

Ten-Year Projected Cost of Single Payer Health Care to Wisconsin Taxpayers

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total (2019-28)
Total Spending											
Projected annual Personal Health Care spending ¹	\$64,069	\$67,593	\$71,310	\$75,375	\$79,596	\$84,133	\$88,929	\$93,820	\$99,543	\$105,316	\$829,684
Annual growth rate ²	5.5%	5.5%	5.7%	5.6%	5.7%	5.7%	5.5%	6.1%	5.8%		
Government spending											
(-) Medicaid spending	\$11,567	\$12,490	\$13,487	\$14,563	\$15,725	\$16,980	\$18,335	\$19,798	\$21,378	\$23,084	\$167,407
Growth rate	7.98%	7.98%	7.98%	7.98%	7.98%	7.98%	7.98%	7.98%	7.98%	7.98%	
(-) Medicare spending	\$13,977	\$14,480	\$15,002	\$15,542	\$16,101	\$16,681	\$17,281	\$17,903	\$18,548	\$19,216	\$164,732
Growth rate	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
(-) Other government spending ³	\$1,189	\$1,232	\$1,276	\$1,322	\$1,370	\$1,419	\$1,470	\$1,523	\$1,578	\$1,635	\$14,013
Growth rate	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
Total private spending	\$37,336	\$39,391	\$41,546	\$43,948	\$46,400	\$49,053	\$51,842	\$54,595	\$58,039	\$61,382	\$483,532
Adjustments for single payer											
(-) Applying government payment rates ⁴	\$7,048	\$7,435	\$7,844	\$8,291	\$8,756	\$9,255	\$9,782	\$10,320	\$10,950	\$11,585	\$91,265
(+) Induced demand ⁵	—	—	—	—	—	—	—	—	—	—	—
Total added cost to taxpayers	\$30,288	\$31,955	\$33,702	\$35,657	\$37,645	\$39,799	\$42,060	\$44,275	\$47,089	\$49,797	\$392,267



Notes on Methodology

Total cost is calculated by projecting total personal health spending over the ten years from 2019-28 (cost of all health care spending) and subtracting the portion for which government is already responsible - mainly, public health spending in the forms of Medicare, Medicaid, and other public employee health spending. The total added cost to government is also reduced to reflect decreased payment rates as is the case now with Medicare and Medicaid, both of which compensate providers at a rate lower than private health insurance. The Blahous study ([Mercatus](#)) also adds back in a cost for induced demand, which we do not do, making this a more conservative estimate.

—Numbers are all in millions

—Medicare spending in 2019 projected from 2014 expenditures (CMS) using national average annual growth rate (CMS). Projections here are based on the 2016 growth rate (CMS).

—Medicaid spending projected from 2016 budgeted MA amount (LFB). Growth projections here are based on the average annual spending growth for Wisconsin Medical Assistance programs (2007-2016) (LFB).

1: Total Personal Health Care Spending (CMS). Expenditures for personal health care include spending for hospital care, physicians' services, dentists' services, drugs, eyeglasses, and nursing home care. Latest data from 2014, extrapolated to 2019 using average annual growth rates (CMS). Personal health spending is the largest subset of National Health Expenditures. It is used here on the assumption that other elements of NHEs would not constitute an additional cost to taxpayers.

2: Projections of annual Personal Health Care Spending increases (CMS). Since 2026 is the last year for which CMS provides a projected growth rate, 2027 growth rate is average of prior two years.

3: Other public spending includes state spending for government employee health insurance premiums (Dept. of Employee Trust Funds, 2017 CAFR). Growth projections are the average percentage growth in state premium spending over 2008-2017 (ETF).

4: Subtract a flat 11% from total personal health spending each year on the assumption a state-level single-payer plan would reimburse providers at a lower rate than private insurers do currently. This theoretically decreases the ultimate cost of a single-payer system.

5: Increased demand for health care and related services when out of pocket expenses are reduced or eliminated and scope of coverage is increased. This was left out of this calculation on the assumption that the actuarial value (AV) of a hypothetical state-level single-payer system would reflect current private market insurance plans, making the total cost estimate considerably more conservative.

Note: Reduced reimbursement rates for providers and a high probability of induced demand for health care services would almost certainly reduce the supply of health care services while increasing demand. Such a scenario would increase the cost of care, possibly significantly. Forecasting this is practically impossible. See Blahous ([Mercatus](#)).