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Defining & Differentiating Single-Payer Proposals

Mr. Nacinovich:

Single-payer systems have long been proposed as healthcare reform alternatives in the U.S., but the definitions of these systems are not universally understood and have even been known to change from proposal to proposal. So what do we in the healthcare community need to know about this model and its various iterations?

Welcome to *Voices from American Medicine* on ReachMD. I'm your host, Mario Nacinovich. Joining our program to add her voice to the continuing conversation on single-payer healthcare systems is Dr. Judy Liu, Professor and Associate Policy Researcher at the Pardee RAND Graduate School in Santa Monica, California. Thank you for joining us today, Dr. Liu.

Dr. Liu:

Thank you for having me.

Mr. Nacinovich:

So you and your colleagues have recently completed research where you compared single-payer definitions and proposals. What was the genesis of this initiative? And what were you attempting to achieve?

Dr. Liu:

So, as you refer to terms like single-payer, universal coverage, Medicare for All, they are often thrown around in political discussions, and sometimes even used interchangeably. But they can mean different things. So single-payer is often discussed as one proposal for changing the healthcare system, when in fact there are many variations and there are many existing proposals that are different for a single-payer system. The goal of the work really was to try to get a better understanding of the different proposals that fall under this broader umbrella of single-payer.

Mr. Nacinovich:

You identified 25 proposals for national or state single-payer plans. How did these plans define single-payer?

Dr. Liu:

So for the proposal for single-payer, all of them would provide universal coverage that's financed by taxes. Most of them provide comprehensive benefits with little to no cost sharing, although some proposals do allow for some level of cost sharing or leave it to be determined at a later time, whether there would be cost sharing involved. Most of the proposals also contain different provisions to increase access, increase quality, and to lower costs, although they're not necessarily part of a definition of a single-payer plan that are often included as part of the proposal.

Mr. Nacinovich:

So have we now arrived at a consensus definition of a single-payer plan? Why or why not?

Dr. Liu:

So since my work was completed, the use of Medicare for All has become much more mainstream. And I think there is some consensus as to what Medicare for All entails broadly, but there's still misconceptions about what that means among different people. And to add to that there's also variation in different plans. There's two Medicare for All bills currently in congress now, and there are different details within each of those bills.

Mr. Nacinovich:

What are some of the characteristics and contents of some of these single-payer healthcare proposals?

Dr. Liu:

The most proposals will include different changes to financing, usually through taxes. The proposals usually will talk about who the eligible population is and will specify different classes of care that would be covered. And often we'll talk about cost sharing, whether it's required or to be determined later. Some things that also are in single-payer proposals are things related to cost, and of course potential cost savings is one reason that these type of proposals are often introduced. But these proposals do vary quite a bit in how they address cost and some will change how providers are paid, which could be still through a fee for service system, through global budgets, some combination, or other payment arrangements. And then there also are often different provisions related to global budgets where there may be an overall global budget, or they may be institutional global budgets, and often these budgets are tied to some index. The proposals that included these different changes, the payment changes to potential cost containment strategies, often will have state authority to do these things, but details aren't always in the legislation or proposals.

Mr. 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. Judy Liu from the Pardee RAND Graduate School about single-payer healthcare systems. So, Dr. Liu, nearly all the proposals typically call for some type of wide-ranging reform. What are some of the more common aspects around these plans?

Dr. Liu:

I think more recently the proposals that are out often do call for little or no cost-sharing, meaning that there would be no deductibles, no co-payments, no co-insurance. Not all the plans do that, but the more recent plans seem to be trending in that direction.

Mr. Nacinovich:

So the proposals varied in how they proposed to achieve their various improvements. Which did you recognize as the most easily attainable?

Dr. Liu:

So my work on reviewing these 25 proposals did not assess feasibility, but of course feasibility is an important aspect and I think there is the protocol feasibility first of certain bills passing. And then there's the operational feasibility to actually achieve different improvements. But the political feasibility, I think currently the Medicare for All bill at the national level have more co-sponsors than prior versions that have been introduced for decades have had, but the support is still short of being able to actually pass the public polling for Medicare for All bills now shows pretty high support, but the support tends to decline when there are details included like taxes going up or employer-sponsored insurance going away. So potential state single-payer systems could be more feasibly politically, but even in states like New York and California that have had very strong advocates pushing for these single-payer bills, there has also been substantial opposition in those states.

Mr. Nacinovich:

Which proposal provides perhaps the greatest opportunities for a state-based single-payer system to be considered truly successful?

Dr. Liu:

So each day is different and has different opportunities and challenges, so I think it's hard to say if the 25 proposals we looked also span over a number – several years. And so each day has different proposals and some of the states that are considering proposals now have updated those bills since we published this work. But I think in general for states there are some common challenges. For example, having to consider migration across state lines, which affects the population that's covered. It affects workers who may be working in one state and living in another state. That all affects the tax revenue that would be needed to support the system. There potentially could be migration of providers or employers, as well. And then the other challenge for states is that currently Medicaid is funded through federal and states funds, and so if there is an effort to get the Medicaid program into single-payer, there would need to be some federal waivers in order to bring over that funding if a state wanted to maintain the federal funding for Medicaid.

Mr. Nacinovich:

Dr. Liu, do you have any closing comments?

Dr. Liu:

So I think that a single-payer system often is proposed to try to reduce costs, but a single-payer system doesn't automatically reduce costs in a lot of respects. It would require many changes to payment and potential cost containment strategies that aren't necessarily unique to a single-payer system. Meaning that these strategies could be done with or without a single-payer system. But with one payer, there's potentially more savings due to the authority of a single-payer to negotiate prices, set prices, and potentially have more leverage to achieve more savings.

Mr. Nacinovich:

Well, with that parting comment, I'd like to thank Dr. Liu for joining me to lend her voice to our conversation about single-payer healthcare systems. It was great having you on the program today, Dr. Liu.

Dr. Liu:

Thanks, Mario. It was good to be here.

Mr. Nacinovich:

For ReachMD, I'm Mario Nacinovich. To access this episode and others from *Voices from American Medicine*, visit ReachMD.com/voices where you can be part of the knowledge. Thank you for listening.