

**TITLE:** Determinants of Private Health Insurance Coverage in a National Health Insurance System: Lessons from South Korea

**AUTHOR(S):** Minjeong Kim, SP and Jangho Yoon

**PRESENTER(S):** Minjeong Kim

**STUDENT SUBMISSION:** Yes

**TOPIC/TARGET AUDIENCE:** policy makers, researchers, public health professionals

**ABSTRACT:** To maintain a single-payer national health insurance system, South Korea has limited covered benefits and as a result, the majority of its citizens also purchase supplemental coverage in the private market. Private health insurance has been criticized for resulting in excess health spending under the absence of any substantive regulations. This study examined determinants of private health insurance coverage to shed a more light on the interplay between national health insurance and private health insurance. We analyzed a six-year panel data (2008-2013) from Korean Medical Panel Survey (KMPS) on 15,258 Korean adults aged 18-64 (n= 65, 457). We used the two-part models of the number of private health insurance contracts and monthly premiums. Positive health perception, the number of chronic diseases and unfavorable health behaviors were significant predictors of private health insurance purchase while prior health spending was not. Our findings may imply the existence of both positive selection (i.e., the healthier have greater risk aversion and therefore are more likely to purchase insurance coverage) and negative selection (e.g, the less healthier are more likely to purchase insurance coverage to avoid future financial risk) into private health insurance in South Korea. We also find some evidence on income-related heterogeneity in the determinants of private coverage, implying lack of equal access to comprehensive benefits for low-income populations.

**OBJECTIVE(S):** Identify the characteristics of individuals with private health insurance in South Korea that has achieved national health insurance

Analyze the extent to which individual characteristics influence the purchase of private health insurance

**PRIMARY CONTACT INFORMATION:**

kimm5@oregonstate.edu, Oregon State University