



**Statement for Hearing on  
Single-Payer Health Care**

**Submitted to the  
House Budget Committee**

**May 22, 2019**

Every American deserves affordable, comprehensive coverage—regardless of their income, health status, or pre-existing conditions. This has been a core principle for health insurance providers and a constant commitment by our industry. Our members work every day to promote health, wellness and prevention, to address the significant drivers of chronic disease and poor health, to give consumers the power to choose the care and coverage that works best for them and their families, and to improve patient care and the consumer experience with innovative tools, treatments, and technologies.

**Lowering Health Care Costs Is Our Most Important Priority**

Americans are facing an escalating crisis of affordability across our health care system. Cost pressures are becoming more intense for everyone who pays the tab for health care in the United States—including consumers, employers, and governments. AHIP and our member health insurance providers support efforts to bring down costs by promoting more competition and choice for all Americans, regardless of whether they get their coverage from their employer,

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*America's Health Insurance Plans (AHIP) is the national association whose members provide coverage for health care and related services to millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.*

programs such as Medicare or Medicaid, the health insurance marketplaces, or through an individual plan.

To support these goals, AHIP has developed a comprehensive set of affordability recommendations that identify steps Congress and the Administration can take to provide relief from rising health care costs.<sup>1</sup> We also published a report outlining policy and statutory changes that can be implemented, by federal and state policymakers, to make premiums more affordable for Americans who buy coverage on their own in the individual market.<sup>2</sup>

Our recommendations include specific ways to:

- Lower prescription drug prices;
- Protect consumers from surprise medical bills;
- Reduce the number of people who are uninsured and underinsured;
- Fight health care fraud;
- Promote high-value networks;
- Improve interoperability of health information technology;
- Improve transparency by providing consumers access to quality and price information; and
- Eliminate taxes and fees that increase health insurance premiums and costs.

When the free market and public programs work together to bring down the underlying cost of health care, we can expand access to high-quality care for every American, reduce excess growth in premiums, and improve affordability for all Americans.

### **One-Size-Fits-All Health Care: Higher Taxes, Lower Quality, and Longer Wait Times**

We strongly oppose proposals for a single-payer health care system, including “Medicare for All” legislation, which would force government-run insurance systems upon Americans. These proposals do nothing to address our top challenge: a growing health care affordability crisis.

These proposals would mean higher taxes on all Americans, higher total premiums and costs for

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<sup>1</sup> AHIP letter to Senate HELP Committee Chairman Lamar Alexander, March 1, 2019. [https://www.ahip.org/wp-content/uploads/ahip\\_response\\_letter\\_to\\_chairman\\_alexander\\_on\\_health\\_care\\_costs.pdf](https://www.ahip.org/wp-content/uploads/ahip_response_letter_to_chairman_alexander_on_health_care_costs.pdf)

<sup>2</sup> “12 Solutions to Lower Premiums for Hardworking Americans Who Buy Their Own Coverage,” November 14, 2018, AHIP. <https://www.ahip.org/12-solutions-to-lower-premiums-for-hardworking-americans-who-buy-their-own-coverage/>

the hundreds of millions of people enrolled in private coverage, longer wait times, and lower quality of care. To put it simply, patients would pay more to wait longer for worse care.

Higher Taxes: A single-payer system would be funded by raising taxes on hard-working Americans by trillions of dollars every year. Charles Blahous, PhD, a senior research strategist at the Mercatus Center, recently testified that “Medicare for All” legislation would add between \$32.6 trillion and \$38.8 trillion in new federal budget costs over the first ten years—above and beyond the federal government’s currently projected federal health obligations for Medicare, Medicaid, and other health programs.<sup>3</sup> The lower estimate is based on an assumption that provider payment rates would be based on Medicare rates that are significantly lower than rates paid by private health insurance providers.

Lower Quality: A single-payer health care system would lead to lower quality of care for patients. A recent report from the Congressional Budget Office (CBO) explains: “Setting payment rates equal to Medicare FFS rates under a single-payer system would reduce the average payment rates most providers receive—often substantially. Such a reduction in provider payment rates would probably reduce the amount of care supplied and could also reduce the quality of care.”<sup>4</sup>

CBO further cautions: “The transition from the current system to publicly owned hospitals and publicly employed physicians would entail significant changes for providers, and those changes could lead to lower quality of care for patients.”

Longer Wait Times for Care: In other countries with single-payer plans, patients are often subject to long wait times for treatment and have less access to medical specialists and experts, compared to American patients. According to the Fraser Institute, the average wait time in Canada between referral from a general practitioner and the delivery of medically necessary elective treatment by a specialist was 19.8 weeks in 2018.<sup>5</sup>

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<sup>3</sup> Testimony for House Rules Committee hearing on Medicare for All Act of 2019, Charles Blahous, PhD, Senior Research Strategist, Mercatus Center. April 30, 2019.

<https://docs.house.gov/meetings/RU/RU00/20190430/109356/HHRG-116-RU00-Wstate-BlahousC-20190430.pdf>

<sup>4</sup> “Key Design Components and Considerations for Establishing a Single-Payer Health Care System,” Congressional Budget Office, May 1, 2019. <https://www.cbo.gov/system/files/2019-05/55150-singlepayer.pdf>

<sup>5</sup> “Waiting Your Turn: Wait Times for Health Care in Canada, 2018 Report,” Fraser Institute. <https://www.fraserinstitute.org/sites/default/files/waiting-your-turn-2018.pdf>

This report states: “Wait times can, and do, have serious consequences such as increased pain, suffering, and mental anguish. In certain instances, they can also result in poorer medical outcomes—transforming potentially reversible illnesses or injuries into chronic, irreversible conditions, or even permanent disabilities.”

Separately, the May 2019 CBO report explains that a single-payer system with “significantly lower” provider payment rates, compared to the current system, might result in fewer people entering the medical profession and might lead to a decline in the number of hospitals and other health care facilities.<sup>6</sup> CBO states: “That decline could lead to a shortage of providers, longer wait times, and changes in the quality of care...”

### **Build on What’s Working and Fix What’s Broken**

There is a better way. Today, health insurance providers deliver coverage that is working for hundreds of millions of Americans—including 180 million Americans who are covered through their jobs, 22 million covered through Medicare Advantage, 55 million covered through Medicaid managed care, and 20 million who buy their own coverage. A significant majority of Americans are satisfied with the coverage they have today.<sup>7</sup> They have choice and control, options, and access to treatment.

The foundation for an effective health care system already exists. We urge Congress to build on the lessons learned in these markets to improve what’s working and fix what’s broken, ensuring that all Americans have affordable, comprehensive health coverage that promotes timely access to high-quality care.

A broken bone shouldn’t break the bank. We all have a role to play in improving health care in America. We look forward to continuing to work with Congress and the Trump Administration on solutions—including the recommendations we have outlined—for making health care more affordable. By working together and building on the strengths of the current system, we can succeed in achieving affordable, high-quality health coverage and care for every American.

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<sup>6</sup> “Key Design Components and Considerations for Establishing a Single-Payer Health Care System,” Congressional Budget Office, May 1, 2019. <https://www.cbo.gov/system/files/2019-05/55150-singlepayer.pdf>

<sup>7</sup> “Most Americans Still Rate Their Healthcare Quite Positively,” Gallup, December 7, 2018. <https://news.gallup.com/poll/245195/americans-rate-healthcare-quite-positively.aspx>