
MASSCARE
Massachusetts Campaign for Single Payer Health Care

# The Business Argument for
# Medicare for All

*MassCare.org*

Lyn B. Newkirk

lynbnewkirk@gmail.com

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# The Headlines

**Small-business health insurance market facing ‘death spiral’**

**“The cost of health insurance has exploded,”**

**Health insurance costs will soar for Mass. residents in 2025**

**Family Health Insurance Is No Longer Affordable Through Small Employers**

***Tsunami of healthcare costs is headed for your business***

**New analysis points to troubling trends as U.S. healthcare costs rise, but health outcomes worsen**

**More Than 70% of Americans Feel Failed by the Health Care System**

# Our Current Health Care System

- The US ranks **last** on key health care measures compared with other high-income nations, despite spending the most.
- In 2023, health care grew by 7.5% and represented 17.6% of our GDP.  In 1960 is was 5%.
- The state's largest health insurers, Blue Cross Blue Shield of Massachusetts and Point32Health, said the average 2025 increases will be 8% to 10% with some as high as 15%.
- Administrative spending accounts for 15-30% of health care spending for private healthcare insurance and only 2% for Medicare.


https://amp.cnn.com/cnn/2024/09/19/health/health-care-rankings-high-income-nations-commonwealth-report

https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountshistorical

https://www.healthleadersmedia.com/payer/health-insurance-costs-will-soar-mass-residents-2025

https://www.healthaffairs.org/do/10.1377/hpb20220909.830296/

# The Moral Argument Has Been Made

- 41% of MA residents forgo needed health care for financial reasons.
- Annually, nearly 45,000 people die as a result of lack of healthcare coverage.
- An estimated 550,000 families file bankruptcy each year because of medical issues and bills.

https://pnhp.org/news/universal-healthcare-could-have-prevented-more-than-300000-u-s-covid-deaths/

https://www.healthcare-now.org/blog/harvard-study-finds-nearly-45000-excess-deaths-annually-linked-to-lack-of-health-coverage/

https://www.ilr.cornell.edu/scheinman-institute/blog/john-august-healthcare/healthcare-insights-how-medical-debt-crushing-100-million-americans

# Businesses are Struggling

"Top executives at nearly 90% of large employers surveyed believe the cost of providing health benefits to employees will become unsustainable in the next five-to-10 years, and 85% expect the government will be required to intervene to provide coverage and contain costs, according to a new survey released today from Purchaser Business Group on Health (PBGH) and KFF (Kaiser Family Foundation), with support from the West Health Institute." 4/29/21

https://www.kff.org/health-reform/press-release/vast-majority-of-large-employers-surveyed-say-broader-government-role-will-be-necessary-to-control-health-costs-and-provide-coverage-survey-finds/

# Small Businesses and Health Insurance

- Administratively, small businesses are burdened with the process of choosing health insurance, understanding the complicated rules, arriving at fair cost sharing arrangements and overall administration of plans.

- Businesses lower costs by opting for plans with smaller network of providers, higher deductibles and by increasing the cost sharing to the employee.

- The increase in costs to businesses undermine their ability to invest in other items that fuel growth and innovation.

# How Small Business Benefit under Single Payer

- Most businesses would save money with a Single Payer system, including those that don’t currently offer insurance.
- Massachusetts businesses would have a competitive advantage over other states and countries with lower overall labor costs.
- Businesses who do not currently offer health insurance would not have to worry about losing employees to businesses offering health insurance.
- Businesses would have a happier and healthier workforce.

# Other Costs of Not having Single Payer

- Businesses who don't offer health insurance to their employees risk losing employees to businesses who do offer health insurance.

- Employees who rely on their partner's health insurance are at risk if their partner loses their job, the couple splits up or if the partner dies.

- This could result in the employee leaving to find a job that does offer health insurance.

# Cost of Employee Attrition

- Lost productivity with fewer employees
- Employee burnout for remaining employees
- Time and expense of replacing employees
- Lost knowledge when seasoned employees leave
- Cost of training a new employee and chance of mis-hire

https://www.forbes.com/sites/forbeseq/2023/03/21/five-hidden-costs-of-employee-attrition/

# There is a Solution!

## An Act Establishing Medicare for All in Massachusetts

## Bill numbers Senate S.860 and House H.1405

For the 2025 – 2026 Legislative Session

# What is Medicare for All in Massachusetts?

- Every resident of Massachusetts would receive comprehensive cradle-to-grave healthcare coverage, regardless of employment, citizenship status, age or income
- Eliminates out-of-pocket costs (no insurance premiums, no co-pays, no deductibles)
- Expands coverage to include dental, vision, hearing aids, home healthcare and long-term care

# What do the Studies Say?

- 22 studies agree that Single Payer health care saves money
- Congressional Budget Office: Medicare for All Reduces Health Spending
- Economic Analysis of Medicare for All by PERI of University of Massachusetts, Amherst.  Over 10 years, there would be a savings of $5.1 trillion under Medicare for All.

https://www.healthleadersmedia.com/strategy/opinion-22-studies-agree-medicare-all-saves-money

https://www.peoplespolicyproject.org/2020/12/11/cbo-medicare-for-all-reduces-health-spending/

https://www.healthcare-now.org/single-payer-studies/peri-2018/

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# Medicare for All in Massachusetts

## Projected Costs and Funding for 2026

| | In Billions |
|---|---|
| **Current Projected Costs Under Current System** | $ 128.57 |
| Projected expanded coverage costs under Medicare for All - MA | 24.66 |
| Projected Savings under Medicare for All - MA | (54.53) |
| **Projected Costs, Net - Medicare for All - MA** | **$ 98.70** |
| **Existing Funding under Current System** | $ 63.09 |
| New Funding Sources | |
| Taxes on wages | 37.01 |
| Taxes on other income | 9.00 |
| **Projected Funding - Medicare for All - MA** | **$ 109.10** |
| **Surplus** | **$ 10.40** |

*Auden Cote-L'Heureux , Master's student in Economics, University of Bonn & Gerald Friedman, Professor of Economics, University of Massachusetts at Amherst*

*Funding Universal Health Care in the Commonwealth of Masachusetts Updated January 2026*

# What would this mean for Employers and Employees of MA?

- **Employers**
  - Payroll tax of 7.5% will be assessed, exempting the first $20,000 of payroll per establishment.
  - Employers with 100 or employees will be assessed and additional 0.5%.

- **Employees**
  - Payroll tax of 2.5% will be assessed, exempting the first $20,000.

- **Self-Employed**
  - Payroll tax of 10% will be assessed, exempting the first $20,000 of payroll.

- **Other Income**
  - A tax of 10% will be assessed on all other income in excess of $20,000.

  - NO additional tax on income from social security, SSI, SSDI, unemployment and retirement plans.

# Medicare for All in Massachusetts

and the

# ACME Construction Company, Inc.

$3 million construction company
10 employees making $80,000 each

# ACME Construction Company, Inc.

## Current Health Insurance Costs

| | | | | | | |
|---|---|---|---|---|---|---|
| **Employer cost** | | | | | | |
| | Family | 5 | $ 24,000 | 80% | $ | 96,000 |
| | Single | 5 | $ 9,600 | 80% | | 38,400 |
| | **Total Employer Cost** | | | | | **134,400** |
| **Employee cost** | | | | | | |
| | Family | 5 | $ 24,000 | 20% | $ | 24,000 |
| | Single | 5 | $ 9,600 | 20% | | 9,600 |
| | **Total Employee Cost** | | | | | **33,600** |
| **Total Cost of Health Insurance** | | | | | | **$ 168,000** |

These costs **do not** cover all healthcare needs, copays, deductibles, dental, hearing, vision, long-term care and nursing home care.

# ACME Construction Company, Inc.

## Projected Health Care Costs Under Medicare for All - Massachusetts

| | | | |
|---|---|---|---|
| **Employer Cost** | | | |
| Total establishment payroll | | | $ 800,000 |
| Exempting payroll | | | (20,000) |
| Payroll subject to tax | | | 780,000 |
| Medicare for All tax | | | 7.5% |
| **Total Employer Cost** | | | **$ 58,500** |
| | | | |
| **Employees' Cost** | | | |
| Total payroll | | | $ 800,000 |
| | | | |
| Exemption payroll | | | |
| Amount | $ 20,000 | | |
| Number of employees | 10 | | (200,000) |
| | | | |
| Payroll subject to tax | | | 600,000 |
| Medicare for All tax | | | 2.5% |
| **Total Cost for All Employees** | | | **15,000** |
| | | | |
| **Total Cost of Health Care under M4A - MA** | | | **$ 73,500** |

# ACME Construction Company, Inc.

## Summary of Savings under Medicare for All - Massachusetts

| | | |
|---|---|---|
| **Employer** | | |
| | Current Cost of Health Insurance | $ 134,400 |
| | Projected Cost of Health Insurance M4A | 58,500 |
| | **Projected Savings for Employer** | **75,900** |
| **Employees** | | |
| | Current Cost of Health Insurance | 33,600 |
| | Projected Cost of Health Insurance M4A | 15,000 |
| | **Projected Savings for Employees** | **18,600** |
| **Total Projected Savings Employer and Employees M4A** | | **$ 94,500** |

Current system **does not** cover all costs of healthcare
Projected system **does** cover all costs of healthcare

# ACME Construction Company, Inc.
# Summary of Savings for Wendy Welder

| | |
|---|---|
| Net savings, current system vs projected Medicare for All-MA payroll taxes | $2,100 |
| Additional savings from out-of-pocket expenses | 1,669 |
| **Total savings with Medicare for All - MA** | **$3,769** |

https://www.bankrate.com/loans/personal-loans/out-of-pocket-healthcare-average-costs-and-how-to-finance-them/#stats

# What a South Shore Business Owner Said

When a construction contractor was asked if the figures for health insurance of $24,000/year family and $9,600/year single were reasonable to use in this analysis.

*“Yes, your cost for insurance is pretty close to what we pay, our insurance is terrible – the okay insurance is $2,500 - $3,000 per month for a family, we can’t afford it….but yes, your numbers look good – hopefully you can do something with it, it’s killing us.”*

This contractor pays 100% of their employee’s insurance.  His response when told he is very generous.

*“Not really, the employee gets less pay.”*

*Watch the movie*

# Fix It

## Heathcare at the Tipping Point

Fix It Video

# *Get Involved*

Contact Mass-Care

Massachusetts Campaign for Single Payer Health Care