Can High Deductibles Discourage Use of Low-Value Health Care?

What These Findings Mean

This work provides evidence, for the first time, that high deductible plans cause working age employees to reduce spending for low-value care disproportionately relative to overall spending reductions. Results also suggest that these patients are not simply shopping for better prices on care that provides little benefit, but are reducing use of low-value care specifically. Together, these findings show the potential for high deductibles to incentivize smarter health care use and spending. Additional research is still needed, however, to assess more directly how high deductibles affect use of high-value care and patient health outcomes and to understand differential impacts on more economically vulnerable populations, such as those not working for large employers.

More About This Study

Estimates of spending impacts may be biased if enrollees in high deductible plans differ systematically from non-enrollees in unobservable ways that affect health care spending. This study uses five years of claims data from 30 large self-insured employers to implement two econometric methods designed to mitigate this selection bias. The intent-to-treat analysis uses a difference-in-differences model to compare annual spending measures at the firm level for employers who began offering a high deductible plan versus those who did not. The local average treatment effect analysis uses the firm’s plan offer as an instrument to predict employee enrollment in the plan and then estimates spending for individuals based on their conditional probability of plan enrollment. All analyses examine spending for a set of 24 low-value outpatient services, subsets of low-value imaging and low-value lab services, and all outpatient, all imaging and all lab services. Spending impacts are decomposed into quantity and price components by considering the number of services and the average payment per service.


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