

# MEDICAL CARD NON-TAKE-UP: ESTIMATES AND FINANCIAL IMPLICATIONS

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## OVERVIEW<sup>2</sup>

This research estimates the proportion of eligible families who do not take up a Medical Card, possible reasons for non-take-up and potential financial consequences. Medical Cards are means tested and aimed at those on lower incomes or with long-term health conditions. They confer free, and often prioritised, primary, community and hospital care, and prescription medication with a small fee. Medical cardholders also receive benefits such as a reduced rate of the Universal Social Charge, exemptions from school transport charges and state exam fees.

A variety of reasons may explain lack of uptake: the administrative burden of filling in the application form; perceptions of how much benefit the card gives; stigma, as the card is aimed at those on lower incomes; or confusion about eligibility. As well as estimating non-take-up, we investigate the characteristics of the relevant families, the link between Medical Cards and private health insurance (PHI) and differences in out-of-pocket healthcare expenditure across take-up and non-take-up groups.

## METHODS

Using data from the CSO's Survey on Income and Living Conditions we calculate families' eligibility for a Medical Card based on whether their income is under the

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<sup>1</sup> This Bulletin summaries the findings from: Keane, Claire; Regan, Mark and Walsh, Brendan., "Failure to Take-Up Public Healthcare Entitlements: Evidence from the Medical Card System in Ireland", *Social Science and Medicine*, Available online: <https://www.sciencedirect.com/science/article/abs/pii/S0277953621004019?via%3Dihub>

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income threshold. Families are also asked in the survey if they hold the card. This allows us to identify take-up and non-take-up families. We examine the characteristics of those families who do not take up their entitlement. We then use data from the Household Budget Survey to estimate the financial impact of non-take-up.

## **FINDINGS**

We estimate that 31% of eligible individuals do not take up a Medical Card. Families with higher potential benefits from a Medical Card have higher take-up rates: families with more children, older individuals, or with an adult who suffers from a chronic condition are all more likely to take it up. Families with a high proportion of income made up of social welfare benefits also have higher take-up rates. This may reflect more awareness of the card amongst those already in receipt of cash benefits, or reduced stigma as these families already avail of cash benefits. Having a head of household with higher educational attainment, or who is self-employed reduces take-up. This may reflect higher stigma, or lower awareness of entitlement, amongst these groups. The self-employed may also face a higher administrative burden due to the necessity to submit detailed information on their income.

We find evidence that people treat Medical Cards and PHI as substitutes for each other. Being slightly over the Medical Card income threshold increases rates of PHI considerably. Similarly, eligible families who do not take up a Medical Card have high rates of PHI. While this may reflect a preference for PHI, it may indicate a lack of awareness of entitlement, as PHI coverage does not impact Medical Card eligibility. Medical Cards often cover costs, such as GP-visits and medication, not reimbursed fully by PHI.

Non-take-up families are significantly more likely to report having an unmet health need due to financial reasons and they spend much more on healthcare per annum. Families entitled to a Medical Card but who fail to take it up spend an additional €202 annually on healthcare and €489 annually on PHI, compared to families who hold the card. This equates to over 3% of their average annual income.

## **POLICY IMPLICATIONS**

These findings show that non-take-up of a Medical Card has significant negative financial implications for those affected. Given the scheme is aimed at families on lower incomes this is particularly worrying. Negative effects of forgoing a Medical Card are likely to be even higher due to reduced medical care use, which may result in poorer health outcomes. This research suggests that, in some groups, there may be a lack of awareness of entitlement, potential stigma, and/or large administrative burdens. The expansion of universal healthcare as proposed by Sláintecare, may help to solve many of the issues of non-take up found in this research.

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