

# The Effects of Health Insurance Integration on Inpatient Utilization and Medical Debt: Evidence from China's URRBMI Reform

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## **Abstract**

This study examines the impact of the integration of social basic medical insurance on inpatient utilization and medical debt among rural residents in China. A difference-in-differences framework is employed to exploit the staggered implementation of the reform across provinces. By lowering the out-of-pocket sharing and expanding the coverage for rural resident, the reform aims to release suppressed healthcare demand and to alleviate financial burden of healthcare. The results indicate that while the integration has no insignificant effect on average inpatient utilization on average, it significantly reduces the likelihood of falling into medical debt by 2.10 percentage points and decreases the average debt amount by 20.10 percentage points. Heterogeneity analyses show that the gains are concentrated among middle-income households, while no statistically significant effects are found for low-income groups. These findings suggest that the protective benefits do not uniformly reach the most economically disadvantaged, highlighting a potential gap in achieving overall distributional equity.