



Health Care Opinion Leaders' Views on Health Reform and the Role of States

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ABSTRACT: When asked about the relative power of states and the federal government over health reform, seven of 10 leaders in health care and health care policy favor the balance set by the Affordable Care Act or more authority for the federal government, according to a Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey. A majority of leaders supports granting more federal authority over health insurance market rules and provider payment methods, while just two of 10 favor granting states more power over the individual mandate provision contained in the law. Survey respondents are concerned with several barriers to successful implementation of the act, including the current fiscal situation and budgetary pressures in many states. Six of 10 leaders support creating a federal health insurance exchange in addition to state exchanges, and more than 80 percent support allowing states to implement key provisions ahead of the original timelines outlined in the law.

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OVERVIEW

The Affordable Care Act has the potential to significantly transform the American health care system through a mix of public and private coverage expansion and provider payment reform initiatives.¹ The law creates several new requirements for states, including expansion of Medicaid eligibility, creation of state-based health insurance exchanges, and increased regulation of private health insurance industry practices. The federal government, in turn, is primarily responsible for partnering with states in coverage expansion efforts, rapidly testing and spreading new provider payment methods, and supporting initiatives that seek to transform the health care delivery system.

The latest Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey asked experts in the field about the role of states and the federal government under the Affordable Care Act. When asked about the relative power of states and the federal government over health reform, 41 percent of

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Commonwealth Fund pub. 1506
Vol. 8

health care opinion leaders think the federal government should have more authority and 29 percent favor the balance set by the Affordable Care Act. On many features of health reform, opinion leaders lean toward more federal authority. Half of leaders support a stronger federal role regarding health insurance market rules and provider payment methods. Only two of 10 favor granting states more power over the individual mandate provision contained in the law. Survey respondents are concerned with several barriers to successful implementation of the act, including the current fiscal situation and budgetary pressures in many states. Six of 10 leaders support creating a federal health insurance exchange option in addition to state exchanges, and more than 80 percent support allowing states to implement key provisions ahead of the original timelines outlined in the law.

Many of these views are in line with the recommendations of the Commonwealth Fund Commission on a High Performance Health System, which has a mission to promote better access, improved quality, and greater efficiency across the U.S. health care system.² The Commission has concluded that meaningful reform of the health system will require a pragmatic mix of public and private initiatives that extend affordable insurance coverage to all, align financial incentives to reward high-quality care, and begin to organize the health system to ensure better care coordination.³ An analysis of the Affordable Care Act indicates that the significant insurance, payment, and delivery reform provisions included in the law utilize these strategies and have the potential to

place the nation on a path to a high performance health system that works for all Americans.⁴

The Health Care Opinion Leaders Survey

The Commonwealth Fund and *Modern Healthcare* recently commissioned Harris Interactive to solicit the perspectives of a diverse group of health care experts on health reform and the role of states under the Affordable Care Act. The 203 individuals who took part in the survey—the 25th in a continuing series of surveys assessing the views of experts on key health policy issues—represent the fields of academia and research; health care delivery; business, insurance, and other health industries; and government, labor, and advocacy groups (see Methodology, [Appendix A](#) for detailed demographic information). Respondents were asked for their perspective on health reform and states from April 6 to May 3, 2011.

Opinion leaders either lean toward increased federal authority or say the law strikes the right balance between state and federal power.

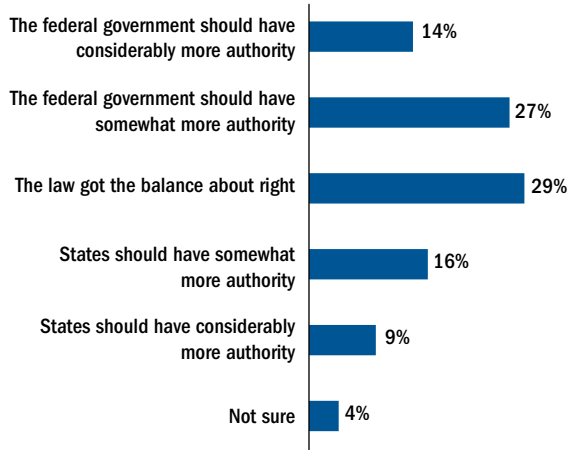
When asked about the relative power of states and the federal government over health reform, 41 percent of health care opinion leaders think the federal government should have more authority and 29 percent favor the balance set by the Affordable Care Act (Exhibit 1). Only 25 percent of respondents felt states should have more authority overall. A slim majority (51%) of leaders in academic and research institutions favor granting more power to the federal government for health reform than was incorporated in the law (Table 1).

ABOUT THE HEALTH CARE OPINION LEADERS SURVEY

The Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey was conducted online within the United States by Harris Interactive, on behalf of The Commonwealth Fund, from April 6 to May 3, 2011, among 1,302 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 203 leaders for a response rate of 15.6 percent. For analytic purposes, respondents were grouped into four nonexclusive sectors: academic/research institutions (56%); health care delivery (23%); business/insurance/other health care industry (22%); and government/labor/consumer advocacy (12%). Data from this survey were not weighted. A full methodology is available in [Appendix A](#).

Exhibit 1. The Affordable Care Act and the Role of States: Health Reform Overall

"In general, do you favor a stronger role for states or for the federal government than was incorporated in the Affordable Care Act? Please indicate the degree to which you believe states or the federal government should have more authority regarding health reform overall."



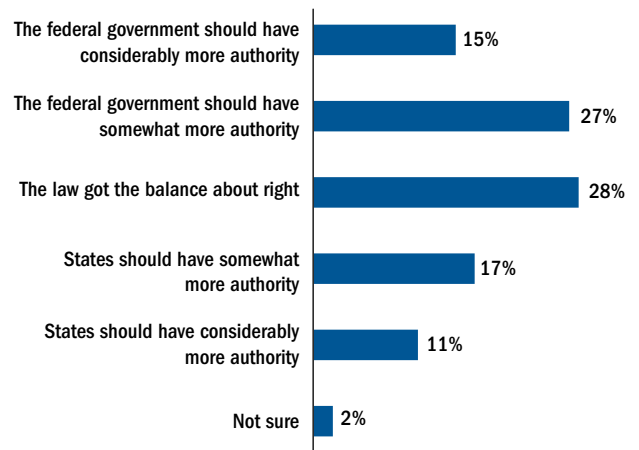
Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

A plurality of leaders believes the federal government should have somewhat or considerably more authority over health insurance exchanges.

Opinion leaders were asked to indicate the degree to which states or the federal government should have authority regarding the new health insurance exchanges created under the Affordable Care Act. The law stipulates that states must establish new marketplaces that offer small businesses and people without employer coverage a choice of plans that meet new essential benefit standards.⁵ A plurality (42%) of leaders believes the federal government should have somewhat or considerably more authority over the exchanges (Exhibit 2). Twenty-eight percent of those surveyed believe the law got the balance about right, while another 28 percent believe states should have more authority.

Exhibit 2. The Affordable Care Act and the Role of States: Health Insurance Exchanges

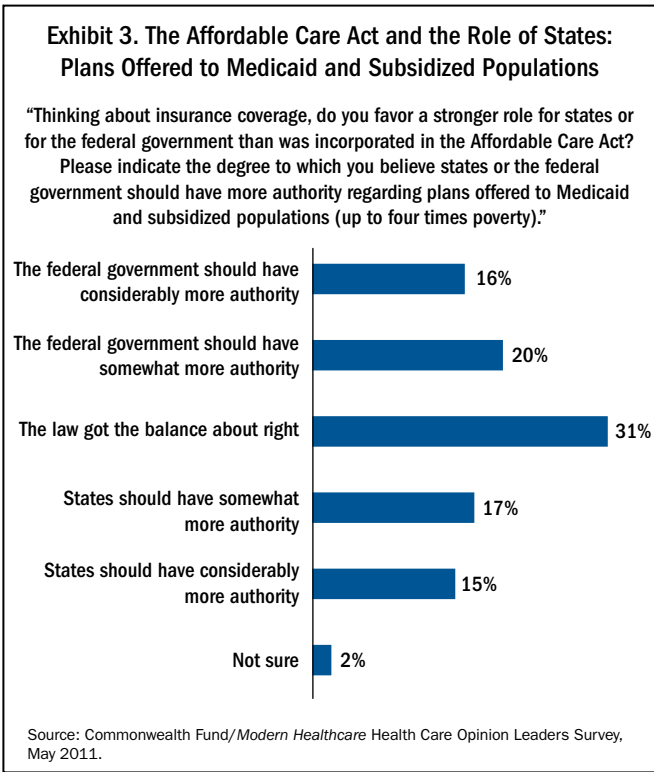
"Thinking about insurance coverage, do you favor a stronger role for states or for the federal government than was incorporated in the Affordable Care Act? Please indicate the degree to which you believe states or the federal government should have more authority regarding health insurance exchanges."



Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

Respondents are evenly divided over authority for plans offered to Medicaid and subsidized populations.

Key provisions in the Affordable Care Act expand eligibility in Medicaid to individuals or families earning up to 133 percent of the federal poverty level and offer premium subsidies to families earning up to four times the poverty level.⁶ Thirty-one percent of leaders believe the law set an appropriate balance between federal and state power regarding plans offered to Medicaid and subsidized populations (Exhibit 3). Thirty-six percent of all respondents favor a stronger role for the federal government, while 32 percent favor a stronger role for states. Views were fairly consistent across respondent categories (Table 2).

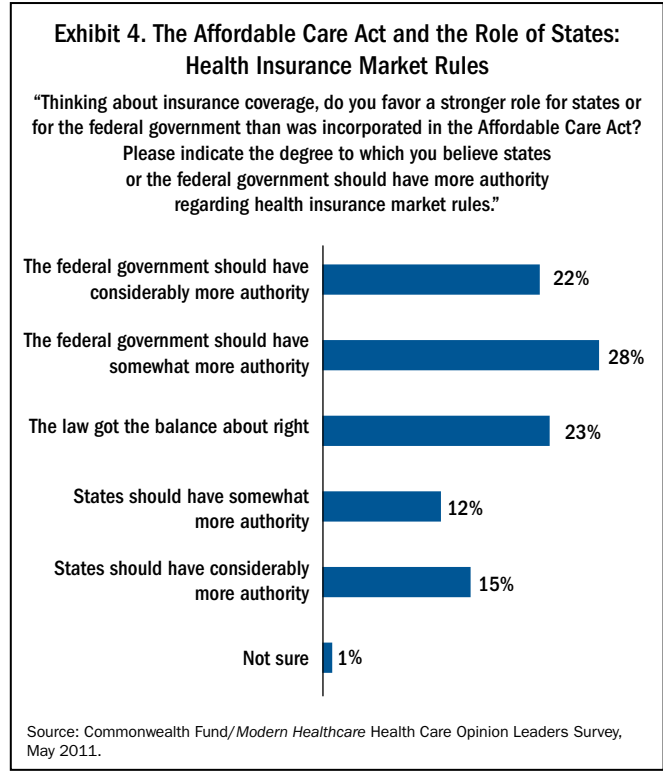


Half of leaders favor granting the federal government more power to set health insurance market rules.

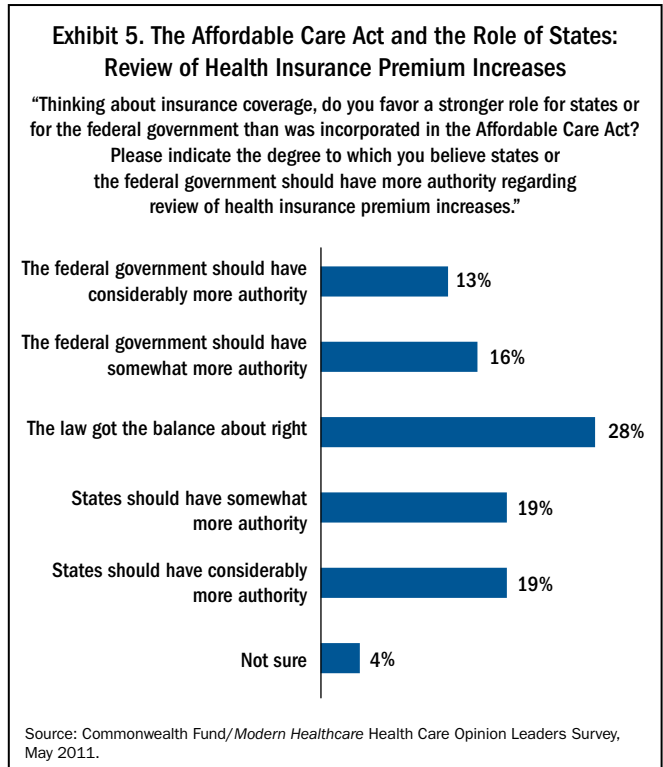
Opinion leaders were asked whether they favored a stronger role for states or the federal government regarding health insurance market rules. Under the law, new federal rules will prohibit insurers from restricting coverage or basing premiums on health status or gender. Half favor granting the federal government somewhat or considerably more authority over health insurance markets than was incorporated in the Affordable Care Act (Exhibit 4). Twenty-three percent of respondents feel the law got the balance about right; 27 percent feel that states should have more authority.

A plurality of leaders favors granting more authority to states to review health insurance premium increases.

Private health insurance plans are now required to submit justification of premium increases to the secretary of Health and Human Services and state officials. Increases that are deemed “unreasonable” by either authority require submission and acceptance of a justification prior to implementation. Information on such increases is required to be posted on insurers’ Web sites.



Thirty-eight percent of those surveyed believe states should have a stronger role reviewing health insurance premium increases than what was incorporated into the Affordable Care Act (Exhibit 5). Twenty-nine percent of leaders favor granting the federal government more authority over premium increases, while 28 percent



believe the law got the balance about right.

Respondents in business, insurance, and other industries (40%) and health care delivery (39%) favor granting states more authority relative to those in academic and research institutions (17%) (Table 2).

Only 20 percent of respondents favor granting states more authority regarding the individual mandate.

Opinion leaders were asked to rate the degree to which they believe states or the federal government should have more authority regarding the individual mandate provision of the Affordable Care Act. This requirement, set to take effect in 2014, requires individuals to carry adequate health insurance coverage or pay a penalty. In exchange, insurers will be banned from restricting coverage or basing premiums on health status or gender. The individual mandate remains a controversial component of the new law and the basis for several legal challenges now working their way through the federal court system.

Only 20 percent of opinion leaders favor a stronger role for states regarding the individual mandate than was incorporated in the Affordable Care Act (Exhibit 6). Thirty-six percent feel the law got the

balance about right, and another 41 percent feel the federal government should have somewhat or considerably more authority. Results are fairly consistent across respondent categories (Table 2).

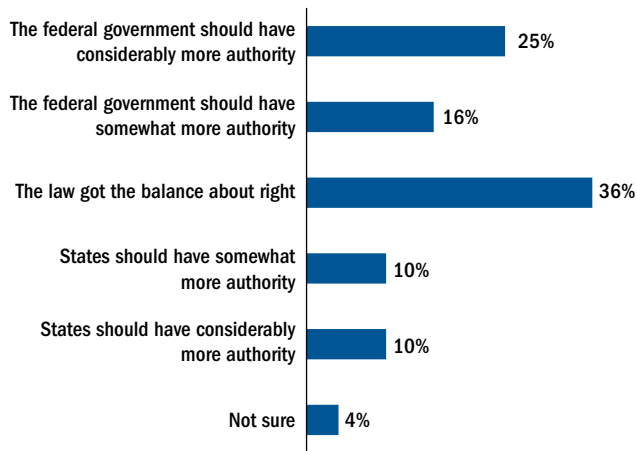
Half of opinion leaders favor more federal authority over provider payment methods.

The Affordable Care Act contains several provisions designed to test and spread innovative provider payment methods that aim to improve quality of care while reducing costs. Provisions include the creation of a new Center for Medicare and Medicaid Innovation in 2011 and an Independent Payment Advisory Board in 2014. The federal government will also increase its payment levels for primary care under Medicare and Medicaid, utilize the accountable care organization model of care delivery, and encourage the adoption of patient-centered medical homes.

Half (50%) of leaders favor a stronger role for the federal government regarding provider payment methods (Exhibit 7). Twenty-seven percent feel the balance between federal and state responsibility for provider payment under the law is about right, while another 21 percent favor granting states more authority.

Exhibit 6. The Affordable Care Act and the Role of States: The Individual Mandate

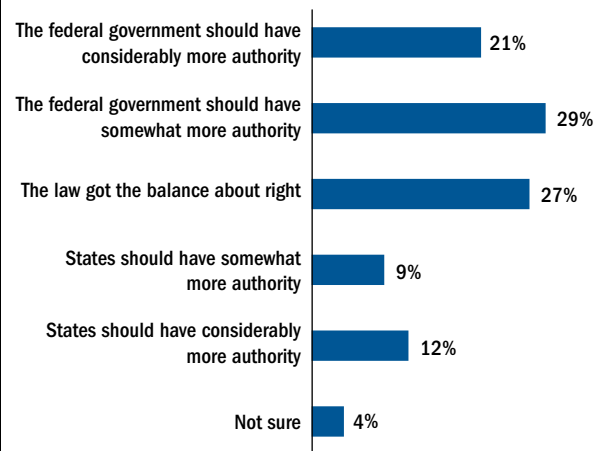
"Thinking about insurance coverage, do you favor a stronger role for states or for the federal government than was incorporated in the Affordable Care Act? Please indicate the degree to which you believe states or the federal government should have more authority regarding the individual mandate."



Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

Exhibit 7. The Affordable Care Act and the Role of States: Provider Payment Methods

"Thinking about payment and delivery system reform, do you favor a stronger role for states or for the federal government than was incorporated in the Affordable Care Act? Please indicate the degree to which you believe states or the federal government should have more authority regarding provider payment methods."



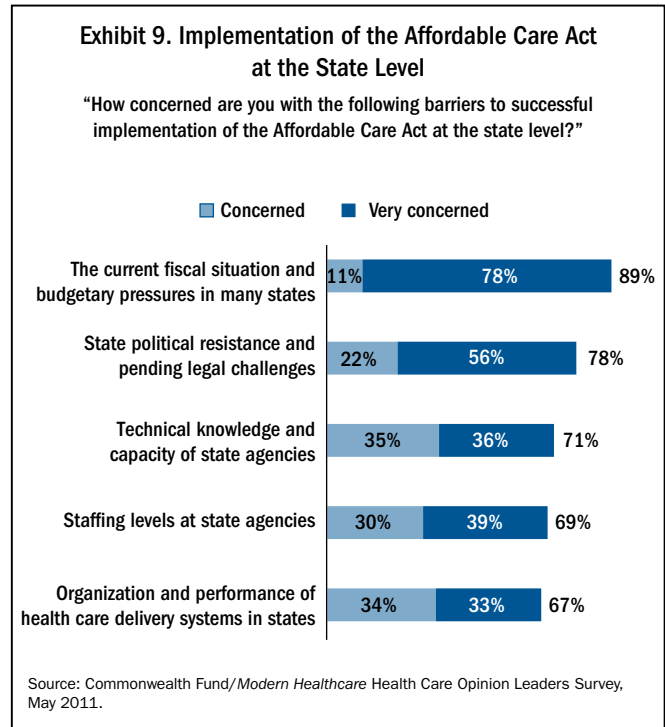
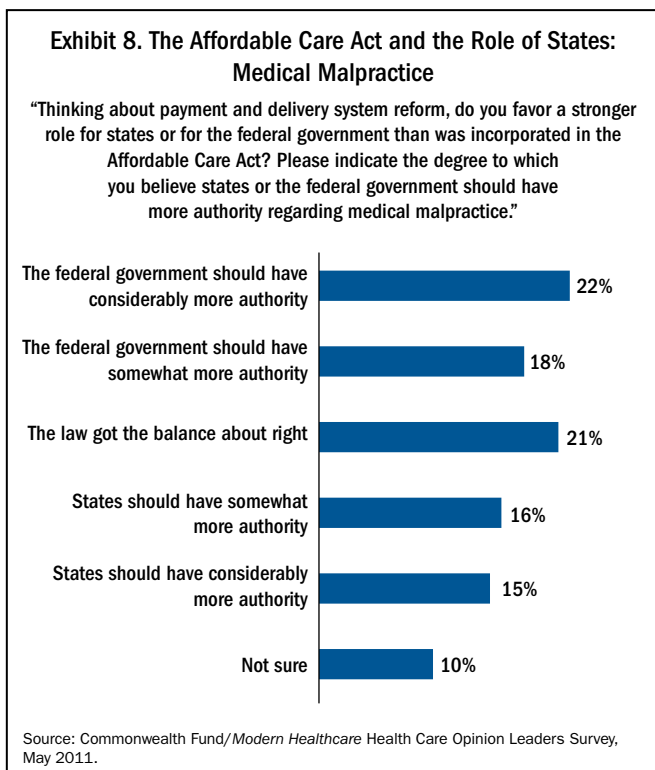
Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

Forty percent of respondents favor more federal authority regarding medical malpractice.

Opinion leaders were asked whether they favor a stronger federal or state role regarding medical malpractice than was incorporated into the Affordable Care Act. Overall, 40 percent of respondents favor granting the federal government somewhat or considerably more authority (Exhibit 8). Twenty-one percent feel the law got the balance about right. Leaders in health care delivery were much less likely to favor the balance set by the law and much more likely to favor either more federal or state authority (Table 3).

Nearly nine of 10 health care opinion leaders are concerned or very concerned about the current fiscal situation and budgetary pressures in many states as barriers to successful implementation of the Affordable Care Act.

Opinion leaders were asked to indicate their concern about several perceived barriers to successful implementation of the Affordable Care Act at the state level. Nearly nine of 10 (89%) of those surveyed are concerned or very concerned about the current fiscal situation and budgetary pressures in states (Exhibit 9).



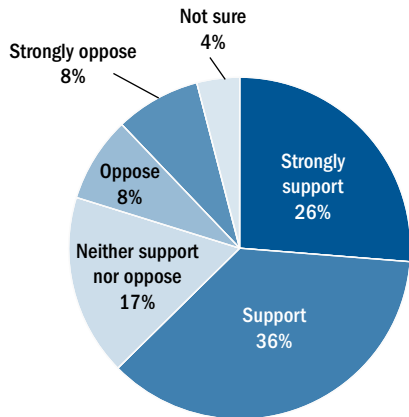
More than 70 percent indicated concern over state political resistance and pending legal challenges (78%) and technical knowledge and capacity of state agencies (71%). Staffing levels at state agencies (69%) and the organization and performance of health care delivery systems in states (67%) also rank as significant concerns for a large majority of respondents.

Sixty-two percent of respondents support creation of a federal health insurance exchange in addition to state health insurance exchanges.

Some policymakers have argued that a federal health insurance exchange should be created as a complement or alternative to state exchanges, which will become operable in 2014. Such an exchange could serve employees at multistate firms or people with family members in different states. Sixty-two percent of survey respondents support or strongly support creation of a federal health insurance exchange in addition to the state exchanges (Exhibit 10). Leaders in academic institutions and health care delivery support the creation of a federal exchange at similar rates (64% and 65%, respectively), while those in business, insurance, and other health care industries (48%) are much less likely to do so (Table 5).

Exhibit 10. Support for a Federal Health Insurance Exchange

"Some policymakers have argued that a federal health insurance exchange should be created as a complement or alternative to state exchanges for enrollees of, for example, multistate firms or people with family members in different states. Please indicate the degree to which you support the creation of a federal health insurance exchange in addition to operable state health insurance exchanges."



Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

Mixed support for state reform waivers and substitutes.

Recently, several policymakers have proposed legislation allowing states to opt out of certain Affordable Care Act provisions and devise their own insurance coverage systems as early as 2014, provided they meet certain requirements. These include providing "coverage that is at least as comprehensive," "cost-sharing protections . . . that are at least as affordable," and "coverage to at least a comparable number of residents" as would have occurred under the law.⁷ State-initiated reforms also may not add to the federal budget deficit.

Overall, 49 percent of leaders support or strongly support allowing states to make such substitutions (Exhibit 11). Those in health care delivery (57%) and business, insurance, and other health care industries (55%) reported support at the highest rates, while those in academic and research institutions (43%) were less enthusiastic (Table 6).

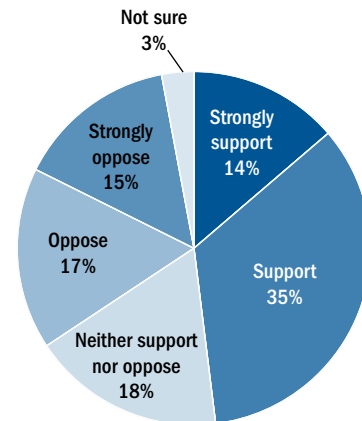
More than eight of 10 respondents support allowing early implementation of the Affordable Care Act.

Some states have indicated a capacity and willingness to implement key provisions of the Affordable Care Act such as expansion of Medicaid eligibility

Exhibit 11. Affordable Care Act Substitutes

"Recently, several policymakers have proposed legislation allowing states to opt out of certain Affordable Care Act provisions and devise their own insurance coverage systems as early as 2014, provided they meet certain requirements.

These include providing 'coverage that is at least as comprehensive,' 'cost-sharing protections . . . that are at least as affordable,' and 'coverage to at least a comparable number of residents' as would have occurred under the law. State-initiated reforms also may not add to the federal budget deficit. Please indicate the degree to which you support such state reform substitutes."

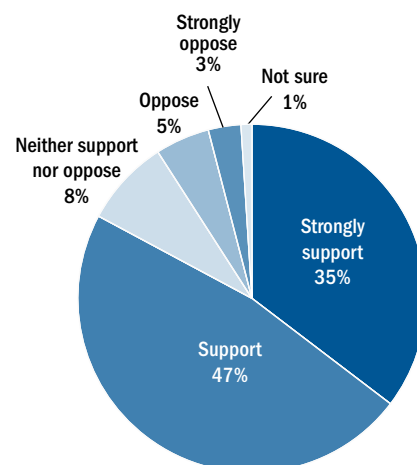


Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

and creation of insurance exchanges with premium subsidies ahead of the original timelines outlined in the law. Health care opinion leaders are strongly supportive of allowing early implementation of the law, with 82 percent either supporting or strongly

Exhibit 12. Early Implementation of the Affordable Care Act

"Some states have indicated a capacity and willingness to implement key provisions of the Affordable Care Act such as expansion of Medicaid eligibility and creation of insurance exchanges with premium subsidies ahead of the original timelines outlined in the law. Please indicate the degree to which you support allowing states to accelerate implementation of the law with full federal support (e.g., accelerated funding for insurance premium subsidies)."



Source: Commonwealth Fund/Modern Healthcare Health Care Opinion Leaders Survey, May 2011.

supporting the proposal (Exhibit 12). Only 8 percent of all respondents do not support allowing states to accelerate implementation with full federal support.

THE PATH TO A HIGH PERFORMANCE HEALTH SYSTEM

The Affordable Care Act has the potential to significantly transform the American health care system through a mix of public and private coverage expansion and provider payment reform initiatives. The law creates several specific new requirements for states, including expansion of Medicaid eligibility, creation of state-based health insurance exchanges by 2014, and increased regulation of private health insurance industry practices. The federal government, in turn, is primarily responsible for partnering with states in coverage expansion efforts, rapidly testing and spreading new provider payment methods, and supporting initiatives that seek to transform the health care delivery system.

When asked about the relative power of states and the federal government over health reform, 41 percent of health care opinion leaders think the federal government should have more authority and 29 percent favor the balance set by the Affordable Care Act. Half of leaders support granting the federal government

more authority regarding health insurance market rules and provider payment methods; two of 10 favor granting states more power over the individual mandate provision contained in the law. Six of 10 leaders support creating a federal health insurance exchange in addition to state exchanges. Opinion leaders expressed concern about barriers to successful implementation, including the current fiscal situation and budgetary pressures in many states. Despite these concerns and ongoing challenges, more than 80 percent of leaders support allowing states to implement key provisions ahead of the original timelines outlined in the law.

Commonwealth Fund research and analysis has suggested that the enactment and successful implementation of the Affordable Care Act at both the federal and state levels can help the nation enter a new era of health care. However, reform remains a work in progress, and cooperation and coordination among federal and state officials is essential to successfully realizing the potential of reform. To that end, diligently monitoring both reform efforts and health system performance at the federal, state, and local levels can help ensure a proper balance among levels of government and lead to a health system that produces the best outcomes for all Americans.

NOTES

- ¹ K. Davis, *A New Era in American Health Care: Realizing the Potential of Reform* (New York: The Commonwealth Fund, June 2010).
- ² The Commonwealth Fund Commission on a High Performance Health System, *Framework for a High Performance Health System for the United States* (New York: The Commonwealth Fund, Aug. 2006).
- ³ The Commonwealth Fund Commission on a High Performance Health System, *Keeping Both Eyes on the Prize: Expanding Coverage and Changing the Way We Pay for Care Are Essential to Make Health Reform Work for Families and Businesses* (New York: The Commonwealth Fund, Nov. 2009).
- ⁴ Davis, *A New Era*, 2010.
- ⁵ K. Davis, S. Guterman, S. R. Collins, K. Stremikis, S. Rustgi, and R. Nuzum, *Starting on the Path to a High Performance Health System: Analysis of the Payment and System Reform Provisions in the Patient Protection and Affordable Care Act of 2010* (New York: The Commonwealth Fund, Sept. 2010).
- ⁶ Davis, Guterman, Collins, Stremikis, Rustgi, and Nuzum, *Starting on the Path*, 2010.
- ⁷ J. E. McDonough, “Wyden–Brown and the Health Law: A Match Made in Heaven or Limbo?” *Kaiser Health News*, March 8, 2011.

APPENDIX A. METHODOLOGY

This survey was conducted online by Harris Interactive on behalf of The Commonwealth Fund among 203 opinion leaders in health policy and innovators in health care delivery and finance within the United States from April 6 to May 3, 2011. Harris Interactive sent out individual e-mail invitations to the entire panel containing a password-protected link, and a total of five reminder e-mails were sent to those that had not responded. No weighting was applied to these results.

The initial sample for this survey was developed using a two-step process. The Commonwealth Fund and Harris Interactive jointly identified a number of experts across different professional sectors with a range of perspectives based on their affiliations and involvement in various organizations. Harris Interactive then conducted an online survey with these experts, asking them to nominate others within and outside their own fields whom they consider to be leaders and innovators in health care. Based on the result of the survey and after careful review by Harris Interactive, The Commonwealth Fund, and a selected group of health care experts, the sample for this poll was created. The final list included 1,246 individuals.

In 2006, The Commonwealth Fund and Harris Interactive joined forces with *Modern Healthcare* to add new members to the panel. The Commonwealth Fund and Harris Interactive were able to gain access to *Modern Healthcare*'s database of readers. The Commonwealth Fund, Harris Interactive, and *Modern Healthcare* identified readers in the database that were considered to be opinion leaders and invited them to participate in the survey. This list included 1,467 people. At the end of 2006, The Commonwealth Fund and Harris Interactive removed those panelists who did not respond to any previous surveys. In 2007 recruitment for the panel continued with *Modern Healthcare* recruiting individuals through their Daily Dose newsletter. In addition, Harris Interactive continued to recruit leaders by asking current panelists to nominate other leaders. The final panel size for the Affordable Care Act and state role survey included 1,302 leaders. With this survey, we are using a new definition of the panel. Two hundred three of these panelists completed the survey, for a 15.6 percent response rate.

With a pure probability sample of 203 adults, one could say with a 95 percent probability that the overall results have a sampling error of ± 6.88 percentage points. However, that does not take other sources of error into account. This online survey is not based on a probability sample, and therefore, no theoretical sampling error can be calculated.

The data in this brief are descriptive in nature. They represent the opinions of the health care opinion leaders interviewed and are not projectable to the universe of health care opinion leaders.

ABOUT THE AUTHORS

Kristof Stremikis, M.P.P., is senior research associate for the president of The Commonwealth Fund. Previously, he was a graduate student researcher in the School of Public Health at the University of California, Berkeley, where he evaluated various state, federal, and global health initiatives while providing economic and statistical support to faculty and postdoctoral fellows. He has also served as consultant in the director's office of the California Department of Healthcare Services, where he worked on recommendations for a pay-for-performance system in the Medi-Cal program. Mr. Stremikis holds three undergraduate degrees in economics, political science, and history from the University of Wisconsin at Madison. In May 2008, he received a Master of Public Policy degree from the Goldman School at the University of California, Berkeley. He can be e-mailed at ks@cmwf.org.

Karen Davis, Ph.D., is president of The Commonwealth Fund. She is a nationally recognized economist with a distinguished career in public policy and research. In recognition of her work, Ms. Davis received the 2006 AcademyHealth Distinguished Investigator Award. Before joining the Fund, she served as chairman of the Department of Health Policy and Management at The Johns Hopkins Bloomberg School of Public Health, where she also held an appointment as professor of economics. She served as deputy assistant secretary for health policy in the Department of Health and Human Services from 1977 to 1980, and was the first woman to head a U.S. Public Health Service agency. A native of Oklahoma, she received her doctoral degree in economics from Rice University, which recognized her achievements with a Distinguished Alumna Award in 1991. Ms. Davis has published a number of significant books, monographs, and articles on health and social policy issues, including the landmark books *Health Care Cost Containment; Medicare Policy; National Health Insurance: Benefits, Costs, and Consequences*; and *Health and the War on Poverty*. She can be e-mailed at kd@cmwf.org.

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Edward L. Schor, M.D., is vice president of The Commonwealth Fund, where he directs the State Health Policy and Practices program. The goal of that program is to help state leaders create the policies and programs that will lead to higher health system performance, especially for low-income populations, emphasizing the integration of services to achieve better coordination of care and efficiency. He previously directed the Fund's Child Development and Preventive Care program. Dr. Schor is a pediatrician and has held a number of positions in pediatric practice, academic pediatrics, health services research, and public health. Prior to joining The Commonwealth Fund he was medical director for Family and Community Health in the Iowa Department of Public Health.

Editorial support was provided by Deborah Lorber.

