



# POLICY BRIEF



## HIGH COSTS OF SOCIALIZED MEDICINE

U.S. healthcare premiums continue to rise, draining household earnings.<sup>1</sup> Accordingly, Americans reportedly favor adopting an increasingly socialized health system, in pursuit of systemic reform.

As debate continues, it is essential to review patient outcomes across international models of socialized medical care. Decision-making between patients and physicians is generally based on individual circumstances or critical medical need. Socialized healthcare systems distance that relationship. Instead, socialized treatment plans are predetermined by bureaucrats, based on broad categorizations. Cost savings for individuals are achieved in exchange for rationed services, long wait times, and controversial ethical standards.

### A World of Socialized Medicine

Comparing global healthcare models is difficult, as there is wide variety between the countries grouped under the same categories. The Manhattan Institute categorizes eight nations' healthcare systems into four broad models, listed below.<sup>2</sup>

- Single-payer (U.K. and Canada): the government is the predominant purchaser of medical services, with restrictions on private insurance.
- Dual-payer (Australia and France): the government is the primary purchaser of medical services, supplemented by private insurance whose premiums are publicly subsidized.
- Competing-payer (Germany, the Netherlands, Switzerland): the government subsidizes the purchase of private insurance.
- Segmented-payer (U.S.): a patchwork of employer-sponsored insurance, public entitlements, and individually purchased insurance.

U.S. Medicare for All (M4A) proposals represent a larger government takeover than any current international model. According to the Mercatus Center, doubling U.S. taxes would not be sufficient to pay for the high costs of implementing M4A.<sup>3</sup> Further, the Netherlands and Nordic countries are gradually adopting more market-based approaches, such as private, employer-based insurance, to address access to care, rationing, and waiting lists.<sup>4,5</sup>

As debate over healthcare reform continues across the U.S., Americans should review global patient care outcomes before enrolling in socialized medical treatment. The following chart lists select examples and outcomes across the U.K., Canada, and the Netherlands.

Patient Care		
<b>Treatment of Women's Health</b>	<ul style="list-style-type: none"> <li>➤ “Only 81% of [U.K.] breast cancer patients...live[d] at least five years after diagnosis” from 2005-2009, compared to 89% in the U.S.<sup>6</sup></li> <li>➤ A 2014 report found that between 1993-2009, increased wait times in Canada may be associated with over 44,273 female deaths.<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>➤ The U.S. has the highest 5-year breast cancer survival rate out of 11 countries, as of 2019.<sup>8</sup> The U.S. also performs the second-highest percentage of breast cancer screenings for female patients aged 50-69.<sup>9</sup></li> <li>➤ The U.S. ranked as the second highest of six nations in a separate study where patients visited an OB/GYN at least once in the previous year, with the U.K. the second-lowest.<sup>10</sup></li> </ul>
<b>The “Big C”: Rationed Cancer Care</b>	<ul style="list-style-type: none"> <li>➤ 18% of U.K. patients requiring urgent cancer care do not receive treatment within 2 months of referral.<sup>11</sup></li> <li>➤ The U.K.’s National Health Service (NHS) withdrew funding for up to 25 cancer drugs in 2015, impacting an estimated 8,000 U.K. patients.<sup>12</sup></li> </ul>	<ul style="list-style-type: none"> <li>➤ 83% of U.K. prostate cancer patients lived at least five years after diagnosis from 2005-2009, compared to 97% in the U.S.<sup>13</sup></li> <li>➤ The NHS is facing thousands of lawsuits from cancer patients after canceling critical care due to backlog during the U.K.’s COVID-19 lockdown in 2020.<sup>14</sup></li> </ul>
<b>Wait Times &amp; Other Rationed Care Examples</b>	<ul style="list-style-type: none"> <li>➤ In 2019, the Royal College of Surgeons found that over 227,569 U.K. patients waited over 6 months for treatment due to NHS hospital backlog.<sup>15</sup></li> <li>➤ Thousands are reportedly going blind in the U.K. each year due to wait times at the NHS.<sup>16</sup> Senior patients are particularly impacted, as cost-cutting drives rely “on them dying before they can qualify” for surgery.<sup>17</sup></li> <li>➤ The Fraser Institute reports Canadian patients in 2019 wait an average of 20.9 weeks from the time their general practitioner refers them to a specialist until they receive treatment.<sup>18</sup></li> <li>➤ A separate Fraser Institute study found over 63,000 Canadians left the country for medical care abroad in 2016, a 40% increase from the prior year. Long wait times were a significant factor, and about half as long in 2016 as they are in 2019.<sup>19</sup></li> </ul>	<ul style="list-style-type: none"> <li>➤ The Foundation for Government Accountability reports 21,904 U.S. Medicaid recipients died due to long waiting lists since the Obamacare expansion. Over 650,000 Medicaid recipients are on waiting lists for home and community-based services.<sup>20</sup></li> <li>➤ 104 of 195 local NHS commission panels ration cataract surgery across their respective U.K. regions, deeming it a “procedure of limited clinical value.”<sup>21</sup> This category is normally reserved for complementary or cosmetic treatment with “little evidence” for clinical health or cost-effectiveness.<sup>22</sup></li> <li>➤ Local NHS panels similarly ration glucose monitors for diabetes patients, hernia surgery, and hip and knee replacement.<sup>23</sup></li> <li>➤ The U.S. performs the second-highest rate of hip replacement procedures for seniors 65 and above out of 10 countries, with Canada and the U.K. the lowest.<sup>24</sup></li> <li>➤ A <i>British Medical Journal</i> investigation reported a 45% increase in hip or knee surgery denials by local NHS panels between 2017-2018.<sup>25</sup> These requests were submitted by general practitioners on behalf of their patients and denied by bureaucrats – some of whom have no medical background.</li> </ul>

**Physician  
Flight,  
Technology  
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Other Issues**

- 2016 data shows primary care doctors in the Netherlands only spend about 10 minutes with the typical patient, less than half the length of care that U.S. patients receive.<sup>26</sup> Having more time per patient is linked to greater patient satisfaction with care.<sup>27</sup>
- Canadians can expect long wait times for diagnostic technologies such as a CT scan (4.8 weeks), an MRI (9.3 weeks), or an ultrasound (3.4 weeks), as of 2019.<sup>28</sup>
- Canadians experience most difficulty scheduling an appointment with a specialist out of 8 countries with varying healthcare models.
- Pay caps contribute to 50% of senior U.K. physicians considering reduced working hours; 60% of specialists intend to retire by age 60; 100,000 medical staffing vacancies strain the workforce of 1.2 million.<sup>29</sup>
- Overall, the Canadian medical system “provides the least hospital care, delivers consistently fewer outpatient procedures, and provides much less access to modern diagnostic technology” compared to 8 other countries.<sup>30</sup>
- The Netherlands’ system forces general practice doctors to work longer hours<sup>31,32</sup> for less pay<sup>33</sup> than primary care physicians in the U.S. High administrative workload hurts the productivity of Dutch primary care doctors.<sup>34</sup>
- The U.S. has the third-highest rate of MRI scans and specialized scans of 9 countries.<sup>35</sup>
- Medicare For All would cut payments to U.S. hospitals and physicians by an estimated 40%.<sup>36</sup>
- The Netherlands legalized “default” adult organ donation in 2018 to address donor shortages. Under the law, all adults are presumed organ donors unless they specifically file paperwork opting out.<sup>37</sup>

- <sup>1</sup> Kaiser Family Foundation, <https://www.kff.org/health-costs/report/2020-employer-health-benefits-survey/>
- <sup>2</sup> <https://media4.manhattan-institute.org/sites/default/files/Medicare-for-all-lessons-from-abroad.pdf>
- <sup>3</sup> <https://www.wsj.com/articles/even-doubling-taxes-wouldnt-pay-for-medicare-for-all-1533163559>
- <sup>4</sup> <https://www.manhattan-institute.org/using-lessons-from-international-health-care-medicare-for-all>
- <sup>5</sup> <https://www.heritage.org/health-care-reform/commentary/socialist-nordic-countries-are-actually-moving-toward-private-health>
- <sup>6</sup> <https://www.cdc.gov/cancer/dpcp/research/articles/concord-2.htm> and <https://www.forbes.com/sites/sallypipes/2019/04/01/britains-version-of-medicare-for-all-is-collapsing/#5d387a0336b8>
- <sup>7</sup> Bacchus Barua, Nadeem Esmail, Taylor Jackson, *Effect of Wait Times on Mortality in Canada*, 2014 Report, Fraser Institute <https://www.fraserinstitute.org/studies/effect-of-wait-times-on-mortality-in-canada> .
- <sup>8</sup> The Commonwealth Fund, based on statistics provided by OECD data. <https://www.commonwealthfund.org/chart/2020/us-has-highest-average-five-year-survival-rate-breast-cancer-lowest-cervical-cancer>. According to the CDC, female breast cancer mortality rates accounted for 19.9% of U.S. cancer deaths in 2017. 250,000 cases of breast cancer are diagnosed in women and about 2,300 in men. About 42,000 women and 510 men in the U.S. die each year from breast cancer. <https://gis.cdc.gov/Cancer/USCS/DataViz.html>.
- <sup>9</sup> <https://www.commonwealthfund.org/chart/2020/us-excels-prevention-measures-including-flu-vaccinations-and-breast-cancer-screenings>
- <sup>10</sup> <https://media4.manhattan-institute.org/sites/default/files/Medicare-for-all-lessons-from-abroad.pdf>
- <sup>11</sup> <https://media4.manhattan-institute.org/sites/default/files/Medicare-for-all-lessons-from-abroad.pdf>
- <sup>12</sup> <https://www.telegraph.co.uk/news/politics/11340860/25-cancer-drugs-to-be-denied-on-NHS.html>
- <sup>13</sup> <https://www.cdc.gov/cancer/dpcp/research/articles/concord-2.htm> and <https://www.forbes.com/sites/sallypipes/2019/04/01/britains-version-of-medicare-for-all-is-collapsing/#5d387a0336b8>. <https://www.forbes.com/sites/sallypipes/2019/04/01/britains-version-of-medicare-for-all-is-collapsing/#5d387a0336b8>
- <sup>14</sup> <https://www.dailymail.co.uk/news/article-8824905/NHS-faces-lawsuits-cancer-patients-scans-tests-operations-cancelled-lockdown.html>
- <sup>15</sup> U.K. patients waiting over 18 weeks for treatment increased by over 100,000 from 2018. <https://www.rcseng.ac.uk/news-and-events/media-centre/press-releases/nhs-stats-march-2019/> and <https://www.england.nhs.uk/statistics/statistical-work-areas/combined-performance-summary/> and <https://www.forbes.com/sites/sallypipes/2019/04/01/britains-version-of-medicare-for-all-is-collapsing/#5d387a0336b8>.
- <sup>16</sup> <https://www.telegraph.co.uk/news/2020/01/09/patients-going-blind-long-nhs-delays-investigators-warn/>, and Sally C. Pipes, Why Does the Left Want Universal Health Care? Britain’s Is on Its Deathbed, FORTUNE (Jul. 10, 2018), <https://fortune.com/2018/07/10/nhs-70-years-uk-britain-single-payer/>.
- <sup>17</sup> <https://www.thetimes.co.uk/article/elderly-go-blind-as-nhs-ignores-eye-surgery-rationing-advice-bp5x77t0g> and <https://mtg.org.uk/wp-content/uploads/2019/03/Ration-Watch-launch-core-FINAL-200319-.pdf>
- <sup>18</sup> <https://www.fraserinstitute.org/studies/waiting-your-turn-wait-times-for-health-care-in-canada-2019>
- <sup>19</sup> Canadian physicians generally consider (post-specialist) wait times longer than 7 weeks beyond “clinically ‘reasonable.’” <https://www.fraserinstitute.org/studies/leaving-canada-for-medical-care-2017>
- <sup>20</sup> <https://thefga.org/wp-content/uploads/2018/03/WAITING-FOR-HELP-The-Medicaid-Waiting-List-Crisis-07302018.pdf>
- <sup>21</sup> <https://mtg.org.uk/wp-content/uploads/2019/03/Ration-Watch-launch-core-FINAL-200319-.pdf> and <https://www.opticianonline.net/news/ccgs-restrict-cataract-surgery-in-nhs-england-1> and <https://www.forbes.com/sites/sallypipes/2019/04/01/britains-version-of-medicare-for-all-is-collapsing/#5d387a0336b8>
- <sup>22</sup> <https://mtg.org.uk/wp-content/uploads/2019/03/Ration-Watch-launch-core-FINAL-200319-.pdf>
- <sup>23</sup> <https://mtg.org.uk/wp-content/uploads/2019/03/Ration-Watch-launch-core-FINAL-200319-.pdf> and <https://www.forbes.com/sites/sallypipes/2019/04/01/britains-version-of-medicare-for-all-is-collapsing/#5d387a0336b8>
- <sup>24</sup> <https://www.commonwealthfund.org/publications/issue-briefs/2020/jan/us-health-care-global-perspective-2019>
- <sup>25</sup> <https://www.bmj.com/content/362/bmj.k3002/rapid-responses> and <https://www.independent.co.uk/news/health/nhs-rations-operations-hip-patients-beg-treatment-cuts-funding-a8453531.html>
- <sup>26</sup> <https://bmjopen.bmj.com/content/7/10/e017902>
- <sup>27</sup> <https://link.springer.com/article/10.1186/1472-6963-9-118>
- <sup>28</sup> Bacchus Barua, Mackenzie Moir, *Waiting Your Turn: Wait Times for Health Care in Canada*, 2019 Report, Fraser Institute <https://www.fraserinstitute.org/studies/waiting-your-turn-wait-times-for-health-care-in-canada-2019>.
- <sup>29</sup> <https://www.manhattan-institute.org/using-lessons-from-international-health-care-medicare-for-all>
- <sup>30</sup> <https://media4.manhattan-institute.org/sites/default/files/Medicare-for-all-lessons-from-abroad.pdf>
- <sup>31</sup> <https://bradscholars.brad.ac.uk/handle/10454/17377>
- <sup>32</sup> <https://www.aafp.org/fpm/2017/0100/p26.html>
- <sup>33</sup> <https://www.vox.com/policy-and-politics/2020/1/17/21046874/netherlands-universal-health-insurance-private>
- <sup>34</sup> <https://www.vox.com/policy-and-politics/2020/1/17/21046874/netherlands-universal-health-insurance-private>
- <sup>35</sup> <https://www.commonwealthfund.org/publications/issue-briefs/2020/jan/us-health-care-global-perspective-2019>
- <sup>36</sup> <https://www.nytimes.com/2019/04/21/health/medicare-for-all-hospitals.html>
- <sup>37</sup> <https://www.cnn.com/2018/02/14/health/new-dutch-law-organ-donors-bn-intl/index.html>