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Financing single-payer national health insurance: Myths and facts

Myth: Employers fund the majority of health care in the U.S.
Fact: *Private* business funds less than 20 percent of total health spending. (Government employees have *taxpayer-funded* coverage through the FEHBP program and employer payments for private insurance receive a substantial tax subsidy).

Myth: The U.S. has a *privately* financed health care system.
Fact: 60 percent of health spending is financed by taxpayers. (Estimates that are lower exclude two large sources of taxpayer-funded care: health insurance for government employees and tax subsidies to employers to provide coverage.)

Myth: Covering the uninsured is unaffordable.
Fact: 31 percent of current health spending is squandered on administrative tasks related to our fragmented payment system with hundreds of different health plans rather than invested in patient care. Over $350 billion – about half of the money currently wasted on overhead and bureaucracy – could be saved with simplified single-payer administration, enough to cover all the 46 million uninsured. Covering the uninsured is affordable; keeping the current private insurance system intact *is not.*

Myth: National health insurance would require large new taxes.
Fact: No increase in total health spending is needed to finance single payer. The increase in taxes required to finance national health insurance would be *fully offset by a reduction* in out-of-pocket costs and premiums.

Myth: Making people more "cost conscious" is the best way to control health costs.
Fact: The U.S. has the highest health care costs even though Americans pay the highest out-of-pocket costs of any nation.

Myth: Rising numbers of elderly Americans will bankrupt the single payer.
Fact: Europe and Japan already have a larger proportion of elderly people than America faces with the aging of the baby boomers. Germany and Japan have adopted single-payer programs for long-term care coverage precisely because of single payer's greater potential for efficiency and cost containment.

Myth: Rising numbers of obese Americans will bankrupt the single payer.
Fact: The proportion of health spending dedicated to caring for the obese is *not* rising faster than their share of the population. The best way to address the issues of obesity, smoking and other public health epidemics is through public health measures.

Myth: U.S. health spending is higher than other nations because we get more and higher quality care.

Fact: Americans get less of most kinds of care (doctor, hospital, surgery, etc.) than the citizens of other industrialized nations, and our care is lower quality by several measures.