, although twice as many who do stake a position are inclined to keep the current system as compared to those who would make a change in reimbursement. When given both points of view about the issue, they find the one in favor of keeping the current system to be more compelling, and a majority support keeping the system unchanged after having heard both sides of the issue.

More specifically, the survey found the following key points:

- **The vast majority of American voters reject a proposal to cut reimbursement to hospitals for Medicare and Medicaid patient services.** In order to ensure that all respondents were responding given the same base of knowledge, we provided respondents with a brief, neutral explanation of how the federal government reimburses hospitals and then asked them to respond to a specific proposal to reduce funding:

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<sup>1</sup> From November 13-15, 2012, Public Opinion Strategies completed interviews among 800 registered voters throughout the United States. The margin of sampling error for the full sample is +/-3.46%; margins of sampling error for sub-groups within the sample will be larger.

*“Currently, hospitals receive funds from various federal government health care programs, and almost every hospital receives money from Medicare and Medicaid which are the federal health care programs providing care for seniors and for the poor. Some in Washington are proposing to reduce the amount of money hospitals receive from providing services to patients who have Medicare and Medicaid. How about you? Would you favor or oppose a proposal to reduce the amount hospitals receive from providing services to patients who have Medicare or Medicaid by over 70 billion dollars over the next ten years?”*

Over two-thirds of the electorate rejects reducing reimbursement to hospitals in this manner, with fully 69% indicating opposition and only 22% in support. Even those who are most focused on federal government spending and budget/deficit issues push back against taking this approach. Among the 31% of the electorate which pointed to those spending and budget issues as one of the two most important issues facing the country, fully 71% oppose this proposal to reduce federal spending for health care.

- **In fact, opposition to this reduction in reimbursement rates to hospitals is both wide-spread and broad-based.** A majority of every single sub-group opposes this proposal to reduce funding to hospitals, including...
  - ✓ *74% of Democrats, 58% of Independents, and 69% of Republicans;*
  - ✓ *63% of men and 75% of women;*
  - ✓ *71% of whites and 64% of voters of color;*
  - ✓ *70% of voters under age 35, 63% of voters age 35-44, 73% of voters age 45-64, and 67% of seniors; and,*
  - ✓ *More than three-in-five in every region of the country.*
- **This complete rejection of such a reduction in reimbursement to hospitals is at least in part grounded in the strong positive regard voters hold for hospitals.** Two-thirds of American voters hold a favorable view of hospitals (fully one-third have a “very favorable” view of hospitals). Fewer than one-in-ten (9%) indicate having an unfavorable image of hospitals, while the remainder largely say they have a mixed or half-and-half opinion (21%). This is a very positive favorable to unfavorable ratio.

Positive regard for hospitals extends across partisan lines – 66% of Republicans, 62% of Independents, and 70% of Democrats hold a favorable impression. Medicare recipients are just as positive in their impression of hospitals, as 63% indicate a positive view and only 8% an unfavorable view.

- In addition, voters believe that if funding were reduced by \$70 billion over ten years it would decrease access to health services for seniors. As the following graph illustrates, two-thirds of all voters and 60% of seniors predict a reduction in access to services if such a cut were made.

<u>Seniors Access to Health Services</u>		
	<u>All Voters</u>	<u>Those 65+</u>
Total Increase	8%	10%
Total Decrease	66%	60%
Total Stay the Same	22%	26%

- The survey also explored and registered reaction to a proposal to another change in how hospitals are reimbursed for the care they provide. Again, a brief neutral explanation was provided to survey respondents:

*“Medicare and Medicaid compensate health care providers, such as physicians, for the care they provide those patients. When a physician provides care to a Medicare or Medicaid patient at a hospital, the hospital is also compensated since the doctor is using their facility and their equipment. Some people say that the payment for that service to the physician should be the same no matter where it is provided, while others want to keep the system as it is today. How about you? Would you prefer that Medicare and Medicaid keep the payment system for medical care that is provided by a physician at a hospital as it is today, or change the payment system for medical care that is provided by a physician at a hospital - or do you not have strong feelings one way or the other?”*

Given the real option, a near majority (48%) indicate not having strong feelings about this issue. However, among those who did provide an opinion on the issue, roughly twice as many are inclined to keep the system as it is today (30%).

- The most common rationale in support of changing rate differences by setting is viewed as less compelling for its point of view than a rationale opposed to changing the payment system.

**23% very convincing reason to change; 62% at least somewhat convincing**

*Some policymakers say we should change the payment system because doctors are providing the exact same care to their patients, whether they are in a hospital or in the doctor's office. The location should not matter. Right now, the federal government is paying almost double — first to the doctor and then nearly the same amount to the hospital. We should be doing everything we can to reduce health care costs, and cutting the payment to hospitals is a fair and common sense change to an outdated bureaucratic rule.*

**37% very convincing reason to keep as is; 81% at least somewhat convincing**

*Hospitals say that we should keep the payment system as it is today. These payment cuts for medical care will not only make it more difficult for seniors to find a physician of their choice, but also very difficult to get the care they need at hospitals. Hospitals are open 24 hours a day, seven days a week with skilled staff always available in case something goes wrong. So ensuring hospitals are able to fully support doctors and care for those patients can be a matter of life and death.*

- After hearing both points of view, a majority of voters side with hospitals on keeping the current reimbursement system as it is. A majority (51%) say they would like to keep the system unchanged, while 35% would opt to change the system after hearing more about the issue. Voters in every region of the country and across the political spectrum are more inclined to keep the current system. In addition, seniors and other key sub-groups highly favor physician reimbursement procedures staying the same as they are currently.

<b>Keep/Change Current Medicare/Medicaid Payment System</b>			
	<i>Keep</i>	<i>Change</i>	<i>Net Difference</i>
<b>Seniors</b>	<b>67%</b>	<b>16%</b>	<b>+51%</b>
<b>Work for a Health Care Organization</b>	<b>61%</b>	<b>27%</b>	<b>+34%</b>
<b>Working Women</b>	<b>57%</b>	<b>28%</b>	<b>+29%</b>
<b>Women</b>	<b>54%</b>	<b>30%</b>	<b>+24%</b>

**In summary**, the survey found strong positive regard for hospitals and a clear rejection of a proposal to reduce reimbursement for the care those hospitals provide to Medicare and Medicaid patients. While voters are largely unwilling to take a stand on rate equalization at first, they find the arguments to change the system underwhelming and those against such a change more compelling. Thus, after having heard both sides of the issue, a majority of voters say they would choose to keep the current system where the hospital is also compensated since the doctor is using their facility and their equipment.