What the Public Option Could Mean for You

Tom Church, Daniel L. Heil, and Lanhee J. Chen, Ph.D. of the Hoover Institution, with support from the Partnership for America’s Health Care Future, released a new study about the potential cost of the public option entitled, “The Fiscal Effects of the Public Option.”

The study found the public option could increase the federal deficit by $700 billion and potentially lead to new taxes on American families.

Some of the study’s key findings include:

- A politically realistic public option could lead to a new 4.8 percent payroll tax on American families over 30 years – far higher than the combined Medicare payroll tax Americans pay today.

- Over 30 years, the public option would become the third most expensive government program behind only Medicare and Social Security – both of which are at risk for the seniors who rely on them.

- While proponents try to claim the public option could reduce costs by reimbursing providers at Medicare rates, recent history at both the federal and state levels demonstrates that putting politicians in charge of a new government-controlled health insurance system could lead to higher costs and tax burdens for American families.

- The public option could add as much as $700 billion to the federal deficit in its first 10 years.

Although billed as a “moderate” alternative to Medicare for All, the public option could lead to negative consequences for American families. A link to the study can be found here, and a link to all of the Partnership’s resources can be found here.