

Comparing Recent Health Care Proposals: Building on the ACA to Medicare for All

Democratic lawmakers in Congress have made a variety of proposals to strengthen or reform the United States health care system. These proposals range from building upon the Affordable Care Act (ACA) to fully transitioning the U.S. to a single-payer system. This fact sheet categorizes and compares the major provisions of these proposals, including possible implications for consumers, health care providers, and federal and state governments.

Category and Major Elements					
ACA 2.0	Public Option	Medicaid Buy-In	Medicare Buy-In	Medicare for America	Medicare for All
Increase Marketplace financial assistance, restore outreach and assistance funding, and create a reinsurance program.	Create a publicly-administered health insurance plan offered for purchase on the Marketplace.	Provide certain individuals with the opportunity to purchase Medicaid coverage.	Provide certain individuals with the opportunity to purchase Medicare coverage.	Provide an option and incentives for all US citizens to switch to Medicare coverage.	Replace current health insurance system with universal Medicare coverage for all U.S. citizens.
Specific proposals/bills in these categories					
Protecting Preexisting Conditions and Making Health Care More Affordable Act of 2019 (H.R.1884)	Keeping Health Insurance Affordable Act of 2019 (S.3) CHOICE Act (H.R.2085/S.1033)	State Public Option Act of 2019 (H.R.1277/S.489)	Medicare at 50 Act (S.470) Medicare-X Choice Act of 2019 (H.R.2000/S.981) Choose Medicare Act (H.R.2463/S.1261)	Medicare for America Act of 2019 (H.R.2452)	Medicare for All Act of 2019 (H.R.1384/S.1129)
Who would be affected?					
Individuals eligible to purchase coverage on the Health Insurance Marketplace.	Individuals eligible to purchase coverage on the Health Insurance Marketplace.	Depending on scope of proposal, could include individuals living in areas with limited Health Insurance Marketplace competition, individuals earning below a certain income threshold, or all residents in a given state.	Depending on scope of proposal, could include adults age 50+, individuals living in areas with limited Marketplace competition and high costs, and/or small employers. No changes for currently eligible Medicare beneficiaries.	Newborns and individuals who are uninsured or currently enrolled in individual market, Medicare, Medicaid, or CHIP would be automatically enrolled. Others would have the option to keep their existing employer coverage, or switch to Medicare for America.	Entire U.S. population, following a phase-in period (the length of which varies across current proposals).

Category and Major Elements					
ACA 2.0	Public Option	Medicaid Buy-In	Medicare Buy-In	Medicare for America	Medicare for All
What would be covered?					
Would increase essential health benefits, by requiring plans to cover a wider variety of prescription drugs and cover habilitative services at the same rate as rehabilitative services. Would limit short-term and association health plans.	Essential health benefits	Essential health benefits	Current proposals vary, but could include - essential health benefits - Benefits currently covered under Medicare (for adults over age 50)	Benefits currently covered under Medicare, plus prescription drugs, dental, vision, hearing, long-term services and supports. Employer coverage must be comprehensive, covering at least 80% of medical costs.	Benefits currently covered under Medicare, plus: vision, dental, prescription drugs, long-term services and supports, and reproductive health services.
What would cost-sharing look like?					
Premium tax credits would increase for individuals earning between 100-400% FPL by lowering the amount of household income that must be contributed to premiums. Premium tax credits would be available to higher-income individuals by capping premium contributions at 8.5% of income for all incomes above 400% FPL.	Enrollees would pay premiums equivalent to 100% of cost of benefits and administration, plus a contingency margin. Individuals would contribute a portion of household income to premiums, in line with current ACA rules. Premium tax credits available to those earning between 100-600% FPL. ACA cost-sharing rules would apply.	States would be allowed to set premiums and cost-sharing. Premiums would be capped at 9.5% of household income or the per-enrollee cost of Medicaid buy-in, whichever is lower.	Enrollees would pay premiums and out-of-pocket costs. Those currently eligible for premium tax credits could apply them to the Medicare plan. Two proposals would also increase eligibility for and amount of tax credits. Two proposals follow ACA cost-sharing rules. One proposal (Medicare at 50) follows current Medicare cost-sharing structure.	Those with incomes below 200% FPL would pay no premiums or out-of-pocket expenses. Other enrollees would pay premiums, capped at 8% of household income. Subsidies would be available for those earning between 200% and 600% FPL. Out-of-pocket costs would be capped, and individuals would not be required to pay a deductible.	No premiums or other cost-sharing for individuals, except for prescription drugs (capped at \$200/year).
How could it impact other types of coverage?					
Some individuals currently purchasing unsubsidized off-Marketplace coverage or choosing to be uninsured may move to Marketplace plans if they receive increased financial assistance to lower premiums.	Some individuals may shift from privately-administered Marketplace plans or uninsured to public option.	Some individuals may shift from private coverage or uninsured to Medicaid.	Some individuals may shift from other coverage or uninsured to Medicare. Individuals with employer-sponsored coverage would be able to maintain that coverage.	Employers could continue to offer coverage, or enroll employees in Medicare and contribute 8% of annual payroll to the Medicare Trust Fund. Medicare Advantage, VA, TRICARE, and Indian Health Service (IHS) health care would be maintained.	All individuals in the U.S. would move to newly-created universal Medicare coverage. Private insurance would be eliminated. VA and IHS health care would be maintained.

Category and Major Elements					
ACA 2.0	Public Option	Medicaid Buy-In	Medicare Buy-In	Medicare for America	Medicare for All

How could it impact health care providers?

Could reduce uncompensated care by providing greater stability for the individual insurance market.	Providers who participate in Medicare would have the option to participate in the public option at Medicare rates or opt out. Additional providers would be able to opt in to participating in the public option.	States would make payments to providers at Medicaid rates. Primary care providers would be paid at Medicare rates. Federal grants would be available for states to increase Medicaid payment rates to other providers.	Providers who participate in Medicare would also participate in new Medicare program. Depending on proposal, providers could receive Medicare payment rates, or could be paid at a rate that is higher than Medicare but lower than commercial plans.	Those currently participating in Medicare and Medicaid would remain a participating provider in new Medicare program. Provider payments would be based on current Medicare payment rates, with increased rates for primary care and behavioral health providers.	Federal government would create a Medicare-based fee schedule for provider payments.
---	---	--	---	--	--

How would it be financed?

No specific funding mechanisms outlined in current proposals.	Enrollee premiums.	Enrollee premiums and state/federal Medicaid matching funds.	Enrollee premiums. No specific provisions for other funding sources.	5% tax on income over \$500,000, Medicare payroll tax increase, net investment income tax increase, excise taxes on tobacco, alcohol, and sugar-sweetened beverages, repeal of Tax Cuts and Jobs Act of 2017, and state payments to the federal government based on current state spending on Medicaid/CHIP.	Depends on proposal, but generally would require tax increases. Transfers existing federal spending on Medicare, Medicaid, TRICARE, ACA assistance, etc. to a new Universal Medicare Trust Fund. Federal government would set a national health budget.
---	--------------------	--	--	--	--

How much could it cost?

No formal cost estimates have been made available to date, but would likely require expansion of federal spending.	In 2013, the Congressional Budget Office estimated that adding a public option to the Marketplace would reduce federal deficits by \$158 billion over 10 years (lower public option premiums would decrease federal spending on premium tax credits).	No formal cost estimates have been made available to date, but would likely require expansion of federal and/or state spending. Because individuals would be required to pay premiums and cost-sharing, federal/state spending increases could be limited.	No formal cost estimates have been made available to date, but would likely require expansion of federal spending. Because individuals would be required to pay premiums and cost-sharing, federal spending increases could be limited.	No formal cost estimates have been made available to date, but would likely require expansion of federal spending. Because premiums and cost-sharing would be required for many enrolled individuals, costs to the federal government would likely be less than a Medicare for All plan.	Costs would vary based on scope of benefits and provider payment rates. In 2016, the RAND Corporation estimated that total health expenditures in the U.S. under a comprehensive Medicare for All plan would be \$3.89 trillion in 2019, 1.8% higher than health expenditures under current law. ¹
--	---	--	---	--	---

¹ In the RAND estimate, the federal government would pay 90% of health expenditures under a single-payer system, while private businesses and households would pay the remaining 10%. (Currently, federal government pays 28%, state/local government pays 17%, and private businesses and households pay 55% of health expenditures.)

Sources

1. H.R.1884, Protecting Pre-Existing Conditions and Making Health Care More Affordable Act of 2019. Introduced Mar 26, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/1884/>
2. S.3, Keeping Health Insurance Affordable Act of 2019. Introduced Jan 3, 2019: <https://www.congress.gov/bill/116th-congress/senate-bill/3>
3. H.R.2085/S.1033, CHOICE Act. Introduced Apr 4, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/2085>
4. H.R.1277/S.489, State Public Option Act of 2019. Introduced Feb 14, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/1277>
5. S.470, Medicare at 50 Act. Introduced Feb 13, 2019: <https://www.congress.gov/bill/116th-congress/senate-bill/470>
6. H.R.2000/S.981, Medicare-X Choice Act of 2019. Introduced Apr 1, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/2000>
7. H.R.2463/S.1261, Choose Medicare Act. Introduced May 1, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/2463>
8. H.R.2452, Medicare for America Act of 2019. Introduced May 1, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/2452>
9. H.R.1384, Medicare for All Act of 2019. Introduced Feb 27, 2019: <https://www.congress.gov/bill/116th-congress/house-bill/1384>
10. S.1129, Medicare for All Act of 2019. Introduced Apr 10, 2019: <https://www.congress.gov/bill/116th-congress/senate-bill/1129>
11. Compare Medicare-for-all and public plan proposals. Kaiser Family Foundation, May 2, 2019: <https://www.kff.org/interactive/compare-medicare-for-all-public-plan-proposals/>
12. D. Scott. House Democrats' new plan to strengthen Obamacare, explained. Vox Media, Mar 26, 2019: <https://www.vox.com/policy-and-politics/2019/3/26/18282103/aca-obamacare-news-house-democrats-legislation-do>
13. D. Scott. Medicare for America, explained. Vox Media, Mar 18, 2019: <https://www.vox.com/policy-and-politics/2019/3/18/18270857/medicare-for-all-beto-orourke-2020-policies-voxcare>
14. J. Liu, C. Eibner. National health spending estimates under Medicare for all. RAND Corporation, 2019: https://www.rand.org/pubs/research_reports/RR3106.html
15. K. Keith. House Democrats introduce bill to strengthen the ACA. Health Affairs Blog, Mar 27, 2019: <https://www.healthaffairs.org/do/10.1377/hblog20190327.894190/full/>
16. Options for reducing the deficit, 2014-2023: add a “public plan” to the health insurance exchanges. Congressional Budget Office, Nov 13, 2013: <https://www.cbo.gov/budget-options/2013/44890>
17. S. Kliff, D. Scott. We read Democrats' 9 plans for expanding health care. Here's how they work. Vox Media, Mar 20, 2019: <https://www.vox.com/2018/12/13/18103087/medicare-for-all-explained-single-payer-health-care-sanders-javapai>
18. T. Neuman, K. Pollitz, J. Tolbert. Medicare-for-all and public plan buy-in proposals: overview and key issues. Kaiser Family Foundation, Oct 9, 2018: <https://www.kff.org/report-section/medicare-for-all-and-public-plan-buy-in-proposals-overview-and-key-issues-issue-brief/>