Does the abolition of direct payments for consultations reduce emergency room visits? Evidence from a French natural experiment.

Alexis Dottin *

November 4, 2022

Abstract

We analyze the effects of a 2017 French reform that removed direct payments for all the care consumed by pregnant women after the 6th month of pregnancy. Direct payments create a liquidity constraint on individuals' income that can deter care consumption, especially among low-income individuals. In France, a free complementary health insurance (CHI) managed by the National Health Insurance (NHI) already exists to exempt the care consumption of low-income individuals from direct payments. Therefore, this study investigates whether there are still individuals who are constrained by the price of a medical consultation despite the existence of this free CHI. To do so, we use a sample of the exhaustive database on individuals' care consumption, the SNIIRAM. This database records all out-patient care and hospital care consumed by almost all the French population. Using a triple differences estimator, we estimate the causal impact of the reform on the number of out-patient consultations, and the number of ED visits made by pregnant women. We find that the abolition of direct payments led to a small increase in the number of General Practitioner (GP) consultations of pregnant women (+6.5 consultations by month per 100 women). This result suggests that a small proportion of pregnant women was still subject to liquidity constraints for care, despite the existence of the free CHI. Then, we examine the possible spillover effects of the reform on the number of visits to the Emergency Department (ED). Since direct payments were not required in most EDs before the reform, pregnant women with liquidity constraints could substitute an ED visits to a GP consultation to avoid the payment of a consultation upfront. We find no effect of the reform on the number of ED visits made by pregnant women, but cannot conclude between absence of effect or lack of statistical power. Put together, the results provide empirical evidence that the presence of direct payments for out-patient consultations restricts the access to GP care of liquidity constrained pregnant women, and do not seem to encourage the use of EDs for non-urgent conditions. This paper contributes to a very scarce literature on the liquidity sensitivity of health care consumption in high-income countries. These findings provide useful information for the public debate about extending the exemption of direct payments for care to the general French population.