

The impact of reforms to the Japanese medical insurance system for the aged on their consumption and saving

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April, 2014

Abstract

This paper considers whether system reforms from co-payment system to coinsurance system affected patients' outpatient medical expenditures and how they compensated for the increase in outpatient expenditures caused by the reforms in Japan. I found that the reforms significantly increased real per capita outpatient expenditures. But they did not affect the real per capita expenditure for any of the categories except in the case of the real per capita medical care expenditure, taking account of a simultaneous decision of any expenditure of those categories of commodities and saving. In addition, I found that the aged reduced their savings to compensate for the increase in outpatient expenditures caused by the reforms.

JEL classification: C31, D12, I11

Keywords: Medical insurance for the aged, Co-payment, Coinsurance rate, Cross-sectional data, Differences in differences

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