

# Single Payer Health Insurance

## What does a single payer system look like for Massachusetts?

For over a decade, Massachusetts has had the highest health insurance coverage rate in the nation with nearly 98% of residents covered. Establishing a single payer, government-run health care system or public option in Massachusetts will dramatically increase taxes on residents and businesses making the state uncompetitive. It would also undermine the work the state has done to reach near universal access, lower costs, and improve health care quality. The single payer debate ignores our state's near universal coverage achievements and distracts from the critical work we must do to control health care costs for employers and consumers, including controlling prices charged by providers and the exorbitant increases in prescription drug costs.

## 2023-2024 Legislative Session:

This legislative session, 7 bills have been filed to eliminate or undermine private health insurance coverage in Massachusetts, including the following:

- Establishing Medicare for All in Massachusetts, funded through tax hikes for employers, small businesses, and consumers. (HB1239 Sabadosa/SB744 Eldridge)
- Establishing a Public Option on the MA Health Connector, further diluting the merged market. (SB766 Lewis)
- A 5-year pilot program through the MA Health Connector providing premium assistance for those with incomes between 300 – 500% of the FPL. (HB1186 Driscoll/SB733 Cronin)
- Directing CHIA and the HPC to establish a single payer benchmark to study and implement a single payer system (SB737 Cyr)

## Talking Points

- To support a government-run single payer health care system or a public option, Massachusetts will need to dramatically increase taxes on residents and businesses. Raising taxes will significantly affect Massachusetts state's economy, making Massachusetts less competitive with other states.
- In 2002, a state report by LECG for the Legislature's Advisory Committee on Consolidated Health Care Financing concluded that a government-run health care system in Massachusetts would force consumers and employers to pay billions more for health care. Specifically, the report found that a government-run system in Massachusetts would cost between \$3 billion and \$6 billion above current health care spending.<sup>1</sup> The costs would certainly be more significant today.
- A government-run health care system will continue to face the same challenges that the Commonwealth currently faces - increasing prices for prescription drugs, greater demand for new technology, and costs incurred by advances in treatment procedures - any administrative savings associated with a single payer system will not be sufficient to ensure coverage for every resident of the Commonwealth without a massive tax increase.
- There are serious quality concerns associated with government-run, single payer systems. The evidence demonstrates that these systems fail to provide timely access to high-quality, innovative medical care to all individuals.
- A 2020 report from the Congressional Budget Office (CBO) noted that implementation of government-run system would increase demand for access to care, resulting in longer wait times for care. While effects on access to care may differ based on geographic regions, increased demand coupled with the potential for reduction in workforce would trigger delays in treatment particularly for specialty care.<sup>2</sup>
- A government-run system will not address the cost drivers of the state but instead exacerbate accessibility issues and impact quality of care for residents.

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<sup>1</sup> Gaisford, J., McDonell M., & Potter, R. LECG, LLC. Mercer Government Human Services Consulting, and McDonell Consulting. Massachusetts LECG 2002. <https://www.healthcare-now.org/single-payer-studies/massachusetts-lecg-2002/>

<sup>2</sup> How CBO Analyzes the Costs of Proposals for Single-Payer Health Care Systems That Are Based on Medicare's Fee-for-Service Program. Congressional Budget Office (December 2020) <https://www.cbo.gov/system/files/2020-12/56811-Single-Payer.pdf>

- Vermont attempted to move to a single payor system in 2011. The Governor, along with appointed and elected officials all supported the move. In 2014, after much deliberation and study, the Governor declared that one state cannot move to a single payor system. Any action must be done at the federal level. The Governor acknowledged that if VT moved to a single payor system, the tax burden on residents would be too great and would leave the state at an extreme economic disadvantage compared to other states.
- Massachusetts health plans continually set the standard for the rest of the country for clinical quality and member satisfaction, consistently ranked among the nation's best by the National Committee for Quality Assurance's (NCQA) and offering innovative programs that improve quality, coordinate care, and integrate medical care, behavioral health and substance abuse services, and pharmacy benefits to meet the specific needs of their members.