



## PARTNERSHIP FOR AMERICA'S HEALTH CARE FUTURE

### ICYMI: 'Medicare For All Means Layoffs'

**WASHINGTON** – Last week, one of the main architects of Medicare for All admitted to *POLITICO* that in order to pay for the costly new system, “**the savings don’t come out of the sky ... that means layoffs. there’s just no way around it.**”

In the story, entitled “**Medicare for All’s jobs problem,**” *POLITICO* [reports](#) that according to the University of Massachusetts Political Economy Research Institute (PERI), “**1.8 million health care jobs nationwide would no longer be needed** if Medicare for All became law, **upending** health insurance companies and **thousands of middle class workers** whose jobs largely deal with them, including insurance brokers, medical billing workers and other administrative employees.”

**Meanwhile, studies and economists agree that Medicare for All would force Americans to pay more.**

Medicare for All “**would cost more than \$50 trillion over 10 years,**” *Yahoo! Finance* [reports](#), while Ronald Brownstein of *The Atlantic* [notes](#) that the **new government-controlled system would cost “more than the federal government will spend over the coming decade on Social Security, Medicare, and Medicaid combined.”**

The Committee for a Responsible Federal Budget (CRFB) [finds](#) that “**fully offsetting the cost would require higher taxes on the middle class,**” and [would](#) “**require the equivalent of tripling payroll taxes or more than doubling all other taxes.**”

- The bill’s author, Senator Bernie Sanders (I-VT), [acknowledged](#) that **Americans making more than \$29,000 per year would “pay more in taxes” for Medicare for all.**
- Economists agree that proposed funding mechanisms like the \$9 trillion tax on employers, “**will get passed onto workers through reduced wages,**” *Axios* [reports](#). *The Washington Post* [adds](#) that “[b]asic economic theory holds that such payments are essentially a tax on employees because it comes out of compensation.” “[P]ayroll costs of this sort are essentially middle-class taxes on employees. Fixing per-employee business costs at some future date would also be an incentive for companies to reduce

their coverage now to reduce future costs. So employees would get worse coverage than they have now,” *The Wall Street Journal* [reports](#).

- Medicare for All “would require aggressive changes in taxes, spending or borrowing,” and “the middle class would be forced to shoulder some of the burden,” *Axios* [reports](#).
- “No matter how you cut the numbers, there is absolutely no way to pay for Medicare for all without tax increases – or spending cuts – on the middle class,” Marc Goldwein of CRFB [told POLITICO](#). “There’s no question it hits the middle class,” Kenneth Thorpe, Chairman of the Health Policy and Management Department, Emory University [told The Washington Post](#).
- “Although [Medicare for All’s supporters] have frequently stressed that the middle class would see overall costs go down, a wide range of experts … say it is impossible to make those guarantees based on the plans that the candidates have outlined so far … ‘It’s impossible to have an ‘everybody wins’ scenario here,’ said Kenneth Thorpe, chairman of the health policy department at Emory University … ‘There’s no question it hits the middle class,’ he added. John Holahan, a health policy expert at the nonpartisan Urban Institute agreed: ‘Even though high-income people are going to pay a lot more, this has to hit the middle class.’ … ‘Most of the proposals to move to Medicare-for-all would involve substantial tax increases that would affect most people,’ said Katherine Baicker, an economist at the University of Chicago who specializes in health policy. ‘These are going to be big tax increases.’ … ‘I think it seems likely under most proposals taxes would have to go up substantially unless you dramatically cut the health care you’re getting,’ she added.” (Matt Viser & Sean Sullivan, “Will Medicare-For-All Hurt The Middle Class? Elizabeth Warren And Bernie Sanders Struggle With Questions About Its Impact.” [The Washington Post](#), 10/5/19)

And the ‘public option’ and other so-called ‘moderate’ incremental proposals would ultimately lead to the same consequences.

A [new study](#) from FTI Consulting reveals a new government-controlled health insurance system known as the public option could eliminate consumer choice for millions of Americans and “eventually cause the elimination of all private plans in the individual market.” The study finds:

- After the first 10 years of the public option, more than seven million current enrollees would no longer have private coverage through the marketplaces – with two million of those enrollees being forced off their private plans as insurers exit the marketplaces altogether.
- The study also warns that the public option could eventually cause the elimination of all private plans in the individual marketplaces, eliminating choice for millions of health care consumers, even those with the resources

or subsidies available to cover their preferred plan.

- In fact, the report finds that by 2050, **70 percent of state marketplaces (34 U.S. states) would no longer offer a single private insurance option.**
- **Rural families** – millions of whom already find their access to quality care at risk – would be **especially hard hit by the public option**, the study warns, and could find few if any options available to them.

Another [study](#) by KNG Health Consulting, LLC reveals that “Medicare for America,” **a proposed new government-controlled health insurance system, could force one-third of American workers off of their current employer provided health care coverage**, also known as employer-sponsored insurance (ESI). And *The Wall Street Journal* [reports](#) that new government health insurance systems like **the public option, Medicare buy-in and ‘Medicare for all who want it,’ represent “stepping stones to single payer.”**

**“The public option would cause premiums for private insurance to skyrocket** because of underpayment by government insurance compared with costs for services ... A single-payer option is not a moderate, compromise proposal. Its inevitable consequence is the death of affordable private insurance ... **Massive taxation would be needed to expand Medicare, whether optionally or not.**” (Scott W. Atlas, “Public Option Kills Private Insurance,” [The Wall Street Journal](#), 7/16/19)

- **The public option “could also lead to a 10 percent increase in premiums for the remaining pool of insured people.”** (Reed Abelson, “How A Medicare Buy-In Or Public Option Could Threaten Obamacare,” [The New York Times](#), 7/29/19)
- “[A] government buy-in that attracted older Americans **could indeed raise premiums** for those who remained in the A.C.A. markets, especially if those consumers had high medical costs.” (Reed Abelson, “How A Medicare Buy-In Or Public Option Could Threaten Obamacare,” [The New York Times](#), 7/29/19)
- “[A] government plan that attracted people with expensive conditions **could prove costly.”** (Reed Abelson, “How A Medicare Buy-In Or Public Option Could Threaten Obamacare,” [The New York Times](#), 7/29/19)
- And a report found that an effort to implement **the public option in Colorado, “could imperil thousands of jobs in the health-care industry or take hundreds of millions of dollars out of the state’s economy.”** (Ed Sealover, “Colorado Public-Option Insurance Plan Could Cost Health-Care Jobs, Study Argues,” [Denver Business Journal](#), 9/10/19)

Another [study](#), conducted by Navigant for the Partnership for America’s Health Care Future, finds that **the public option could put more than 1,000 rural U.S. hospitals in 46 states “at high risk of closure.” These hospitals serve more than 60 million**

**Americans**, and as *Kaiser Health News* and *NPR* [report](#), hospital closures can have “profound social, emotional and medical consequences,” while *RevCycleIntelligence* also [reports](#), “[p]atient access to care suffers when a rural hospital closes its doors for good, and consequently, patient outcomes can deteriorate.”