Municipal Health Insurance Savings under Single Payer

Health care costs are rising, straining municipal and household budgets to the breaking point. According to research studies and global experience, **Single Payer healthcare lowers overall spending and brings down the cost curve while improving health outcomes and covering everyone.** Savings are mainly achieved by eliminating the administrative complexity and bloat of private insurance and from the negotiating power of a single payer to rein in prices. This worksheet is based on the current financing plan in S683 and H1194: "An Act Establishing Medicare for All in Mass."

1. Name of City/Town _____   Data is for FY _____

2. Will this worksheet data include School District employees? Yes ____ No _____
   (Please include SD data if possible.)

3. How many current employees receive health care benefits? _____

   Optional but helpful information:
   - How many on Individual plan? _____   Family plan? _____

   - Percentage of health benefit costs paid by City/Town: % _____

4. Total wages and salaries paid by the City/Town: $_____

5. Total amount spent by City/Town on health insurance benefits for **current**

   employees: $ _____

6. Total amount spent by City/Town on health insurance benefits for **retired**

   employees: $_____

7. Total current **OPEB liability**: $ _____

8. OPEB amount to be paid into trust this year: $ _____

9. Total amount already invested in the OPEB trust fund: $_____

Cost Savings Worksheet

The financing plan for "An Act Establishing Medicare for All in Massachusetts" includes an **employer payroll tax of 7.5%** (plus .44% if more than 100 employees).

A. Current cost of health care insurance as a percentage of payroll =

Current cost of benefits (#5) _____ times 100

Divided by total payroll (#4) _____ =

        Current percentage: %_____

B. Cost of health care insurance with Single Payer =

Total payroll (#4) $ _____

Multiplied by 0.075 (or 0.0794 if more than 100 employees) =

        Single Payer Cost: $_____

C. Savings on Current Employee costs with Single Payer =

Current cost (#5) $ _____

Minus Single Payer Cost (see B above) $_____ =

        Savings to City/ Town: $_____

D. Savings on Retiree costs with Single Payer =

Full cost of current spending on retiree health care benefits (#6): $_____

E. TOTAL savings on health care benefits with Single Payer = C + D: $ _____

F. OPEB savings with Single Payer

The City/Town would be relieved of most of its current OPEB liability (#7): $_____

and associated yearly contributions (#8): _____ Note: It is not yet clear what

would happen to funds already invested in an OPEB trust (#9): $_____

G. Additional savings may include staff time / brokerage costs to select and administer a health benefits plan; time and goodwill gained by removing health benefits from collective bargaining.