



## MEMORANDUM

TO: Colorado Medical Society  
FR: Mr. Benjamin Kupersmit  
RE: 2017 Federal Health Reform Flash Survey  
DT: June 27, 2017

### Introduction

Kupersmit Research is pleased to present the results of the 2017 CMS Flash Survey regarding federal health system reform. This memorandum focuses on questions relevant to the American Health Care Act (AHCA) passed by the U.S. House of Representative on May 4 and the Better Care Reconciliation Act (BCRA) introduced by the U.S. Senate on June 22.

We had a total of 743 CMS physicians complete the survey, resulting in a margin of error of  $\pm 3.6\%$  at the 95% confidence level. Our survey is broadly representative of CMS members by specialty, type of practice, size of facility and region of the state (including 55% from the Denver area, 35% from other cities in the state and 15% from towns and rural areas).

The survey was conducted June 23-26, 2017.

## **Executive Summary**

The survey found:

- A high proportion of CMS members have been paying attention to this effort, with 89% saying they have heard either “a lot” (45%) or “some” (43%) about the AHCA as passed by the U.S. House of Representatives earlier this year.
- Based on what they have heard or read to date, CMS members disapprove of the AHCA in its current form by a 77%-14% margin, including 68% who “strongly” disapprove of it (versus 3% who “strongly” approve).
  - Another 6% “neither” approve nor disapprove and 3% are unsure.
- After answering questions regarding the major components of the AHCA, as well as the key aspects of the BCRA which differ from the AHCA, we see similar results: 79% of members disapprove (with 71% “strongly” disapproving) of “the approach Republican U.S. Senate and House leaders are taking with the nation’s health delivery system,” (versus 16% who approve, with 6% “strongly” approving).

The following presents the detailed findings and our conclusions for the survey results.

## **Detailed Findings**

### AHCA: Current Awareness and Attitudes

- Currently, 45% of CMS member physicians say they have heard “a lot” about the AHCA (45%), and another 43% have heard “some” about it.
  - One-in-ten (11%) say “not much” and 1% have heard “nothing” about it.
- From what they have heard or read to date about the AHCA, 77% disapprove, including 68% who “strongly” and 9% who “somewhat” disapprove.
  - Approval stands at 14%, including 3% who “strongly” and 11% who “somewhat” approve; another 6% “neither approve nor disapprove” and 3% are unsure.
  - We see strong majorities express disapproval (above 70%) across key subgroups, including different specialties, practices sizes/types and locations (metro Denver/other city outside Denver/towns and rural areas).

## AHCA Key Provisions

- As Table 1 shows, a majority of CMS members disapprove of the components of the AHCA that address insurance plans/coverage, with significantly more physicians *strongly* disapproving than strongly approving (a measure of the intensity individuals bring to a given issue).
  - By an 84%-11% margin, CMS members disapprove of allowing insurers to discriminate “on pre-existing conditions,” with a 72 point difference between physicians who strongly disapprove versus those who strongly approve of this provision.
  - Similarly, physicians disapprove 83%-14% of allowing insurers to offer plans without “minimal benefits” requirements (with a difference in intensity of 67 points).
  - Opposition to “lifetime contribution caps” is also very strong, with disapproval at 85%-8% margin overall (and a 64 point intensity gap).
  - CMS members oppose encouraging payers to “seek to lower premiums by allowing for higher deductible plans with higher upfront costs to patients” by a 66%-25% margin, but with less of an intensity gap (33 points) than on the previous provisions.
  - There is also solid disapproval for eliminating the requirement that “everyone purchase health insurance” by a 65%-25% margin, as well as implementing a “30% surcharge penalty” to encourage individuals to maintain continuous coverage (a 56%-29% margin).

**Table 1: Provisions of the AHCA: Plans/Coverage**

*Q. The following are key provisions of the AHCA that has passed the U.S. House of Representatives that affect insurance coverage and plans. Please indicate whether you approve or disapprove of each one.*

	“Strongly” + “Smwbt” Approve	“Strongly” + “Smwbt” Disapprove	NET INTENSITY % “Strongly” Approve – % “Strongly” Disapprove
States would decide whether insurers are allowed to price or deny coverage based on pre-existing conditions	11%	84%	<b>-72</b>
States would be allowed to eliminate essential benefits requirements like maternity and mental health coverage	14%	83%	<b>-67</b>
Allowing total lifetime contribution caps on the amount an insurance payer is required to give any one individual	8%	85%	<b>-64</b>
Allowing for plans that seek to lower premiums by allowing for higher deductible plans with higher upfront costs for patients (such as higher co-pays), with minimal benefits and narrower networks	25%	66%	<b>-33</b>
Ending the tax penalty that requires everyone (individuals and employers) to purchase health insurance	25%	65%	<b>-24</b>
Implementing a 30% surcharge penalty for individuals who do not maintain continuous health insurance coverage for the prior 12 months and want to begin carrying insurance	29%	56%	<b>-19</b>

\*“Neither approve nor disapprove” and “not sure” responses are not shown

- Table 2 below shows broadly similar sentiment regarding the financing provisions included in the AHCA, with a solid majority disapproving of each component, and significant gaps in intensity again indicating more passion among those who disapprove than those who approve.
  - By a 76%-16% margin, CMS members disapprove of “phasing out the Medicaid expansion,” with a gap in intensity (the difference between those who strongly disapprove and strongly approve of this provision) of 57 points.
  - Similarly, the provision that prohibits federal funds “from going to Planned Parenthood” stands at 75%-18% disapproval, with a gap in intensity of 57 points.
  - Scores are similar for “reducing the subsidies (tax credits)” for low-income individuals who are not Medicaid eligible, with disapproval at 71%-14% and an intensity gap of 51 points.
  - CMS members also disapprove of “converting Medicaid from a guaranteed federal matching fund” by a 66%-19% margin, with an intensity gap of 46 points.
  - CMS members also disapprove of “ending the tax increases” from the ACA by a 69%-24% margin, with a gap in intensity of fully 40 points.

<i>Table 2: Provisions of the AHCA: Financing</i> <i>Q. The following are key provisions of the AHCA that has passed the U.S. House of Representatives that affect insurance coverage and plans. Please indicate whether you approve or disapprove of each one.</i>	<i>“Strongly” + “Smwht” Approve</i>	<i>“Strongly” + “Smwht” Disapprove</i>	<i>NET INTENSITY “Strongly” Approve – “Strongly” Disapprove</i>
Phasing out the Medicaid expansion starting in 2020, meaning that individuals who did not qualify for Medicaid before the ACA, with incomes under \$16,000 for an individual and \$32,000 for a family of four, will no longer qualify for Medicaid.	16	76	<b>-57</b>
Prohibiting federal funds from going to Planned Parenthood or other organizations that provide abortions.	18	75	<b>-57</b>
Significantly reducing the subsidies (tax credits) for individuals who do not qualify for Medicaid, and tying those new, flat tax credits to age instead of income.	14	71	<b>-51</b>
Converting Medicaid from a guaranteed federal matching fund that increases with need (during hard economic times or a public health crisis) to a block grant or a per capita cap that is pegged to medical inflation plus 1% and is designed to reduce federal outlays.	19	66	<b>-46</b>
Ending the tax increases from the Affordable Care Act (Obamacare) that help to fund current coverage, totaling \$880B in revenue, from sources including the 3.8% tax on capital gains for families with incomes over \$250,000 per year, the 0.9% Medicare surtax on families with income over \$250,000 per year, as well as taxes paid by medical device manufacturers, pharmaceutical companies and insurers, along with taxes paid by those who did not comply with the individual or employer mandates.	24	69	<b>-40</b>

\*“Neither approve nor disapprove” and “not sure” responses are not shown

### BCRA Key Differences vs. AHCA

- As Table 3 shows, CMS members express significant disapproval regarding the differences between the BCRA and the AHCA (as of June 23) as well:
  - By a 72%-16% margin CMS members disapprove of the potential that Medicaid per capita funding would be increased less per year than in the AHCA, with a gap between strong disapproval and strong approval of 56 points.
  - The idea of maintaining the provision regarding pre-existing conditions, but allowing states “to eliminate essential benefits requirements like maternity or mental health coverage” is also unpopular, with 75% disapproving versus 15% approving (and a 55 point intensity gap).
  - By a 67%-22% margin, CMS members disapprove of eliminating mandates that everyone carry insurance and not including the “30% surcharge penalty,” with a relatively lower intensity gap (39 points).
  - CMS members disapprove by a 55%-20% margin of ending the Medicaid expansion “in three years instead of two,” with an intensity gap of 37 points.
  - CMS members also express significant opposition to providing tax credits that are less widely available and “lower than those in the ACA” by a 59%-27% margin (and an intensity gap of 29 points).

**Table 3: Provisions of the BCRA**

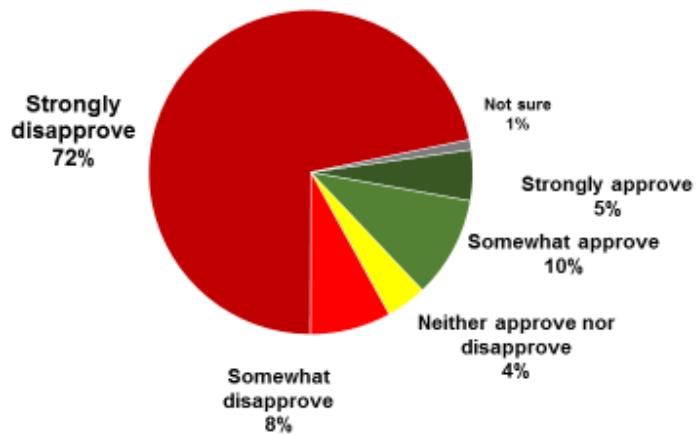
*Q. On June 22, the U.S. Senate released its version of health reform. The Senate version maintains numerous components of the House version. The following is a list of some of the key differences between the House and Senate bills. Please indicate approval or disapproval.*

	“Strongly” + “Smwbt” Approve	“Strongly” + “Smwbt” Disapprove	NET INTENSITY “Strongly” Approve – “Strongly” Disapprove
Medicaid per capita cap funding would be cut more deeply than the House version	16	72	<b>-56</b>
States would be allowed to eliminate essential benefits requirements like maternity and mental health coverage, but would not be allowed to price or deny coverage based on pre-existing condition.	15	75	<b>-55</b>
The individual and employer mandates would be eliminated, as well as the 30% surcharge penalty for lack of continuous coverage found in the House bill.	22	67	<b>-39</b>
The Medicaid expansion would be ended in three years instead of two.	20	55	<b>-37</b>
Instead of providing tax credits based on age, tax credits would be based on income. The number of people eligible for those tax credits would be smaller than the ACA, and the size of the tax credits would also be lower than those in the ACA.	27	59	<b>-29</b>

\*“Neither approve nor disapprove” and “not sure” responses are not shown

### Overall Approach to Federal Health Reform

- After reviewing the major aspects of the AHCA and the BCRA, 79% of CMS physicians express disapproval (including 71% who “strongly” disapprove and another 8% who “somewhat” disapprove) of the “approach Republican U.S. Senate and House leaders are taking with the nation’s health delivery system to date.”
  - Approval stands at 16%, including 6% who “strongly” approve and 10% who “somewhat” approve
  - 4% “neither approve nor disapprove” and 1% are unsure.



Q19: Overall, do you approve or disapprove of the approach Republican U.S. Senate and House leaders are taking with the nation's health delivery system to date?

- We asked physicians to choose the single most likely outcome for their practice if the AHCA or BCRA passed “largely in current form (with the Medicaid expansion eliminated, Medicaid cut over the long term, reductions in the tax credits that help individuals buy insurance, and reductions in regulations of payers)”:
  - One-in-five (22%) would “limit new Medicaid patients,” 10% would “reduce staff or staff salaries,” 6% would “retire from active practice,” 6% would “spend less time with patients,” 5% believe their “patients would lose access and the system/health care overall will suffer,” 3% would “close their practice and become an employee,” 3% would “cut practice investments,” 3% worry about “more uncompensated care/more cost shifting,” while 1% say they would need to “close and move to another location” and 1% say their employer/hospital would be “out of business.”
  - 1% of survey respondents believe the outcomes will be positive, not negative, for their practice.
  - One-in-five (21%) active practice physicians believe there will be “no impact” on their practice.
  - Another 16% say they are “not sure” what would happen.

## **Conclusions**

*The results of the flash survey are clear: CMS members disapprove of the current direction being taken for federal health system reform both generally and in terms of the specific provisions being considered.*

*This is not to say that members are not open to ideas and policies that would improve the system. Indeed, multiple surveys over 9 years have shown that CMS members are strongly interested in evidence-based solutions that increase access to affordable, quality medical care for all Coloradans, regardless of politics or ideology. These results show clearly that the AHCA and the BCRA as currently designed are not viewed by CMS members as meeting this standard or achieving these longstanding CMS goals.*

*Thank you for the opportunity to provide this memorandum, please do not hesitate to contact us with any questions or comments.*

## **Methodology**

This survey was administered online by the Colorado Medical Society. The survey was in the field from June 23-June 26, 2017. A total of 743 Colorado Medical Society members responded to the survey, for a margin of error of ±3.6% at the 95% confidence level.