



China's New Healthcare Plan: Impressions of an American Medical Student

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REVIEW

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Abstract

On April 9, 2009, China announced an 850 billion Yuan (US \$124 billion) 3-year plan to transform the country's current healthcare system. The first half of this paper explains the details of this ambitious plan. The second half discusses the plan's implementation and successes to date.

Key Words

China, 3-Year Plan, Public Health, Health Care

Introduction

In 1978, China underwent a period of considerable economic reforms that initiated the economy's transformation from being national and centrally governed to being partially market-based. During this time, China also began to decentralize its healthcare system from a strict commune system that provided everyone's healthcare to a market-oriented one [1]. Because the government was focused primarily on the country's economic growth, the healthcare system in China was never properly developed. As a result, nationwide complaints of cost, access to care, and satisfaction have become major civil issues.

The Chinese State Council has attempted to implement healthcare reforms for the past 15 years, but it was not until 2006 that they began to draft a new, system-wide plan to transform the healthcare system [3].

The 3-Year Plan

On April 7, 2009, the State Council announced a new 850 billion Yuan (US \$124 billion) 3-year plan to completely overhaul China's healthcare system and achieve universal healthcare by 2020 [4]. Five major reforms were cited for improvement: insurance coverage, drug supply and cost, public health, hospital reform, and health delivery [5, 6].

The overall insurance plan is to build upon the previously established New Cooperative Medical Scheme (NCMS) and to provide over 90% of the population with basic health insurance by 2011. The NCMS is a system that collects payment from various levels of government and puts them into rural and unemployed residents' insurance policies [7]. Initially, both the central and local governments each contributed 40 Yuan (\$5.88) annually to every resident's health plan, leaving the remainder of the financial obligation with the individual. Under the new 3-year plan, the NCMS government subsidies will increase to a total contribution of 120 Yuan (\$17.65) per person, with plans to gradually increase that number. Additionally, commercial health insurance will become available for purchase. Traditionally vulnerable populations, including migrant workers, the self-employed, and retirees from "financially troubled companies" will also eventually be covered [4].

In order to lower the costs and increase the accessibility of prescription drugs, China will create a list of "essential drugs" for government-run hospitals, clinics, and pharmacies that must be sold at determined prices [4, 8]. At the same time, the government plans to provide more funding for those government-run facilities in order to recompense them for drug reimbursement losses. The selection criteria for these essential drugs will include disease prevalence, safety, efficacy, and cost-effectiveness. To ensure quality control, health officials will conduct regular safety inspections on the listed essential drugs [8].

The State Council also mentioned the need for increased public health services. China Central Television (CCTV) will be mandated to create a TV channel solely dedicated to health education. More programs will be developed to control HIV/AIDS and TB, both prevalent diseases in



China. New projects will be initiated to improve vaccine dispensation, rural sanitation facilities, birth defect prevention, and toxicity risks from coal-burning [4]. China will significantly improve its disease prevention and control, through education, increased resources, and regular exams for children and the elderly [4, 9]. The government will also invest 15 Yuan (\$2.21) per person in the public health service, increasing it to 20 Yuan (\$2.94) by 2011 [4].

Most significantly, the government plans to completely restructure the healthcare infrastructure in order to improve health delivery. The Chinese government will construct and upgrade tens of thousands of village clinics, county hospitals, townships hospitals, and community health centres so that every county has at least one hospital and every village has at least one clinic. The overall goal is that Chinese residents will not have to travel far to seek medical care. The government also plans to improve health delivery through better physician care, promising to train 1.37 million village doctors and 160,000 community doctors. City hospitals will be required to each assist 3 county hospitals in “clinical services, personnel training, technological guidance, and equipment sharing” [9]. City hospital doctors will be required to work for at least 1 year in rural hospitals if they want to be promoted [4]. The government will encourage college graduates to work in rural clinics by exempting them from their college tuition after 3 years of service [10]. The plan also details the creation of a nationwide medical records database to improve efficiency and care coordination [4]. Clearly, the Chinese government has created quite an ambitious and impressive plan to modify its current healthcare system in just 3 years. However, what is most remarkable is how much of it the government has already achieved.

Implementation

In the 15 months since the 3-year plan was announced, the Chinese government has made substantial progress in their five major reforms.

More than 1.2 billion Chinese people now have some kind of basic medical insurance, including over 94% (833 million) of rural villagers [11]. Starting in May 2010, China’s National Audit Office (NAO) also began a universal audit of the NCMS to ensure that it is being managed effectively [12].

In October 2009, a guideline was issued on essential drug prices [7]. There is now a list of 307 essential drugs and their price caps that health-care providers must recognize. By the beginning of March of this year, almost half of all government-run urban hospitals and a third of all rural clinics had adopted this guideline, and subsequently, the average price of prescription medicines has declined by 30% in those locations.

China has also made efforts to improve public health efforts through disease control and prevention. Last year, the government provided free H1N1 vaccines to over 100 million Chinese citizens and free Hepatitis B vaccines to about 30 million children.

In June 2009, a guideline was issued on hospital and clinic construction. Since then, 20 billion Yuan (\$2.9 billion) have been designated for the construction of 5,689 community hospitals, with almost 50% already in use. 70,000 village clinics and over 10,000 health institutions have also already been constructed.

In January 2010, a guideline was issued on improving physician development and competency. To date, almost 1 million local health professionals have undergone medical training. Also, 1,091 urban hospitals have formed assisting relationships with 2,184 county hospitals [11].

In February 2010, a guideline was issued on the reforms that will be administered in the public hospitals of 16 pilot cities. The reforms will start later this year. The Chinese government will then assess the results of the pilot studies, determine their overall successes, and potentially make modifications and conduct more trials [13].

In order to monitor the progress of the country’s new health reforms, the Ministry of Health recently “announced the development of 19 indicators to track six components of the health reform: access, quality, cost, financial protection, patients’ satisfaction, and health improvement” [14]. The Chinese government is committing itself to developing a reformed healthcare system, and they are tracking the 3-year plan’s progress to ensure that it is successful.

According to current government reports, the 3-year plan has been an achievement in collaboration and implementation thus far. However, it is difficult to discern the accuracy of the reported figures. With such ambitious reforms, it is also hard to predict their full impacts at this stage. Although the healthcare reforms appear to have a lot of potential, they are being executed rather quickly. It is uncertain whether the current health insurance infrastructure will be able to withstand the sudden, large influx of clients and remain effective. Similarly, thousands of new hospitals and clinics will need to determine how to operate successfully and afford to sell price-controlled essential drugs.



Despite the unknowns and the possible pitfalls, the 3-year plan is an impressive attempt at producing a better healthcare system for the Chinese people. The Chinese government has dedicated a substantial portion of its national resources towards the effort. Hopefully, the results will be just as inspiring as the plan's vision and execution.

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CONFLICTS OF INTEREST

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