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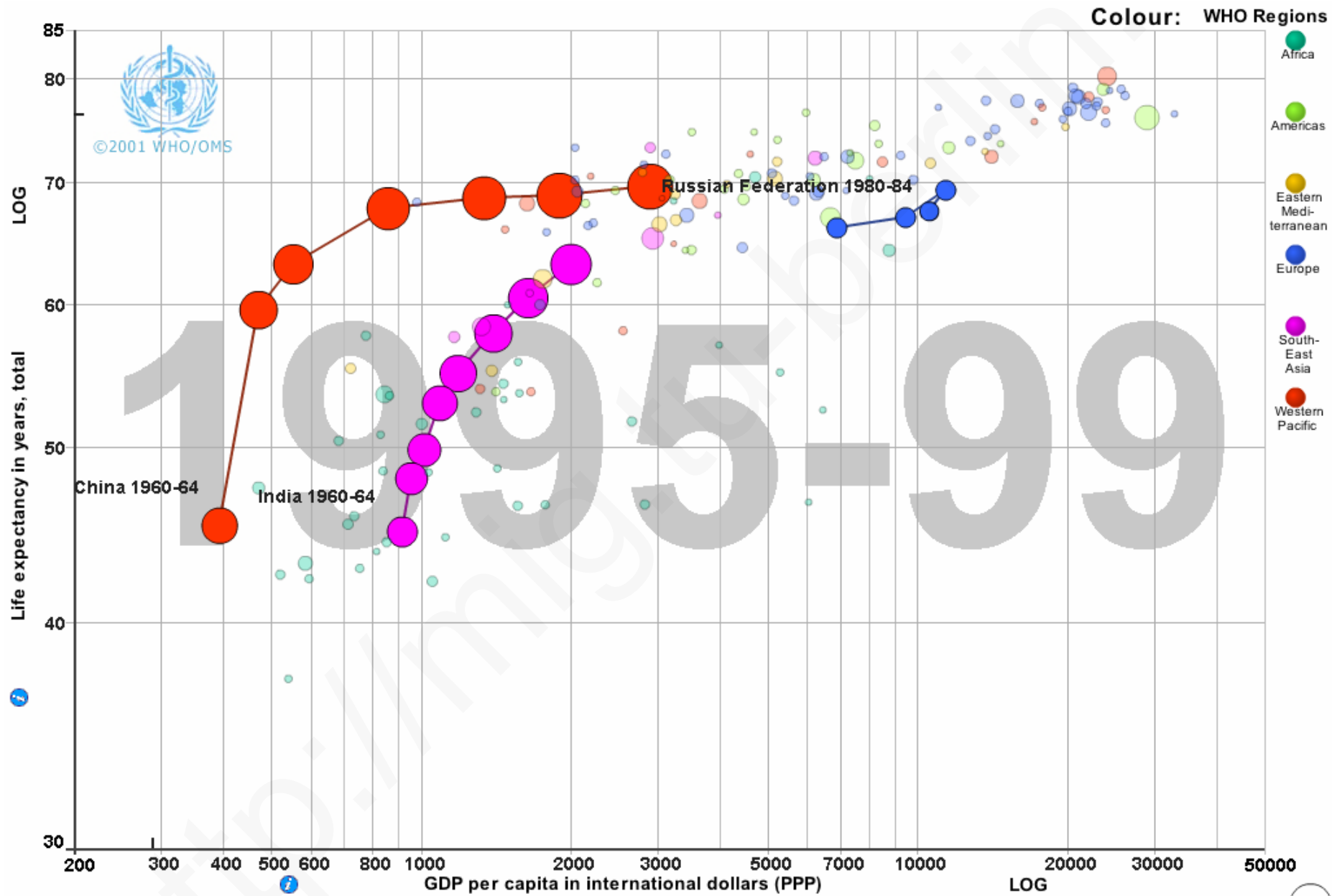


Health care financing and access to health services in rural China

Christian Gericke, Haiyan Meng, Jonas Schreyögg,
Reinhard Busse

Department of Health Care Management, Berlin University of Technology,
WHO Collaborating Centre for Health Systems Research and Management
Berlin, Germany

Success story China: good health at low cost ?




The Reality: Pronounced Inequities in Chinese Health Care

Rural / Urban

Poor / Rich

Sick / Healthy

- 
- 1 Inequity of health services delivery
 - 2 Inequity of health finance
 - 3 Inequity of health outcomes

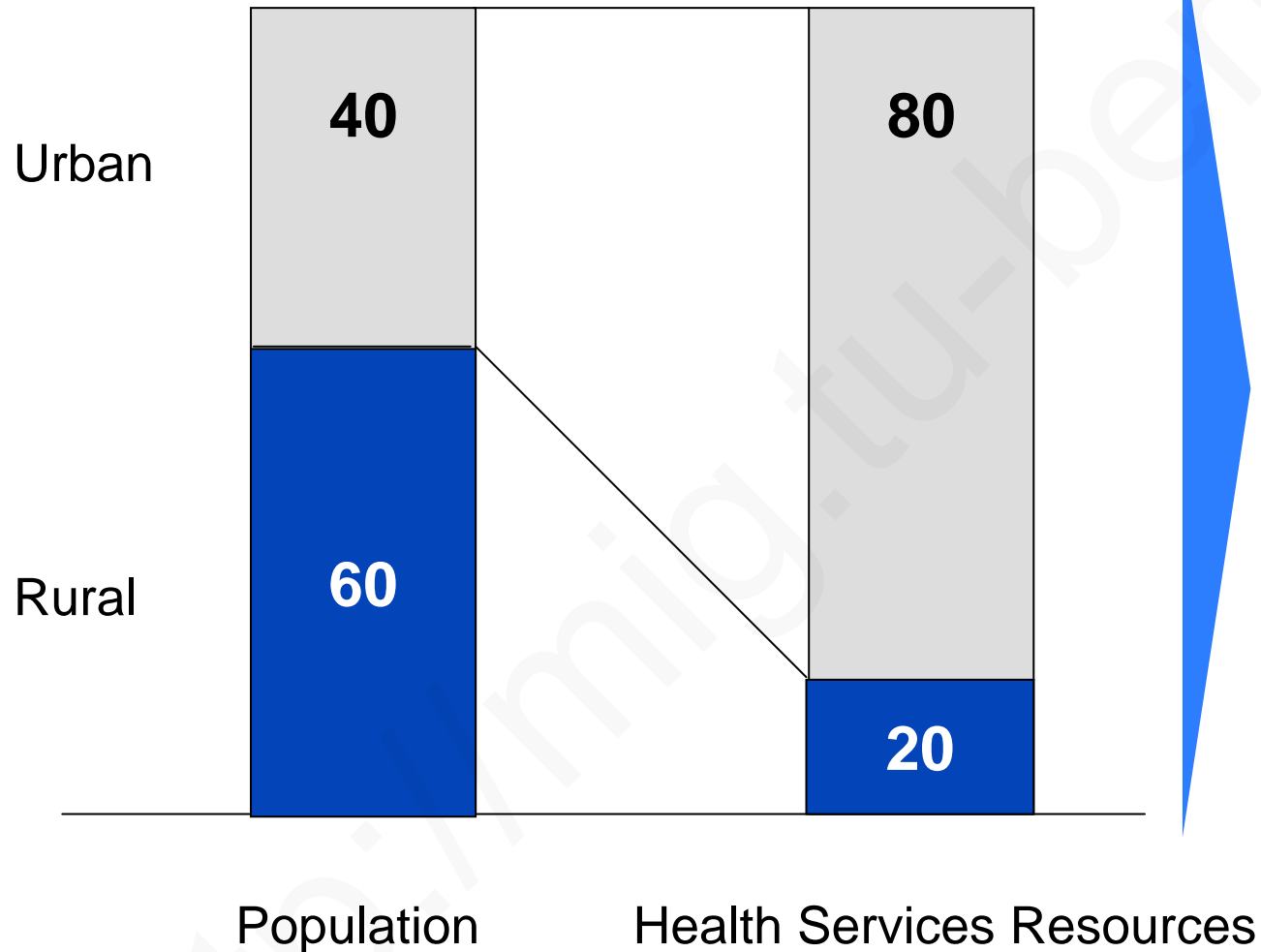
Inequity of health services delivery

Inequity of health finance

Inequity of health outcomes

Recommendations

Inequity in health services infrastructure



Rural China:

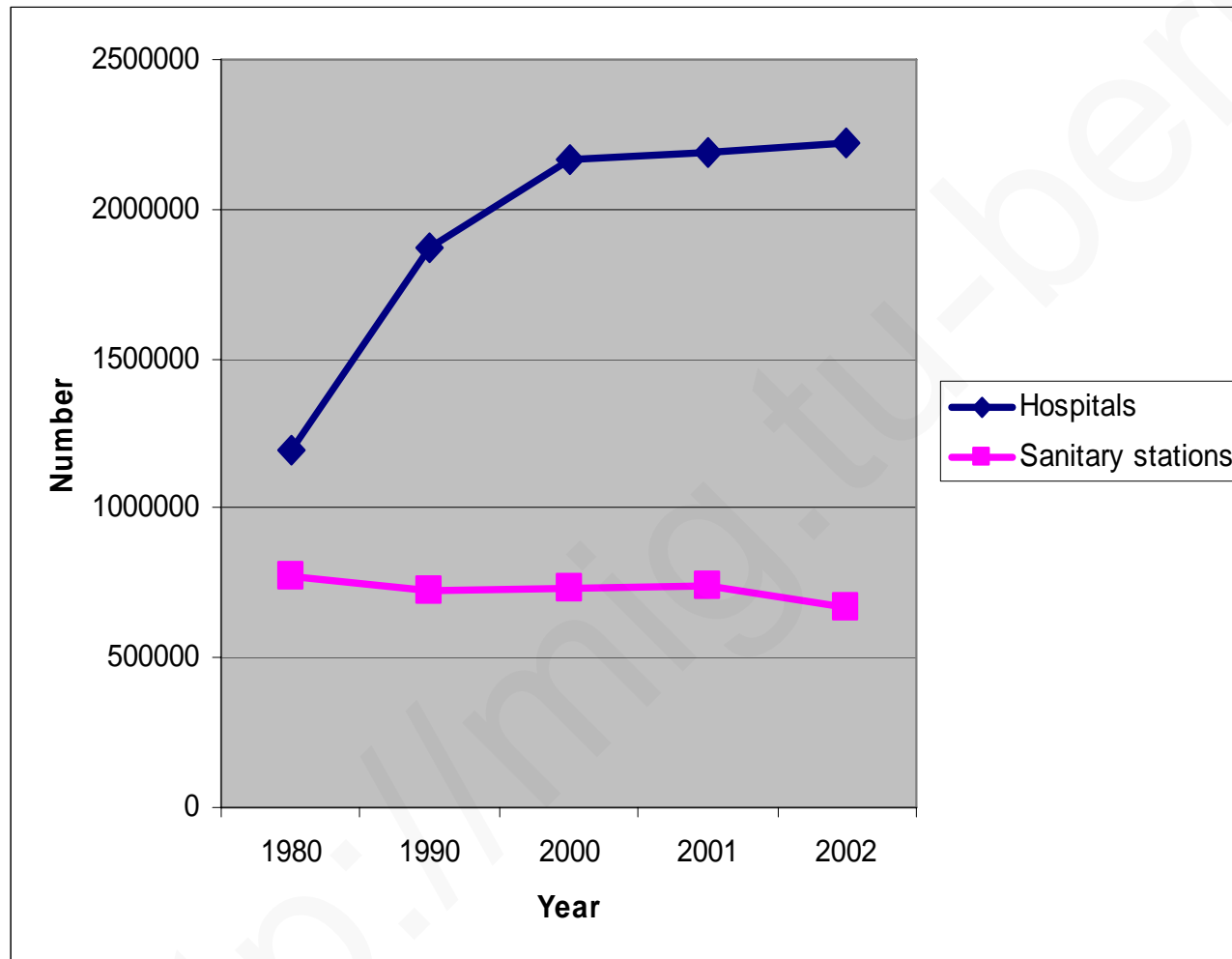
- 14.7 % of health care institutions
- 21.3 % of hospital beds
- 36% of health human resources

Plus

Differences in meaning of these terms!

Inpatient beds in city hospitals vs. rural sanitary stations

1980 - 2002



**Inpatient beds
(2002)**

Urban China:

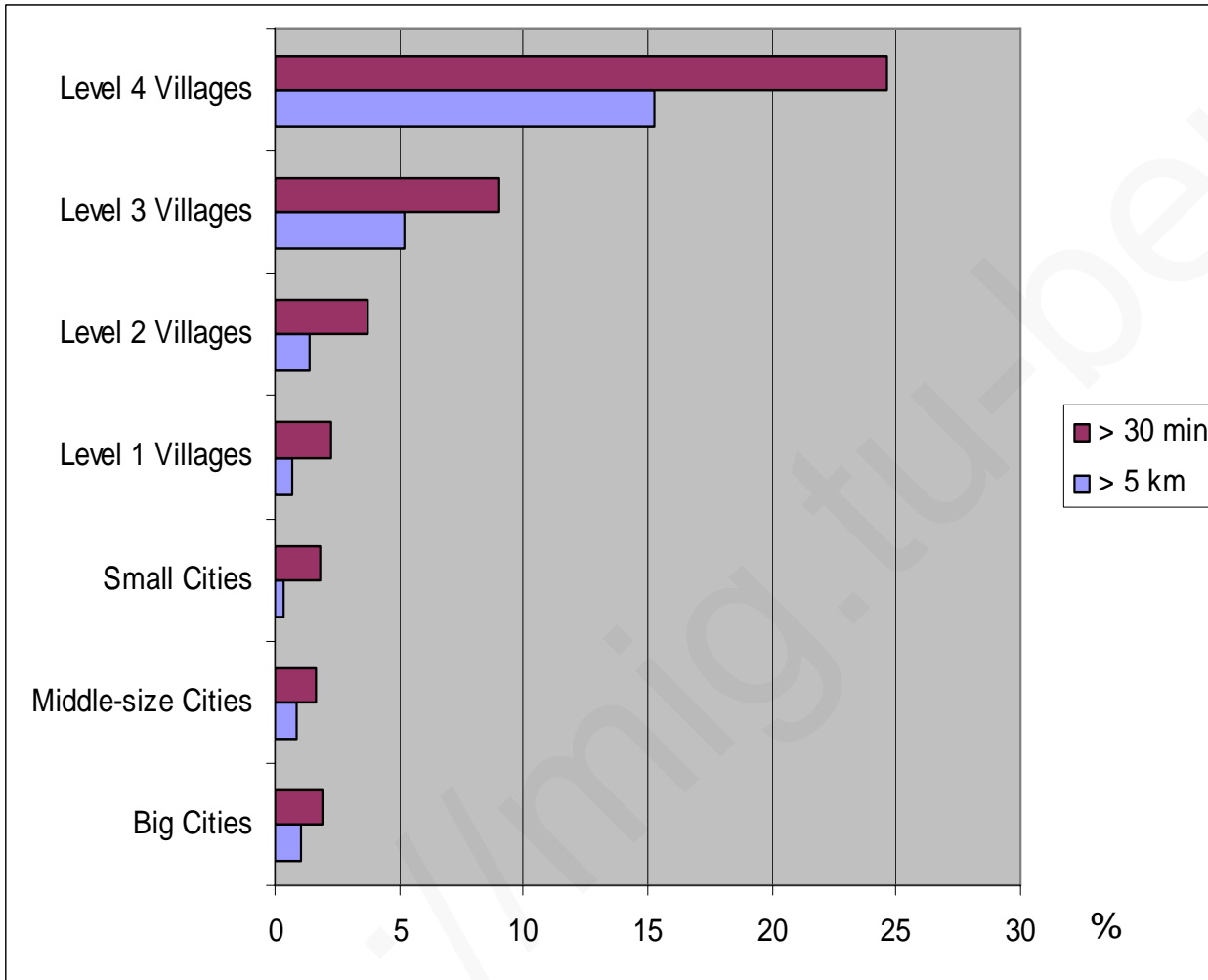
3.69 per 1000

Rural China:

1.51 per 1000

Source: Ministry of Health, RRC, 2003

Distance and time to health care



On average ...

> 5 km

Cities 0.78
Villages 4.20

> 30 min

Cities 1.81
Villages 7.69

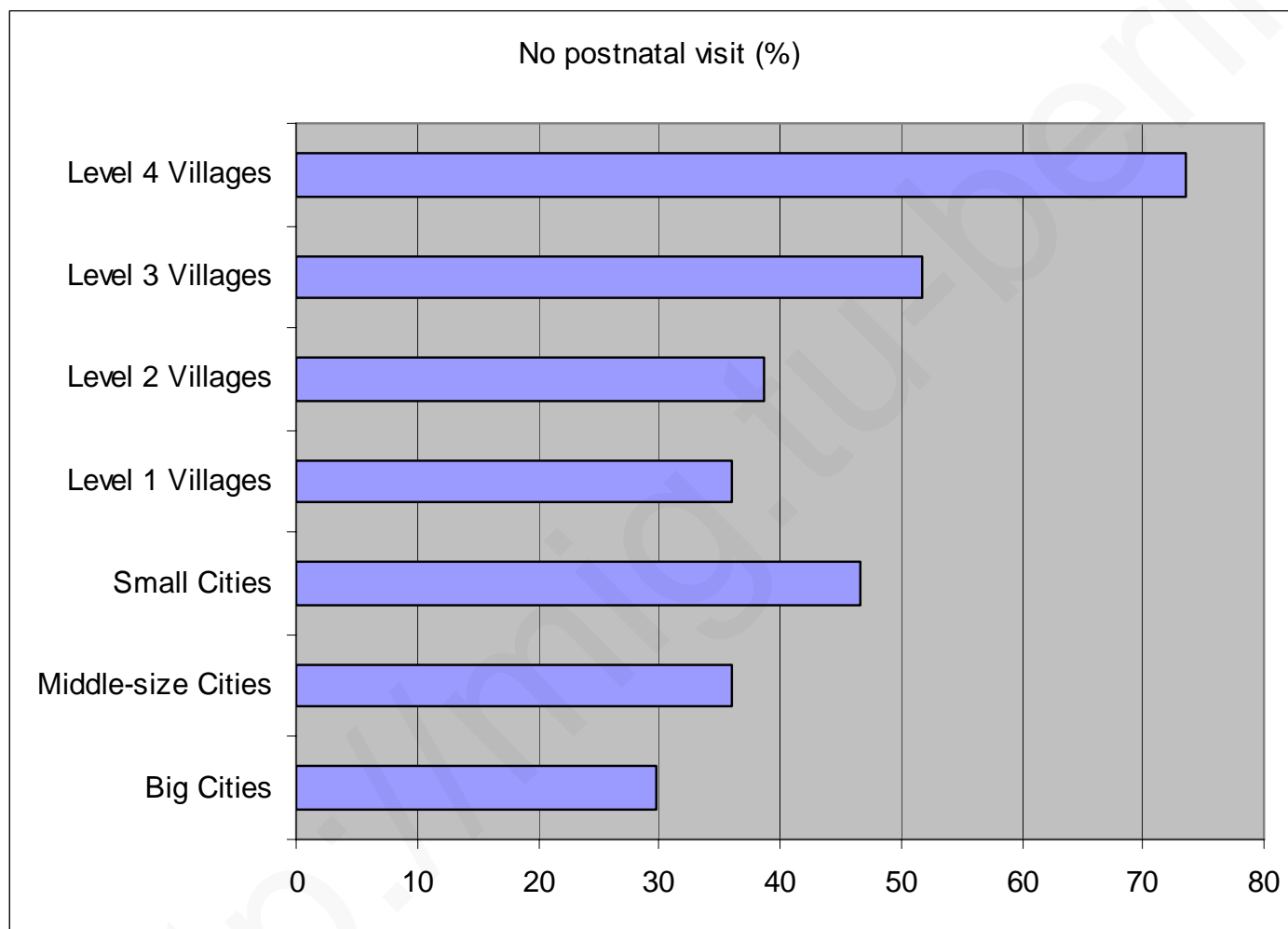
Source: Ministry of Health PRC 1998

Urban – rural differences in quality of care

- Hospitals vs. sanitary stations
- Provision with technical equipment and drugs
- Fully trained doctors vs. rural doctors
- Inappropriate care due to skewed financial incentives (and lack of training)
e.g. high cost antibiotics, injections

Inequity in access to health prevention /promotion

Postnatal visits by midwives or other health care worker



Source: MOH PRC 1998

Inequity of health services delivery

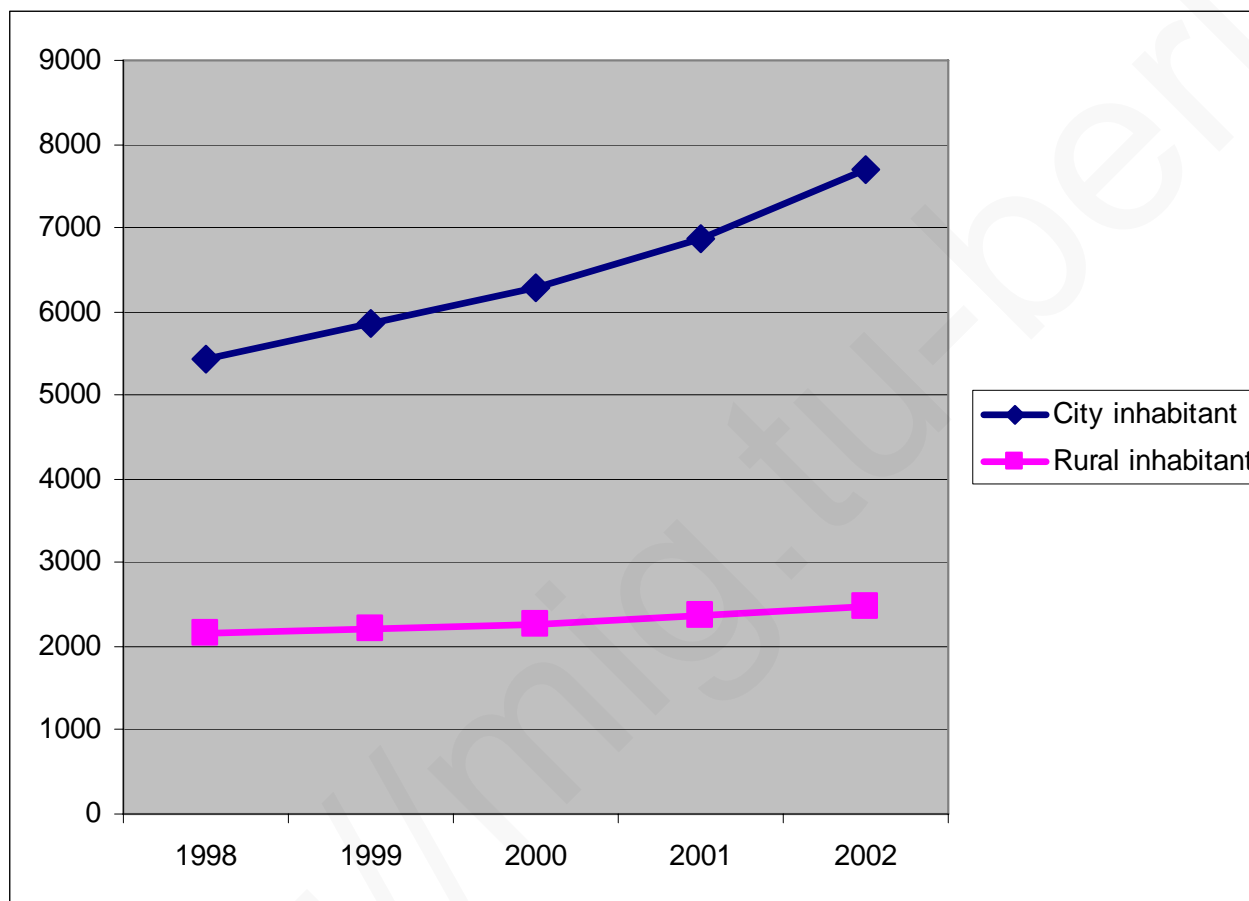
Inequity of health finance

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Recommendations

Urban – rural income disparity is widening

1998-2002

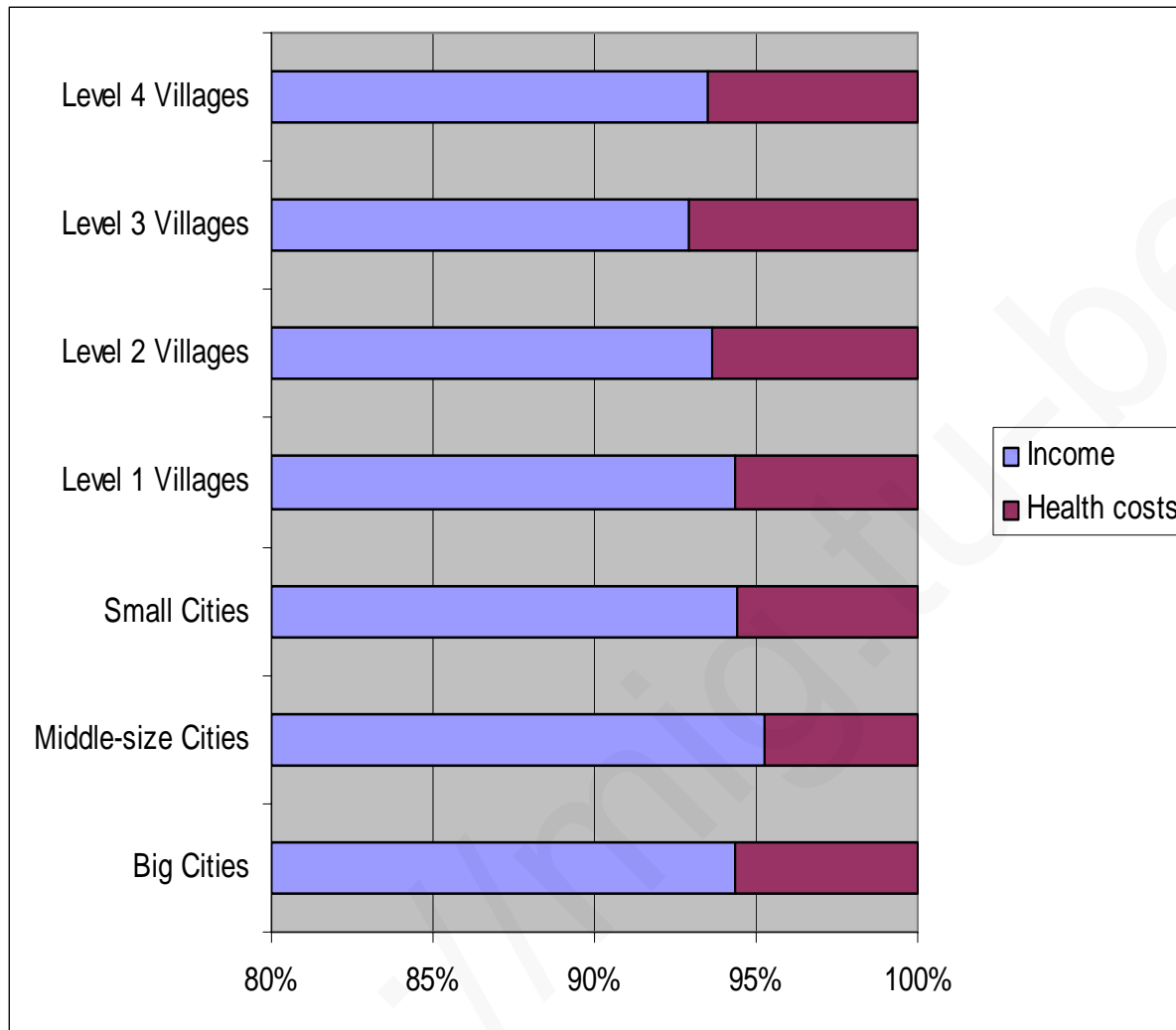


2002:

28.2 million
living under
rural poverty
level of 625
Yuan per year
(\$75)

Source: Stastical Office PRC 2003

Income vs. health care costs



Healthcare expenditure

Cities 7.06 % (247 Yuan)

Rural 9.00 % (134 Yuan)

of total expenditure

Source: MOH PRC 1998

Catastrophic health care costs

2002

Service	Average costs (Yuan)	% of annual farmer income
Simple ambulatory care treatment	99.6	4.0
Caesarean section	2348	94.8
Appendectomy	2652	107.1
Pneumonia tx requiring inpatient care	4627	186.9

Source: Annual Report MoH PRC 2002; Average income of a farmer in 2002: 2476 Yuan per year

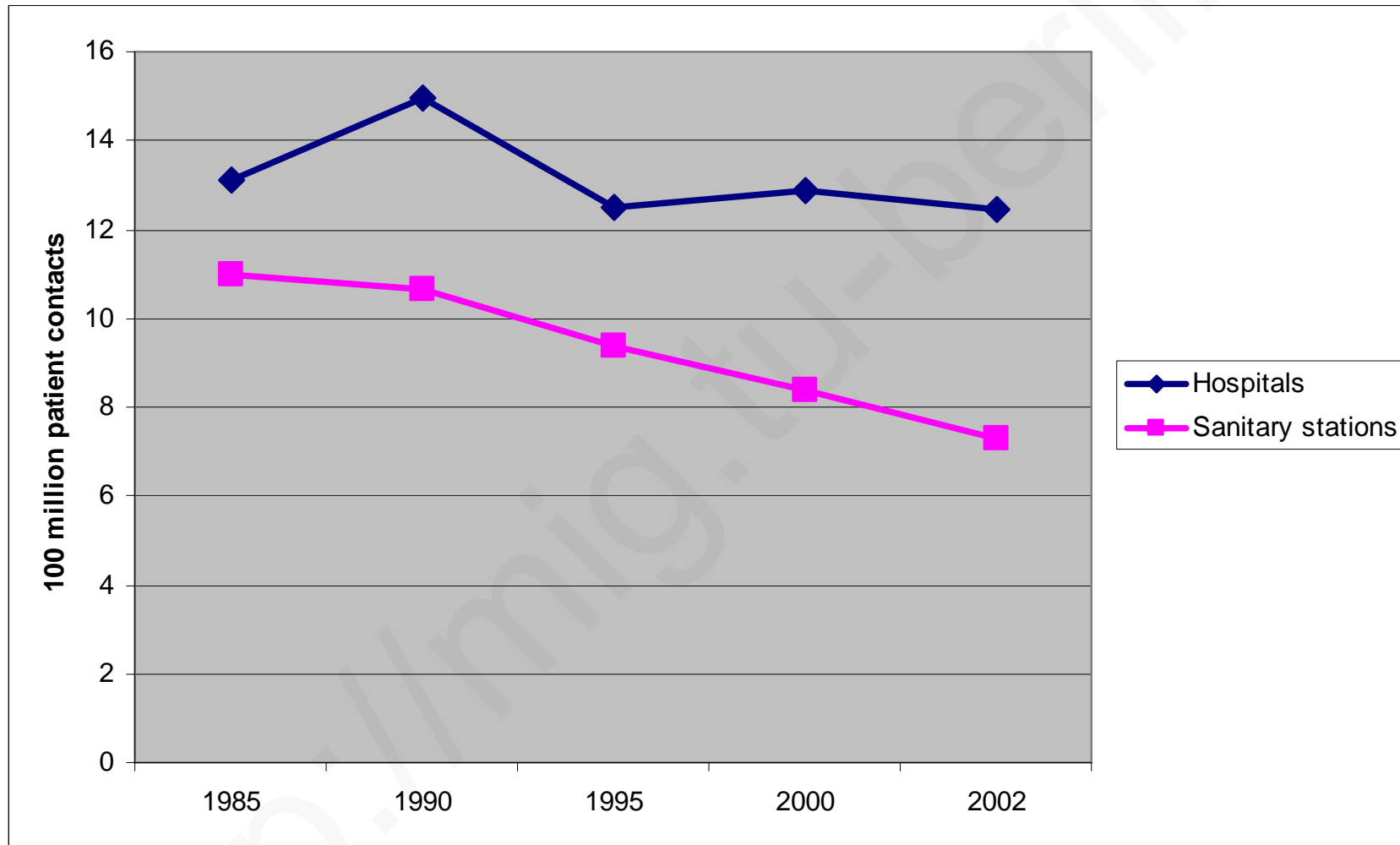
Third party health financing: Protection from health care costs

1998

	Urban population (%)	Rural population (%)
Gongfeiyilao	16.0	1.2
Laobaoyiliao	22.9	0.5
Part-laobaoyiliao	5.8	0.2
Health insurance	3.3	1.4
Social Fund	1.4	0.0
Cooperative medical care	2.7	6.6
Others	3.7	2.8
Out-of-pocket only	44.1	87.3

Effects on health services utilisation

Patient numbers in hospitals and sanitary stations, 1985-2002



Source: MoH PRC 2003

Inequity of health services delivery

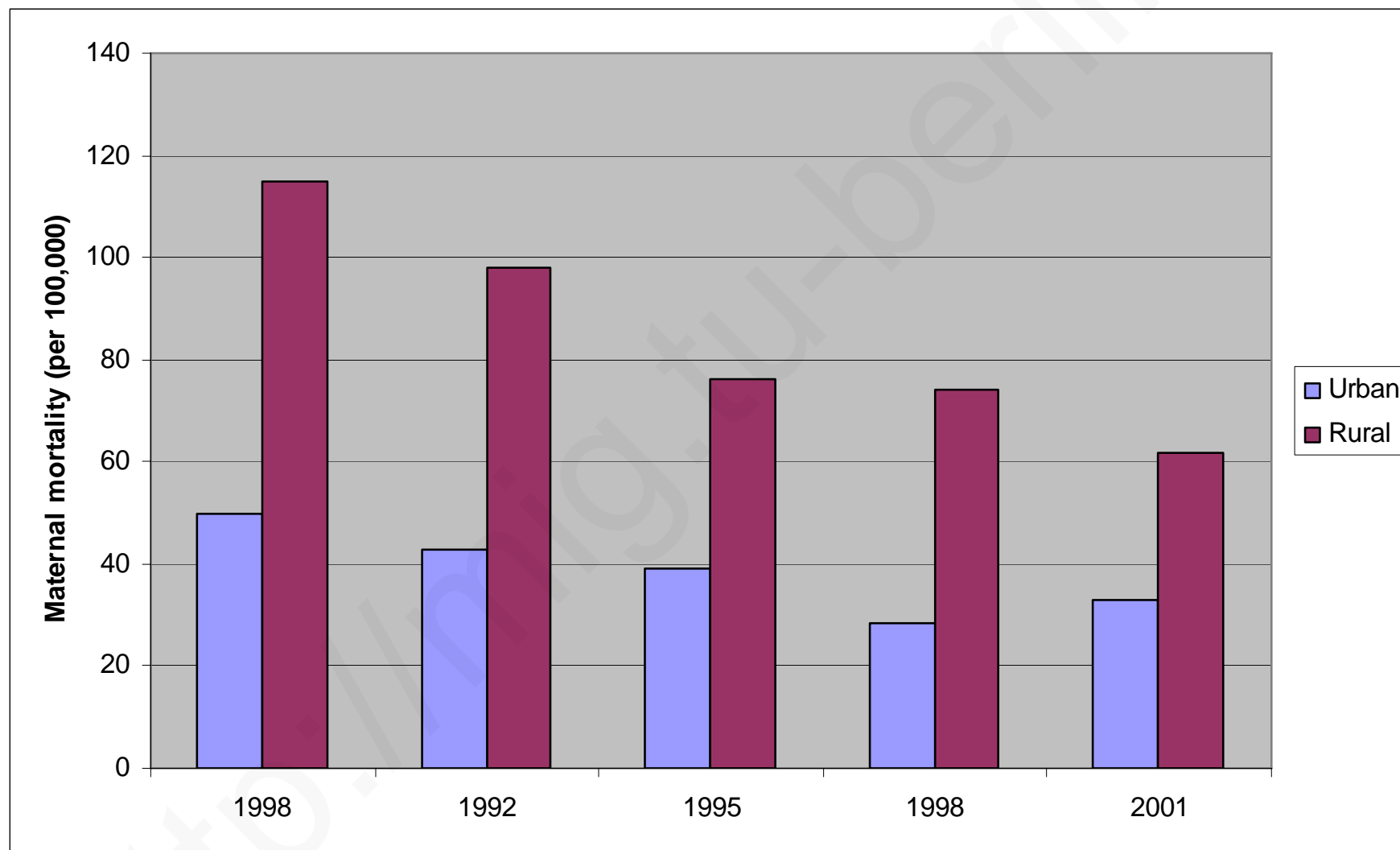
Inequity of health finance

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Recommendations

Maternal mortality in MoH surveillance areas

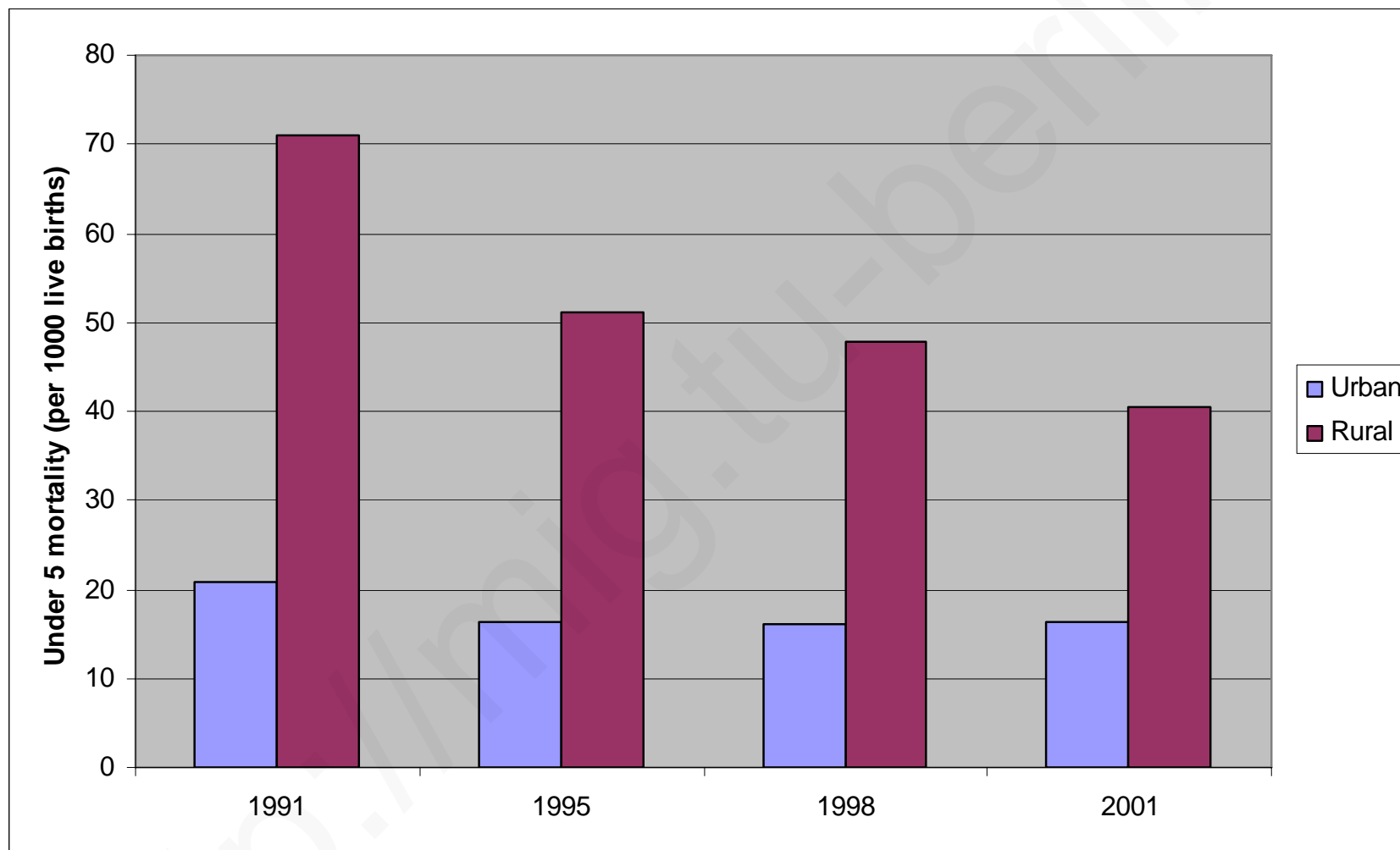
1989 - 2001



Source: MoH PRC 2002

Under 5 mortality in MoH surveillance areas

1991 - 2001



Source: MoH PRC 2002

Inequity of health services delivery

Inequity of health finance

Inequity of health outcomes

Recommendations

Recommendations

To counter the stark inequities in rural finance and delivery there need to be in the first instance:

- **Protection from catastrophic health care costs** by re-introducing some risk pooling mechanism after the collapse of medical cooperative schemes
- **Cross-subsidy** between cities and countryside and between rich coastal areas and inner country regions – easiest way is through general taxation
- **Basic health benefits package** adapted to the public health needs of the rural and poor city population on the basis of cost-effectiveness and complexity of interventions
- **Alignment of training and financial incentives** to provide appropriate care package – also by rural doctors
- **Monitoring/reinforcement of standards of care** and penalties for inappropriate care at both institutional and personal levels