

Even small increases in copays affect children's healthcare use

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(Medical Xpress) -- Increases in copayments of only a few dollars for ALL Kids, Alabama's Children's Health Insurance Program (CHIP), led to declines in the use of several healthcare services for the children they affected, reveals a study in *Health Services Research*. Use of services within ALL Kids with no increase in copayments did not decline, nor was a decline in services observed for children whose copayments did not rise.

CHIPs, supported by the [federal government](#), but managed at the state level, are designed to provide [health insurance](#) for children whose families are not eligible for [Medicaid](#), and who cannot afford or are not eligible for other health [insurance](#).

Copayments for ALL Kids went up in 2004 and impacted families with incomes between 101 and 200 percent of the [federal poverty level](#). Services such as emergency room visits, prescriptions (with a lower increase for generic drugs), and hospital stays were targeted for additional copays. Copayments did not increase for preventive dental or well child care. Cost increases ran from \$3 to \$15, but were mostly in the \$3 to \$5 range.

"Even these relatively small increases in copay still have some effect," said Bisakha Sen, Ph.D., associate professor at the University of Alabama at Birmingham. She and her co-authors evaluated which health services in ALL Kids were used before and after the change in copayment. They also looked at the use of services that had no change in copayment and at enrollees who were not subject to a copayment increase.

While most of the decreases were quite small - tenths of a percentage point - these added up to appreciable numbers when factored over all the children enrolled in a given month, the study noted. For example, the gap of between 0.07 percent and 0.09 percent of expected versus actual in-patient stays at a hospital in November 2003 compared to after the policy change in November 2004 translates to between 44 and 57 fewer in-patient visits that month.

No similar decrease in use was seen for preventive care, such as well-child visits and preventive dentistry, Sen said. "We did find evidence of shifting toward more use of preventive services after these changes happened," Sen added. "We anticipate that greater use of preventive services will preempt some of these health offsets down the road."

"I think the data support what physicians have felt for years," said Grant Allen, M.D., president of the Alabama chapter of the American Academy of Pediatrics. "I find that the research seems to support that,

over time, populations make decisions about [health](#) care based on cost. 'Free' care is accessed most often and even small copays reduce use of services.”

The shift to preventive care shows that copayments can be used to change behavior, Allen said. “Well care, with no copay, was accessed more, while E.D., pharmacy and office visits decreased. I think many physicians wish we could have the same affect on our patients' behavior.”

More information: Sen B, et al. (2012). Did Copayment Changes Reduce Health-Service Utilization Among Chip Enrollees? Evidence from Alabama. *Health Services Research*, *in press*.

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