Healthcare in China

China's economic reforms have turned an almost uniformly poor nation into an increasingly prosperous one in the space of a mere generation. But the collapse of socialized medicine and staggering cost increases have opened a yawning gap between health care in the cities and the rural areas, where the former system of free clinics has disintegrated.

Through over 20-year of development after the founding of the People’s Republic of China, relatively complete health service including medical treatment, prevention, healthcare, recovery, teaching and research had been into formation. Annual death rate from about 17 per 1000 in 1952 declines to 6.34 per 1000 in 1980. life expectancy was 40.8 years in the early 1950s, 49.5 in the early 1960s and 65.3 in the late 1970s. In the mean time many diseases were eliminated or brought under control. Programs for hygiene and health protection were introduced.

In rural areas, a three-tiered hospital prevention and healthcare network integrating prevention, medical treatment and healthcare had been into formation with county-level hospital as the main units, township health centers as the core units and village clinics as the foundation units.

In the first tier, the part-time barefoot doctors in health clinics provided preventive and primary care. For more serious illnesses, they referred patients to the second tier: commune health centers, which might have 10 to 30 beds and an outpatient clinic serving a population of 10,000 to 25,000 and which were staffed by junior doctors. The most seriously ill patients were referred by the commune health centers to the third tier: county hospitals staffed with senior doctors. The “cooperative medical system” (CMS) that organized the barefoot doctors and provided other medical services to the rural population was part of the commune system and was financed by the communes' welfare funds.

Following the economic reform started in 1978, the cooperative medical system collapsed in most areas. The central government in fact withdrew from the rural health service. Provincial government reduced their health subsidies. County governments were unwilling to take on the responsibility. The collapse of the rural health system has led to a series of consequences, including the loss of access to health care, the growth of inequality, under-financing, the deterioration of buildings and equipment and the total neglect of preventive care.

China’s health care reform began in the early 1980s. since then China’s health care has made some progress, but overall speaking, the reform has failed to improve the cost, access, and equalities of the healthcare system. In 2005 the Development and Research Center of the State Council issued a report stating that China's market-oriented healthcare reforms were "basically a failure".
According to a survey by the World Health Organization (WHO) in 2000, among its 191 member countries, China's health-care system was ranked 188, near the bottom in terms of the budget's percentage of the country's fast-growing gross domestic product.

For more than a decade, the allocation for health care, as a share in the total government budget, has been shrinking, and the individual Chinese citizen's health-care expenses have been expanding. According to the WHO, two-thirds of China's residents have to pay for all their health services, an amount that accounts for 56% of the country's total health-care expenditure.

Soaring medical costs in recent years have plunged many rural and urban Chinese back into poverty as a result of the government's failure to implement an adequate medical insurance network after it cut subsidies for medical costs in 1992.

According to a survey by the Ministry of Health in 2003, nearly 50% of the people polled said they never consulted physicians simply because they were not able to afford it. According to the Ministry of Health, by 2005, total of about 100 million population in urban areas are covered by the medical security system, accounting for one-fourth of the urban population, less than half of all the urban employed people. However, only about 10% of the total population in rural areas is covered by the system. because of this, many have died at home.

As a result of the severity of this problem, healthcare has moved up to become a top agenda item for China’s top leaders. The Chinese government started working on a health care reform plan in June 2006 amid mounting concerns from the public about medical service. The central government has increased its spending on health by over 85 percent, but the increase in national income alone could cover all of national healthcare spending. In short, China could afford a national primary healthcare system; the State Council has approved this in principle to be in place by 2010.

In April 2008, About 22 experts, medical workers, ordinary citizens and representatives from pharmacy companies attended the meeting, the first held to solicit opinions about a draft plan for health care reform. The draft plan will be announced nationwide to solicit public opinion when it is ready. Through the reform plan, the country will ensure the non-profit nature of its public medical service, and speed up building a health insurance network in both urban and rural areas, improve the public health service and set up a state catalog, production and distribution of basic medicines.

In 2008 the central government will allocate 83.2 billion yuan (about 11.7 billion U.S. dollars) to support the reform and development of health care, an increase of 16.7 billion yuan (about 2.4 billion U.S. dollars) over last year, with the focus on spending on facilities at the urban community and village level.

(Main Sources: www.atimes.com; www.moh.gov.cn; www.english.gov.cn)