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(866) 423-7849

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## Comparing Single-Payer Systems at the State vs. National Level

Mario Nacinovich:

When we think about single-payer health care and Medicare for all proposals, most of us immediately turn to the latest media and news headlines, debate topics among the Democratic candidates and a steady cadence of messaging coming from advocates and detractors alike. But which messages draw from the federal level compared to state-based initiatives and why does that distinction matter? These and other considerations to come on today's program.

Welcome to *Voices from American Medicine* on ReachMD. I'm Mario Nacinovich and joining our program on the continuing conversations around single-payer health care systems is Dr. Michael Sparer, Professor and Chair in the Department of Health Policy and Management at the Mailman School of Public Health at Columbia University. Dr. Sparer focuses on the politics of health care with a particular emphasis on insurance and health care delivery systems. Thank you for joining us today, Dr. Sparer.

Dr. Sparer:

Thanks for having me.

Mario Nacinovich:

In the U.S. context, single-payer usually refers to single-payer national health insurance. How do you define single-payer at a national level and does the definition shift in a state-based single-payer system?

Dr. Sparer:

The term single-payer is used very differently by different folks. When Bernie Sanders talks about moving to a single-payer system essentially what he's talking about is eliminating private health insurance in the United States, eliminating the for-profit motive in health care here in the United States, and moving to a system in which all Americans, regardless of income, regardless of employment status, are automatically enrolled in a single, federally run national health insurance program in which the federal government determines reimbursement rates, determines benefits and so forth. There's no other country in the world that has truly the kind of expanded single payer that Sanders is talking about. Nearly every other high income country in the world has universal coverage but has coverage in which there's a predominant public or non-profit system and really a for profit insurance system or a not for profit insurance system as a safety back up for really wealthy folks in in those countries who want extra things. So what Sanders is talking about is quite unusual. It's similar to actually what's actually being talked about in a few states right now. I mean, for example, Dick Gottfried, an assemblyman here in New York State has been talking about trying to put in place a single-payer system here in New York State and his idea would be similar to Sanders, i.e., let's get rid of private health insurance at least here in New York State and have basically the state run a single-payer or a single insurance system for everybody in New York State. I think the odds of single-payer being enacted at either a national or state level are extraordinarily slim. That's why I think there's such a fierce debate among Democrats these days around the merits of the single-payer approach in which Sanders and some of the other sort of more progressives in the Democrat party are pushing the single-payer approach, saying look there's a window of opportunity now, there's an opportunity for dramatic change, there's an opportunity to get rid of the for profit system. But the other more moderates in the Democratic party are saying not so fast, the interest group opposition among providers and insurers and perhaps even unions and others is fierce. Not only would we have to win the presidency, we'd have to have a filibuster-approved Senate American ideology and culture is much more mixed on the role of government, asking 150 million people to abandon or to take away their employer sponsored coverage and substitute it with a single federal system is not going to make sense and on, and on, and on. So, these more moderate Democrats say no let's have more of a middle option which they're calling a public option in which people would have a choice between a public and private system.

Mario Nacinovich:

What are some of the benefits from your vantage point toward having a state-based single-payer system?

Dr. Sparer:

Again, I should start by saying I think the likelihood and the ability of any single state to enact its own single-payer program is extraordinarily slim. I mean New York, with a strongly Democratic legislature and a liberal Democratic governor, has not been able to do it, Vermont wasn't able to do it, Colorado wasn't able to do it. And I think there's a lot of reasons why it's going to be tough for a state to do it. That said, I do think there are arguments in favor of allowing states flexibility in how they structure the health insurance system in their state. That's why that's actually another argument against a national uniform single-payer system. I think the states do vary quite a bit. I mean New York is not the same as Minnesota which is not the same as North Carolina which is not the same as Alabama, and I think structuring health insurance programs in states so that they're responsive to the unique situation in their state can be helpful and can have some benefits. But, my own view is that you need to balance the goal of some states discretion in both setting the terms and in implementing the health insurance system in their own state with the need for some national standards to make sure that there's at least some minimum benefit that all Americans are able to receive regardless of which state they happen to live in.

Mario Nacinovich:

We know that state-based single-payer proposals face a distinct set of obstacles prior to and after being enacted. What are some of these obstacles in your view?

Dr. Sparer:

There's several obstacles. I mean one obstacle is that there's a federal law called ERISA or the Employee Retirement Income and Security Act which significantly limits the ability of states to act independently in the health care arena and I think any single payer piece of legislation that's acted by a state is going to face legal challenges under that federal law ERISA, so that's one challenge. Another challenge that states face is that there's a lot of movement between individuals. You have a lot of individuals who live in one state but work in another. So, for example, here in New York, there's a lot of individuals who live in New Jersey or who live in Connecticut but work in New York or who live in New York but work in New Jersey and exactly how states could and should handle those populations is unclear. Another obstacle for the states, clearly is generating enough revenue to be able to afford a single-payer health insurance system. There's a very little likelihood at least in the current environment that the federal government is going to help any particular state. They're not going to want to basically say okay states you can have all the federal money we're now paying to Medicare, you can have all the money we're now paying through Medicaid, et cetera, et cetera, just use it as you will for your state-based system. So, states are going to have trouble leveraging the money now being spent by the federal government even where there are Democrat residents in place, it's going to be very tough for states to get all that federal money. States are going to need to raise taxes quite a bit and there's political issues there. And then, of course, some of the same kind of barriers that you have at the federal level; I mean, interest group opposition, cultural opposition, and institutional dynamics make it difficult for states as well. Finally, administering a single-payer system is not easy. If your goal of having single-payer in large part is to have an ability to control health care costs, which I think is a fair goal, the way you do that is by using your power of the single-payer to lower reimbursement rates, for providers and others and that's going to generate significant opposition in the provider community.

Mario Nacinovich:

For those just tuning in, this is *Voices from American Medicine* on ReachMD. I'm Mario Nacinovich and today I'm speaking with Dr. Michael Sparer from Columbia University on the topic of single-payer health care at the state versus national level. Let's discuss for a minute those who are currently uninsured. What do you think state level plans would or should offer to enable these populations to secure coverage beyond what resources are currently available and are there any catches or strings attached?

Dr. Sparer:

I do think that states today have the ability to try to help those who remain uninsured in their communities and their states. I think there's a couple of examples of this right now that are taking place around the country. Washington State, for example, recently enacted a program called Cascade Care, which will be implemented in 2021 under which the uninsured in Washington will have the ability to buy a public option plan. In fact, what state officials call public option plans on the Washington State Insurance Exchange in which premiums will be lower than otherwise available on the exchange and deductibles will be lower. So, I think Washington State offers one potential model for states. States also could allow uninsured folks to buy into their Medicaid program. New Mexico and a number of other states have been considering this option. More generally, states can make a great effort to try to enroll those folks who are eligible but who are not currently enrolled in a Medicaid program or who are eligible but are not currently receiving subsidies to buy private insurance on the exchanges. There are millions of Americans who are actually eligible for subsidized coverage who are not taking advantage of it right now. Another option is, a large percentage of the uninsured in this country, not the majority but a large percentage of the uninsured, are folks who are uninsured because of their immigration status. California, is an example of a state that has basically said, we are going to

allow young adults to get subsidized coverage here in California. So, whether it's trying to help the undocumented in their states, whether it's trying to encourage those who are eligible for Medicaid to sign up, if they're enrolled whether it's a quasi- public option as it is being implemented in Washington State right now or whether it's potential Medicaid buy-in or an expansion of the Medicaid program, I think states have a lot of options right now as to how they want to try to help the uninsured. The key goals for the states is to try to reduce the cost of insurance and to make to reduce the cost of private insurance and to make public insurance more affordable and available as well.

Mario Nacinovich:

I'm a native New Yorker and I currently live and work in New York. I found it fascinating that you wrote that the odds of legislative passage are actually better in a state like New York than at the federal level. Why do you believe there's a better chance of this being passed at the state level even in the Empire State?

Dr. Sparer:

In order for comprehensive quote unquote "progressive health reform" to be passed in the political environment in which we have today, you need the Democratic party to control both the Legislative and the Executive branch. Even if there's a Democratic president enacted, you would need a filibuster-approved Senate that said, there are a number of states around the country which have both Democratic governors and Democratic state legislators, New York is one example, Washington is another example, California, New Mexico, et cetera. And so, what I was saying when I wrote the language that you're referring to, is that in those states in which there is a Democratic dominated political environment at both the Executive and Legislative level, you have in place at least a window of opportunity for sort of progressive health insurance reform to be enacted. That is not the case in those states which are dominated by Republicans right now. For example, there still are more than a dozen states that have not even enacted or adopted the Medicaid Expansion under the ACA. Those are states in which you've got Republican leadership that has refused to sign onto that expansion even though the federal government would pay almost the entire bill. That said, I don't think even with a Democratic President and a Democratic controlled Congress you're going to get single-payer for all the United States. That I simply do not think will happen. That is contrary to almost 100 year of American year history sort of reversing of an almost 4 trillion dollar industry almost overnight. On the other hand, I think we can continue to move on a path toward universal coverage that would include the mixed insurance public private models that have marked the American health insurance system for nearly a century.

Mario Nacinovich:

Well, with that parting comment, I would like to thank Dr. Sparer for joining me to shed light about single-payer health care systems and the difference between national and state level proposals. Dr. Sparer, it was great having you on the program today.

Dr. Sparer:

I really enjoyed it. Thank you very much for asking such good questions.

Mario Nacinovich:

For ReachMD, I'm Mario Nacinovich. To access this episode and others from *Voices from American Medicine* visit [ReachMD.com/Voices](https://ReachMD.com/Voices) where you can be a part of the knowledge. Thanks for listening.