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RESEARCH ARTICLE

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What Other States Can Learn From Vermont's Bold Experiment: Embracing A Single-Payer Health Care Financing System

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Abstract

Single-payer health care systems consist of publicly financed insurance that provides basic benefits for all citizens. The design is intended to achieve universal coverage and allow greater

cost control. Many states have attempted to reform their systems around single-payer principles, but none succeeded until Vermont enacted a law in May 2011. In this article we describe how our team developed a viable single-payer proposal that served as the foundation of Vermont's law. According to our estimates, after the first full year of operation in 2015, our proposed single-payer system is expected to produce an annual savings of 25.3 percent when compared to current state health spending levels; cut employer and household health care spending by \$200 million; create 3,800 jobs; and boost the state's overall economic output by \$100 million. We describe how this plan was designed, and we discuss lessons for other states considering health system reform.

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