

Savings from Vermont's Proposed Health System Reform

In 2010, the Vermont legislature commissioned Dr. William Hsiao, a Harvard health economist, to design a health care system for the state that would provide equal health access for every Vermont resident, control health care costs, and increase primary health care services in the state.

Hsiao's final report, released in February 2011 (<http://tinyurl.com/VT-healthreport>), confirms what countless other studies have shown: a single-payer system covers more and costs less. Specifically, the Vermont study showed that:

1. Compared to current system, a single payer system reduces costs from the start, and ultimately **saves 25% of total health care costs**.
2. These **savings are then used to cover the uninsured**, increase benefits for the underinsured, invest in primary care and community hospitals – all without any increase in total health care spending.
3. Finally, **a single-payer health care system increases the economic health of the state by creating new jobs**. Although there would be some job losses in health care administration, there would be more jobs created in health care delivery, and elsewhere in the economy.