



The single-payer quandary: What would you do with an extra \$5,000 a year?

featuring
James G. Kahn, MD/MPH

This time on Code WACK!

How would single-payer, Medicare for All affect the experience of getting care? Would it make it easier to find and see a primary care doctor? And just as importantly, ***how much money could individuals and families save*** under a state or national single-payer system?

See how much you would save with the new, national [Medicare for All Household Savings Calculator](#)!

Join us as we chat with **Dr. James G. Kahn**, who led the calculator team. He's 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 second episode in a two part series with Dr. Kahn.

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WE DISCUSS

With single payer, we would essentially get rid of the middlemen like insurance companies ... pharmacy benefit managers ... private equity investors ... and have a government agency pay healthcare claims directly to doctors and hospitals. Can you flesh out what that would look like for a typical healthcare experience, like taking your kid to the doctor for an earache?

"... in today's world, if someone has really good insurance and maybe they have a regular provider, then that's the optimal situation. They can call the doctor's office and say, 'Susie is sick, can I bring her in?... '"

"Problem is that, under the current system ... lots of people don't have a regular care provider because there aren't enough primary care docs. And the main reason for that is that we don't adequately compensate primary care. And in addition, people have these care networks ... and they can't find a doctor ... that their insurance will cover. Of course, then you have people who are uninsured or people who have high deductibles. And so in order to see the doctor, they have to pay maybe the first \$5,000 at the beginning of the year. "

"So single payer gets rid of these problems in several ways. First of all, the notion of being uninsured or underinsured goes away. Everyone is insured and well insured with minimal or no financial obligations. So that means that no one's gonna say, 'gee, I can't afford to take Susie to the doctor because they're just covered.'

"Secondly, primary care would be much more adequately compensated. And so over time you'd see more doctors going into primary care and the shortage of primary care doctors, which we have today, would go down." –

James G. Kahn, MD, MPH

How do you know what it would be like with single payer?

"... for me, ultimately the best way to know about how well a single-payer system works is to look at the experience of many wealthy countries around the world. And if you look at the performance like ability to have a regular care provider, the US comes in last on almost all of these metrics. And the other countries that have a single payer or something very much like a single payer with universal health insurance, they all do much better than the us. So we have dozens of years, scores of years of experience in more than 30 countries around the world. We don't need to speculate, we know." – **James G. Kahn, MD, MPH**

How would switching to single-payer affect the budget of the typical California family?

"Well, as you know, we built an online household cost calculator to address this question. And you go to that link and then you answer a few simple questions: *"How much did your family spend last year in premiums? How much did your employer contribute? How much did you spend on medical care? ... And then it says, how much money do you earn?"*

"And with that information, we can total up spending over the last year in premiums and out-of-pocket costs and compare that to the taxes that would be levied on that particular person pay for single payer.

"... the individuals who earn the least amount of money pay almost nothing additional beyond what they're already paying in taxes. Then as you get into the middle range, like people making 150 to \$200,000, they pay a bit more, but when you hit the range of three to \$500,000 a year in income, then those people start to pay substantially more.

(To) say again, a progressive scale. The more you make, the higher percentage you pay. And what we found is, for the roughly 5,000 people who

completed the California online calculator, about 90% ... would spend less under a single payer than they currently spend. And the average savings was about \$5,000 per year.” – **James G. Kahn, MD, MPH**

Helpful Links

['You're not safe': How middlemen are corrupting traditional Medicare](#), *Dr. Ana Malinow, Code WACK! Guest*

[Countries with single-payer](#), *World Population Review*

[Improving the Prognosis of Healthcare in the United States](#), *Lancet*

[Lessons for the United States From Single-Payer Systems](#), *American Journal of Public Health*

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

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

[Medicare for All Savings Calendar \(National\)](#), *Congresswoman Jayapal's Medicare for All Political Action Committee*

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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