



PHYSICIANS FOR
A NATIONAL
HEALTH
PROGRAM



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Chapter

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Summary: H.R. 676, The Expanded & Improved Medicare For All Act

HR 676 establishes a unique American universal health insurance program with single-payer financing. The bill would create a publicly financed, privately delivered health care system that improves and expands the already existing Medicare program to all U.S. residents, and all residents living in U.S. territories. The goal of the legislation is to ensure that all Americans will have access, guaranteed by law, to the highest quality and most cost effective health care services regardless of their employment, income or health care status. In short, health care becomes a fundamental human right, with no financial barriers or financial harm resulting from seeking care. With 50 million uninsured Americans, and another 30 million who are underinsured, the time has come to change our inefficient and costly fragmented non-system of health care. The current for-profit health care system in the U.S. is not financially sustainable over the long run, hence the need for a unique nonprofit, universal single-payer health care system.

Who is eligible

Every person living or visiting in the United States and the U.S. Territories would receive a “Medicare For All Card” and ID number once they enroll at the appropriate location. Social Security numbers may not be used when assigning ID cards.

Health care services covered

This program will cover all medically necessary services, including primary care, medically approved diet and nutrition services, inpatient care, outpatient care, emergency care, prescription drugs, durable medical equipment, hearing services, long term care, palliative care, podiatric care, mental health services, dentistry, oral surgery, eye care, chiropractic, and substance abuse treatment. Patients have their choice of physicians, providers, hospitals, clinics, and practices. There are no co-pays or deductibles allowed under this act.

Conversion to a nonprofit health care system

Doctors, hospitals, and clinics will continue to operate as privately entities. However, they will be unable to issue stock. Private health insurers shall be prohibited under this act from selling coverage that duplicates the benefits of the Improved Medicare For All program. Exceptions to this rule include coverage for cosmetic surgery, and other medically unnecessary treatments. Those workers who are displaced as the result of the transition to a nonprofit health care system will be the first to be hired and retrained under this act. Furthermore, workers would receive their same salary for up to two years, and would then be eligible for unemployment benefits. The conversion to a not-for-profit health care system will take place as soon as possible, but not to exceed a 15-year period, through the sale of U.S. Treasury bonds.

Cost containment provisions/ reimbursement

The Improved Medicare for All program will negotiate reimbursement rates annually with physicians, allow for global budgets (monthly lump sums for operating expenses) for hospitals, and negotiate prices for prescription drugs, medical supplies and equipment. A "Medicare for all Trust Fund" will be established to ensure a dedicated stream of funding. An annual congressional appropriation is also authorized to ensure optimal levels of funding for the program, in particular, to ensure the requisite number of physicians and nurses need in the health care delivery system.

Families and individuals will pay less

Currently, health care costs for a typical family of four in the most common health plan offered by employers are an average of \$8,584 a year -- \$5,114 in premiums and another \$3,470 in out-of-pocket medical services, drugs, and supplies. Employers pay an additional \$12,144 towards the coverage, for a total cost per family of \$20,728 (Milliman Medical Index, www.publications.milliman.com). Fiscal studies by economists Dean Baker (2007) and Gerald Friedman (www.pnhp.org/news/2013/july/'medicare-for-all'-would-cover-everyone-save-billions-in-first-year-new-study) have estimated that under H.R. 676, 95 percent of U.S. households would be paying less than they now for all health care costs. Most businesses would pay less too.

Containing annual health care costs, while covering all Americans

Savings from reduced administration, bulk purchasing, and coordination among providers will allow coverage for all Americans while reducing health care inflation in the long term. Annual savings from enacting H.R. 676 have been estimated at \$387 billion (Baker, 2008) to \$589 billion (Friedman, forthcoming).

Proposed funding for the Improved Medicare for All program

- “ Maintain current federal funding for health care.
- “ Increase personal income tax on the top 5 percent of income earners
- “ Institute a modest and progressive excise tax on payroll and self-employment income.
- “ Instituting a modest tax on unearned income.
- “ Institute a small tax on stock and bond transactions.