



The Daily Dish

Medicare For All, Kamala-Style

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Eakinomics: Medicare For All, Kamala-Style

Senator and presidential contender Kamala Harris is out with her [version](#) of Medicare for All (call it HM4A), and it is a hot mess. There is a lot to discuss, but three issues stand out.

The first is the financing. Like most of the M4A plans, HM4A relies on a soak-the-rich-and-a-pox-on-Wall-Street approach to taxation. In Harris' case, she first praises the options laid out by competitor Bernie Sanders and concludes: "I think these are good options, especially making the top 1% and corporations pay their fair share through a more progressive income, payroll, and estate tax." But she shies away from any hint that average Americans might actually have to pay for their health care, rejecting Sanders' idea to tax households making above \$29,000 an additional 4 percent income-based premium. Harris says, "I believe this hits the middle class too hard. That's why I propose that we exempt households making below \$100,000, along with a higher income threshold for middle-class families living in high-cost areas." To fill the gap, bring on the fantasy-land financial transaction taxes: "I would tax Wall Street stock trades at 0.2%, bond trades at 0.1%, and derivative transactions at 0.002%." That's the relatively sane part of the proposal.

Issue number two is the 10-year transition to the final configuration of HM4A, during which there would be all of the existing forms of insurance, the option of a Medicare buy-in, plus a "Medicare Transition Plan" that is as vague as it is utopian: "We will automatically enroll newborns (with an opt-out provision for families with employer-sponsored insurance) and the uninsured into a Medicare Transition Plan, and provide a commonsense path for employers, employees, the underinsured, children, and others on federally-designated programs, such as Medicaid or the Affordable Care Act exchanges, to transition into the Medicare Transition Plan. The Medicare Transition Plan will provide enhanced benefits with limited cost-sharing requirements and financial assistance for those who qualify based on income." That last part is really rich (pun intended) since nobody under \$100,000 is paying for anything.

But the best part is that it takes 10 years. In other words, two years after her second term ends every citizen (almost) ends up in HM4A. If it doesn't work out — and it won't — it's not going to be her problem.

The final issue is the incoherence on the role of private insurance. Recall that candidate Harris began by saying she would outlaw private insurance and then quickly backtracked. Who knows what she really wants. But — after the transition — she says there can be private insurance in HM4A. It looks like self-insured employer plans will be extinct for sure. That said, "private Medicare plans will be subject to stricter consumer protection requirements than under current law, such as getting reimbursed by Medicare for less than the cost of the public Medicare plan to ensure taxpayers aren't subsidizing insurance company profits. Americans can then choose whether to stay in the public Medicare plan or opt-into a private Medicare plan."

So, there will be two kinds of plan, a public plan and a cheaper private plan (regulated to comparable quality). But if HM4A is supposed to make quality health care as cheap as possible, why have the public plan at all? Or, is the real agenda to regulate the private plan so that there is no way it can be cheaper, which means that HM4A

is no different than traditional/Sanders' M4A in being the death knell for any kind of private insurance? If this were the movie version of A Few Good M4As, I feel like Tom Cruise would be screaming at candidate Harris: "WHY THE TWO PLANS?"

This is just the beginning of a long season of confused and confusing health care plans. For the moment, just remember that Medicare For All is itself a meaningless descriptor, and each plan has to be read carefully and evaluated individually.