

## [Health care costs](#) [1]

Written by [Tim Worstall](#) [2] | Sunday 10 August 2008



One of the common mantras we hear is that health care costs are both rising and will continue to rise evermore into the future. I'm not all that certain that this is true and not just for the obvious reason that things which cannot go on for ever won't.

It's most certainly true that new and expensive treatments are being developed all the time. Further, that the expense of these treatments means that people in this country won't be able to have them, like these new [kidney cancer](#) [3] drugs. Well, almost everyone: if you can't have them on the NHS and you're not allowed to spend your own money on them (why not? What use is the money when you're in the grave?) and also receive the NHS treatment you've already paid for through tax, why then, only those going entirely privately will have them, a small number.

But that treatments are expensive now doesn't mean that they will always be so. The new drugs are of course expensive because of patent protections. Yes, it's possible that there might be a better way of financing drug development, but this is the system we've got now. But don't forget, patents run out. This isn't much good for those who have kidney cancer now, but in 17 years or so those drugs which now cost £35,000 a year will be a great deal cheaper.

It's also true that some treatments are expensive simply because they are new. We just don't know how to do them very well. This is [an example](#) [4]:

It could become a cheap, off the shelf treatment, for patients whose primary tumour has been removed with surgery, but the cancer has spread to other parts of the body.

It's worth remembering that in the 1940s penicillin was so expensive, because we didn't know how to purify it very well, that it was recycled from the urine of those receiving it. Today, [well](#) [5], "amoxicillin, 21 capsules, 87p; trimethoprim, 28 tablets, 45p".

Yes, I know, part of the projected rise in health care costs is about ageing, most especially about the rise of dementia. But there's progress [there too](#) [6].

I'm simply unconvinced, given these sorts of developments, that health care bills will keep on rising.

At heart I'm sure this is simply a reflection of one of my own mantras. Capitalism, markets, competition, these might not be the very finest methods of finding out whether something is possible....this is at least arguable. But they are extraordinarily good methods of making something cheap after we know that it is possible. I don't see any reason at all why that won't apply to new developments in health care.

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[4] <http://www.telegraph.co.uk/news/uknews/2524101/Cancer-victim-treated-with-daughters-cells-in-world-first.html>

[5] <http://www.guardian.co.uk/theguardian/2008/aug/09/5>

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