VERMONT, COLORADO, AND CALIFORNIA

People often ask what happened to the single-payer proposals in Vermont, Colorado, and California. In Vermont, even as then-governor Peter Shumlin withdrew his proposal, his analysis showed that it would have saved money for most families making under $150 000.[4] But a key problem was that it involved a flat tax rate. As a result, average Vermonters would have had to pay a much higher rate than if a progressively graduated tax had been chosen.

California's Senate passed a single-payer bill without a financing mechanism, leaving it to subsequent legislation. The assembly leadership tabled the bill because it was not ready for prime time. This was not a rejection of the concept, but it led to negative press coverage.

The defeat of the Colorado proposal in a referendum is largely a lesson about the referendum process. Supporters were outspent almost six to one, and the ballot text began with the words (required by state law) "[s]hall state taxes be increased by $25 billion"—calculated to generate voter opposition, especially without any clear explanation of the cost savings the proposal would create in health care and coverage.[5]

The New York Health Act spells out its funding mechanism: a progressively graduated tax on income subject to the Medicare Part A tax, with the employer paying at least 80% of the tax and the tax paid in full by self-employed individuals, and on state taxable nonpayroll income such as capital gains, interest, and dividends. Specific brackets and rates would be set during an implementation period.

LABORATORIES OF DEMOCRACY

The New York bill has passed the Democratic-controlled assembly for three consecutive years. In the Republican-led Senate, the bill's cosponsors are one short of a majority. The 2018 elections could well produce a pro–single-payer Democratic majority. Governor Andrew Cuomo has said the bill is "a very exciting possibility [if it is] not incongruous to what the Federal government would do to us."[6]

Several major health care provider organizations in New York endorse the bill, including the New York State Nurses Association, Local 1199 SEIU, the New York chapters of the Academy of Family Physicians and the American Academy of Pediatrics, the Public Health Association of New York City, and the Community Health Care Association of New York State (representing community health centers).

The Washington health care debate and the increase in health plans with high premiums, high deductibles, and narrow provider networks have boosted support for single-payer systems. The savings generated by a single-payer system are the only way a state can sustain health care for its people in the face of assaults from Washington on Medicaid, Medicare, and the Patient Protection and Affordable Care Act.

The states have always been "the laboratories of democracy," and New York has led on many issues that once seemed out of reach. As support builds with health care providers, organized labor, and the general public, New York Health can evolve from a great idea that will never happen to being achievable. AJPH

Richard N. Gottfried, JD

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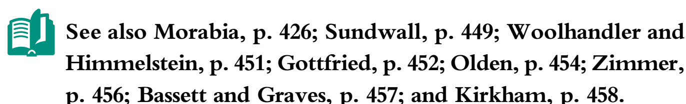
Moffit Responds



See also Morabia, p. 426; Sundwall, p. 449; Woolhandler and Himmelstein, p. 451; Gottfried, p. 452; Olden, p. 454; Zimmer, p. 456; Bassett and Graves, p. 457; and Kirkham, p. 458.

The recently resurrected single payer model is the latest health policy fashion. It is seemingly simple and cost-efficient. In the case of the proposed New York Health Act, as Rep. Richard Gottfried observes, the bill would cover every New Yorker without annoying deductibles, copays, and provider networks. Care would be "free" at the point of service, and savings would emerge from reduced administrative costs, economies of scale, and the "negotiation" ("fixing") of provider prices. As Rep. Gottfried points out, the New York Health Act would rely on a graduated employer-based tax, with employers nominally bearing 80% of the tax. Also, the New York plan would be funded by special taxes on capital gains, interest, and dividends. "Specific brackets and rates," Gottfried tells us, "would be set during an implementation period." Details matter. The recent single payer efforts collapsed for substantive reasons, indicating that the reality is different from the expectations.

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COLLAPSED SINGLE PAYER ATTEMPTS

In Vermont, anticipated tax burdens undercut the single payer plan of Vermont's progressive politicians.

Colorado's $25 billion single payer plan, a proposed doubling of the state's budget, was supposed to reap big savings. In fact, the Colorado Health Institute found that, even with federal Medicaid matching funds, the proposed program would have run a $253 million deficit in its first year of operation.[1] More than three out of four Colorado voters refused to back the proposal containing a 10% payroll tax.

In California, as Rep. Gottfried rightly observes, sponsors of the aborted "The Healthy California Act" didn't specify their funding. It wouldn't have changed much if they did. The California legislative analysts estimated the bill's cost at $400 billion annually, more than twice the size of the entire state budget. They estimated further that the sponsors would have to raise $200 billion in revenue, most likely through a 15% payroll tax.[2] If such a tax were enacted—on top of the 15.3% federal payroll tax—California residents would have been severely punished. Like New Yorkers, Californians already have one of the highest marginal tax rates in the country.

In these three cases, collapse was not attributable to badly designed tax rates, inferior public relations, or insufficient campaign spending. Citizens in those three states would have faced unprecedented taxes, and the true costs would likely have outrun projected revenues.

LOSS OF PERSONAL FREEDOM

Another drawback of single payer is that citizens who like their private health plans, including their employer coverage, would not be able to keep them. It would be illegal for insurers to offer competitive benefit packages, and doctors and other medical professionals would, as Gottfried says, be barred "from seeking or accepting any additional payment for any New York health service." In short, people would not be able to enter into a private contract with a doctor and spend their own money for a "covered" medical service.

STATE EXPERIMENTS

Despite decades of power centralization in Washington, the Constitution gives states the power to experiment with public policy. If "blue" states like New York wish to enact a single payer system, they are free to do so. If Congress liberalizes current law, "red" states should also be able to experiment in health policy. One caveat should apply to both: federal taxpayers should not be forced to bail out failure. AJPH

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The EPA: Time to Re-Invent Environmental Protection

See also Morabia, p. 426; Sundwall, p. 449; Woolhandler and Himmelstein, p. 451; Gottfried, p. 452; Moffit, p. 453; Zimmer, p. 456; Bassett and Graves, p. 457; and Kirkham, p. 458.

One way to imagine a world without the US Environmental Protection Agency (EPA) is to draw on our memory of what the environment was like before the agency was created in 1970. This can be approached from two perspectives: from the viewpoint of the physical environment and from the viewpoint of the social and political environment. The conduct of these practical exercises is timely in that the authority and survival of the EPA are now seriously threatened. The president and congressional Republicans have proposed funding and workforce reductions that will devastate the agency with respect to its capacity to protect human health and the environment. To prevent this catastrophe, it is instructive to explore the reasons why the EPA has lost public and political support.

The EPA was created in 1970, with strong bipartisan support, by a Republican president who was not particularly interested in environmental health issues. In creating the EPA, President Richard Nixon and Congress were responding to public outrage about the deplorable conditions of the environment. Public pressure for action was so intense that lawmakers could no longer ignore the problem. One did not need experts or highly sensitive technologies to convince the American people that the environment was highly polluted. Rivers were "catching on fire," acute deaths from air pollution were commonplace in some US cities, hazardous waste sites were proliferating, and the air quality was so bad in Pittsburgh, Pennsylvania, that street lights were turned on during the daytime to protect pedestrians crossing the streets and to prevent automobiles from colliding because of poor visibility.[1] These awful conditions led to an explosion of highly vocal public support for environmental protection.

The EPA made such spectacular progress in cleaning up the environment over the first 30 years of the agency's existence that our memory of what it was like in the 1950s and 1960s has

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