Impact and Mechanisms of Health Insurance on Adult Mortality: Evidence of Seguro Popular in Mexico

Abstract: At the beginning of the 21st century, longstanding health inequality existing in developing countries prompted the adoption of public policies focused on increasing health insurance coverage. The adoption of these policies was based on the assumption that by expanding coverage, health outcomes of the uninsured population would improve, thus decreasing health inequalities. Yet, evidence from developing countries on the effect of health insurance coverage on health outcomes is scant. This paper contributes to this literature by examining the impact of health insurance on adult mortality in a developing setting (Mexico) and by exploring possible mechanisms through which coverage may reduce mortality. We examine Seguro Popular (SP) a public health intervention implemented by the Mexican government. We use longitudinal data from the Mexican Family Life Survey (MxFLS), a study representative of the Mexican population. These data cover three important moments for the evaluation of SP: the year prior to the Program’s implementation, the years of expansion, and the years when the Program was approaching universal coverage. Following an intent-to-treat approach, we merge SP administrative data to the MxFLS and exploit population coverage heterogeneity over time and across municipalities in the implementation of SP to examine its impact on mortality. Our findings indicate SP has decreased mortality among men older than 50 years old residing in rural areas with no access to medical insurance. We also find that increases in health care utilization, and improvement in diagnosis and treatment of diabetes may be among the mechanisms driving these reductions in mortality.