

Ten Reasons Why We Need a Strong, Public Option

1. **Cost Control** – Historically, public insurance has a far better record at cost control than private insurance. For example, between 1997 and 2006, health spending per enrollee rose 4.6% per year under Medicare, compared with 7.3% per year under private health insurance.
2. **Changing the Market for the Better** – On several occasions large private insurers and health systems have been caught colluding to ratchet up costs. In these cases, insurance companies agree to pay very high and escalating prices to the hospitals and clinics in return for a guarantee that no other insurer will get a lower price from the provider. We need a public insurer with the leverage to change this game.
3. **Forcing Waste and Excess Out of the System** – By having to compete with a nonprofit, public plan, private insurance companies would be forced to reduce unjustifiable excesses like outsized profits for investors and mammoth CEO pay packages.
4. **Holding Insurance Companies Accountable** – There is ample documentation that insurance companies compete by scheming to deny coverage to more expensive patients, delaying and avoiding payments, and ignoring reasonable public regulations. Having to compete with a public plan will hold them accountable for the first time.
5. **Creating More Choices** – Public insurance traditionally has important features that private insurance does not have like assuring access for vulnerable, less profitable populations and more stability in benefits and payments. People should have this choice.
6. **A Long Term Guarantee** – Many times in the past insurance companies and other big financial interests have successfully lobbied to have strong regulations weakened or removed. A public option is the best long term strategy to hold private insurers to a higher standard than they have been accustomed to.
7. **The Public Interest** – Public insurers operate in the interest of the whole, not just for short term private gain. For example, public insurers have an interest in controlling costs, not just passing them on to customers. That's why almost all the innovations in the past quarter century to improve cost and quality in health care came from public insurers like Medicare and the VA.
8. **Transparency and Accountability** – Private insurers keep their data and business practices hidden from the public. Access to this kind of information is vital for developing strategies for controlling costs and improving quality.
9. **Availability Everywhere** – A public option will guarantee solid coverage for markets where private insurance companies currently refuse to do business because they are not profitable enough.
10. **Co-ops and Other Half Measures Won't Help** – There is much historical evidence that co-ops would be no more effective at controlling costs and keeping insurers accountable than current nonprofit insurers are. A public option with the size and market leverage with providers to compete is essential for cost control and full access for everyone.