

# **FAQs About the Bill for Improved Medicare for All in Massachusetts (2017-18)**

**House Bill 2987      Senate Bill 619**

## **Q: What does the Improved Medicare for All in Massachusetts bill do?**

A: It creates a ‘single payer’ health care system for everyone in Massachusetts, young and old alike. It would be a universal, public insurance plan covering all medically necessary care, preventive health care, dental care and other benefits – but without premiums, deductibles, co-pays and co-insurance.

Single payer systems like this plan have been proven to reduce inequalities in health care, improve access to care and reduce costs for families, businesses, municipalities and states.

## **Q: Why is Improved Medicare for All in Massachusetts needed?**

A: Massachusetts needs to extend quality health care to all residents that is affordable and controls costs. High costs are steadily consuming state, municipal, business and household budgets. Attempts to control these costs within the present private insurance system have failed.

## **Q: How does the bill incorporate federally funded programs like Medicare**

A: The Improved Medicare for All Massachusetts bill instructs the administrators of the plan to apply for waivers that would allow existing federal payments for health services to be paid directly to the fund. These waivers would cover Medicare, Medicaid and other federal or federally-matched programs. Once in place, Medicare or Medicaid recipients– just like those now covered in private insurance plans – would see the additional benefits such as not having co-payments, co-insurance and related extra costs.

## **Q: How would Improved Medicare for All in Massachusetts be financed?**

A: Current employer and employee premium payments to private insurers would be replaced with an employer and employee payroll tax. The tax would be 10% of payroll – the same as current average spending on health insurance – 7.5% for employers and 2.5% for employees. For all employers, the self-employed and small business owners, the first \$30,000 of salaries and wages would not be taxed. To make the health tax fairer, 10% would be assessed on dividends and interest – excluding the first \$30,000. Finally, there would be no health tax on Social Security, pensions, unemployment benefits, etc. State spending on health care would be consolidated providing a clearer picture of health care costs, and, as noted above, federal monies would be directed to the fund.

## **Q: How would providers be paid under the Improved Medicare for All bill**

A: All funding would be placed into a Health Care Trust fund which would become the single payer. Prompt payments would be sent to providers and facilities for covered services and capital needs. The bill requires institutions and organizations – like hospitals, clinics, health centers, physician practices – to develop and use global budgeting.

**Q: Who would administer the Health Care Trust?**

A: The Trust would be governed by a Board of Trustees with 23 members. The bill stipulates who would appoint these Trustees, a nomination process and election of eight trustees. The Board would make policy and regulatory decisions regarding the single payer system and would appoint an Executive Director to administer the Trust. (The terms of service are spelled out in the legislation.)

**Q: Does the Improved Medicare for All plan save money?**

A: Yes. A study by UMass Amherst economist Gerald Friedman estimates this bill would save 15.75% of our current spending on health care in the state – about \$21 Billion. It does so by eliminating administrative waste in the commercial health insurance market. Savings also come from using the negotiating power of a single payer plan to lower the price of prescription drugs and medical devices, by having a global budget, and by streamlining the system.

**Q: What would be covered?**

A: All medically necessary care for prevention and treatment of illness and injury provided by eligible providers and facilities would be covered. The promotion and maintenance of health through screenings, counseling and education would be included. The list of benefits covers – but is not limited to – doctor visits, hospital care, mental health services, nursing home care, rehab, home care, eye care, dental care. medical devices, prescriptions etc.

**Q: What would happen to the hundreds of billing clerks around the state and other insurance workers who would lose jobs when single payer is instituted?**

A: Up to 2% of Trust fund monies (in any given year) will be allocated for training and retraining programs for workers displaced as a result of administrative streamlining gained by moving to single payer. It is anticipated that there will be need for more allied health care workers as people get the needed preventive and medical care they need.

**Q: Won't this be just another bureaucracy?**

A: The current system of multiple private insurers and publicly funded agencies is the most complicated, fragmented and dis-organized approach to health care. As a result, 31% of every dollar goes to paperwork, CEO salaries, profits etc.; compare that to Medicare which covers 55 million residents and operates with just 3% overhead.

**Q: What can I do to support Medicare for All in Massachusetts?**

A: Join with others to build a movement for health care as a human right and a Single Payer / Medicare-for-All system in our state. For more information and to get involved, contact **Western Mass. Medicare for All:**

- Email – [info@wmmedicareforall.org](mailto:info@wmmedicareforall.org)
- On the web – [www.wmmedicareforall.org](http://www.wmmedicareforall.org)
- On Facebook – Western Mass. Medicare for All (or WMM4A)