



Medicare-for-All

A Democrat proposal that has gained recent popularity is Medicare-for-All (M4A). This plan would eliminate private insurance entirely and force all Americans – regardless of age, income, or desire – onto a new national, government-run, single-payer health care program at an enormous expense to both family and federal budgets.

Medicare-for-All Would Bust the Federal Budget.

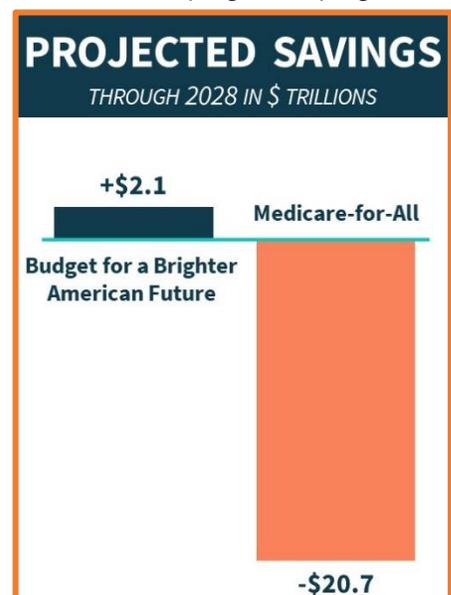
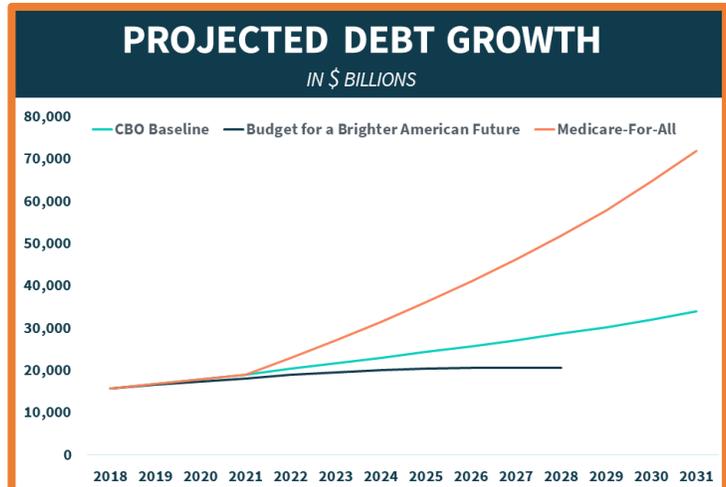
Federal debt is more than \$21 trillion today, and M4A would significantly accelerate its growth and increase the likelihood of a debt crisis. In a recently published report, the Mercatus Center found that the M4A single-payer idea would increase total government health spending by at least \$32.6 trillion over the first 10 years of the program, assuming full implementation by 2022.¹ That level of deficit spending would cause net interest payments to increase by more than \$5 trillion over the same period.

By 2031, the proposal would cost the Federal Government an additional \$4.2 trillion in health care expenditures that year alone, surpassing \$5 trillion when interest is included, without offsets. That is more than the *entire* U.S. government expects to spend to fund all government programs in fiscal year 2018. Altogether, over the first 10 years of M4A, \$38 trillion would be added to the public debt – causing debt to reach \$72 trillion or 214 percent of gross domestic product.

Medicare-for-All Is Unworkable. Even without the enactment of M4A, the Federal Government’s health expenditures are expected to increase 96 percent in the next decade, pushing Medicare into insolvency with Medicaid spending growing unchecked. M4A would dwarf existing federal health spending commitments. In order to finance an additional \$32.6 trillion within the federal budget, the Mercatus Center found that even a doubling of all current federal individual and corporate income tax collections would be insufficient. Not only would these tax increases eclipse any household savings M4A is likely to achieve, but significant and simultaneous cuts would also have to be made to all other federal programs – programs on which all Americans rely, including our nation’s military, infrastructure, schools, and food safety and security programs.

The Mercatus Center study also highlighted M4A policy concerns and noted that M4A’s assumptions may be overly optimistic – for example, expecting health care providers to readily and universally accept Medicare’s current reimbursement rate of 40 percent below private pay or the realization of savings from streamlined administrative costs and reduced drug prices. By effectively killing competition, M4A would also reduce access to services, drive down the quality of care, and stifle medical innovation. Creating a single-payer, government-run health care system would eliminate patient choice and put it into the hands of bureaucrats, resulting in longer wait times and care rationing.

Real Republican Solutions. While America’s health care system is still the best in the world, it is not without its shortfalls. Growing government and driving up federal deficits will not make the system better. In June, the House Budget Committee passed a *Budget for a Brighter American Future*, which supports a health care system that drives competition and innovation by promoting patient-centered, free-market health reforms and, as the Congressional Budget Office confirmed, delivers on savings for both beneficiaries and taxpayers.² Rather than pushing budget-busting proposals like M4A, Congress should enact responsible policies that actually work for the American people.



1. "The Costs of a National Single-Payer Healthcare System," Charles Blahous, Mercatus Center, July 30, 2018, <https://www.meratus.org/publications/federal-fiscal-policy/costs-national-single-payer-healthcare-system>.

2. "A Premium Support System for Medicare: Updated Analysis of Illustrative Options," Congressional Budget Office, October 5, 2017, <https://www.cbo.gov/publication/53077>.