



# CHINESE HEALTHCARE

1

# Overview of System



# China's Healthcare System

## Universal Healthcare Coverage

In 2011, China achieved universal healthcare coverage through 3 public insurance programs.

1. **Urban Employee Basic Medical Insurance:** mandatory for the employed; mandated in 1998.
2. **Newly Cooperative Medical Scheme:** a voluntary program offered to rural residents
3. **Urban Resident Basic Medical Insurance:** voluntary for urban residents without formal jobs, including the elderly, children, and the self-employed; launched in 2007

In 2016, China's government merged 2 and 3 to make the **Urban-Rural Resident Basic Medical Insurance**.

Approximately of 95% of the population is covered under one of the insurance programs.

Insurance coverage is not required in China.



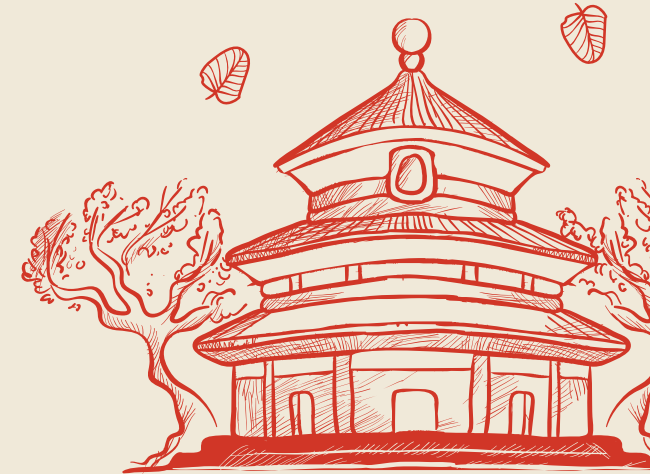
# Strengths and Weaknesses

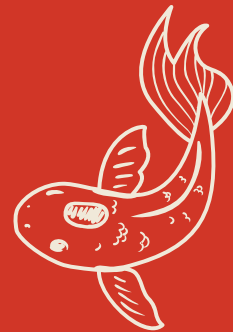
## PROS:

- The Chinese government encourages people to utilize primary care services first.
- Universal healthcare system
  - Basic public health care package is free to all citizens.
  - Offers marginalized communities access to vital preventative care.
- In the past few decades, China has continued to push close the gap in health disparities between rural and urban areas.

## CONS:

- There is a low doctor-to-patient ratio due to the population size in the country.
- Migrant workers can struggle to use insurance benefits if they live too far from their home province.
- A lack of doctors can lead to health disparities.





2

# Health Tax and GDP



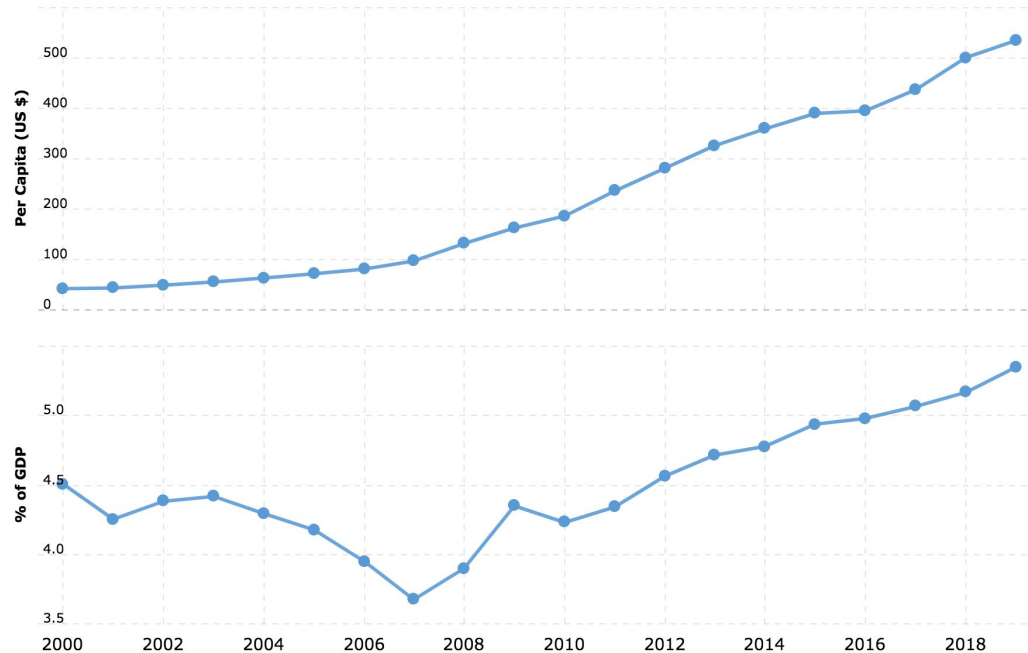
# China's Health Tax

- ❑ By law, urban employee basic medical insurance is required
- ❑ The cost of healthcare is shared between employer and employee
- ❑ 6% of the salary cost for the employer goes to the Health tax
- ❑ 2% of the salary of the employee goes toward the Health Tax



# China's Gross Domestic Product for Healthcare

China's Healthcare Spending 2000-2022



China's GDP per capita has continued to increase since 2000.

The percent of GDP towards healthcare has increased linearly since 2010.

In 2022, 5.35% of China's GDP went towards healthcare.



3

# Health Stats



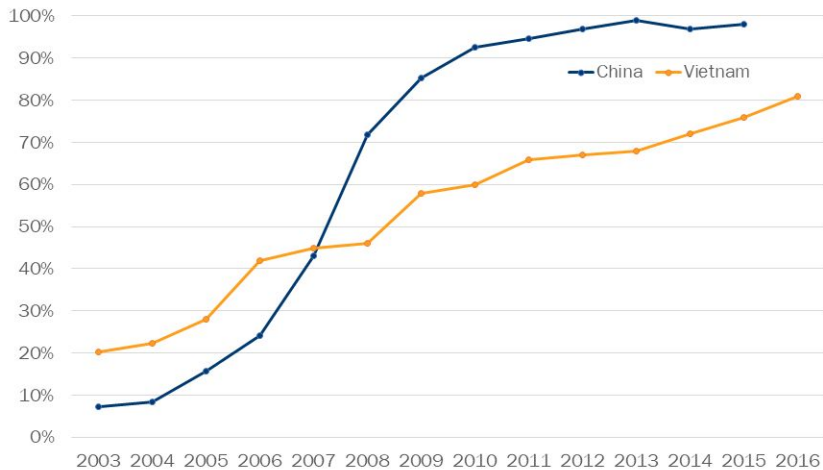
# Important Health Statistics

- ❑ Male Life expectancy at birth is 74 and female life expectancy at birth is 80
- ❑ 2020 Birth rate is 8.52 and death rate is 7.07
  - ❑ This rate is much closer together than recent years, meaning their population is not overgrowing.
- ❑ Infant mortality rate is 9 per 1000 births
- ❑ Fertility rate is 1.7
- ❑ Maternal Mortality rate is 16.9 per 100,000
- ❑ 90% of Chinese citizens have access to healthcare
- ❑ In 2018, China had 308,740 licensed and assistant GPs, representing 8.6 percent of all licensed physicians and assistant physicians.
- ❑ In 2018, there were approximately 12,000 public hospitals and 21,000 private hospitals



# Important Health Statistics (cont.)

**Figure 1. China and Vietnam have achieved near universal coverage**  
Population covered by health insurance schemes, 2003-2016



**Sources:** Center for Health Statistics and Information, NHFPC. An Analysis Report of National Health Services Survey in China, 2013 (in Chinese), Health Insurance Statistics 2008-2012, 2013-2014, Vietnam Social Security

BROOKINGS

## CARE FACILITIES

China healthcare statistics (2018)



**506,003**  
public primary  
care facilities



**437,636**  
private village clinics



**907,098**  
village doctors and  
health workers  
(not licensed GPs)



**308,740**  
licensed and  
assistant GPs



**12,000**  
public hospitals



**21,000**  
private hospitals  
(excluding township hospitals  
and community hospitals)



**316.8m**  
citizens with employee-  
based insurance



**3.8m**  
beds for aged and disabled  
people

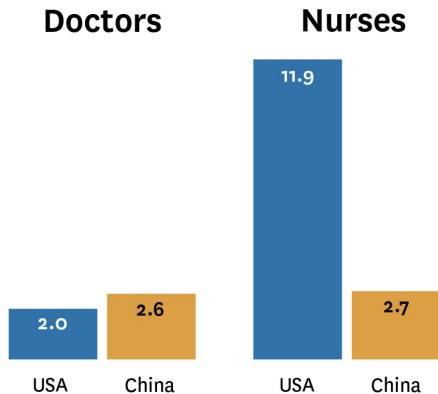


**42m**  
mental health patient  
visits to special psychiatric  
hospitals

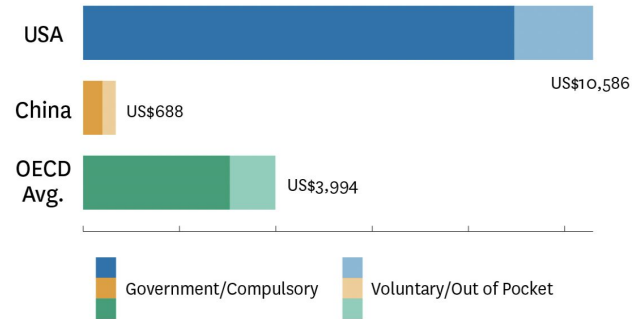
# China vs. U.S. Healthcare



## MEDICAL STAFF PER 1,000 INHABITANTS



## HEALTH COSTS PER CAPITA 2018

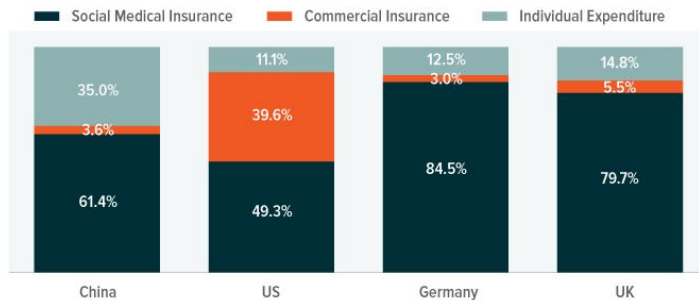


The health cost per capita in China is much less than the US and the international average. China also has an approximately equal doctors to nurses ratio.

# China vs US Statistics

## MEDICAL EXPENDITURE IN CHINA VS. US, GERMANY, AND UK

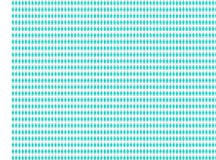
Source: World Health Organization and Ernst and Young as of Apr 13, 2018



Social Medical Insurance and Individual expenditure are higher in China. Commercial Insurance is higher in the US, but the percent social is higher than commercial.

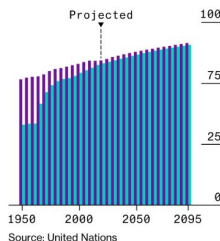
The number of drug reviewers will grow more than tenfold in six years

120 in 2014  
1,600 planned in 2020



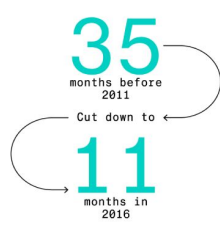
Source: Various media reports

Chinese life expectancy has almost caught up with the U.S.



Source: United Nations

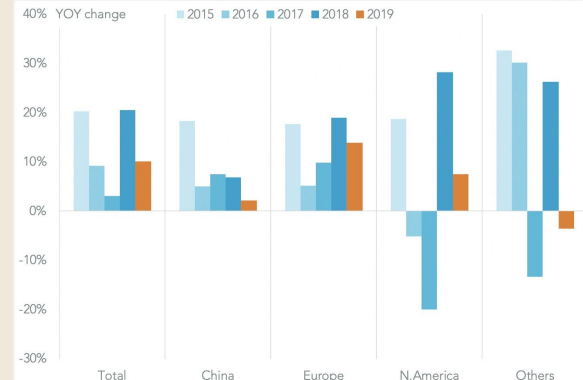
Average drug approval time has been sliced to a third



Source: Boston Consulting Group

Life expectancy is almost as high in China as the US. China has decreased healthcare shipments significantly (2019), but so has the US.

## Chinese healthcare shipment growth has slowed US imports of healthcare supplies, Jan. 1, 2015 - Dec. 31, 2019



Data includes pharmaceuticals and medical materials such as bandages and sponges.  
Source: Panjiva

# China's Government

## National People's Congress

Responsible for health legislation  
Universal Health Care range of government supported or mandated health insurance plans



## State Council and Central Commity

Health policies and reforms which are regarded as law.




# Comparing China vs U.S.

## U.S.

- No Universal Healthcare Coverage
- There is a shortage of primary care doctors.
- There is a cultural perception to see specialists first.
- Fee-for-service can cause specialists to prescribe unnecessary procedures for their own benefit.
- Average medical student graduates with around \$200,000 in debt, which contributes to the lack of PCPs.
- Employer-sponsored healthcare: 55% of population
- Medicare, Medicaid, and CHIP cover 37% of the population: federally funded

## China

- Universal Healthcare Coverage
  - Robust primary care system that address most health issues regarding preventive care and acute care.
  - Larger cities have higher quality hospitals compared to rural areas.
  - Government offers large subsidies for medical school tuition.
  - Urban Employee Basic Medical Insurance: Employees and employers finance most of the insurance; little federal funding is used.
  - Urban-Rural Resident Medical Insurance: optional and financed by annual premiums
    - Government provides subsidies for lower income
    - Covers gaps: offered to the elderly, children, self-employed, etc.
- 

# Comparisons China v. US

## US

GDP: 17%  
Infant mortality rate: 5.5  
Physicians per 1000: 2.6  
Fertility rate: 1.64  
Access to healthcare: 91.4%



## China

GDP: 5%  
Infant mortality rate: 9  
Physicians per 1000 : 2  
Fertility rate: 1.7  
Access to healthcare: 90.0%



中国医疗保障  
CHINA HEALTHCARE SECURITY



# US vs. China conclusion

China offers universal healthcare to all of their citizens. This provides a high amount of healthcare access. The United States overall has higher statistics of life expectancy, and a lower infant mortality rate. China also has a larger population compared to the US so there statistics could be skewed due to the larger amount of people to serve. China and the US have very different healthcare systems but provide similar statistics of healthcare.



# Health System Satisfaction

- Satisfaction with health care increased from 57.76% to 77.26% between 2006 and 2019.
- Perceived fairness in health care increased from 49.79% to 72.03% during the same period.





# Sources



*China Statistical Yearbook*. China statistical yearbook 2021. (n.d.). Retrieved December 4, 2022, from <http://www.stats.gov.cn/tjsj/ndsj/2021/indexeh.htm>

*Global comparative data - Topics overview*. MacroTrends. (n.d.). Retrieved December 4, 2022, from <https://www.macrotrends.net/countries/CHN/china/healthcare-spendinghttps://www.internations.org/china-expats/guide/healthcare#:~:text=In%20China%2C%20urban%20employee%20basic,the%20salary%20for%20the%20employee.>

*Health care in the U.S. and China*. US. (2020, December 3). Retrieved December 4, 2022, from <https://china.usc.edu/health-care-us-and-china>

Swahn. (n.d.). *Global Health Blogs with Professor Swahn*. Powered by sites@gsu - Blogs for Georgia State University. Retrieved December 4, 2022, from <http://sites.gsu.edu/gsglobalhealth/2021/02/18/looking-at-healthcare-in-china-as-compared-to-us/>

Tikkanen, R., Osborn, R., Mossialos, E., Djordjevic, A., & Wharton, G. A. (2020, June 5). *China*. The Commonwealth Fund. Retrieved December 4, 2022, from <https://www.commonwealthfund.org/international-health-policy-center/countries/china>

World Health Organization. (n.d.). *China Country Overview*. World Health Organization. Retrieved December 4, 2022, from <https://www.who.int/countries/chn>

World Health Organization. (n.d.). *Universal Health Coverage*. World Health Organization. Retrieved December 4, 2022, from <https://www.who.int/china/health-topics/universal-health-coverage#:~:text=Free%20of%20charge,Chinese%20residents%20free%20of%20charge.>

Zhang, W. (n.d.). *Topic: State of health in China*. Statista. Retrieved December 4, 2022, from <https://www.statista.com/topics/7433/state-of-health-in-china/>

Zhu, Y., Li, Y., Wu, M., & Fu, H. (2022, January 4). *How do Chinese people perceive their healthcare system? trends and determinants of public satisfaction and perceived fairness, 2006–2019 - BMC health services research*. BioMed Central. Retrieved December 4, 2022, from <https://bmchealthservres.biomedcentral.com/articles/10.1186/s12913-021-07413-0>