

Abstract

There have seen significant improvements in public health, wealth and medical technologies for decades, contributing to improved population health and thereby longer life expectancy. It is thus of no surprise that the elderly population increases rapidly in many societies both in absolute amount and proportion. Many reports have also indicated that the Chinese population is increasingly transformed into intensified aging society. Although currently the medical expenditure growth explained by the elderly is not an issue in China yet, consider the fact that the elderly is more likely to demand medical care and thus to incur greater expenses, its possible long-term impact should not be neglected. Without appropriate assessment of how this change affects the demand and consumption of medical care, any policy-setting or reform regarding the healthcare provision for the elderly or the healthcare system as a whole is doomed to fail.

The main purpose of this thesis is to examine factors that affect the demand for and use of medical care among the elderly based on Grossman's human capital theory. In order to analyze the relation between these factors and elderly self-assessed health and medical consumption, this study collected data from a questionnaire survey on the elderly located in two Beijing communities. The results of the seemingly unrelated regression model indicated that medical accessibility, insurance benefits, education and other socio-economic statuses are the main reasons why elderly reported different health statuses and medical care use. More specifically, the elderly who are protected by more generous insurance, wealthier and more educated are more likely to receive more high-quality medical care, while others only access cheaper but lower-quality community health care. Although in the interview the rural elderly did not show a poorer self-assessed health status accordingly, the real differences in health status and financial burden behind this "optimistic" phenomenon is worth further discussion.

Based on the results, suggestions about narrowing the differences in the demand and medical use between city and rural elderly can be made. First, a well-functioned community healthcare centre is an efficient and affordable way to provide health care and chronic follow-up services that elderly need. While the quality of community healthcare centre has been an issue of argument, more financial incentives can be offered so as to attract more better-qualified medical professionals working there. Second, differences in insurance benefits, such as coverage and

refund regulation, have reportedly influence the beneficiaries' abilities and incentives to use medical services, so had the elderly. A straightforward way to mitigate this problem is, as currently the government has been doing, to increase the insurance coverage and other benefits for the rural population. Because the financial affordability is apparently lower in the rural area, however, the effectiveness of this measure remains to be seen.

Key Words: The demand of medical care, Grossman's human capital theory, The elderly