

Rural Voters Support the Choice of a Public Health Insurance Plan

A public health insurance plan is a vital and innovative component of leading health reform proposals, and choice of a public health insurance plan **has the support of three-quarters of voters, even after hearing the sharpest industry attacks.**¹ As a part of an insurance exchange, the public health insurance plan would provide an added choice to enrollees and would compete on a level playing field with private health plans. The plan would be administered by government but funded through premiums.

✓ **The Private Health Insurance Market is Failing Rural Communities.**

- Rising premium costs and changes in the rural economy have resulted in a sharp decline in rates of private health insurance from 72% to 60%.²
- In general, compared to their urban counterparts, people in rural areas face higher out of pocket costs, higher expenses for emergency room usage, and are 70% more likely to be underinsured.³
- Evidence suggests that the actuarial value of health plans held by rural residents is lower than for those for urban residents, leading to delays in seeking care and increased medical debt for rural households and financial challenges for rural providers who are often unreimbursed or under-reimbursed for services.

✓ **Rural Voters Support a Public Health Insurance Plan Option**⁴

- The choice of a public health insurance plan enjoys intense and widespread support. A public health insurance plan is supported by 73% of voters, including 71% of rural voters, even when they hear the sharpest insurance industry attacks. This includes Democrats (77%), Independents (79%) and Republicans (63%).
- Rural voters believe in competition. Voters believe if private insurers are really more efficient than government, then they won't have any trouble competing with a public health insurance plan option, with rural voters believing this more strongly (62%) than urban voters (57%). Fewer than one quarter (23%) of rural voters believe a public health insurance plan will have an unfair advantage over private plans.
- A majority of rural voters agree that a public health insurance plan will be better able to control health care costs by using its purchasing power to drive competition, rejecting an attack that a public health insurance plan will shift higher costs onto the privately insured. Among rural voters, 72% believe negotiations like those done by the VA will lead to lower prices.

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- A majority (58%) of rural voters believe a public health insurance plan will lower costs by providing real competition with private insurance while spending less on profits and administration. Only 30% of rural voters fear that a public health insurance plan will be a big, costly government bureaucracy.
- Rural voters reject the idea that a public health insurance plan will cause people to be dumped from their private coverage. A majority (57%) of rural voters agree with the response that millions of people are already losing their coverage every year and that a choice of private or public health insurance plans will make sure that Americans always have quality affordable care.
- Two thirds of urban and 71% of rural voters agree that a public health insurance plan will provide a choice with a standard, comprehensive package of benefits and a wide choice of doctors. Voters are unconvinced that a public health insurance plan will force people into lower quality care including rationing and long waits (27% urban voters, 24% rural voters).

✓ **A Public Health Insurance Option Will Promote Competition.**

Today, consolidation in the private insurance industry has greatly narrowed price and quality competition, particularly in rural areas. In fact, in 2005 the PPO/HMO industry was considered highly-concentrated, or anti-competitive, in 96% of metropolitan areas, severely limiting consumer choice.⁶

A public health insurance option coupled with a more structured and robust private insurance market will break the stranglehold a handful of companies have on the insurance market. Most importantly, under these reforms consumers will be able to vote with their feet when their health plan – public or private – doesn’t work for them.

Examples of Rural States with Single Dominant Insurers⁵

State	Share of Combined PPO/HMO Market
Alabama	83% (BCBS AL)
Arkansas	75% (BCBS AR)
Georgia	61% (WellPoint)
Indiana	60% (WellPoint)
Iowa	71% (Wellmark)
Kentucky	59% (WellPoint)
Louisiana	61% (BCBS LA)
Maine	78% (WellPoint)
Montana	75% (BCBS MT)
South Carolina	66% (BCBS SC)
Vermont	77% (BCBS VT)
Wyoming	70% (BCBS WY)

¹ Lake Research Partners. Poll conducted January 2009 among 800 voters. http://hcfan.3cdn.net/6051a7401af9ed732b_ktm6bxbfu.pdf

² National Advisory Committee on Rural Health and Human Services. *2008 Report to the Secretary: Rural Health and Human Services Issues*. April 2008.

<ftp://ftp.hrsa.gov/ruralhealth/committee/NACreport2008.pdf>

³ Erica C. Ziller, Andrew F. Coburn, Anush E. Yousefian. “Out of Pocket Health Spending and the Rural Underserved.” *Health Affairs*. Nov/Dec 2006.

⁴ Lake Research Partners.

⁵ American Medical Association. “Competition in Health Insurance: A Comprehensive Study of U.S. Markets.” 2007. http://www.ama-assn.org/ama1/pub/upload/mm/368/compstudy_52006.pdf

⁶ American Medical Association. “Competition in Health Insurance: A Comprehensive Study of U.S. Markets.” 2007. http://www.ama-assn.org/ama1/pub/upload/mm/368/compstudy_52006.pdf