

# Medicare for All: The Way Forward

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Berwick D. Medicare for all: the way forward. Harvard Public Health Review. Spring 2014;1.

**M**assachusetts faces serious issues: A school system that is good, but leaves some kids and communities behind; a transportation system in disrepair; and a substance abuse epidemic. These problems require investment. Unfortunately, these investments are hindered by the skyrocketing cost of health care—now 42% of our state budget, and up 59% in the past decade.<sup>1</sup> Without bold reform, health care in Massachusetts, like health care in the nation, will continue to erode possibilities in the public and private sector alike.

The Patient Protection and Affordable Care Act (ACA) was a critical step towards finally declaring health care as a human right in our country. If the ACA were fully implemented, 30 million Americans —people with preexisting conditions previously considered uninsurable, young people kicked off parents' plans, and people who simply couldn't afford care —would have access to quality health insurance. None of this would have been possible without Massachusetts blazing a path eight years before the rest of the nation, declaring proudly that quality health care is a right of residency.

Now, it is time for the state to take another leap forward with single payer health care —Medicare for all.

Massachusetts tried in 2012 to tackle the rising cost of care by enacting Chapter 224.<sup>2,3</sup> Still, this clause lacks the teeth required to create the change we need in our health care system. Under the current system, who is looking out for patients? No one —it is every patient for herself. If an insurance company denies a claim, she's on her own. A single payer system would instead empower patients and allocate substantial market

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power to the payment side of health care.

Coverage alone isn't enough. Massachusetts requires a bolder promise in the form of the Triple Aim. This means *improving the experience* of care when we need it, *increasing health* for the population, and *lowering costs* to affordable expenses that do not devastate family savings, public resources or the vitality of the business sector.<sup>4</sup> Americans have been bearing the costs of a fractured payment side for too long. It's time we have a health system in place that let's us bargain down prices for the patient, and one that equips us to foster true innovations in medicine.

A single payer would put us in position to do this continuously; it would give stronger voice to patients to ensure that needs are met.

The current multi-payer system adds a layer of complexity for everyone with little benefit for anyone. Doctors, nurses, hospitals, and patients have to navigate through a maze of bureaucracy and approval processes that drain energy and money from care. The current financing system is opaque, unaccountable, and overly complex. We have all experienced how frustrating this can be. With this shroud of secrecy around prices, I still have trouble reading my hospital bill. When patients aren't getting the quality of care they need, a single payer system can offer clarity and allow health care professionals do what they are trained to do: keeping people and communities healthy.

Complexity not only wastes our time, it wastes our money.<sup>5</sup> Doctors, nurses, hospital administrators and individuals spend hours of time and billions of dollars sorting out varying coding systems, billing rules, approval processes, and coverage determinations. Under the provisions of the ACA, private insurers operate at 85% medical loss ratio (MLR), or at a 15% overhead rate.<sup>6</sup> Hundreds of millions —perhaps billions —of dollars in Massachusetts alone are spent on paperwork, billboards, corporate headquarters, and confusion.<sup>7</sup> Compare that to Medicare, which operates with an administrative budget of 1% of what we spent on care. Of every Medicare dollar spent, 99 cents—99%—goes to care. Private insurers have come nowhere near that level of administrative efficiency.

Fortunately, the ACA allows states to innovate and explore new methods of improving care while reducing costs, paving the way for states like Massachusetts and Vermont to implement single payer health care systems.<sup>8</sup> Change is incremental, especially in health care. But Massachusetts can again be an example—a beacon for the rest of the nation. We can implement a single payer system, meeting our moral obligation for universal coverage, saving money, improving our business climate, and giving patients a voice. When it comes to health care, we've seen that as Massachusetts goes, so goes the nation.

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1. [Massachusetts Governor's Budget, FY 2013](#)
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