

What Exactly is a “Public Option?”

Simply put, a public option would be a new health insurance plan overseen by the government. You can think of it like a Medicare plan non-seniors could purchase. The President stresses that it must be self-sustaining, stating, “taxpayers aren’t subsidizing it. . . it has to run on charging premiums and providing good services and a good network of doctors, just like any other private insurer would do.”¹

The Benefits of a Public Option Include:

- **Giving Americans a Better Range of Health Care Choices**

Expanding the options that are available means consumers will have more ability to decide what fits their needs. A high-quality public option with lower-cost premiums promises to attract many Americans, especially those who have been disappointed by our current for-profit system.

- **Making the Private Health Care Market More Competitive**

Today, there is really no competition. Huge for-profit insurers control large geographical regions. This profit-driven system needs incentive to meaningfully reign-in costs while providing quality care, rather than simply passing on higher premiums that drive more people into the ranks of the uninsured.

Medicare, the public insurance program, has been much more successful than private insurers when it comes to reducing administrative and operating costs. A public plan option would force private insurers to compete on efficiency and quality, rather than on their ability to enroll the lowest-cost people. Plus, since a public option doesn’t have to earn huge profits, premiums are expected to be less.

- **Keeping Insurance Companies Honest**

The for-profit insurance industry is guilty of engaging in a number of unethical practices to increase the bottom line: raising rates exorbitantly to force companies into dropping coverage, denying procedures that should be covered, dropping a policy just as a person is diagnosed with a major illness by finding a “technicality.” With the threat of losing customers to a public plan, insurance companies will have an incentive to provide better coverage that is also more affordable.

A Public Option is Really Just Common Sense.

¹ From the transcript of President Obama’s remarks at the town hall health care forum at a high school in Portsmouth, N.H., on August 11, 2009.