

A M E R I C A N A C T I O N
F O R U M

**Presentation of Key Findings From a
National Survey of Younger Adults (Age 18-40) Who
Will Be Eligible to Purchase Health Coverage
Through the Health Insurance Marketplace**

May 7, 2013



PUBLIC OPINION STRATEGIES

Bill McInturff, Partner
Elizabeth Harrington, Partner

Methodology:

On behalf of the American Action Forum, Public Opinion Strategies conducted a national internet 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.
- Adults who have health coverage through their parents' health plan and said they would stay on their parents' health plan in 2014 were excluded from the survey.

Health Care Coverage Demographics of Sample:



- **73% insured/27%uninsured.**
- **Of the 73% insured:**
 - ✓ **63% have employer coverage;**
 - ✓ **27% purchase coverage on their own; and,**
 - ✓ **7% have coverage through their parent's plan now but say they will not next year.**
- **26% of survey respondents say they have dropped in and out of health coverage over the past year.**



Younger Adult Attitudes Toward Health Care Law

Attitudes toward the health care law among these younger adults are divided and not yet locked in. With pluralities saying they have a “half-half” opinion, the data suggest views about the law are malleable, though it remains a partisan issue.

Feelings Towards the Health Care Law by Party

	<i>Total Favorable</i>	<i>Half-Half</i>	<i>Total Unfavorable</i>
All Younger Adults	29%	38%	33%
 (28%)	10%	25%	65%
Independents (32%)	19%	49%	31%
 (39%)	50%	39%	11%

“Overall, given what you know about the new health care law that was enacted by the Obama administration and Congress in 2010, is your opinion of the law...”

Even the uninsured do not have strong feelings yet about the law.

Feelings Towards the Health Care Law by Health Insurance Status

	<i>Total Favorable</i>	<i>Half-Half</i>	<i>Total Unfavorable</i>
All Younger Adults	29%	38%	33%
Have Health Insurance (73%)	30%	37%	34%
Do Not Have Health Insurance (27%)	26%	42%	32%
In and Out of Coverage (26%)	35%	37%	29%

“Overall, given what you know about the new health care law that was enacted by the Obama administration and Congress in 2010, is your opinion of the law...”

A majority of respondents do not believe they will be helped by the law.

Helped A Lot/Some

33%

Helped A Little/Not At All

55%

When asked a follow-up open-ended question regarding what specific parts of the law respondents expect would be the most help, they say:

1. Providing coverage for everyone and lowering the number of uninsured Americans;
2. Providing more affordable rates and plans;
3. Covering pre-existing conditions; and,
4. Allowing people to stay on their parents' coverage until age 26.

“Although it is hard to know for sure, how much do you think you will be helped by the new health care law?”

Looking at the sub-groups the law was intended to help, the uninsured and those people who drop in and out of coverage over time, although some believe they will be helped, pluralities don't believe they will be helped that much.

Perceived Helpfulness of Health Care Law by Health Insurance Status

	<i>Helped a lot/some</i>	<i>Helped a little/not at all</i>
All Younger Adults	33%	55%
Have Health Insurance (73%)	31%	58%
Do Not Have Health Insurance (27%)	37%	49%
In and Out of Coverage (26%)	41%	47%

“Although it is hard to know for sure, how much do you think you will be helped by the new health care law?”

More than six out of ten respondents believe the cost of health insurance will increase as a result of the health care law.

Total Increase	64%
Stay the same	17%
Decrease	9%
Don't know/Not Sure	10%

“Do you think the cost of health insurance will...increase a lot, increase some, stay about the same, or decrease...as a result of the new health care law?”

We asked an open-ended follow-up question among the 64% of respondents who said health insurance costs would increase because of the health care law.

They believe the cost of health insurance will increase under the new health care law because:

- The program needs to be paid for somehow.**
- They believe the added costs incurred to provide 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.**
- They believe that because the plan covers everyone, including those who have chronic diseases or illnesses and those who are poor, these 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.**

We asked an open-ended follow-up question among the 64% of respondents who said health insurance costs would increase because of the health care law.

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.

We tested nine elements of the health care law that will take effect in January 2014. 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 of help to you, will hurt you, or will have no effect on you one way or the other?***

Of the nine elements 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.**

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?

	Positive	Negative	No Strong Feelings
Coverage of 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 on insurers	27%	43%	30%
Individual mandate/fine	21%	55%	24%

NOTE: We have used brief labels to identify the elements in the table above, for the actual language used in the survey to describe each element please see the appendix.

Do you think this part of the law will be of help to you, will hurt you, or will have no effect on you one way or the other?

	Help	Hurt	No Effect
Elimination of higher rates due to health status	46%	21%	33%
Coverage of 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 on insurers	24%	44%	32%
Individual mandate/fine	18%	46%	36%

NOTE: We have used brief labels to identify the elements in the table above, for the actual language used in the survey to describe each element please see the appendix.



The Individual Mandate/Fine

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.*

Respondents' attitudes shift modestly to become more negative after learning about the actual dollar amounts of the penalty associated with the individual mandate in 2014 and 2016.

Feelings About the Mandate

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

In addition to core Republican sub-groups, voters with the most negative feelings about the mandate and penalty tend to be: Independents, Hispanics/Latinos, people who are uninsured, people who say the current health care system is not meeting their needs, people living in small towns or rural areas, people with lower levels of income, and those who are unemployed.

“Now having heard some more about the requirement that all individuals have health insurance coverage or pay a penalty on their yearly tax return, please record how you feel about this part of the law on the same two scales.”

We asked all respondents to imagine they were uninsured next year and then asked what they would be most likely to do regarding purchasing coverage versus paying the penalty. One-third of respondents who are uninsured say they would still not purchase coverage and less than half say they would actually purchase coverage.

	<i>Among Uninsured</i>	<i>All Younger Adults</i>
I would purchase health insurance on my own	47%	60%
I would not purchase health insurance and instead would pay the penalty	14%	11%
I would wait until I got sick and needed medical care before purchasing health insurance and would pay the penalty return until then	19%	16%
Don't know/Not Sure	20%	13%

“And, again if you were uninsured next year and had to make a decision about purchasing health insurance on your own, which one of the following would you be most likely to do? Please select one.”

However, it is clear that any cost increases in premiums next year will have a significant impact on what people who currently have health insurance will do.

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

We asked insured 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 tested, respondents were given three choices for what they would be most likely to do if their monthly premium increased by that 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 on the following page shows each cost increase scenario tested, and the percentage of insured respondents selecting each response category.

Impact of premium cost increases on what currently insured younger adults say they would do:

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%

There is even 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%. And 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%

“Now listed below are three different premium cost increase scenarios that could happen next year as a result of the new health care law next year. For each one, please record what you would be most likely to do as a result if this increase actually happened.”

At the end of the survey, only 19% of younger adults believe that the health care law should be implemented in its current form if it is going to increase premiums for coverage.

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.

35%

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.

34%

The health care law should be implemented in its current form because it is giving millions of Americans who do not have health insurance coverage.



19%

None of these describe how I feel.

12%

Even a plurality of Democrats no longer believe the law should be implemented in its current form.

Health Care Law Implementation by Party

	<u>Pause/Review</u>	<u>Continue/Change</u>	<u>Implement As Is</u>
 (28%)	54%	22%	11%
Independents (32%)	36%	34%	12%
 (39%)	20%	43%	30%

“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...”



Bottom Line

- **Attitudes about the health care law are not fixed among younger adults.**
- **They do not see much benefit personally from the law at this time. This data may shift as more of the law is implemented.**
- **Although there is no perceived benefit personally they do see some benefits of the law for others, such as providing coverage to the uninsured and coverage of pre-existing conditions.**

- **These younger adults are concerned about the mandate/penalty-fine and the health insurance tax on insurers.**
- **There is significant price sensitivity among younger adults.**
- **Should premiums increase next year due to the health care law by 30%, nearly half of insured younger adults say they would drop coverage and pay the fine. If premiums increase by 20%, more than a third of insured younger adults will drop coverage.**



APPENDIX

Actual elements of health care law as tested:

Coverage of pre-existing conditions – The law requires health insurance companies cover people with pre-existing medical conditions.

Elimination of higher rates due to health status – The law ensures that a person cannot be charged more because of their health status or medical history.

Financial help for those with low-moderate income – The law will provide financial help to low and moderate income Americans who don't get insurance through their jobs to help them purchase coverage.

Creation of health insurance marketplace – The law will create health insurance exchanges or marketplaces where small businesses and people who don't get coverage through their employers can shop for insurance and compare prices and benefits.

Minimum package of benefits in marketplace plans – The law requires insurance companies participating in state health insurance exchanges to offer a minimum package of health insurance benefits, with the required benefits being selected by the federal government.

Limits on rates based on age – Today, the amount health insurance companies charge people for monthly premiums can vary based on a person's age, with older adults tending to pay more than younger adults. The law will change this by placing a limit on the amount health insurance companies can charge older adults compared to younger adults for their premiums.

Availability of low cost catastrophic plans for adults under age 30 – The law makes available catastrophic health plans which will have lower premiums with higher out-of-pocket deductibles. These plans will provide some preventative care, but will primarily cover serious medical conditions and emergencies. These plans will only be available to people under 30 years old and to people for whom traditional health coverage may be unaffordable. Government assistance will not be available to purchase these catastrophic plans.

Health insurance tax on insurers – The law requires health insurance companies to pay more than one hundred billion dollars over ten years in additional new taxes to the federal government on the health insurance premiums they collect from their customers.

Individual mandate/fine – The law requires nearly all Americans who do not have health insurance as of 2014 to get it or else pay a fine on their yearly tax return.

Bill McInturff Elizabeth Harrington



PUBLIC OPINION STRATEGIES

bill@pos.org/703.836.7655
elizabeth@pos.org/215.753.7655