

From her own website:

- “Elizabeth supports Medicare for All, which would provide all Americans with a public health care program. Medicare for All is the best way to give every single person in this country a guarantee of high-quality health care. Everybody is covered. Nobody goes broke because of a medical bill. No more fighting with insurance companies.
 - **Lower the cost of prescription drugs**
 - “Elizabeth’s **Affordable Drug Manufacturing Act** would allow the Department of Health and Human Services to step in where the market has failed. **HHS would manufacture generic drugs in cases in which no company is manufacturing a drug, when only one or two companies manufacture a drug and its price has spiked, when the drug is in shortage, or when a medicine listed as essential by the World Health Organization faces limited competition and high prices.**
 - **Mental Health**
 - Elizabeth’s new **CARE Act** would invest \$100 billion in federal funding over the next ten years in states and communities to fight the mental health crisis. It gives directly to first responders, public health departments, and communities on the front lines of this crisis - so that they have the resources to provide prevention, treatment, and recovery services for those who need it most.
 - It also works to strengthen our addiction treatment infrastructure - demanding states use Medicaid to its fullest to tackle the crisis, expanding access to medication-assisted treatment, and ensuring treatment programs and recovery residences meet high standards. And Elizabeth’s plan would help hold drug manufacturers accountable for pushing the powerful and addictive drugs that contribute to the epidemic.
 - **Protecting Access to Health Care in Rural Communities**
 - Medicare for all will mean access to primary care and lower health costs for patients - and less uncompensated care for rural hospitals, helping them stay afloat. Elizabeth will create a new Medicare designation for rural hospitals that reimburses them at a higher rate and offers flexibility of services to meet the needs of their communities. Elizabeth will also strengthen antitrust protections to fight hospital mergers that increase costs, lower quality, and close rural facilities.
 - Elizabeth’s plan will increase funding for Community Health Centers by 15 percent per year over five years and establish a \$25 billion dollar capital fund to support a menu of options for improving access to care in health professional shortage areas. She will grow the current health workforce in rural communities by lifting the cap on medical residency placements, targeted in underserved areas, by 15,000 over the next five years and increasing the National Health Service Corps and Indian Health Service

loan repayment programs to full loan repayment. And her plan will invest in the future health workforce by dramatically scaling up apprenticeship programs between unions, high schools, community colleges, and a wide array of healthcare professionals to build a health care workforce that is rooted in the community.

- [A letter on the cost of Medicare for All](#) from Dr. Donald M. Berwick, former administrator of the Centers for Medicare and Medicaid Services under President Barack Obama, and Simon Johnson, former Chief Economist of the International Monetary Fund.¹
- [A letter on financing Medicare for All](#) from Simon Johnson, former Chief Economist of the International Monetary Fund, Betsey Stevenson, professor of economics and public policy at the University of Michigan, and Mark Zandi, chief economist at Moody's Analytics.²
- "All my plans start with our shared values, there are two absolute non-negotiables when it comes to health care:
 - One: No American should ever, ever die or go bankrupt because of health care costs. No more GoFundMe campaigns to pay for care. No more rationing insulin. No more choosing between medicine and groceries.
 - Two: Every American should be able to see the doctors they need and get their recommended treatments, without having to figure out who is in-network. No for-profit insurance company should be able to stop anyone from seeing the expert or getting the treatment they need."
- "Under my plan, Medicare for All will cover the full list of benefits outlined in the *Medicare for All Act*, including long-term care, audio, vision, dental, and mental health benefits. My plan covers every single person in the US, and includes common-sense payment reforms that make Medicare for All possible without spending any more overall than we spend now."
 - **Option 1: Maintain our current system, which will cost the country \$52 trillion over ten years.** And under that current system -
 - 24 million people won't have coverage, and millions can't get long-term care
 - 63 million have coverage gaps or substandard coverage that could break down if they actually get sick.
 - Together, the American people will pay \$11 trillion of that bill themselves in the form of premiums, deductibles, copays, out-of-network, and other expensive medical equipment and care they pay for out-of-pocket - all while America's wealthiest individuals and biggest companies pay far less in taxes than in other major countries.

1

https://assets.ctfassets.net/4ubxbgy9463z/2Tg9oB55ICu2vtYBaKKcVr/d124e0eeb128ad3a8d8ab8a6ccae44c0/20191031_Medicare_for_All_Cost_Letter_Appendices_FINAL.pdf

2

https://assets.ctfassets.net/4ubxbgy9463z/27ao9rfB6MbQgGmaXK4eGc/d06d5a224665324432c6155199afe0bf/Medicare_for_All_Revenue_Letter_Appendix.pdf

- **Option 2: Switch to my approach to Medicare for All, which would cost the country just under \$52 trillion over ten years.** Under this new system -
 - Every person in America – all **331 million** people – will have full health coverage, and coverage for long-term care.
 - Everybody gets the doctors and the treatments they need, when they need them. No more restrictive provider networks, no more insurance companies denying coverage for prescribed treatments, and no more going broke over medical bills.
 - The **\$11 trillion** in household insurance and out-of-pocket expenses projected under our current system goes right back into the pockets of America’s working people. And we make up the difference with targeted spending cuts, new taxes on giant corporations and the richest 1% of Americans, and by cracking down on tax evasion and fraud. **Not one penny in middle-class tax increases.**
- No middle class tax increases. \$11 trillion in household expenses back in the pockets of American families. That’s substantially larger than the largest tax cut in American history.
- **The Cost of Medicare for All**
 - I’ve asked top experts to consider the long-term cost of my plan to implement Medicare for All over ten years – Dr. Donald Berwick, one of the nation’s top experts in health system improvement and who ran the Medicare and Medicaid programs under President Obama; and Simon Johnson, the former Chief Economist at the International Monetary Fund and a professor at MIT. Their analysis begins with the assumptions of a recent study by the Urban Institute and then examines how that cost estimate would change as certain new key policy choices are applied. These experts conclude that my plan would slightly reduce the projected amount of money that the United States would otherwise spend on health care over the next 10 years, while covering everyone and giving them vastly better coverage.
 - **Reducing Insurer Administrative Costs**
 - Incredibly, insurance companies spend a whopping **\$350 billion** on administration costs annually—and then, in turn, push huge additional administrative costs onto hospitals, doctors, and millions of other health care professionals in the form of complex billing—and then, in turn, drive up costs incurred by employers as they attempt to navigate the complexity of providing their employees with insurance.
 - Medicare for All will save money by bringing down the staggering administrative costs for insurers in our current system. As the experts I asked to evaluate my plan noted, private insurers had administrative costs of 12% of premiums collected in 2017, while Medicare kept its administrative costs down to 2.3%. My plan will ensure that Medicare for All functions just as efficiently as traditional Medicare by setting net administrative spending at 2.3%.

- **Comprehensive Payment Reform**
 - Under my approach, **Medicare for All will sharply reduce administrative spending and reimburse physicians and other non-hospital providers at current Medicare rates.** My plan will also rebalance rates in a budget neutral way that increases reimbursements for primary care providers and lowers reimbursements for **overpaid specialties**. While private insurance companies pay higher rates, this system would be expected to continue compensating providers at roughly the same overall rate that they are currently receiving. Why? This is partially because providers will now get paid Medicare rates for their Medicaid patients - a substantial raise. But it's also because providers spend an enormous amount of time on billing and interacting with insurance companies that reduces their efficiency and takes away from time with patients.
 - The nonpartisan Institute of Medicine **estimates** that these **wasted expenses** account for 13% of the revenue for physician practices, 8.5% for hospitals, and 10% for other providers. Together, the improved efficiency will save doctors time and money – helping significantly offset the revenue they will lose from getting rid of higher private insurance rates.
 - Under my approach, **Medicare for All will sharply reduce administrative spending and reimburse hospitals at an average of 110% of current Medicare rates, with appropriate adjustments for rural hospitals, teaching hospitals, and other care providers with challenging cost structures.** In 2017, hospitals that treated Medicare patients were **paid about 9.9% less** than what it cost to care for that patient. The increase I am proposing under Medicare for All will cover hospitals' current costs of care – but hospital costs will also substantially decrease as a result of simpler administrative processes, lower prescription drug prices, the end of bad debt from uncompensated care, and more patients with insurance seeking care.
 - In my **plan** for Rural America, for example, I have committed to creating a new designation under Medicare for rural hospitals due to the unique challenges health systems face in rural communities. That's why my plan allows for adjustments above the 110% average rate for certain hospitals, like rural and teaching hospitals, and below this amount for hospitals that are already doing fine with current Medicare rates. Universal coverage will also have a disproportionately positive effect on rural hospitals.
 - We can also apply a number of common-sense, bipartisan reforms that have been proposed for Medicare. Today, for example, insurers can charge dramatically different prices for the exact same service **based on where the service was performed**. Under Medicare for All, providers will receive the same amount for the same procedure, saving hundreds of

billions of dollars. We can also make adjustments to things that we know Medicare currently pays too much for – like post-acute care – by adjusting those payments down slightly while accounting for the patient’s health status, bringing health care costs down even more.

- We will also shift payment rates so that we are paying for better outcomes, instead of simply reimbursing for more services. We build on the success of value-based reforms enabled by the Affordable Care Act, including by instituting bundled payments for inpatient care and for 90 days of post-acute care. Instead of paying providers for each individual service, bundled payments reimburse providers for an entire “episode” of care and have been shown to both improve outcomes and **control costs**. These bundles help ensure that a patient’s different **providers all communicate** because they are all tied to the same payment.
- **Restoring Health Care Competition**
 - Under Medicare for All, hospitals won’t be able to force some patients to pay more because the hospital can’t agree with their insurance company. Instead, because everyone has good insurance, providers will have to compete on better care and reduced wait times in order to attract more patients.
 - That’s why I will appoint aggressive antitrust enforcers to the Department of Justice and Federal Trade Commission and allow hospitals to voluntarily divest holdings to restore competition to hospital markets. I’ve also **previously committed** to strengthening FTC oversight over health care organizations, including non-profit hospitals, to crack down on anti-competitive behavior. And I will direct my FTC to block all future hospital mergers unless the merging companies can prove that the newly-merged entity will maintain or improve care.
- **Reining in out-of-control Prescription Drug Costs**
 - Reining in prescription drug costs should be a top priority for any President – and there’s no better way to do it than through Medicare for All. My administration will use a suite of aggressive policy tools to set a net savings target that will bring down Medicare prices for brand name prescription drugs by 70% and prices for generics by 30%, with an initial focus on more expensive drugs.
 - Under Medicare for All, the federal government would have real bargaining power to negotiate lower prices for patients. I will adopt an altered version of the mechanism outlined in the *Lower Prescription Drug Costs Now Act* which leverages excise taxes to bring manufacturers to the table to negotiate prices for both branded and generic drugs, with no drug exceeding 110% of the average international market price, but removes the limit of the number of drugs Medicare can negotiate for and eliminates the “target price” so Medicare could potentially negotiate prices lower than other countries.

- If negotiations fail, I will use two tools – compulsory licensing and public manufacturing – to allow my administration to ensure patient access to medicines by either overriding the patent, as modeled in the *Medicare Negotiation and Competitive Licensing Act*, or by providing public funds to support manufacturing of these drugs, as modeled in my *Affordable Drug Manufacturing Act*. Medicare for All will also incentivize pharmaceutical companies to develop the drugs we need – like antibiotics, cancer cures, and vaccines. And it’s not just about driving down drug prices. Making sure patients get important drug therapies up front that keep them healthy and cost a fraction compared to more severe treatment down the line can save money overall. Insurers, who may only cover individuals for a few years of their lives, see those investments in long-term health as a cost they’ll never recoup - so they have a financial incentive to **deny patients** these treatments. But Medicare for All covers each patient for their entire lifespan. There’s no perverse incentive to deny the prescriptions they need today because the long-term benefits to their health won’t benefit their current private insurance company.
- **Redirecting Taxpayer-Funded Health Spending**
 - Under my approach to Medicare for All, we will redirect \$6 trillion in existing state and local government insurance spending into the Medicare for All system. This is similar to the mechanism that the George W. Bush Administration used to redirect Medicaid spending to the federal government under the Medicare prescription drug program. Under this maintenance-of-effort requirement, state and local governments will redirect \$3.3 trillion of what they currently spend to support Medicaid and the Children’s Health Insurance Program and \$2.7 trillion of what they currently spend on employer contributions to private insurance premiums for their employees into Medicare for All. Because we bring down the growth rate of overall health spending, states will pay less than they would have without Medicare for All. They’ll also have far more predictable budgets, resulting in improved long-term planning for state and community priorities.
 - Together, these policy choices represent significant reductions in health care spending over current levels. Compared to the estimate by the Urban Institute, they will save over \$7 trillion over ten years, bringing the expected share of additional federal revenue to just over \$26 trillion for that period. After incorporating the \$6 trillion we will redirect from states to help fund Medicare, **the experts conclude that** total new federal spending required to enact Medicare for All will be \$20.5 trillion.
- **Paying for Medicare for All**
 - Medicare for All puts all health care spending on the government’s books. But Medicare for All is about the same price as our current path – and cheaper over time. Right now, America’s total bill for health care is projected to be \$52 trillion

for the next ten years. That money will come from four places: the federal government, state governments, employers, and individuals who need care. Under my approach to Medicare for All, most of these funding sources will remain the same, too.

- Existing federal spending on Medicare and Medicaid will help fund Medicare for All.
 - Existing state spending on health insurance will continue in the form of payments to Medicare – but states would be better off because they'd have more long-term predictability, and they'd pay less over time because these costs will grow more slowly than they do today.
 - Existing total private sector employer contributions to health insurance will continue in the form of contributions to Medicare – but employers would be better off because under the design of my plan, they'd pay less than they would have otherwise.
- Over the next ten years, individuals will spend \$11 trillion on health care in the form of premiums, deductibles, copays, and out-of-pocket costs. Under my Medicare for All plan, that amount will drop from \$11 trillion to practically zero. I asked top experts – Mark Zandi, the Chief Economist of Moody's Analytics; Betsey Stevenson, the former Chief Economist for the Obama Labor Department; and Simon Johnson – to examine options for how we can make up that \$11 trillion difference. They **conclude** that it can be done largely with new taxes on financial firms, giant corporations, and the top 1% – and making sure the rich stop evading the taxes we already have.
 - **Replacing Employer Health Spending With a New Employer Medicare Contribution.**
 - My idea is that instead of these companies sending those payments to private insurance companies, they would send payments to the federal government for Medicare in the form of an Employer Medicare Contribution. Companies will pay less than they otherwise would have, saving \$200 billion over the next ten years.
 - To calculate their new Employer Medicare Contribution, employers would determine what they spent on health care over the last few years and divide that by the number of employees of the company in those years to arrive at an average healthcare cost per employee at the company. Under the first year of Medicare for All, employers would then take that average cost, adjust it upwards to account for the overall increase in national health care spending, and multiply it by their total number of employees that year. Their Employer Medicare Contribution would be 98% of that amount – ensuring that every company paying for health care today will pay less than they would have if they were still offering their employees comparable private insurance.
 - People who are self-employed would be exempt from making Employer Medicare Contributions unless they exceed an income threshold.

- Small businesses – companies with under 50 employees – would be exempt from this requirement too if they aren't paying for employee health care today. When either new or existing firms exceed this employee threshold, we would phase in a requirement that companies make Employer Medicare Contributions equal to the national average cost of healthcare per employee for every employee at that company.
 - Employers currently offering health benefits under a collective bargaining agreement will be able to reduce their Employer Medicare Contribution if they pass along those savings to workers in the form of increased wages, pensions, or other collectively-bargained benefits. New companies or existing companies who enter into a collective bargaining agreement with their employees after the enactment of Medicare for All will be able to reduce their Employer Medicare Contributions in the same way
 - If we're falling short of the \$8.8 trillion revenue target for the next ten years, we will make up the lost revenue with a Supplemental Employer Medicare Contribution requirement for big companies with extremely high executive compensation and stock buyback rates.
- All told, another \$1.4 trillion in funding for Medicare for All is generated automatically through existing taxes on the enormous amount of money that will now be returned to individuals' pockets from moving to a Medicare for All system with virtually no individual spending on health care
- **Cracking Down on Tax Evasion and Fraud**
 - The federal government has a nearly **15%** "tax gap" between what it collects in taxes what is actually owed because of systematic under-enforcement of our tax laws, tax evasion, and fraud. If that 15% gap persists for the next ten years, we will collect a whopping **\$7.7 trillion less** in federal taxes than the law requires. By investing in stronger enforcement and adopting best practices on tax reporting, withholding, and filing, experts predict that we can close the tax gap by a third – generating about \$2.3 trillion in additional federal revenue without a single new tax.
 - Substantially increase funding for the IRS, including the Criminal Investigation Division. The Treasury Department **estimated** in its Fiscal Year 2017 budget request that every \$1 invested in IRS enforcement brings in nearly \$6 in additional revenue – not even including an indirect deterrence effect three times that amount.
 - Expand third-party reporting and withholding requirements.
 - Strengthen enforcement of the Foreign Account Tax Compliance Act (FATCA). FATCA requires foreign financial institutions to report the holdings and income of U.S. taxpayers, but the IRS is generally **not systematically matching** these reports to individual tax returns. We also don't hold foreign financial firms truly accountable for ignoring their reporting obligations. Automatically matching FATCA reports to tax

returns and instituting sanctions for non-compliant foreign financial institutions would help narrow the tax gap.

- Simplify tax filing obligations in line with other comparable countries with lower tax gaps, including by adopting my [Tax Filing Simplification Act](#) and using “[smart returns](#)” to improve honest reporting.
 - Redirect enforcement resources away from [low-income taxpayers](#) towards high-income taxpayers.
 - Increase the nonfiler compliance program, strengthen reporting requirements for international income, use existing currency transaction reports to enforce cash income compliance, and increase reporting requirements for virtual- or crypto-currencies, as [suggested](#) by the Treasury Department’s Inspector General.
- **Targeted Taxes on the Financial Sector, Large Corporations, and the Top 1%**
- By imposing targeted taxes and fees on financial firms, we can generate needed revenue and also make our financial system safer and more secure. For example, a small tax on financial transactions – one-tenth of one percent on the sale of bonds, stocks, or derivatives – would generate about [\\$800 billion](#) in revenue over the next ten years. The tax would be assessed on and collected from financial firms, and would likely have [little to no effect](#) on most investors. Instead, according to [experts](#), the tax could help decrease what Americans pay in fees for their investments and reduce the size of relatively unproductive parts of the financial sector.
 - We can also impose a fee on big banks that encourages them to take on fewer liabilities and reduce the risk they pose to the financial system. A small fee that applies only to the forty or so largest banks in the country would generate an [additional \\$100 billion](#) over the next ten years – while making our financial system more safe and resilient.
 - Under my plan, businesses will still write off the depreciation of their assets – they’ll just do it in a way that more accurately reflects the actual loss in value. This would generate [\\$1.25 trillion](#) over ten years.
 - We can also stop giant multinational corporations from calling themselves American companies while sheltering their profits in foreign tax havens to avoid paying their share for American investments. I’m proposing to institute a *country-by-country* minimum tax on foreign earnings of 35% – equal to a restored top corporate tax rate for U.S. firms – without permitting corporations to defer those payments. Under my plan, corporations would have to pay the difference between the minimum tax and the rate in the countries where they book their profits. For example, an American corporation booking a billion dollars in profits in the Cayman Islands, taxed at 0% there, would need to pay the federal government a 35% tax rate – the difference between the new minimum rate (35%) and the foreign rate (0%) – on the billion dollars in profits.

- My plan would also collect America's fair share of profits that foreign companies make by selling their products to Americans. Today, we have a "global tax deficit": companies that sell their goods abroad don't have to pay the extra taxes that they would have to pay if they were subject to a minimum effective tax rate in each country they operated in. Making U.S. firms pay a country-by-country minimum tax effectively collects their whole global tax deficit – but foreign companies should have to pay their fair share, too. That's why I'm proposing that the U.S. collect the fraction of this global tax deficit that corresponds to the percentage of that company's sales in the U.S. In other words, if a foreign company should owe an additional \$1 billion in taxes if it were subject to a country-by-country minimum tax, the U.S. would collect a fraction of that \$1 billion based on the amount of sales that company made in the United States. Together, the country-by-country minimum tax and the taxation of foreign firms based on their domestic sales would result in an additional [\\$1.65 trillion](#) in revenue.
- Finally, we can raise another \$3 trillion over ten years by asking the top 1% of households in America to pay a little more. My [Ultra-Millionaire Tax](#), a 2-cent tax on the wealth of fortunes above \$50 million, tackles this head on. Under this tax, the top 0.1% – the wealthiest 75,000 Americans – would have to pitch in two cents for every dollar of net worth above \$50 million and three cents for every dollar on net worth over \$1 billion. With this version of the Ultra-Millionaire Tax in place, the tax burden on the wealthiest households would increase from 3.2% to [4.3%](#) of total wealth – better, but still below the 7.2% that the bottom 99% are projected to pay.
- Today, I'm going one step further. By asking billionaires to pitch in six cents on each dollar of net worth above \$1 billion, we can raise an additional \$1 trillion in revenue and further close the gap between what middle-class families pay as a percentage of their wealth and what the top one-tenth of one percent pay.
- **Immigration Reform**
 - I support immigration reform that's consistent with our values, including a pathway to citizenship for undocumented immigrants and expanded legal immigration consistent with my principles. That's not only the right thing to do – it also increases federal revenue we can dedicate to Medicare for All as new people come into the system and pay taxes. Based on CBO's analysis of the 2013 comprehensive immigration reform bill, experts project that immigration reform would generate an [additional \\$400 billion](#) in direct federal revenue.
- **Reining in Defense Spending**
 - [We can start by shutting down this slush fund and balancing with our overall defense priorities in the context of the actual defense budget.](#) And as we end these wars, eliminating the Overseas Contingency Operations

fund and forcing the Pentagon to fund any such priorities through its regular budgetary process will **provide** \$798 billion over the ten-year period relative to current spending levels.

- **The Response to her Plan**

- The New York Times wrote:

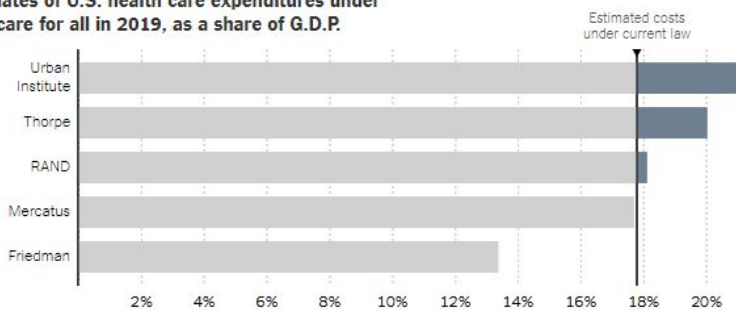
- “While the proposal allows Ms. Warren to say she is not raising taxes on the middle class, it opened her to renewed charges that her plan is too radical to pass through Congress. It represents an extraordinary embrace of the tax system to redistribute wealth and re-engineer on the pillars of the American economy, with measures that would double her proposed wealth tax on billionaires and impose new levies on investment gains and even stock trades.
- “This debate has moved so far and so fast within the Democratic Party, it makes your head spin,” said Larry Levitt, the executive vice president for health policy at the Kaiser Family Foundation. “Ideas that used to be political third rails are now being proposed by one of the leading candidates for president.”
- Under Ms. Warren’s plan, private health insurance - which now covers most of the population - would be eliminated and replaced by free government health coverage for all Americans. That is a fundamental shift from a market-driven system that has defined health care in the United States for decades but produced inequalities in quality, service, and cost.
- “This is not a symbolic proposal. This is them most specific plan for Medicare for All that’s ever been proposed by a candidate. Candidates often pivot to the center on issues in the general election. This proposal will make it more difficult for Warren to do that on health care”

- [Would ‘Medicare for All save billions or cost billions?’](#)

- The New York Times asked a handful of economists and think tanks with

a range of perspectives to estimate total American health care expenditures in 2019 under such a plan. They found that in all of the estimates, patients and private insurers would spend far less, and the federal government would pay far more. They also found that the difference between the most expensive estimate and the second-most expensive estimate was

Estimates of U.S. health care expenditures under Medicare for all in 2019, as a share of G.D.P.



larger than the budget of most federal agencies.

- How Much would doctors and hospitals and other providers be paid?

- Pay too little, and you risk hospital closings and unhappy health care providers. Pay too much, and the system will become far more expensive.
 - In our current system, doctors, hospitals and other healthcare providers are paid by a number of insurers, and those insurers all pay them slightly different prices. In general, private insurance pays medical providers more than Medicare does. Under a Medicare for All system, Medicare would pick up all the bills. Paying the same prices that Medicare pays now would mean an effective pay cut for medical providers who currently see a lot of patients with private insurance.

Estimated increase in Medicare payment rates paid to medical providers

FRIEDMAN	BLAHOUS	THORPE	URBAN	RAND
6%	0%	5%	7%	9%

- How much more would people use the health care system?
 - Medicare for All would give insurance to around 28 million Americans who don't have it now. And evidence shows that people use more health services when they're insured. That change alone would increase the bill for the program.
 - Other changes to Medicare for All would also tend to increase health care spending. Some proposals would eliminate nearly all copays and deductibles. Evidence shows that people tend to go to the doctor more when there's no such cost sharing. The proposed plans would also add medical benefits not typically covered by health insurance, such as dental care, hearing aids and optometry services, which would increase their use.

Estimated increase in use of health care

FRIEDMAN	BLAHOUS	THORPE	URBAN	RAND
7%	11%	15%	—	8%

- What would Medicare for all cost to run?
 - The complexity of the American system means that administrative costs can often be high. Insurance companies spend on negotiations, claims review, marketing, and sometimes shareholder returns. Medicare currently has much lower administrative cost share than other forms of insurance, but it also covers sicker people, distorting such comparisons. Certain

administrative functions, like fraud detection, can have substantial return on investment.

Estimated administrative costs as a share of all spending

FRIEDMAN	BLAHOUS	THORPE	URBAN	RAND
2%	—	6%	6%	5%

- Joe Biden’s campaign questioned Warren’s calculations, calling them “double talk” and “mathematical gymnastics” as asserting that middle-class taxes would rise despite her vow.
 - “It’s impossible to pay for Medicare for All without middle-class tax increases,” said Kate Bedingfield, Biden’s deputy campaign manager. “To accomplish this sleight of hand, her proposal dramatically understates its cost, overstates its savings, inflates the revenue, and pretends that an employer payroll tax increase is something else.”
 - “Her plan would create a new tax on employers of almost \$9 trillion that would come out of workers’ pockets, a new financial transaction tax that would impact investments held by middle class Americans, and a new capital gains tax that would affect far more people than she stated tonight,” Biden said in a statement.
- Pete Buttigieg said the plan’s elimination of private insurance was too inflexible. “This my way or the highway idea, that either you’re for kicking everybody off their private plans in four years or you’re for business as usual, it’s just not true.”
- Rahm Emanuel, who was the chief of staff for President Barack Obama and former mayor of Chicago, previously called Medicare for All a “pipe dream”. He said Warren’s campaign would be forever associated with the idea in the future, to its detriment.
 - “This was Bernie’s idea, and now she owns the idea,” he said. “This issue is not going to happen, and it is not the way you argue healthcare.”
- Warren’s plan was the focus of a nearly eight-minute long opening skit on NBC’s Saturday Night Live.
 - “When Bernie was talking Medicare for All, everybody was like ‘Oh cool’ and then they turned to me and they said ‘Fix it, Mom,’” said Kate McKinnon, who plays Warren. “I’ll do it because that’s what Moms do.”
 - To fund the plan, “we’re going to cut military spending, so ... immediately dead in the water,” McKinnon said. The plan also requires that the United States tax billionaires like Jeff Bezos and big banks. All we have to do is convince J.P. Morgan to operate like a non-profit,” McKinnon said.
- Mark Cuban tweeted, “Let’s be real. Elizabeth Warren probably is the smartest of all the candidates. Intellectually she knows she is misleading the public. That the chances of getting all the necessary line items she needs for M4All approved within 4 years are nearly impossible”

- Slate criticized the plan calling it “kind of unfair”
 - “...since she would tax companies based on how much they spend on insurance today, her proposal ends up penalizing firms that currently provide their employees more expensive and generous coverage. As the Tax Policy Center’s Howard Gleckman notes, this upside-down reward system is even worse for small businesses, since firms with fewer than 50 employees only have to pay the Medicare fee if they already offer insurance coverage. Those that don’t are off the hook entirely. Presumably, this carve-out is meant to keep mom-and-pop establishments from getting wiped out by new taxes they can’t afford, but it ends up punishing small business owners who offered coverage. Presumably, many of them would not be happy about it.”
 - As Matt Bruenig of the People’s Policy Project [has explained](#), Warren’s Medicare fee is basically a “head tax,” meaning that companies pay the same amount for each worker. What this means is that low-wage workers see a much, much larger share of their potential compensation devoured by health care costs than high earners. It also warps the job market by making low-wage labor relatively more expensive for companies to hire, which makes it harder for some people to find work. With a health care head tax, you’re basically doubling the cost of hiring a dishwasher.
- Steven Pearlstein wrote in the Washington Post:
 - “The senator from Massachusetts wants us to believe that we can extend health care to 32 million uninsured Americans while letting everyone else consume all the tests and procedures they want without worrying about co-pays and deductibles - and do it all at the same cost, and with the same number of medical professionals, MRI machines and operating rooms.”
- Peter Suderman wrote in Reason:
 - “The bulk of Warren’s presumed savings in this area—about \$1.2 trillion—come from increasing the use of “bundled payments.” Bundled payments, in which health care providers are paid as a sort of package deal rather than on a fee-for-service basis, were once a source of great hope for America’s health care wonks, the class of people who believe that the best way to reduce health care spending is through technocratic fixes that are often lumped together as delivery system reforms. Some early studies found spending reductions for hospitals that chose to participate, and initial projections by the Congressional Budget Office [projected](#) bigger savings down the road.”
 - “Yet as it turned out, there was a problem with those initial studies: They looked at hospitals that had chosen to participate, skewing the sample toward institutions where bundled payments were more likely to be effective. When a team of researchers from Harvard, Cambridge, Dartmouth, the University of Chicago, and the Massachusetts Institute of

Technology—the sort of all-star academic lineup that a committed wonk like Warren ought to trust—were able to study data from a randomized sample, they found no significant overall savings, especially after program bonuses were factored in. Similarly, a study published by the fiscally conservative Commonwealth Foundation last year reported that "hospitals participating in Medicare's most recent bundled payment initiative did not have lower costs or other better outcomes compared with hospitals not participating." (Wonks need not fear: Delivery service reforms have not failed, they have just never been truly tried.)

Sources:

Health care is a Basic Human Right - ElizabethWarren.com

<https://elizabethwarren.com/plans/health-care>

Ending the Stranglehold of Health Care Costs on American Families - ElizabethWarren.com

<https://elizabethwarren.com/plans/paying-for-m4a>

Elizabeth Warren Proposes \$20.5 Trillion Health Care Plan - The New York Times

<https://www.nytimes.com/2019/11/01/us/politics/elizabeth-warren-medicare-for-all.html>

Would 'Medicare for All' Save Billions or Cost Billions? - The New York Times

<https://www.nytimes.com/interactive/2019/04/10/upshot/medicare-for-all-bernie-sanders-cost-estimates.html?module=inline>

Democrat Warren: Medicare for All would not raise US middle-class taxes 'one penny' - Reuters

<https://www.reuters.com/article/us-usa-election-warren-medicare/warren-details-medicare-for-all-payment-plan-with-no-new-taxes-for-middle-class-idUSKBN1XB466>

Warren's Medicare for All plan attacked, parodied by Republicans, Democrats and 'SNL' show - Reuters

<https://www.reuters.com/article/us-usa-election-warren-medicare/warrens-medicare-for-all-plan-attacked-parodied-by-republicans-democrats-and-snl-show-idUSKBN1XD019>

Elizabeth Warren's "Medicare for All" Plan is Kind of Unfair - Slate

<https://slate.com/business/2019/11/elizabeth-warrens-health-care-medicare-for-all-single-payer-unfair.html>

Warren's plans to pay for government health care aren't courageous. They're a cop-out - The Washington Post

https://www.washingtonpost.com/business/economy/warrens-plans-to-pay-for-government-health-care-arent-courageous-theyre-a-cop-out/2019/11/07/ed534e08-00d6-11ea-9518-1e76abc088b6_story.html#comments-wrapper

Elizabeth Warren's Fake Plan to Pay for Medicare for All - Reason

<https://reason.com/2019/11/05/elizabeth-warrens-fake-plan-to-pay-for-medicare-for-all/>