

Executive Summary

This economic analysis explores the implications of a single payer health plan in the state of Ohio if it were to go into effect in 2019. The Act would replace Ohio's current multi-payer system in which individuals, private businesses and government entities pay public and private insurers for health care coverage. The Act would establish a state health plan to finance medically necessary care, including hospitalization, doctor visits, dental, vision, mental/behavioral health, prescribed occupational and physical therapy, prescription drugs, medical devices, and rehabilitative care.¹ The Plan would offer this comprehensive coverage to all residents and would pay for it with broad-based, progressively graduated premiums assessed by the State on payrolls and on non-payroll income.

The Ohio Health Plan would finance medical care with substantial savings compared with the existing multi-payer system of public and private insurers. By reducing administrative and other waste, including health insurance company profits and excessive prices for drugs, hospitals, and medical devices, the Plan would increase real disposable income for the vast majority of Ohio residents. It would simultaneously increase employment by reducing the burden of health insurance on business. Some of these savings would be used to extend coverage to the 6% of Ohio residents still without insurance under the Affordable Care Act. Other savings would be reinvested in the health care system to improve coverage for the growing number with inadequate coverage. In addition to improving residents' health by reducing barriers to access to health care, the Plan would eliminate the financial penalty associated with health problems. It would also reduce economic inequality by replacing the current regressive system of health insurance finance with contributions proportional to income and ability to pay.

¹ Long-term care may be added later.