



Prospects for US single-payer national health care

The single-payer national health-care bill, so-called Medicare for All, is gaining momentum with the public but is stalling in Congress. Susan Jaffe, the *Lancet* Washington correspondent, reports.

As congressional Republicans and President Donald Trump continue to hobble the health insurance marketplaces created under the Affordable Care Act (ACA), some Democratic lawmakers are doing more than defending the ACA. They are calling for a single-payer government-run Medicare for All. In Congress as well as in some state legislatures, Democrats are embracing the Medicare for All Act, legislation proposed by Vermont Senator Bernie Sanders.

The act would essentially transform the US health-care landscape by extending coverage to all residents, consolidating Medicare—which covers older or disabled adults—the ACA marketplaces, and most other government health programmes into one, and nearly eliminating private health insurance policies. Sanders introduced the legislation in the Senate last year, where it is supported by 16 other Democrats but has seen no further action. A companion bill met a similar fate in the House of Representatives, where it has 123 Democratic cosponsors.

"I have no illusions that under a Republican Senate, a very right-wing House, and an extremely right-wing president, we are suddenly going to see

a Medicare for All system passed", said Sanders. "We are bringing this up to force a conversation about why we are the only major country in the world that does not guarantee health care to all."

Instead of fading away into legislative oblivion, some Democrats campaigning for congressional seats and candidates

"...[Verma] warned that Medicare for All would undermine [the Medicare programme], hurting senior citizens and overburdening health-care providers."

for state offices are supporting the Medicare for All bill—or some variation thereof—as the November election approaches. They are not alone: a Morning Consult/Politico national poll in June found that 63% of Americans support "a Medicare for All health-care system, where all Americans would get their health insurance from the government". A Kaiser Family Foundation poll done 3 months earlier found 59% in favour, including a third of Republicans and 75% of Democrats.

And opponents are paying attention. "We have all heard the drumbeat for what advocates of a government-run, socialised, health-care system call Medicare for All", said Seema Verma, head of the Centers for Medicare and Medicaid Services (CMS). Rather than strengthen the current Medicare programme, she warned that Medicare for All would undermine it, hurting seniors citizens and overburdening health-care providers.

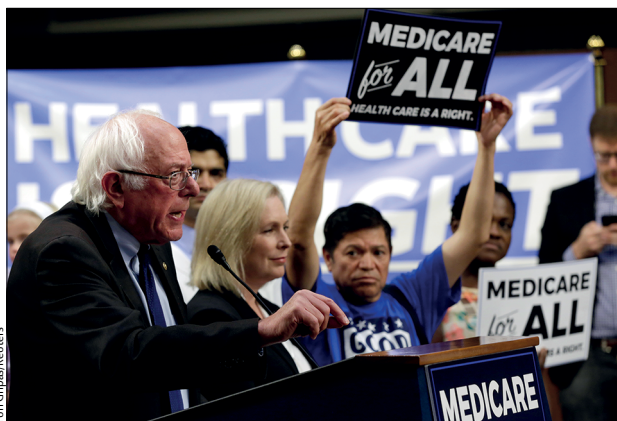
"In essence, Medicare for All would become Medicare for None", she said. "By choosing a socialised system, you are giving the government complete control over the decisions pertaining to your care or whether you receive care at all."

Leading health-care providers, drug makers and insurance groups may have also noticed the momentum for a single-payer, government-run system. In June, they formed the Partnership for America's Health Care Future, which focuses on preserving Medicare and Medicaid and strengthening employer-sponsored health insurance, among other things. Members include the American Medical Association, Federation of American Hospitals, America's Health Insurance Plans, and the Pharmaceutical Research and Manufacturers of America. Medicare for All is not one of their recommendations.

The Medicare for All Act

"Every individual who is a resident of the United States is entitled to benefits for health care services", declares the Sanders Medicare for All legislation. If it eventually became law, it would sweep most existing federal government health programmes into a single Universal Medicare Program (UMP). The UMP would include the traditional Medicare programme, the Medicaid programme for low-income families, the Children's Health Insurance Program, the federal government employees and career military veterans health insurance system, and the ACA health insurance plans. Most Americans who receive health insurance through their employers would also move into the UMP.

"Everybody would be enrolled in a plan that has comprehensive benefits and basically include all doctors and hospitals", said Adam Gaffney, president-elect of Physicians for a National Health Program, who is also an instructor of medicine at Harvard Medical School and a pulmonary and critical care doctor at Cambridge Health Alliance in Massachusetts.



The benefits package would include the same coverage required for the ACA marketplace plans, including hospital and outpatient care, preventive care, mental health care, reproductive health, and maternity care. It would add such services as dental, hearing, and vision care, currently missing from traditional Medicare. Employers and commercial health insurers could provide separate policies only for benefits not covered under the new government programme. But under a single-payer, government health plan, the role of private health insurance companies would be greatly diminished, restricted to covering only those things the new system omits.

Hundreds of millions of Americans “have affordable coverage they value and they get the care they need when they need it—from the best doctors and hospitals in the world”, said Kristine Grow, vice president for communications at America’s Health Insurance Plans, a trade group representing health insurance companies. Instead of overhauling the US health insurance system, Grow said “we need to improve what is working and fix what is not so that every American has affordable coverage, access to high-quality care, and control over their health-care choices”. Solutions will come from “the best of both private and public sectors”.

The price tag

In perhaps the most dramatic change, there would be no deductible amounts, copayments (a set fee), or coinsurance (a percentage of the cost). One exception would be prescription drugs, where patients would be responsible for the first US\$200 of expenses.

Provider payments would be based on a fee schedule developed using complex methodology modelled after the current Medicare programme. And unlike today’s Medicare drug benefit, the federal government would negotiate prices directly with drugs manufacturers, medical assistive equipment, and supplies.

The money the federal government spends on the various health

programmes incorporated under the UMP would instead go into a new Universal Medicare Trust Fund. Sanders has said additional funds would be generated by raising the income tax paid by Americans who earn more than \$250 000 and also from a payroll tax

“We need to improve what is working and fix what is not so that every American has affordable coverage, access to high-quality care...”

similar to what employers contribute to subsidise employee health expenses. Further savings would be achieved by increasing the government’s collective purchasing power and reducing administrative costs for hospitals and the government as a result of moving to a centralised, single-payer system.

But when researchers at the Urban Institute examined a similar Medicare for All proposal Sanders offered during his presidential campaign in 2016, they concluded that plan would cause a net increase in health-care spending of \$6.6 trillion. A recent study by the Mercatus Center at George Mason University estimated that there could be a net saving under the Sanders legislation of \$2.2 trillion over a decade assuming there would be significant cuts in provider payments.

A Sanders spokesman disagreed, saying that, savings from lower administrative costs would offset what hospitals might lose due to payment cuts.

“People will get free health care, their health will improve, and there are a lot of good things about it”, said John Holahan, a senior fellow at the Urban Institute. “I think it would be a monumental undertaking to make it work.”

The wide-ranging cost estimates might not be so unusual, according to Joseph Antos, a resident scholar in Health Care and Retirement Policy at the American Enterprise Institute. “The Sanders legislative proposal does not really work through enough of the details to fully understand exactly

what would happen”, he said. “No legislation does that.”

State efforts

While both bills languish in the current Congress, variations of the federal legislation have been introduced in some 14 state legislatures, including California and New York. The New York State Assembly passed its version of Medicare for All in June, for the fourth consecutive year. The bill is stalled in the state’s senate. California, the most populated state in the nation, is also divided when it comes to support for its single-payer health legislation, called Healthy California and championed by the California Nurses Association, among other groups. Last year, the state senate passed the legislation, but it is held up in the state assembly.

In order to consolidate the Medicare and Medicaid programmes under a new state single-payer plan, states need permission from the federal CMS. Although no state is close to implementing a single-payer plan, Trump administration officials have already indicated how they would decide on a waiver request.

During a question-and-answer session, Verma was asked if the CMS would grant the state the flexibility to set up the Healthy California plan. “It does not make sense for us to waste time on something that is not going to work”, she said.

Sanders and his supporters are not discouraged by such objections. “The American people are increasingly tired of a health-care system that works for Wall Street, insurance companies, and the pharmaceutical industry—but ignores their needs”, he said. “It is not surprising, therefore, that the insurance companies and drug companies are attacking Medicare for All, but they are on the wrong side of history. Whether they like it or not, we will succeed in guaranteeing health care for all because this is an idea whose time has come.”

Susan Jaffe