

Eric Sorensen supports a health care scheme that could cause up to 39 rural hospitals in Illinois to close.

**Eric Sorensen supports the creation of a public option:**

- According to his campaign website, Sorensen supports the creation of a public option for health insurance. “Eric supports protecting and improving the Affordable Care Act to ensure health care coverage for people with pre-existing conditions. He supports allowing Medicare to negotiate prescription drug prices to lower costs and the creation of a public option to expand access to coverage.” (Eric Sorensen, [Campaign Website](#), assessed 5/11/22)

**A study from August 2019 found that a public option—which could cost as much as \$1.5 trillion—could lead to the closure of up to 55% of rural hospitals across the United States, including up to 78 rural hospitals in Illinois:**

- A national public option could cost \$1.5 trillion. “Under ‘Medicare for All,’ the federal government picks up basically the whole bill. As a result, according to Urban, the federal government’s spending on health care would increase by \$34 trillion over the next decade. Federal spending would go up under the ‘public option,’ too, but by a lot less: just \$1.5 trillion over that same time period.” (Dan Gorenstein, “New report stacks up ‘Medicare for All’ and the ‘public option’ by cost and coverage,” [WHYY PBS](#), 10/16/19)
- In August 2019, Navigant released a study on the impact and potential risk a public option would have on rural hospitals in the U.S. “Chicago-based data company Navigant released an analysis this past month that studies the impact of a public option, a proposal to create a government-run insurance plan to compete with private insurance companies. It’s also a pitch that’s become common – in various iterations – among Democratic candidates running for president.” (Michaela Ramm, “52 rural Iowa hospitals at risk of closing under public option, analysis shows,” [The Gazette](#), 9/3/19)
- A public option could put up to 55% of rural hospitals at risk of closure. “A new analysis of U.S. rural hospitals has found that offering a government insurance program reimbursing at Medicare rates as a public option on the health insurance exchanges created by the Affordable Care Act (ACA) could place as many as 55% of rural hospitals, or 1,037 hospitals across 46 states, at high risk of closure. The rural hospitals at high risk represent more than 63,000 staffed beds and 420,000 employees, according to the analysis by Navigant Consulting, Inc. Even those rural hospitals not at high risk of closure and the communities they serve face an increased threat. The availability of a public option could negatively impact access to and quality of care through rural hospitals’ potential elimination of services and reduction of clinical and administrative staff, as well as damage the economic foundation of the communities these hospitals serve.” (Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)
- The study found three possible scenarios where rural hospitals could potentially have to “shift of patients from higher-paying commercial plans, driving down rural hospital net revenue and negatively impacting the communities they serve” as a result of a Medicare public option. “The analysis incorporated three scenarios in which the availability of a Medicare public insurance option would induce a shift of patients from higher-paying

commercial plans, driving down rural hospital net revenue and negatively impacting the communities they serve.” (Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)

- **In the first scenario, Navigant found rural hospitals could lose 2.3% in revenue under a public option, which would place 28% of rural hospitals at a higher risk of closure.** “Revenue loss to rural hospitals is projected to be 2.3% under a Medicare public option if only the uninsured and current individual market participants shift to the public option, placing an estimated 28% of rural hospitals at high risk of closure (Scenario 1).” (Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)

- **The first scenario puts 24 rural hospitals in Illinois at “high-risk” of closure.**

STATE	HIGH-RISK RURAL HOSPITALS	% OF HIGH-RISK RURAL HOSPITALS
KS	35	41.7%
MS	34	55.7%
GA	29	46.0%
MI	27	36.5%
MN	25	29.1%
IA	25	27.8%
IL	24	30.8%

(Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)

- **Scenarios two and three found that if hospitals switched between 25% and 50% of workers with private insurance to a public option, revenues would decrease significantly and increase the risk of closure.** “If employers shift between 25% and 50% of their covered workers from commercial coverage to a Medicare public option, hospital revenues are projected to drop between 8% and 14% and cause an estimated 51% to 55% of rural hospitals to face high risk of closure, with an additional 39% to 41% facing moderate risk (Scenarios 2 & 3).” (Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)

- **The second scenario puts 39 rural hospitals in Illinois at “high-risk” of closure.**

STATE	HIGH-RISK RURAL HOSPITALS	% OF HIGH-RISK RURAL HOSPITALS
KS	63	75.0%
IA	51	56.7%
MN	49	57.0%
MS	45	73.8%
GA	43	68.3%
MI	42	56.8%
KY	40	60.6%
IL	39	50.0%

(Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)

- The third scenario puts 39 rural hospitals in Illinois at “high-risk” of closure.

STATE	HIGH-RISK RURAL HOSPITALS	% OF HIGH-RISK RURAL HOSPITALS
KS	67	79.8%
IA	52	57.8%
MN	49	57.0%
MS	48	78.7%
MI	44	59.5%
GA	43	68.3%
KY	43	65.2%
IL	39	50.0%

(Jeff Goldsmith and Jeff Leibach, “The Potential Impact Of A Medicare Public Option On U.S. Rural Hospitals And Communities: A Scenario Analysis,” [Navigant](#), 8/19)