

A Health Care Puzzler

Tapping into a valuable RAND public opinion resource, researchers find that Americans lack key knowledge about health insurance and health care reform. This gap in understanding poses real challenges for policymakers as the confused consumers now must make informed choices about health care coverage under the Affordable Care Act (ACA), determining health care reform's ultimate success or failure.

Although headlines and news broadcasts may carry a daily drumbeat of reports on the ACA, new research shows that Americans have a poor understanding of health insurance and health care reforms. Further, those most likely to be affected by the ACA—Americans who are younger, less educated, and poorer—are the least informed.

Data about these key gaps in knowledge and understanding were derived from a specially designed questionnaire fielded on the American Life Panel (ALP),¹ a nationally representative sample of 6,000 people ages 18 and older who have agreed to participate in occasional online surveys.

Since 2006, the ALP has included more than 350 surveys on a range of topics, such as how participants are dealing with inflation or their retirement planning. ALP research notably includes the RAND Election Poll in 2012, which provided one of the most accurate predictions of the results of the presidential election. RAND researchers recently have tapped the ALP to track shifts in public sentiment about the ACA.

In a fall 2013 survey, respondents were asked questions about such topics as the health insurance mandate, health insurance exchanges, penalties for the uninsured, health insurance subsidies in the ACA, Medicaid expansion, how they think health care reform will affect access to care, quality of care, and time spent waiting for emergency care. Among the findings in the study with RAND authors Katherine Grace Carman and Sebastian Bauhoff:

- Most respondents expect that health care reforms will result in worse health care.
- Those most likely to be affected by the reforms are relatively more optimistic; uninsured, unmarried, nonwhite,

and Hispanic respondents were more likely to expect health care reform to improve health care.

- Among the poor—a group most likely to be uninsured—the lack of knowledge about finances in general, and



¹ mmicdata.rand.org/alp/.

health insurance and health reform in particular, is acute. Less-educated, female, and young respondents have lower subjective and objective knowledge about the ACA.

- Those who live in “blue” (Democrat-leaning) states and those in states that created their own health exchanges were more optimistic about changes brought about by the ACA.

NEXT STEPS

The findings of this research point to a need for policymakers to zero in on ways to help Americans, especially the poor and least informed, by giving them health insurance options plainly presented and in ways that benefit them the most. When offering health care coverage online—now labeled as silver, gold, and platinum policies—insurers may, for example, wish to provide first and as a default the least costly version of each plan. This study underscores the need for continuing information campaigns about health care insurance and reform.

This brief describes work documented in “Preparedness of Americans for the Affordable Care Act,” by Silvia Helena Barcellos, Amelie C. Wuppermann, Katherine Grace Carman, Sebastian Bauhoff, Daniel L. McFadden, Arie Kapteyn, Joachim K. Winter, and Dana Goldman, from *Proceedings of the National Academy of Sciences of the United States (PNAS) Early Edition*, March 24, 2014. The RAND Corporation is a nonprofit research institution that helps improve policy and decisionmaking through research and analysis. RAND’s publications do not necessarily reflect the opinions of its research clients and sponsors. **RAND**® is a registered trademark. © RAND 2014



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