

Market Information and the Impact of Public Health Insurance on the Private Insurance Market

Online workshop organized by the EuHEA Early Career Committee

Date and time: 20th May 2026, 2:00-4:30 PM (Central European Time)

This course will be delivered virtually via Zoom

[Book here](#)

Overview

Description:

In this workshop we will analyse how public health insurance affects private insurance markets in mixed public-private systems. Public and private health insurance coexist in most advanced economies, yet the interactions between the two sectors remain only partially understood. This interaction matters, as the classic insurance literature does not consider the coexistence of public coverage offer alongside private insurance, even though this is a near-universal feature of modern health insurance markets. Where the interaction is considered, the dominant view is that expanding public coverage crowds out private insurance, as individuals shift to public coverage and exit the private market. Extending the standard selection framework to incorporate heterogeneous risk aversion, quality preferences, income constraints, and administrative costs, we characterise equilibrium outcomes under both adverse and advantageous selection and identify a double-margin mechanism that arises under the latter.

Under adverse selection, public coverage attracts low-risk types away from the private market, worsening the private risk pool, raising premiums, and generating further exit; a self-reinforcing deterioration of private contract terms operating solely at the intensive margin. Under advantageous selection the direction reverses and public coverage now attracts high-risk, low quality-preference types, endogenously improving private contract terms through the zero-profit condition. Under institutional structures where public insurance is means-tested and private insurance is priced above actuarial value due to administrative costs, this resultant improvement in the private insurance pool crowds-in previously excluded marginal types at the extensive margin. We show that the two margins, (intensive and extensive) are causally linked. This feedback loop is absent from existing models. For the extensive margin effect the mechanism requires exactly three conditions to hold: advantageous selection, administrative costs, and income-based eligibility for public insurance. Institutional setting is also shown to be important. The double-margin operates fully under means-tested public insurance and takes a modified form under mandatory basic insurance with voluntary supplementary coverage. Only the intensive margin operates under NHS-type universal coverage. Standard crowd-out measures, which capture only the intensive margin under either selection regime systematically misstate the consequences of public insurance expansion.

Speaker: Professor Alistair McGuire

Professor Alistair McGuire is the LSE Kuwait Professor of Health Economics in the Department of Health Policy at the London School of Economics, where he has been Professor of Health Economics since 2002. He is also Chair of LSE Health a major research centre. Prior to this he was Professor of Economics at City University, London and before that a lecturer and tutor in Economics at Pembroke College, University of Oxford. Professor McGuire served as Head of the Department of Social Policy, LSE from 2011-2013 and Head of Department of Health Policy, LSE from 2019 to 2023. He has been a

Visiting Professor at Harvard University, the University of Sydney, the University of York, and the Universitat Pompeu Fabra, Barcelona. Most recently he was Visiting Professor at the Universitat de Barcelona from 2023 to 2025.

Professor McGuire has acted as an advisor to numerous governments and governmental bodies, including the United Kingdom government (serving as a member of the UK Government NHS 10-Year Plan Working Group on Quality and Effective Care), the UK Competition and Markets Authority (CMA), the UK Medical Research Council (MRC), and the German Institut für Qualität und Wirtschaftlichkeit im Gesundheitswesen (IQWiG). He has also advised international bodies including the World Bank, the WHO, and several pharmaceutical and health care insurance companies.

Professor McGuire has been engaged in health economics research for over forty years. Since 2020, Professor McGuire has served as Chair and Research Lead of the Partnership for Health System Sustainability and Resilience (www.phssr.org), a major global initiative founded by LSE Health, AstraZeneca, Phillips and the World Economic Forum, examining health system sustainability across 30+ countries. He has extensive teaching experience at undergraduate and postgraduate levels and has authored 7 books, 32 book chapters, nearly 200 journal articles, and numerous reports in health economics. A full list of publications can be accessed at Google scholar:

https://scholar.google.co.uk/citations?hl=en&user=B9_IIXQAAAAJ&view_op=list_works&sortby=pubdate

Professor McGuire has been a wide interest in many health economics topics, and has also been the lead health economist on several major clinical trials, most recently the UK Collaborative Trial of Ovarian Cancer Screening (UKCTOCS), on whose Steering Committee he served from 2001 to 2025 He is currently a member of the Independent Scientific Advisory Group for the TRANSFORM clinical trial. His recent research has been published in leading journals including *The Lancet*, *Economic Journal*, *Health Economics*, *Value in Health*, *BMJ Quality & Safety*, and *Journal of Health Economics*.

Please send any questions to mervi.rantsi@uef.fi

Key details:

- The online workshop will take place on the **20th of May 2026**.
- It will last from 2:00 PM to 4:30 PM (Central European Time).
- It will be held virtually via Zoom.
- The course is designed for Ph.D. students and early career researchers.
- The course is **free** thanks to the support of EuHEA.
- To register, please visit [here](#).
- Registrations will be closed on 15th of May 2026 (23:59, Central European Time) or when the limit of 500 participants is reached.
- An email with the Zoom details will be sent to all participants 19th of May 2026.