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## Elderly Australians purchase of health insurance in a period of rapid policy change

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### Abstract

Research into the factors associated with older households health insurance purchase is a timely issue. Since forming government in 1996, the Australian government has implemented key reforms to the private health insurance market. An important research question in the context of these reforms is, have the factors associated with an older households purchase of health insurance changed between the pre-reform and post-reform era? An understanding of these determinants and trends provides important information with which to plan for population ageing.

Using the 1995 and 2001 cross sections of the National Health Survey, and a non-linear demand model, this paper examines the factors associated with an elderly households purchase of health insurance. Adopting several methods to re-correct for sample differences between the 1995 and 2001 cross sections of the NHS, this analysis finds that the factors associated with an elderly households health insurance purchase remained relatively stable over a period of rapid policy change. Importantly, apart from economic factors, health and demographic factors are also found to be strongly associated with an elderly households decision to (1) not purchase health insurance (2) purchase basic hospital insurance or (3) purchase comprehensive health insurance.

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