

Achievements and Challenges of Medical Security in China

2018.8.15 Thailand

About China

Land Area: 9.6 Million Square Kilometers

Population: 1.38 Billion (2016)

Ethnic Groups: 56

Administrative Areas: 32 Provinces, 2 Special Administrative Regions

- *Development Process and System Framework*
- *Main Achievements*
- *Challenges*
- *Improvement Measures*

Development Process
&
System Framework

Development Process

- Basic medical insurance for **urban employees**
 - Before 1994, labour insurance for state-owned enterprises employees & health care for government employees
 - In 1994, pilot project in Zhenjiang and Jiujiang city
 - In 1996, pilot project in more cities
 - In 1998, The State Council issued a decision to set up the basic medical insurance system for urban employees.

Development Process

- Basic medical insurance for **urban residents**
 - In 2007, pilot project
 - In 2009, full implementation

- New rural cooperative medical system for **rural residents**
 - In 2003, pilot project
 - In 2008, full implementation

Development Process

- Medical assistance system for urban and rural disadvantaged groups
 - In 2003, medical assistance system for **rural** disadvantaged groups
 - In 2008, medical assistance system for **urban** disadvantaged groups
- Multi-level medical security : supplementary medical insurance 、 commercial health insurance、 critical illness insurance(The Lancet)

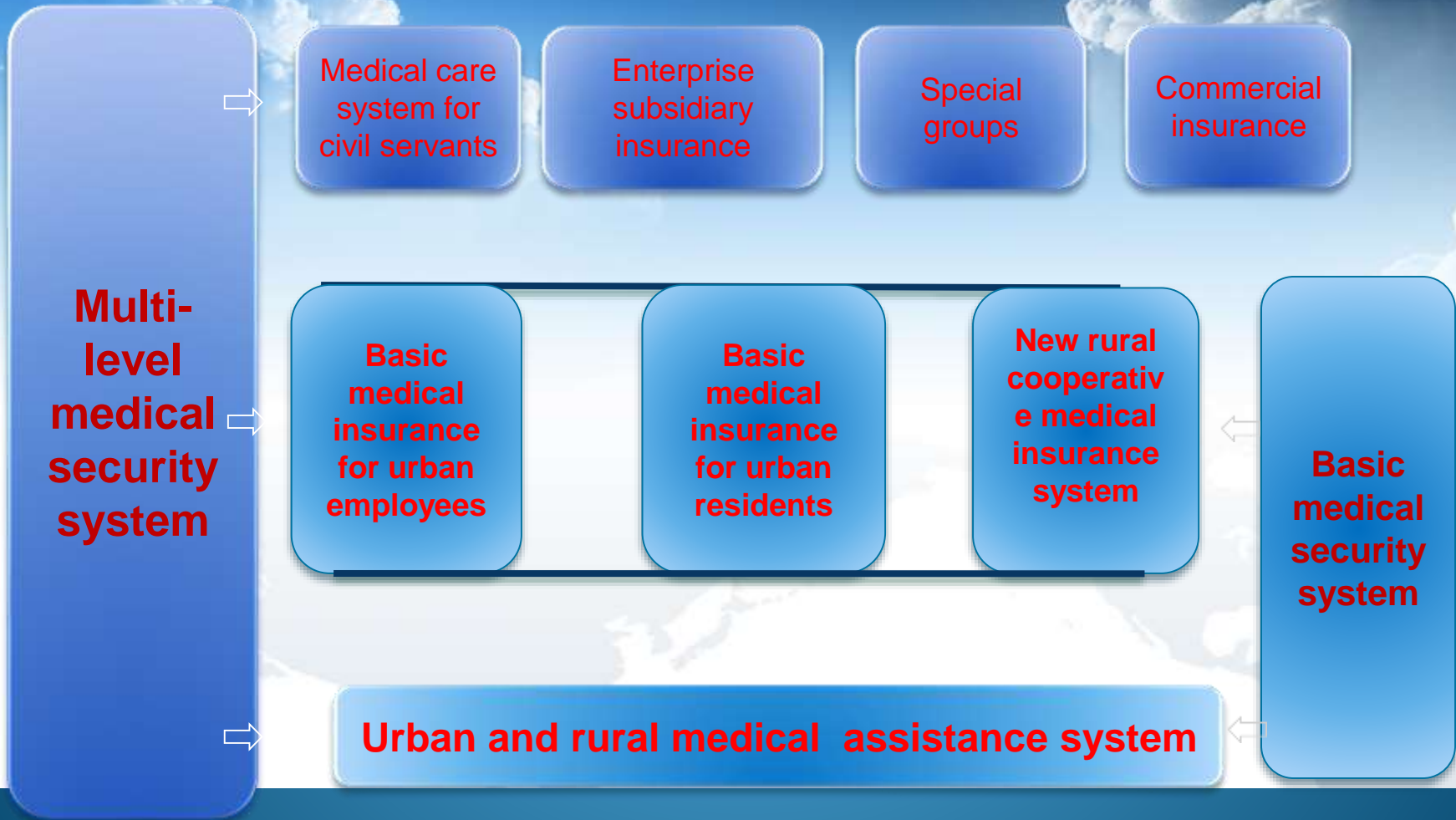
Development Process

Social Insurance Law

Promulgated on Oct. 28th, 2010, came into effect on July 1st, 2011

- **The first time to confirm** China's social insurance system in law
- **Universal coverage** of basic medical insurance system for all employees and residents in both urban and rural area

Multi-level Medical Security System



Principal of Basic Medical Insurance

- Social equity
- Basic security
- Equivalence of rights and obligations
- Responsibility sharing

Coverage of Basic Medical Insurance

Universal Coverage

employees & residents, rich & poor, urban & rural, from birth to death

Basic medical insurance for employees in all enterprises, government and public institutions

Basic medical insurance for urban residents

New rural cooperative medical insurance system for rural residents

Basic medical insurance for residents in urban and rural area

Contribution of Basic Medical Insurance



For employers and employees (in principle):

Employer: Total payroll × 6%

Employee: Wage × 2%

**No contribution requirement for retirees
(in practice): Determined by pooling area**

Nation-wide average employer contribution rate: 7.4%



For residents (not employed, eg. child, student, old person):

Government subsidy: ¥ 490 in 2018

**Individual contribution : ¥ 220 in 2018 (disadvantaged person
has extra subsidy from government)**

Benefits of Basic Medical Insurance

employees

Inpatient services and outpatient services for some serious illnesses shall be covered by **pooling fund** within the threshold and ceiling of payment.

Outpatient services, part of inpatient services and medicine expenses at designated pharmacies shall be covered by **individual account**.

residents

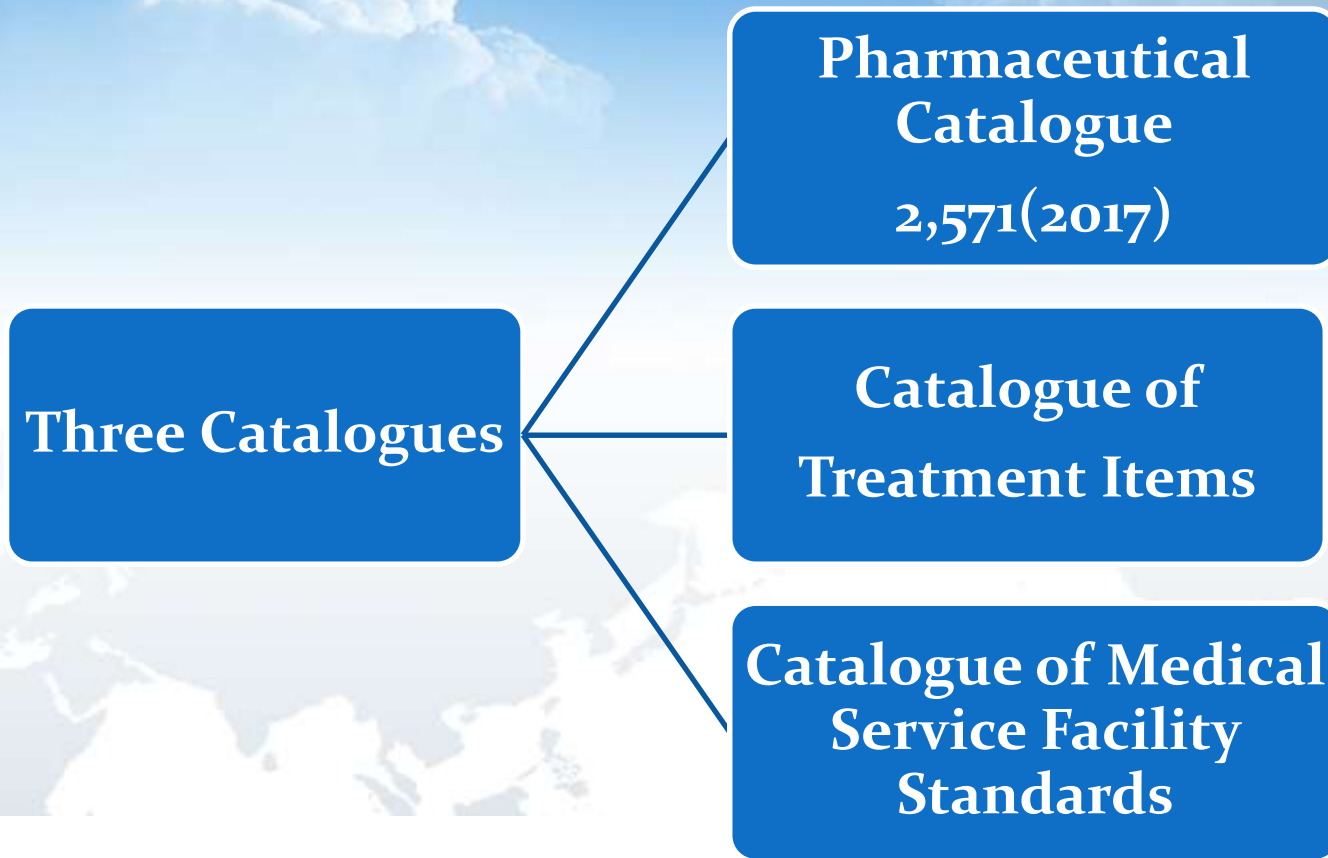
Inpatient services and outpatient services for some serious illnesses shall be covered by **pooling fund** within the threshold and ceiling of payment.

Outpatient services for some illnesses are covered by the pooling fund.

The threshold and ceiling of payment is determined by local administration(ceiling is usually 10%of local employees' annual average wage or local residents' annual average disposable income)

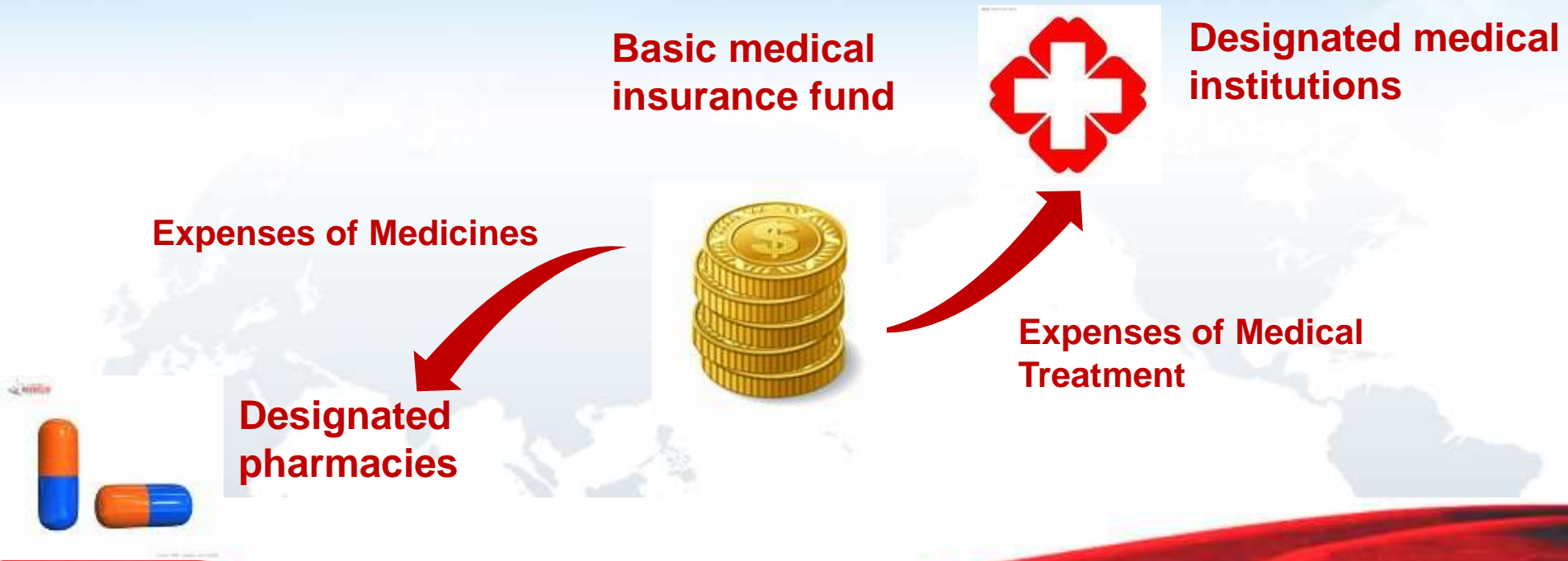
Medical Service Management

Expenses only within the Three Catalogues are payable from basic medical insurance fund.



Medical Service Management

Only expenses of medical treatment and medicine at the designated medical institutions pharmacies are payable from basic medical insurance fund.



Main Achievements

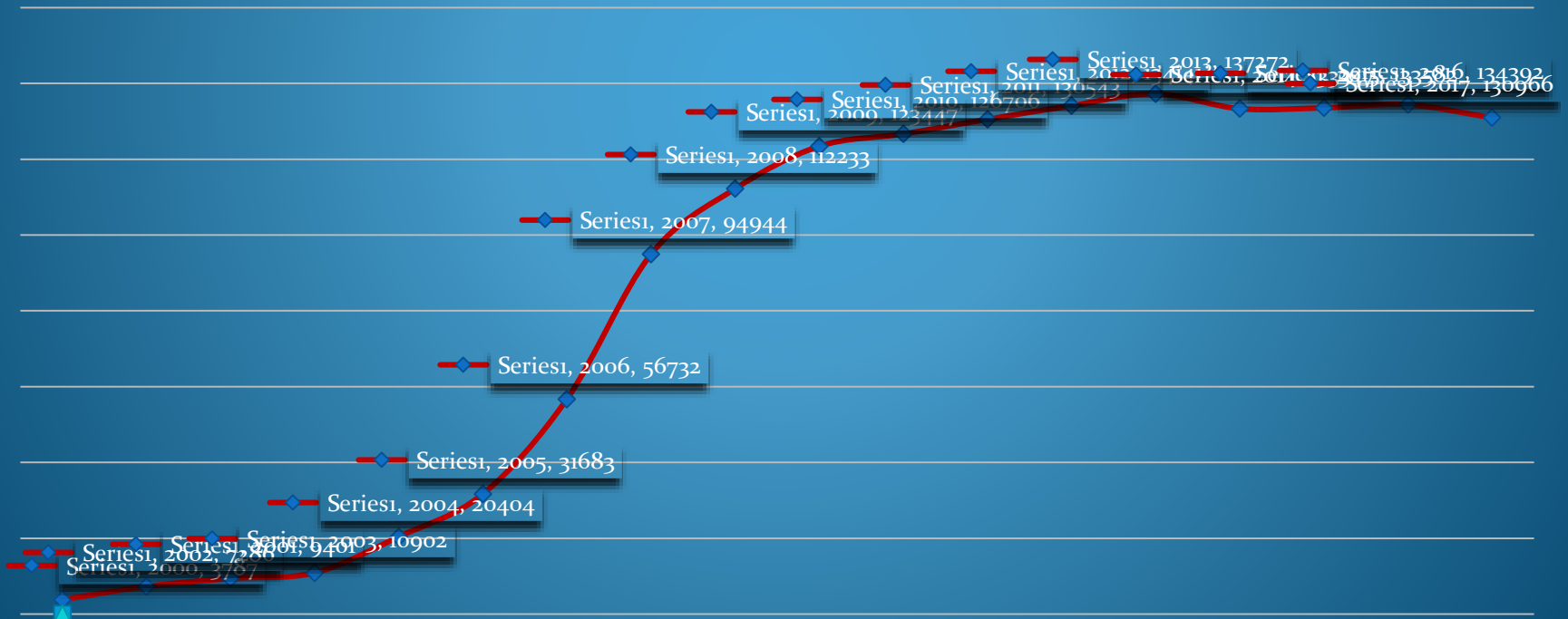
Present Situation

- The universal medical insurance system has been initially established.
- Primary stage, needs further improvement
 - Basic medical insurance ——more equitable and sustainable
 - Multi-level security system——speed up
 - Improving the level of benefit
 - Meet the requirements of medical and health system reform

Number of insured increased rapidly

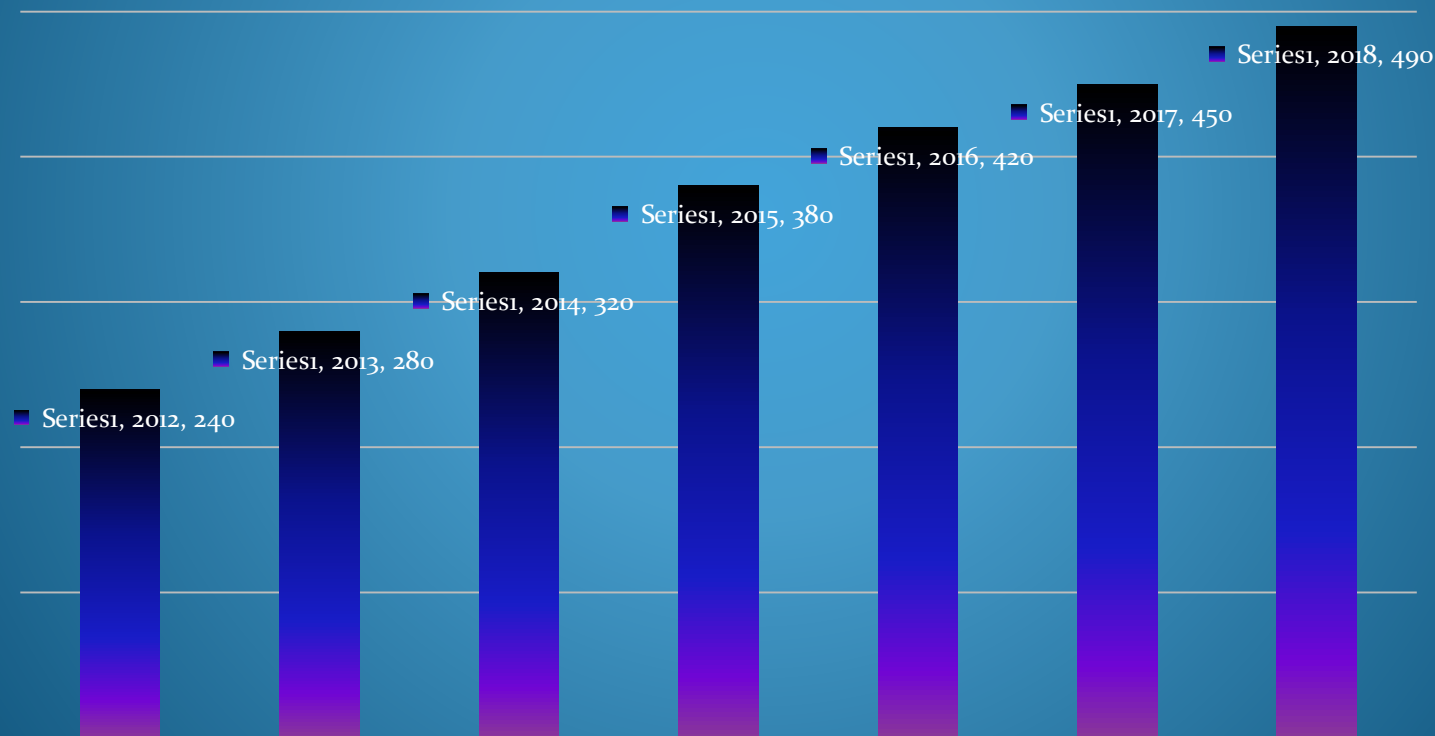
exceeded to 1.3billion, covering over 95% of the population

unit: ten thousand

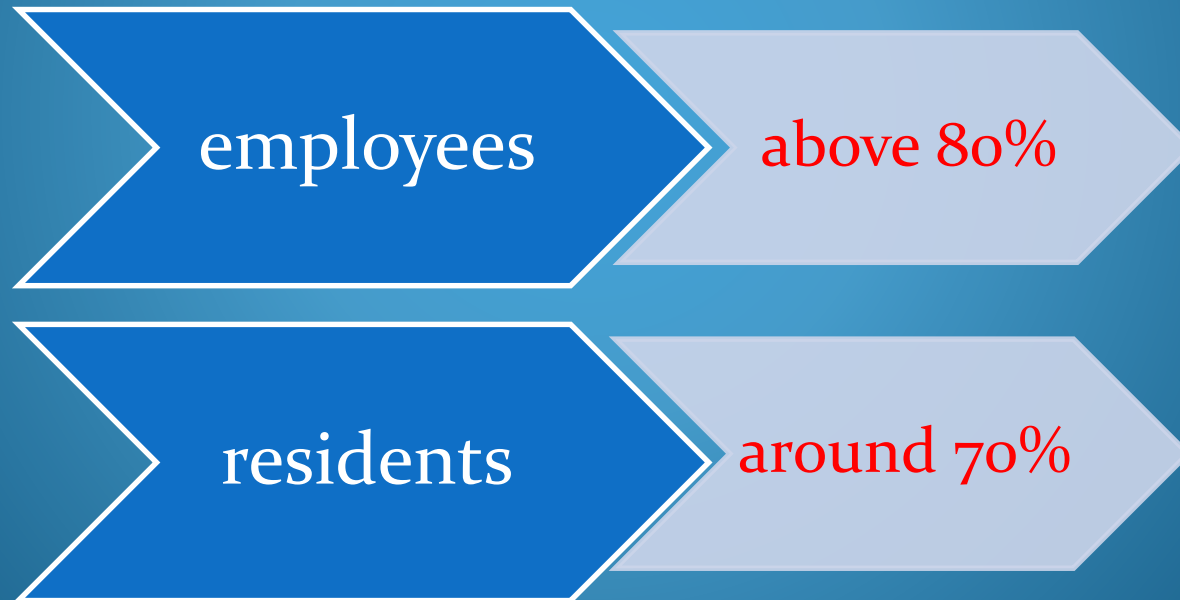


Government subsidy standard increased rapidly

government subsidy per capita(RMB)



Reimbursement proportion of the pooling fund in the eligible inpatient service expenses increased steadily.

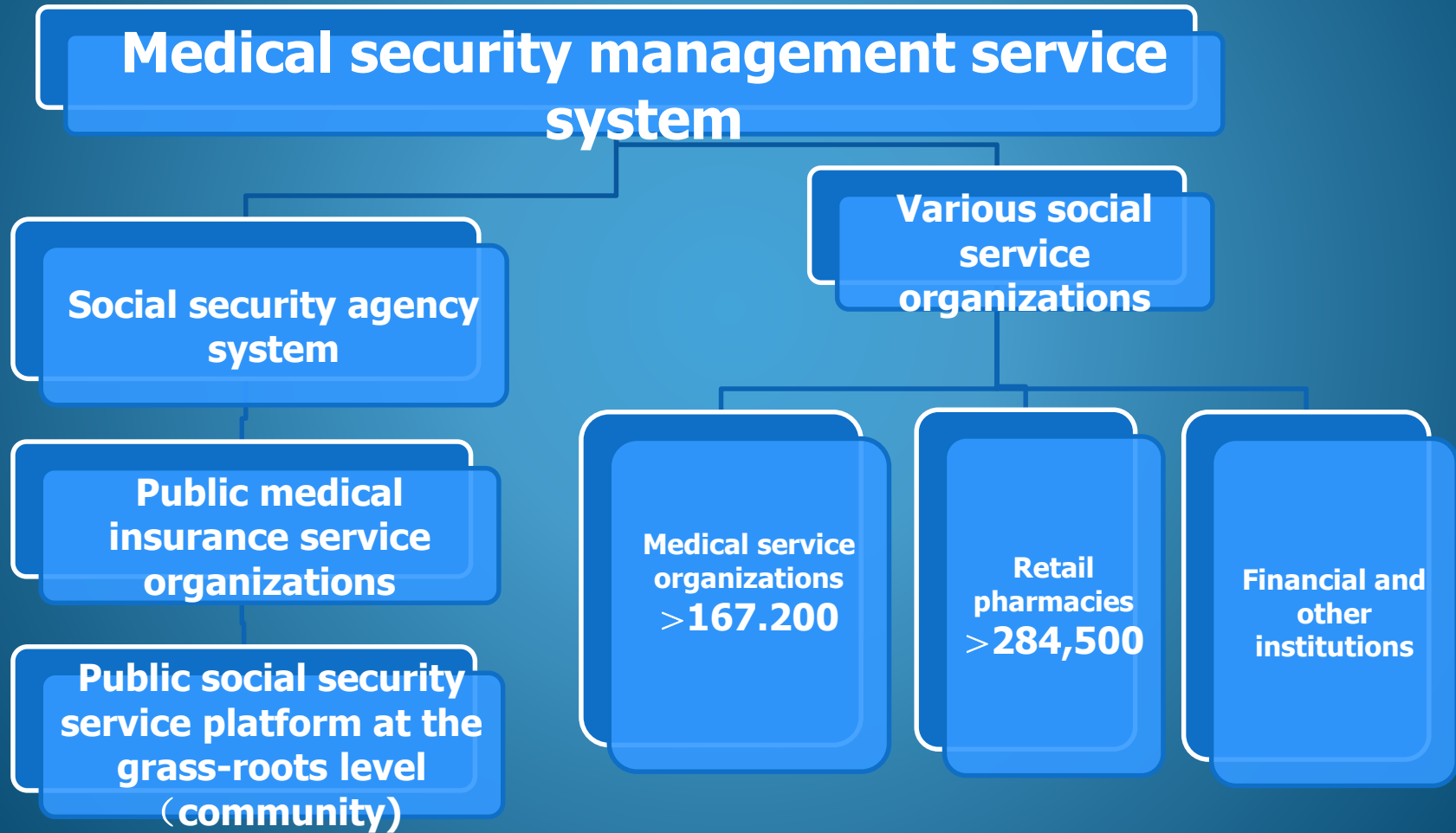


- By 2017, basic medical insurance revenue is ¥1,793 billion, expenditure is ¥1,442 billion (MOHRSS)



The expenditure of basic medical insurance fund accounts for more than 60% of the business income of medical institutions.

A relatively complete network of medical insurance services developed

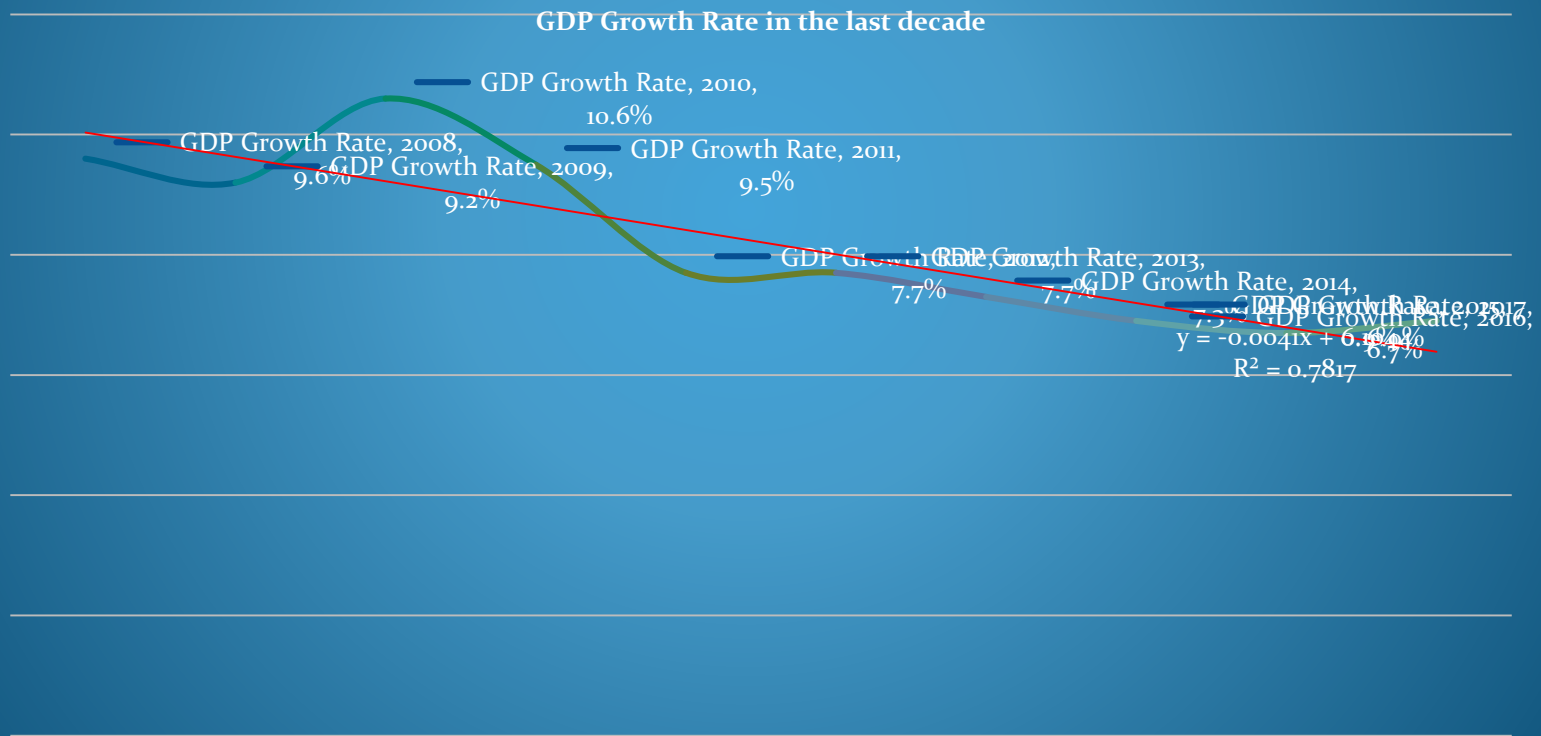


Challenges

Social Development Background

- In the primary stage of socialism for a long time
- Economic development in the new normal
- Society entering the transition period
- Rapid development of aging population and urbanization

GDP growth will be in a relatively normal speed in a long term.



Aging population

- By 2016 , 230 million old people above 60 yrs old (150 million old people above 65 yrs)
- 16.7% of total population(10.8%),
- 2.6 young working persons : 1 old person
- Typical Chinese family structure 4 : 2 : 1

Pressure on Basic Medical Insurance System

- Social pressure: diversification and multi-level of needs
- Fund pressure: aging population, development of medical technology, medical cost increase
- Management pressure: migrant from urbanization, unbalanced public health service

Improvement Measures

Main Task of Improvement & Development

- 1+1+8+3
 - 1 mission : basic role in the medical reform
 - 1 administration: integration of management

National Healthcare Security
Administration

(MOHRSS, NHFPC, NDRC, MCA)

Main Task of Improvement & Development

• Medical Insurance Aspect

8 tasks :

- strengthen universal coverage
- improve benefit level,
- improve services,
- strengthen supervision and management
- reform the mode of payment
- improve the medical assistance system,
- develop commercial health insurance,
- establish security mechanism for critical diseases

Measures to deal with challenges

- **Medical and Health Aspect**

3 Key reforms:

- Rational allocation of medical and health resources (balance between urban & rural, developed & less developed)
- Reform the operation mechanism of public medical service institutions (dictors)
- Supporting reforms in the field of drug circulation (Movie: Dying to Survive)

Looking for a better future:

Everyone has the right to
basic medical security.

*Thank
you !*