

Economists Throw Weight Behind Universal Health Care in Vermont

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'Publicly financed health care systems result in improved health outcomes, lower costs and greater equity,' reads letter delivered Thursday

by

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"Healthcare financing is a matter of justice and human rights." (Photo: [NESRI/flickr/cc](#))

It is not only possible, but financially and economically advantageous to implement a publicly financed healthcare system in Vermont, according to an open letter signed by more than 100 economists and delivered Thursday to lawmakers at the Vermont State House.

"As economists, we understand that universal, publicly financed health care is not only economically

feasible but highly preferable to a fragmented market-based insurance system," [reads the letter](#), whose signatories include Dean Baker of the Center for Economic and Policy Research; Richard Wolff of New School University; and Julie Nelson of the University of Massachusetts-Boston.

It continues: "Health care is not a service that follows standard market rules; it should be provided as a public good. Evidence from around the world demonstrates that publicly financed health care systems result in improved health outcomes, lower costs and greater equity."

In December, Vermont Gov. Peter Shumlin abruptly [abandoned](#) his much-lauded plan to create a single-payer healthcare system in the state, saying moving forward with the proposal would be too costly.

But the economists' letter, presented in tandem with a [report](#) (pdf) from the the Vermont Workers' Center and the New York-based National Economic and Social Rights Initiative (NESRI), shows that that universal health care can be implemented—affordably—in Vermont within the next few years.

"By moving from private, market-based insurance to public financing of universal care," said Anja Rudiger of NESRI, "we flip the way we pay for care: people contribute based on their ability, so that low- and middle-income people pay a smaller share of their income on health care than the wealthy—the opposite of the current system."

The plan proposes taxing wealthier people's unearned investment income in order to give a bigger break to low- and middle-income families. It also proposes implementing a graduated payroll tax that takes into account the difference between the top 1 percent of wages and the bottom half of wages in each company, thereby requiring large employers and businesses with highly unequal salary structures to pay more than smaller and more wage-equitable businesses.

The letter points out: "Public financing is not a matter of raising new money, but of distributing existing payments more equitably and efficiently. Especially when combined with provider payment reforms, public financing can lower administrative costs, share health care costs much more equitably, and ensure access to comprehensive care for all."

The Healthcare Is a Human Right campaign, which mobilized in Vermont and has since spread across the country, is working with state legislators to introduce a bill for public health care financing, building on the Green Mountain Care proposal that Shumlin ditched last December. That law was passed in 2011 but did not include a financing plan.

Thursday's letter indicates that the grassroots movement has not lost momentum. As the NESRI report declares: "Healthcare financing is a matter of justice and human rights."

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