



***Healthcare System
in Rural China***
- Challenges and Opportunities

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Healthcare System in China

Overview

- **Rural versus Urban area: a few comparisons and contrasts**
- **A Brief Historical Review of Rural Healthcare System**
- **Case Study: a survey of 12 towns, 96 villages**
- **Challenges and Opportunities**

Comparison of Population and Income

	Rural	Urban
Population	770 millions ~ 60%	530 millions ~40%
Net Income Per capita	~\$400 3,200 RMB 6.2% Growth Rate	\$1,300 10,493 RMB 9.6% Growth Rate

2005: income data adjusted for inflation

Challenges :Allocation

Rural vs Urban

Urban

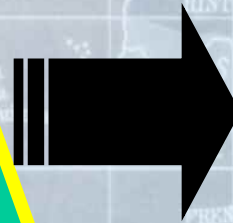
40



80

Rural

60

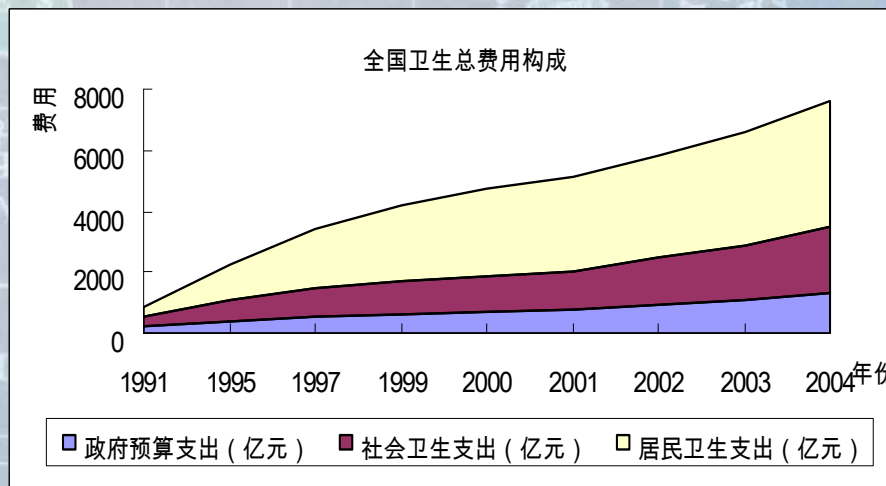
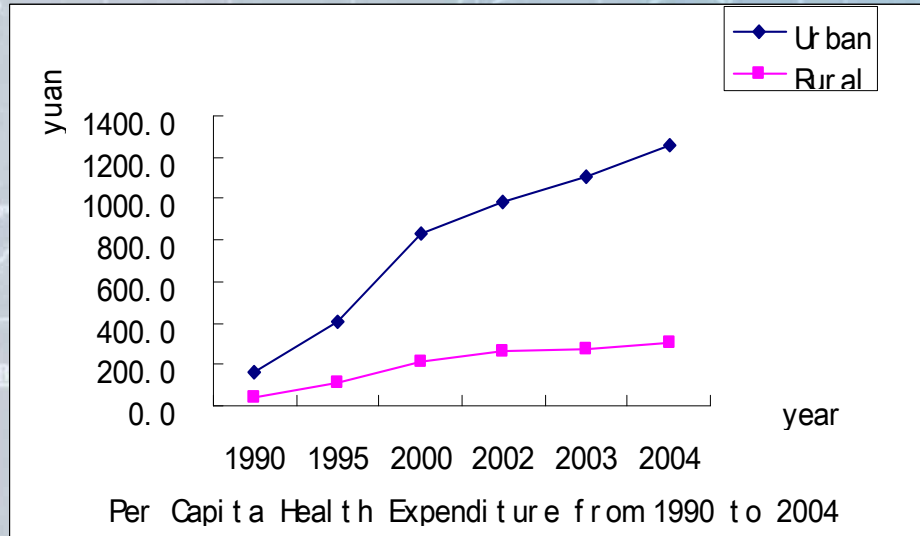
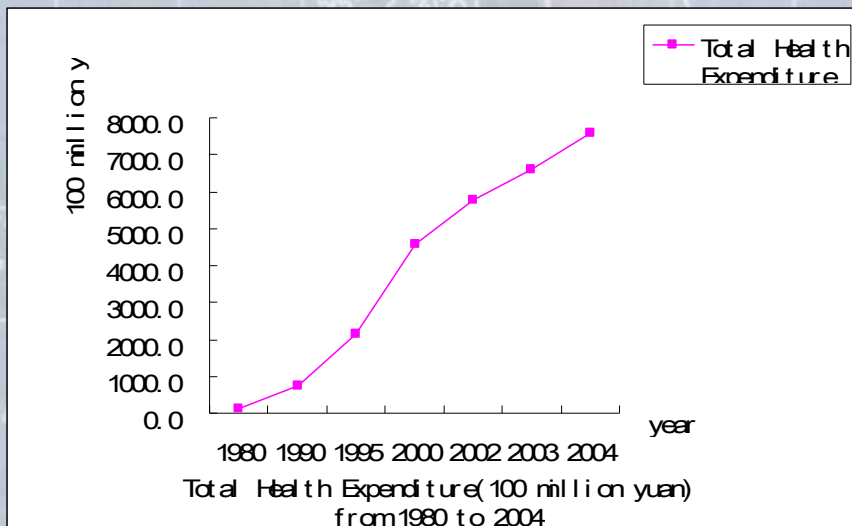


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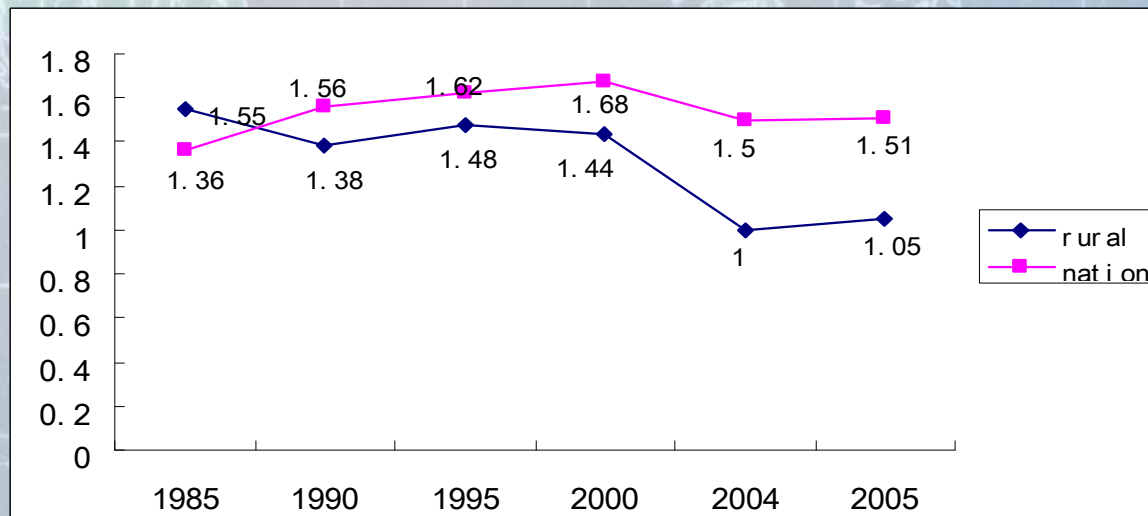
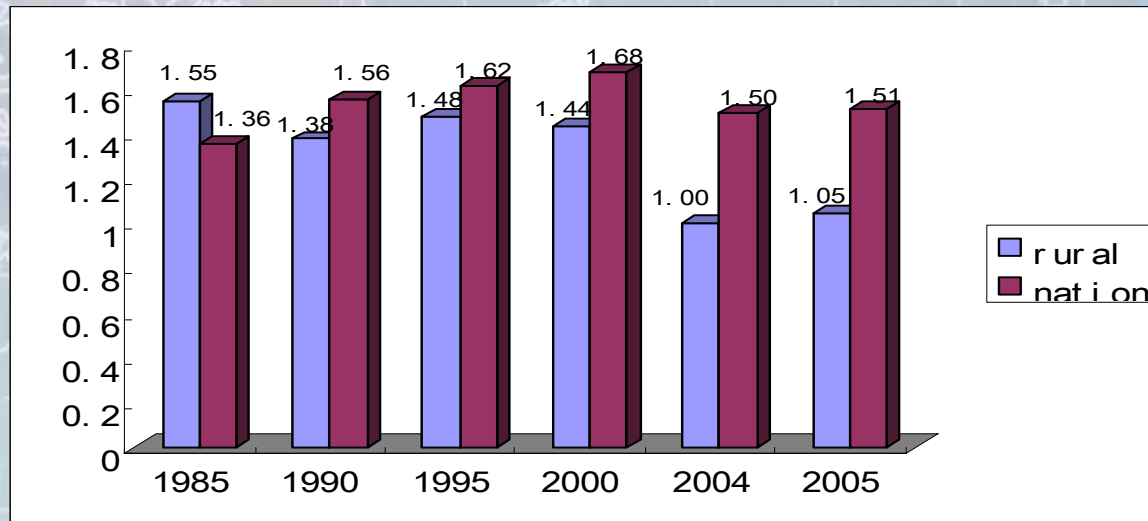
the proportion of
the population %

Health resource
allocation %

Challenges :Health Expenditure



Ratio of Medical Doctors and Assistants Per 1000 persons: Rural vs. National Average



The History of Cooperative Medical System

合作医疗制度的历史沿革

1930s: Prototype of medical Co-Op in the military bases

1955: Early forms of Cooperative Medical System in Henan Province

1968: Chairman Mao's Approval of CMS experience

1976: 90% of villages established CMS

Character of 80s

80年代的特征

Collective Economy: **Coalition**
集体经济：合

the household contract responsibility system: **Departure**
家庭联产承包责任制：分

Gradual disintegration of CMS
合作医疗逐步解体

By 1989, only 4.8% villages remained in CMS
到1989年全国仅剩4.8%的村维持合作医疗制度

In the 90s 90年代

In 1996, National Conference on exchange of work Experience on Cooperative Medical System was held in Kaifeng, Henan Province.

1996年在河南开封召开“全国合作医疗经验交流会”

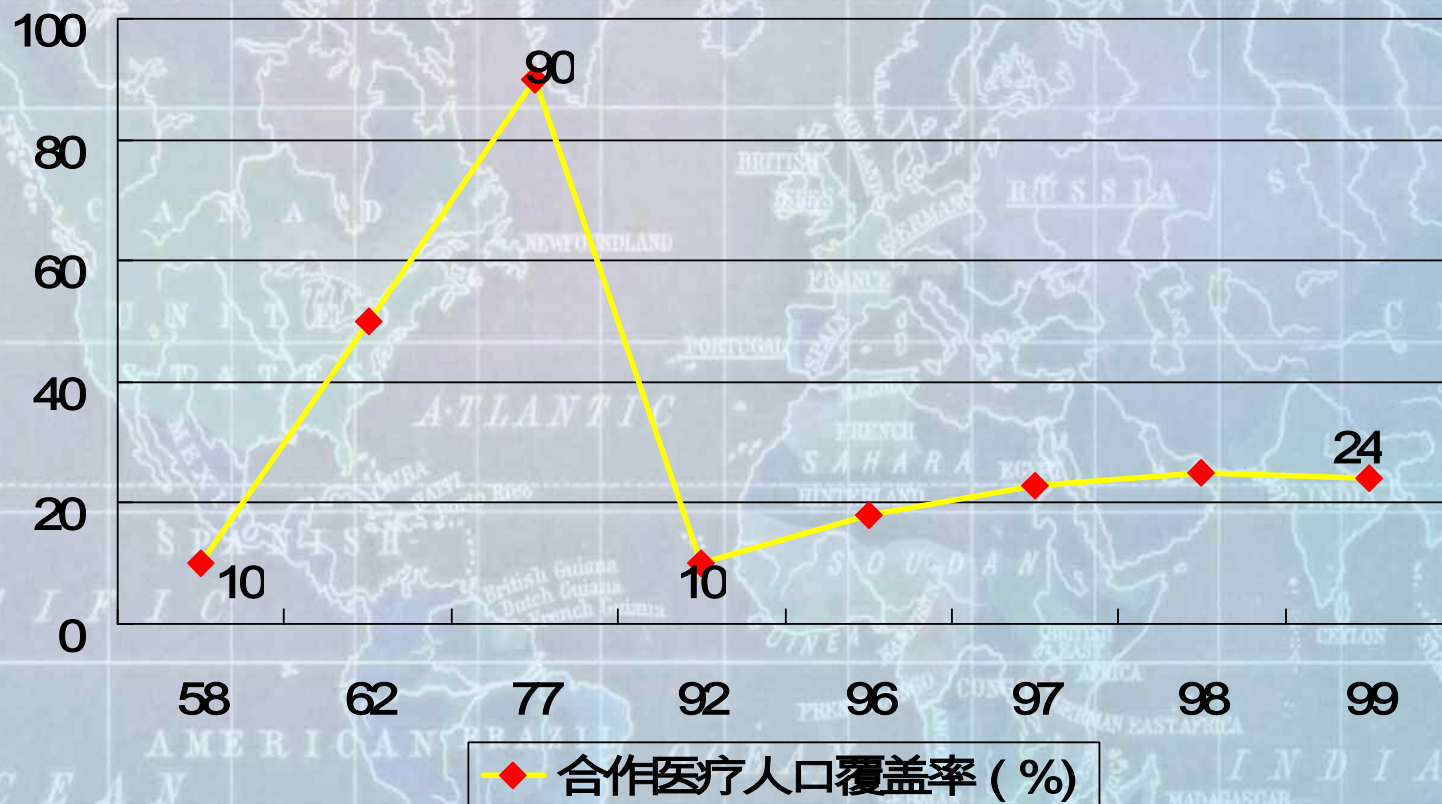
On National Health Conference on Oct,9th, 1996, formal President Jiang said “The enhancement of rural health work lies in improving and consummating rural Cooperative Medical System ”

1996年12月9日，召开全国卫生会议,江泽民主席讲“加强农村卫生工作，关键是发展和完善农村合作医疗制度”

Item 11 of the Decision regarding Reform and Development of medical care of CPC Central Committee and State Council : Cooperative Medical System needs to be actively and steadily developed and improved

中共中央、国务院，<关于卫生改革与发展的决定>第11条：积极稳妥地发展和完善合作医疗制度

Coverage rate of CMS



New Cooperative Medical Scheme

- The October 2002 document of the **Central Committee** and the **State Council**, “Decision on Further Strengthening **Rural Health Work**,” provides the foundation for the Government’s efforts to strengthen rural health services.
- 2003: New cooperate medical scheme (NCMS) initiatives on the LG level
- 2005: **671** counties started NCMS pilot program, covering **177 millions** rural residents

Past Budget Allocation in Rural Health

In past three years:

- **RMB 10.5 billion** [\$1.31 Billion](CG & LG) to establish a disease prevention and control system (after SARS outbreak)
- **RMB16.4 billion** [\$2.05 Billion](CG & LG) on setting up medical/public health emergency response system
- **RMB 3 billion** [\$0.375B](CG) to support health clinics **in towns and townships** in the less developed central and western regions

Budgets and Goals in Premier's NPC Report

Central government: RMB20 billion[\$2.5B] over **the next 5 years [the 11th 5-year plan]**

- Renovating hospital buildings in towns and townships and in some counties
- Upgrading medical equipment

Timeline: medical cooperative scheme will cover

- By the end 2006: 40% of counties
- By the end 2008: 100% of all rural areas

Premium distribution:

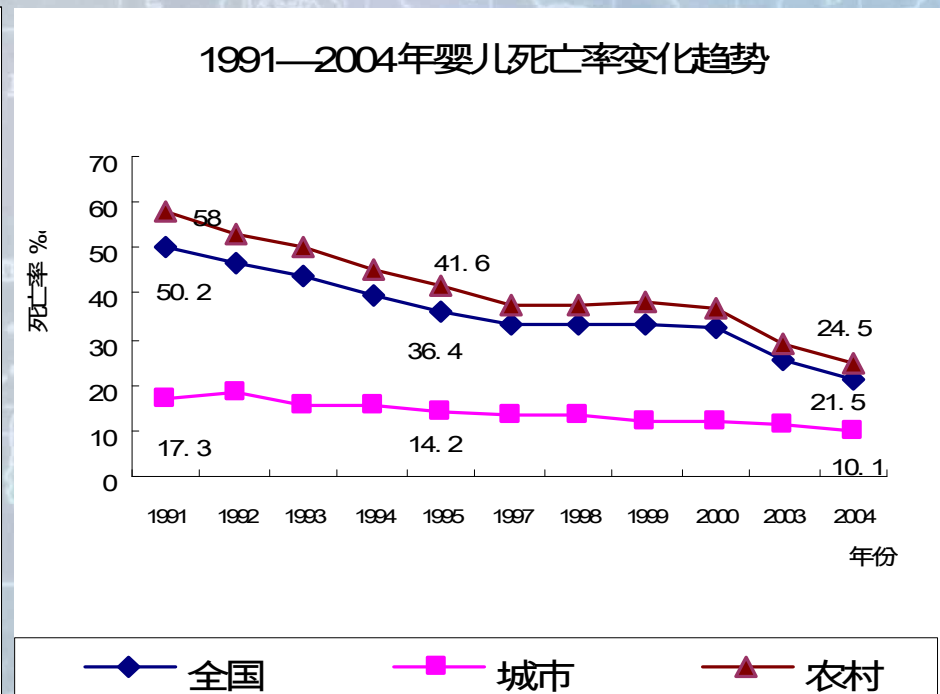
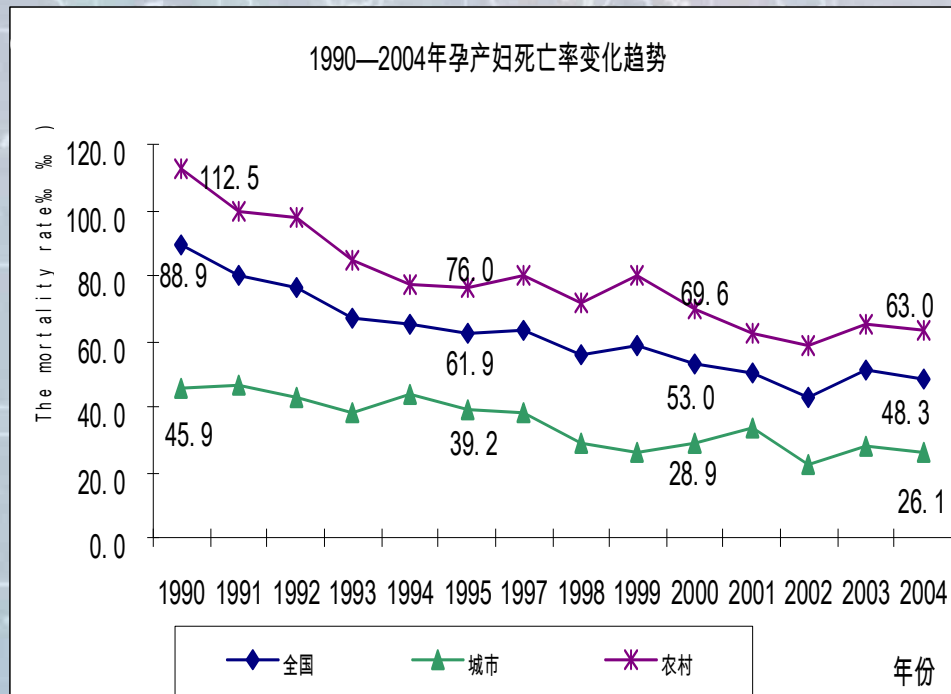
- 2003-2005: CG – RMB 10 LG – 10 Farmer – 10 [total \$3.75]
- Currently: CG – RMB 20 LG – 20 Farmer-10 [total \$6.25]

Regular medical tours by urban medical professionals to rural areas

Trend in Mortality Rates

Mortality Rate of pregnancy and Child Birth (‰)

Infant Mortality Rate (‰)



investigation

2005

12 towns

96 villages

890 households

2001-2004



Subjects & Methods

➤ Subjects:

- *multi stage stratified clustering: 12 towns and 96 villages
- *890 households surveyed

➤ Research Methodology:

- *The subjects were questioned by well-trained investigators door by door.
- *The content of the questionnaires : general status , knowledge level, behavior and attitude about NCMS

➤ Statistic Methods:

- *We used Epidate 3.2 to enter the data double and used SPSS 12.0 to analyze them.

Is it difficult to see doctor? Is it expensive to see doctor?

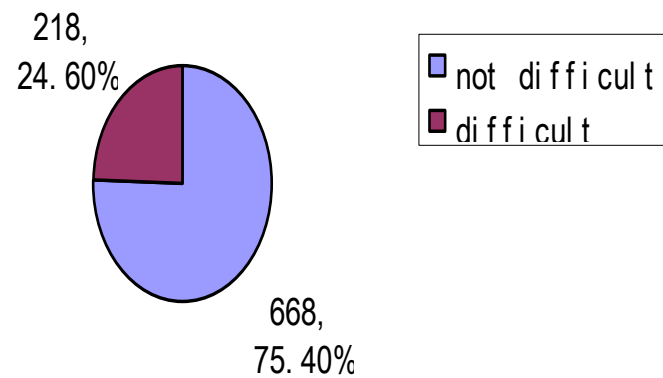


Chart 3 the distribution of seeing a doctor difficultly or not in 886 families

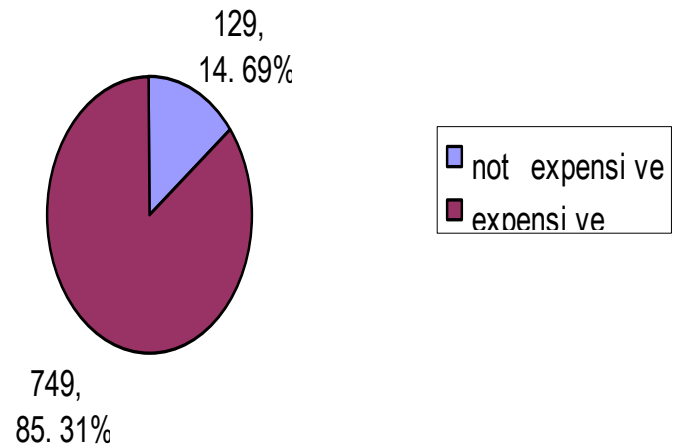


Chart 4 the distribution of seeing a doctor expensively or not in 878 families

Crosstabs analysis of looking for medical care : difficult or expensive in 878 families

	Expensive		Not expensive		Total
	No.	Percent	No.	Percent	
Difficult	206	27.54	6	4.65	212
Not difficult	542	72.46	123	95.35	665
Total	786	100	145	100	877

From the above table we can see:

Generally speaking , most farmers felt it is not difficult to access for medical care ,but considered it to be expensive.

Our suggestions

- **Provide bottom-line security for farmers**
建立农民生活最低保障线
- **Reduce tax and other financial burdens**
给农民减负，休养生息
- **Emphasize disease control and prevention**
- **Promote health educational program and enhance the dissemination of information**
加强卫生宣传和健康教育
- **Provide multi-level and variety forms of health care systems**
不同卫生保障制度的不同定位

**concentrate on resolving the lack of adequate and affordable
medical services.**

Chinese Premier Wen Jiabao declared that China would launch a new community-based healthcare programs to address rural healthcare challenges (NPC, March, 2006).

***This year, China will completely rescind the agricultural tax , a tax that China has been collecting for 2,600 years. This is a change of historic significance.**

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“OUR LIFE IS MUCH BETTER NOW”

“GOOD POLICY IS BENEFICIAL TO US ALL”

---FAMRER

NEW COOPERATIVE MEDICAL SYSTEM

- **Central government decision made in Oct. 2002**
- **Key is for local government to implement the system**
- **Shift of emphasis : Re financial resources from supply side to demand side**
- **Importance of accountability and performance analysis of health care providers**
- **Challenges and opportunities**

In part of the challenges are :

- **The precision and fairness of actuarial calculation (soundness)**
- **Balance between coverage of catastrophic and high-frequency events**
- **Tension between coverage scope (how many) vs. depth (how much)**
- **Design of a benefits package commensurate with available funds**
- **Adverse selection in New Cooperative Medical System**
- **Eligibility for Medical Assistance System**

There are also challenges to the NCMS and MA programs with respect to administrative and management arrangements.

THANKS

