What Sweden Can Teach Us About ObamaCare

Bylund, Per. Wall Street Journal, Eastern edition; New York, N.Y. [New York, N.Y]18 Apr 2014: A.11.

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ABSTRACT

According to the Euro Health Consumer Index 2013, Swedish patients suffer from inordinately long wait times to get an appointment with a doctor, specialist treatment or even emergency care. Insurance Sweden, the country's national insurance company trade organization, reports that in 2013 12% of working adults had private insurance even though they are already "guaranteed" public health care.

FULL TEXT

President Obama has declared the Affordable Care Act a success – a reform that is "here to stay." The question remains, however: What should we expect to come out of it, and do we want the effects to stay? If the experiences of Sweden and other countries with universal health care are any indication, patients will soon start to see very long wait times and difficulty getting access to care.

Sweden is praised as a rare example of a socialist country that works. A closer look at its health-care system tells a different story.

The overall quality of medical services delivered by Sweden's universal public health care consistently ranks among the world's very best. That quality can be achieved by regulating treatments to follow specific diagnoses as well as by standardizing procedures. If ObamaCare regulations do this, the quality of American health care may not go down either.

Sweden's problem is access to care. According to the Euro Health Consumer Index 2013, Swedish patients suffer from inordinately long wait times to get an appointment with a doctor, specialist treatment or even emergency care. Wait times are Europe's longest, and Swedes dependent on the public-health system have to wait months or even years for certain procedures, or are denied treatment.

For example, Sweden's National Board of Health and Welfare reports that as of 2013, the average wait time (from referral to start of treatment) for "intermediary and high risk" prostate cancer is 220 days. In the case of lung cancer, the wait between an appointment with a specialist and a treatment decision is 37 days.

This waiting is what economists call rationing – the delay or even failure to provide care due to government budgetary decisions. So the number of people seeking care far outweighs the capabilities of providers, translating into insurance in name but not in practice. This is likely to be a result of ObamaCare as well.

Rationing is an obvious effect of economic planning in place of free-market competition. Free markets allow companies and entrepreneurs to respond to demand by offering people what they want and need at a better price. Effective and affordable health care comes from decentralized innovation and risk-taking as well as freedom in



pricing and product development. The Affordable Care Act does the opposite by centralizing health care, minimizing or prohibiting differentiation in pricing and offerings, and mandating consumers to purchase insurance. It effectively overrides the market and the signals it sends about supply and demand.

Stories of people in Sweden suffering stroke, heart failure and other serious medical conditions who were denied or unable to receive urgent care are frequently reported in Swedish media. Recent examples include a one-monthold infant with cerebral hemorrhage for whom no ambulance was made available, and an 80-year-old woman with suspected stroke who had to wait four hours for an ambulance.

Other stories include people waiting many hours before a nurse or anyone talked to them after they arrived in emergency rooms and then suffering for long periods of time before receiving needed care. A 42-year-old woman in Karlstad seeking care for meningitis died in the ER after a three-hour wait. A woman with colon cancer spent 12 years contesting a money-saving decision to deny an abdominal scan that would have found the cancer earlier. The denial-of-care decision was not made by an insurance company, but by the government health-care system and its policies.

This is why Swedes over the past two decades have been rushing to purchase medical coverage through private insurance, which guarantees and delivers timely and qualitative care. Insurance Sweden, the country's national insurance company trade organization, reports that in 2013 12% of working adults had private insurance even though they are already "guaranteed" public health care. The number of private policyholders has increased by 67% over the last five years, despite the fact that an average Swedish family already pays nearly \$20,000 annually in taxes toward health care and elderly care, including what Americans call Medicare.

I lived in Sweden most of my life and have firsthand experience of the rapid expansion of the public sector in the 1970s and '80s -- followed by the welfare state's decline and failed promise. The outcome of a government-run and controlled health-care system in the U.S., such as that in Sweden, is as predictable as it is frightening. But it is avoidable.

Sweden has started to self-correct, choosing a more sustainable path: private health-care options that allow for competition, customer choice and better overall care for Swedes. America should learn from Sweden's experience and follow the Nordic country's recent example, turning away from government-controlled health care to embrace a free-market solution.

It is possible to have truly affordable, qualitative and accessible care. But the only way to get this result is through a system where providers freely compete with each other to lower costs and raise quality. There is no short cut to well-functioning, affordable health care. Sweden's undesirable experience shows this very clearly.

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DETAILS



Subject: Emergency medical care; Public health; Competition; Cost reduction; Patient

Protection & Affordable Care Act 2010-US; Health care access; Quality of care

Location: Sweden

People: Obama, Barack

Publication title: Wall Street Journal, Eastern edition; New York, N.Y.

Pages: A.11

Publication year: 2014

Publication date: Apr 18, 2014

Publisher: Dow Jones & Company Inc

Place of publication: New York, N.Y.

Country of publication: United States, New York, N.Y.

Publication subject: Business And Economics-Banking And Finance

ISSN: 00999660

Source type: Newspapers

Language of publication: English

Document type: Commentary

ProQuest document ID: 1517362432

Document URL: https://search.proquest.com/docview/1517362432?accountid=11209

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Last updated: 2017-11-21

Database: The Wall Street Journal

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