

The Invisible Price of Free Healthcare

By John Kristof

Senator Bernie Sanders [visited](#) the University of Toronto in late October. The highlight of Sanders' trip was a speech where he [insisted](#) the United States look to Canada for guidance on how to win those rights from profit-hungry companies. He called our current system a “disgrace”—but fails to realize that Canada's system isn't much better.

If healthcare is a right, like Sanders suggests, then Canada's system seems ideal. But many Americans forget about hidden costs.

Sometimes we deceive ourselves into thinking something is free when we have actually paid for it. At many universities, full-time students may enroll in a meal plan. When students pay for a meal plan, the school allots them a certain number of meals or credits that may be spent at certain campus locations, like coffee shops.

As with any one-size-fits-many program, meal plans do not meet all students' needs. The end of every academic year sees students milling around the bookstore looking for a t-shirt. These students would not typically be clothes shopping in their campus bookstore, but they feel like they might as well because getting the shirt presents no additional cost to them. Although they may feel like the shirt is free because they did not exchange cash when they obtained it, they have, in fact, paid for it.

Public healthcare systems like Canada's contain these illusions of freedom. Healthcare is not priceless; professionals receive compensation. In Canada, the payment for most medical expenses is entirely taxpayer-funded. Taxes are prepaid costs, so receiving care presents no additional costs to a Canadian. Even though Canadian healthcare is [costly](#), public funding lets citizens perceive it as free.

When the perceived cost of a service is zero, basic economics—and common sense—dictate that the desire for that service will increase. People prefer more of something when it is free to them. This may take the form of more frequent visits and treatments, but if a treatment is equally available to everyone, the system does not account for the degree to which patients need or desire the treatment. Opportunities for treatment will sometimes be taken by those who need the procedure less than others. For example, because an ACL injury mainly affects lateral movement, an athlete may desire a surgery to repair a torn ACL more than a sedentary person.

In economic it's a market shortage, where the resource in question must be allocated through queues. For an extreme example, consider the bread lines of the Soviet Union. People had to wait in lines for hours for necessities, with no guarantee that the state wouldn't run out of supplies.

While not as grim-looking as Soviet queues, a world of "free" healthcare forces people to wait in line. In fact, Canada suffers from some of the [longest healthcare wait times in the developed world](#). These wait times exist [across the board](#): a third of Canadians wait a [minimum of four hours](#) for attention in an emergency department, four weeks for an ultrasound, 10 weeks to transfer specialists, and 11 weeks for an MRI scan. It comes as no surprise that Canadians increasingly seek [timely treatment](#) in the United States.

Waiting is more than an inconvenience. Researchers reporting to the Organisation for Economic Co-operation and Development (OECD) classify Canada among the nations for whom healthcare wait times are a "[serious health policy issue](#)." Postponing treatment forces patients and their families to undergo more [suffering](#). Some procedures lose effectiveness as the gap between injury and treatment widens and extended wait times even [correlate](#) with higher mortality rates. Since disabled workers are unable to be productive, one estimate suggests medical wait times cost the Canadian economy nearly two billion dollars—in 2016 alone.

Many commentators argue Canada needs to meet demand by growing its medical labor force. But the number of medical professionals per capita is [higher than it ever has been](#)—the supply side is not the issue.

The problem isn't necessarily universal healthcare, either. Unlike Canada, several countries permit [private, for-profit institutions of healthcare](#) mixed into their public system. In the Netherlands, private companies compete to offer the mandatory level of healthcare for citizens. In Australia and Sweden, firms offer supplementary services. These countries rank among the fastest healthcare [wait times in the developed world](#). Canada's are nearly three times the average of developed nations.

While "free" public healthcare sounds benevolent, Americans deserve better than to pay the high costs of waiting.

John Kristof is a freelance policy writer pursuing a B.S. in Economics at Indiana Wesleyan University. He writes on fiscal and regulatory issues.