

# Health Values and Health Reform: Would We Go There If We Could?

by Michael J. Garland, DscRel

**O**REGONIANS SAY they want their health care system to do five things it isn't doing. They want it to guarantee every Oregonian access to basic care. They want care to be more affordable. They want providers to get better control of the costs of care. They want it to be effective in producing better health. They want a fair distribution of the burden of financing the system. These hopes are the major themes of the *Health Values Survey 2004*<sup>1</sup> conducted by Oregon Health Decisions in September 2004. In May 2005, three Oregon legislators<sup>2</sup> launched a ballot initiative for a constitutional amendment that they called "Hope for Oregon Families." The point of the amendment is to improve access to health care for every Oregon resident. Thinking about what people said in the survey and what the proposed constitutional amendment offers them led to the musings that gave birth to this article. Do Oregonians really want what they say? Does the ballot initiative lead to a place where Oregonians really want to go?

## { 1 } **Guaranteed Access**

At the end of the 1980s, the Oregon Health Plan held out the hope that Oregon would achieve universal access to health care through a combination of Medicaid expansion and a requirement that all Oregon employers offer private health insurance to their workers. As the plan evolved, Medicaid made significant progress to meet its part of the vision, but the mandate on employers eventually died a quiet political death (with questionable dignity). Along the way a few modest private health insurance

reforms did achieve a small reduction in the size of the uninsured population. Still, in 2005 the number of Oregonians without coverage for health care exceeds 600,000. After falling during the late 1990s, the proportion of the population without health insurance has been rising again and now exceeds 17% of the population. This trend matches national statistics.

## PROPOSED AMENDMENT

The central assertion of the proposed amendment states, "Health care is an essential safeguard of human life and dignity and there is an obligation for the state to ensure that every resident has access to effective and affordable health care as a fundamental right." The basis for the supposed obligation of the state is the function of health care to safeguard human life and dignity. The state's obligation is limited to *effective* and *affordable* health care.

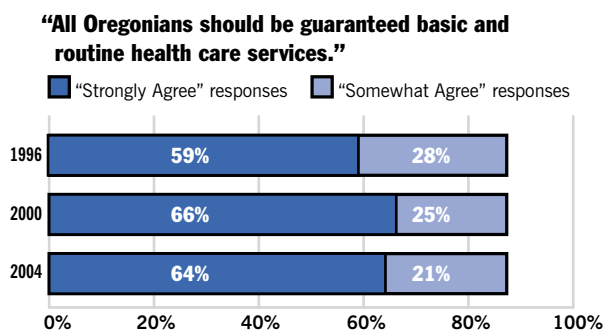
The proposed amendment lays down a prescribed path to universal access to health care. "The Legislative Assembly by law shall adopt a plan that *incrementally expands health care coverage* so that every Oregon resident is able to obtain effective and affordable health care on a regular basis" (emphasis added). The amendment envisions adding to and redesigning the current system, not tearing it down and replacing it with a new one. The big difference will be that everyone will have access to this new system.

## HEALTH VALUES SURVEY 2004

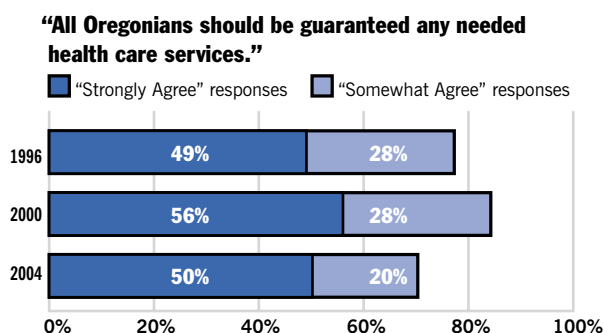
According to the 2004 survey, most Oregonians are intensely committed to the social ideal of universal

access to health care. Comparisons with the surveys done in 1996 and 2000 reveal that this commitment persists across time.

The survey asked respondents to indicate whether they agree or disagree with the proposition that “All Oregonians should be guaranteed basic and routine health care services.” An overwhelming majority (85%) agrees and, most of these “Agree Strongly.” The “Agree Strongly” proportion is consistent with responses to the same question in 1996 and 2000.



As an internal check on the accuracy of the response about guaranteeing access to care, the survey asked for responses to a similar proposition with a more generous guarantee to “any needed care” rather than to “basic and routine care.” This proposition produced a lower level of agreement (though still a majority). Again the pattern was consistent in all three surveys



In all three years respondents resoundingly rejected the proposal to formally endorse the status quo, expressed in the following propositions. “Have these people [persons without health insurance] go

without health insurance. They would probably use the emergency room for health care with the cost offset by those who can afford to pay for health care.” The disagree responses ranged from 64% (2004) to 74% (2000) and 77% (1996). In previous years, the survey did not distinguish between applying this strategy to employed persons versus unemployed persons. In 2004, however, the survey asked about two groups of the uninsured – employed and unemployed persons. A small but puzzling difference appeared. Respondents seemed to be more willing to have unemployed persons (compared to employed persons) go without health insurance and use hospital emergency rooms as a safety net.

Overall, these data indicate that the social ideal of access to health care for everyone was and remains important to Oregonians. The difference in response between a guarantee of “any needed care” versus “basic and routine care” suggests that the ideal includes a sense of limits on what services should be guaranteed.

## {2} More Affordable Care

The problem of affordability touches on health insurance, pharmaceutical prices, and the economic behavior of all those who provide health services. The National Coalition on Health Care in Washington, D.C. reports that health insurance premiums rose by nearly 14% in 2004 and have been rising faster than growth in the economy since 1998. Insurers point to the increases in health service costs to justify premium increases. These across the board increases put enormous pressure on family budgets, business budgets, and government budgets. Businesses respond by reducing benefits to employees and offering lower premium insurance plans with higher deductibles and co-pay requirements. Healthy employees experience this as making coverage more affordable. Those with chronic problems and serious illnesses or injuries find that low premium plans make care less affordable. Governments respond to budget pressures by reducing programs and eliminating both services and persons served.

Families have no escape. They simply have to meet the costs of illness or injury or default on them (or file for bankruptcy). Debates over the bankruptcy reform law (signed in April 2005 by President Bush) highlighted the significant role medical debt plays in consumer bankruptcy filings, with estimates ranging from 20% to 50% of the cases. Having health insurance doesn't always protect patients from high costs of health care.

Health care spending is highly skewed. Ten percent of the population accounts for seventy percent of the total expenditures for health care. Only a small portion of the population in any given year experiences a high cost illness or injury. Some high cost problems are chronic, keeping these persons among the high spending group for many years' duration. When a need for costly services coincides with low income in a family, health care is affordable only with transfer of wealth from other families through the mechanisms of insurance or taxes. The distribution of health care needs in society is a classic example where fiscal solidarity across socio-economic divisions provides a significant social utility.

#### PROPOSED AMENDMENT

The purpose of the amendment is to create a social environment in which "...every Oregon resident is able to obtain effective and *affordable* health care on a regular basis (emphasis added)." This will be a formidable task. An important challenge facing the proponents of this amendment will be to show the public early on that they have a credible vision for achieving affordability for Oregon health care. The solution will necessarily involve some form of subsidy to make insurance and out of pocket expenditures affordable for families with restricted incomes. Merely letting price drive some members of society out of the market for health care will violate the goal of guaranteed access. Moreover, the persistent rise in health care expenditures will make effective cost control essential. (See the discussion of costs below). Translating the vision into a rational strategy will be a major task of the Legislative Assembly if the ballot initiative passes.

#### HEALTH VALUES SURVEY 2004

Oregonians see the elephant in the room. They know that affordability is a major problem in their health care system. The evidence is strong and persistent. In each of the three years, the survey began with a top-of-the-mind question to see what people, without prompting, would say when asked, "In general, when you think about health care in Oregon, what do you think is the number one problem that needs to be solved?" In 2004, problems of cost and access figured in 70% of the responses, with 22% saying that "lack of access for all" was the number one problem. When comparing the three most frequently mentioned problems across the three health values surveys, costs of care, affordable insurance, costs of prescriptions, and access for all dominate the spontaneous responses of participants.

#### "What is the number one Oregon health care problem that needs to be solved?"

	Most frequent response	Second most frequent response	Third most frequent response
1996	Cost of Health Care	Affordable Insurance	Access for All
2000	Cost of Health Care	Affordable Insurance	Cost of Prescriptions
2004	Access for All	Cost of Health Care	Affordable Insurance

When asked to rate on a 10 point scale the importance of several aspects of health care, 79% of respondents used a "10" to rate affordability. As was the case in the 1996 and 2000 surveys, the issue of affordability was the leading item on the importance scale.

There is a consistent agreement over the three surveys with the proposition that "The decision about what health care services to guarantee should be based on cost and effectiveness of the treatment." In 2004, 72% agreed, compared to 73% in 2000 and 71% in 1996. Oregonians understand that not everything available in the health care market deserves to be paid for under the guarantee of access to care. It makes sense to them that the cost of certain services

should be brought into consideration. Effectiveness of a given treatment is also a significant and separate element of the equation.

These data confirm that concern about affordable care is connected to the social ideal of universal access to care in the minds of Oregonians. It is reasonable to expect that the public will respond favorably and be more willing to accept sacrifice or inconvenience if they see the proposed amendment as simultaneously offering hope of success on both issues. If, however, Oregonians perceive that the new plan will improve only one of these problems while exacerbating the other, they are likely to be cool toward the ballot initiative.

### {3} Control of Costs

Overall expenditures for health care have been on a relentless upward path since the end of World War II. In 2003, more than 15% of the Gross Domestic Product of the United States was devoted to health care. In 2003, for the first year in over eight years, the rate of increase in health care spending fell below that of the previous year. However, it was still an *increase* and more than doubled the rate of growth of the economy. Most health care expenditures go to persons who provide services. Control of those costs is and will be a contentious matter. Pharmaceutical expenditures have attracted much attention in recent years because of an unusually high rate of growth. Many expect the new Medicare drug program to reduce out-of-pocket spending by seniors while increasing total spending on pharmacy products.

#### PROPOSED AMENDMENT

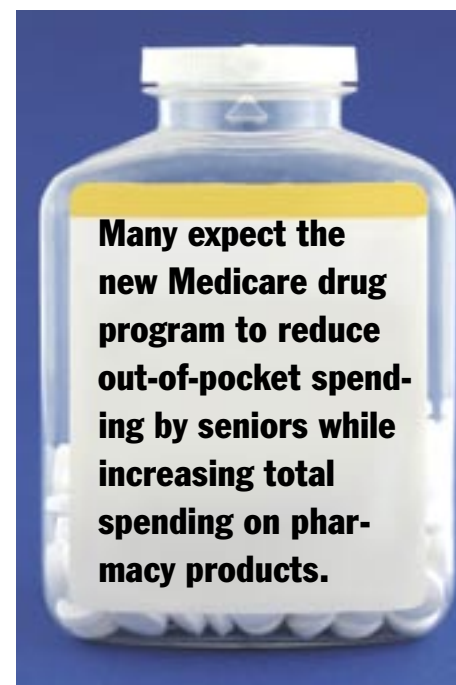
“When developing a plan for expanding health care coverage, the legislative Assembly shall consider ways to:

- a. Conserve and strengthen the existing health care system to the greatest extent possible;
- b. Conserve and strengthen the existing system of providing health insurance as a benefit of employment;

- c. Encourage individual responsibility for one’s own health care;
- d. Maximize the use of Medicaid, Medicare and other federal health care programs;
- e. Encourage the efficient and effective use of health care expenditures; and
- f. Improve the health of every Oregon resident.”

The principle to seek efficiency (item “d”) sets a demanding task for the legislature. Efficiency consists of producing a desired product with the least expenditure of resources. Critics of American health care give it low marks for efficiency while acknowledging its clinical excellence. The job imposed on the Oregon Legislature is to work on system design so that excellent health care will continue to be delivered but fewer resources will be required in the process. Some efficiency efforts will likely impose costs on patients. Waiting times or travel times to the appropriate service location are likely to increase. Providers may also face new costs and inconveniences. Surgeons and other specialists may have to alter their hospital and clinic schedules to smooth out the flow of patients and avoid gridlock and congestion at admission and discharge.

This task perhaps will be the most challenging one for the Legislature to carry out should the amendment be adopted. It will require compromises between regulators and providers. It will require research and evaluation to locate promising management strategies. It will require political resistance to special interest pressures. There will be an ongoing struggle to keep up the pursuit of efficiency. No one-time fix will be available.

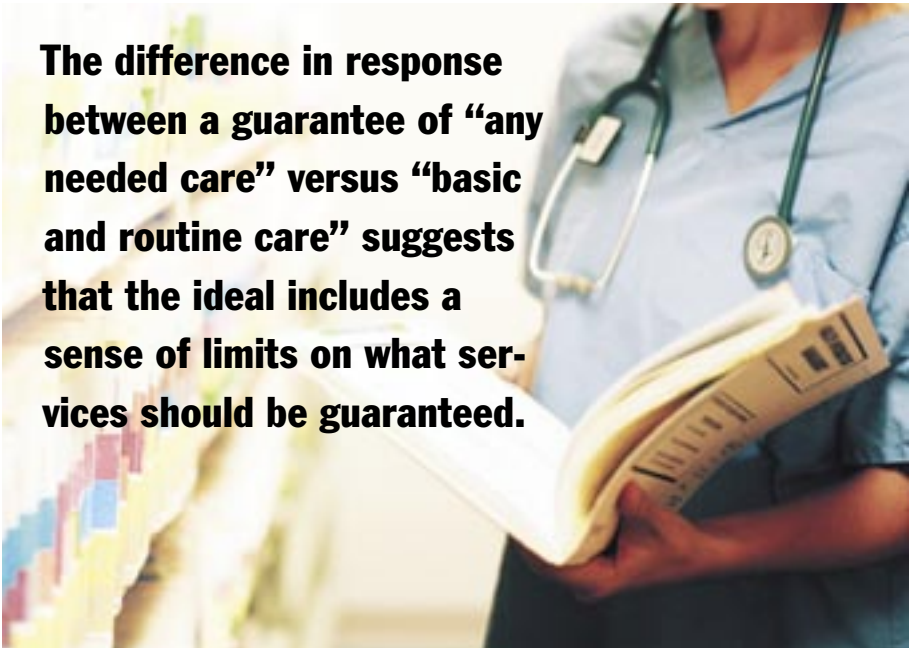


#### HEALTH VALUES SURVEY 2004

The surveys did not explore the cost control issue directly. The information on affordability offers the most relevant evidence. The “Cost of health care” is either the first or second most frequently mentioned “top of the mind” response in all three surveys. “Affordable insurance” is either the second or third most frequently mentioned response in these surveys. One might interpret these responses cynically by saying that people just want something for nothing. Or one might assume that people are aware of the connection between prices and efficiency. This would support the expectation that Oregonians will approve of efficiency improvements in their health care system – even at the cost of some inconvenience to themselves.

Still, the evidence is not clear that Oregonians are ready and willing to surrender much convenience and free choice in return for greater cost control and affordability. On the one hand, all three surveys found that “Affordable care for you and your family” ranked number one in importance when compared to several other aspects of the health care system. On the other hand, free choice of provider and plan (two cost drivers) ranked very high. Two other cost driving aspects ranked high: ease of use and locally available primary care. The two lowest ranking items in all three years were “Persons taking personal responsibility for their own health care,” and “Ability for people like you to be involved in decisions about improving the health care system.”

Mobilizing public support for the amendment and its subsequent reform plan will require adept political leadership. Cost control in health care will have to tap into the ideal of a common good similar to the ideal that nourishes vigorous recycling activity in Oregon households. If leaders connect affordability, cost control, and personal responsibility in the minds and hearts of Oregon citizens, the amendment can lead to change. If not, the system’s inertia will once again quash the dream of access for all.



**The difference in response between a guarantee of “any needed care” versus “basic and routine care” suggests that the ideal includes a sense of limits on what services should be guaranteed.**

#### { 4 } Priority Among Services— Preventive and Primary Care

What are the health care services that merit guaranteed access? Not everything available in the current health care market place is covered by third party payments. On what basis should decisions be made about what will or will not be guaranteed? These questions lie waiting in the background of every plea for universal access to health care. Oregon made significant progress in addressing this issue while working out the terms of the Oregon Health Plan’s prioritized list of services. One of the key elements of the Oregon Health Plan philosophy was that the reform was to aim at improving the health of the population. The amendment includes the same justification among its guiding principles. The method for creating and maintaining the prioritized list required a partnership between health care experts and the Oregon community. The community’s job was to articulate the values that ought to guide prioritization. The expert’s task was to identify facts and probabilities that could connect specific services to the guiding values.<sup>3</sup>

#### PROPOSED AMENDMENT

“When developing a plan for expanding health care coverage, the Legislative Assembly shall consider ways to:...

(f) Improve the health of every Oregonian.”

The list of six guiding principles prescribed in the amendment concludes with this reminder that

the purpose of guaranteeing access to health care for every Oregon resident is to improve the health of the population. This will require the plan designers to attend to the likely health consequences of those services that they propose to cover. It seems inescapable that this objective will require something like (or an adoption of) the process that has been used by the Oregon Health Services Commission since 1989. That history gives the Legislative Assembly a head start on the difficult task the amendment imposes on it.

#### HEALTH VALUES SURVEY 2004

For the first time in 2004, the survey asked respondents to express a priority among several broad categories of health services. The preference for giving highest priority to preventive and primary care services was extremely clear. The high value of prevention among health care services and strategies has been a strong and consistent theme in public opinion projects conducted by Oregon Health Decisions going all the way back to its work in the early 1980s. Very significantly, *prevention* was one of the key values identified by the community meeting process conducted by Oregon Health Decisions<sup>4</sup> for the first iteration of the prioritized list of health services issued by the Oregon Health Services Commission.

In the 2004 survey, when asked a follow-up question about why they gave the highest priority to preventive and primary care services, respondents indicated that they believe these services are a pragmatic way to keep costs down and improve individual and societal wellbeing. Other values emerged in follow-up questions about priorities for specific health services. Information about one's own health through screening programs is both reassuring and empowering. Services gain in value when they benefit a large proportion of society or when they have a chain reaction effect.

Negatively some services rank lower in the public's values if they are not essential to a normal functioning life or not focused on a real health problem. Needs that are not life-threatening, or

are not widespread, or do not have significant societal impact were seen as reasons for lower priority. Some harsh negatives were expressed about health problems viewed as self-inflicted, with particular reference to addictions.

Public values are in agreement with the goal of improved health of the population. The amendment's proponents can readily mobilize support for this policy objective. The ultimate structure of the new health system arrangements will be able to take advantage of the work already done on setting priorities among health services for the Oregon Health Plan. The designers will need to enlarge the significance of the concept of health. The Oregon Health Plan list acknowledges that some services, like appropriate end of life care, do not improve health but are highly valued nonetheless. The value of *community compassion* was identified in the community meetings as an important reason to give priority to certain health services for the Oregon Health Plan.

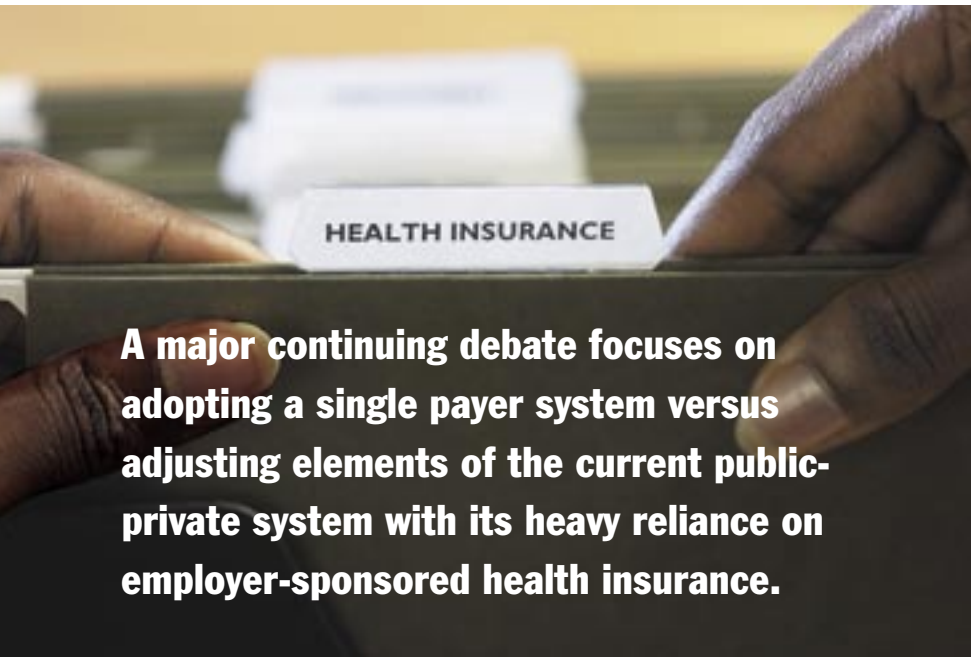
### {5} Organization and Financing Strategies— Fair Distribution of the Burden

Strategies for changing the health care system abound. A major continuing debate focuses on adopting a single payer system (similar to Canada's) versus adjusting elements of the current public-private system with its heavy reliance on employer-sponsored health insurance. The proposed amendment follows the latter path.

#### PROPOSED AMENDMENT:

"When developing a plan...the Legislative Assembly shall consider ways to:

- (a) Conserve and strengthen the existing health care system...;
- (b) Conserve and strengthen the existing system of providing health insurance as a benefit of employment;
- (c) Encourage individual responsibility for one's own health care;
- (d) Maximize the use of Medicaid, Medicare, and other federal health care programs."



**A major continuing debate focuses on adopting a single payer system versus adjusting elements of the current public-private system with its heavy reliance on employer-sponsored health insurance.**

**HEALTH VALUES SURVEY 2004**

When asked to indicate their agreement with various health financing strategies, respondents were strongly in favor of strategies that assumed continuance of the basic patterns of the current system. They favored innovations that would increase access while improving affordability by requiring financial participation based on the ability to pay. The concept of sliding scales as a way of more fairly distributing the burden of financing health care has strong appeal. The practice of using employment as a vehicle for distributing access to insurance continues to be a favored strategy.

Respondents, however, decisively reject the current practice of leaving people uninsured and shifting costs of needed care to others. They preferred a system of requiring employers to make health insurance available and to pay for a portion of the coverage. For unemployed persons, they favored a system of “Having individuals contribute to the cost of insurance based on their ability to pay.” There was also a strong preference for “Using taxes to fund programs that make health insurance available to uninsured persons.” They also favored a proposition (for uninsured persons who are employed)

that would “Allow working Oregonians without health insurance to use public health care plans, such as Medicare or the Oregon health Plan, but require them to pay for part of the cost, based upon their income.” Notably, there was a dramatic rejection of a similar proposal that did not require any personal contribution to the cost.

The guiding principles of the amendment prescribe an incremental organizational and financing strategy. The principles align remarkably with the preferences expressed in the survey.

**Conclusion**

The public opinion findings of the *Health Values Survey 2004* are congruent with the proposed expansion of access to health care envisioned in the proposed amendment. It seems that the public’s concerns about health care costs together with the widely and intensely held social ideal of universal access could energize the effort required to move the proposed amendment from idea to reality. The path sketched out in the amendment document may well be one Oregonians are willing to follow. Two questions remain, however. Will the leaders be effective in organizing the march all the way from ballot initiative through credible plan to effective implementation? It is definitely a long trek. And will Oregonians find that they really do want what they said when they need to reaffirm it at the ballot box? Telling a pollster one’s preferences is a long way from saying “Yes” or “No” at the poll. ☞

1. *Oregon Health Decisions* conducted this survey as part of an outreach program by the Oregon Health Policy Commission. Market Decisions Corporation of Portland fielded this telephone survey between September 14 and 26, 2004. The survey contacted a random sample of 531 Oregonians. The *Health Values Survey 2004* repeated several items from

surveys conducted by Oregon Health Decisions in 1996 and 2000. The data show relevant trends among the three surveys. The full report with technical information about the sample is available at [www.oregonhealthdecisions.org](http://www.oregonhealthdecisions.org).

2. *Rep. Mitch Greenlick (D-Portland), Sen. Alan Bates, (D-Ashland), and Sen. Ben Westland (R-Tumalo).*

### **Proposed Constitutional Amendment**

Be it enacted by the people of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating new sections 46 and 46a to be added to and made a part of Article 1, such sections to read:

**SECTION 46. Health care is an essential safeguard of human life and dignity and there is an obligation for the state to ensure that every Oregon resident has access to effective and affordable health care as a fundamental right.**

SECTION 46a. (1) The Legislative Assembly by law shall adopt a plan that incrementally expands health care coverage so that every Oregon resident is able to obtain effective and affordable health care on a regular basis.

(2) When developing a plan for expanding health care coverage, the Legislative Assembly shall consider ways to:

- (a) Conserve and strengthen the existing health care system to the greatest extent possible;
- (b) Conserve and strengthen the existing system of providing health insurance as a benefit of employment;
- (c) Encourage individual responsibility for one's own health care;
- (d) Maximize the use of Medicaid, Medicare and other federal health care programs;
- (e) Encourage the efficient and effective use of health care expenditures; and
- (f) Improve the health of every Oregon resident.

(3) The Legislative Assembly by law shall adopt a plan that incrementally expands health care coverage pursuant to this section not later than July 1, 2009.

(4) This section is repealed December 31, 2012.

3. *The Oregon Health Services Commission maintains the list and issues biennial reports to the governor and the Legislative Assembly. These reports are available online at [http://egov.oregon.gov/DAS/OHPPR/HSC/HSC\\_reports.shtml](http://egov.oregon.gov/DAS/OHPPR/HSC/HSC_reports.shtml).*

4. *Health Care in Common, Oregon Health Decisions, 1990.*

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