

# Health Insurance And The Demand For Medical Care: Evidence From A Randomized Experiment

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## Inequality in healthcare costs between residing and non-residing patients: evidence from Vietnam

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### Abstract

**Background:** Place of residence has been shown to impact health. To date, however, previous studies have only focused on the variability in health outcomes and healthcare costs between urban and rural patients. This study takes a different approach and investigates cost inequality facing non-residing patients – patients who do not reside in the regions in which the hospitals are located. Understanding the sources for this inequality is important, as they are directly related to healthcare accessibility in developing countries.

**Methods:** The causal impact of residency status on individual healthcare spending is documented with a quasi-experimental design. The propensity score matching method is applied to a unique patient-level dataset ( $n = 900$ ) collected at public general and specialist hospitals across North Vietnam.

**Results:** Propensity score matching shows that Vietnamese patients who do not reside in the regions in which the hospitals are located are expected to pay about 15 million Vietnamese dong (approximately 750 USD) more than those who do, a sizable gap, given the distribution of total healthcare costs for the overall sample. This estimate is robust to alternative matching specifications. The observed discrepancy is empirically attributable to the differences in three potential contributors, namely spending on accompanying relatives, "courtesy funds," and days of hospitalization.

**Conclusions:** The present study finds that there is significant inequality in healthcare spending between residing and non-residing patients at Vietnamese hospitals and that this discrepancy can be partially explained by both institutional and non-institutional factors. These factors signal practical channels through which policymakers can improve healthcare accessibility.

**Keywords:** Residency status, Healthcare costs, Bribery, Vietnam

### Background

Healthcare costs are an important consideration in the design of public health policies. The costs of health services affect healthcare accessibility both directly, by placing financial burdens on individual service users, and indirectly, via the magnitude of healthcare spending in relation to expenditures on other public endeavors. Within a neoclassical general equilibrium framework, agents act optimally to achieve their maximum utility. It is thus reasonable to predict that health spending is factored in this utility-maximizing mechanism in individuals' healthcare choices.

Getting an insight into this process is important both to design and to evaluate healthcare programs.

Most studies in the cost literature that explore the link between health-related expenditures and health outcomes are executed at aggregate levels [1–3]. Evidence on patient-level associations is lacking. In addition, given the overall role that healthcare cost considerations play, evidence on the relative impact of each specific determinant of healthcare costs is surprisingly scanty. Part of the practical challenge lies in the economic and social costs associated with randomized control trials. From a methodological perspective, healthcare researchers are often confronted with a major difficulty in estimating counterfactual outcomes

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Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment. By WILLARD G. MANNING, JOSEPH P. NEWHOUSE, NAIHUA. Evidence from a Randomized Experiment It presents the final results of the RAND Health Insurance Experiment (HIE) with respect to annual The findings indicate that demand elasticities for medical care are nonzero and that the response. Am Econ Rev. Jun;77(3) Health insurance and the demand for medical care: evidence from a randomized experiment. Manning WG, Newhouse . Health Insurance and the Demand for Medical Care: Evidence from a Randomized Manning, Willard G.; Newhouse, Joseph P.; Duan, Naihua; Keeler, Emmett. Request PDF on ResearchGate Health Insurance and the Demand for Medical Care, Evidence from a Randomized Experiment The authors estimate how cost . The data come from a randomized experiment. A catastrophic Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment.(). June 1, Willard G. Manning et al. (). Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment. Health insurance and the demand for medical care: Evidence from a randomized experiment []. Manning, W.G. Newhouse, J.P. Duan, N. Keeler, E.B. et al. The demand for episodes of treatment in the health insurance experiment? . insurance and the demand for medical care: Evidence from a randomized. Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment/RHhs (Rand Report) [Willard G. Manning] on antik-community.com Willard G. Manning, Joseph P. Newhouse, Naihua Duan, Emmett B. Keeler, Arleen Leibowitz. Summary. This randomized experiment explores the effect of. It presents the final results of the RAND Health Insurance Experiment (HIE) with and the Demand for Medical Care: Evidence from a Randomized Experiment. Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment. Front Cover. RAND, - 99 pages. As healthcare spending has risen, patients have been required to . the demand for medical care: evidence from a randomized experiment. Health insurance and the demand for medical care: evidence from a randomized experiment. WG Manning, JP Newhouse, N Duan, EB Keeler, A Leibowitz. The demand for dental care: evidence from a randomized trial in health insurance Newhouse, J.P. A design for a health insurance experiment. Inquiry. Manning, W.G., J.P. Newhouse, N. Duan et al. (), Health insurance and the demand for medical care: evidence from a randomized experiment, American. Use of medical care in the RAND health insurance experiment: diagnosis- The demand for dental care: evidence from a randomized trial in health insurance. How Free Care Improved Vision in the Health Insurance Experiment. Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment. The RAND Health Insurance Experiment (RAND HIE) was an experimental study of health care Because it was a randomized controlled trial, it provided stronger evidence than the (among others): "Does free medical care lead to better health than insurance plans . Health insurance and the demand for medical care. randomized experiments, as well as some quasi-experimental studies. This work has produced compelling

evidence that moral hazard in health insurance exists that is .. elasticity of demand for medical care of (Manning et al. The Demand for Health Insurance and Health Care: A Review of the Empirical Literature. Show all authors. Robert W. Broyles Robert W. Broyles. Widener.private health insurance, medical care utilization, selection into insurance, and the demand for medical care: Evidence from a randomized experiment.Buy Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment/RHhs (Rand Report) by Willard G. Manning ( ISBN.

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