



The Many More Faces of Single Payer

A look at other Countries' Health Plans
and U.S. Public Programs and Proposals

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A REMINDER

SINGLE PAYER SYSTEMS ARE NOT ALL THE SAME!

- Some systems are federally mandated and care is paid for/provided by government (Beveridge)
- Some are through insurance type arrangements (Bismarck)
- Others use types of funds based on population or employment demographics (Bismarck)
- Others use some combination of mechanisms but are primarily orchestrated locally or regionally

TYPES OF SYSTEMS

- Beveridge – provided by government, funded by taxes, providers may or may not be government employees
- Bismarck – provided through funds or insurance plans and usually funded by a combination of employer and employee payments (Germany, France, Belgium, Netherlands, Japan, Switzerland)

BELGIUM

- Coverage is Mandatory
- Bismarckian system-multi-payer funds
- No gatekeeper – direct access to specialists
- Virtually no waiting times
- **Drugs and cost of service are government set**
- Defined set of benefits
- Funded largely by Social payments from employees and employers

BELGIUM

- Payments are fee for service and patients are reimbursed by funds
- Ambulatory surgery and inpatient care are billed to fund
- Copays are different for different services. GP is 25%; GP home visits are 35%, Specialists are 40%.
- Drugs are reimbursed based on type of illness it is used for.

PORTUGAL

- Coverage is Mandatory
- 3 overlapping systems
 - NHS, everyone is in it and requires registration with primary care doctor, however, about 2.5 million citizens are not registered, primarily in rural areas. This does not impede their access.
 - Health subsystems based on employment or profession
 - Voluntary health insurance

PORTUGAL

- **Prices for medical and pharmaceuticals are set by the government.**
- NHS is funded by taxation.
 - Copays are relatively low
 - Many are exempt from copays based on income
 - approximately 60% of the population
 - Waiting times are generally high
 - Pharmaceutical copays are higher and based on therapeutic value

PORTUGAL

- Health subsystems are financed by employer and employee contributions
- Voluntary coverage is both individual and group and serves primarily a supplementary role – 26% of population has VHI
- Many people are covered by multiple systems: NHS, health subsystem through their employer, VHI, and health subsystem through their spouse's employer

UNITED STATES

- The United States already has some government run programs:
- **Prices for medical services are either set or reimbursement limits are set by government.**
 - Medicare – federal
 - Medicaid – federal/state
 - Children’s Health Insurance Program – federal/state
 - VA - federal
 - Tri-care - federal

MEDICARE

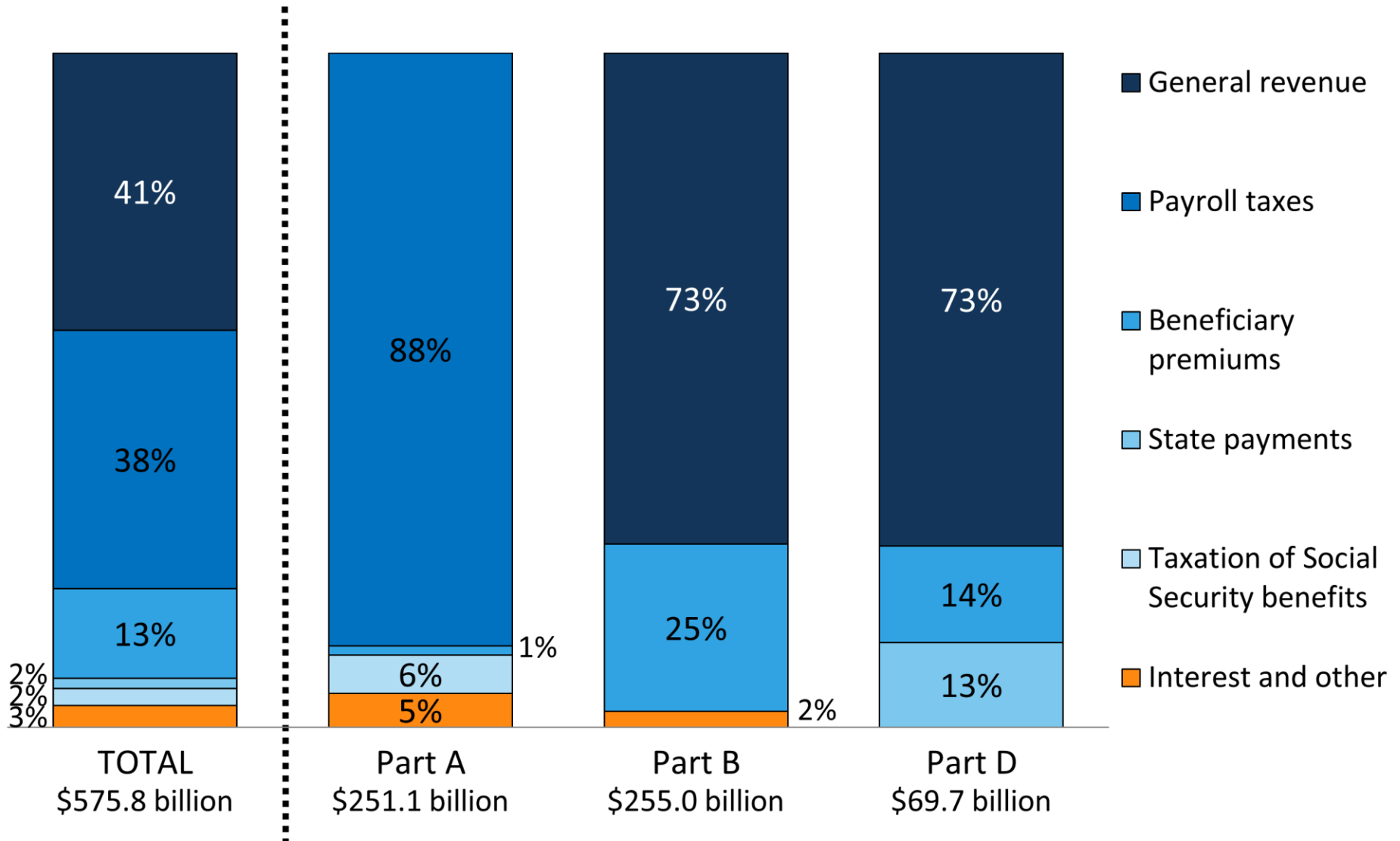
MEDICAID

CHILDREN'S HEALTH INSURANCE PROGRAM

VETERANS ADMINISTRATION

Figure 29

Sources of Medicare Revenue, 2013



SOURCE: Kaiser Family Foundation based on data from 2014 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds.

UNITED STATES

- The United States is different from other countries – ideas that may work in Europe may not work well in the United States.

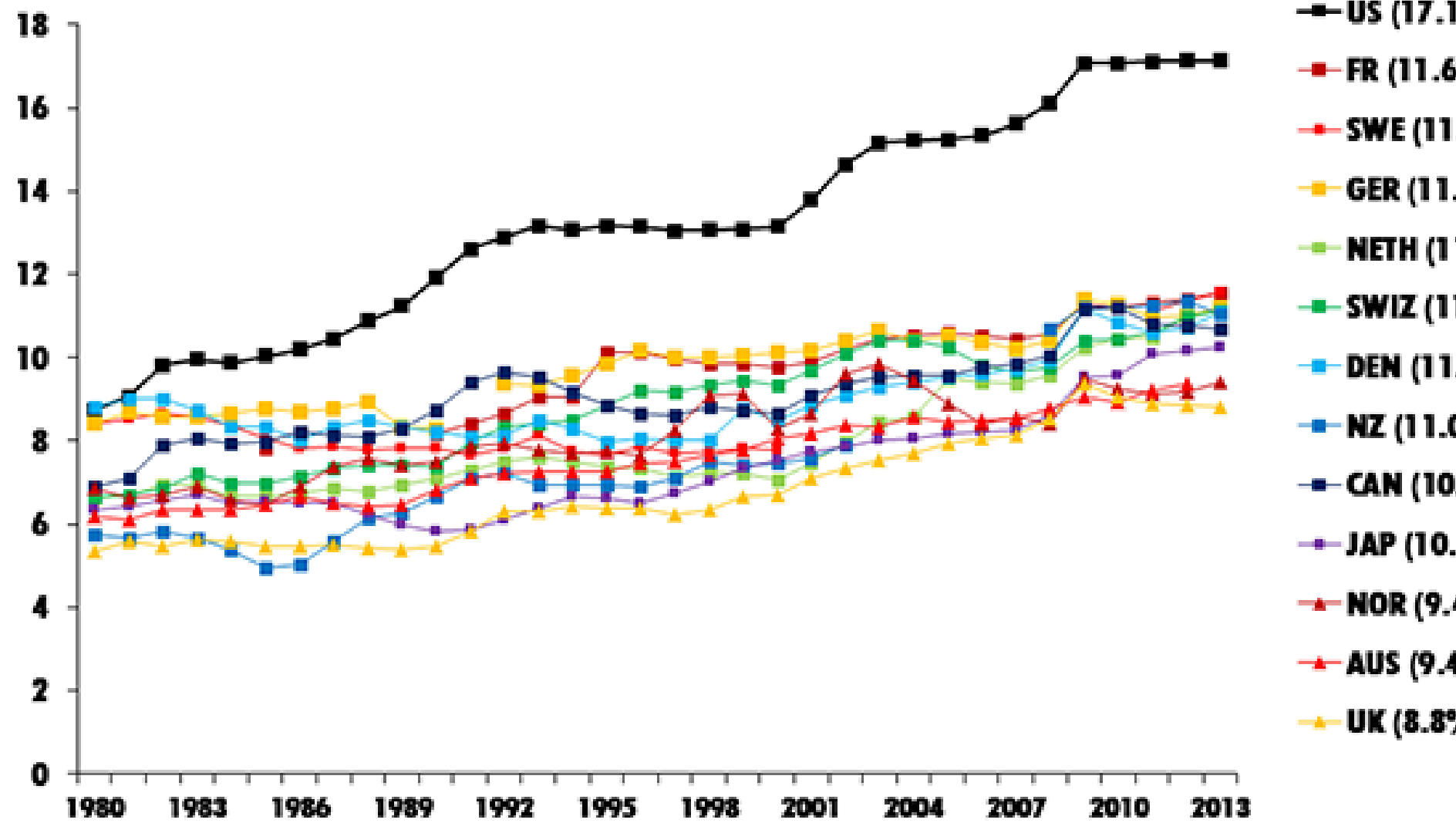
WHY IS THE UNITED STATES DIFFERENT?

➤ Reasons:

- Our history of no government involvement in provider pricing for private plans**
- Our culture of employer-provided health plans
- Our size and population demographics – we are a heterogeneous population and much larger than any single country in Europe
- In general we are a more litigious society BUT our laws permit this
- European tradition of solidarity vs US individualism
- The way we pay for medical education

Health Care Spending as a Percentage of GDP, 1980–2013

Percent



* 2012.

Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.



The COMMONWEALTH FUND

WHY ARE OUR COSTS SO MUCH HIGHER THAN OTHER COUNTRIES?

- A number of recent studies have shown that adjusting for the nature of our population, the United States does not use more health care than other countries.
- What is different is the unit cost of care.
- Although many other countries would look at the percentage of GDP spent on health care, the fact is that we pay our providers more, including our pharmaceutical providers.

UNITED STATES

Politics

➤ National Level:

- Currently Republicans control the Senate, and White House. Democrats control the House.
- The White House veto threat effectively precludes any single payer system from gaining enough traction to pass.
- Yet, interest in single payer is growing.
 - For the first time in history, the Single Payer bill by Bernie Sanders has 16 Senate Co-sponsors.
 - A similar House bill introduced in the last Congress had over 100 sponsors. Both would enroll all U.S. residents in a single plan.

UNITED STATES

Politics

- Frustration with the current system opens the door for a broadening of our current public programs little by little.
- This could lead to incremental additions to our current government-run programs:
 - Buy-in to Medicare
 - Buy-in to Medicaid (Could be introduced at the state or federal level)
 - A Public Option
- All of these options have been introduced in our current Congress.
- All of these programs would likely be permitted to use government-set prices in competition with commercial products which were required to operate without this advantage

UNITED STATES

State Level Efforts

- The biggest threat in terms of Single Payer efforts is at the state level, where politics can be more predictable.
- Already we have seen efforts in:
 - Colorado
 - California
 - New York
 - New Mexico

- **NAHU is actively working with a coalition to educate the public about Single Payer, and specifically Medicare for All. Here is our current video.**



<https://youtu.be/oByvPuuXStw>