

# Copayments for Ambulatory Care in Germany: A Natural Experiment Using a Difference-in-Difference Approach

## Abstract

In response to increasing health expenditures and high physician visits the German government introduced a copayment of €10 for the first ambulatory care physician visit per quarter for insured of the Statutory Health Insurance in 2004. Since the privately insured were exempt from the copayments the reform can be regarded as a natural experiment. Data of the GSOEP for 2000-2006 is used to examine whether 1) the copayment effectively reduced the overall demand for physician visits and whether 2) they acted as a deterrent to vulnerable groups such as persons with low income or chronic conditions. We used a difference-in-difference approach and estimated probit, negative binomial and zero-inflated negative binomial models while controlling for the state of health and various socio-economic characteristics. Descriptive analysis suggests that the copayment initially reduced the number of physician visits in the intervention year 2004. However, the difference-in-difference analysis found that there was no significant reduction in the number of physician visits for insured of the Statutory Health Insurance compared to our control group. At the same time we could not find any deterrent effect of the copayments on vulnerable groups. Thus, the copayment has not succeeded in reducing the demand for physician visits. It is likely that this result is due to the design of the copayment scheme as the copayment is low and has to be paid only for the first physician visit per quarter.

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