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Reforms to Expand and Deepen UHC in China

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Outline of the case study

I. Reforms towards UHC to address inequality

II. Further reforms to address inefficiency

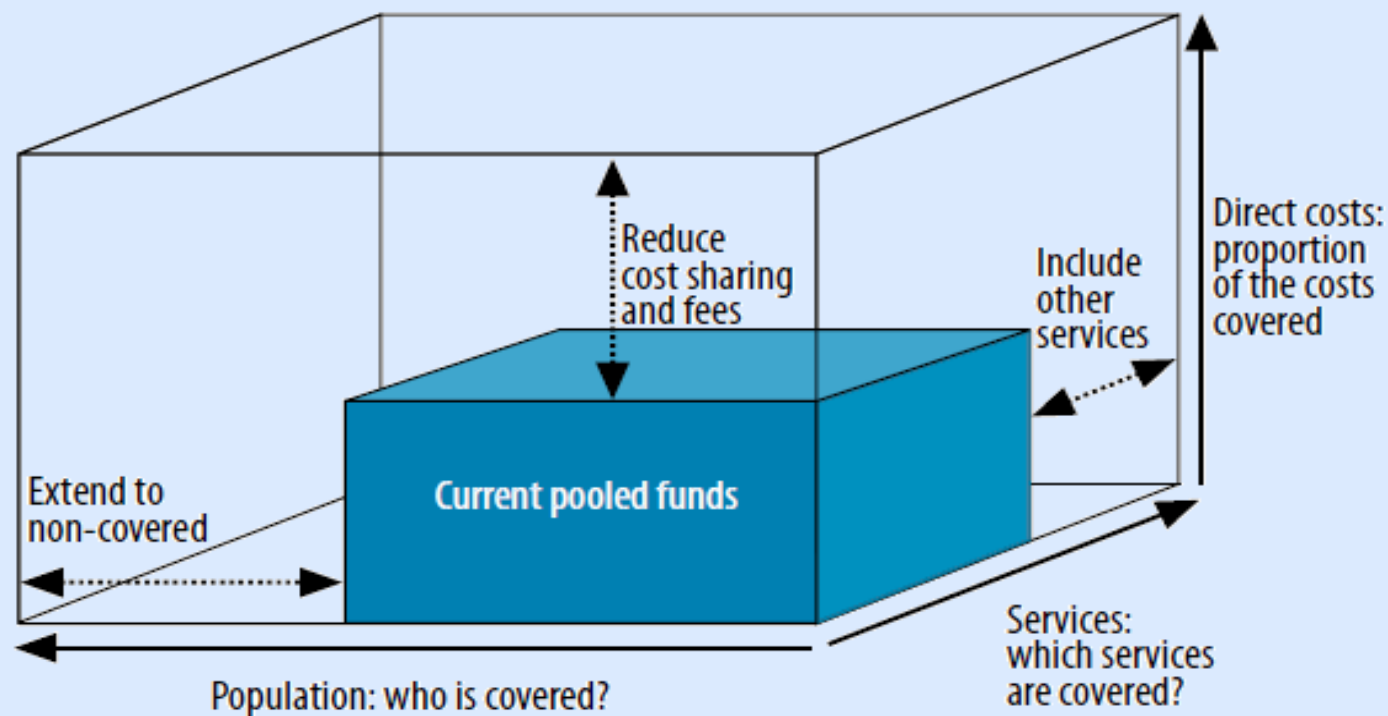
III. Some takeaways



I. Reforms for Universal Health Coverage

Three Dimensions

Fig. 1. Three dimensions to consider when moving towards universal coverage





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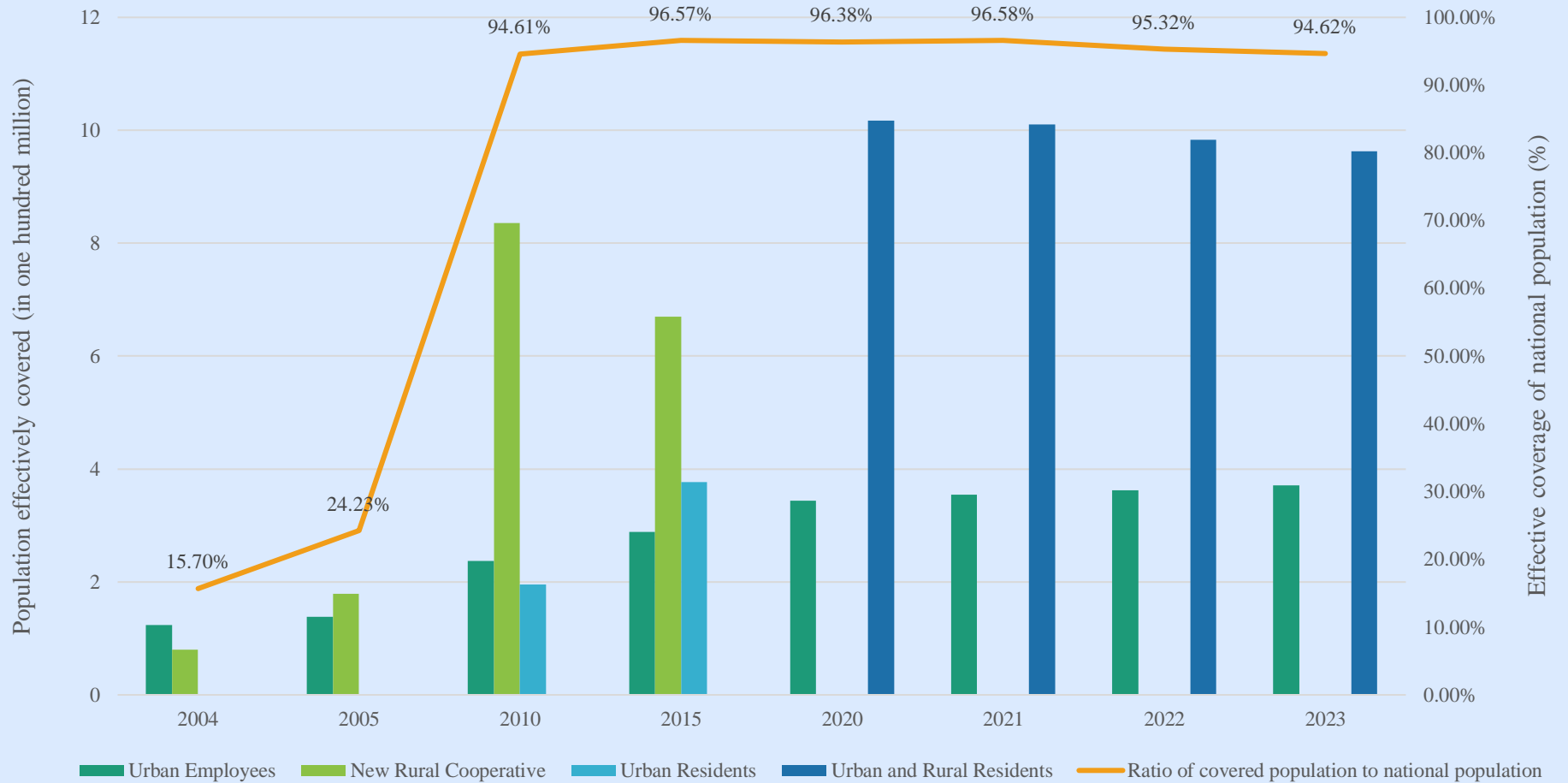
Legal and effective coverage of population: 2004-23

Urban employees:
1951 and 1998 (Reformed)

New Rural Cooperative:
2002 (pilot) and 2009

Urban Residents:
2007 (pilot) and 2009

Urban and Rural Residents: 2016





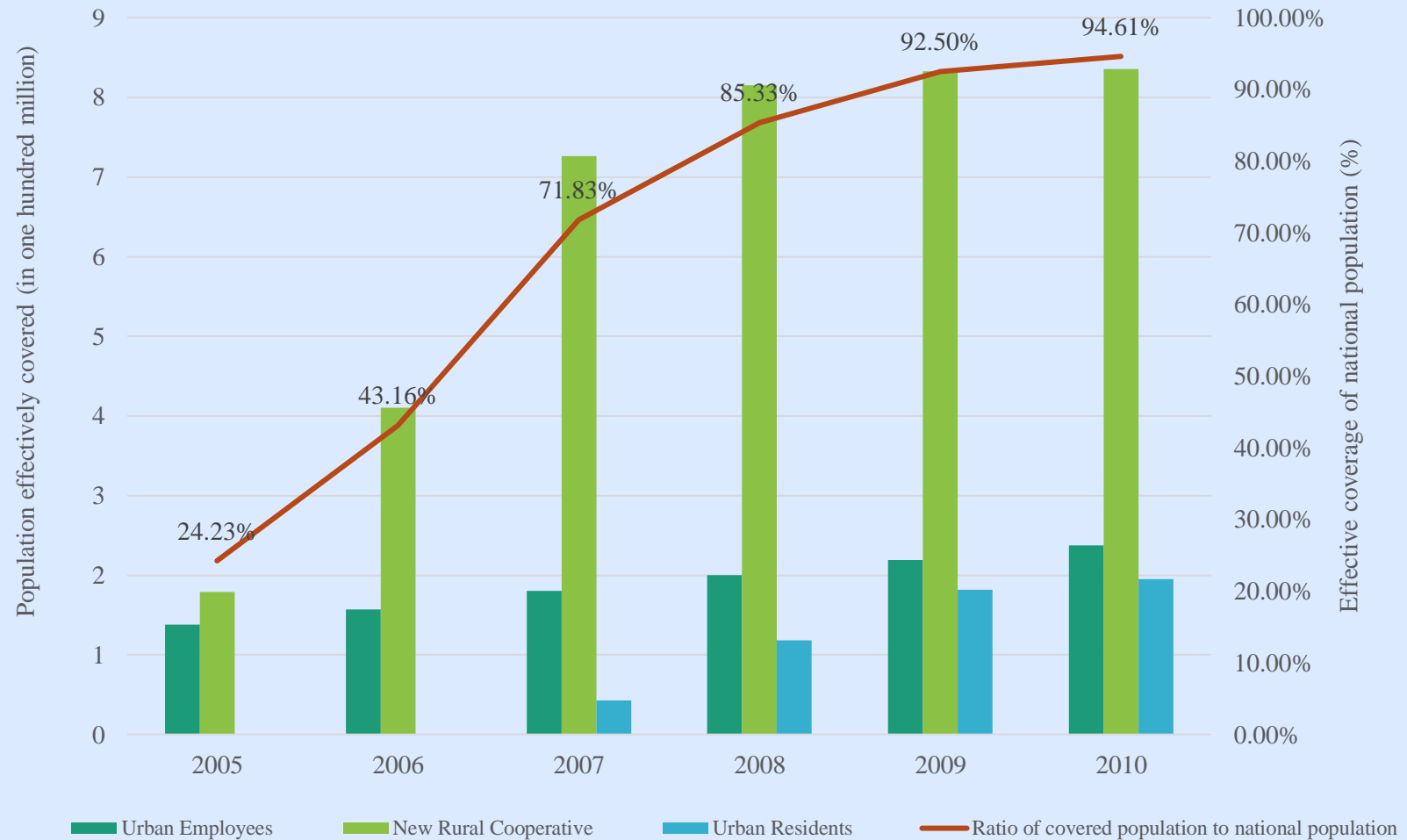
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Effective Coverage of population: 2005-10

Almost full coverage in about a decade

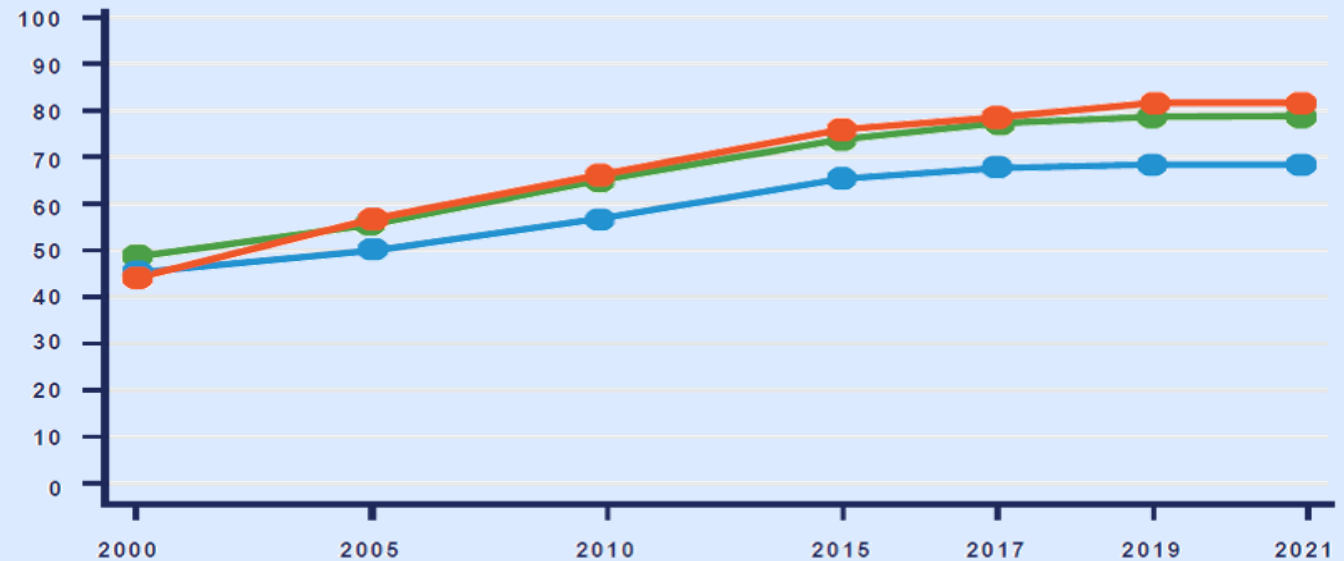




The Service Coverage Index for China

- Of essential health services based on tracer interventions covering 4 areas
- The Index increased between 2000 and 2019, stagnated between 2019 and 2021
- China's performance on UHC Service Coverage Index falls above the regional and global average with rapid progress

Trend of UHC SCI 2000-2021



Legend:

- ≥80 Very high coverage
- 60-79 High coverage
- 40-59 Medium coverage
- 20-39 Low coverage
- <20 Very low coverage

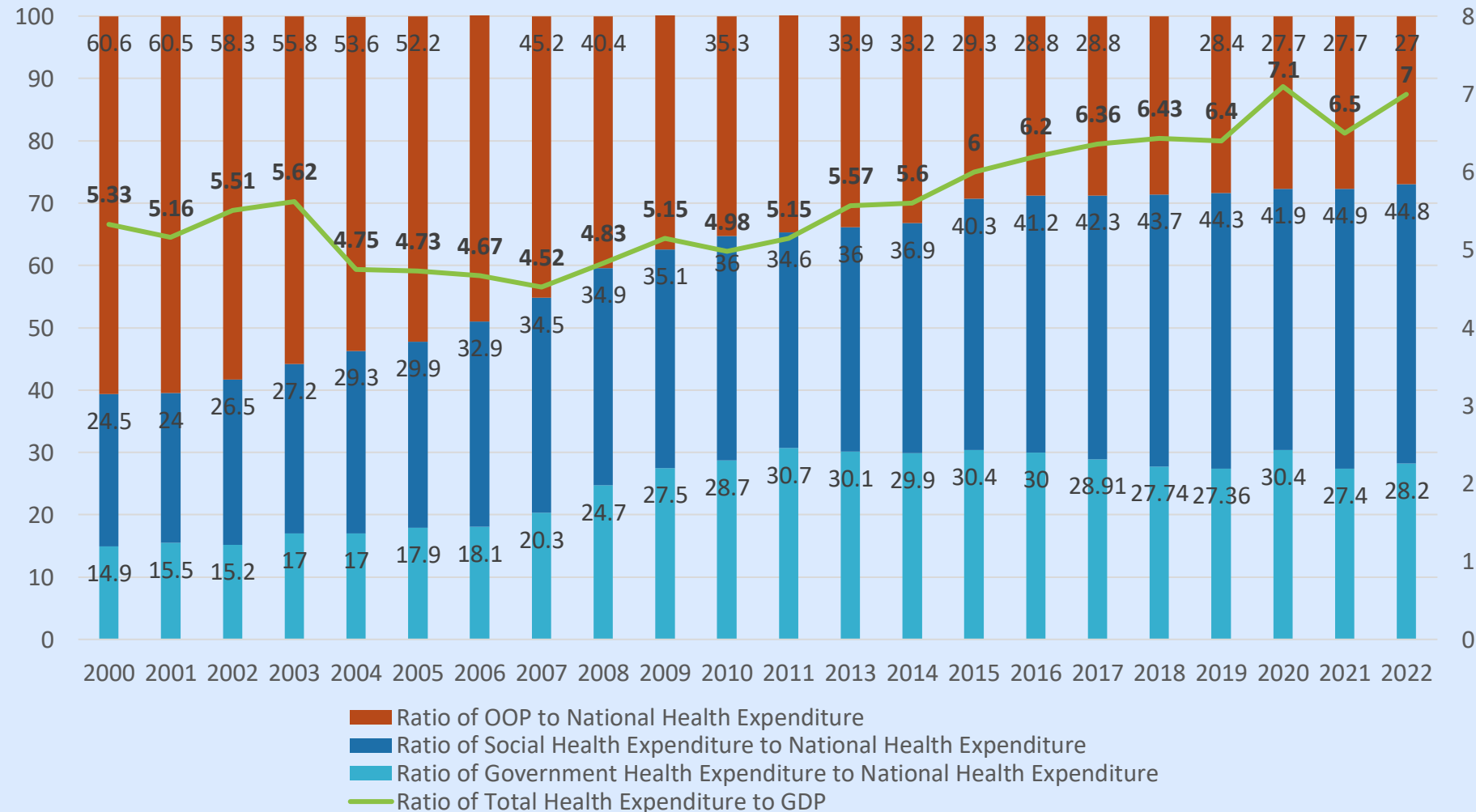
	2000	2005	2010	2015	2017	2019	2021
China	47	57	66	76	79	81	81
WPR	49	57	66	75	78	79	79
Global	45	50	58	65	67	68	68



Mixed financing

Ratio of OOP to NHE:

- Declining from **60.6%** in 2000 to **28.8%** in 2016;
- Stable at around 28% afterwards





Factors for achieving UHC in China with a large informal sector

- Rapidly-increased state subsidies to individual contributions for informal employment and non-working population:

2002: 20 yuan (state subsidies) out of 30 yuan (overall contributions);

2015: 380 yuan out of 450 yuan;

2023: 680 yuan out of 1020 yuan

- To assist individual participants to make their contributions:

To empower Community resident committees to collect from local residents;

To delegate platform companies to collect for tax drivers and internet-based employment;

To develop Apps for individual participants to make their contributions.



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II. Further reforms to address inefficiency

- Joint studies
- New priorities identified
- New solutions and ongoing pilots



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China Flagship Health Study (2014-2016-2019)



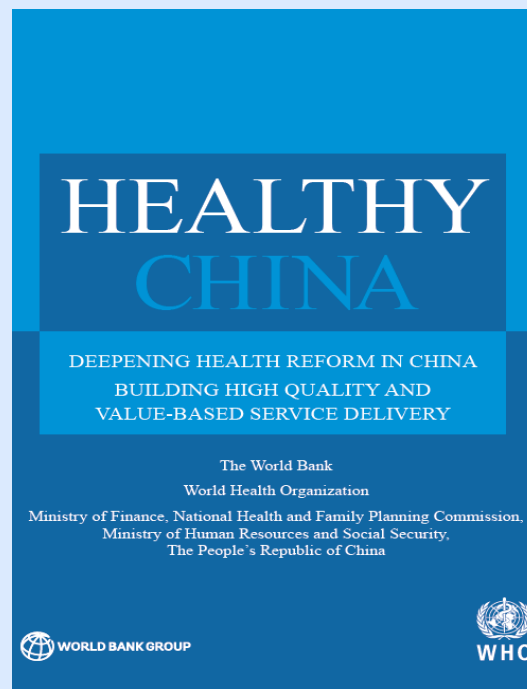
PARTNERS

- World Bank Group
- World Health Organization

PEOPLE'S REPUBLIC OF CHINA

- Ministry of Finance
- National Health and Family Planning Commission
- Ministry of Human Resources and Social Security

A joint flagship study which proposes practical, concrete steps toward a value-based service model of health production, financing and delivery.



Based on:

6

TECHNICAL WORKSHOPS WITH PARTNERS, ACADEMICS AND RESEARCHERS

20

BACKGROUND STUDIES

21

PROVINCES VISITED

30+

STUDIES FROM CHINA, MIDDLE INCOME COUNTRIES AND OECD COUNTRIES



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A joint study (2017-2019) among overseas & domestic scholars

10 years of health-care reform in China: progress and gaps in Universal Health Coverage

Winnie Yip, Hongqiao Fu, Angela T Chen, Tiemin Zhai, Weiyan Jian, Roman Xu, Jay Pan, Min Hu, Zhongliang Zhou, Qiulin Chen, Wenhui Mao, Qiang Sun, Wen Chen

In 2009, China launched a major health-care reform and pledged to provide all citizens with equal access to basic health care with reasonable quality and financial risk protection. The government has since quadrupled its funding for health. The reform's first phase (2009–11) emphasised expanding social health insurance coverage for all and strengthening infrastructure. The second phase (2012 onwards) prioritised reforming its health-care delivery system through: (1) systemic reform of public hospitals by removing mark-up for drug sales, adjusting fee schedules, and reforming provider payment and governance structures; and (2) overhaul of its hospital-centric and treatment-based delivery system. In the past 10 years, China has made substantial progress in improving equal access to care and enhancing financial protection, especially for people of a lower socioeconomic status. However, gaps remain in quality of care, control of non-communicable diseases (NCDs), efficiency in delivery, control of health expenditures, and public satisfaction. To meet the needs of China's ageing population that is facing an increased NCD burden, we recommend leveraging strategic purchasing, information technology, and local pilots to build a primary health-care (PHC)-based integrated delivery system by aligning the incentives and governance of hospitals and PHC systems, improving the quality of PHC providers, and educating the public on the value of prevention and health maintenance.

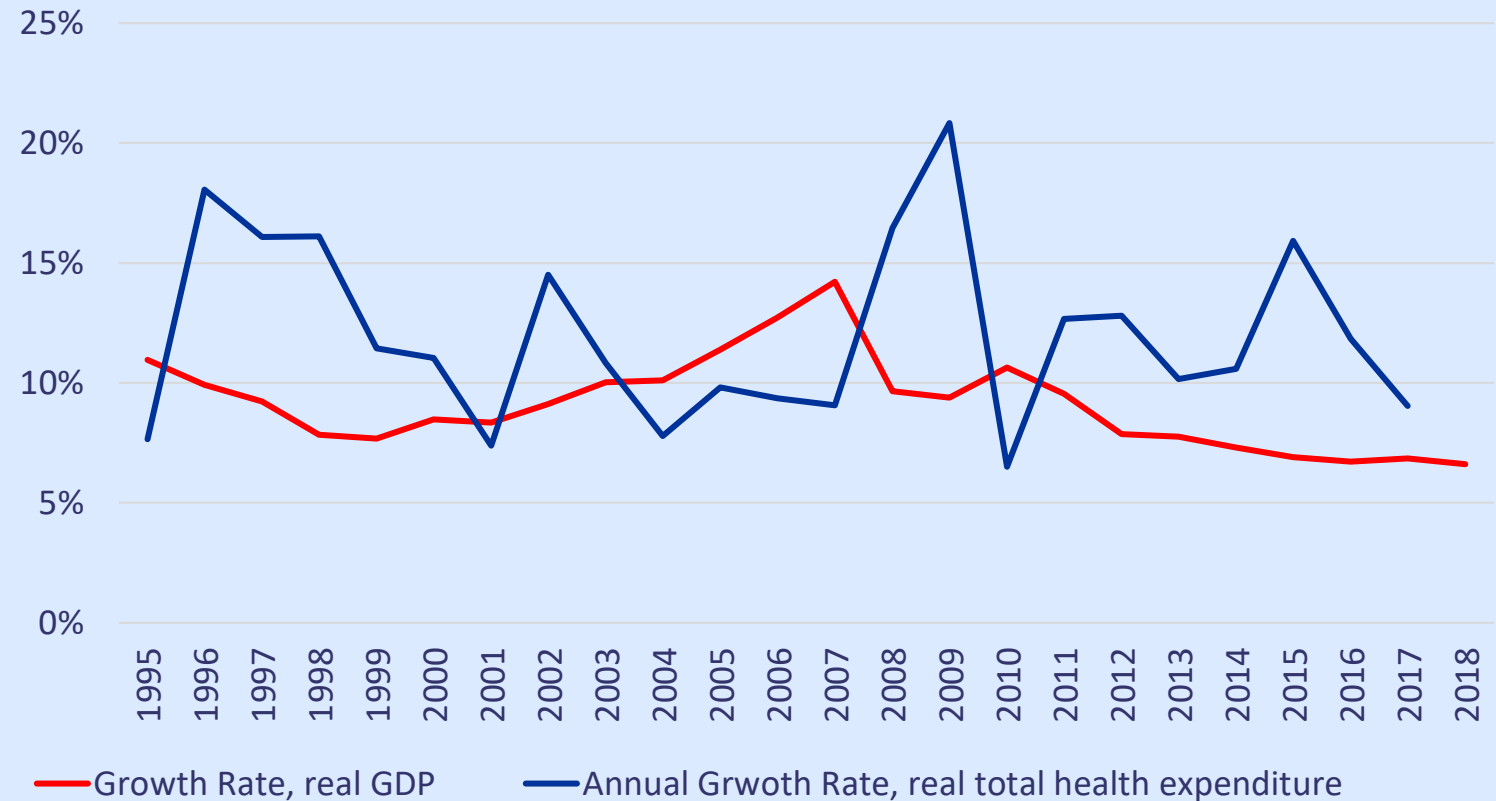


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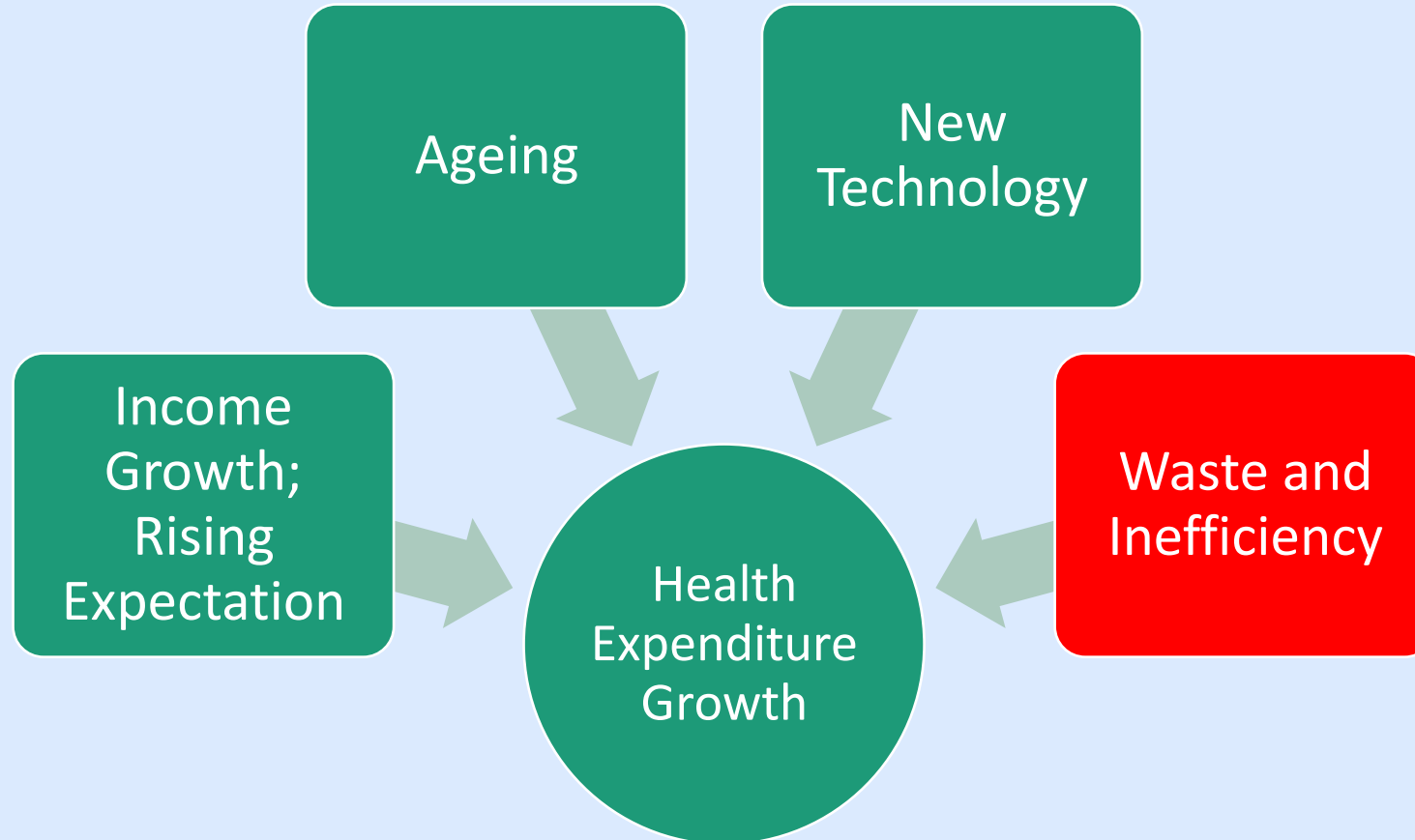
Health Expenditure Growth Far Exceeds GDP Growth



Satisfaction towards the most frequently visited healthcare facilities (16+), 2010-2016 Source: CFPS, 2010-2016

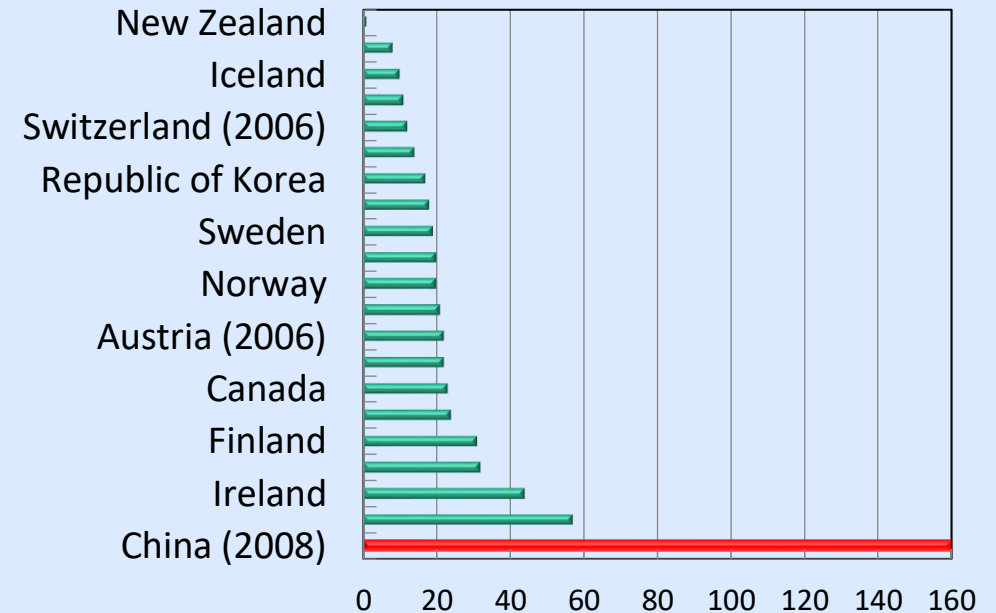
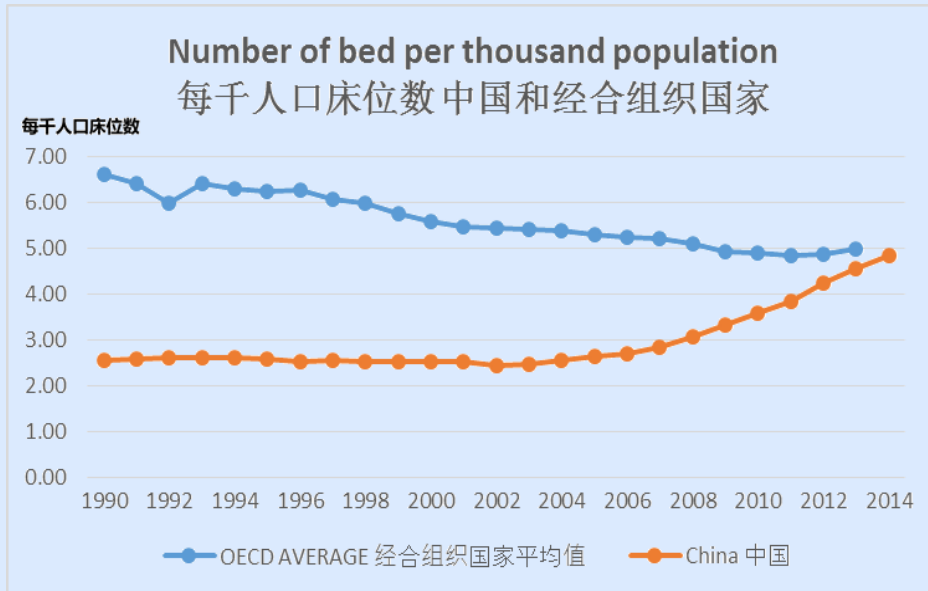


Health Expenditure Growth





Existing Service Delivery System is not Value Based



1. Focusing on disease treatment rather than on disease prevention, addressing behavior and risk factors for NCDs
2. Hospital centric: fast expanding of hospitals and weakened PHC. Hospitalization rate increase from 4.7% in 2003 to 14.1% in 2013;
3. Over provision of drugs, diagnostic tests and services
4. Distorted incentives
5. Fragmented care delivery

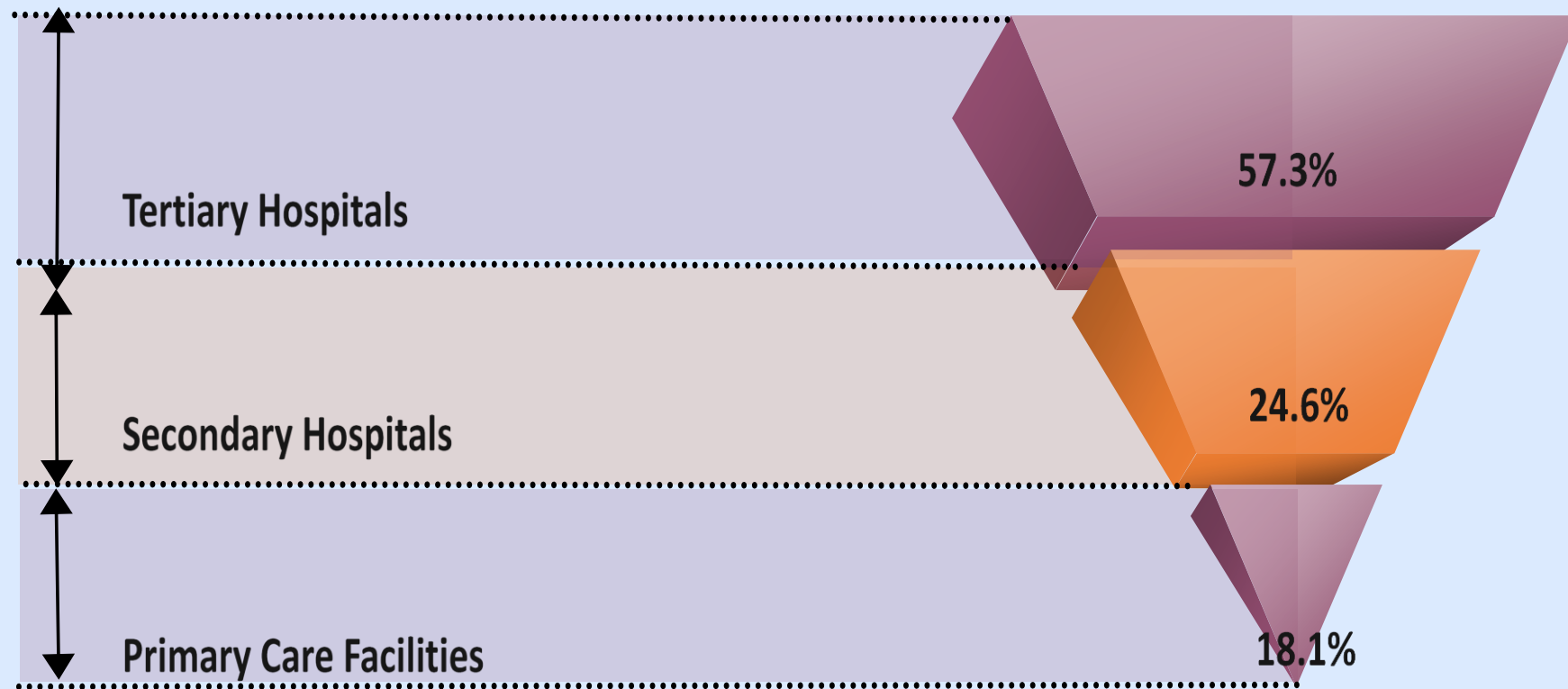


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Concentration of Health Expenditure at Tertiary Hospitals in 2017





China's Health service delivery reform

13th Five Year Health System Reform Plan :

- deliver Value Based Care to provide high quality, affordable and equitable health care for all population groups.
- Building people centered integrated care delivery

What have been piloted?

- ❖ Strengthen Primary health care
- ❖ Establish Provider alliance with shared accountability
- ❖ Introduce evidence based disease management pathway
- ❖ Reform provider payment to incentivized integrated service delivery
- ❖ Building integrated HMIS/telemedicine
- ❖ Enhance Quality control and patient safety measures



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Ongoing reforms

- Outline of the Healthy China Strategy Plan (2016-2030)
- Guidelines for consolidating a people-centered integrated health care system (2023)



IV. Some takeaways

1. Choose the approach that is most viable in the country context and be creative:

- Chinese government decided to adopt social health insurance as the approach to achieving universal health insurance although China has a large informal sector.
- Chinese government was creative in combining the government taxation financing with social health insurance, government plays role of employers for the large informal sector.

2. Pilot first and scale up based on the lesson learned from the pilot—China always does pilot for any large scale social and economic reforms



IV. Takeaways

3. Good governance is critical:

- Political commitment at all levels with significant government inputs to the UHC scheme
- Policy framework formulation at national level while at the same time allowing autonomy at local level
- To Mobilize the private sector and resident committees to help collect contributions from individual participants.

4. adaptation along the way—be ready to face new challenges/new issues, and define new priorities and solutions



IV. Takeaways

5. role of international development partners, such as the WB
- Inform the Government investing in health sector: knowledge transfer and locally-fit knowledge (through pilots)
 - To leverage partnerships investing in health sector
 - Local capacity building including local research capacity.



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Thank you