

Major Issues Facing China's Health Care Reform and the Role Played by Non-state Actors

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I. Our main views on China's health care reform

1. Our attitude towards illness is prevention is better than treatment.

- a. Many of the illness related to mankind cannot be cured.
- b. Most of the illness related to mankind can be prevented.
- c. Giving first place to prevention could greatly reduce the total medical expenses of a country.

Conclusion : Healthy living habits are more important than sickness treatment.

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2. Not all kinds of sickness treatment belong to private consumption.

- a. It is difficult to separate common diseases from infectious diseases.
- b. Some people are unable to cover the medical expenses of infectious diseases, causing the spread of such diseases.
- c. Some people are unable to bear the costs of common diseases, resulting in poverty and even death.

Conclusion : The allocation of medical service resources cannot be based on the market mechanism.

I. Our main views on China's health care reform

3. The focus of health security lies in public health and common and frequently-occurring diseases.

- a. Public health as well as common and frequently-occurring diseases have a great impact on people's health.
- b. Many severe diseases can be cured, but without total recovery and the medical costs are relatively high.

Basic health security targets on public health and common and frequently-occurring diseases.

Non-basic health security covers dentistry, difficult and complicated as well as severe diseases.

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- 4. A GSP approach toward basic health security should be adopted with a standard, as unified as possible.**
 - a. A GSP approach could better address the issues related to people's equal rights, the enhancement of people's overall health level.
 - b. At the present phase of social development in China, a basic medical security standard, which is as unified as possible, is beneficial for narrowing the gap between urban and rural areas as well as between various regions.

I. Our main views on China's health care reform

5. National health security should be financed by budget input plus insurance as two supporting pillars.

- a. Basic health security is financed by government budget input. It is characterized by a strong fairness, but with a weak control on medical costs.
- b. Non-basic health security is financed by insurance. It has a strong restraint on medical costs, but could not cover the entire low-income social groups.

I. Our main views on China's health care reform

6. Medical service sectors should mainly be based on non-profit organizations.

- a. The operation principle of for-profit organizations contradicts the moral convictions of healing the wounded and rescuing the dying held by medical service sectors.
- b. From the perspective of international experiences, the medical service sectors are mainly based on non-profit organizations in most countries of the world.

II. Major issues facing China's health care reform

- 1. Health insurance mainly targets on severe illnesses, but without covering common and frequently-occurring diseases.**
 - a. Except public servants, the health insurance for other people only covers inpatient medical treatment costs whereas the outpatient medical costs are born by individuals and their families.
 - b. The ratio for actual reimbursement of inpatient medical costs is quite low, with 60% covered by health insurance for urban and rural staff and workers and 30% covered by new rural cooperative medical system.

II. Major issues facing China's health care reform

- 2. In view of the nation's future, inadequate concern has been made for women and children health care.**
 - a. The health insurance for urban residents and the new rural cooperative medical system have basically covered the people with resident certificate in urban and rural areas, and it does not include maternity insurance or perinatal service.
 - b. The government has promised to provide child immunization free of charge in line with public health service, but there are still incidences of illegal charges.

II. Major issues facing China's health care reform

3. Migrant population is not yet covered by health security.

- a. The present social security system only requires enterprises to cover farmer-workers employed in the cities with work-related injury insurance, but without health insurance.
- b. The present health insurance system for city residents is based on resident certificate and it does not cover the farmer-workers and their children.

II. Major issues facing China's health care reform

- 4. The allocation of medical resources is not adaptable with the implementation of the principle of giving priority to prevention.**
 - a. In the process of reform of decentralization in the last century, high-quality medical resources had been excessively concentrated on major cities and medical institutions.
 - b. The government has increased its investment for rural medical undertakings by a big margin, but the shortage of doctors and nurses in rural areas has not been alleviated.

II. Major issues facing China's health care reform

5. It is difficult to improve the practice of medical services.

- a. For a long time, the medical sectors have linked up the bonus of hospital departments and individuals with business earnings, resulting in the prescription of unnecessary and expensive drugs and relevant illegal practices.
- b. Given the fact that the government compensation mechanism is yet to be improved, it is difficult to change the bad working styles of medical sectors by relying only on supervision and it would easily induce resistance by medical staff.

II. Major issues facing China's health care reform

- 6. It is hard to change the disorder in the short run in production and distribution of the medicine.**
 - a. Due to low access threshold of medicine production and regional market blockade, thousands low-level pharmaceutical factories had been repeatedly constructed. It is quite difficult to get them integrated.
 - b. The low social pooling level of health insurance has led to multi-level's government procurement and this has made it difficult to eradicate the chaos and disorderly competition which have existed for a long time in the pharmaceutical distribution field.

III. The role played by non-state actors in China's health care reform

1. China's non-state actors and their activities

Individuals : To find out and expose problems.

Media : To expose problems and organize the public to hold discussions and supervise the government policies.

NGO (NPO): Policy supervision, policy research and participation in social experiments .

Enterprises : Policy supervision; provide support to or organize policy research and social experiments.

Government NGOs : To straighten out the opinions of non-state actors and feed them back to the government as well as supervision on policy implementation and policy research.

III. The role played by non-state actors in China's health care reform

2. Positive role played by non-state actors

In view of finding out and exposing problems and supervising policy implementations, the role played by non-state actors is irreplaceable.

For example: The issues of AIDS instances in Henan Province, the tense relation between doctors and patients, hospitals' reliance on sales of medicine for profit as well as the excessive low ratio of reimbursement by new rural cooperative system have all been exposed by non-state actors in the first place.

III. The role played by non-state actors in China's health care reform

3. The negative role played by non-state actors

Due to lack of professional knowledge and the pursuit for publicity, the non-state actors might, on certain issues, mislead the public, politicians and the government.

For example : Taking the reimbursement ceiling for serious illnesses as an indication of health care reform progress, the media has, without any analysis, demanded the government to solve the problem of medical services being unaffordable.

III. The role played by non-state actors in China's health care reform

4. Cooperation between the government and the public could better bring the role of non-state actors into full play.

In the wake of Sichuan earthquake, the Chinese government got a better understanding of the active role played by non-state actors and began to make information disclosure as a part of government reform.

Along with the involvement of more and more retired officials, the NGOs have grown in numbers in China, which is favorable for the promotion of professional knowledge of non-state actors as well as the enhancement of their ability to undertake more programs.

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Thank you and welcome your valuable comments.

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