



TO: Interested Parties

FROM: Partnership for America's Health Care Future

RE: Under Sanders's Medicare For All, Americans Would Pay More To Wait Longer For Worse Care

DATE: July 30, 2019

Overview

WASHINGTON – As Senator Bernie Sanders (I-Vt.) prepares to take the debate stage in Detroit this evening, Americans will be reminded that under his one-size-fits-all Medicare for all system, they would be forced to pay more and wait longer for lower-quality of care.

Higher Costs & Unaffordable Tax Hikes:

Sanders has repeatedly claimed that under Medicare for all, the “vast majority of the people in this country will be paying significantly less,” as he recently declared on the debate stage. **But, as *Bloomberg* reports, “[f]or many Americans, though, that would not be true,” and “higher taxes would exceed any savings.”**

Yet the 181 million taxpayers with employer-sponsored coverage could miss out on the benefits of the Sanders plan, and even those receiving Medicaid could pay more, according to health-care policy experts on both sides of the political spectrum ... Sanders has proposed a wealth tax, a bank levy and premiums paid by employers and employees. But that only raises about half of what is needed, meaning that payroll taxes and income tax increases would necessarily have to be part of the plan. “There are likely to be a lot more losers than winners,” Brian Riedl, a senior fellow at the right-leaning Manhattan Institute ... Many of the 181 million taxpayers with employer-sponsored coverage are likely to see their taxes go higher than their current health care spending, because about 56% of their medical costs are covered by their company, according to the Milliman Medical Index, which tracks annual health care spending. For example, a person making \$50,000 with employer-sponsored coverage spends about \$5,250 annually on health care, meaning that under Sanders’s plan, her or his taxes would be nearly double the person’s current health care costs ... Those on Medicaid, the government-sponsored insurance program for the poor, are likely to see their tax burdens rise far beyond their current health spending, Riedl said. A family of four earning \$30,000 spends about \$1,200 annually on health costs, according to the Kaiser Family Foundation estimates. Sanders’ plan also assumes that health providers will be reimbursed at Medicare rates, about 40% below what they receive from private insurers. Health care experts question whether a cut this large is feasible, meaning that the cost for Medicare for All could be even higher.

Tellingly, Sanders has “said his campaign purposefully didn’t put out a detailed account of his payment plan because it would ‘engender enormous debate.’” But, while pointing out Sanders’s “misleading” rhetoric, fact-checkers for *The Washington Post* note that



“[a]ccording to a study from the Urban Institute (and a follow-up paper), Medicare-for-all would still add \$32.6 trillion to national health spending over 10 years. The study goes on to state that Sanders’s proposed tax increase would be insufficient and that additional revenue would be needed.”

And *CNN* reports that “[t]ax experts ... say that **you can’t raise enough money from taxing the rich and that the levies on all Americans may exceed the savings for more people than Sanders expects. This may be particularly true of low-income folks who get heavily subsidized coverage on the Obamacare exchanges ... ‘His plan still doesn’t add up,’ [Marc] Goldwein [of the Committee for a Responsible Federal Budget (CRFB)] said ... ‘To generate the kind of revenue that Sanders is talking about to pay for something as big as his version of Medicare for All ... would be vastly more expensive than any of the kinds of things he’s talking about,’** said Howard Gleckman, senior fellow at the Urban-Brookings Tax Policy Center, a nonpartisan think tank. **‘He’s going to have to come up with more money from some place.’”** That place is the bank accounts of middle-class Americans: **“There’s no possible way to finance [Medicare for all] without big middle class tax increases,”** CRFB’s Goldwein explained to *The Washington Post*.

While many are just beginning to learn how a one-size-fits-all system would affect their health care, most Americans are well aware of the unaffordable tax hikes they’d be hit with. **“There’s one thing Americans understand about Medicare-for-all: It would mean higher taxes ... Americans seem most familiar with the fact that Medicare-for-all would require massively higher taxes,”** *The Washington Post* reports of a recent national poll by the Kaiser Family Foundation. As Kaiser writes of their findings, **“eight in 10 Americans (78%) are aware that taxes would increase for most people under such a plan.”**

And while **Sanders insists** that **“a lot of people in the country would be delighted to pay more in taxes”** to bankroll his one-size-fits-all health care system, a previous national poll by Kaiser revealed that **60 percent oppose Medicare for all when they learn it would require most Americans to pay higher taxes.**

As both NBC News debate moderator Lester Holt and Senator Michael Bennet (D-CO) **pointed out** during the first round of Democratic presidential debates, Sanders witnessed this exact problem in his own home state, where **an effort to implement state-level Medicare for all in Vermont failed “when it became clear that people would not support the tax increases needed to sustain such a program,”** as *The New York Times* editorial board **noted** recently. *The Washington Post* reports that **the Vermont failure “offers sobering lessons for the current crop of Democrats running for president, including Vermont’s own Sen. Bernie Sanders (I), most of whom embrace Medicare-for-all,”** adding: **“Then as now, many of the advocates shared ‘a belief that borders on the theological’ that such a system would save money, as one analyst put it – even though no one knew what it would cost when it passed in Vermont. That belief would prove naïve.”**



Diminished Access To Quality Care:

It is telling that, appearing on CNN last week, **Senator Sanders “repeatedly dodged the question of whether Americans would be able to keep their doctor under his Medicare for All plan,”** and *The Washington Post’s* fact-checkers note that **“providers warn [Medicare for all] could significantly hurt their ability to provide adequate, widespread care. A recent report from the Congressional Budget Office reinforces this concern: ‘Such a reduction in provider payment rates would probably reduce the amount of care supplied and could also reduce the quality of care.’”**

The non-partisan CBO cautioned recently that under Medicare for All, “patients might face **increased wait times and reduced access to care,**” and such a system “could also **reduce the quality of care,**” while “[t]he number of hospitals and other health care facilities might also decline as a result of closures, and there might be less investment in new and existing facilities.”

The New York Times reported recently that **experts are growing increasingly worried about the “violent upheaval” a Medicare for all system would cause hospitals,** cautioning: **“Some hospitals, especially struggling rural centers, would close virtually overnight,** according to policy experts. Others, they say, would try to offset the steep cuts by **laying off hundreds of thousands of workers and abandoning lower-paying services like mental health.”**

This warning was echoed in a report by *POLITICO*, which notes that Medicare for all “would all but end private insurance and **regulate hospitals in a vastly different way, dramatically changing operators’ business model and costing community hospitals as much as \$151 billion a year,** according to one estimate published in *JAMA*,” all while **“slashing hospitals’ pay rates and putting up to 1.5 million jobs at stake ... It’s a concern that’s left Medicare for All advocates walking a fine line, arguing for a dramatic reshaping of the health system while trying to avoid a brawl with their hometown health systems.”**

So-Called “Moderate” Fallbacks Will Lead To The Same Results:

And while often described as more “moderate” than Medicare for all, Sanders’s fellow 2020 presidential hopefuls and others acknowledge that **new government insurance systems such as Medicare “buy-in” or the “public option” would ultimately lead down the same path to a one-size-fits-all government-run health care system – with all the same unaffordable costs, tax increases, and threats to patients’ choices, access and quality of care.**

A new poll released by the Partnership for America’s Health Care Future this week reveals that **voters prioritize improving our current health care system over offering a new government insurance system, often referred to as the “public option.”** Voters across party lines prefer a presidential candidate focused on making those improvements over one who wants to expand government insurance systems, and majorities also **believe that**



negative outcomes, such as increased taxes and fewer employer-based options, are more likely to occur than positive ones if a government health care program that people could choose were put into place – and most believe it would be unlikely to improve their health care or that of their family.”

Meanwhile, the *Associated Press* reports this week that “[g]overnment surveys show that **about 90% of the population has coverage**, largely preserving gains from President Barack Obama’s years. Independent experts estimate that **more than one-half of the roughly 30 million uninsured people in the country are eligible for health insurance through existing programs.”**