

## **Statement by Steffie Woolhandler, M.D., M.P.H., on Physicians' Proposal for Single-Payer Health Care, May 5, 2016**

Long before Senator Sanders' entered the presidential race, my colleagues and I – Dr. Gaffney, Dr. David Himmelstein, and Dr. Marcia Angell (the former editor-in-chief of the New England Journal of Medicine) – convened a blue ribbon panel of doctors to develop a plan that would fix the glaring problems that our patients continue to face despite the Affordable Care Act (ACA).

Twenty-seven million Americans are still uninsured and that number is not expected to fall. Tens of millions with insurance face sky-high copayments and deductibles that would bankrupt them if they were seriously ill. And many more have narrow network plans that won't cover care at top cancer hospitals or academic medical centers – even when they offer the best option for life saving care.

Meanwhile, profit-driven insurers and hospital chains increasingly dominate health care. And insurers' growing demands for documentation wastes doctors and nurses time, and saps their morale. While these trends predated the ACA, the law fueled mergermania, and added bureaucratic complexity and cost.

The alternative we developed (which has been endorsed by more than 2,200 physician colleagues) calls for radical change; a single-payer national health program.

Our plan would cover everyone for all medically necessary care, without copayments or deductibles. And it would guarantee Americans the right to choose any doctor or hospital.

Our nation can readily afford this if we replace today's wasteful patchwork of insurance plans with a streamlined single-payer system. My colleagues and I have documented the enormous bureaucratic costs of the current system in research published in the most respected medical journals, including the New England Journal of Medicine, the JAMA, The American Journal of Public Health and Health Affairs.

Today, private insurers take 12.3 percent of total premiums for their overhead; only 88 cents of every premium dollar reaches a doctor, hospital or pharmacy. And insurers inflict massive paperwork on doctors and hospitals, forcing them to spend one-quarter of their total revenues on billing and administration.

In contrast, insurance overhead is only 1.8 percent in Canada's single-payer system, about the same as overhead in Medicare. And Canadian hospitals have administrative costs less than half those of their U.S. counterparts. That's because Canadian hospitals are paid annual global budgets, like fire departments, instead of billing separately for each Band-Aid and aspirin tablet. And billing is simple and inexpensive for Canadian physicians.

Overall, a single payer would save between \$400 billion and \$500 billion annually by trimming administrative spending to Canadian levels. Moreover, as in other nations, the single payer could use its purchasing power to lower drug prices, saving tens of billions more each year. These savings could fully cover the new costs of the coverage expansions we propose, a conclusion in keeping with past estimates by the Government

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Accountability Office, the Congressional Budget Office, and private consulting groups (including one owned by UnitedHealthcare).

We have the resources needed to provide excellent care for all Americans; an abundance of hospitals and sophisticated equipment; superbly trained doctors and nurses; prodigious research output; and generous health care funding. Yet only thoroughgoing reform can realize the healing potential that is currently thwarted by our dysfunctional health care financing system.

*Dr. Woolhandler is an internist in the Bronx, a professor of public health at the City University of New York at Hunter College, and a lecturer in medicine at Harvard Medical School, where she previously served as a professor of medicine. She co-founded Physicians for a National Health Program, a nonpartisan organization that advocates single-payer reform.*