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 insurance:
Cost for current employees plus retirees (#5 + #6) = $_________________

B. Single Payer Cost of health insurance:
Total payroll (#4) $ ______________
Multiplied by 0.075 (or 0.0794 if more than 100 employees) =

Single Payer Cost: $_____________

C. Savings with Single Payer:
Current cost minus Single Payer Cost ( A – B above) =

Savings to City/ Town: $_____________

D. 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):
$______________

E. 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.

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