

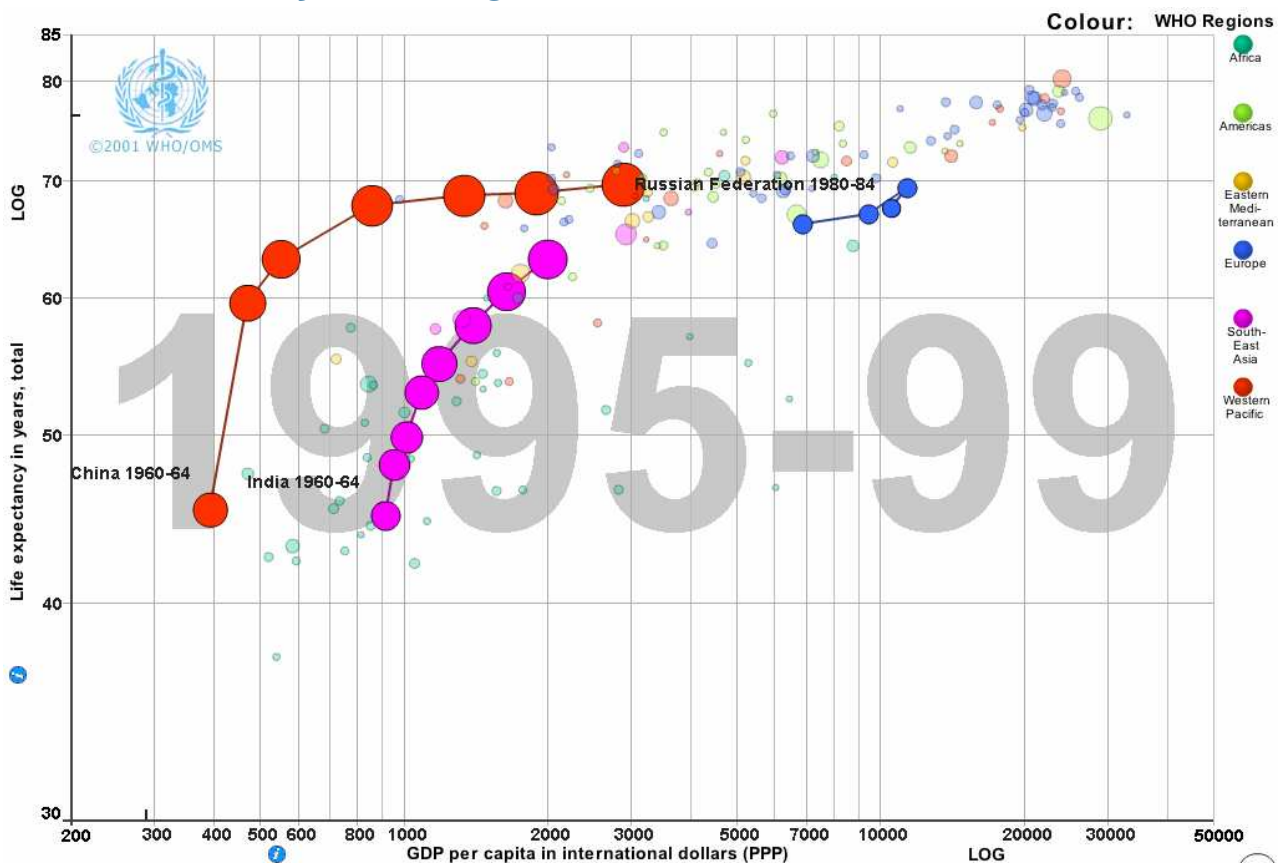


Health care financing and access to health care in rural China

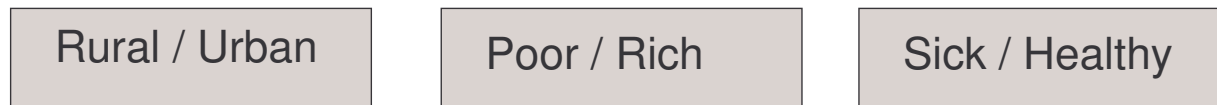
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Success story China: good health at low cost ?



The Reality: Pronounced Inequities in Chinese Health Care



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

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Inequity of health services delivery

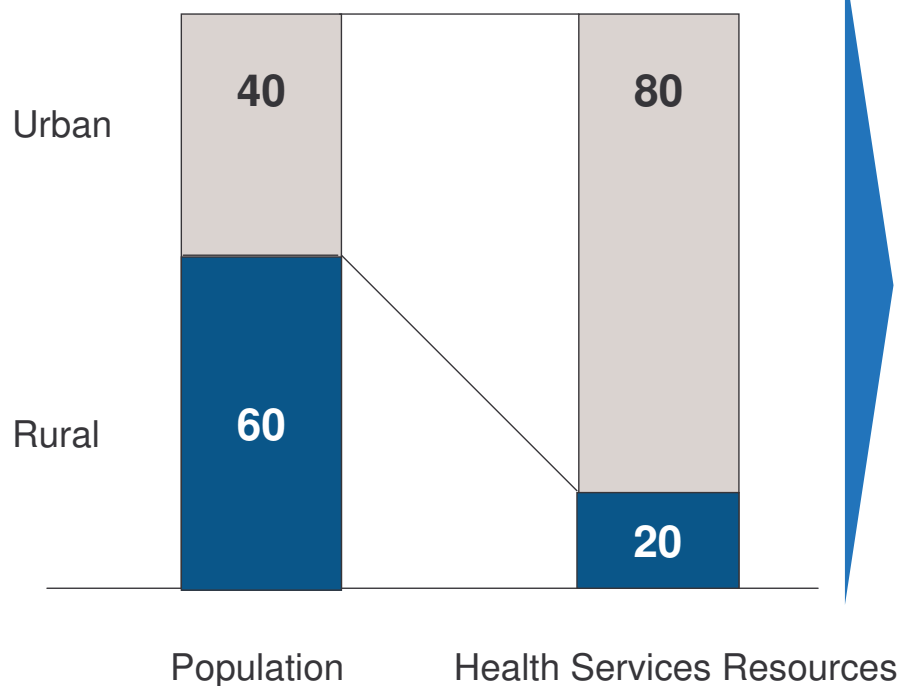
Inequity of health finance

Inequity of health outcomes

Recommendations

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Inequity in health services infrastructure



Rural China:

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

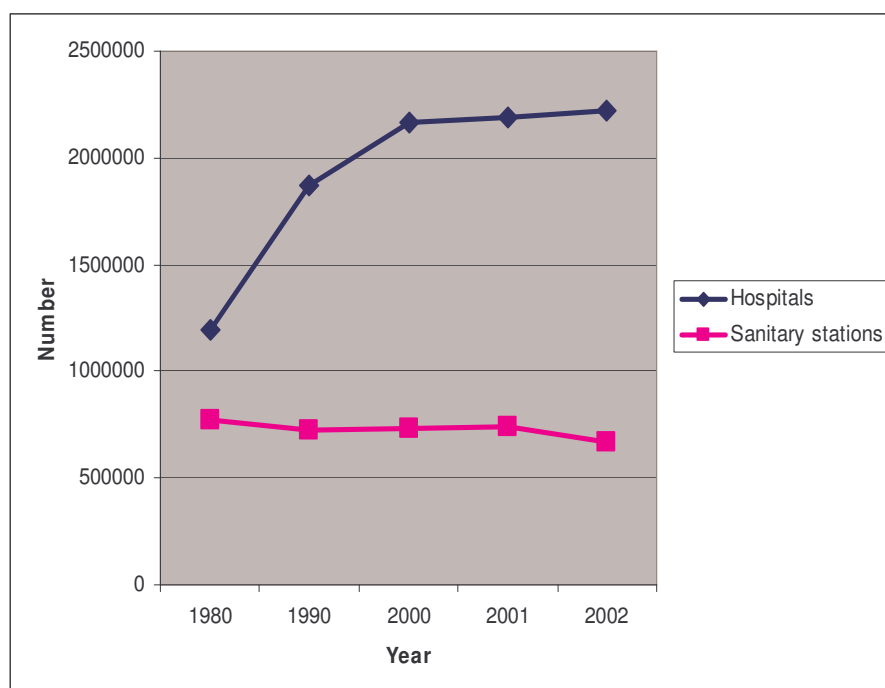
Plus

Differences in meaning of these terms!

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Inpatient beds in city hospitals vs. rural sanitary stations

1980 - 2002



Inpatient beds (2002)

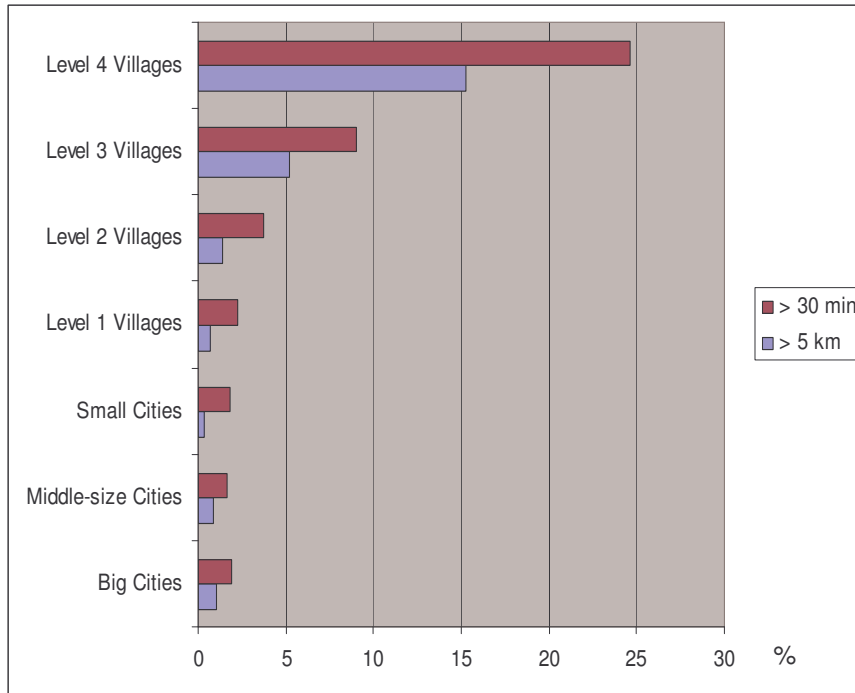
Urban China:

3.69 per 1000

Rural China:

1.51 per 1000

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

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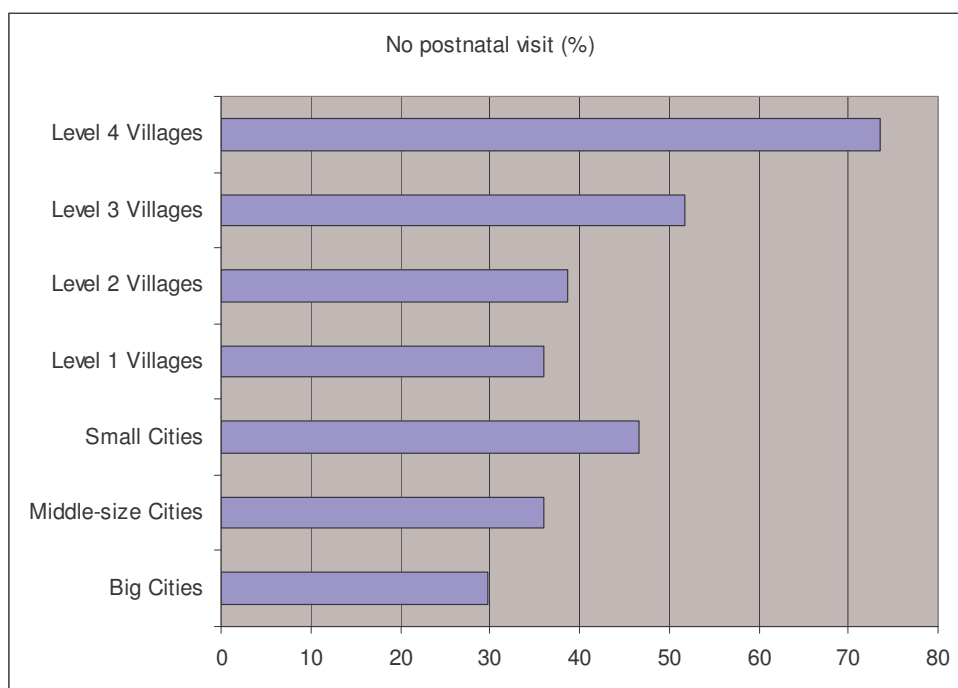
Urban – rural differences in quality of care

- 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

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Inequity in access to health prevention / promotion

Postnatal visits by midwives or other health care worker



Source: MOH PRC 1998

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Inequity of health services delivery

Inequity of health finance

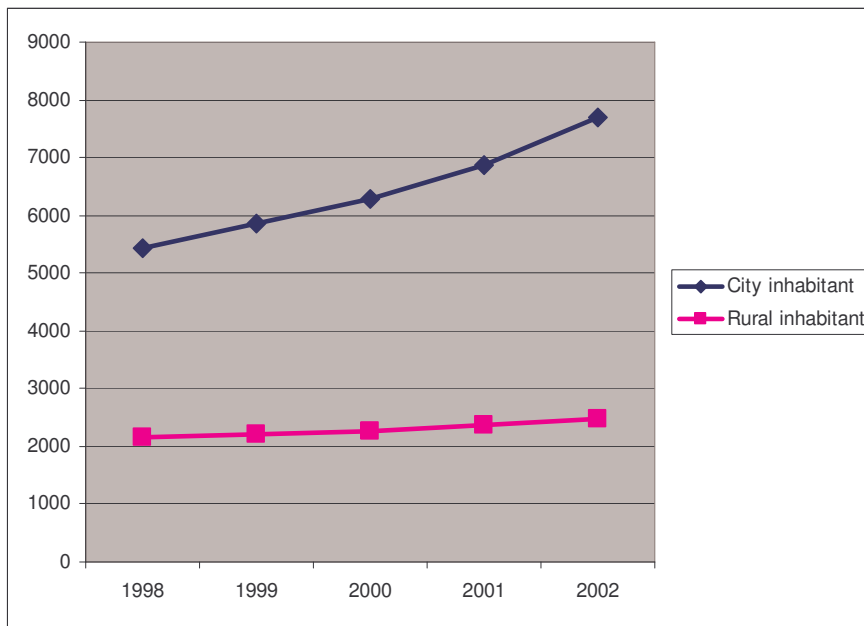
Inequity of health outcomes

Recommendations

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Urban – rural income disparity is widening

1998-2002



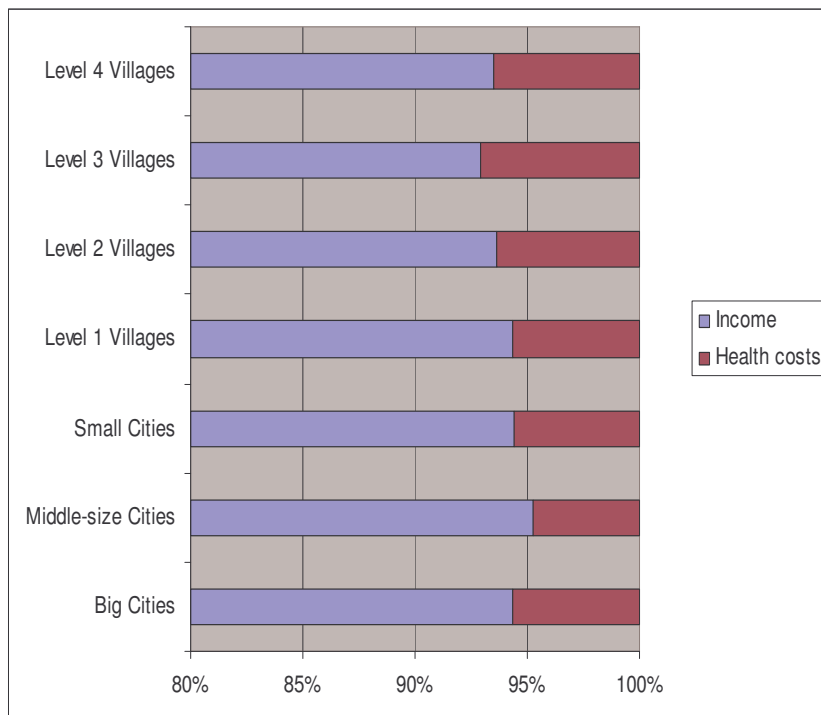
2002:

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

Source: Stastical Office PRC 2003

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Income vs. health care costs



Healthcare expenditure

Cities 7.06 % (247 Yuan)

Rural 9.00 % (134 Yuan)

of total expenditure

Source: MOH PRC 1998

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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

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Third party health financing: Protection from health care costs

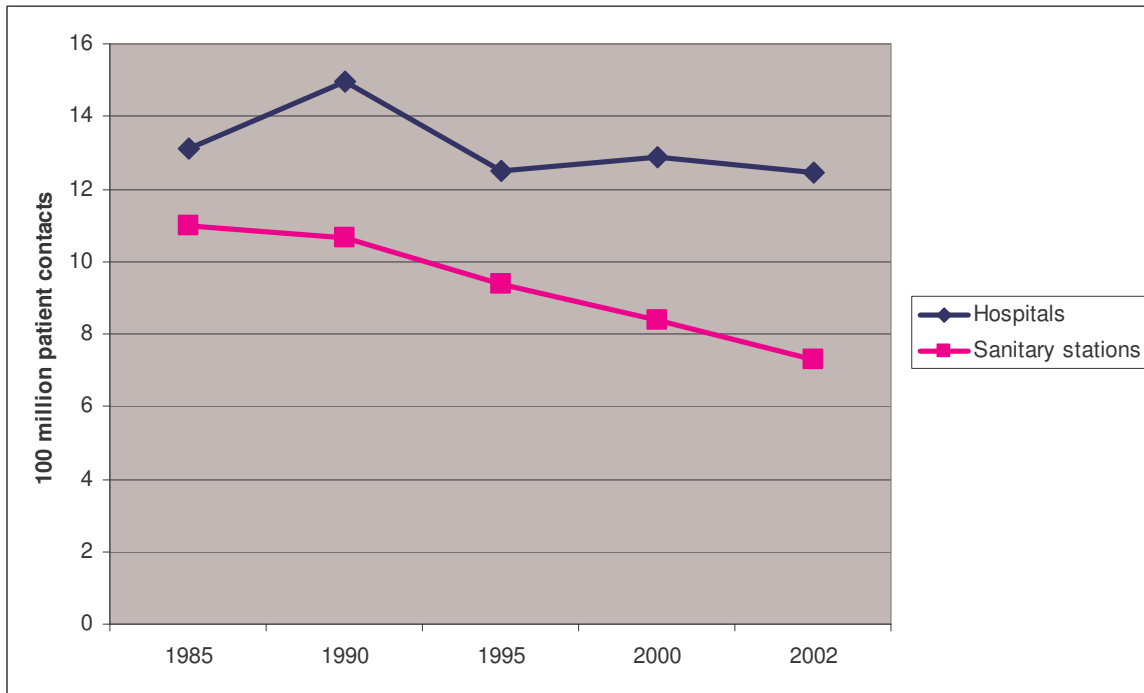
1998

	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

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Effects on health services utilisation

Patient numbers in hospitals and sanitary stations, 1985-2002



Source: MoH PRC 2003

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Inequity of health services delivery

Inequity of health finance

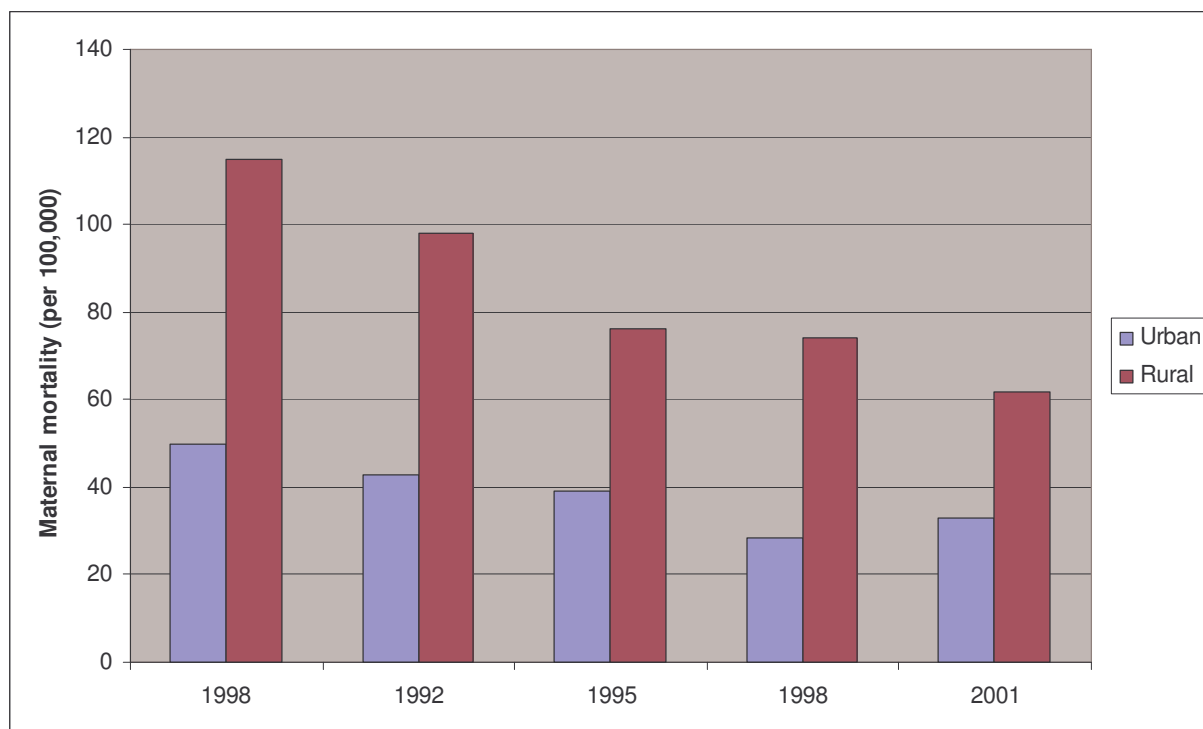
Inequity of health outcomes

Recommendations

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Maternal mortality in MoH surveillance areas

1989 - 2001

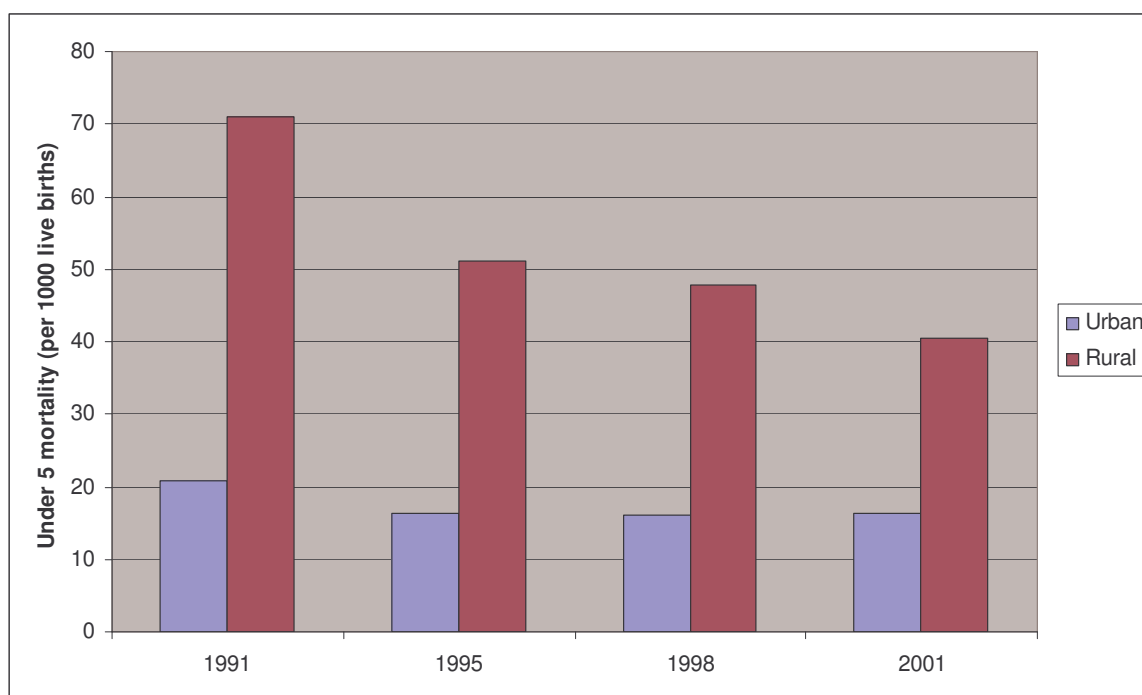


Source: MoH PRC 2002

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Under 5 mortality in MoH surveillance areas

1991 - 2001



Source: MoH PRC 2002

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Inequity of health services delivery

Inequity of health finance

Inequity of health outcomes

Recommendations

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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 or 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

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