



Medicare for All scrutinised in Democratic primaries

On March 3, 14 states will pick their nominees for the US presidential election. The feasibility of a single payer insurance plan is a key issue. Susan Jaffe reports from Washington, DC.

Anxiety about rising health-care costs—the top issue for Democratic voters, according to recent polls—propelled Bernie Sanders to the head of the pack in last week's Democratic primary contest in Nevada. He won 46.8% of the vote, while his closest competitor, former Vice President Joseph Biden, earned just 20.2%. On March 3—known as Super Tuesday—Democrats in 14 states will cast their votes.

Of the six leading candidates vying for the party's presidential nomination, Sanders, a Vermont senator and self-described democratic socialist, has proposed the most radical solution for lowering medical bills and reaching universal coverage.

Sanders' signature policy initiative, the Medicare for All single-payer programme, would eliminate private health insurance, including employment-based plans that cover about half of the US population. It would integrate other government insurance including Medicare, Medicaid, and the health insurance marketplaces created under the Affordable Care Act. Medical care would be free, and most prescription drugs would also be free or available at a nominal cost. Anyone born in the USA would be enrolled at birth, whereas everyone else would be automatically enrolled during a 4-year transition period.

"Together, we are going to end the international embarrassment of the United States of America, our great country, being the only major country on earth not to guarantee health care to all people", he told cheering supporters the night of his Nevada victory.

"We are going to end the absurd situation in which we now are spending twice as much per person on health care as the people of any other country, yet 87 million of us are uninsured or underinsured, 30 000 die each year, and

500 000 people go bankrupt because of medically related debt", he said.

Sanders's fellow progressive in the Democratic race, Massachusetts Senator Elizabeth Warren, also backs Medicare for All. She would introduce it in the third year of her presidency, whereas Sanders would wait 4 years.

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She fared less well in Nevada, coming fourth with 9.7% of the vote.

The "public option"

A decade after Congress narrowly passed the Affordable Care Act, recent polls reveal it is more popular than ever, especially its protection for people with pre-existing health problems for whom insurers had denied coverage in the past. But Democrats have been unable to make improvements while the Trump Administration has been focused on scrapping it.

Other Democratic candidates—Joseph Biden, former New York City Mayor Michael Bloomberg, current mayor of South Bend, IN, Pete Buttigieg, and Minnesota Senator Amy Klobuchar—back a compromise. Generally, they would keep the current system of private and government health insurance, including the health insurance marketplaces set up under the Affordable Care Act. But they would also give Americans a new insurance choice: a government-run "public option" programme for those who do not qualify for other coverage. Warren also proposes a public option but only until her Medicare for All programme becomes available after 3 years.

"The best and boldest idea here is to not trash Obamacare but to do exactly

what Barack Obama wanted to do from the beginning and that's have a public option", Biden said during an October debate. "That is what we should be doing instead of kicking 149 million people off their [employer-sponsored health] insurance."

Buttigieg describes the public option as "Medicare for All who want it" because it would not be mandatory (unlike Medicare for All), and comes with some enrolment restrictions that vary among the candidates. He came third in Nevada with 14.3% of the vote.

Benefits under the public option would also vary. Biden and Buttigieg would cover the same benefits offered by the Affordable Care Act marketplace and most employment-based plans.

Unlike Medicare for All, the public option beneficiaries would pay a share of their medical costs in the form of premiums, deductibles, co-payments (a set dollar amount) or co-insurance (a percentage of the cost). Biden and Buttigieg would reduce out-of-pocket costs for marketplace beneficiaries based on income and apply them to the public option. Subsidies would be available to help people pay for premiums and in some public option proposals, premiums would be waived for people with low incomes.

Payment for health-care providers who treat patients with public option coverage would be based on some percentage of Medicare payment, and also vary by candidate. In Warren's proposal, hospital payments would be reduced to 110% of Medicare rates.

The price tag

If nothing changes, total health-care spending in the USA will reach an estimated \$52 trillion over 10 years, said Linda Blumberg, an economist and fellow at the Urban Institute. Under Medicare for All's single-payer

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system, the federal government would continue to pay for Medicare, Medicaid, and other federal health programmes in addition to medical bills currently paid by state governments and private payers such as families and employers.

She estimates Medicare for All will add another \$7 trillion due to increased benefits and because more people will be insured and receive treatment. “When the price goes down, they will use more medical care”, she said.

By achieving universal coverage, Medicare for All practically eliminates most health-care inequities, she said. And spreading the costs across the tax-payer population reduces the cost for many people with complex medical needs. But Blumberg said there is a trade-off: “a very large increase in tax revenue in order to finance it”.

Sanders has strongly objected to such claims. During a debate in Nevada days before the state’s primary, he mentioned a study published in *The Lancet* that found his Medicare for All proposal would save an estimated \$458 billion as well as thousands of lives. The researchers also acknowledged that previous analyses of Medicare for All with varying assumptions have generated a wide range of cost estimates, with national health-care spending increasing by as much as 16.9% or decreasing by 27%.

When Warren announced how much her Medicare for All programme would cost and how she would pay for it, her popularity dipped after sharp criticism. She estimates that her plan would cost \$20.5 trillion over 10 years. She assumes that physicians would be paid 110% of Medicare rates. She would pay for the plan by doubling the 3% income tax on people with over a billion dollars to 6% as well as raising corporate taxes. “Costs will go up for the wealthy”, she said during a debate in October. “And for middle-class families, they will go down. I will not sign a bill into law that does not lower costs for middle-class families.”

Sanders estimates his proposal would cost \$30 trillion over a decade. To help finance it, he would impose a 1% tax on net household assets above \$21 million. He has also suggested a 4% income tax on income above \$29 000 for a family of four. Unlike Warren, he has said taxes will go up for

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the middle class, but the increase “will be substantially less than what they were paying for premiums and out-of-pocket expansions.”

The cost of the public option depends on several variables including how generous the benefits and subsidies are, how provider payments are calculated, and how many people enrol. Biden has said that his public option plan would cost \$750 billion over 10 years.

Not Medicare

Often lost in the debate is the fact that Medicare for All would not simply squeeze millions more people into the current Medicare programme, as Trump officials often claim.

But Medicare for All would make substantial changes to the existing Medicare programme. It would eliminate the age and disability criteria for coverage. To reduce drug spending, it would allow the government to negotiate prices directly with pharmaceutical companies. It would also add new some additional benefits, including dental, vision, and hearing coverage as well as home-based long-term care and transportation to medical appointments for individuals with disabilities or low incomes. And when private insurance companies leave the health-care market, they would no longer be able to reap profits from their Medicare drug plans, supplemental policies that cover out-of-pocket costs, and Medicare Advantage plans that offer a privatised version of traditional Medicare.

The doctor divide

“Under Medicare for All, we would spend less on health care as a society”, said Adam Gaffney, president of Physicians for a National Health Program and a pulmonary specialist at Harvard Medical School. He cites a study published in the *Annals of Internal Medicine* in January that found US insurers and physicians, hospitals, nursing homes, and other health-care providers spent \$812 billion on administrative overhead related to insurance. That is about \$2500 per capita compared with \$551 per capita in Canada.

The American College of Physicians is one of the few health-care provider groups that support a single-payer system in the US. Last month, they endorsed both Medicare for All and a public option—with an important caveat. Since, as Blumberg noted, insurers usually pay physicians more than government programmes, if the government replaces insurers, then physician reimbursement has to remain the same or improve, said Robert McLean, the group’s president and an internal medicine physician at Yale-New Haven Health in Connecticut.

Ensuring that everyone has “access to affordable health care has been a policy priority of the AMA [American Medical Association] for many years”, said Patrice Harris, a psychiatrist in Atlanta, GA, and AMA president. “We believe the best way to get there is to build upon the progress of the Affordable Care Act rather than abandoning it”, she said.

Democrats removed a public option provision from the Affordable Care Act in 2009 to muster the 60 votes needed to pass the legislation in the Senate. With a new occupant in the White House, the fate of a public option—or Medicare for All—may improve. But neither legislation will get to the president’s desk without support from Congress.

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