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Explaining the Science of Everyday Life

A Hidden Cost of Health Care: Patient Time

By Alan B. Krueger

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After waiting more than an hour in a doctor's waiting room, a friend of mine once presented his doctor with a bill for his time.

My friend's frustration probably sounds familiar to anyone who has been kept waiting at a physician's office. And while his response may seem a little extreme, perhaps he was on to something. After all, time is money. So, although it doesn't currently enter into our national statistics, the time that patients spend getting health care services should be reflected in the way we calculate America's national health care expenditures.

Any student of Econ 101 knows that economists measure costs by opportunity costs, meaning everything that is given up to get something else. Time spent interacting with the medical system could be used for other activities, like work and leisure. Moreover, spending time getting medical care is not fun. This time should be counted as part of the cost of health care.

Using the [American Time Use Survey](#), I calculate that Americans age 15 and older collectively spent 847 million hours waiting for medical services to be provided in 2007. That's a lot of bills to be delivered to health care providers.

Three percent of Americans traveled from their home to receive health care on any given day in 2007. The corresponding figures are 5 percent for women and 2 percent for men.

If you count health care-related activities *writ large* – including time traveling to a doctor, waiting to see a doctor, being examined and treated, taking medication, obtaining medical care for others, and paying bills – the average American spent 1.1 hours a week obtaining health care in 2007.

Not surprisingly, those over age 60 spent twice as much time obtaining medical care, on average, than did those age 15 to 60. Women spent about 70 percent more time on health care activities than men.

If we value all people's time at the average hourly wage of production and nonsupervisory workers (\$17.43 in 2007), Americans spent the equivalent of \$240 billion on health care in 2007.

Put another way, omitting patients' time caused national health care expenditures to be undercounted by 11 percent in 2007.

From earlier time-use surveys, it appears that the amount of time Americans spend getting health care services has grown with national health care expenditures.

Patient time is an important input in the health care system. Failing to take account of patient time leads us to exaggerate the productivity of the health care sector, and to understate the cost of health care.

The time that patients spend seeking, receiving and paying for health care services is just as real as the dollars they spend for medical services. Health care providers and insurers should be mindful of the opportunity cost of patients' time. Perhaps patients should be asked to report the amount of time they spend obtaining health care services as part of the [effort to modernize medical record keeping](#).