

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.