NATIONAL ACADEMY OF SOCIAL INSURANCE

How Could Medicare-for-All be Designed?

Medicare-for-all proposals aim to use the current Medicare program to achieve universal coverage and the related goals of making insurance and care more affordable and addressing inequities in access.

Key Design Decisions

- Role of Private Insurance
- Eligibility Criteria
- Benefit Design
- Provider Payment and Cost-containment Mechanisms
- Premium and Cost-sharing Structures and Amounts
- Financing Mechanisms

Medicare-for-all Scenarios

A single-payer Medicare-for-all system, where virtually all Americans would be covered through a program that resembles traditional Medicare.

A Medicare-for-all plus MA system, in which beneficiaries would choose between a public plan that resembles traditional Medicare and private Medicare Advantage plans.

Potential Impacts of Medicare-for-All

Policy Goal	Medicare-for-all	Medicare-for-all plus MA
Expand coverage	Achievement of near-universal and fully portable coverage expected. With automatic enrollment, the residual uninsured might be limited to undocumented immigrants.	
Improve access	■ Increased choice of participating providers, particularly for individuals formerly on Medicaid or in restrictive provider networks. ■ Eliminated or reduced financial barriers to access, depending on design choices. ■ Supply constraints may arise as delivery system adjusts to meet new levels of demand. ■ Depending on design choices, the remaining uninsured (e.g., undocumented immigrants) may be at risk of exacerbated access problems if the safety-net delivery system does not adapt.	■ Increased comprehensiveness of coverage for many new beneficiaries (with possible exception of Medicaid beneficiaries). ■ Potentially increased choice of participating providers, depending on how plan networks are set. ■ Eliminated or reduced financial barriers to access depending on design choices. ■ Supply constraints may arise as delivery system adjusts to meet new levels of demand. ■ Depending on design choices, the remaining uninsured (e.g., undocumented immigrants) may be at risk of exacerbated access problems if the safety-net delivery system does not adapt.

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Increase affordability	■ Significant shift in burden of financing to federal government. Impacts on states and employers depend on whether they contribute to the funding, along with whether and how much health care spending increases under the new system. ■ For households, premium and OOP costs would likely be replaced by some type of tax contributions. Total contributions toward the cost of health care coverage could be significantly less for many households but higher for others.	
Contain costs	Significant potential for overall cost containment from: ■ moving to Medicare payment rates for all providers ■ reduction in administrative costs ■ reduction in drug prices under administered pricing Utilization increases may offset savings unless utilization management tools are added; however, adding utilization management would tend to increase administrative complexity and cost.	Potential for overall cost containment may be less than a single-payer model, depending on: ■ how the rates paid to MA plans are established ■ whether MA plans' utilization controls compensate for the potentially higher provider rates (and drug prices) ■ whether the savings from reductions in utilization compensate for higher administrative costs
Increase choice	Increased provider choice due to lack of network restrictions. Reduced choice of insurance coverage for all beneficiaries because coverage would most likely be in a comprehensive benefit package provided to all; however, private insurance may be allowed in a supplemental role.	Increased or comparable choice of coverage options for most new beneficiaries. Design choice would affect whether MA plans would remain viable competitors in a scenario where comparable (unmanaged) benefits at low or no cost sharing were offered under Medicare. For individuals choosing traditional Medicare, provider choice would increase due to no network restrictions.
Improve equity	Reduced racial and ethnic disparities in the new enrollee population and reduced economic security due to decreased or eliminated OOP costs, depending on how the program is funded.	
Increase administrative simplicity	Reduced administrative burden for patients, providers, insurers, and the federal government, resulting in significant savings.	Reduced administrative burden for patients, providers, insurers, and the federal government, but less than in a single-payer Medicare-for-all program.

Source: Docteur, Elizabeth, Renée M. Landers, Bethany Cole, Marilyn Moon, and Cori Uccello. *Examining Approaches to Expand Medicare Eligibility: Key Design Options and Implications*. Washington DC: The National Academy of Social Insurance, 2020.