

## Abstract

### “Patient Cost-sharing and Health Care Utilization among Children”

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Exploiting the variation in the level of subsidy for child health care by municipality, age, and time in Japan, this paper examines the effect of patient cost-sharing on child health care utilization. Using longitudinal claims data and triple difference-in-difference framework, we find that reduced cost-sharing significantly increases utilization of outpatient care among children. The price elasticity is around -0.10 which is smaller than the conventional estimate of -0.20 for adults. We further show that increases in health care utilization reflects moral hazard rather than the increases in beneficial care. We do not find the evidence for the offset effects: the increase in outpatient care does not seem to reduce future inpatient admissions.

