Single-Payer National Health Insurance

Single-payer national health insurance is a system in which a single public or quasi-public agency organizes health financing, but delivery of care remains largely private. The U.S. has already had a successful experience with such a system: Medicare.

Currently, the U.S. health care system is outrageously expensive, yet woefully inadequate. The U.S. spends more than twice as much per person than the average spending among other industrialized nations ($7,129 per capita). Yet the U.S. performs poorly in comparison to these nations on major health indicators such as life expectancy, maternal mortality, infant mortality, primary and preventive care measures including immunization rates. Moreover, the other developed nations provide comprehensive coverage to their entire populations, while the U.S. leaves 47 million completely uninsured and millions more inadequately covered.

The reason we spend more and get less than the rest of the world is because we have a patchwork system of for-profit payers. Private insurers necessarily waste health dollars on things that have nothing to do with care: overhead, underwriting, billing, sales and marketing departments as well as huge profits and exorbitant executive pay. Doctors and hospitals must maintain costly administrative staffs to deal with the bureaucracy. Combined, this needless administration consumes one-third (31 percent) of Americans' health dollars. Single-payer financing is the only way to recapture this wasted money. The potential savings on paperwork, more than $350 billion per year, are enough to provide comprehensive coverage to everyone without paying any more than we already do.

Under a single-payer system, all Americans would be covered for all medically necessary services, including: doctor, hospital, long-term care, mental health, dental, vision, prescription drug and medical supply costs. Patients would regain free choice of doctor and hospital, and doctors would regain autonomy over patient care.

Physicians would be paid fee-for-service according to a negotiated formulary or receive salary from a hospital or nonprofit HMO / group practice. Hospitals would receive a global budget for operating expenses. Health facilities and expensive equipment purchases would be managed by regional health planning boards.

A single-payer system would be financed by eliminating private insurers and recapturing their administrative waste. Modest new taxes would replace premiums and out-of-pocket payments currently paid by individuals and business. Costs would be controlled through negotiated fees, global budgeting and bulk purchasing.

A recent national survey by Indiana University of 2,193 doctors found almost 60% in favor of national health insurance (NHI) -- a 10 percent increase in support since 2002. A March 2007 poll by CBS/ NY Times found that 64 percent of respondents said the government should guarantee health insurance for all An overwhelming majority in the poll said the health care system needed fundamental change or total reorganization.

Key Features of Single-Payer

Universal, Comprehensive Coverage. Everyone is automatically covered, with no requirement to pay insurance premiums or deductibles to get coverage. Only such coverage ensures access, avoids a two-class system, and minimizes expense

No out-of-pocket payments. Co-payments and deductibles are barriers to access, administratively unwieldy, and unnecessary for cost containment

A single insurance plan, administered by a public or quasi-public agency. A fragmentary payment system that entrusts private firms with administration ensures the waste of billions of dollars on useless paper pushing and profits. Private insurance duplicating public coverage fosters two-class care and drives up costs; such duplication should be prohibited

Global operating budgets for hospitals, nursing homes, allowed group and staff model HMOs and other providers with separate allocation of capital funds. Billing on a per-patient basis creates unnecessary administrative complexity and expense. A budget separate from operating expenses will be allowed for capital improvements

Free Choice of Providers. Patients should be free to seek care from any licensed health care provider, without financial incentives or penalties

Public Accountability, Not Corporate Dictates. The public has an absolute right to democratically set overall health policies and priorities, but medical decisions must be made by patients and providers rather than dictated from afar. Market mechanisms principally empower employers and insurance bureaucrats pursuing narrow financial interests

Ban on For-Profit Health Care Providers. Profit seeking inevitably distorts care and diverts resources from patients to investors

Protection of the rights of health care and insurance workers. A single-payer national health program would eliminate the jobs of hundreds of thousands of people who currently perform billing, advertising, eligibility determination, and other superfluous tasks. These workers must be guaranteed retraining and placement in meaningful jobs.

Some Myths About Single Payer

<u>Myth: Waits for services would be extremely long.</u>
In countries with NHI, urgent care is always provided immediately. Some countries do experience some waits for elective procedures (like cataract removal), but maintaining the US's same level of health expenditures (twice as much as the next-highest country), waits would be much shorter or even non-existent. In addition, in the US we have about a 30% oversupply of medical equipment and surgeons, whereas demand would increase about 15%.

<u>Myth: I don't want the Government Telling Me What Doctor I can see</u>
There would be free choice of health care providers under a single payer universal health care system, unlike our current managed care system in which people are forced to see providers in the insurer's network to obtain medical benefits. There would be no outside interference in care under a single payer system unlike the current managed care system which mandates insurer preapproval for services thus undercutting patient confidentiality and taking health care decisions away from the health care provider and consumer

<u>Myth: Universal Health Care Is Socialized Medicine And Would Be Unacceptable To The Public</u>
Single payer universal health care is not socialized medicine. It is health care payment system, not a health care delivery system. Health care providers would not be employees of the government, which would be socialized medicine

<u>Myth: People will overutilize the system.</u>
Most estimates do indicate that there would be some increased utilization, mostly from the 48 million currently uninsured. However the huge savings from a single-payer system would easily compensate for this. (And remember, doctors still control most health care utilization. Patients don't receive prescriptions or tests because they want them; they receive them because their doctors deemed them appropriate.) Other countries with universal coverage with no financial barriers to care have utilization comparable with ours and their costs are far less.