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FREQUENTLY ASKED QUESTIONS ABOUT SINGLE PAYER

1) What is Single Payer Health Care?

Single Payer Health Care is a not-for-profit health care finance model that provides comprehensive health care coverage for everyone in the most cost-effective manner by broadly spreading risk across the largest insurance risk pool.

The Health Care for All Colorado (HCAC) Single-Payer proposal is a “public-payer, private-provider” model, permitting each individual free choice of private providers and hospitals.

The Veteran’s Administration uses a different health care model – “public-payer, public-provider” – where “public providers” (doctors, nurses, etc) work for the government, and its health care facilities (hospitals, etc.) are owned by the government.

2) How is Single Payer health care funded?

Single Payer insurance is funded by a progressive tax, collected with existing income tax forms. The money is put into a Health Care Trust (isolated from the General Budget and the legislature), managed by a public, not-for-profit agency.

A Single-Payer insurance model limits government’s role to the act of collecting health insurance premiums through the income tax mechanism. Government then turns the funds over to a publicly-owned/managed agency to reimburse health care providers. The quasi-government agency operates much like a public utility, and is regulated by a governing board, independent of the legislature.

3) Does Single Payer provide true choice of providers and hospitals?

Yes. The Single-Payer model guarantees free choice of providers and hospitals.

By contrast, the “market-based” network of over 1200 private insurances limits choices to “in-plan” providers and hospitals. When plans are changed, providers and hospitals must also often be changed.

4) Does Single-Payer health care protect individual health care choices?

Yes. Single-Payer permits patients with their providers to determine their health care. By contrast, private insurers can override decisions by patients and their providers.

5) Is Single-Payer health care more cost-effective?

Yes. Single-payer plans are financed with a *progressive tax* that costs less for the large majority of families and individuals than current premiums, copays, deductibles and other out-of-pocket costs required by private insurances. Single payer *eliminates the financial risk of medical bankruptcy* that is now so common -- currently 50% of personal bankruptcies are attributed to health care costs.

Over 20 federal and state studies since 1990 demonstrate that Single-Payer saves money and also has the ability to provide comprehensive health care for all. Cost-effective single payer plans, like traditional Medicare, limit overhead costs to 3-5%.

By contrast, overhead costs of multiple (over 1200) for-profit insurances exceed 30% of all health care dollars – 20% of health care dollars go to profits, CEO salaries, marketing, lobbying and administrative costs. Another 12% of health care dollars go to providers' added administrative costs, e.g., for hiring extra staff to manage different paperwork of multiple insurances.

Single Payer saves by permitting planning to reduce unnecessary, wasteful duplication of facilities and services. It also permits negotiation of annual budgets with health care facilities, fair prices with provider associations, and bulk rates for pharmaceutical and medical devices.

6) Does Single Payer provide cost-savings to large and small businesses?

Yes. Single-Payer would reduce businesses' health care contributions to a simple tax. Relieved of costs of managing employee health care plans, business would be freed to compete on equal footing in the world marketplace. Single Payer would increase effective employee take-home pay, and reduce added costs to consumers of goods and services (e.g., \$1,600 added to the cost of each U.S.-made car).

Under the current private insurance model, many businesses, states, cities, etc., finance the rising health costs for employees and retirees. Employees also experience reduced effective take-home pay, as employers pass rising health costs to them. Businesses also pass on their rising health costs to consumers, who pay extra for goods and services, e.g., \$1,600 added to the cost of each U.S.-made car in 2005.

7) Would Single Payer health care provide comprehensive health care for all?

Yes. Only the Single Payer model demonstrates the ability to provide comprehensive health care for all.

Currently, health care is rationed by ability to pay. The Institute of Medicine (2003) revealed that 18,000 uninsured Americans die preventable deaths annually. "Free-market" Health Savings Accounts (HSAs) and catastrophic coverage benefit only the healthy and the wealthy who can afford to save. Under multiple private insurance risk pools, as the healthy leave a risk pool, the sick remain, triggering cost rise and prompting employers to drop coverage, leaving still more uninsured.

8) Does Single Payer provide quality health care?

Single Payer permits oversight by a governing board, with consumer input, to create a quality-centered, instead of profit-centered, health care system.

9) Why consider Single Payer Health Care at the state level?

States including Colorado, California, Pennsylvania and Michigan have health care reform proposals based on a single-payer model. There is proposed federal "enabling" legislation (HR 506 & S 1169) that would provide federal funding for state pilot programs for health care reform. Federal cooperation would also neutralize issues around federal requirements like Medicaid and Medicare waivers, etc.

While it is preferable to enact national health care reform, like HR 676, it may require time to implement an improved Medicare-for-All program. In the interim, states can implement reform more quickly that could serve as a pilot for the federal program, to demonstrate how Single Payer could function at the state level.