

Preferences for the forms of co-payment and advance payment in healthcare services; a discrete choice experiment

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Abstract

In Japan, households receiving welfare benefits are not required to pay for medical services that fall within the scope of their assistance programme. The payment obligations for other low-income households may also be limited because the public health insurance system provides services in-kind. It has been argued, therefore, that these features may contribute to an increase in the nation's healthcare expenditure. However, no strong evidence has been presented so far to support this argument.

This study conducted a conjoint analysis based on an online questionnaire survey of households on welfare and other low-income households in general to examine how their use of medical services may be affected if they are required to make co-payments, if their co-payments rise, or if a reimbursement system is adopted. The survey participants are 2,600 people, 458 of whom are from households on welfare (as representatives of all households nationwide that are receiving welfare assistance), 1,542 from other low-income households, and 600 from middle-income households (with annual income between 6 and 12 million yen).

The analysis has shown that, in general, an increase in co-payments would discourage people from seeking medical care. However, this relationship was not observed among middle-income households in the case of treatment of children's cavities.

Under a system in which patients first pay all the medical expenses in advance and later receive reimbursements, households on welfare and other low-income households in general would be less likely than middle-income households to seek medical care. Such a system would discourage welfare recipients and low-income people from seeking treatment for various medical conditions that they themselves may have and for two specific types of conditions that their children may experience, namely, rough skin and vomiting. However, it would not discourage them from seeking treatment for children's high fevers or cavities, except in the case of cavities in children of low-income parents.

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The analysis shows that, if a reimbursement system is adopted, people in low-income households in particular would become less eager to seek treatment for their own medical conditions, including conditions for which treatment is highly necessary. Thus, such findings should be taken into consideration when discussing whether to introduce a reimbursement system.

[Keywords] medical-care demand, welfare, reimbursement, online survey, conjoint analysis