

Anticipation and Adaptation: How the Oldest-Old Navigate Increased Cost-Sharing

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Understanding how vulnerable populations respond to price changes in essential goods markets becomes critical as demographic pressures mount globally. We examine a Japanese healthcare reform that doubled copayment rates for higher-income enrollees aged 75+. Using novel data linking national health insurance claims to individual tax records over 26 months with regression discontinuity and difference-in-differences, we find three distinct behavioral patterns: anticipatory behavior before implementation, immediate decreases after policy change, and persistent modest reductions throughout the subsequent year. Price elasticities are notably smaller than younger populations, reflecting essential consumption needs. Results support value-based pricing principles for vulnerable populations in aging societies.

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