

The effects of new cooperative medical scheme on rural residents' insurance choice in China

Haibin Zhang

ABSTRACT

This article presents rural residents' health insurance choices before and after the new cooperative medical scheme (NCMS) was implemented in China. Using Hausman Test to examine the fixed effects, it is proved that there is no fixed family effect when choosing health insurance. A multi-nominal logit estimation model is utilized to present how individuals' health insurance choices were affected. High income level and skilled occupation could increase the probability of enrolled in NCMS. Health status is negatively correlated with the choice of NCMS. High education level raises the rural residents' probability purchasing insurance combinations.