



PUBLIC OPINION STRATEGIES

**KEY FINDINGS FROM A NATIONAL SURVEY OF YOUNGER ADULTS (AGE 18-40 YEARS OLD)
ELIGIBLE TO PURCHASE HEALTH COVERAGE THROUGH THE HEALTH INSURANCE
MARKETPLACE IN 2014**
May 14th, 2013

Methodology:

Public Opinion Strategies conducted a national online survey among 801 adults age 18-40 years old. The survey was conducted March 25-April 9, 2013.

The sample was designed to interview adults who would be eligible to purchase health insurance coverage through the new health insurance marketplace in 2014.

- Respondents were screened to include adults age 18-40 years old who have a household income above the Medicaid qualifying Federal Poverty Level, and have either private health insurance or are uninsured.
- Respondents who have health coverage through their parent's health plan and said they would stay on their parent's health plan in 2014 were excluded from the survey.

More than four out of ten respondents who currently have health insurance coverage (45%) report they would no longer purchase health insurance and would instead pay the penalty each year if their premium costs increase 30% in 2014 as a result of the health care law.

- After informing respondents of the fine associated with not having health insurance in 2014, we asked a series of questions to ascertain what insured respondents would be most likely to do with their coverage if their premiums increased next year knowing how much they would be fined for not having coverage. We asked respondents three possible monthly premium cost increase scenarios (10%, 20%, and 30% above what they currently describe as their monthly out-of-pocket premium). In each premium increase scenario, respondents were given three choices for what they would be most likely to do if their premium increased by the amount:
 - 1) *"I would still purchase health insurance on my own to avoid paying the penalty each year on my tax return."*
 - 2) *"I would no longer purchase health insurance and instead would pay the penalty each year on my tax return."*
 - 3) *"I would no longer purchase health insurance, instead I would wait until I got sick and needed medical care before purchasing health insurance, and would pay the penalty each year on my tax return until then."*

The table below shows the cost increase scenario tested, and the percentage of insured respondents selecting each response category.

DATA IS AMONG THE 522 RESPONDENTS IN THE SURVEY WHO CURRENTLY HAVE HEALTH INSURANCE COVERAGE AND PAY A MONTHLY PREMIUM OUT-OF-POCKET			
	<u>Still Purchase Coverage</u>	<u>No Longer Purchase/Pay Penalty</u>	<u>No Longer Purchase/Pay Penalty/Wait Until Sick to Purchase</u>
10% increase	83%	10%	7%
20% increase	65%	24%	11%
30% increase	55%	25%	20%

- When all respondents were asked to imagine they were uninsured next year and had to purchase health insurance on their own and then asked how much they would be willing to pay per month for health insurance, the average mean dollar amount is \$140 and the average median dollar amount is \$100. Looking more closely at the range of responses, 28% of respondents said they would pay less than \$50 out of their own pocket each month for a premium, 42% said they would pay \$50-\$149 a month, and 30% said they would pay \$150 or more a month.
 - There is greater pushback among respondents who said they would pay less than \$50 as a monthly premium and who are currently insured:
 - A majority of these respondents say they would no longer purchase health insurance coverage and instead would pay the penalty each year if their premiums increase 20%.
 - More than six out of ten of these respondents say they would no longer purchase health insurance coverage and instead would pay the penalty each year if their premiums increase 30%.

% No Longer Purchase Coverage by Willing to Pay Per Month

	<i>Less than \$50</i>	<i>\$50-\$149</i>	<i>\$150+</i>
Premium up to 10%	34%	14%	12%
Premium up to 20%	53%	35%	29%
Premium up to 30%	62%	45%	37%

Implications:

- ***This data is a powerful reminder of the price sensitivity among adults 18-40 years old.***
- ***This data strongly suggests that should premiums increase by as much as 20% to 30%, many of these respondents could respond by dropping out of coverage and paying the penalty or waiting until they are sick to purchase health coverage.***

Attitudes towards the health care law among these younger adult respondents are divided and not locked in (29% favorable opinion/38% half-half opinion/33% unfavorable opinion).

- Respondents were asked if their opinion of the health care law is very favorable, mostly favorable, half-and-half, mostly unfavorable, or very unfavorable.

8% Very Favorable
21% Somewhat Favorable
38% Half-and-Half
16% Mostly Unfavorable
17% Very Unfavorable

In this survey, the pluralities of respondents say they have a “half-and-half” opinion of the law. This suggests their views are malleable about the law.

More than six out of ten respondents believe the cost of health insurance will increase as a result of the health care law (64% increase/9% decrease/17% stay the same/10% not sure).

- We asked an open-ended follow-up question among those respondents who said health insurance costs would increase.

Nearly all the participants who said they believe the cost of health insurance will increase under the new health care law believe it will because the program needs to be paid for somehow; they believe the added costs incurred by the health insurance companies to provide universal coverage to everyone, including those who are poor and those who have pre-existing conditions, will be passed along to the consumers in the form of higher premiums, deductibles and co-pays. These respondents believe that because the plan covers everyone, including those who have chronic diseases or illnesses and those who are poor, the additional costs needed to cover these people will be spread out among the other consumers in the form of higher rates. Furthermore, the additional costs the government will incur for covering those without insurance will be passed along to the public through higher taxes.

When asked specifically about the reasons why costs might increase for people under the age of 40, respondents believe the cost of insurance will definitely increase for them because they tend to be generally healthier individuals who do not use as much health care services as older individuals. Subsequently, they will be forced to pay more for their own plans in order to cover older adults, as well as poorer individuals and everyone who is now required to have insurance who could not afford it before.

A majority of respondents do not believe they will be helped that much by the health care law (33% helped a lot-some/55% helped a little-not at all).

- Respondents were asked the following question: *“Although it is hard to know for sure, how much do you think you will be helped by the new health care law...a lot, some, a little, not at all, not sure?”*
- When asked a follow-up open-ended question regarding what specific parts of the law respondents expect will be of the most help to them they say:
 - Providing coverage for everyone and lowering the number of uninsured Americans;
 - Providing more affordable rates and plans;
 - Covering pre-existing conditions; and,
 - Allowing kids to stay on their parent’s coverage until age 26.

Of the nine elements of the health care law that will take effect in January 2014 that we tested, coverage of pre-existing conditions, eliminating higher rates due to health status, and providing financial help for low to moderate income Americans are viewed the most positively and seen as being the most help to these respondents. The individual mandate that includes a penalty/fine and the tax on health insurance companies are viewed the most negatively and perceived as hurting these respondents.

- The table below and on the following page shows this data in greater detail (tables are ranked by % positive and % help). We have used brief labels to identify the elements in the tables, for the actual language used in the survey to describe each element please see the final topline results released with this memo.

Respondents were asked to rate each element on two different scales:

1. *“Do you have a positive or negative opinion about this specific part of the law or do you not have strong feelings one way or the other about it?”*
2. *Do you think this part of the law will be f help to you, will hurt you, or will have no effect on you one way or the other?”*

<i>Do you have a positive or negative opinion about this specific part of the law or do you not have strong feelings one way of the other about it?</i>	Positive	Negative	<u>No Strong Feelings</u>
Coverage pre-existing conditions	68%	17%	15%
Elimination of higher rates due to health status	66%	18%	16%
Financial help for those with low-moderate income	56%	24%	20%
Creation of health insurance marketplace	54%	20%	26%
Minimum package of benefits in marketplace plans	40%	29%	31%
Limits on rates based on age	39%	31%	30%
Availability of low cost catastrophic plans for adults under age 30	36%	29%	35%
Health insurance tax	27%	43%	30%
Individual mandate/fine	21%	55%	24%

<i>Do you think this part of the law will be f help to you, will hurt you, or will have no effect on you one way or the other?</i>	<u>Help</u>	<u>Hurt</u>	<u>No Effect</u>
Elimination of higher rates due to health status	46%	21%	33%
Coverage pre-existing conditions	41%	20%	39%
Financial help for those with low-moderate income	40%	26%	34%
Creation of health insurance marketplace	39%	17%	44%
Minimum package of benefits in marketplace plans	30%	24%	46%
Limits on rates based on age	30%	36%	34%
Availability of low cost catastrophic plans for adults under age 30	24%	26%	50%
Health insurance tax	24%	44%	32%
Individual mandate/fine	18%	46%	36%

Learning about the actual dollar amounts of the penalty/fine associated with the individual mandate in 2014 and 2016 modestly increases respondent’s negative feelings about this part of the law.

- Respondents were presented with the following information:
“In 2014, the penalty will be (whichever is greater):
 - *\$95 per adult, \$47.50 per child (up to \$285 per family) or 1% of a person’s or family’s income.**In 2016, the penalty will be (whichever is greater):*
 - *\$695 per adult, \$347.50 per child (up to \$2,085 per family) or 2.5% of a person’s or family’s income.*

As noted above, after learning this information respondent attitudes shift modestly to become more negative.

	<u>Initial</u>	<u>Informed</u>
Positive	21%	22%
Negative	55%	61%
No Strong Feelings	24%	17%

At the end of the survey, only 19% of respondents believe that the health care law should be implemented in its current form.

- At the end of the survey we asked respondents the following question:
“This survey has talked about possible health insurance premium cost increases next year as a result of the new health care law. Health care policy experts estimate that health care premiums overall will increase as much as 30% next year for people age 40 or younger. If premiums go up by this amount, please record which of the following statements you agree most with:
- 35% The pause button should be hit on the health care law, it should stop being implemented, so that policy experts can review the cost implications of the law and reassess whether it is affordable for all Americans
- 34% The health care law should continue to be implemented but needs to be changed or modified because it is too expensive and will increase health insurance costs for millions of Americans
- 19% The health care law should be implemented in its current form because it is giving millions of Americans who do not have health insurance today access to coverage
- 12% None of these describe how I feel

Important Demographic Notes:

Some interesting health coverage demographics of these survey respondents:

- 73% are insured, 27% are uninsured;
- Of the 73% who have health insurance, 63% have coverage through an employer, 27% have coverage through a plan they purchase on their own, and 7% currently have coverage through their parents plan this year but will not next year; and,
- 26% of survey respondents say they have dropped in and out of health coverage over the past year.