

## **My second first-hand experience with free-market healthcare**

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The main reason Congress is having a difficult time with healthcare legislation is a failure to recognize the costs of our current healthcare system. These costs have become so great that a move to free market healthcare can save Americans \$2.3 trillion a year. Data from the World Bank show the cost of healthcare in the US can be three times what it is where a country relies on the free market. My own experience with healthcare in Mexico confirms the World Bank data.

Six years ago I had a first-hand opportunity to compare costs in Mexico's private healthcare system to those in the US. At the time I estimated healthcare costs in Mexico were approximately half the cost in the US. A more recent experience suggests the cost difference has increased substantially. My wife, who has asthma, recently contracted the flu while in the US. For two days (Friday and Saturday) her doctors refused to see her due to an influx of other patients seeking appointments. The office is closed on Sunday.

In spite of a difficult Sunday night, she insisted on keeping our scheduled flight to Los Cabos, Mexico on Monday. That afternoon we called a private sector Mexican doctor. He saw her immediately at the hospital. After several exams, an x-ray and blood tests, he said bronchitis had turned to a beginning case of pneumonia.

After three hours of intravenous feeding with antiviral medicine and antibiotics, her condition stabilized. Before leaving, we received seven different medications to help her recover. The total cost for doctors, assistants, x-rays, intravenous feedings, blood tests, medicines, and follow up visits was \$403. In the US, we would have felt fortunate to pay that amount for the x-rays alone. The total amount was payable on demand with a credit card, as with all normal transactions in a free market system.

Comparing healthcare costs elsewhere to those in the US are complicated by many factors. The most significant factor is the lack of a free market in the US. Without a market, it's almost impossible to know the real cost of any item.

The current US healthcare system resembles the old Soviet system. Government dominates the decisions of who gets healthcare coverage, when, where, and at what price. This is a highly inefficient system, which has been made even more inefficient by the "Affordable Care Act." The question is how much more?

Aside from my personal experiences, there are other indications we are paying three times the amount we could be paying for healthcare. This conclusion is supported by data compiled by the World Bank. It shows healthcare costs per capita in the US are three times what they are in Singapore. Singapore's healthcare system utilizes many of the efficiencies of a free market system. Most routine healthcare expenses are paid by individuals out of their health saving accounts and prices are fully transparent. There is also significant government involvement to make sure everyone has access to high-quality, inexpensive healthcare.

Current US healthcare costs are upward of \$3.5 trillion a year. The World Bank comparison suggests \$2.3 trillion of this amount represents the waste due to our inefficient system. Eliminating such waste through a free market system would lower the cost of healthcare so dramatically there would be more than enough resources to provide high-quality healthcare to all.