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## Public's health care preferences elusive

**BY KEVIN FREKING, Associated Press Writer**

WASHINGTON - It's not easy figuring out exactly what voters want when it comes to health care.

A Gallup poll released early this fall offered a dozen separate ways to expand health insurance coverage. Each suggestion garnered majority support, including tax breaks for small businesses, 94 percent; requiring large companies to offer health coverage or pay into a pool, 81 percent; and federal subsidies for the poor, 76 percent.

The implication was clear: The public wants change.

But two weeks ago, Gallup released another poll. It showed most Americans are satisfied with their health coverage and with how much they pay for health care.

So what gives?

The polls demonstrate the long-standing conflict that has dogged every proposed overhaul of the health care system dating back to Harry Truman. Americans support the principle of extending coverage to millions of people, but only so long as they are not negatively affected by the potential trade-offs, namely higher costs or reduced access.

And that's the dilemma for the presidential candidates.

Expanding health insurance to the 47 million uninsured is projected to cost more than \$100 billion annually. The candidates have to find a way to pay for that expense. But it could be a political death knell to suggest that the average voter pay for it.

Democratic presidential candidates have found one way to finesse it.

Former Sen. John Edwards would raise taxes for those households with incomes exceeding \$200,000 a year. Sens. Hillary Clinton and Barack Obama would raise taxes for households with incomes exceeding \$250,000 a year.

The median household income in the United States is \$48,200, so the vast majority of voters would be spared.

"If you're in politics you can't go \$1 below \$200,000 on the income tax or you really start losing people," said Robert Blendon, professor of health policy and political analysis at Harvard University.

Sara Collins, an economist at The Commonwealth Fund, which conducts health research, said that bypassing the middle class when paying for expanded coverage makes economic sense. U.S. residents already spend more on health care than residents of any other country. If the government mandates that people buy insurance, many middle-income families will need tax subsidies, not tax increases, to buy that coverage.

"What you wouldn't want to do is overburden families already squeezed by health care costs," Collins said.

Democratic candidates have been hesitant to spell out another potential trade-off. Both Clinton

and Obama have called for employers to pay for some of their workers' health insurance, or pay a certain percentage of the company's payroll into a fund. But they don't spell out that percentage.

That's an important omission. The additional costs could force some employers to lay off workers, which won't sit well with voters. Edwards said the rate paid into the pool would be 6 percent of payroll.

Back in 2003, a team from the Harvard University School of Public Health polled Massachusetts adults on several health care principles. Seventy-six percent supported the concept of employer mandates.

But what if they heard the mandate was so expensive that employers would be forced to fire workers? Support in the Massachusetts poll dropped to 35 percent.

Meanwhile, the Republican candidates generally rely on tax breaks to make insurance more affordable. All the Republican candidates reject the idea of employer and individual mandates - even Mitt Romney, who was governor of Massachusetts when that state approved a health plan requiring people to buy health insurance.

The concept of tax breaks also sounds good to the voter. Blendon notes that 70 percent of Massachusetts adults surveyed said they would support tax breaks to help the uninsured buy coverage. But what if they heard that the tax breaks would not be enough to cover the cost of a private plan? Support dropped to 36 percent.

Sen. John McCain, R-Ariz., calls for an individual refundable tax credit of \$2,500 for individuals and \$5,000 for families with insurance coverage. With a tax credit, the amount of taxes owed is reduced by \$1 for every \$1 in credits.

Rudy Giuliani proposes an income tax deduction of up to \$7,500 for individuals and \$15,000 for families who purchase insurance in the individual market. Romney supports letting taxpayers deduct the cost of their health insurance and out-of-pocket medical expenses. With a deduction, taxable income is reduced.

Ron Pollack, executive director of the health care advocacy group Families USA, said tax breaks would help if structured properly, but he believes all the Republican candidates fall short in helping those who need it the most.

"Somebody in a 15 percent tax bracket or who has no tax liability, gets no benefit from a deduction. Somebody in a 30 percent tax bracket is going to get much more relief," he said. "I think tax deductions are a bad thing to do. They're wasteful and spend money in the most cost-ineffective way."

Pollack said a tax credit is more likely to help the poor, particularly if it's refundable and if they get it when they pay their premiums. Also, it has to be large enough. If a tax credit is for \$4,000, that pays for only about a third of the typical family insurance policy, he said.

Overall, the candidates are trying to focus broadly on what their plans would accomplish and are content to leave many of the details for later. Blendon said that's understandable.

"I believe that the campaign about health care is going to be about fundamental values," Blendon said. "The Democrats will basically say the federal government has a role in guaranteeing coverage. I think the Republicans will come back and say we do not need a new federal plan. What we need are some incentives, more information, more choices."

But the focus on values rather than on details also contributes to the two-stage process that damages the prospects for changing the health care system, Blendon said.

At first, everybody talks only about the problem. Then when the details finally emerge, everybody talks only about the trade-offs, which leads to media coverage that has turned decidedly negative in all the previous health care debates.

"The first cycle doesn't tell you somebody has to pay for this," Blendon said. "And the second cycle doesn't even remember Susan with cancer."

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