



Dear Chairman Sanders, Ranking Member Graham, and Members of the Senate Budget Committee:

In light of your upcoming hearing entitled, “Medicare for All: Protecting Health, Saving Lives, Saving Money,” we urge you to resist any new steps towards socialized healthcare. The Committee’s hearing is another opportunity for the Left to promote a government takeover of the American healthcare system. The proposal, called “Medicare for All,” replaces private insurance with government as the single payer.

An expansion of government healthcare would lead to extensive middle-class tax hikes and would reduce Americans’ access to care.

Medicare for All Would Lead to Trillions in Middle-Class Tax Hikes

By Chairman Sanders’ own [admission](#), Americans making more than \$29,000 per year would pay more in taxes under Medicare For All.

These tax hikes would hit American families at every income level and businesses large and small. The proposal [increases taxes by \\$14.3 trillion](#) over the next decade. This would pay for roughly half of the cost of single payer healthcare, which costs between [\\$32 trillion](#) and [\\$36 trillion](#) according to estimates.

The list of proposed tax hikes include:

- **A New, 4 Percent Employee Payroll Tax.** This would impose another 4 percent payroll tax on employees which he calls an “income-based premium paid by employees.” This [increases taxes](#) on American families and individuals by \$3.9 trillion.
- **A New, 7 Percent Employer Payroll Tax.** This would impose another 7 percent payroll tax on employees which he calls an “income-based premium paid by employers.” This is a [\\$3.5 trillion tax increase](#) over ten years.
- **Eliminating Health Tax “Expenditures.”** The proposal would ban employer-provided insurance and repeal the deduction for health care, [increasing taxes on businesses](#) by over \$3 trillion over a decade.
- **This proposal would also repeal Health Savings Accounts**, which are utilized by an estimated [25 million American families](#). These tax advantaged savings accounts largely benefit the middle class – roughly [half of all HSAs](#) are owned by families earning between \$60,000 and \$200,000. The deduction for cafeteria plans and the medical expense deduction is also eliminated. In all, this will [increase taxes on families and businesses](#) by \$4.2 trillion.
- **70 percent top tax bracket for ordinary income and capital gains income.** This would give America the highest income tax rate in the world. According to the [Tax Foundation](#), a top 70 percent rate for ordinary income and capital gains income above \$10 million will raise \$51.4 billion over a decade. After accounting for macroeconomic effects, the proposal would actually cost the government \$63.5 billion because the proposal suppresses investment and economic growth.
- **77 Percent Death Tax.** This would raise the death tax rate to 77 percent for inheritances. Under the proposal, the death tax would kick in at \$3.5 million with a rate of 45 percent. This proposal will increase taxes by [\\$315 billion](#) over ten years.
- **Wealth Tax.** This would impose an annual wealth tax of 1 percent kicking in above \$21 million in assets. This proposal will [increase taxes](#) by \$1.3 trillion over ten years.

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- **Bank Tax.** This would impose a tax on financial institutions totaling [\\$800 billion](#) over ten years.
- **Broaden the Self Employment Tax.** This would require business owners to report more of their business income as salary, increasing the amount of self-employment tax owed. This would [increase taxes by \\$247 billion](#) over ten years.

This plan would undoubtedly be footed by middle-income taxpayers, with estimates showing the program could raise taxes by [\\$26,000 per household per year](#).

Medicare for All Would Reduce Americans' Access to Care

Medicare for All promises to eliminate the employer-based coverage which more than [180 million Americans](#) rely on, even with about [81 percent](#) of those people being satisfied with their coverage.

This proposal goes even further left than most foreign versions of socialized medicine. Canada, for example, has about [30% of its healthcare spending](#) coming from the private insurance market; the proposal would have none.

Further, countries which have gone down a path of government control and socialized medicine haven't just seen higher costs; they've seen longer waits and dangerously poor care. In 2018, the UK's National Health System (NHS) [cut or restricted access to 17 medical operations](#) which they deemed 'unnecessary' in order to cut costs. In every country where it's been tried, a single-payer system eliminates choice and gives government the power to make healthcare decisions for regular people, often to their detriment.

In addition to poor care and long waits, socialized medicine would also reduce innovation, thus limiting future access to lifesaving, life-changing treatments. The U.S. is currently a world leader when it comes to medical innovation. According to [research](#) by the Galen Institute, 290 new medical substances were [launched](#) worldwide between 2011 and 2018. The U.S. had access to 90 percent of these cures, a rate far greater than comparable foreign countries. By comparison, the United Kingdom had access to 60 percent of medicines, Japan had 50 percent, and Canada had just 44 percent.

We urge you to resist any steps towards socialized medicine or Medicare for All. This system would lead to massive tax increases on middle-income Americans, would reduce access to quality care, and would decimate medical innovation.

Onward,



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President, Americans for Tax Reform