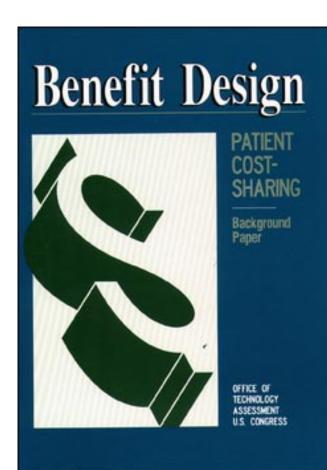
Benefit Design in Health Care Reform: Patient Cost-Sharing

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# Foreword

ealth care is one of the Nation's preeminent domestic policy concerns. The contemporary health care reform debate has brought to the fore thorny issues surrounding the design of health care benefits. The scope and depth of health insurance coverage can have a substantial impact on the health care services people obtain, on the costs of the health care system, and, ultimately, on the health of the Nation.

This Background Paper is part of an OTA series on *Benefit Design in* Health Care Reform that explores the merits of using information on health effects and cost-effectiveness to formulate health insurance benefits. When it is complete, the series will include publications on general policy issues, coverage of clinical preventive services, benefits for mental health and substance abuse treatment, and patient cost-sharing requirements. The benefit design series is a component of a larger OTA assessment, Technology, Isurance, and the Health Care System, which was requested by the Senate Committee on Labor and Human Resources (Edward M. Kennedy, Chairman) and was endorsed by the House Committee on Energy and Commerce (John D. Dingell, chairman), the House Committee on Ways and Means Subcommittee on Health (Willis D. Gradison, then Ranking Minority Member), and Senator Charles E. Grassley (Committees on Budget, Finance, Special Committee on Aging). Other publications related to the assessment include Does Health Insurance Make a Difference?-background Paper and An Inconsistent Picture: A Compilation of Analyses of Economic Impacts of Competing Approaches to Health Care Reform by Experts and Stakeholders.

*This* Background Paper examines the health services and economics literature to learn what is known about the effects of patient cost-sharing (that is, annual deductibles, coinsurance, copayments, and out-of-pocket maximums) on patients' use of health care services, on plan expenditures, and on patients' health outcomes.

OTA was assisted in the preparation of this Background Paper by the advisory panel for the *Technology, Insurance, and the Health Care System* assessment, a group of leading health care provider, insurer, business, academic, and consumer representatives, and by numerous other health policy experts. OTA gratefully acknowledges the contribution of each of these individuals. As with all OTA reports, the final responsibility for the content of this Background Paper rests with OTA.

Roger C. Herdman, Director

# **A**dvisory Panel

James C. Hunt, Chair University Distinguished Professor University of Tennessee-Memphis Memphis, TN

Henry Aaron Director Economic Studies Program Brookings Institution Washington, DC

# Robert Brook

RAND Health Sciences program RAND Corp. Santa Monica, CA

Arthur Caplan Director Center for Biomedical Ethics University of Minnesota Minneapolis, MN

Deborah Chollet Associate Director Center for Risk Management and Insurance Research Georgia State University Atlanta, GA

Olivia Cousins Associate Professor CUNY-Health Education New York, NY

#### Jane L. Deigado

President and CEO National Coalition of Hispanic Health and Human Services Organizations Washington, DC

#### Paula K. Diehr

Professor Department of Biostatistics School of Public Health and Community Medicine University of Washington Seattle, WA

#### M. Joycelyn Eiders\* Commissioner of Health State of Arkansas Little Rock, AR

Jack Hadley Co-Director Center for Health Policy Studies Georgetown University Washington, DC

Douglas E. Henley Physician in Private Practice Hope Miih, NC

William Hobson Executive Director Central Seattle Community Health Centers Seattle, WA

John Lewin Director of Health State of Hawaii Honolulu, HI

Barbara J. McNeil Ridley Watts Professor and Head Department of Health Care Policy Harvard Medical School Boston, MA

#### **David Mechanic**

Rene Dubos Professor of Behavioral Sciences Director Institute for Health, Health Care Policy, and Aging Research Rutgers University New Brunswick, NJ

#### **Joseph Morris**

Vice President for Information Systems Delaware Valley Hospital Council Philadelphia, PA Patricia Nazemetz Director of Benefits Xerox Corp. Stamford, CT

David G. Pockell Senior Vice President and Regional Manager Kaiser Foundation Health Plan Oakland, CA

**Carl Scott** Senior Vice President Mutual of Omaha Omaha, NE

### Gordon R. Trapnell

President Gordon R. Trapnell Consulting Actuaries, Ltd. Annandale, VA

Cheryl B. Travis

Professor of Psychology and Assistant Department Head Department of Psychology University of Tennessee Knoxville, TN

## Special Consultant

**Stephen H. Long** Senior Economist RAND Corp. Washington, DC

• Until May 1993.

**NOTE:** OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the advisory panel **members.** panel does **not** however, necessarily approve, disapprove, or endorse this report. OTA assumes full responsibility for the report and the accuracy of its contents.

# Preject Staff

Clyde J. Behney Assistant Director, OTA

### ADMINISTRATIVE STAFF

Beckie Erickson Office Administrator

Carolyn Martin Word Processing Specialist

Dan Carson PC Specialist

Eric Gille Secretary

## PUBLISHING STAFF

Mary Lou Higgs Manager, Publishing Services

Dorinda Edmondson Typographer

Christine Onrubia Graphic Designer

#### PRINCIPAL STAFF

Denise Dougherty Senior Associate Project Director for Technology, Insurance, and the Health Care System

JILL EDEN Principal Analyst

Matthew Hahn Douglas Berkson Research Assistants