

Can Private Health Insurance Reduce the Incidence of Household Catastrophic Health Expenditure in China?

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Abstract

Private health insurance is an important part of China's multilevel medical security system, which is conducive to improving the medical security level of insured households. Based on Chinese General Social Survey (CGSS) data, this study uses a logit model to estimate the impact of private health insurance on household catastrophic health expenditure. Our research results show that private health insurance can significantly reduce the incidence of catastrophic household health expenditure. Using the instrumental variable method to weaken the endogenous problem and the propensity score matching method to control the self-selection problem, the research conclusion is still valid. In terms of heterogeneity, private health insurance has a greater impact on reducing the incidence of catastrophic health expenditure in rural and non-elderly households. The mechanism test shows that health performance plays an intermediary role between private health insurance and catastrophic household health expenditure. This study suggests that the Chinese government should accelerate the development of private health insurance, expand its coverage of private health insurance, and reduce the incidence of catastrophic health expenditure in households.

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