

What are Global Budgets for hospitals?

Global budgets are a key Medicare for All strategy to drastically cut costs, guarantee coverage, and protect hospitals from closure.

Global operating budgets would replace today's wasteful per-patient billing by funding hospitals with annual lump sum payments, similar to how we fund essential public services like fire departments. Funding is used for **patient care, not for profits or advertising**. Capital projects like expansions are funded separately.

Global budgets slash costs

Global budgets are critical to controlling costs, and could **save the U.S. \$220 billion per year**. How? Americans spend [\\$1.3 trillion](#) a year on hospitals, but one-third of that money is wasted on the bureaucracy needed for billing and payment collection. This waste costs Americans [\\$933](#) per person each year, compared to \$196 in Canada.

Per-patient billing: <i>Duke Medical Center</i>	Global Budgets: <i>Univ. of Toronto Hospital</i>
957 beds	1,272 beds
1,600 billing clerks	7 billing clerks

Global budgets improve care & health equity in our communities

Global budgets prevent hospital closures by providing facilities in rural and other underserved communities with **predictable and stable funding**. Additional resources can be provided quickly in times of crisis, like a pandemic or natural disaster.

Global budgets are based on each community's health needs. Today, many hospitals maximize [profits](#) by investing in operating rooms for expensive elective surgeries, while eliminating unprofitable — but critically important — services like psychiatric care, HIV/AIDS care, substance-abuse treatment, and obstetrics. Global budgets would promote health equity by funding capital projects **based on health needs, not profits**.



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