

H.R. 4683: MEDICARE FOR ALL ACT

**Introduced by Reps. Pete Stark (D-CA), John Dingell (D-MI),
Henry Waxman (D-CA) and Sherrod Brown (D-OH)**

The Medicare for All Act, H.R. 4683, would make healthcare coverage available to every American by expanding the Medicare program to those under age 65. This legislation would give people the option of choosing health insurance coverage through Medicare or any of the plans available to Members of Congress, the President of the United States, and Federal employees.

Benefits

Benefits available to the under 65 population under the expanded Medicare program will be the same as those provided under Medicare, with additional benefits appropriate to the wider age range served by the new program. These will include early and periodic screening, diagnosis and treatment, enhanced preventive care, home and community based care and other services deemed appropriate to meet the nation's health needs. This plan provides comprehensive medical benefits, including prescription drug coverage, without the damaging gaps in coverage and chaotic administrative features of the Republican Medicare drug law.

Enrollees may also choose any private insurance plan available to members of Congress under the Federal Employees Health Benefit Program. These plans all have comprehensive benefit packages, but differ in specifics like dental coverage, vision coverage, and co-payments. HMO and PPO options are available under FEHBP.

Freedom of choice

Every enrollee in the expanded Medicare program is guaranteed the right to go to the doctor, hospital, or other health care provider of their choice, just as they are under the current Medicare program. This is a significant improvement over the current health financing system, under which insurers generally limit enrollees to providers chosen by the insurer or require them to pay high additional cost-sharing if they want to go to an "out-of-network" provider.

In addition, all enrollees have the right to choose one of the private health plans available to members of Congress, if that is their preference.

Private health care delivery system

While the new program will be largely publicly financed, the health system itself will remain private. Just as under the current Medicare program, doctors, hospitals and other providers will continue to operate as independent, private entities. As under Medicare, the program will be largely administered by

private carriers and intermediaries.

Eligibility and enrollment

Any individual with a social security number is eligible to participate in the plan and will be automatically enrolled in the extended Medicare plan unless they choose one of the private options. There will be the opportunity to switch plans annually, just as there is under the FEHBP program.

Cost reduction through improved quality of care

Information technology can make a real difference in patient care. Computerized medical records, coupled with decision support software, can help avoid dangerous medical errors, assist in coordinating care for patients receiving services from multiple providers, help patients take responsibility for their own health, and improve the quality of care. Under Medicare for All, health care providers will be rewarded for improving the quality of care they give to patients. One measure of health care quality will be appropriate use of information technology systems that improve care quality and reduce costs.

Role of Medicaid

Medicaid will continue to provide supplementary services and cost-sharing assistance to very low income and disabled individuals.

Medicare

The current Medicare system will continue to provide insurance for the over-65 population and for eligible disabled individuals.

Cost of plan

The plan will create large savings--\$380 billion a year--at the same time it provides quality, affordable care for all Americans. The Institute of Medicine has estimated that, with no other changes, there would be a savings of \$130 billion from extending coverage to all. Increased utilization of health care services by the currently uninsured will be offset by reductions in cost as the result of better prevention and earlier treatment of illness and by the economic benefits of a healthier population.

In addition, the plan will save over \$160 billion a year as the result of universal adoption of an electronic medical record and advanced information technology, \$70 billion a year in reduced insurance overhead costs, and \$50 billion a year from reduced administrative costs to providers from dealing with a simpler, more uniform billing system.

While the plan will create large savings overall, there will be a significant cost-shift from individuals and businesses who now pay for the cost of health

insurance to public financing sources. Preliminary estimates of the increase in federal spending are \$600 billion a year, more than offset by reductions in costs to individuals and firms. The cost increase to the government will be fully covered by payroll taxes and general revenues, and will not add to the deficit.

Financing

The plan will be financed by a combination of payroll taxes and general revenues. Eighty-five percent of the financing will come from payroll taxes and 15% from general revenues. A preliminary estimate of the payroll tax financing necessary will be a payment of 7% of payroll by businesses and 1.7% by workers. By comparison, businesses providing coverage today spend an average of 13% of payroll to cover their workers.