

Knowledge about own complementary health insurance plan and healthcare consumption: Do the health insured get their money's worth?

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Abstract

In France, most individuals subscribe for complementary health insurance (CHI) to top up reimbursements from the national health insurance (NHI). Knowing that NHI covers the majority of healthcare expenditures, one may wonder if the insured are sufficiently informed about their CHI, and if they made a good choice when subscribing.

This empirical work explores the choice of CHI among the insured covered by a French CHI provider. Survey data was matched with an administrative dataset. We thus have access to usually unobserved self-reported personal traits (risk aversion, health status, etc.). Using ordered probit models, the determinants of CHI are examined across three sub-populations with different levels of knowledge of their coverage. The difference between reimbursements and contributions is then scrutinized with the help of quantile regressions. We explore whether being correctly informed necessarily implies reducing what we call the insurance gap.

For a large majority of the insured (85%), annual premiums exceed annual reimbursements. The negative difference found for a specific year remains the same when calculating the difference for another year over a decade. Knowledge may be important if individuals are in the extreme category. The gap is not widened by comfort healthcare consumption but essentially by inpatient care.

Keywords: • Health insurance • Common Knowledge • Insurance gap • Quantile regressions