

Business *for* Medicare for All

Business Leader Briefing: The Public Option is Not Enough

- A public option is a **half-measure that we cannot afford to experiment with** on the road to reform our broken healthcare system. Fundamentally, a public option will fail to provide universal coverage or to control costs.
- Real healthcare reform, like Medicare for All, requires that **effective cost controls are put into place immediately**, in order to stave off further reductions to access and utilization of care, along with reining in long-term medical price inflation.
- **Medicare has shown that it is possible** for a single government payer to manage costs more effectively than our current multiple private health insurers. This leverage exerted by a single-payer in the health system is demonstrated in foreign countries that guarantee universal care. The key cost-saving measure is to enact a single-payer system instead of the fragmented public/private insurance market that we currently have – instead of addressing this core failure, a public option introduces just another option for coverage, and more bureaucracy and costs along with it.
- The flawed political argument for a public option posits that it will be an easier sell because the public option would not force anyone to change plans. However, **if healthier people with options to stay on private insurance do not take up the public option, it will not have the necessary enrollment to control costs.**
- Experts estimate that a plan with a public option, like Medicare Extra, might be able to capture less than 60% of the savings to be realized by a full single-payer program, and maybe as little as 30%. This comes to a **loss between \$336 and \$587 billion.**
- Savings from public option plans rely on the idea that less people will use private insurance, but because there is **no compulsion or incentive to move to the public plan**, it is totally unknown how many people would move to it and the extent to which private insurance enrollment would drop.
- Adding a public option drastically reduces and **misses the opportunity of enormous administrative savings** that would come with a real single-payer, Medicare for All program. Under a public option, hospitals and doctors would still need to maintain their billing departments in order to interact with the complicated array of insurance providers.