

The impact of co-payments for nursing home care on use, health, and welfare

Abstract

Nursing home residents often have to pay substantial co-payments. We assess the impact of these co-payments, leveraging a Dutch reform. An increase in the monthly copayment induced users to postpone permanent nursing home admissions. The resulting savings were only partially offset by increases in home care use. There were no overall effects on mortality nor on children's care use and income. While the change in the monthly payment was modest, average lifetime payments increased substantially. The welfare loss due to the increased financial risk for potential users likely outweighs the gains associated with the reduction in publicly financed care.

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