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**High Cost Top Health Care Problem in Massachusetts
Public Favors State Taking “Major Action” to Address Health Care Costs**

Government, insurers, health care providers and consumers also needed to help solve the problem

BOSTON – October 21, 2011 – By a wide margin, Massachusetts residents consider rising costs to be the most serious problem facing the state's health care system and view excessive charges as major culprits. Nearly nine in 10 members of the public say it is important for state government to take “major action” on rising health care costs, but they also believe that government, insurers, hospitals, doctors, and individuals all need to be involved in solving the problem.

These are among the findings from a recent statewide survey of consumer attitudes on health care costs commissioned by the Blue Cross Blue Shield of Massachusetts Foundation and conducted by researchers at the Harvard Opinion Research Program. The survey was the subject of a Foundation-organized breakfast forum, held today in Boston, which brought together several hundred people from state government, consumer advocacy groups, and various sectors of the health care community to discuss the policy and political implications of these findings for the next wave of health reform.

Foundation president Sarah Iselin said she hoped the survey and forum would be “a catalyst for the state's health care community to address costs with the same level of commitment, innovation, and unified action that we saw during the first round of Massachusetts health reform.” She added that “the unrelenting rise in the cost of care has made it increasingly difficult to sustain, and build upon, the extraordinary gains in coverage and access that have occurred since 2006.”

The conviction that state government should take major action to address high health care costs in Massachusetts crosses party lines, with a majority of Republicans (64%), Democrats (80%), and Independents (73%) agreeing. At the same time, members of the public are evenly split on whether they believe action by state government can actually reduce future health care costs.

The lead researcher, Robert Blendon from the Harvard School of Public Health, said that the results reveal the public’s focus on high charges as the lead culprit. “This suggests the public is likely to respond more favorably to cost containment measures that address high charges, and somewhat less favorably to efforts to limit their use of higher cost services,” Blendon said. Regardless of potential solutions “cost is clearly the dominant health care problem in terms of what people care about, which is likely to make it a major political issue going forward.”

For Iselin, this is a critical time to begin tackling costs. “When health reform was enacted five years ago, everyone agreed that cost containment had to be the next step,” she said. “Important work is going on in many parts of the health care system, but as this survey shows, the public is looking for results. It’s time for concerted action by the health care community to develop a strategy that everyone can get behind.”

Philip W. Johnston, chair of the Foundation Board of Directors, said he hoped the state would continue its national leadership role on health care. “Massachusetts led the nation on health care coverage, providing the framework upon which national reform was built. We now have the opportunity to lead on costs and show the rest of the country that a major collaborative effort can make real progress.”

The Blue Cross Blue Shield of Massachusetts Foundation is a private, independently governed, non-profit foundation founded in 2001 with a mission to expand access to health care for low-income and vulnerable residents of Massachusetts. Since its inception, the Foundation has awarded nearly \$38 million in grants to 330 different non-profit organizations. This year it launched a new grant-making program – Making Health Care Affordable: Preserving Access and Improving Value – that will help community organizations develop, expand, test, and measure the impact of cost containment initiatives that will also maintain or improve access and quality of care in Massachusetts.

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Some Key Findings: Public Perceptions of Health Care Costs in Massachusetts
For the full survey report, visit BlueCrossFoundation.org

Most pressing health care problem in Massachusetts

Given a choice of four frequently cited concerns about health care in Massachusetts, residents at all income levels rated the high cost of care as the most serious problem.

- The high cost of health care: (25% crisis), (53% major problem)
- Limited access to needed care: (14% crisis), (32% major problem)
- Low quality of health care services: (11% crisis), (22% major problem)
- Long wait times for medical appointments: (5% crisis), (26% major problem)

Top five “major reasons” for high health care costs in Massachusetts

- Drug companies charging too much: (77%)
- Insurance companies charging too much: (72%)
- Waste and fraud in the health care system: (66%).
- Hospitals charging too much: (63%)
- Increased medical needs of individuals who do not take good care of their health: (63%)

Who should take the lead in reducing health care costs in Massachusetts?

- Government: (32%)
- Insurance companies: (27%)
- Hospitals and Doctors: (19%)
- Individuals – people like you: (13%)
- Employers: (3%)

Importance of state government taking major action to address rising health care costs

- Very important: (74%)
- Somewhat important: (14%)
- Not very important: (3%)
- Not at all important: (1%)
- State government should take no action: (6%)

Confidence in state government being able to reduce future health care costs

- Very confident: (10%)
- Somewhat confident: (38%)
- Not very confident: (32%)
- Not at all confident: (19%)

The poll was designed by the Harvard School of Public Health and the Blue Cross Blue Shield of Massachusetts Foundation. The project team was led by Robert J. Blendon, a professor of health policy and political analysis at the Harvard School of Public Health and the Harvard Kennedy School. The Harvard research team also included Gillian SteelFisher, Johanna Mailhot, and Sara Abiola.

Interviews were conducted via telephone (cell phones and landlines) with 1,002 randomly selected Massachusetts residents, age 18 and older, by Social Science Research Solutions. Respondents could choose to conduct the interview in either English or Spanish. The interviewing period was September 6-19, 2011. The sampling error for this poll is ± 3.73 percentage points at the 95% confidence level