The ‘Medicare for All’ Math Doesn’t Add Up

Care for the elderly is subsidized by private insurance payments.

Wall Street Journal, By Thomas Beck, Aug. 20, 2026

The notion of a “Medicare for All” system is enjoying a revival. Democratic primary victories by candidates who champion single-payer healthcare, most notably U.S. Senate candidates Abdul El-Sayed in Michigan and Peggy Flanagan in Minnesota, have pushed the proposal back into the healthcare debate.

What these candidates fail to understand, or refuse to acknowledge, is that applying Medicare payment rates to all services provided to all patients would destroy the American healthcare system.

The debate usually centers on taxes and the role of government. But there is a more fundamental question: Could America’s hospitals survive if every patient were reimbursed at Medicare rates?

The answer is no. This isn’t ideology; it’s math.

Congress’s Medicare Payment Advisory Commission estimates that hospitals lost about 12 cents on every Medicare dollar they received in 2024 and projects Medicare margins will remain roughly 10% below the break-even point in 2026. Those losses are sustainable only because Medicare is one part of a mixed-payer system.

The other main part is commercial insurance. A 2024 Rand study found that private insurers paid hospitals, on average, more than 2.5 times Medicare rates. Those much higher payments help support emergency departments, trauma centers, neonatal intensive-care units, behavioral-health programs, teaching hospitals and rural facilities, as well as investment in technology, cybersecurity and emergency preparedness.

In effect, America’s hospitals are financed by a combination of public underpayment and private overpayment. The arrangement may not be elegant or even rational, but it keeps hospitals operating. Medicare for All would destroy that balance.

Supporters respond that hospitals could simply become more efficient. Greater efficiency is desirable, but it can’t bridge a reimbursement gap of this magnitude. Hospitals aren’t ordinary businesses. They can’t close the emergency department on a slow day or staff an intensive-care unit only when demand is high. They must maintain nurses, physicians, technicians, operating rooms, diagnostic equipment and emergency readiness around the clock.

If Congress imposed a regime that paid Medicare rates for every patient, hospitals would first freeze hiring, delay capital projects and postpone equipment purchases. Then would come staffing reductions

and closing of money-losing services such as obstetrics and behavioral health. Rural hospitals, many already operating on razor-thin margins, would be especially vulnerable. Eventually, many hospitals wouldn't generate enough revenue to meet payroll and keep the lights on.

The greatest victims would be the patients Medicare for All is intended to help. Universal insurance means little if the local maternity ward has closed, the nearest trauma center is hours away, or the community hospital has disappeared.

A healthcare system can't endure if the institutions providing care consistently lose money treating their patients. Medicare for All may promise universal coverage, but its payment rates couldn't support a sustainable hospital system.

Mr. Beck is a former executive with HCA Healthcare. He served as an adviser to both Trump presidential transitions and as a consultant to the Department of Government Efficiency.