

Everybody In!

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Election 2016 Special Edition

The grassroots movement for single-payer healthcare reached a milestone during the 2016 Presidential Election season: by the end of 2015, 58% of adults in the U.S. supported "Medicare for All" healthcare reform, including a staggering 81% of Democrats. This almost universal support for single-payer reform among Democrats has allowed Bernie Sanders to run an unprecedented primary campaign advocating for single-payer healthcare.

Pundits and the mainstream media are on the defensive: ignoring the issue is no longer an option, and we're finally engaged in a national dialogue over establishing healthcare as a right.

This newsletter is intended as a resource covering the major national debates thus far, but we have a more comprehensive "Single Payer Guide to the 2016 Presidential Elections" online: <http://bit.ly/hcn2016> HCN!

Join the Rapid Response Network

Over 250 activists have already joined the Healthcare-NOW Rapid Response Network. Do you want to take action via letters to the editor, comments, engagement on social media, and phone banking, when a nationally important conversation on single-payer is happening? Join here: <http://bit.ly/hcnrapid>



An interview with Gerald Friedman

Gerald Friedman is a Professor of Economics at the University of Massachusetts - Amherst, where he has taught since 1984 after earning his Ph.D. from Harvard. Professor Friedman — a Healthcare-NOW! board member — has been a regular correspondent on television and other media outlets on the economics of healthcare reform, as well as a consultant to labor unions, state legislatures, and the campaigns for single-payer health insurance in Colorado, Massachusetts, Maryland, Pennsylvania, Rhode Island, Oregon, New York, and nationally.

Healthcare-NOW: Some national health policy writers have referred to the Bernie Sanders single-payer plan as a "puppies and rainbows" proposal, saying it is fantastical to think that we could achieve universal coverage, with no deductibles or co-payments, without forcing people to pay more or accept substandard care. Is the Sanders plan puppies and rainbows?

Gerald Friedman: No. The Sanders proposal is based on a sound and conservative financing scheme with sufficient revenues provided for universal coverage at an actuarial rate of as high as 98% [covering 98% of health-

Debate over the cost of the Sanders Plan

Almost immediately following the release of Bernie Sanders' single-payer proposal, Emory health economist Kenneth Thorpe published a horribly flawed report

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Sen. Bernie Sanders' Medicare-for-All Proposal

On January 17, 2016, the Sanders campaign released a proposal for a national Medicare for All plan, which included projected savings and a financing proposal. The proposal was covered by virtually all press outlets and was the central focus during one of the Democratic Party primary debates. The plan differs in some respects from the American Health Security Act, a single-payer proposal Sanders had filed previously in the Senate, and is actually most similar to the Expanded & Improved Medicare for All Act, HR676, filed by Rep. John Conyers in the House.

What does the Sander's plan entail in terms of coverage, cost-sharing and provider networks?

- » The plan includes universal coverage. While it doesn't discuss whether undocumented people would be covered, Sanders' earlier legislation uses a residency test;
- » Comprehensive benefits will be provided to all (Covering not only primary care, specialty care, inpatient, emergency, mental health and substance use care, but care not covered by some countries with universal healthcare: vision, hearing, dental, long-term and palliative care, prescription drugs, and medical equipment and supplies.);
- » There will be no deductibles, co-insurance, co-payments or any other payments for receiving care, except for some prescription drugs;
- » Limited networks will belong to the past as everyone will

have full choice of doctors and hospitals;

- » The program will be federally administered as opposed to Sanders' earlier legislation which was administered by the states. Here, it is necessary to point out that contrary to outlandish claims leveled by Hillary Clinton, Sander's previous Senate legislation (and neither does his newly released plan) did not provide state Governors with the discretion to administer the implementation of single-payer. In fact, states failing to fully implement a single-payer system under the law would be federally administered, much like the state exchanges.

How will the Sander's proposal be financed?

The proposal will be paid for by replacing all public and private healthcare spending with a progressive tax scheme as follows:

- » A 2.2% income tax, with an exemption for low-income earners;
- » A 6.2% payroll tax on employers that replaces premium payments, higher for higher-income employees;
- » Several new taxes on high-income earners: increasing the income tax for higher tax brackets, increasing the tax on unearned income (from dividends and capital gains), a new "estate tax" on the largest inheritances, and limiting deductions for the rich. **HCN!**

Cost of Sanders Plan... from page 1

claiming that the proposal would fall \$1.1 trillion short of funding per year, requiring much higher taxes than those suggested by Sanders. The Thorpe report has been cited in the *New York Times*, *Vox*, *Mother Jones*, *Forbes*, and elsewhere as evidence that the math behind the Sanders single-payer plan "doesn't add up."

In the past Thorpe has published several reports showing that single-payer reform would generate large savings - more than enough to provide universal coverage. However, he served as the Deputy Assistant Secretary for Health Policy under the Clinton Administration, and so his sudden backpedaling on single-payer can be taken with a grain of political salt.

What's Wrong With the Thorpe Report?

First, Thorpe assumes that single-payer will only reduce administrative spending by 4.7%, which is the primary means by

which single-payer allows countries to cover everyone while spending less. One simple reason to distrust Thorpe's low-ball is that single-payer studies Thorpe himself has conducted in the past — for Massachusetts, Missouri, and the country — estimate administrative savings twice this amount. Administrative costs in Canada account for 16.7 percent of total healthcare expenditures versus 31 percent in the United States, so the truth is that a large chunk of our healthcare dollars are currently wasted and could be redirected to care under a single-payer plan such as that proposed by Sanders.

Second, a single-payer system dramatically lowers the cost of prescription drugs and medical devices by using the bargaining power of the country to negotiate lower prices. Thorpe's attack on the Sanders plan appears to include no savings on prescription drugs or medical devices.

Finally, Thorpe assumes a massive increase

in the use of healthcare when single-payer is implemented. This does happen, because many Americans currently delay or forego care due to being uninsured or underinsured. However, Thorpe's estimates dwarf the up-tick experienced by countries that have transitioned to single-payer, such as Canada and Taiwan, and in fact are more than the U.S. delivery system could provide given the current supply of hospitals and physicians

In summary, in order to discredit the Sanders single-payer plan, Thorpe underestimates administrative savings under single-payer, ignores savings related drug prices and medical devices, and projects an unrealistic - actually impossible - rise in the utilization of care.

Check out our online guide to the 2016 elections — <http://bit.ly/hcn2016> — for further details, and use them to debunk the Thorpe-reporters! **HCN!**

Friedman... from page 1

care costs], even without counting the added revenues from the additional economic growth that will come from a program that lowers the burden of health care on business and workers. The epithet of “puppies and rainbows” applies better to those who would suggest that we can continue with a health care finance system that costs more and more to provide less and less health care to Americans. Critics of the Sanders proposal should offer their own program and explain how their plan would control costs and provide health care for all Americans.

HCN: Vox columnist Ezra Klein and economist Kenneth Thorpe have disputed that single-payer pays for itself by reducing administrative waste. How much does single payer cut out administrative waste, and how far do those savings get us towards universal care?



Gerald Friedman, Professor of Economics at the University of Massachusetts at Amherst, has been at the center of a renewed national debate over single-payer healthcare reform.

GF: Less than 10 years ago, Thorpe and Klein supported single-payer; I wonder why they changed? Single payer reduced administrative waste and bureaucratic bloat by simplifying the billing process, reducing the number of different plans that need to be billed and reducing unnecessary oversight by insurance companies looking to deny payment. My estimates of the administrative savings are based on a comparison of the administrative cost in

Canada with costs in the United States. This is how Thorpe himself estimated the savings from single payer. I don't know why he now disputes this method.

HCN: Can you remind us of the key points of the Bernie Sanders' proposal and tell us whether it is substantially different from the single-payer systems we see in other countries?

GF: Every country does things differently. The Sanders plan is particularly comprehensive and covers virtually all health care spending, leaving aside over-the-counter drugs and some cosmetic procedures. The Sanders plan is for a national insurance system not socialized medicine; care will continue to be provided by private entities (doctors, clinics, hospitals) not by civil servants in a national health service, like Britain. Unlike Germany, for example, financing will be completely divorced from work and industry; there will be one insurance pool for everyone. **HCN!**

The New Liberal Myth of Single-Payer Rationing

Some liberal critics of the Sanders Medicare-for-all proposal reinvented the old conservative myth that single-payer saves money by rationing care - not through administrative savings cutting out other forms of waste.

Ezra Klein at Vox and Paul Krugman in his New York Times column both wrote lengthy pieces on the Sanders proposal, claiming that single-payer systems control healthcare costs by “saying no” to patients. Their reasoning, which was not accompanied by any actual evidence (because it doesn't exist), was that single-payer plans negotiate lower costs for medical services, drugs, and devices by being willing to cut them out of their national coverage, which necessarily requires being willing to say “no” to patients. Krugman added some frosting to his inaccuracy cake by claiming “foreign single-payer systems are actually more like Medicaid than they are like Medicare.”

While conservatives have long argued that single-payer creates waiting times for elective procedures and therefore rations care, the notion that such countries are cutting out whole procedures, drugs, devices, or providers in order to gain leverage in price negotiations is a brand new mythology: probably because there's no evidence of it anywhere.



Moreover, the sort of rationing they describe is exactly what every American resident with a health insurance plan experiences every day: limited networks that give insurers negotiating leverage with providers; drug formularies with multiple tiers (i.e. lower co-payments for some drugs, dramatically higher co-pays for others); visit limits; and we're now seeing things like limited pharmacy networks. Never mind the rationing that gets imposed on a reported 31% of Americans because they can't afford care due to deductibles, co-payments, or lack of health insurance. **HCN!**

Public opinion polling on single payer: Americans (still) support it!

The 2016 primaries have led to greater-than-usual attention to single-payer in public opinion polls. Here's our brief roundup:

- » By December 2015, a Kaiser public opinion poll **found that 58% of adults in the U.S. supported a "Medicare for All" healthcare reform, including a staggering 81% of Democrats, 60% of Independents, and 30% of Republicans.** The results of this opinion poll signal that our movement has reached a milestone as support for single-payer or "medical for all" has not wavered in spite of the implementation of the Affordable Care Act and partisan efforts to keep single-payer off the table.
- » **Respondents' opinion on single-payer vary dramatically depending on the wording used.** According to a follow-up Kaiser

According to Gallup, 31% of Americans still reported putting off medical care due to costs, unchanged since the implementation of the Affordable Care Act.

- poll in February 2016: 63% had a positive response to "Medicare-for-All," 57% to "Guaranteed universal health care," 44% to "Single payer health insurance system," and 38% to "Socialized medicine."
- » A 2015 Gallup poll found that **satisfaction with the U.S. health-care system is highest among those in socialized medicine systems** (78% for military or veterans), and government insurance plans (77% for Medicare, 75% for Medicaid).
- » **Satisfaction is lowest among those with private insurance** (71% for those with union plans, 69% for employer-sponsored coverage, 65% for individually purchased insurance) and those with no insurance (41% sanctification).
- » Also according to Gallup, by the end of 2015, **31% of Americans still reported putting off medical care due to costs, unchanged since the implementation of the Affordable Care Act. HCN!**

Take Action for HR676!

Representative Conyers' bill would create single-payer system, "expand and improve Medicare for all."

Rep. John Conyers is the lead sponsor of HR676, the Expanded & Improved Medicare For All Act, which currently has 61 co-sponsors. HR676 is the flagship legislation for the single-payer movement, which would establish healthcare as a right for all residents and save billions for families and employers. If you don't see your Representative listed as

a co-sponsor below, make sure to call the Capitol Switchboard at (202) 224-3121 to be connected to your Representative and ask them to co-sponsor HR676!

Rep. Adams, Alma S. [D-NC-12]
Rep. Bass, Karen [D-CA-37]
Rep. Beatty, Joyce [D-OH-3]
Rep. Brady, Robert A. [D-PA-1]
Rep. Cartwright, Matt [D-PA-17]
Rep. Chu, Judy [D-CA-27]
Rep. Clark, Katherine M. [D-MA-5]
Rep. Clarke, Yvette D. [D-NY-9]
Rep. Clay, Wm. Lacy [D-MO-1]
Rep. Cleaver, Emanuel [D-MO-5]
Rep. Clyburn, James E. [D-SC-6]
Rep. Cohen, Steve [D-TN-9]
Rep. Cummings, Elijah E. [D-MD-7]
Rep. Davis, Danny K. [D-IL-7]
Rep. DeSaulnier, Mark [D-CA-11]
Rep. Doyle, Michael F. [D-PA-14]
Rep. Edwards, Donna F. [D-MD-4]
Rep. Ellison, Keith [D-MN-5]

Rep. Engel, Eliot L. [D-NY-16]
Rep. Farr, Sam [D-CA-20]
Rep. Fattah, Chaka [D-PA-2]
Rep. Green, Al [D-TX-9]
Rep. Grijalva, Raul M. [D-AZ-3]
Rep. Gutierrez, Luis V. [D-IL-4]
Rep. Hastings, Alcee L. [D-FL-20]
Rep. Honda, Michael M. [D-CA-17]
Rep. Huffman, Jared [D-CA-2]
Rep. Jackson Lee, Sheila [D-TX-18]
Rep. Jeffries, Hakeem S. [D-NY-8]
Rep. Johnson, Henry C. "Hank," Jr. [D-GA-4]
Rep. Kaptur, Marcy [D-OH-9]
Rep. Kelly, Robin L. [D-IL-2]
Rep. Lawrence, Brenda L. [D-MI-14]
Rep. Lee, Barbara [D-CA-13]
Rep. Lewis, John [D-GA-5]
Rep. Lieu, Ted [D-CA-33]
Rep. Lofgren, Zoe [D-CA-19]
Rep. Lowenthal, Alan S. [D-CA-47]
Rep. Maloney, Carolyn B. [D-NY-12]
Rep. McDermott, Jim [D-WA-7]
Rep. McGovern, James P. [D-MA-2]

Rep. McNeerney, Jerry [D-CA-9]
Rep. Moore, Gwen [D-WI-4]
Rep. Nadler, Jerrold [D-NY-10]
Rep. Napolitano, Grace F. [D-CA-32]
Rep. Nolan, Richard M. [D-MN-8]
Rep. Norton, Eleanor Holmes [D-DC-At Large]
Rep. Pingree, Chellie [D-ME-1]
Rep. Pocan, Mark [D-WI-2]
Rep. Rangel, Charles B. [D-NY-13]
Rep. Roybal-Allard, Lucille [D-CA-40]
Rep. Rush, Bobby L. [D-IL-1]
Rep. Ryan, Tim [D-OH-13]
Rep. Schakowsky, Janice D. [D-IL-9]
Rep. Scott, Robert C. "Bobby" [D-VA-3]
Rep. Serrano, Jose E. [D-NY-15]
Rep. Takano, Mark [D-CA-41]
Rep. Tonko, Paul [D-NY-20],
Rep. Watson Coleman, Bonnie [D-NJ-12]
Rep. Welch, Peter [D-VT-At Large],
Rep. Wilson, Frederica S. [D-FL-24],
Rep. Yarmuth, John A. [D-KY-3]