

The Public Option vs Medicare for All

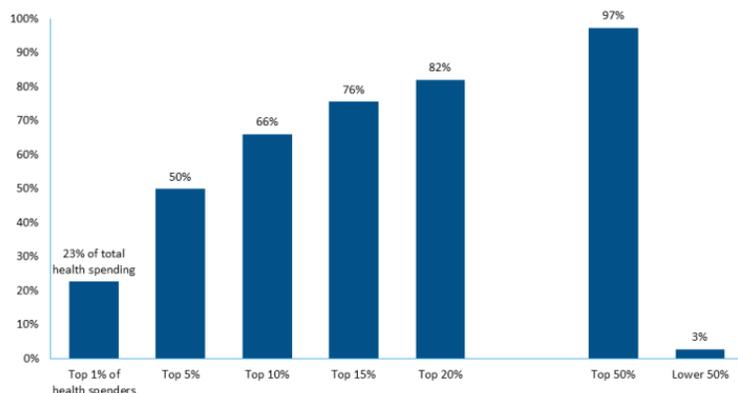
Bottom line: They are NOT the same. Here's why.

The “Public Option” (a publicly-financed health insurance) is often confused with a National Improved Medicare for All single payer system (a universal publicly-financed health system). This is often done intentionally to create support for a public option by confusing people who want Medicare for All.

1. **A public option helps private health insurance companies; Medicare for All gets rid of them.** A public option serves as a relief valve for the private health insurance companies because it attracts people who need health care. Private health insurers “cherry pick” (seek the healthiest patients) in a variety of ways so that they do not have to pay out much of the money they collect in premiums on health care, called the Medical Loss Ratio. They know that 80% of the population is relatively healthy and 20% of the population uses 80% of our healthcare dollars. In fact, 50% of the population only uses 3% of our healthcare dollars (see the table below). Medicare for All gets rid of private health insurers and creates one universal comprehensive publicly-funded health system so that we all pay in and the system is there when we need it.

Figure 1

Concentration of Health Care Spending in U.S. Population



Source: Kaiser Family Foundation analysis of Medical Expenditure Panel Survey, Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services



2. **Public options have been tried and have failed; Medicare for All systems are in use all over the world and they work.** States have tried creating public insurances and each time they have failed due to costs. Most people get their health insurance through their employers (54% of people with health insurance), and most people who work are healthy. Not having the healthy population in the public plan leaves it with the greatest burden of paying for health care, forcing it to either raise premiums or reduce coverage and ultimately to fail. Medicare has served as a model for other countries, such as

Canada and Taiwan, where they cover everyone, spend half of what the United States spends per person each year on health care and have better health outcomes.

3. **A public option adds to the complexity and cost of our healthcare system; Medicare for All simplifies and lowers the cost of health care.** A public insurance adds another insurance plan to the hundreds that already exist. There is no such thing as a 'level playing field' in the current system dominated by large private insurance monopolies, so the public insurance does not exert any pressure to reduce the costs of health insurance premiums or health care. Currently, the United States spends a third of its healthcare dollars on administrative costs and pays the most for health services and pharmaceuticals. Medicare for All creates one universal public health insurance that is simple – every person and every health facility is in it. It is estimated that a Medicare for All system in the United States would save over \$500 billion per year on administrative costs and over \$100 billion per year on lower prices for pharmaceuticals.

4. **A public option delays implementation of a solution to the healthcare crisis; National Improved Medicare for All would solve the healthcare crisis.** A public option would prop up and maintain the United States' current dysfunctional health system. Private health insurance companies would continue to dominate, tens of millions of people would remain uninsured, tens of millions of people who have health insurance would continue to delay or avoid necessary care due to out-of-pocket costs, personal bankruptcies due to medical illness would still happen and tens of thousands of people would continue to die each year of preventable causes. Medicare for All would immediately cover everyone living in the United States from birth to death and take the financial stress out of healthcare decisions. The United States is already paying for a universal comprehensive healthcare system, but we don't have it.

5. **A public option is NOT a path to single payer health care.** Private health insurance companies are financial instruments designed to make profits for their investors by charging the highest premiums possible, shifting as much of the costs as possible to individuals through deductibles and co-pays and restricting payment for health care. They do not add anything of value to our health system. In fact, they are obstacles to health care, and they have proven that they can evade regulations designed to rein them in. Although politicians will try to say otherwise, a public option will not compete with private health insurers. There is no back door, the insurance industry must be confronted and removed. The only way the United States can create a National Improved Medicare for All system is by designing and implementing it. We have the resources – the money and expertise and majority support by the public– to be best healthcare system in the world. The sooner we get to work on it, the faster we can prevent the suffering, unnecessary deaths and financial ruin imposed by the current system.