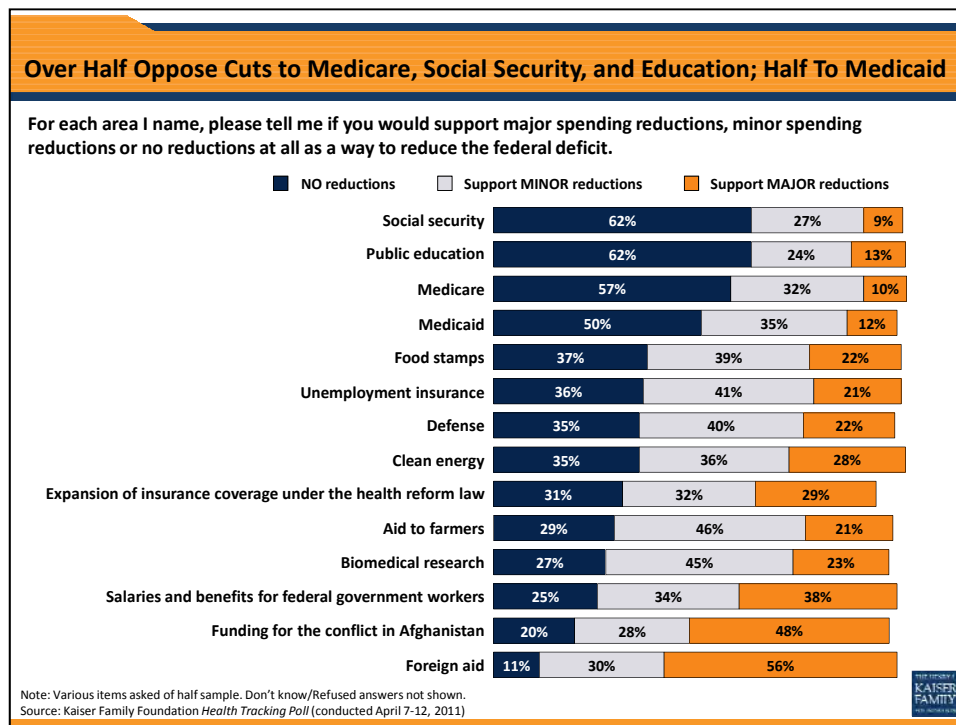


While Congress and the president debate different approaches to reducing the deficit, the latest Kaiser Health Tracking Poll indicates that the public at large, and seniors specifically, are unfamiliar with the terms Washington is using in talking about potential changes to Medicare to address the deficit. Initial public reaction is fairly evenly split when a premium support/voucher program like the one in House Budget Committee Chairman Paul Ryan's "Path to Prosperity" proposal is described, but seniors prefer to keep the current Medicare system by a 2-to-1 margin. However, the survey finds that arguments about potential positive and negative consequences of such a plan have a big impact on public opinion, suggesting that whichever side does a better job getting its arguments across may ultimately win the public's favor. Further, the public remains opposed to cutting Medicare spending as a way to reduce the deficit, the vast majority are opposed to raising Medicare premiums for all seniors, and seniors are the only group in which a majority favors raising the age of Medicare eligibility. While partisan differences exist in the public's reactions to various deficit-reduction proposals affecting Medicare, these divisions are not nearly as deep as we've seen when it comes to health care reform, and substantial shares of Republicans are reluctant to change or cut Medicare. Opinion on the Affordable Care Act is in a dead heat this month, with 41 percent each expressing favorable and unfavorable opinions of the law. Next month's tracking poll will take a closer look at the public's view of deficit-reduction proposals impacting Medicaid.

THE DEFICIT AND MEDICARE: DUELING CONCERNS

Not surprisingly given how much it has been discussed in the media lately, public concern about the deficit remains high, with two-thirds of Americans saying they are "very concerned" about the size of the federal budget deficit, and another two in ten saying they are "somewhat concerned." As we found in January, the public also continues to prefer spending reductions over tax increases as the main vehicle for deficit reduction. However, when it comes to specific areas of the federal budget, there are few in which Americans are willing to accept major cuts. Majorities say they would not support *any* reductions in spending on Social Security (62 percent), public education (62 percent), or Medicare (57 percent), and half would not be willing to accept any cuts in Medicaid spending.



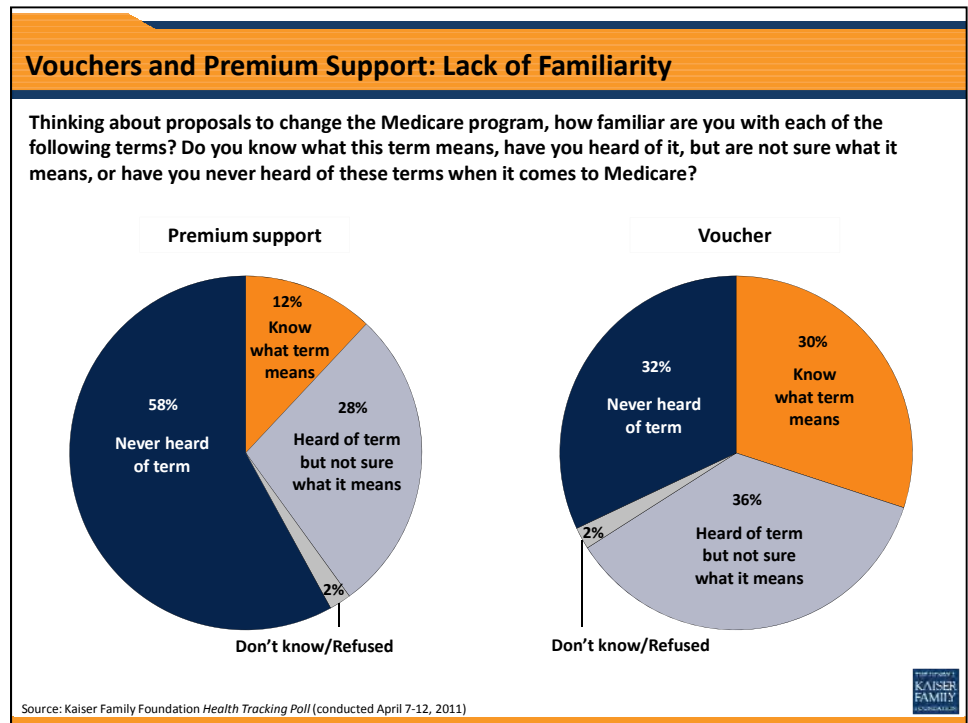
Reluctance to cut Medicare spending may be a reflection of the personal importance people place on the program and their concern about whether its benefits will be available to them in the future. Fully a third of Americans say that they or someone in their household currently receives Medicare benefits, and six in ten say the program is "very important" for them and their family. Among those under age 65, nearly six in ten (57 percent) say they are "very concerned" that the

Medicare benefits seniors have today will not be available to them when they reach retirement age, and another 28 percent say they are “somewhat concerned.”

However, despite the fact that 57 percent say they would not support any “reductions to spending on Medicare” as a way to reduce the deficit, a slim majority (52 percent) say they would favor “slowing the rate of growth in Medicare spending” for the same purpose, while 39 percent say they would oppose. This represents a shift from November 2006, when 35 percent said they favored slowing the rate of Medicare’s spending growth to help with the deficit and 56 percent were opposed, perhaps reflecting the greater intensity of debate and media coverage of the deficit issue now compared with 2006. It’s also worth noting that while younger adults currently lean towards favoring reductions in the rate of Medicare’s spending growth, seniors are more evenly split (44 percent favor, 47 percent oppose). And as noted below, the public is not generally in favor of most methods that have been proposed for achieving such spending growth reductions.

PREMIUM SUPPORT/VOUCHERS

One of the most high-profile discussions in Washington in recent weeks about ways to reduce the deficit has centered around the idea of changing Medicare from a defined benefit program, in which seniors are guaranteed a certain level of health benefits, to a defined contribution plan, in which the government would pay a specific amount towards the cost of a private health plan for each senior, either in the form of a voucher for seniors to purchase insurance on their own, or as a payment directly to the plan (sometimes called “premium support”). While those who closely follow health policy debates may feel like the terms “voucher” and “premium support” have been plastered across the



news media recently, the vast majority of the public is unfamiliar with these terms, particularly the latter. Just 12 percent say they know what the term “premium support” means, while 28 percent say they have heard the term but aren’t sure what it means. Nearly six in ten (58 percent) say they have never heard the term “premium support.” Familiarity is somewhat higher for vouchers (30 percent say they know what the term means and another 36 percent say they’ve heard it but don’t know what it means), but still a third (32 percent) say they’ve never heard the term “vouchers” in reference to Medicare. Familiarity with both terms is similar across age groups and political party identification.

When premium support proposals are described (in as much detail as is allowed by a telephone survey), the public’s preference splits almost evenly between continuing the Medicare program as it is today (50 percent) and changing to a system in which “people choose their insurance from a list of private health plans that may offer different benefits at different premium amounts, and the government pays a fixed amount¹ toward that cost” (46 percent).² While younger

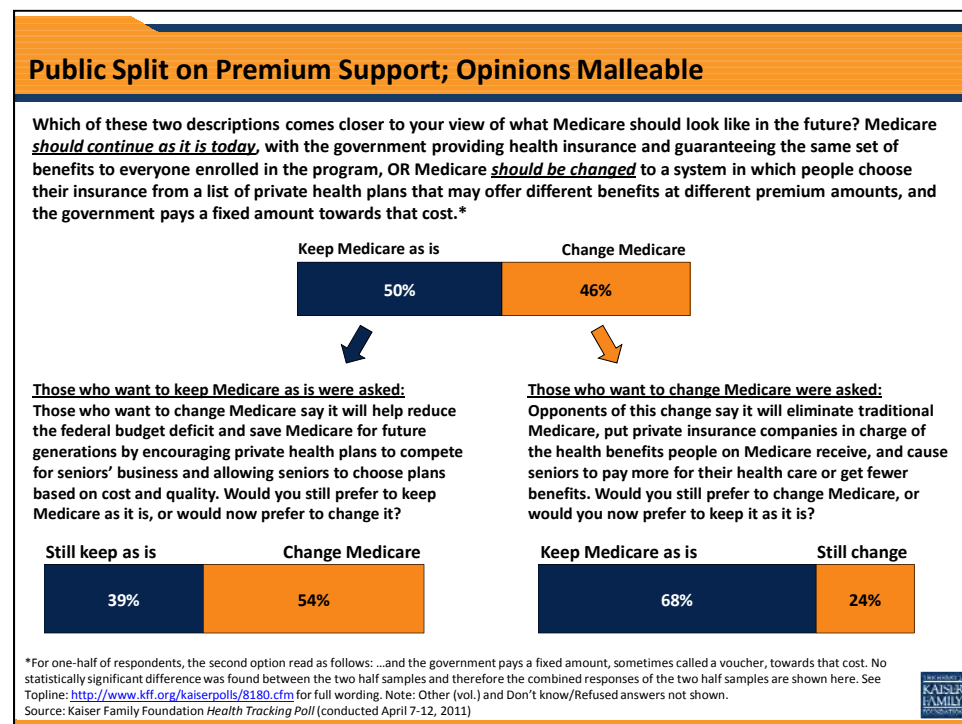
¹ Note: For one-half of respondents, the second option was read as follows: “...the government pays a fixed amount, sometimes called a voucher, towards that cost.” There was no significant difference in responses based on whether the word “voucher” was included in the question and therefore the combined responses of the two half samples are shown here.

² Several recent polls by other survey organizations have produced varying results on public support for this type of proposal using different question wording. See <http://www.kff.org/kaiserpolls/8183.cfm> for more details on other poll results and potential sources of variation.

adults (including those in the 55-64 age range) are roughly evenly split on the proposal, seniors prefer keeping the current Medicare system by a 2-to-1 margin (62 percent vs. 30 percent).

Which of these two descriptions comes closer to your view of what Medicare should look like in the future:								
	Total	By Party ID			By Age			
		Dem.	Ind.	Rep.	18-39	40-54	55-64	65+
Medicare should continue as it is today, with the government providing health insurance and guaranteeing the same set of benefits to everyone enrolled in the program	50%	63%	46%	41%	48%	44%	48%	62%
Medicare should be changed to a system in which people choose their insurance from a list of private health plans that may offer different benefits at different premium amounts and the government pays a fixed amount (sometimes called a voucher,) ¹ towards that cost	46	34	49	55	48	51	49	30
Other (vol.)	1	1	2	1	1	2	1	2
Don't know/Refused	3	2	3	3	3	3	2	6

Partisan differences also exist, though at least at this point in the debate, they are not nearly as stark as the partisan divisions we've seen on the health reform law over the past several years. More than six in ten Democrats prefer to keep the current Medicare system (63 percent), and independents are fairly evenly divided, with 49 percent saying Medicare should be changed and 46 percent saying it should be kept as is. Just over half (55 percent) of Republicans favor the new proposal, but a substantial share (41 percent) of Republicans prefer to keep Medicare as is.

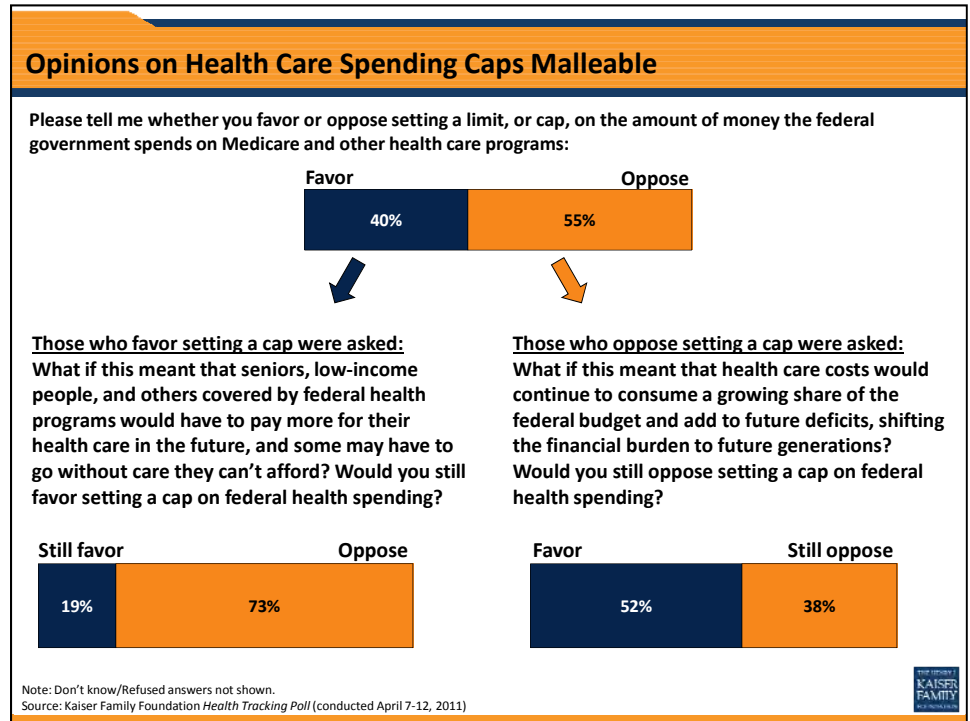


As with most complex policy proposals, public support for changing Medicare to a defined contribution system is malleable in the face of arguments often advanced by those on either side of the debate. For example, when those who initially opposed the proposal were told that supporters believe it will “help reduce the federal budget deficit and save Medicare for future generations by encouraging private health plans to compete for seniors’ business and allowing seniors to choose plans based on cost and quality,” overall support for changing Medicare to a system of premium supports nudged up from 46 percent to 54 percent. On the flip side, when initial supporters were told that opponents of the plan believe it will

“eliminate traditional Medicare, put private insurance companies in charge of the health benefits people on Medicare receive, and cause seniors to pay more for their health care or get fewer benefits,” preference for keeping Medicare as is rose from 50 percent to 68 percent (including majorities of Democrats, Republicans, and independents). The net effect after hearing arguments is that public support for changing Medicare to a premium support system can rise to a majority (54 percent), while preference for keeping the current system can rise as high as two-thirds (68 percent).

CAPS ON FEDERAL HEALTH SPENDING

Another deficit-reduction proposal under discussion, which would cap federal government spending on Medicare and other health care programs, is not popular with a majority of the public. Overall, four in ten say they would back such a plan, while just over half (55 percent) say they would oppose it. Again, partisan differences exist, but not to the level we've seen in the debate over health reform. A strong majority of Democrats (63 percent) and a slim majority of independents (53 percent) oppose capping federal health spending, while Republicans are evenly divided on the plan (47 percent each favor and oppose). Seniors are also against the plan by a 2-to-1 margin (61 percent oppose, 31 percent favor).



Again, arguments for and against the proposal can move opinion. When those who initially oppose the plan are asked how they would feel if “this meant that health care costs would continue to consume a growing share of the federal budget and add to future deficits, shifting the financial burden to future generations,” support for the proposal ticks up from 40 percent to just over half (52 percent). However, when those who initially support caps on federal health spending are asked how they would feel if “this meant that seniors, low-income people, and others covered by federal health programs would have to pay more for their health care in the future, and some may have to go without care they can’t afford,” opposition rises from 55 percent to 73 percent, including a majority of Democrats, Republicans, and independents. The net effect after arguments is that public support for spending caps can rise to a slim majority (52 percent), while opposition to caps can rise to nearly three-quarters (73 percent). Combined with the findings about the effect of arguments on support for premium support/vouchers, this suggests that ultimately, the public’s judgment of any proposal to change Medicare may depend on which side does a better job getting its arguments across to the public.

OTHER DEFICIT-REDUCTION PROPOSALS IMPACTING MEDICARE

Other proposals to help reduce the deficit by making changes to Medicare are met with varying reactions. The most popular of the proposals we asked about is a plan to require drug companies to give a discount on their prices in order to participate in the Medicare program; more than eight in ten favor this proposal, including 61 percent who do so “strongly.” At the opposite end of the spectrum, Americans are overwhelmingly opposed to asking all seniors to pay higher Medicare premiums (84 percent oppose, including 59 percent “strongly”). The public is more split on two proposals that would impose premium increases on higher-income seniors and gradually raise the age of Medicare eligibility from 65 to 67; a slim majority (54 percent) favors the former, while just over half (51 percent) oppose the latter. Americans of different ages and political stripes look strikingly similar in their opinions of each of these proposals, the exception being that slim majorities of Republicans and of seniors favor raising Medicare’s eligibility age (while small majorities of Democrats and of younger adults are opposed).

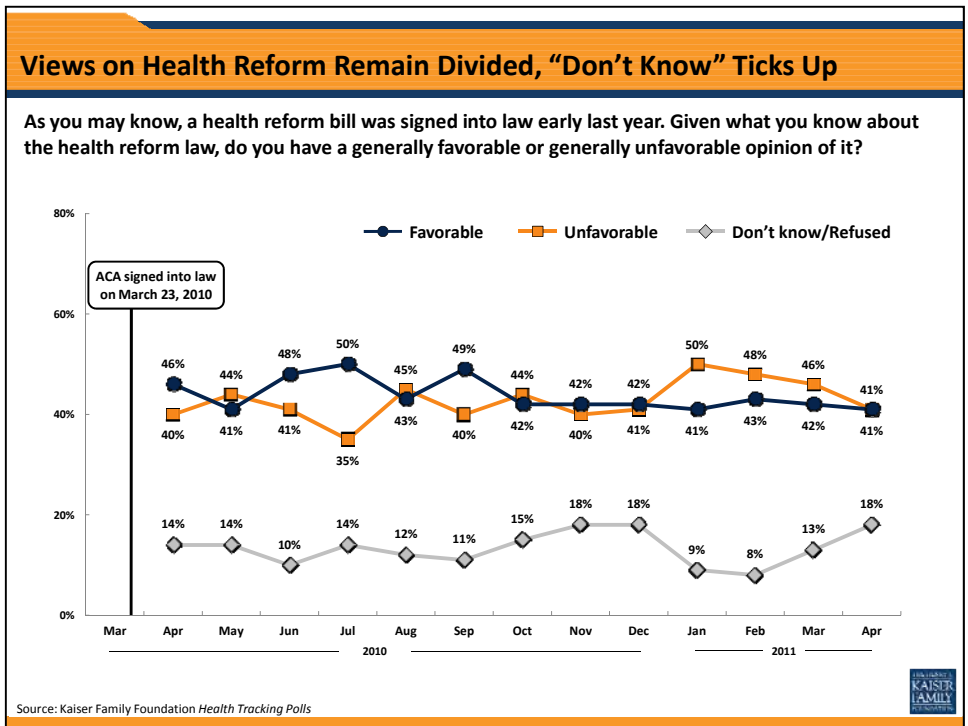
Percent who say they favor the following changes to the Medicare program as ways to reduce the federal budget deficit:

	Total	Party ID			Age			
		Dem.	Ind.	Rep.	18-39	40-54	55-64	65+
Requiring drug companies to give a discount on their prices in order to participate in the Medicare program	83%	85%	83%	84%	79%	84%	91%	85%
Requiring only higher income seniors to pay higher Medicare premiums	54	58	54	51	52	57	56	52
Gradually raising the age of eligibility for Medicare from 65 to 67 for future retirees	47	43	48	54	40	46	48	56
Requiring all seniors to pay higher Medicare premiums	13	11	12	17	14	14	11	11

Note: Shaded boxes represent support for proposal by 50 percent or more among that subgroup.

OPINIONS OF THE ACA: STEADY STATE

Public opinion on the health reform law continues to be remarkably steady in April – four in ten feel favorably about the law and an equal share say they feel unfavorably. In recent months there has been a slight decline in the share with an unfavorable view of the law, with a corresponding uptick in the share who offer no opinion on the law. The rise in those who say they don't know how they feel about the law seems to have been driven by seniors; this month nearly a quarter (24 percent) of those ages 65 and older declined to give an opinion of the law. This may reflect confusion stemming from the recent deficit-reduction proposals and their potential impact on Medicare and the health reform law.



The partisan divide on the law continues this month, with 74 percent of Republicans holding an unfavorable opinion of the law, 64 percent of Democrats holding a favorable view, and Independents lying in the middle. However, favorable views among Democrats are at their lowest level this month (64 percent, compared with a high of 78 percent in April 2010 right after the law was passed).

ACA IMPACT ON SELF, COUNTRY, JOBS

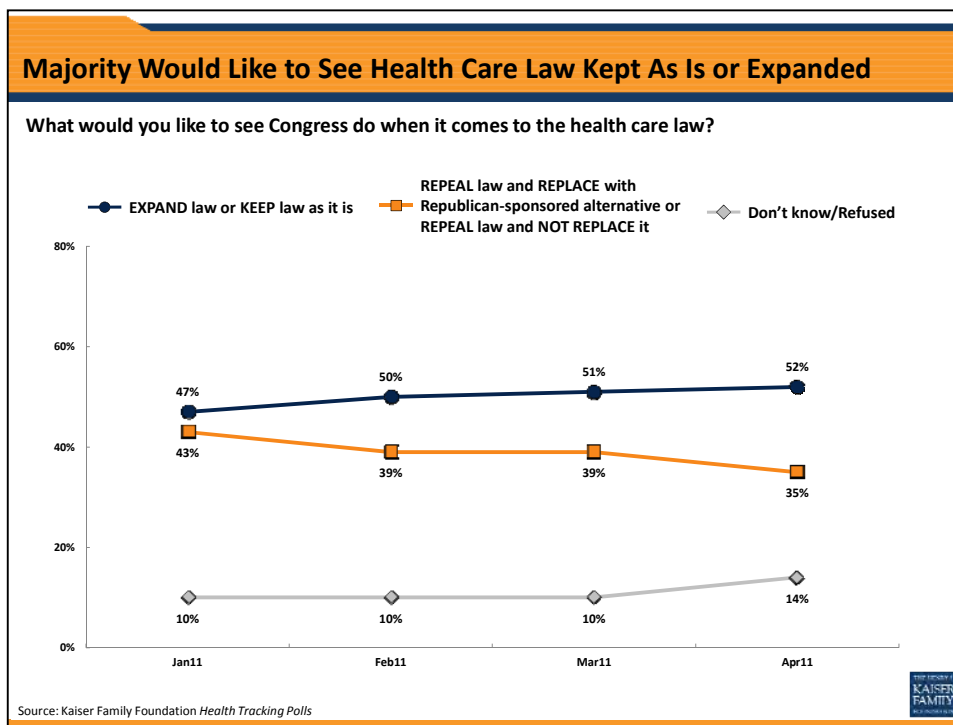
The public continues to be divided on whether they themselves and the country as a whole will be better off or worse off under the law, with the typical partisan divisions. Americans also appear to be divided in their opinions of how the law will impact the job situation in the U.S., with roughly equal shares saying the ACA will cut jobs (28 percent) and create jobs (27 percent), and about a third (35 percent) saying the law will not have an impact on the nation's employment figures. Again, partisan divisions exist; nearly half (49 percent) of Republicans, and 62 percent of Republicans who say they support the Tea Party believe the law will cut the number of jobs in the country.

SLIGHT DECLINE IN APPETITE FOR REPEAL

When asked about next steps for the health reform law, in April a third of the public says they want to see the law expanded and roughly two in ten (19 percent) would like to keep it in its current form. On the other side, 15 percent would like the law repealed and replaced with a Republican alternative and another 20 percent would like the law repealed outright. The pattern of partisanship also continues, with about eight in ten Democrats (79 percent) wanting to expand the law or keep it as is, and roughly seven in ten Republicans (69 percent) calling for some form of repeal. Looking at the public as a whole, the gap between those who want to expand or keep the law and those who would like to see the law repealed has grown

slowly but steadily over the last 4 months. Since January, the share wanting to expand or keep the law as is has ticked up from 47 to 52 percent, while the share calling for repeal has declined from 43 to 35 percent.

The public continues to disapprove of the idea of cutting off funding to stop implementation of the ACA by a 2-to-1 margin (64 percent disapprove, 30 percent approve), a finding that has been consistent over the past four months.



Methodology

This *Kaiser Health Tracking Poll* was designed and analyzed by public opinion researchers at the Kaiser Family Foundation led by Mollyann Brodie, Ph.D., including Liz Hamel, Sarah Cho, and Theresa Boston. The survey was conducted April 7 through April 12, 2011 (just after Paul Ryan's budget plan was released, but before President Obama's April 13 national address on the budget), among a nationally representative random sample of 1,207 adults ages 18 and older. Telephone interviews conducted by landline (803) and cell phone (404, including 190 who had no landline telephone) were carried out in English and Spanish by Princeton Survey Research Associates.

The margin of sampling error is plus or minus 3 percentage points. For results based on other subgroups, the margin of sampling error may be higher. Note that sampling error is only one of many potential sources of error in this or any other public opinion poll.

The full question wording, results, charts and a brief on the poll can be viewed online at <http://www.kff.org/kaiserpolls/8180.cfm>.

Additional copies of this publication (#8180-F) are available on the Kaiser Family Foundation's website at www.kff.org.