

Single Payer New York

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Advocates Highlight Savings from Single Payer Health Care for All – Projected to Save \$20 Billion annually by 2019

A 2009 study funded by the New York State legislature and conducted by the Urban Institute concludes that a single payer Medicare for All type program is the most cost-effective way to provide health care to all New Yorkers. (A copy of the report is at <http://www.partnership4coverage.ny.gov/>)

The report found that savings from single payer substantially increase over time. By 2019, the Urban Institute concludes that single payer would save \$20 billion annually based on the report's projected 6% annual increase in baseline health care cost (\$130 billion for single payer vs. \$150.25 billion for present system). Single payer would cost \$28 billion less annually than the public-private hybrid (e.g., expand public programs like Medicaid, a small public option, and a mandate to obtain insurance) that was recently adopted by Congress.

Even though single payer was found to be the most cost effective, advocates contend that the study underestimated savings. The study estimated that the administrative savings from single payer would only be 10% over 10 years- the same percentage it estimated for the much smaller public option model under the hybrid model. No basis is given for this and other assumptions. Single payer advocates say savings should be much higher, especially if the program includes all residents including Medicare and elderly Medicaid participants. The Lewin group study for California estimated administrative savings of \$20 billion annually. The study appears to ignore the tremendous savings and cost reductions that would be available to doctors and hospitals under a single payer plan since they would no longer have to deal with scores of insurance companies and their conflicting policies and paperwork.

Even though the study did not include Medicaid under single payer, it decided to charge both single payer and NY Health Plus 18% higher premiums for Medicaid participants; while somewhat higher payments would be expected, no such cost allocation appears to have been charged to the hybrid proposals. The study also appears not to factor in the reduction of health care costs that would result from having a health care system that covers everyone.

The report admitted that most of the public-private hybrid models (18 variations were studied) that focuses on incremental changes would not achieve universal health care. However, the Urban Institute did claim 100% coverage when expansion of eligibility and subsidies for existing programs were combined with an insurance mandate and public option. Other studies by the CBO and the Lewin group of such models have all found uninsurance rates of at least 3 to 4%, with the real numbers of uninsured significantly higher (which impacts on emergency room care) due to excluded populations such as legal immigrants and undocumented workers.

The report estimates that 10.5 million people (61.1% of the population) have health insurance coverage through employer-sponsored insurance. Medicare / CHIP / FHP covers 3.7 million people or 21.4%. About 250,000 (1.4%) are covered by the non-group market (including Healthy NY). An estimated 2.7 million are currently uninsured.