

“An Act Establishing Medicare for All in Massachusetts” – FAQs – 2019-20

S683, H1194

Q: What does the Medicare for All 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 with comprehensive benefits including dental, vision and mental health services. There would be no premiums, deductibles, co-pays or other out-of-pocket costs. A Single Payer system would remove financial barriers to care, reduce inequities, and lower costs for families, businesses, municipalities and states.

Q: Why is Medicare for All in Massachusetts needed?

A: Health care is extremely expensive in Mass. Nearly 200,000 Mass. residents are uninsured, and many more cannot access health care due to high out-of-pocket costs. Rising costs are straining state, municipal, business and household budgets. Attempts to control costs within the present private insurance system have largely failed.

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

A: The proposed legislation instructs the administrators of the plan to negotiate with the federal government to allow existing federal payments for health services, including Medicare and MassHealth, to be paid directly to the state’s Health Care Trust. With these agreements in place, all claims would be paid on an equal basis, with no out-of-pocket costs or the need to buy supplemental insurance to cover gaps in coverage. Networks and tiering would no longer constrain the choice of providers.

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

A: Current employer and employee premium payments to private insurers would be replaced with a payroll tax. The current bill proposes a 10% tax on payroll - 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, unearned income (dividends, interest, capital gains) would also be taxed at 10%, excluding the first \$30,000. Finally, there would be no health tax on Social Security, pensions, unemployment benefits, etc. Current state and federal funding for health care, as noted above, would also be directed to the Trust.

Q: How would providers be paid under the Medicare for All bill?

A: All funding would be placed into a Health Care Trust that would be the Single Payer of all health care claims. Prompt payments would be sent to providers and facilities for covered services and agreed-upon capital needs. The bill also proposes that institutional providers develop and use global budgeting, with retrospective adjustments to compensate for faulty projections.

Q: Who would administer the Health Care Trust?

A: The Trust would be governed by a Board of Trustees with 23 members. The bill indicates a nomination process for 15 Trustees and who would appoint them, and a public election for eight Trustees. The Board would make policy and regulatory decisions regarding the Single Payer system and would hire an Executive Director to oversee administration of the Trust. The terms of service are spelled out in the bill.

Q: Does the Medicare for All plan save money?

A: Yes. A study by UMass Amherst economist Gerald Friedman estimates this bill would lower health care spending in the state by almost 11% or about \$11 billion, even after accounting for the cost of expanding coverage to everyone. It does so by eliminating administrative waste and profit-taking of the commercial health insurance market. Savings also come from the negotiating power of a Single Payer to lower prices of prescription drugs, medical devices, and hospitalizations.

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, and long-term care.

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

A: Up to 2% of Trust fund monies (per year) would be allocated for retraining of workers displaced as a result of Single Payer legislation. It is also anticipated that there will be a need for more primary and allied health care workers as more people get the preventive and other 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 disorganized approach to health care. As a result, about 30% 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 or to get involved, contact Western Mass. Medicare for All:

Email – info@wmMedicareforall.org

Website – www.wmMedicareforall.org

On Facebook – Western Mass. Medicare for All (or WMM4A)