

LCHE SEMINAR
MONDAY MAY 13th 11.00-12.00

Salle Baker, Bâtiment Proline (Station Vennes)
Route de la Corniche 10, 1010 Lausanne

Forward-looking behavior in health insurance

SPEAKER**PD DR CHRISTIAN P.R. SCHMID**

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ABSTRACT

We investigate whether patients adjust their healthcare utilization in anticipation of forthcoming price changes. Leveraging a natural experiment, we observe distinct probabilities of young adults facing future out-of-pocket cost increases. Based on an instrumental variable approach, we find that individuals expecting higher future prices augment current outpatient healthcare spending by approximately CHF 39 (or 5%). This behavior is confined to male patients already utilizing outpatient care, with no anticipatory spending in the inpatient sector. Our study underscores the significance of forward-looking behavior in healthcare demand analysis, health insurance design, and the potential welfare implications of patient cost-sharing.