

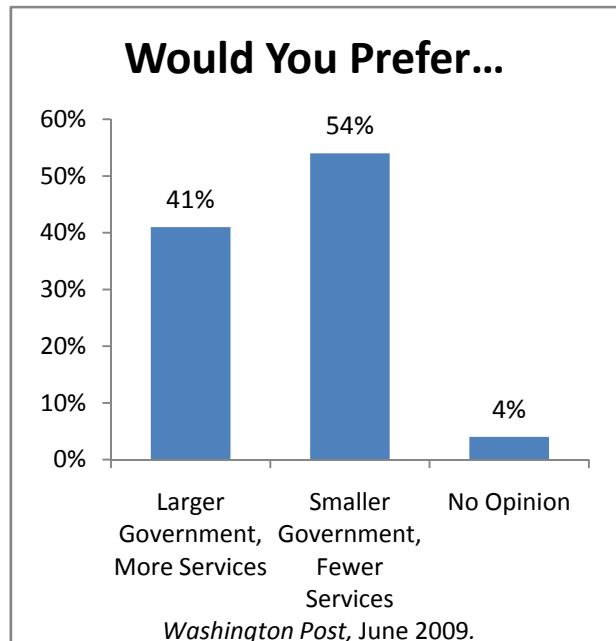
TO: Attendees of the Americans for Tax Reform's "Real Health Care Reform" Event, the Introduction of the Health Care Freedom Act (Senator DeMint), and Other Interested Parties

FROM: Kellyanne Conway, President & CEO  
the polling company™, inc./WomanTrend

DATE: June 24, 2009

RE: Public Opinion & Healthcare

As the President and Congress push healthcare to the front of their agendas and consider the number of competing proposals on the issue, the economy and unemployment still loom large. In fact, the economy and jobs rank, respectively, as the first and second most important concerns (47% and 14%, respectively).<sup>i</sup> When framed in terms of economic priorities, only 11% of Americans say that "the cost of healthcare" is the *most important economic issue facing the country*.<sup>ii</sup> Apparently healthcare reform has not been a priority of the Administration's either. Before broaching healthcare reform in earnest, \$85 billion was spent on automakers and upwards of \$1 trillion on a stimulus bill that apparently isn't working. Even the President himself said this week that unemployment will likely hit double-digit territory.



This isn't to say that Americans do not want some type of healthcare reform. Most Americans express some serious system-related concerns. Subsequently, feel-good phraseology that asks whether one supports or opposes generic "healthcare reform" generates high numbers. However, when queried in terms of reforming one's own personal healthcare system (providers, facilities, coverage, etc.), support falls.

Given that the President and Congress present healthcare as an economic issue, an examination of Americans' views on the President's other high-dollar and big-government policies might provide a glimpse as to how Americans view his healthcare proposal, which is characterized by an increased role of government in a traditionally private-sector function, unprecedented spending, and embracing a ballooning deficit.

- Despite maintaining a 65% generic job approval in the *Washington Post's* latest poll, President Obama draws neutrality on the budget deficit: 48% approved, 48% disapproved.<sup>iii</sup>

- When asked if they would prefer “a larger government with more services” or “a smaller government with fewer services,” 54% chose the more limited government, including 61% of Independents and 79% of Republicans.<sup>iv</sup>
- Sixty-nine percent of Americans have “a great deal” or “quite a bit” of concern about “areas in which the federal government has taken a greater role, such as taking an ownership stake in General Motors, limiting levels of compensation that corporate executives can receive, and the role the government would play in a new health care system.”<sup>v</sup>
- Fifty-five percent of Americans believe that it is the “wrong approach” for the government to take a nearly 60% stake in ownership in GM “because it sets a bad example of the government getting too involved in the management of private companies, which goes against free market principles.”<sup>vi</sup>

### **The Man vs. The Man’s Proposals**

Approval ratings for the person should not be confused with approval ratings for the person’s policies.<sup>vii</sup> The President enjoys high – and relatively constant – favorable and generic job approval ratings, but support for his policies is waning and on a steep decline. This is particularly true as it relates to healthcare.

In the June 2009 installment of the CBS News/*New York Times* Survey, President Obama’s handling of healthcare lagged nearly 20 points behind his overall job approval (44% approve of his actions on healthcare vs. 63% his overall job).<sup>1</sup> In fact, he received higher marks for his handling of terrorism – 52% approve – than of his dealing with healthcare, an issue on which his opponent maintained the upper-hand throughout the entire election cycle.<sup>viii</sup>

“Democrats” are losing their grip on the issue, too. Since October 2008, Democrats have cut their generic advantage on the issue of healthcare in half. In the month prior to the 2008 elections, Democrats enjoyed a 20-point lead over Republicans on healthcare; this month, the Democrats’ advantage fell to 10 points and they no longer are favored by a majority of voters (47% prefer Democrats on the issue, 37% prefer Republicans).<sup>ix</sup>

### **Desires for Reform: Real or Imagined?**

While the appetite for healthcare reform is insatiable in Washington, Americans are not looking for an overhaul of what they personally consume.

A September 2008 bi-partisan survey conducted by Republican pollster Kellyanne Conway of **the polling company™, inc./WomanTrend** and Democrat pollster Doug Schoen found that most Americans are generally satisfied with the level and quality of care they **personally** receive here in the United States.<sup>x</sup>

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<sup>1</sup> This low approval is even more compelling when you take into account the underrepresentation of conservatives, Republicans, and McCain supporters and overrepresentation of liberals and Obama supporters. This poll’s methodology is discussed at length later in this document.

- More than three-in-five (61%) Americans described the quality of health insurance they receive as “excellent” or “good”; and
- Seventy-one percent of Americans offered similar positive reviews of the health care they personally receive (31% “excellent” and 40% “good”).

The same survey revealed that whether by intuition, observation, experience, or a combination of all three, Americans intuit the superiority of the private marketplace in healthcare:

- When asked whether the private sector or the federal government does a better job of providing choice in healthcare, the private sector was favored by an eye-popping 50-point margin (70% vs. 20%); and
- When asked whether the private sector or the federal government can offer lower costs while ensuring high quality of healthcare for consumers in this country, Uncle Sam lost by a 14-point margin (53% offered more confidence in the private sector, 39% in the federal government).<sup>xi</sup>

The intuition that government can or will excel in providing choice or quality comes from the public’s general outlook that government is an efficient operation with too much on its plate and in some instances, overreaching into areas not in need of intervention.

Fortunately for those opposed to Big Medicine, the public opinion climate is even more favorable today than in 1993, when some of the same folks attempted to push HillaryCare on the American public. When a majority of Americans are satisfied with what they already receive, frustrated with the growing size of government, and annoyed with the increasing role of government in the lives of citizens and operations of businesses, anti-market reforms will fail.

A Pew Research Center study released this month highlights the similarities and differences between the public opinion climates of 1993 and 2009.<sup>xii</sup>

- Fewer Americans advocate “complete overhaul” today than in 1993: Whereas 55% of adults believed the system needed to be “completely rebuilt” in 1993, just 41% feel that way now. There has been a nine-point uptick in the percentage of Americans believing only “minor changes” are in order (from 15% to 24%).<sup>xiii</sup>
- Furthermore, there has been an eight-point drop in the percentage of Americans favoring “*Changing the health care system so that all Americans have health insurance that covers all medically-necessary care,*” (from 83% in 1993 to 75% in 2009).<sup>xiv</sup>
- In 1993, the percentage of people believing we pay “too little” for healthcare outpaced the percentage believing we pay “too much” by 13 points (49% vs. 36%). Nineteen years later, Americans are evenly split: 40% think expenditures are exceptionally high, 38% perceive them to be noticeably low.<sup>xv</sup>
- With respect to the impact of healthcare on their own pocketbooks, Americans feel less strain or pressure to meet expenses. The percentage of Americans who said that paying

for the cost of a major illness presents “major problems” to their families has fallen from 63% to 48%. There has also been a six-point decline in the percentage who said that paying for the cost of routine medical care presents “major problems” (from 40% to 34%).<sup>xvi</sup>

### **Priorities: Cost versus Coverage**

- In a June 2009 Pew Research Center survey, 56% of Americans said it was more important to “change the system so that all Americans are guaranteed access to medically necessary care,” while 36% said the focus should be “to find a way to limit the overall annual increase in healthcare costs.” This is a much narrower division of opinion than in 1993, when 74% emphasized an expansion of care and just 20% stressed restricting expenses. According to Pew’s analysis, “*The balance of opinion among Republicans is the reverse of what it was in 1993. Then, 55% prioritized expanded care while 37% emphasized reining in costs. Today, 37% prioritize expanded care while 54% emphasize reining in costs.*”<sup>xvii</sup>
- A June 2009 *Wall Street Journal/NBC News* survey found that when costs are balanced against coverage, 43% of adults believed the President and Congress should be focused on “people who are not covered by insurance” while a statistically-similar 41% felt they should hone in on “the cost of healthcare.”<sup>xviii</sup>
- In the June 2009 installment of the Kaiser Family Foundation’s Health Tracking Poll, 60% of Americans aligned with the suggestion that “*if policymakers made the right changes, they could reform the health care system without spending more money to do it*” while 34% believed “*policymakers will need to spend more money, either by raising some taxes, taking from other programs or increasing the deficit [to make any real reforms to the healthcare system].*”<sup>xix</sup>

### **Plans: Raising Matters of Cost & Consequence Drive Down Support for Public Plans**

*Wall Street Journal/NBC News Poll, June 2009:*

When informed that “experts currently estimate that this proposed healthcare plan will cost one trillion dollars over the next decade” and asked a series of questions on proposed funding mechanisms, majorities of Americans rejected taxes on individuals, but backed levies on businesses:

- More than three-in-five (62%) said it was acceptable and 31% deemed it unacceptable to “*require everyone to have health insurance coverage. Those people who can afford it would buy their own health insurance while people with low and moderate incomes would receive government assistance.*”
- Fifty-five percent said it was acceptable and 37% considered it unacceptable to “*require all but the smallest businesses to either offer healthcare coverage or pay a percentage of their payroll to the government.*”

Respondents were split with respect to “[*reducing*] payments to doctors and hospitals for the services they provide to patients covered by Medicare and Medicaid which are the government health programs for elderly and low income,” as 47% said it was acceptable and 46% unacceptable.

The pitfalls of the aforementioned questions are that they neglected entirely the likely consequences or costs associated with each. Mandating coverage, like what was done in Massachusetts, has shown to be overly burdensome to individuals and businesses alike. Requiring businesses to offer coverage or pay the government for not offering insurance will likely result in employers hiring fewer workers. Cutting payments to Medicare and Medicaid causes an even greater redistribution of costs because medical providers serving these populations have to make ends meet somehow and will only be able to shift costs to other patients.

When costs and consequences were actually pegged to some of these proposals, support was not so overwhelming:

|   | % Acceptable | % Unacceptable | % Not Sure |
|---|--------------|----------------|------------|
| Require people with expensive health plans with more generous benefits than a standard plan to pay taxes on a portion of that plan's costs. | 33%          | 59%            | 8%         |
| Require all people to pay taxes on the cost of their private health insurance plans.  | 23%          | 70%            | 7%         |

*Please tell me which ONE statement you agree with more on the issue of creating a new public health plan administered by the federal government.*

- *(Some/Other) people say it would help lower healthcare costs because it would compete with private health plans. This new public plan would provide coverage for the uninsured and all Americans would have an option for quality affordable healthcare. **(47%)***
- *(Some Other) people say that patients might not always have access to their choice of doctors and the government would lower costs by limiting medical treatment options and decisions that should be made instead by patients and doctors. **(42%)***
- Not sure **(11%)**

*Kaiser Family Foundation, June 2009:*

In this survey, a number of “expansion” questions were put to the test, but missing from these questions was proposed funding mechanisms. Notably, less than one-half of Americans favored “having all Americans get their insurance from a single government plan.”<sup>xx</sup>

| <b><u>Strongly Favor</u></b> | <b><u>Somewhat Favor</u></b> |  |
|------------------------------|------------------------------|--|
| 53%                          | 22%                          | Expanding Medicare to those uninsured who are ages 55 to 64.   |
| 46%                          | 29%                          | Expanding state government programs for low income people.   |
| 42%                          | 29%                          | Requiring all Americans to have health insurance, with financial help for those who can’t afford it.   |
| 42%                          | 27%                          | Requiring employers to either offer health insurance or pay money into a government pool.              |
| 41%                          | 28%                          | Offering tax credits to help people buy private health insurance.                                      |
| 40%                          | 27%                          | Creating a public health insurance option similar to Medicare to compete with private insurance plans. |
| 32%                          | 33%                          | Creating a public health insurance option to compete with private insurance plans.                     |
| 28%                          | 19%                          | Having all Americans get their insurance from a single government plan.                                |

A follow-up question did, however, probe such mechanisms. These questions revealed that 54% of Americans would not be willing to pay more in taxes “either in higher health insurance premiums or higher taxes in order to increase the number of Americans who have health insurance.” And, in a separate question, 54% of Americans opposed – including the plurality (35%) strongly opposing – “changing the law so that workers with the most generous health care benefits would pay taxes on the money their employer puts toward their coverage.”

*→ Among those who said they favor changing the law, 73% opposed the plan when they “heard that changing the tax treatment of workers’ health benefits would mean fewer employers would offer health insurance.” And, in another probing question, 70% of those who initially favored changing the law changed their minds and opposed it when they “heard that changing the tax treatment of workers’ health benefits would be unfair because it is taking away a benefit that people accepted in place of higher wages.”*<sup>xxi</sup>

With respect to an employer mandate, a provision expected to be included in the final healthcare legislation, 69% initially favored “requiring employers to offer health insurance to their workers or pay money into a government fund that will pay to cover those without insurance.” Among those who initially supported this initiative, 64% opposed when asked how they would react “if [they] heard that paying for this may cause some employers to lay off some workers.”<sup>xxii</sup>

Washington Post/ABC News Poll, June 2009

In fresh data released this week, this survey found majorities of Americans not only expressing concerns, but *very serious* concerns, over the “current efforts to reform healthcare system.” As information about the proposed legislation spreads, worries are mounting:

- 81% concerned efforts will “reduce the quality of healthcare [they] receive” (58% very concerned, 23% somewhat concerned);
- 82% concerned efforts will “reduce [their] health insurance coverage” (55% very concerned, 27% somewhat concerned);
- 84% concerned efforts will “increase [their] healthcare costs” (62% very concerned, 22% somewhat concerned);
- 78% concerned efforts will “increase government bureaucracy in the healthcare system” (51% very concerned, 27% somewhat concerned);
- 79% concerned efforts will “limit [their] choices of doctors or treatments” (56% very concerned, 23% somewhat concerned); and
- 84% concerned efforts will “sharply increase the federal deficit” (56% very concerned, 28% somewhat concerned).

**Detrimental Impacts of Healthcare Legislation on Small Businesses**

On the night of the 2008 elections, 46% of small business owners surveyed in **the polling company™, inc./WomanTrend’s** post-election survey of actual voters (on behalf of the Small Business & Entrepreneurship Council) said they felt “more optimistic about elected officials doing things that will have a positive effect on [their] business,” while 39% said they felt “more pessimistic” “given the general direction and outlook regarding how Washington, D.C. will address taxes, healthcare, and business regulation in the coming year.” The difference in opinion is minimal when the subgroup’s seven-point margin of error is taken into account.

Facets of the legislation pose serious risks to small business. Mandates to employers would cause small business owners to have to cut wages in order to pay for health insurance or will force them to trim back plans of hiring more employees because in addition to salary will be the requirement of providing health insurance. Increased mandates on health insurance plans – such as requirements to cover rare diseases and costly treatments – lead to higher premiums that employers have no choice but to take on if they wish to continue providing coverage to their employees. By cutting reimbursements to medical professionals and facilities serving Medicare and Medicaid patients, the federal government will only force the providers and consumers of private insurance to absorb the uncompensated costs.

**The New York Times/CBS News Poll: Political Science meets Junk Science**

This past weekend, the latest installment of *The New York Times*-CBS Poll was released. Before getting to any “substantive” questions on any survey, it is important to take inventory of the demographic and psychographic composition. Because of the shoddy methodology on this survey, its results should not be considered accurate.

The political party and ideological make-ups of the sample are questionable. This survey purports that a representative sample of the nation means 24% of respondents are Republicans, 38% are Democrats, and 31% are Independents. With respect to ideology, this survey alleges that only two points separate liberals from conservatives (27% and 29%, respectively), with the

plurality of Americans identifying as “moderate” (37%). These are far from accurate. Consider the distributions in other outlets’ surveys:

|   | % Liberal | % Moderate | % Conservative | % Democrat | % Independent | % Republican |
|---|-----------|------------|----------------|------------|---------------|--------------|
| NYT, 6/09 (RV)  | 27%       | 37%        | 29%            | 38%        | 31%           | 24%          |
| WSJ, 6/09 (Adults)                                    | 22%       | 36%        | 35%            | 41%        | 18%           | 30%          |
| Gallup, 5/09 (Adults)                                 | 21%       | 35%        | 40%            | 35%        | 37%           | 26%          |
| the polling company™, inc./ WomanTrend, 5/09 (Adults) | 20%       | 28%        | 44%            | 38%        | 22%           | 32%          |

It may be a coincidence, but since Barack Obama’s election as President, *The New York Times*/CBS News survey has consistently underrepresented Republicans in its sample by three to four percentage points, depending on whose figures upon which you rely. The toplines available on *The New York Times*’ website lack the weighting figures, but such numbers are available through CBS’s postings. In every survey, Republicans are weighted down by at least two points, but this latest poll weighted Republicans from 32% to 24%.

|                  | Un-weighted   | Weighted  | Change in Representation                         |
|------------------|---|---|--|
| June 12-16, 2009 | 284 Republicans<br>301 Democrats<br>310 Independents<br>821 Without Health Coverage | 211 Republicans<br>339 Democrats<br>345 Independents<br>735 Without Health Coverage | 32% → 24%<br>34% → 38%<br>35% → 39%<br>92% → 82% |

<sup>i</sup> Gallup. May 7-10, 2009. N=1,000 Adults Nationwide. Margin of Error=±3.1%.  
<sup>ii</sup> Wall Street Journal/NBC News Poll. June 12-15, 2009. N=1,008 Adults Nationwide. Margin of Error=±3.1%  
<sup>iii</sup> The Washington Post/ABC News Poll. June 18-21, 2009. N=1,001 Adults. Margin of Error=±3.0%.  
<sup>iv</sup> Ibid.  
<sup>v</sup> Wall Street Journal/NBC News Poll. June 12-15, 2009. N=1,008 Adults Nationwide. Margin of Error=±3.1%  
<sup>vi</sup> Ibid.  
<sup>vii</sup> “Obama’s Soft Polls,” by Kellyanne Conway. *Human Events*, April 17, 2009. <http://www.humanevents.com/article.php?id=31496>  
<sup>viii</sup> New York Times/CBS News Poll. June 12-16, 2009. N=895 Adults Nationwide. Margin of Error=±3.3%.  
<sup>ix</sup> Rasmussen Surveys of 1,000 Likely Voters Nationwide. Margins of Error=±3.1%.  
<sup>x</sup> the polling company™, inc./WomanTrend on behalf of American Solutions for Winning the Future. September 16-21, 2009. N=1,001 Likely Voters Nationwide. Margin of Error=±3.1%  
<sup>xi</sup> Ibid.  
<sup>xii</sup> Pew Research Center. June 10-14, 2009. N=1,502 Adults Nationwide. Margin of Error=±3.0%.  
<sup>xiii</sup> Ibid.  
<sup>xiv</sup> Ibid.  
<sup>xv</sup> Ibid.  
<sup>xvi</sup> Ibid.  
<sup>xvii</sup> Pew Research Center. June 10-14, 2009. N=1,502 Adults Nationwide. Margin of Error=±3.0%.  
<sup>xviii</sup> Wall Street Journal/NBC News Poll. June 12-15, 2009. N=1,008 Adults Nationwide. Margin of Error=±3.1%  
<sup>xix</sup> Kaiser Family Foundation. June 1-8, 2009. N=1,205 Adults Nationwide. Margin of Error=±3.0%.  
<sup>xx</sup> Kaiser Family Foundation. June 1-8, 2009. N=1,205 Adults Nationwide. Margin of Error=±3.0%.  
<sup>xxi</sup> Kaiser Family Foundation. June 1-8, 2009. N=1,205 Adults Nationwide. Margin of Error=±3.0%.  
<sup>xxii</sup> Kaiser Family Foundation. June 1-8, 2009. N=1,205 Adults Nationwide. Margin of Error=±3.0%.

**FOR MORE INFORMATION, PLEASE CONTACT:**  
**Kellyanne Conway, President & CEO**  
**the polling company™, inc./WomanTrend**  
 1220 Connecticut Avenue, NW · Washington, D.C. 20036  
 (202) 667-6557 · [Kellyanne@pollingcompany.com](mailto:Kellyanne@pollingcompany.com)