

The effect of early retirement on health care expenditure

CHUN-HUA WU^{1,2}, JYE WANG^{1,3}, WENDER LIN^{1,3,*}

Objectives: This study aimed to compare the health care expenditure between the retirees of various retirement age and non-retirees with similar characteristics. **Methods:** Data for this analysis came from Taiwan's Longitudinal Health Insurance Data set (LHID 2005). The health care expenditure three years before and six years after retirement were measured for people who retired at the age between 50 and 69 and compared to non-retirees during the same periods. Propensity score with greedy match method was used to select the comparison group who were not retired. The differences in health care expenditure between the matched pairs were tested using Wilcoxon's signed rank test. Mixed models with various control covariates were used to compare the difference in health care expenditure before and after retirement between the pairs. **Results:** The total sample consisted of 12,262 subjects. There were 9,268 subjects aged between 50 and 59. Those who retired between the age of 50 and 59 had higher outpatient health care expenditure than the comparison group within six years after their retirement. Retirees also had higher total health care expenditure than the comparison group within five years after their retirement. The differences in outpatient health care expenditure of those who retired between the age of 60 and 69 and non-retirees were non-significant. Compared to one year before their retirement, the outpatient and total health care expenditure for the retirees who retired between the age of 50 and 59 and non-retirees were significantly higher after their retirement. **Conclusions:** Those who retired before the age of 60 had higher health care expenditure than non-retirees. There was no difference in health care expenditure between those who retired after the age of 60 and non-retirees. The impact of retirement age on the financial viability of national health insurance system should be taken into account in future policy debate. (*Taiwan J Public Health*. 2014;**33**(1):51-62)

Key Words: retirement, health care expenditure, propensity score, repeated measures

¹ Department of Health Care Administration, Chang Jung Christian University, No.1, Changda Rd., Gueiren Dist., Tainan, Taiwan, R.O.C.

² Division of Health Insurance, Taiwan Medical Association, Taipei, Taiwan, R.O.C.

³ Center for Aging Services Research, Chang Jung Christian University, Tainan, Taiwan, R.O.C.

* Correspondence author. E-mail: vincelin@mail.cjcu.edu.tw

Received: Jul 9, 2013 Accepted: Nov 27, 2013

DOI:10.6288/TJPH201433102056