The Public Defense
of the Doctoral Thesis in Economics
by
Anikó Bíró
on
ESSAYS ON AGING AND HEALTH
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The doctoral thesis is available for inspection at the CEU Economics Department
Abstract

Life expectancy at older ages in Europe is increasing, and the share of elderly people in the total population is also rising. Therefore it is important to improve our understanding of the economic decisions made by the aging population. In this thesis I consider two economic decisions: the consumption decisions related to changing life expectancy, and decisions on health care utilization. I analyze how people aged 50 and above adjust their consumption expenditures if their subjective longevity changes, how their health care utilization depends on the coverage with voluntary private health insurance, and I also analyze the utilization of outpatient health care services related to the health care institutions.

The thesis consists of three chapters. All chapters are based on empirical work. In the empirical analysis I use the Survey of Health, Ageing and Retirement in Europe (SHARE) database. The SHARE is a cross-national panel database covering individuals aged 50 and above. The survey focuses on the socioeconomic and health status of the respondents. In this thesis I use the first two waves of the survey.

In the first chapter I estimate the effect of changes in subjective mortality hazard on consumption expenditures using the first two waves of the SHARE data. I measure mortality expectations with survey responses to a question on survival probability. To create plausibly exogenous variation in mortality hazard, I use the death of a sibling as an instrument. I find that a four-year decrease in the expected remaining lifetime at age 60 increases consumption by 7-9 percent in the subpopulation of individuals with positive financial wealth, who are likely not liquidity constrained. My results show that survey responses contain economically relevant information about longevity expectations, and confirm the predictions of life-cycle theories about the effect of these expectations on intertemporal choice.

In the second chapter I investigate if voluntary private health insurance coverage influences health care utilization in countries where the coverage ratio with public health insurance is high. I estimate this effect using the first wave of SHARE. Handling the potential endogeneity of voluntary insurance coverage and the large fraction of zero observations in the utilization models influences the empirical results. I show that the effect of private health insurance coverage on inpatient and outpatient care utilization is not trivial even in countries with generous public health funding. The main finding of this chapter is that voluntary private health insurance coverage increases dental care utilization, but decreases the visits to general practitioners. Private insurance is estimated to have little and insignificant influence on the utilization of inpatient care and outpatient specialist care. The magnitude of the effect of voluntary private health insurance on health care utilization varies with the characteristics of the health care systems.
While in the first two chapters my aim is to estimate causal effects with an emphasis on the econometric methodology, the third chapter is more policy oriented. I analyze the relationship between health care institutions and the utilization of outpatient services by individuals aged 50 and above. I use cross-sectional data from the second wave of SHARE. The focus of this chapter is on the out-of-pocket costs of health care utilization, the gatekeeper role of general practitioners, and how these institutional settings are related to public and private care utilization. The results indicate that public financing has positive but moderate association with outpatient care utilization among the analyzed population. Copayments are related negatively to the probability of visiting a general practitioner among those in good health condition. I estimate the demand for private specialist care services to be higher in countries where there are copayments required for public specialist care, and where the general practitioners have gatekeeper role. These estimated effects on private specialist care utilization are relatively large, and are driven by the wealthier individuals.

In sum, the findings of this thesis indicate that the elderly people in Europe adjust their consumption expenditures if subjective longevity changes, and that their health care utilization is influenced in a non-trivial way by private health insurance coverage. Variations in the health care financing settings and the gatekeeper role of general practitioners are also related the health care utilization of the people aged 50 and above, and these relations are heterogenous across the analyzed population.
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Education
2005 - Ph.D in Economics at Central European University
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Professional experience
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