

What is Single Payer?

Single-payer is basically a way some countries use to provide its citizens with health insurance. (Sounds very boring, I know. But keep reading!) Its name comes from the fact that doctors and hospitals are paid by one organization: a single payer. By having only one payer, you can simplify the health care system enormously.

Single-payer saves lives.

In a single-payer health system, everyone has health insurance. According to the Institute of Medicine, 18,000 people in the United States die every year from a lack of health insurance--that's two people every hour. The US also has higher infant mortality levels(more children under 1 year of age die) compared to most other democratic countries. Babies would be healthier if all pregnant women could get access to a doctor while they're pregnant. Or think of how much less-crowded emergency rooms would be if people could see a primary care doctor when they were sick, instead of only going to an ER when they become sicker.

Single-payer saves time.

Imagine if all doctors and all hospitals in the US had just one type of form to fill out. And all patients had one insurance card. **And** all patients had health insurance by virtue of being US citizens. And now think of the savings in time, money, paper-pushing. Doctors would have more time to care for patients; everyone would have fewer headaches waiting to talk to their HMO to prove their coverage; nurses would be less frustrated with their work.

Single-payer saves money.

By having one organization handle all of the bureaucracy and all of the administration of the health care system (mostly consisting of paperwork and payments) paper-pushing greatly decreases in frequency and cost. More of each of our dollars that go toward health care would actually be used to care for people's health, instead of going toward managers and forms. Single-payer eliminates the bulk of paperwork duplication, and in the process, could potentially save hundreds of BILLIONS (that's 100,000 million) of dollars. As it is right now, American businesses are at an economic disadvantage, because their health costs are so much higher than in other countries. The Canadian branches of Ford, GM, and Daimler-Chrysler all publicly support Canada's health care system, because it saves them an enormous amount of money, compared to their counterparts in the US.

What's more, a single-payer system would mean fewer personal bankruptcies due to medical bills--and an end to patients actually receiving bills. In most countries with a single-payer system, patients never see a bill. The billing process doesn't even involve patients. (This saves money, too--think of how much work goes into itemizing each bill, sending it to each patient, following up on the bill if there's been an error... and on, and on.)

Most single-payer systems save a ton of money by buying prescription drugs for its patients in **huge** bulk quantities. You know the money you save for buying in bulk at Costco or Sam's Club? Think of applying

that concept to buying prescription drugs for America's 290 million people. (Hint: this is what Canada does--it's what makes their drugs much cheaper.)

Single-payer saves choice.

Americans love choices. We love having options. With a single-payer system, patients could go to any doctor they wanted (try doing that with your HMO!). You could see the doctor that's closest to you, the one that your friends all recommend, or pick one that's your same religion, ethnicity, or race. It'd be a much different experience than getting a specific list from your HMO, telling you who you're allowed to see, if you don't want to pay an arm and a leg for it.

Even better, people wouldn't be tied to their current job for the health insurance it provides. People could find jobs they're happier with or even consider starting their own businesses. It would make employers work harder to make employees happy, and employers could be more confident their workers were a good fit for their jobs.

What Isn't Single-Payer?

There's a great deal of incorrect information out there about health care reform. It's time to set the record straight--and if you want more information, you can always dig deeper.

Single-payer *isn't* socialized medicine...

it's socialized insurance. What's the difference? Socialized medicine is the system in the UK--the government owns the hospitals, employs the doctors. Socialized insurance is the system in Canada--the government pays the hospitals, and pays the doctors--but hospitals and doctors are still part of the private sector. Everyone cares who their doctor is, but do you really care who pays your doctor?

Single-payer *isn't* government bureaucracy...

it's actually government efficiency. Sure, some parts of the government are inefficient. Some waste your time. (But so do HMOs and other corporations that keep you on hold for hours.) In fact, the Medicare system is much more efficient than any HMO. About 4 cents of every dollar goes to administration in Medicare, but it's anywhere from 10 to 30 cents of every dollar in HMOs (average: 11 cents.)

Single-payer *is* health care rationing...

but it's a different type of rationing. Right now, we ration care by ability to pay: if you have insurance, you get health care, if you don't have insurance, you generally don't get health care. Single-payer rations care by health care need. There would be no more "pre-existing conditions," no more hassles to see a doctor.

Single-payer *isn't* free care...

but it's certainly less expensive. Money would come from employers and employees, but most of the money is already in the system--it's just currently going to HMOs instead of to a single-payer organization. Studies by the Congressional Budget Office, the General Accounting Office (GAO), the Lewin Group,

Boston University, and numerous other reports have done the math and come to the conclusion that single-payer would save enough money to cover the cost of insuring all the 45 million uninsured in the United States today.

How does it work?

Single-payer national health insurance would provide health insurance coverage for everyone in the United States (the US currently has about 45 million uninsured), alter the way businesses pay for health care, modify how doctors are paid, how hospitals calculate their costs and budgets, and how much prescription drugs cost in the United States. Let's look at a couple of stories from average patients and health care workers to give a couple examples of how a single-payer system might work in the United States. Then we'll break it down by group by group--and give an overview of how patients, physicians, businesses, hospitals, and insurance companies would end up in the single-payer world.

Eric Flores

Eric sells computer parts for a large technology company in Texas. He currently has health insurance for himself, but for the past two years, his employer has been making him pay for more and more of the health care bill. *And* the insurance covers his wife, but not his kids. Eric's not happy about it, but what's he going to do?

In a single-payer system, Eric's employer would most likely have to pay less for his health insurance--meaning Eric would take home more of his paycheck every month. There would be a small income tax to help pay for the system (smaller if he makes less money, larger if he makes more), but Eric's kids would have full health insurance, would likely never see a bill again, have cheaper prescription drugs, and no huge deductible if he ever got really sick. He could go see any doctor he wanted, and would have health care even if was laid off or went on a vacation to Florida.

Joanna Edwards

After 15 years of working in a factory in New Jersey, the factory closed, leaving Joanna jobless--and without health insurance. She recently found some part-time work, but it doesn't offer her health insurance. She's healthy and fit, but her daughter has asthma and needs to see a doctor regularly. She's tried to buy health insurance as an individual, but everyone denied her because of a dislocated shoulder 5 years ago in a minor car accident (yes, this is actually cited as a "pre-existing condition.")

In a single-payer system, Joanna and her daughter would both be covered. There are no "pre-existing conditions;" there are no rejections of coverage. Even after she lost her job, she could still take her daughter to the same doctor and her daughter could still get the medicines she needs to keep from having an asthma attack.

Daren Yu

Daren runs a small business in California. He has 4 employees, and business is stagnant, but he still can't afford to provide health insurance for his employees. He's purchased health insurance for his wife and three children, costing over \$400 a month, but for the last 2 months he couldn't afford to pay the bill, and he lost his coverage. His wife was just diagnosed with breast cancer, and he's worried about his wife's treatment and that he may have to sell his business or risk going bankrupt.

Daren's not alone--today in the US, 45% of bankruptcies are due to medical costs and debt. And he can't get any of those \$400 payments back, even though he's now uninsured and his wife needs care. But single-payer would change that. As an employer, he would pay a payroll tax to help pay for the new health care system (again, the amount based on how much his company makes). As a husband and father, his wife would receive the treatment she needed for her breast cancer without additional costs (besides the sliding-scale income tax). This is how insurance normally works--everyone pays into the system, so that when you're well, you're helping pay for those who are sick, and when you're sick, others are paying to help cover your costs.

General Information

Those were the players in the health care system. Now, let's take an imaginary look at how the system would be run.

The Single-Payer(s)

Okay. You got me. I lied. Please forgive me. Most blueprints suggest that the US would have regional payers--so, maybe a Western, Mountain, South, Midwest, South, and Northeast payer. Each would be responsible for a certain number of states, and each would still work with the others, so that if you live in California and take a trip to Atlanta, you're still covered. These payers would handle their states' paperwork and payments, and would get their money from the federal government, who would collect all the money to begin with.

The Doctor's Office

You go to see a new doctor. You give them your health card, they scan it, and you're in their system. You fill out the paperwork about your health for your doctor, and see him or her. The doctor either treats you or sends you to a specialist, and you don't see a bill or invoice. The doctor simply bills the regional payer electronically for the treatment or care he or she provided, and within 30 days, the doctor is paid.

Compare to Today

Let's look at the systems side-by-side. You make up your mind. If you'd like to know where the numbers are coming from, you can always dig deeper. More comparisons are made in the Financing and Other Questions sections.

Category	Current System/US	Single-Payer/Canada
Uninsured	45 million [source]	0
Total Cost (2002 projection)	\$1.6 trillion USD [source]	\$1.1 trillion USD [source]
Cost Per Person 2002 (aka Per Capita)	\$5,440 USD [source]	\$3,507 USD [source]
Administrative Costs (2003)	\$399 billion USD [source]	\$114 billion USD [source]
Cost Difference of 28 Top-Selling Drugs (2002)	\$1.00 USD [source]	\$.72 USD [source]
Infant Mortality, Deaths per 1000 Live Births, 2000	7 [source]	5 [source]
Life Expectancy (average male and female), 2002	77.3 [source]	79.8 [source]
Health Insurance Employees, per 10,000 enrollees	Cigna: 31.2, Wellpoint:13.7 [source]	Ontario Health Insurance Plan: 1.2 [source]
Employers' Medical Benefits Costs	8% of salaries and wages	0.6% of salaries and wages
Applicants per Medical School Place	2.4 [source]	5.5 [source]

Where does the money come from?

"That's all fine and dandy," you say, but you want to know how we're going to pay for it all. A reasonable question. And for it, a reasonable solution.

Luckily there's already plenty of money in the health care system. The US spends double what most other countries spend on health care, and Americans still have shorter lifespans, and 45 million people still go uninsured every year. Many financing schemes exist. Hundreds of billions of dollars could potentially be saved in administrative costs, which would far exceed the amount needed to insure everyone in the United States. Put most simply, the money that businesses currently pay for health care would go to the single-payer; this would make up most of the money needed.

Still don't believe it? You've come to the right place. We've got questions on any topic, and answers to any question. Soon. Dig in. There's plenty of other great [sites with answers](#) to your single-payer questions as well.

- [Canada](#)
- [Cost/Financing/Funding](#)
- [Current Health Care System](#)
- [Drugs/Pharmaceuticals](#)
- [Free Market](#)

- [Government Control/Socialized Medicine](#)
- [Great Britain/UK](#)
- [Malpractice](#)
- [Medicaid/Medicare](#)
- [Physician Income](#)
- [Research](#)
- [Taxes](#)
- [Technology](#)
- [The Uninsured](#)

Canada

Aren't Canadians coming over here all the time to get MRIs?

Not really. In a study asking US and Canadian hospitals about Canadians coming to US hospitals from 1997-1998, 80% had seen fewer than 10 patients, and 95% of hospitals had seen 25 or fewer patients over the entire year. Extrapolating findings, the study found that 640 Canadians had come to the US for MRIs or CT scans; Canadian provinces averaged 80,000 MRIs during the same time period.

Aren't Canadian physicians leaving Canada in a mass exodus?

Not at all. While Canada does have more physicians that leave than enter, the number has been decreasing since 1996, and it's less than 1% of physicians. And while it's still a significant number, it's by no means an exodus. Canada does have problems keeping doctors in rural areas, but so does the US.

Cost/Financing/Funding

Won't this bankrupt us?

Health care coverage is already subsidized heavily by federal, state, and local taxes. In fact, fully 64% of health care spending is already from taxes. Employers would pay a small payroll tax, but this tax would be **instead of** paying health care premiums like most employers pay now. Most employers that currently offer health insurance would actually **save** money. Small businesses will no longer be at a disadvantage in obtaining good health coverage for their employees and thus competing for the best employees.

Current Health Care System

America has the best health care system in the world!

Only if you don't compare it to anything else. The US ranks 37th in a World Health Organization examination of the world's health care systems. Americans also live fewer years than people in other countries, and have higher infant mortality levels (more babies under the age of one die per year). And according to the Institute of Medicine, 18,000 die each year from having a lack of health insurance. And we've got 45 million people without health insurance, and the most expensive health care system and prescription drugs. The US does a good job with waiting times for elective surgeries, but doesn't do nearly as well as other countries in most measures of "best" or "quality," however you define it.

Drugs/Pharmaceuticals

Bulk-purchasing of drugs is big government price control. Shouldn't the market decide that?

Virtually all other industrialized, capitalist countries have some sort of large-scale bulk-purchasing program. It's just like Wal-Mart using its purchasing power to buy in bulk, and provide cheap goods to customers. In fact, the reason many people are buying drugs from Canada is because they're much cheaper there. Insurance companies do this all the time--buy drugs for all of their members, and get cheaper prices, so would it really be that different to have the government buy for everyone? The VA and the Department of Defense already do this, but the current Medicare legislation does **not** allow the government to do so.

Free Market

Government Control/Socialized Medicine

A national health service would have the efficiency of the Post Office, the bureaucracy of the IRS, and the compassion of the Army. You really want that?

Governments do some things better than others--so do corporations. Medicare is the most efficient health care system in the US, with administration costs about 20% of the average HMO's administration costs. And if you think there's no such thing as corporate bureaucracy, you've probably never had a problem with your HMO. Ask anyone who has. Any system is going to have some red tape. But it's a matter of having **one** system of red tape, or 50 different ones. And government's not all bad. Government has provided us with public libraries, the GI Bill, Social Security, police and fire protection, the Do-Not-Call list, emergency services, national parks... there's bad, sure, but that doesn't mean you can just ignore the good.

Great Britain/UK

Doesn't it take months to get in to see a doctor in England?

There are definitely concerns with the UK's health system. But those are for another website. England has what's called a "national health service"--true "socialized medicine." In England, the government employs doctors and owns hospitals. In single-payer, doctors and hospitals are still privately owned and run. It's a completely different system. Apples and oranges.

Malpractice

What's single-payer going to do about malpractice rates?

Malpractice is a complex issue, but it's clear that [rates in Canada](#) are pennies compared to what they are in the US. Part of the reason: different laws in Canada. But another part: everyone in Canada knows they have health insurance. Whereas Americans can lose their job (and their health insurance), and have a medical mistake turn into an uncoverable "pre-existing condition," Canadians know that they'll be able to

receive care for any complications from medical mistakes. So they probably sue for less (if they sue at all), because they're not having to figure in future medical costs into their lawsuit amount.

Medicaid/Medicare

What's so great about Medicare? Isn't it another government bureaucracy?

Sure, there are hoops to jump through in Medicare, and issues that need to be addressed, but on a whole, Medicare is an extremely efficient health system. (By efficient, I mean it spends very little money on administration of the program, and most of its money going toward health care.) Medicare spends about 2-3% of every dollar on health care administration, while most HMOs spend around 15%--some even high as 30%. That's 30 cents of every dollar not going toward health care.

Physician Income

Wouldn't physicians make much less money in this system?

Most physicians would make less gross money, but the same net amount. Because the system would have much simpler billing (there's only one form to fill out), physicians would have much smaller costs, too. [Canadian physicians make](#) similar amounts to what US physicians make; specialists generally make less, but medical school is much less expensive and debt-ridden in Canada than it is in the US. Physician income is also much more stable in Canada, where the government is required to pay physicians within 30 days of the bill, or interest is charged to the government. (And surprisingly, when Saskatchewan, the first province to enact national health insurance act in Canada, started its program in 1963, physician incomes increased by 35% the next year.)

Research

Wouldn't the US fall behind on research?

Public research money would still be given out like it is now--through the National Institutes of Health. (And just because most of the research you hear about is in the US, doesn't mean discoveries only occur here.) Medical research does not disappear under a universal health care system. Many famous discoveries have been made in countries that have national health care systems. Laparoscopic gallbladder removal was pioneered in Canada. The CT scan was invented in England. The new treatment to cure juvenile diabetics by transplanting pancreatic cells was developed in Canada.