
Original Article

The politics of health care

Received (in revised form): 29th June 2010

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ABSTRACT This article reports the survey results from attendees at a large US health-care conference. Conference attendees were polled on a number of health-care reform issues along with some basic demographic information. Few significant differences were found based on respondents' gender, or surprisingly even whether they were employed in the health-care industry. Rather, the most striking differences occurred along political party lines: Democrats supported the allocation of tax dollars to health-care programs (for example, supporting the uninsured), whereas Republicans did not seek solutions through tax increases. These differences hold for both health-care industry insiders and consumers of health care, which portends significant challenges in this industry and potential opportunities for the health-care marketer. We replicated our findings on a national random sample, wherein respondents were solicited without association with any health-care conference or event.

Journal of Medical Marketing (2010) 10, 305–311. doi:10.1057/jmm.2010.18;
published online 30 July 2010

Keywords: health-care costs; trade-offs; political party; conjoint analysis

INTRODUCTION

Health care is proving to be a fruitful context for marketers to study consumers who are making important decisions. Marketers can study purchases that are important to consumers because they are expensive, such as houses and cars, but health-care choices are important because they are personal or social (that is, affecting one's family) even when they do not carry truly life or death consequences. The choice of health-care provider frequently occurs with limited objective information, with significant asymmetry between those recommending care and the consumer

(patient). Furthermore, the health-care industry offers an interesting laboratory for the marketer in which financial implications are largely removed for many consumers, given the third-party pay arrangements for those fortunate enough to be covered. Thus, marketing researchers can focus on other imposing factors in important and risky decision making. Given the largely unimportant nature of price, providers are faced with the challenge of how to convince the consumer of the value proposition of obtaining care from their facility when the dimensions that drive the decision are poorly understood.

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There is an extensive literature in marketing around the manipulations of perceptions and risk assessments of these important decisions. For example, studies have established that consumers with a promotion focus will state greater intentions of compliance when the health messaging had emphasized the patient's efficacy, and those with a prevention focus enhanced such intentions for messages that highlighted likely health outcomes.¹ In another study, when participants received positive test results, which were subsequently learned to be false-positive, the initial state of feeling vulnerable and at risk was not overcome by the updated information about the test's error.² And of course, perceptions of risk assessment can also be a more stable, trait-like orientation, as exhibited in studies in which depressed patients were found to be more realistic in their estimation of the likelihood of their contracting a particular disease than non-depressives.³

Marketers rely on distinctions such as these cognitive orientations when segmenting consumers and crafting messages to targeted groups.⁴ This study seeks to understand the effects of three primary classifiers: the survey participant's gender, whether he or she was employed in the health-care industry (broadly defined, for example, including providers, payers, researchers), and his or her political party affiliation. As a preview or executive summary, the results indicate that significant political party differences vastly dominate any other slicing of the data.

Certainly political party has been used by marketers to segment consumers in other realms, and the distinction is especially applicable here.⁵ A recent Kaiser Foundation survey found Democrats were more likely (29 per cent) to be supportive of increased US spending on global health issues than were Republicans (11 per cent).⁶ Beyond political party within the United States, cultural differences form a philosophical basis for widely varying provision,

particularly regarding social economic coverage, as in Britain and the EU.⁷ The reformation of health-care costs is probably the single largest economic issue among these countries and the United States, especially when coupled with their aging populations.⁸

In the fall of 2009, as Congress was beginning to fervently debate health-care issues such as coverage and structures of payment systems, a small business school in a city with a large health-care corporate presence hosted a conference on health care. Some 500 persons attended, ranging from health-care industry specialists to students and business people interested in understanding the current issues in health care. This conference and the audience mix provided an opportunity to survey people's attitudes about business elements of health care. The sample was composed of 66 per cent men, their average age was 37 years, 54 per cent were Republicans, and 56 per cent of the sample worked in the health-care field.

The survey contained general questions about taxes and spending, and more specific questions about health-care options. It concluded with several demographic questions, including the respondent's gender, political party affiliation and whether they worked in the health-care industry.

Before we present the results, we note that we had some concerns that our results may have been partly attributable in some manner to the salience of the health-care issues, given the frequency with which they had been discussed in the media during the period of the conference. We also sought to test whether consumers' concerns had been allayed with the passing of the initial reform bills. Thus, to test for consistency and verify the robustness of our findings, we ran a second survey in the spring of 2010, and we will show that these results replicate those of the first study. We now present the results of that first study.

BIG PICTURE: IS HEALTH CARE A PRIORITY?

The first section of the survey sought people's general perceptions of the importance of health care among other issues the nation currently faces. Such attitudes might be measured in a variety of manners, but in this survey they were viewed through an economic, cost-related lens, which was assumed to be relevant given the nature of many of the pressing issues.⁹ Thus, respondents were asked to manage a symbolic budget of US\$100 (or 100 percentage points) across several social programs to contextualize health care. The choices included education, improving the country's infrastructure (bridges, roads and so on), strengthening military and security (international terrorism, airport, borders and so on) and health care.

Specifically, the survey item asked:

If you had to pay more each year in taxes, how would you like to see the government spend your money? In particular, *how would you allocate \$100 to support the following programs?* Each program can be supported from \$0 to \$100, but the total must be \$100.

Figure 1 shows the result of this contextual comparison. Democrats and Republicans did not differ significantly on attitudes toward education or infrastructure expenditures. However, the parties did differ significantly on two issues. As might be traditionally predicted, Republicans were willing to contribute significantly more resources to address military and security issues. Health care elicited a great schism. The largest difference between the attitudes of the political parties was that Democrats were significantly and dramatically more supportive of spending on health care.

This contrast is the new manifestation of 'guns or butter' – Republicans being concerned with international relations and Democrats with domestic. Both issues loom large in this twenty-first century,

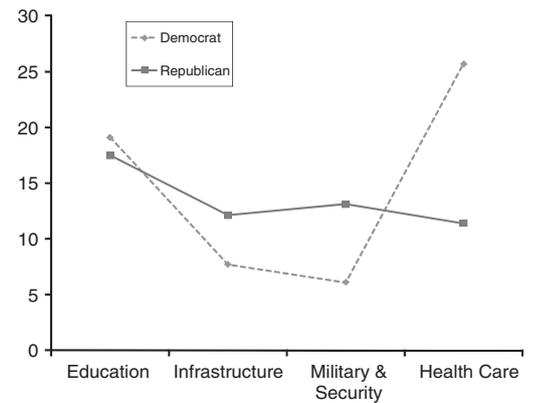


Figure 1: Health care in context.

but at present it is health-care spending and reform that has dominated public discourse and the attention of candidates running for office and those currently serving in D.C. These data give clear insight into the challenges of the discussions between peoples representing such variant points of views. Reaching consensus on the efficacy of reform, now and going forward, will be very difficult with parties at such odds.

DRILLING DOWN: WHAT ELEMENTS OF HEALTH-CARE REFORM FIND SUPPORT?

In the next section of the survey, respondents were asked to drill down and focus on health care. Once again, they were asked to allocate \$100 across programs to reflect their support, but in this case all the programs were health-care related. As is clearly illustrated in Figure 2, once again party ideology had a major impact on opinions. Democrats sought to provide coverage for the uninsured, to extend the support of preventative health programs and to cover chronic health conditions (all differences are statistically significant). In contrast, and also a statistically significant finding, Republicans preferred that no tax increase would be

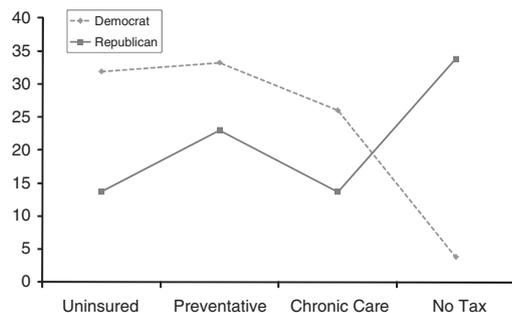


Figure 2: Support of health-care expenditures by party.

instituted rather than supporting any one of the other programs.

These differences between parties' perceptions on health-care options and choices among financial expenditures are significant and striking. The differences are fundamental and consistent with traditional philosophies underlying their respective parties, once again portending continuing political challenges ahead toward even modest progress.

TRADE-OFFS: THE CONJOINT STUDY

The essence of complexities in macro-level decisions of policies and politics is usually the acknowledgement that there are trade-offs among the options under consideration.¹⁰⁻¹² For example, if people expect health care as a right, would they be willing to pay more for it, either in taxes or in private commercial exchange?

If taxes or prices were not increased, would people be willing to accept a compensatory system, such as one in which their selection of services would be constrained? Or, for example, would people be willing to wait until they were older before being eligible for social support? And again, relating back to the greater good, how much diminution to other collective national services would be tolerated to fund health-care programs?

Marketers have long recognized the importance of trade-offs in consumer

decision making, and frequently rely on the analytical tools of conjoint to isolate those trade-offs precisely.^{13,14} Hence, the third section of the survey gathers data based on trade-offs to run a conjoint analysis. These results will begin to illuminate the relative importance of various elements of particular items associated with health-care reform.

The conjoint design was a full factorial of four factors, each with two levels. All combinations of factors were created, and respondents ranked them from 1 to 16. The four factors varied in whether a health-care program would be supported:

- (a) via no tax increase or a 10 per cent tax increase;
- (b) with services sustained at the current level of services or a program with reduced services, the latter being described as one in which no coverage was offered for meds, elective procedures or health conditions that were the result of poor lifestyle consequences (such as smoking or being overweight);
- (c) for citizens using the current income eligibility or should it be the case that wealthy retirees would be ineligible for coverage and would have to fund themselves; and
- (d) for Medicare coverage continuing to begin at age 65, or should the eligible age be pushed back to 70.

In sum, the experimental factors included *tax increase* (or not), *current service levels* (or reduced), *same income level* (or no coverage for rich older people) and *Medicare beginning at 65* or 70. Figure 3 shows the key results of this conjoint study.

The higher bars in Figure 3 represent an outcome that is more desired by the respondents. The Republicans (the four bars on the left) are relatively against a tax increase (their right bars within each pair are shorter), particularly when it might be coupled with the possibility of a reduction

in services (the fourth bar from the left). In contrast, the Democrats (the four bars on the right) are relatively more willing to tolerate a tax increase.

The most preferred choice of the Republicans (the tallest among the four left bars) is to not increase taxes and simply reduce services. The Republicans' next preferred choice (the bar to the far left) is to continue to hold fast on not increasing taxes and try to provide the current level of services. The Republicans' third preferred choice is that if taxes must be raised, at least services should be maintained. The Republicans find most objectionable (the fourth bar from the left is the shortest) that taxes might be raised coupled with cuts in services.

Note that the Republicans' most preferred option (to implement no tax increase while simultaneously cutting services) is the Democrats' least preferred option (the third bar among the Democrats is the shortest). Similarly, what the Republicans least desire – cutting services coupled with a tax increase – is what Democrats prefer most (the bar to the far right is the highest among the Democrats' data). These groups share almost no consensus.

In addition to the striking differences displayed in Figure 3, there was one more significant difference between Democrats and Republicans: Democrats were willing to request that the wealthy elderly pay their own way. In contrast, the Republicans desired that wealthy retirees not be penalized for their income, and that they share in eligibility for health-care subsidies.

Finally, several results yielded significant differences not between the political parties, but on the basis of the respondents' gender, and whether they worked in the health-care field. Namely, the following gender differences were significant:

- men were not in support of raising taxes to cover health-care expenses, whereas

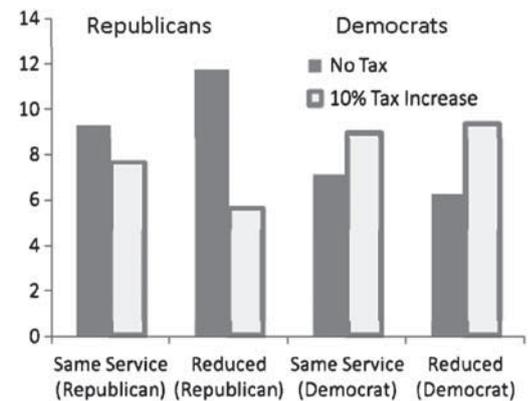


Figure 3: Party differences on tax service trade-offs.

women sought to raise taxes to provide health-care coverage;

- men did not think the wealthy elderly should be penalized for their wealth, whereas women thought that wealthy elderly should pay their way and not have their coverage subsidized by taxes; and
- in both regards, men's attitudes resemble the Republicans' attitudes delineated previously, and women's attitudes echo those of the Democrats.

There were also some significant differences in terms of whether the respondents worked in the health-care field:

- People who work in health care (providers, insurers, pharmaceuticals and so on) were somewhat against a tax increase to facilitate health-care coverage; but people who did not work in the health-care industry were much more against a tax increase. It is as if the health-care workers did not want a tax increase but almost 'knew' one was likely for coverage. Further, from a health-care industry perspective, a tax increase, although not preferred, could be seen as wage and job security enhancing;
- People who work in health-care jobs were willing to put more financial

burden on wealthy retirees, whereas people whose jobs were not in health-care fields were opposed to making wealthy retirees pay their way and be ineligible for support; and

- With regard to tax increases, people working in health care resembled the Republicans profiled earlier, but the people not working in health care resembled the Republicans' point of view even more. With regard to the eligibility of wealthy older people, those working in health care resembled the Democrats' attitudes, and those not working in health care looked like the Republicans.

THE ROBUSTNESS STUDY

To increase our confidence that our results were neither a function of the health-care conference nor rendered moot by the reforms, we asked the same questions of a national sample 8 months later, in the spring of 2010. The sample size was 300, 51 per cent were men, and 56 per cent were Democrats. In each part of the survey, the results replicate the first study with respect to the health-care judgments and evaluations. For example, Figure 4 shows the critical replication on health care – that Democrats are willing to spend significantly more.

CONCLUSION

The reformation of health-care spending and service delivery is clearly one of the most difficult problems that this country faces. The complexities of service providing systems, the inter-connectedness of businesses that facilitate and finance the interlocking components of health care, and of course the behavior of patients all forebode an upheaval of many systems, industries, institutions and lifestyles. Although a preliminary reform measure has passed in Congress, it is nevertheless unclear when the dust will settle, or what

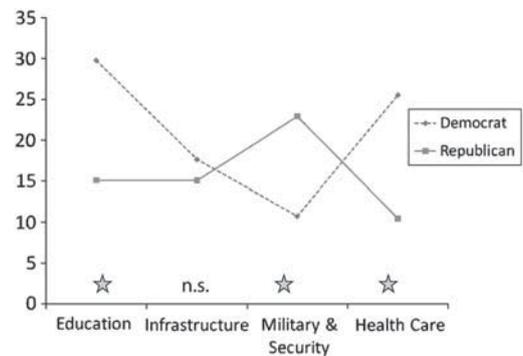


Figure 4: Study 2 health-care results replicate those of study 1.

the features of the resulting system will be, or how it might possibly be superior to current practice. With reform come changes in incentives for all types of activities and behaviors for those involved in health-care delivery and those who consume those services. The efficacy of the reforms to health care will be debated further as additional reforms are enacted and evaluated. This research suggests that common ground (and metrics) will be difficult to find between those holding such diverse ideological positions.

As the politicians maneuver in D.C. and candidates seize on health-care reform as a potential wedge issue, the seemingly innocent and helpless citizenry point to what seems like ‘politics as usual’ – a lot of hot air, posturing and little constructive action. Unfortunately, these data show that health care is not ‘politics as usual’; rather, it is a case of ‘*politicus extremus*’.

The support or rejection of tax increases, and the provision or withholding of social programs are two of the strongest pillars of this country’s political party differences. Thus, it is perhaps not surprising that the two parties’ perceptions were so clearly divided on the health-care issues in the study. Yet, the looming federal debt and the mounting spending deficits associated with social

programs increase the likelihood that eventually trade-offs will need to be made. We anticipate that finding common ground with respect to these impending trade-offs seems extraordinarily difficult.

While federal mandates are being formulated, it is not a far stretch to predict they will be warmly or coolly received by 'blue states' and 'red states'.¹⁵ Furthermore, to the extent that states are allowed any leeway in their service delivery, CEOs and CMOs face challenges in designing systems to be satisfactory, or even simply palatable, to their patients or constituencies.

What might this mean for the marketing professional in health care? Attitudes toward health-care services, and their role in the nation's finances, clearly differ by political party. Given the growing concern over the fiscal issues facing the United States and each state separately, the attitudes of consumers of health care are likely to be viscerally related to cost and finance. Hospital marketing departments have historically tried to differentiate their position in the market based on quality, with cost seldom if ever part of the conversation. Given the concerns of the populace, particularly in markets dominated by Republicans, a sensible marketing strategy might well be to link the hospital with solutions to reducing health-care costs. In a market in which distinctions over quality can be difficult to establish, credible signals that the hospital recognizes and is concerned with its place in society may be well received.

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