Author's response to reviews

Title: Household out-of-Pocket medical expenditures and National Health Insurance in Taiwan: income and regional inequality

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Author's response to reviews: see over
Dear Editor,

21 April, 2005

Please find attached file containing the revised version of our manuscript entitled “Household out-of-pocket medical expenditures and National Health Insurance in Taiwan: income and regional inequality”

Thank you for providing us with this chance to revise the paper and we are very grateful for the reviewer’s helpful comments on reorganizing our paper. We appreciate your time and effort to help us with our article. We have changed and substantially extended the text to clarify points suggested by the reviewer, and spent a great deal of time creating a sharper, more direct paper. We summarize the major modifications as follows:

I. Response for reviewer

1. The main issues that this paper raises for me concern the interpretation of the results and their policy implications.

To interpret the results and policy implication more detailed, we reorganize the result section (from page 15, 1st paragraph to page 17, 2nd paragraph) and add another section “Discussion” before the section of conclusion (page 17-20).

2. Although the surveys apparently did collect data about household consumption of health care the focus of this paper is entirely on out-of-pocket (OOP) costs. There are no references to changes in utilization rates with the introduction of NHI and therefore total per capita health expenditure which makes the interpretation of decreased OOP difficult.

Since the data used in this study only provide the information on OOP, we are unable to discuss changes in utilization rates with the introduction of NHI and therefore total per capita health expenditure. Instead, we includes statistics of expenditure for health from the Department of Health Website in the discussion section to support our finding and interpretation (page 18, 1st and 2nd paragraph in the discussion section).
3. The fact that the lower and middle income quintiles showed a relatively small decrement in OOP payments after NHI could suggest that the provision of NHI led to a significant increase in utilization in the lower income groups so that the effect of greater insurance coverage was matched by increasing utilization. In this context it would have been nice to know about differences in the prevalence of insurance coverage in 1994 by different income quintiles and regions.

This valuable suggestion was strongly accepted by our research team. To make the interpretation better, we discuss about the differences in the prevalence of insurance coverage in 1994 by different income quintiles and regions in the discussion section and demonstrate the potential effect of previous insurance coverage in 1994 on changes in OOP (page 18, 2nd paragraph, line 6-9 and page 19, 2nd paragraph).

4. It is not clear whether these analyses have been done and are scheduled for publication in a separate paper or perhaps the data from the surveys are not sufficient. However, I think the issues should be canvassed and if utilization data, total health expenditure estimates and estimates of elasticity of utilization are scheduled for later publication, perhaps this could be mentioned.

Since the data used in this study are not sufficient, we are unable to canvass the issues suggested by the reviewer. We add another paragraph at the end of the conclusion to mention about this data shortage and emphasize that these issues are important and could be done in the future study using insurance claim data collected by the Bureau of NHI (page 21, 2nd paragraph).

5. A number of textual revisions suggested by the reviewer are fully accepted. 
   (1) The financial burden from out-of-pocket medical expenditures rely on regressive financing in developed countries.

   We replace “rely on” with “is” (page 4, line 1).

   (2) that NHI shortened the gap between the richer and the poor

   We change “shortened” to “reduced” (page 4, 2nd paragraph, line 6).

   (3) “Because the previous insurance schemes required no copayment, moral hazard commonly occurred”- there are no references cited to support this claim; is it something that is widely believed to occur or has it been demonstrated? Does moral hazard ‘occur’?

   Since it is widely believed to occur, we make a little change on this sentence. (page 8, 3rd paragraph, line 2)

   (4) “if a beneficiary suffers a major illness or injury and requires long-term, expensive
treatment, he is exempted”-gender neutral or inclusive pronoun might be preferable, perhaps ‘he/she’?

We change ‘he’ to ‘he/she’ (page 7, line 2 from the bottom).

II. Response for the editor (Formatting changes)

1. Title page

Title page has been changed based on the editor’s requests. It includes the manuscript title and the full names and affiliations for all authors. The corresponding author is also indicated using an asterisk.

2. Section headings

We use sentence case for all headings and sub-headings in the manuscript (i.e. remove all unnecessary capitals).

3. Affiliations

Affiliations were changed based on the editor’s requests (page 1).

4. Abstract- Please consider expanding the results section if possible

We have expanded this result section both in the abstract and in the text (page 1 and page15-17).

5. Introduction-Please rename this section ‘Background’

Introduction has been renamed to ‘Background’ (page 3).

6. Manuscript sections

We reorganized manuscript sections based on the editor’s request and therefore, add a new section ‘Discussion’ before the conclusion section (page 17-20).

7. Authors’ contributions-

We have made a little change in this section with the inclusion of another important contributor (Dr. Yi-Wen Tsai) in the fourth position. Dr. Tsai provides us the data set used in this study and helps us to perform the statistical analysis and interpret findings.

8. Acknowledgements
We add this new section before reference. Since we are applying the grant and series number has not known until July, we temporarily use ‘???’ as the grant number and will replace it with the correct number soon after the outcome is revealed.

9. References

We have carefully checked the journal’s style to meet the requirements.

We cannot say how much we really appreciate the reviewer’s very thorough and thoughtful review of our paper. His/her opinions and valuable suggestions inspired us to think the whole paper over carefully, and helped us to substantially reorganize and extend the text. We believe and hope that you will find this paper much better and quite suitable for publication.

Sincerely yours,

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