

Around peasant's health: coordination among government, market and society

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I, Questions:

As the biggest social group in China, we still have more than 7 billion peasants among 13 billion total populations. Most of peasants lose their formal natural resource, social network and become the vulnerable group on market competition, employment ability and income compatibility under such globalization and urbanization procedure. The clearest example is most of peasants would not enjoy the social security, especially on healthcare insurance, i.e. they have to pay themselves when they are ill. So if one family member is ill, the whole family will drop into poverty. As this question is more serious under globalization. Whether China can solve such difficulties under such nation condition, like the big gap between urban and rural with the lower average salary is the biggest question on social policy. If China can solve it successfully it will contribute a lot to the other countries vulnerable group.

II, Equality is the most outstanding and important issue on China healthcare system

Solving the health issue for 7 billion peasants, the first alternative is to add allocation on health insurance, the health expenditure should be added since the peasants' income is quite low. The second approach is market orientation and industrialization of the whole health service department, definitely speaking, the government will reduce the public allocation on healthcare system at the same time, permit the healthcare organization to get profit from its service, which will be the main source for healthcare staff salary raising. But it has showed medical treatment cost raised so quickly in the past 10 years, although it has a little bit quality raising in clinical standard while the whole society cried aloud for accessing medical treatment as "too expensive for normal family, too difficult for normal patients. The medical security for 7 billion peasants is becoming more critical since the former cooperative medical system collapsed in 1980s, and the second practice also failed in 1990s.

It is a problem but not the most critical problem on public expenditure for health treatment. Raising the efficiency of medical service quality is the same. According to some survey recently, Equality is the most outstanding and important issue on China healthcare system.

According WHO statistic for countries' health service achievement and its result, China is the 132nd in the total achievement ladder, and the 144th in the health system totally efficiency, and on the equality of allocation health source is only the 188th, the last number 4 in all countries.

The statistic show, the average cost for per person on medical treatment is raising from 14.51RMB(Less than \$ 2) to 512.5 RMB(\$64), about 30 times.48.9% people would not access to treatment for economic reason, 29.6% urban residents would not go hospital, 65% in rural. Most people have to suffer the minor illness homely and postpone their treatment if it is a major disease.(Yu Pengzu,2006)

Report from Rural economic research department under research center affiliated with State Council showed the percentage for poor peasants who would not access to treatment and dead homely is 78.6%, among its, the western is 82.1%, the middle part is 71.9% and the eastern is 79.6% in the past three years in 2005.

Why it made over 90% people worried a lot on medical treatment as China has successfully implemented the opening and market orientation reform in the last 28 year with 3 time GDP development?

The main reason on accessing medical treatment difficultly is the wrong allocation on medical scours, the population has raised 3.8 billion in the past 30 years, but the total hospital number in urban and rural has deduced 1341.

From situation in urban areas, it has decreased a lot for health surety coving rate after 20 years. Before 1980s, its cover almost every urban residents, but there are only half in 2003, and among the new social health insurance only cover 30% population, and the left still enjoy the formal model on health insurance (the public insurance cover 4%population, labor health insurance cover 4.6% and cooperative insurance is 6.6%)

The UK use its 7.6% GDP with providing the national free medical insurance, and Hong Kong is 5%GDP with providing free treatment for its citizens. And Singapore only use 3% GDP for its national health security plan,. Comparing with its neighbors, China use its medical source very unreasonable.(yang Lixia2006)

III, Basic hypothesizes

ilf we can solve the medical source allocation, funding and equality on medical treatment, we can make the following mission successfully, i.e. “Everyone enjoy the primary healthcare” even if we only use the current kinds of sources.

iiiIf the financial support can increased more 50% percent at current level on public health, under the equality and efficiency, the basic health security would be true for every one.

Our general expenditure on healthcare is not high, according the date from 2000, the average cost is 205\$ per person. Public health only occupy 2% GDP. In rural areas, we can easily see there are less quality doctors and right medicines, but we have a high percentage on doctors possession on every 100,000 population as 167, and more than UK is 164, Singapore is 135, and is the similar like Japan(197) and South Korean(173). UK can successfully cover NHS although its has less doctors than China, and some countries, like, Cuba, India can successfully accomplish the mission as everyone can enjoy the primary healthcare with the same cost on public health like China. But why China would not solve its obstacles?

The reason as following:

1. polarity on health sources, e.g. Beijing has 57 the best level "Third Jia " hospital with 12 million population, while in some the similar population cities, it has not even a "Third Yi" kind of hospital at all. 2. care city but not rural areas, The financial support for rural health was only 16% in 1998, and at the same time, the government denote 100 times for the third level hospital than the first level hospital, so it lead to 80% source concentrate to in city, and among it 80% in big hospital. So it show clearly if we can solve the allocation issue on urban-rural and different regions, the peasants' can enjoy the primary healthcare. Now the public opinion is raising donation from central government and it is quit all right. But if the equality issue would not be solved, even the governmental support raise, it would give everyone the primary healthcare service.

IV,Demanding analysis:

It should be controlled in a reasonable limit and there is no country would satisfy the never stopping demand on health. And the reasonable limit is the balance among government, enterprise, social organization, individual and family household. There exits a easy or wrong way as it depend on statistic the current patients number and clinical date and get how much it will cost for these treatment. This kind of statistic and calculation is useful but far more enough. Demanding level always need to define with supplying level. Healthcare demanding is the relative concept, abstract speaking, demanding is a objective, absolute date in some period.

The new cooperative medical system is widening in rural areas as a pilot

research, the first 304 countries has begun in 2003, and it added to 333 in 2004, and there are 641 country (city/district) at the end of 2005 and it cover 2.25 billion population, among it there are 1.63 billion peasants, coverage rate reach 72.6%, and total 1.19 billion peasants got some benefits from it, and the compensation is 50.38 billion RMB (6.4 billion\$), average person payment is 42.34RMB(5.2 \$)

The funding raising model for this new cooperative medical system is mainly from financial support, as the central government will sponsor 10 RMB for every peasant, the local matching is 10 RMB and individual peasant pay 10 RMB himself. Since 2006, the central and local authority will support 40 together, and peasant will prepare 10 RMB like before, every peasant can enjoy 50RMB insurance on major disease. To be frank, during 2004-2005, some development areas have raised the standard according their condition, the local government pay 30 RMB or 50 RMB with peasant matching raise a little bit too, but this funding modeling and security way are limited anyway.

According national statistic, rural villager average cost on treatment is 130.6 RMB. And according Zhenjiang and Guangdong experiences, if the peasant account reach 100 RMB, and set 35,000 to 60,000RMB as the line for major disease per year, it can solve the primary health target. So the above second hypothesis is practical.

Chinese government promise everyone will enjoy basic healthcare insurance at the end of 2010, so if it will be true, we also need to analyze the supplying part.

V Supplying analysis:

iGovernmental responsibility

Currently, the management of health system is followed the planning economic model, and 95% medical organizations were established and supervised by government. But with the government support become less and less during the market orientation reform, all health organizations are eager to provide high profit service to patients, and run /develop their business via it. So in the whole medical expenditure structure, the government and society responsibly less and patients 'responsibility raise a lot. The medical expenditure raising 's the main reason for "expensive medical treatment" is on governmental vacancy. Government and related department push the whole health issue to the market. In 1980-1990, the medical expenditure used to occupy 6% in governmental total expenditure, and it lowed to 4% in 2002,. In 2004, the whole medical expenditure has occupied 5.6% in GDP, but the government only pay 17%, the patient pay 56%.(Tang yanwen2006)

The vacancy also show like management weakness, especially after reform, high

medicine price, fault medicine, market disorder, random exam, random diagnose, charging fee etc. All of these related with directly and indirectly with government.

iiMarket's function

One reason for Expensive on medical treatment is patients use their money to keep public hospital running, include staff salary and bonus. Although these hospital called as public hospital, without governmental supervision, and under market orientation approach, 90% has lost their public interest meaning. So since medical treatment is kind of public goods, and important part on governmental service, so government should clarify some public hospital must take some responsibility and make sure everyone, especially the poorest group would access to reasonable treatment on common disease. Government will make sure such kind of organization will get enough compensation.

And to others, public or private, or join venture hospital, government will permit them to decide their service fee with some supervision and direction, government also can charge some tax to them, and this will satisfy different group demand.

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