



Simplicity, savings & equity? The single-payer solution

featuring
James G. Kahn, MD/MPH

This time on Code WACK!

What the heck is going on with Medicare for All in California? Can single-payer advocates overcome their differences and finally win health care for all in the Golden State? **What's the significance of two recent bills, Senate Bill 770, and Assembly Bill 2200, in achieving Medicare for All in California?**

To find out, we spoke to **Dr. James G. Kahn**, an expert in health policy and economics, an advisor to Code WACK! and editor and primary blogger of [Health Justice Monitor](#), a health policy blog.

This is the first episode in a two-part series.

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WE DISCUSS

There are two bills in California now that relate to a state-based universal healthcare system like single payer: Senate Bill 770 and Assembly Bill 2200 or CalCare. Would it be correct to say that SB 770 is tackling the financing issues while AB 2200 is a policy bill that doesn't address the financing?

“That is correct. The 2200 bill does lay out a vision for how coverage would work and also has some provisions in it for how things would be adjusted in the event that the federal government didn't offer all of the financial fold-ins, program fold-ins that we'd ideally want.

“And that's actually a link to the other bill, SB 770 which as you said, is about the state of California initiating discussions with the federal government about the waiver possibilities. The waivers are the regulations and potentially laws that are required to take programs with a particular purpose, like the federal Medicare program, which serves people who are older and with long-term disabilities. And that's entirely a federal funding stream, and it's a huge part of how we pay for health care all over the U.S. and including in California.

“And the question is, well, if we do single payer or unified financing in California, how do we cover people with coverage that's as good as Medicare or better and importantly, get the money that the federal government is currently spending on Medicare and fold it into California's single-payer pot of money?” – **James G. Kahn, MD, MPH**

What about the timing, given the race for the presidency?

"I am not unaware that we are in a pivotal election year, and that as wonderful and important as single payer is, the presidential election is first on everyone's mind as it should be. Believe me, if Biden loses in 2024 ... if Biden loses to Trump, any discussion of single payer is moot and many other things are moot. So while we're all moving forward on this, there's nothing much that's going to happen that's visible before November and the election." – **James G. Kahn, MD, MPH**

Talk about the costs. Will single payer cost billions or save billions?

"Single payer will save money ... Let me see if I can explain. We currently spend about \$500 billion a year on health care in California. About one third of that comes from employment-based insurance. So what employers and workers pay for premiums and plus any out-of-pocket costs. And then the big chunk of the money – about half comes from the federal government, like through Medicare and the federal component of Medicaid, which is insurance for the poor. And then another ... \$45 billion comes from state funding.

So if you switch to single payer in the state, the total amount of spending on health care, depending on the details of the health plan, ... will decrease and the way that happens is that you get rid of about 10% of costs by simplifying administration.

"That is amazing as it may seem, and I think we've talked about this before, we spend more than 10% of the health care dollar just moving the money around inefficiently. And if we could have a simpler way to pay for health care like other countries do, we would save about 10% of the healthcare dollar and be able to put that into clinical care. – **James G. Kahn, MD, MPH**

Helpful Links

[AB-2200 Guaranteed Health Care for All \(2023-2024\)](#)

[SB 770 Health Care: Unified Health Care Financing](#)

[Health Cost Calculator Shows Most Californians Would Save Big With Medicare for All, *Common Dreams*](#)

[Single Payer Savings for Households: Calculator Results, *Health Justice Monitor*](#)

[Medicare for All Savings Calculator \(California\), *Healthy California Now*](#)

[What Would Another Trump Presidency Mean for Health Care? *JAMA Forum*](#)

[Community Voices: Priorities and Preferences of Californians with Low Incomes for Health Care Reform, Healthy California for All Commission](#)

Episode Transcript

Read the [episode transcript](#).

Guest Biography -

James G. Kahn, MD, MPH

James (Jim) G. Kahn, MD/MPH, is an emeritus professor of health policy at University of California San Francisco. He has 30 years of experience conducting economic analysis of health programs in the U.S. and in low and middle income countries around the world. He has published widely on the economics of health insurance and single payer reform in the U.S. His funders include the National Institutes of Health, the World Health Organization, and many foundations. He has more than 200 academic publications.

In 2005 he quantified U.S. healthcare administration costs. This work found that billing and insurance-related administration represents nearly one quarter of the costs of physician and hospital care funded through private insurance. He presented on administrative costs to the U.S. Institute of Medicine, of the National Academy of Sciences. In 2014, Dr. Kahn led a team that estimated potential savings of at least \$400 billion per year from simplifying billing and insurance-related administration in the U.S. healthcare system.

In 2020, Dr. Kahn and colleagues found that 21 of 22 existing studies of the cost of single payer estimated savings in the first year, and all did over time. The main source of savings was simplified administration. This was published in the prominent journal PLoS Medicine.

Dr. Kahn served for two years as President of the California chapter of Physicians for a National Health Program. Currently, he is health policy analyst for the podcast [Code WACK!](#) and editor and primary blogger for [Health Justice Monitor](#).

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