

# Universal Single Payer Healthcare

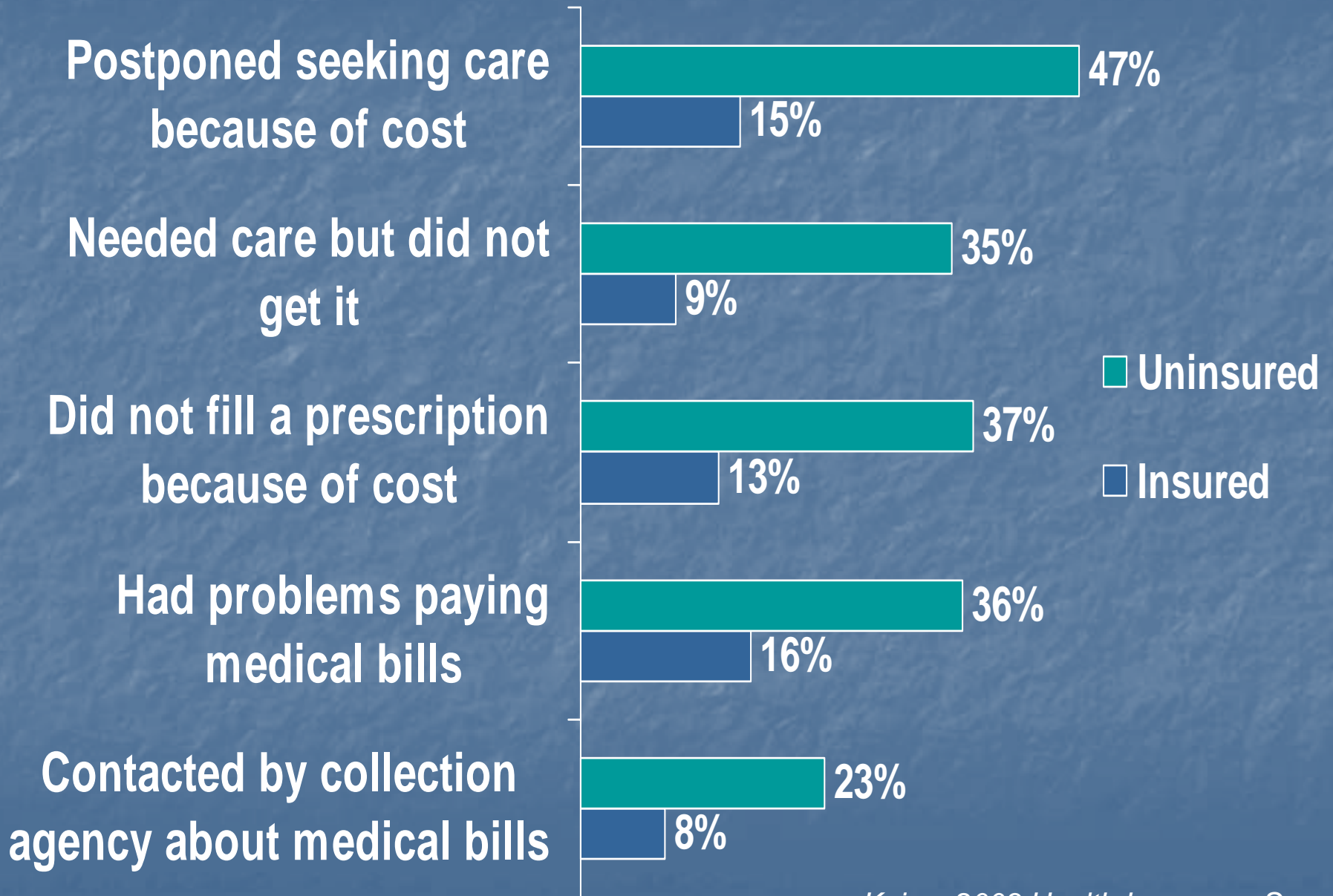
Single Payer Goal:

Quality Health Care for ALL

# The Problem

- Many millions of us don't receive necessary care
- 47 million of us are uninsured in US <sup>1</sup>
- 80 million UNDER-insured <sup>1</sup>
- 1.4 million uninsured in Pennsylvania <sup>2</sup>
- 300,000 of our children in Pa are uninsured <sup>2</sup>
- 18,000 Americans die annually <sup>3</sup>
- 40% of US personal bankruptcies <sup>4</sup>
- Our costs double those of other countries <sup>5</sup>

# Barriers to Health Care (2003)



# Some Reasons for Situation

- Inefficiency in the insurance industry
  - Overhead of ~25%
  - Compare to Overhead of ~ 3% for Medicare
- Inequitable drug pricing
  - Negotiation Reduces Pricing
  - Without Negotiation Pricing Rises
- Healthcare & Coverage Unaffordable
- Coverage Denied

# What are Our Choices?

- Do nothing
- Modify the current system
  - (e.g.) Massachusetts Plan
- Federal Single Payer
- State Single Payer

# Considerations

- Quality of Care
- Prevention
- Portability
- Pre-existing Conditions
- Cost
- Economic Impact

# Key Single Payer Features

- No Deductibles or Co-pays
- Comprehensive coverage:
  - Hospitalization
  - Physicians
  - Prescription Drugs
  - Dental
  - Mental Health
  - Optical
  - Emergency Transport
  - Addiction Treatment
  - Transplants
  - Medical Equipment
  - Hospice Care
  - Long Term Care

# Other Single Payer Features

- Quality coverage for all Americans
- Independent of:
  - Age
  - Employment status
  - Pre-existing conditions
- Portable
- Publicly funded, privately delivered
- NOT “socialized medicine.”
- Successful in other countries *and HERE!*

# Indirect Benefits

- New health care jobs
- Keeps & attracts business
- Retains & creates jobs
- Stimulates the economy
- Alleviates property taxes

# PA State Single Payer Legislation

- Similar Benefits to Federal Plan
- Different Economies of Scale
- Portable Within Pennsylvania
- More Detailed than Federal Bill
- Includes PA-Specific Provisions

# The Burden in Central Bucks Schools

- School Budget is \$242 Million
- Health Insurance is ~\$24 Million
- Fast Growing & Unpredictable
- Potential School Budget Reduction
  - State Plan: ~\$11 Million or ~4.6%
  - Federal Plan: ~\$20 Million or ~ 8.4%

# How it Works

# Cost Reductions National Plan

- Reduced administrative overhead will save US ~\$300 billion because:
  - Private insurance overhead: ~25% <sup>6</sup>
  - Medicare overhead: ~3-6%
- Negotiated drug prices will save billions:
  - Veterans Admin. already saves ~50% <sup>7</sup>

# Impact of US Law on Individual Costs

- Avg. Premium Private Employers ~\$10,000
  - ~ \$7,800 Paid by Employer
  - ~ \$2,200 Paid by Employee
- Average wage ~\$40,000
- Under US Single Payer Plan:
  - Cost to employer: ~\$1,300/yr
  - Savings to Employer: ~ \$6,500/yr
  - Cost to Employee: ~\$1,300/yr
  - Savings to Employee: ~\$900/yr

# Impact of PA Law on Individual Costs

- Avg. Premium Private Employers ~\$10,000
  - ~ \$7,800 Paid by Employer
  - ~ \$2,200 Paid by Employee
- Average wage ~\$40,000.
- Under PA Single Payer Plan:
  - Cost to employer: ~\$4000/yr
  - Savings to Employer: ~\$3,800/yr
  - Cost to Employee: ~\$1,200/yr
  - Savings to Employee: ~\$1,000/yr.

# Revenue for Federal Plan

- Existing federal & state funding
- 3.3% wage tax on Employers & Employees
- 5% tax on top 5% of income earners
- Closing corporate tax loop-holes
- Repealing tax cuts for the top 1%

# Revenue for State Plan

- Existing Funding from Medicaid, CHIP, etc.
- 10% Wage Tax on Employers
- 3% Wage Tax on Employees

# Summary

- Universal Single Payer Health Care:
  - Quality of care for ALL
  - Increases HC benefits: Comprehensive coverage; No deductibles or co-pays
  - Includes prevention programs
  - Portable across employers & locations
  - Covers unemployed
  - Covers pre-existing conditions
  - Publicly funded, privately delivered
  - Reduces costs
  - Benefits business, employees, taxpayers
  - Good for the economy
  - Creates jobs

# References

1. 46.6 million uninsured: US Census Bureau
  2. 1.4 million PA, 300,000 children: Kaiser Family Foundation
  3. 18,000 deaths: Institute of Medicine of the National Academies, "Insuring America's Health," 2004
  4. 40% personal bankruptcies: ConsumerAffairs.com
  5. Health spending double other countries: Johns Hopkins study; Kaiser Family Foundation July 2005
- 
1. Private insurance 25%, Medicare 3%:. Health Affairs article November 2005
  2. Veterans Admin saves 50%: Families USA (consumer health organization)