



The Cost of Incremental and Comprehensive Proposals

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National Academy of Social Insurance, March 5, 2020



Policy Options

1. ACA Enhanced

(more generous subsidies; reinsurance; individual mandate; public option; close Medicaid gap)

2. ACA Enhanced, Expanded to Reach Universal Coverage

(more generous subsidies; reinsurance; individual mandate; public option; close Medicaid gap; eliminate employer firewall; auto-enrollment)

3. Single Payer Lite

(all legal residents; no private insurance; ACA benefits; income-related cost sharing)

4. Single Payer Enhanced

(all residents; no private insurance; ACA benefits plus dental, vision, hearing, and long-term services and supports; no cost sharing)

Coverage and Changes in Spending Compared to Current Law, 2020

ACA Enhanced

- More generous subsidies
- Reinsurance
- Individual mandate
- Public option
- Close Medicaid gap

**10.9
MILLION**
Newly covered

21.3 million
still uninsured

\$46.7 billion
(\$590 billion over 10 years)



Increase in federal
spending

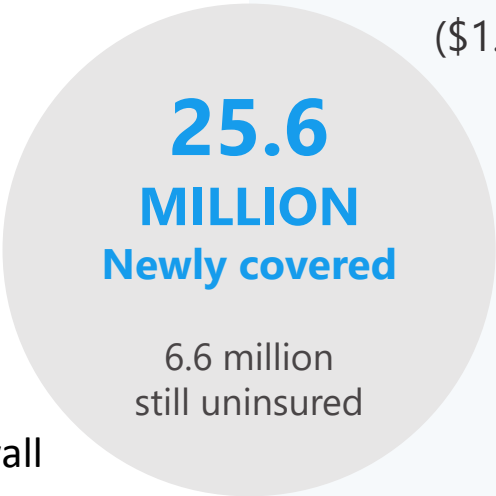
Constant

Change in
national health
spending

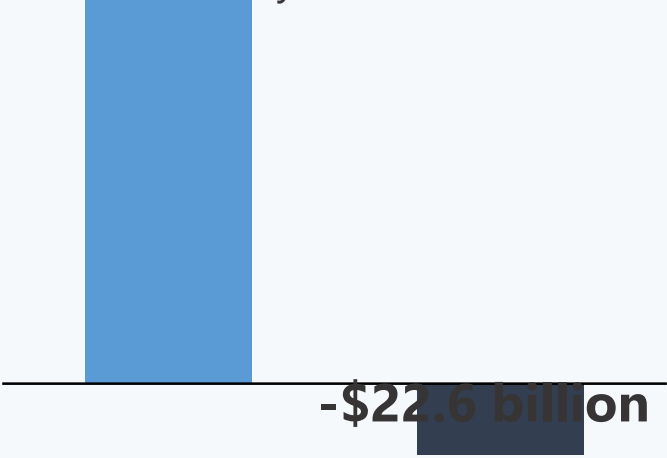
Coverage and Changes in Spending Compared to Current Law, 2020

ACA Enhanced: Universal Coverage

- More generous subsidies
- Reinsurance
- Individual mandate
- Public option
- Close Medicaid gap
- Eliminate employer firewall
- Auto-enrollment



\$122.1 billion
(\$1.5 trillion over 10 years)



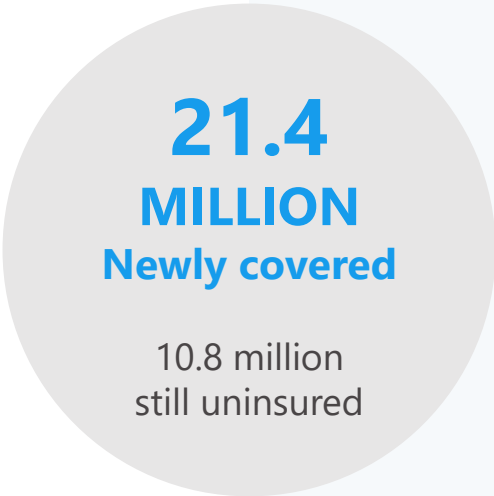
Increase in
federal spending

Change in
national health
spending

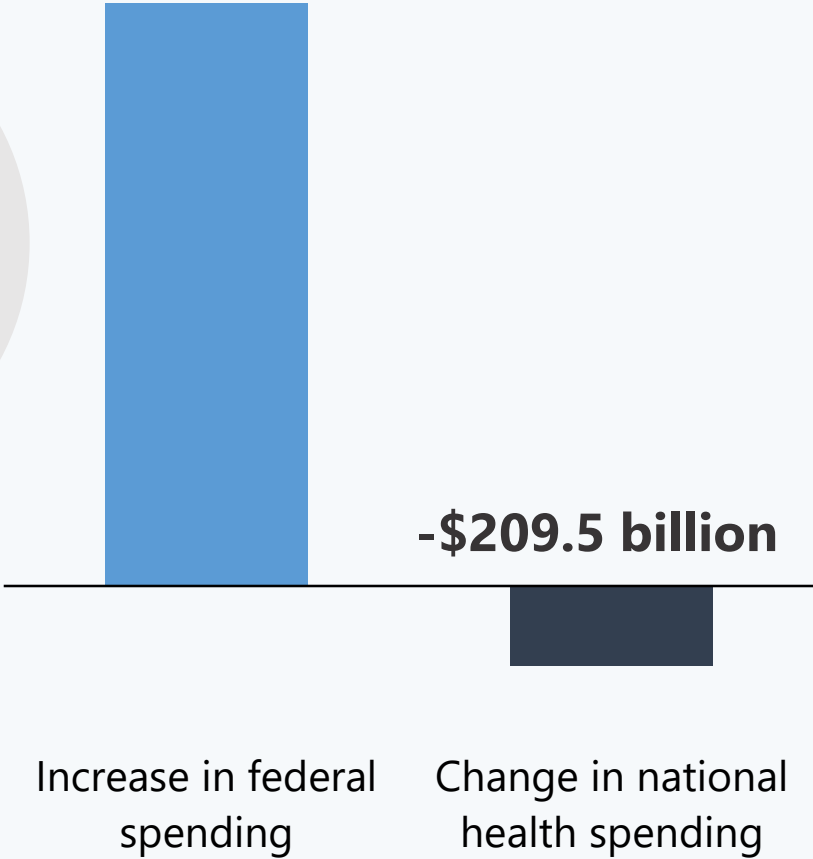
Coverage and Changes in Spending Compared to Current Law, 2020

Single Payer Lite

- All legal residents
- No private insurance
- ACA benefits
- Income-related cost sharing



\$1.5 trillion
(\$17.6 trillion over 10 years)



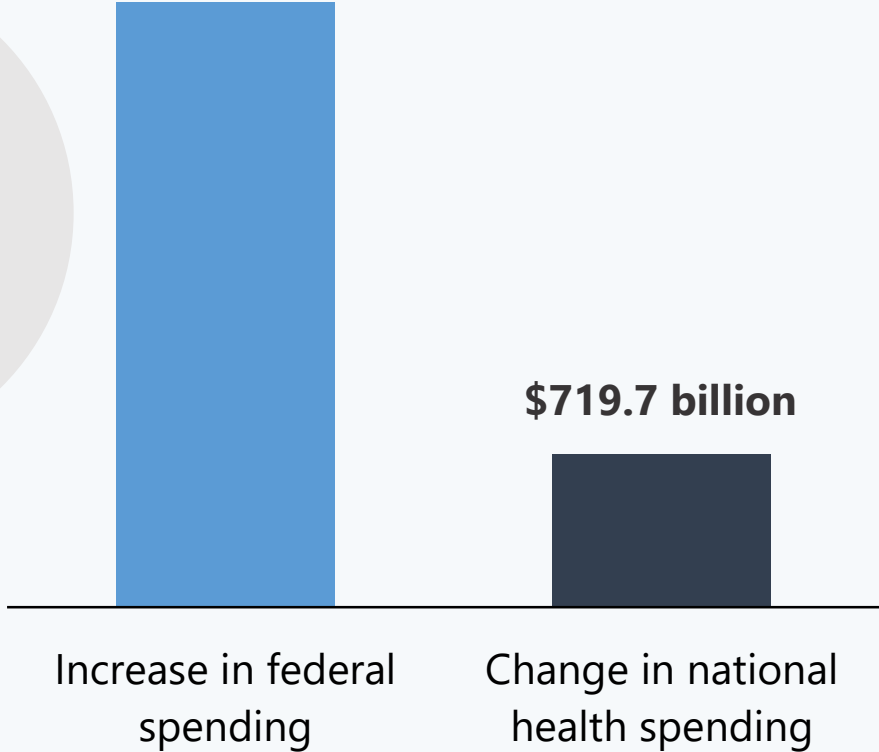
Coverage and Changes in Spending Compared to Current Law, 2020

Single Payer Enhanced

- All residents
- No private insurance
- ACA benefits plus dental, vision, hearing, and long-term services and supports
- No cost-sharing

**Uninsured
eliminated**

\$2.8 trillion
(\$34 trillion over 10 years)



Ten-Year Estimates of Increases in Federal Spending, Income Tax Revenue Offsets, and Additional Federal Revenues Needed to Finance Each Reform, 2020-29

Billions of Dollars

	Increase in federal spending	Income tax revenue offset	Additional federal revenues needed
Reform 4: Reform 3 + public option or capped provider payment rates	590	-14	576
Reform 6: Reform 5 + further enhanced subsidies	2,015	-189	1,825
Reform 7: Single-payer lite with ACA benefits and income-related cost sharing	17,622	-1,972	15,650
Reform 8: Single-payer enhanced with broad benefits and no cost-sharing	33,988	-1,972	32,015

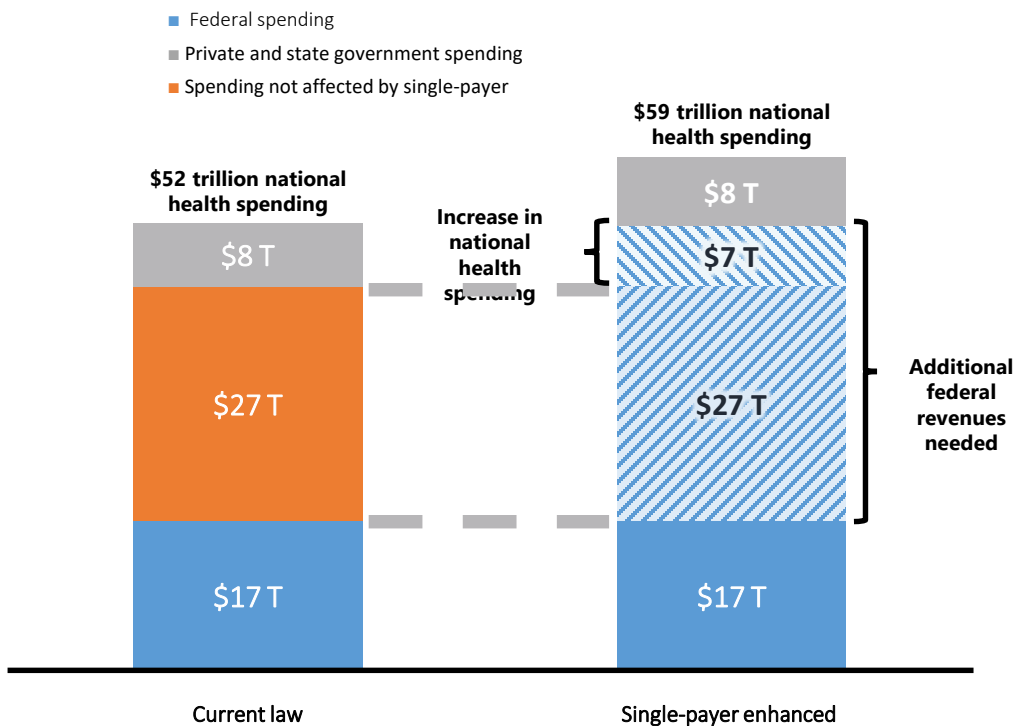
Source: Urban Institute analysis

Some have argued that the increase in federal spending would be less than current national health spending. Thus, single payer would save.

This is a misunderstanding.

- \$17 trillion in current federal spending would be repurposed.
- \$27 trillion in state government & private spending would shift to the federal government.
- \$7 trillion more in federal funds would be needed to fully finance it.
- \$8 trillion in spending not affected by reform continues

Ten-Year National Health Expenditures under Current Law and Single-Payer Enhanced, 2020–29



Source: Urban Institute analysis, consistent with estimates presented in *From Incremental to Comprehensive Health Insurance Reform: How Various Reform Options Compare on Coverage and Costs* (Washington, DC: Urban Institute, 2019).