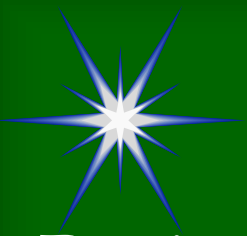


Prospects of Promoting
China – European Union Cooperation
In
Health Development and Reform

**Dr. Hongwen Zhao, Director
International Health Program**

**China Health Economics Institute (CHEI)
Ministry of Health**





Topics to be presented

- ▶ Review of China-EU health cooperation
 - ◆ China Health Economics Institute (CHEI)
 - ◆ Research capacity and areas in CHEI
 - ◆ Health Research program undertaken by CHEI under China-EU cooperation
 - ◆ Experiences drawn from China-EU health cooperation
- ▶ Prospects of China-EU health cooperation
 - ◆ China development at a glance
 - ◆ China health Sector: Issues and reform
 - ◆ Prospects for future health cooperation





**China Health Economics Institute
(CHEI)**

And its research capacity and areas



卫生部卫生经济研究所
China Health Economics Institute

卫生部合作医疗管理中心
Center for China
Cooperative Medical Scheme

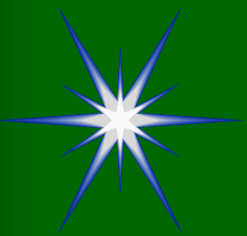
中国卫生经济学会
China Health Economics
Association

中国卫生经济培训
与研究网络
China Network for Training and
Research
on Health Economics and Financing

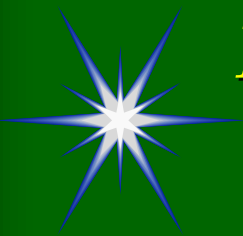
Research capacity and areas in CHEI

- **Research on health development strategy and long-term development program**
- **Research on health delivery system**
- **Rural health development**
- **Health economics policy research in the context of socialist market economy**
- **Comparative research on international health**
- **National health accounts study**
- **Research on rational health resource allocation and health planning**
- **Research on pharmaceutical economics**
- **Evaluation on medical technology and pharmacy**





**Health research program undertaken by
CHEI under China-EU cooperation
and
Experiences drawn from
China-EU health cooperation**



Health Research program undertaken by CHEI under China-EU cooperation

- 1. Rural public hospitals in change in Transitional Asia: institutional influences on performance**
Research partners: China and Cambodia; and U.K. and Belgium
- 2. Protecting the rural poor against the economic consequences of major illness: A challenge for Asian transitional economies**
Research partners: Cambodia, Lao PDR and China; and Belgium, U.K. and Sweden.



Experiences drawn from China-EU health cooperation

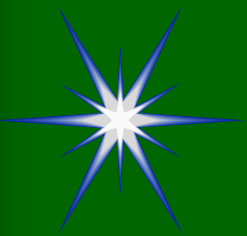
◆ Research content:

- ◆ Topics selected are practical and to the point;
- ◆ A comparative perspective of similar settings;
- ◆ Understanding the institutional issues;
- ◆ Dealing with aspects of “change”;

◆ Research methodology:

- ◆ Methodology of analyzing poverty;
- ◆ Social analysis approach;
- ◆ Technical assistance from established economies;
- ◆ Research team capacity development





Prospects of China-EU health cooperation

China development at a glance

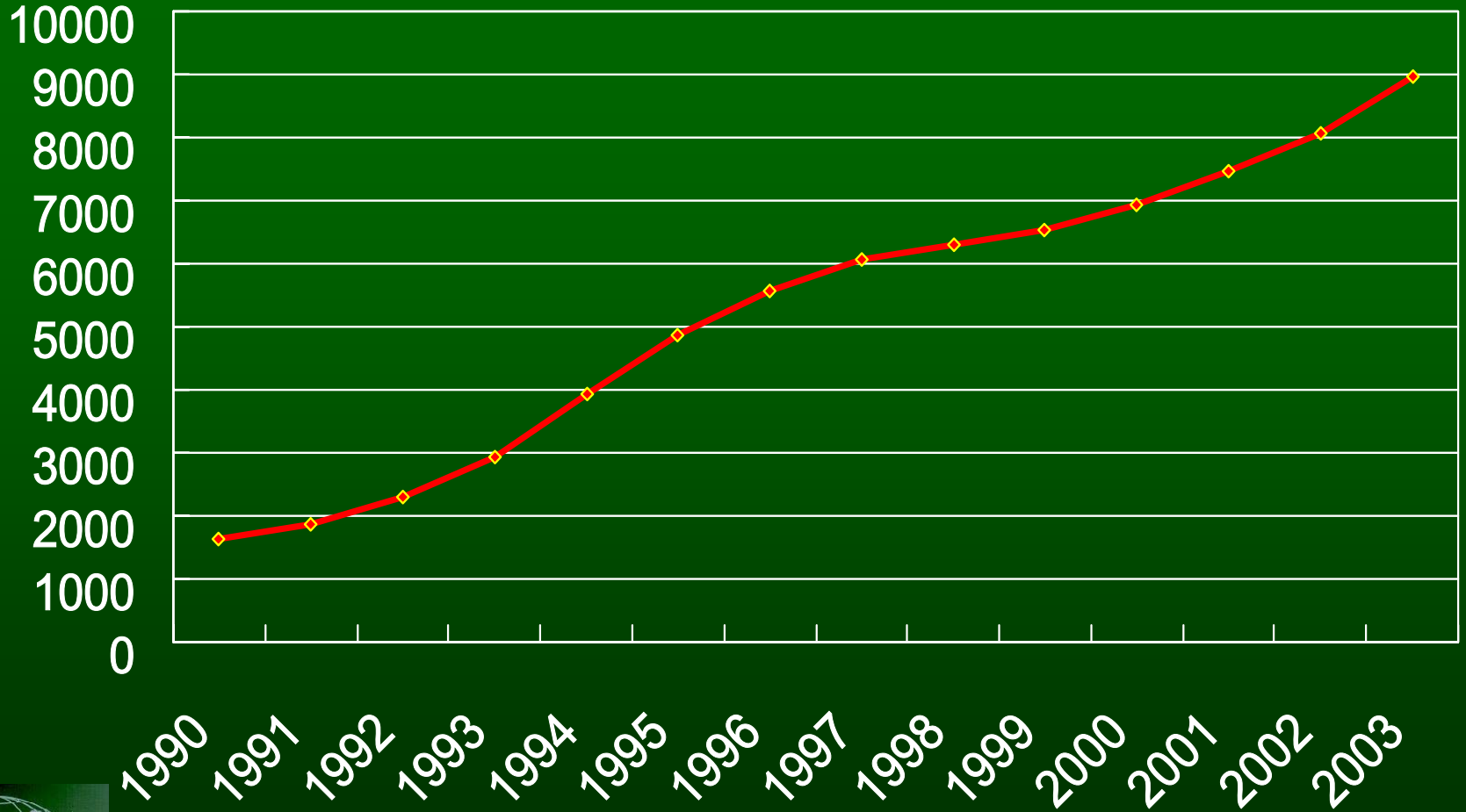
China health Sector: Issues and reform

Prospects for future health cooperation

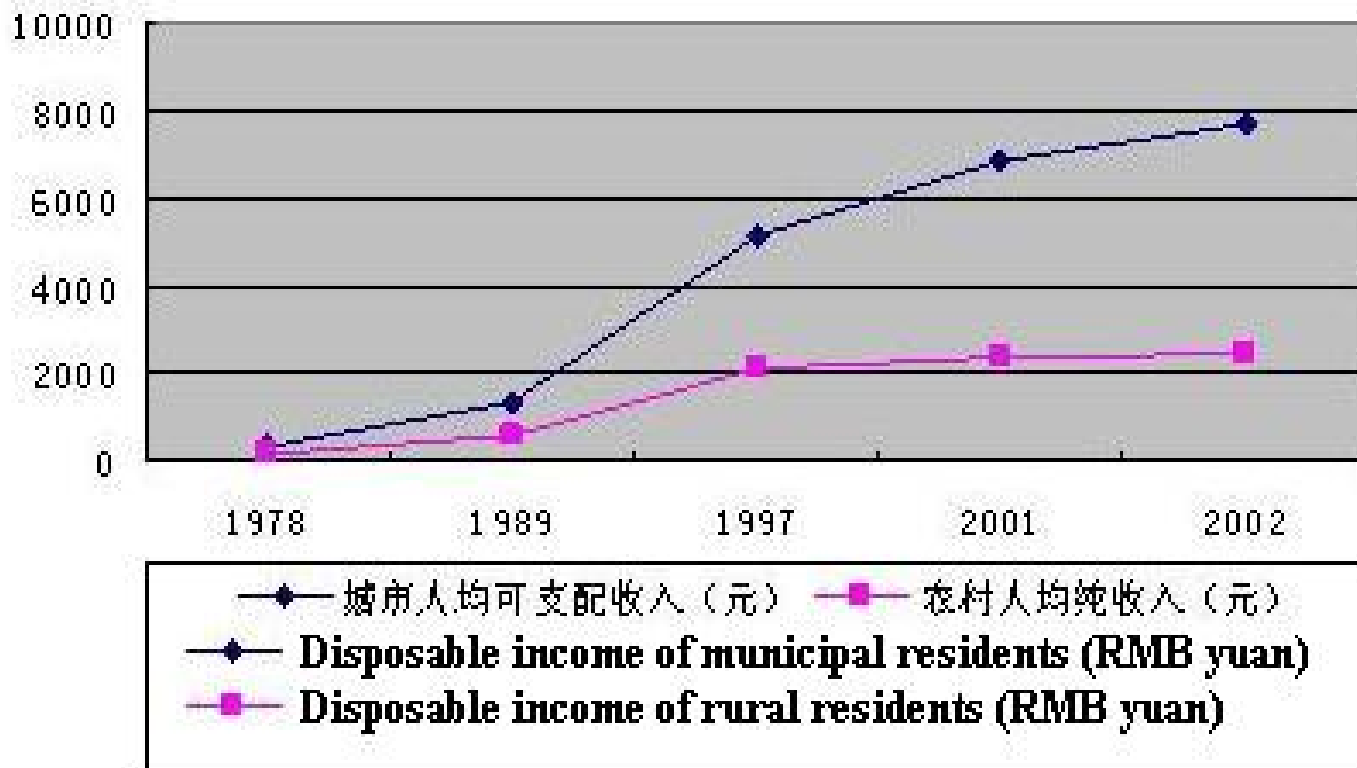
Trend of per capita GDP Growth

RMB yuan

元



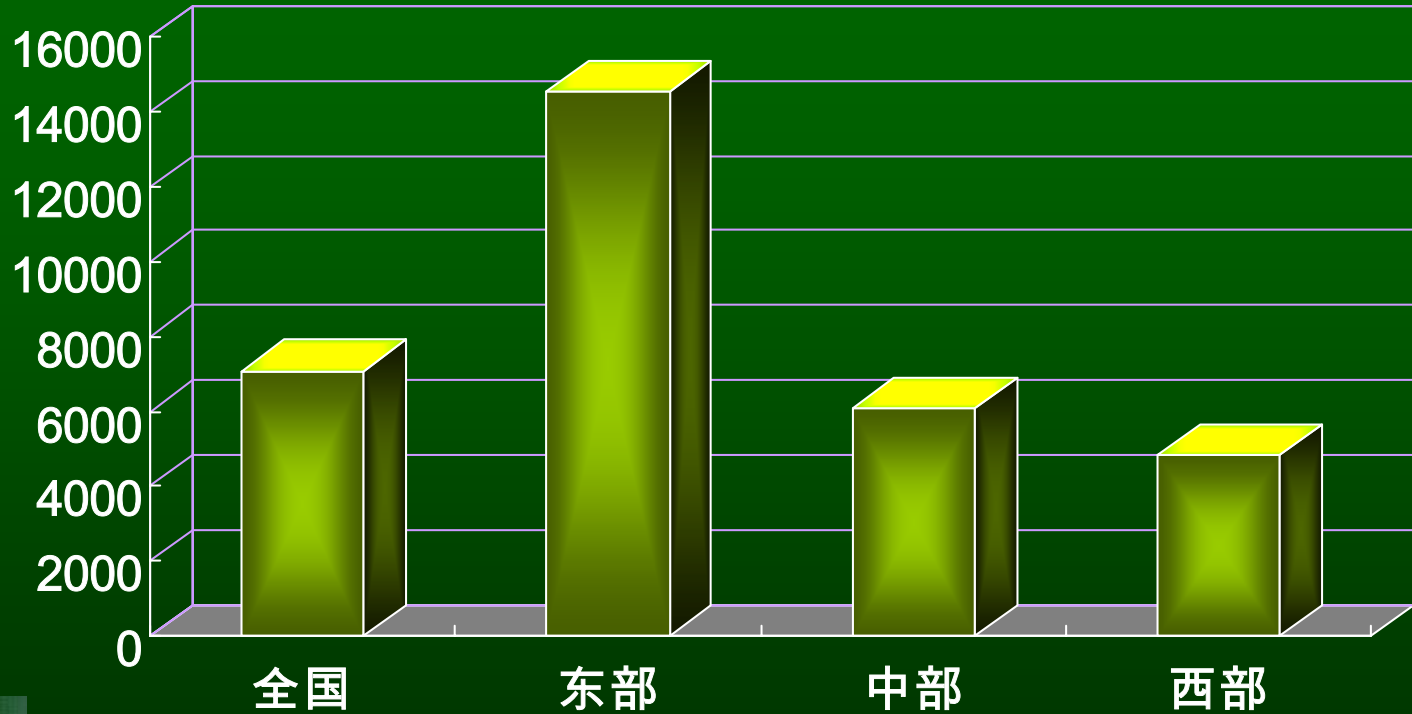
The income of the residents: Difference between urban and rural residents



Per capita GDP of different regions – the distinction between the east, the middle and the west regions

Per capita GDP (RMB yuan)

人均GDP
(元)





China health Sector: Issues and reform

China health Sector: Issues since 1980

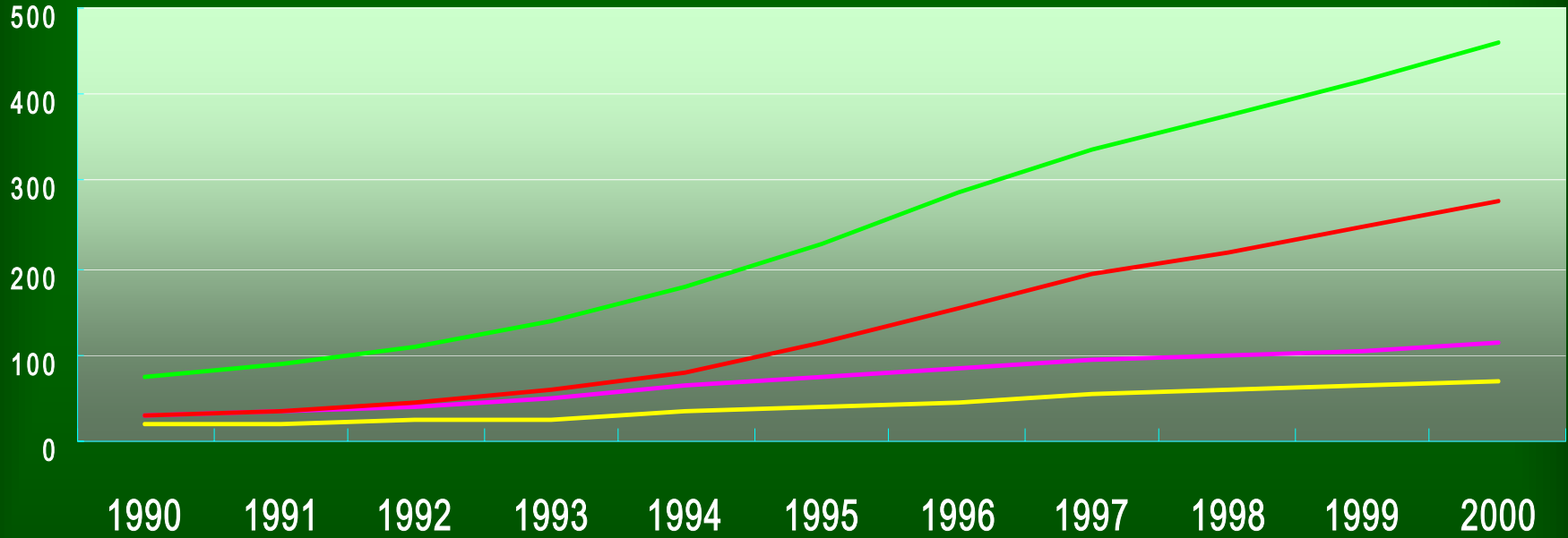
- ◆ China 1949-1979: Planned economy.
- ◆ Consequences of Economic Reform in 1980s
 - ◆ Fiscal Decentralization reform in the urban area led to:
 - ◆ Decreased budgetary support for public hospitals;
 - ◆ Reduced benefits of Government Insurance Scheme (GIS) and Labor Insurance Scheme (LIS);
 - ◆ Family-based Production Contract System reform in the rural area led to:
 - ◆ Reduced role of the “barefoot” doctor;
 - ◆ Collapse of the Cooperative Medical Scheme (CMS).





China: Total health Expenditures 1990 - 2000

100 billion RMB yuan



— THE — Gov't Exp. — Social Exp. — Out of pocket

Source: Matrix analysis on source funding and function of total health expenditure. 2002, Zhao Kun, CHEI

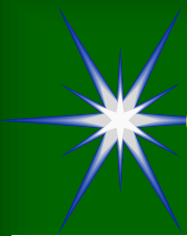


China health reform:

Social and political context since 2002

- ◆ Paradigm shift:
from “economic state” to “social state”;
- ◆ “Scientific Development Philosophy”
 - ◆ Balanced development
 - ◆ People-centered concept
 - ◆ Government capacity buildup
- ◆ Belief of “Harmonious Society” that integrate the traditional value into modernity





China: Health reform plan 2006

Objective	To ensure everyone obtaining essential health care			
Service delivery system	Primary Health Care system (public health and essential health services)		Tertiary Services System (acute and catastrophic services)	
Social protection system	Free PHC by gov't facility	Social Medical Insurance (basic medical insurance plus cooperative medical scheme)		Commercial medical insurance
Strategies	Health Law: Health right Role of gov't	Statutory gov't input; Accountability	To assure hospital social objective	Health administration system reform

Data source: China health reform plan emerged. Beijing Youth Daily. B1 Sep. 20 2006



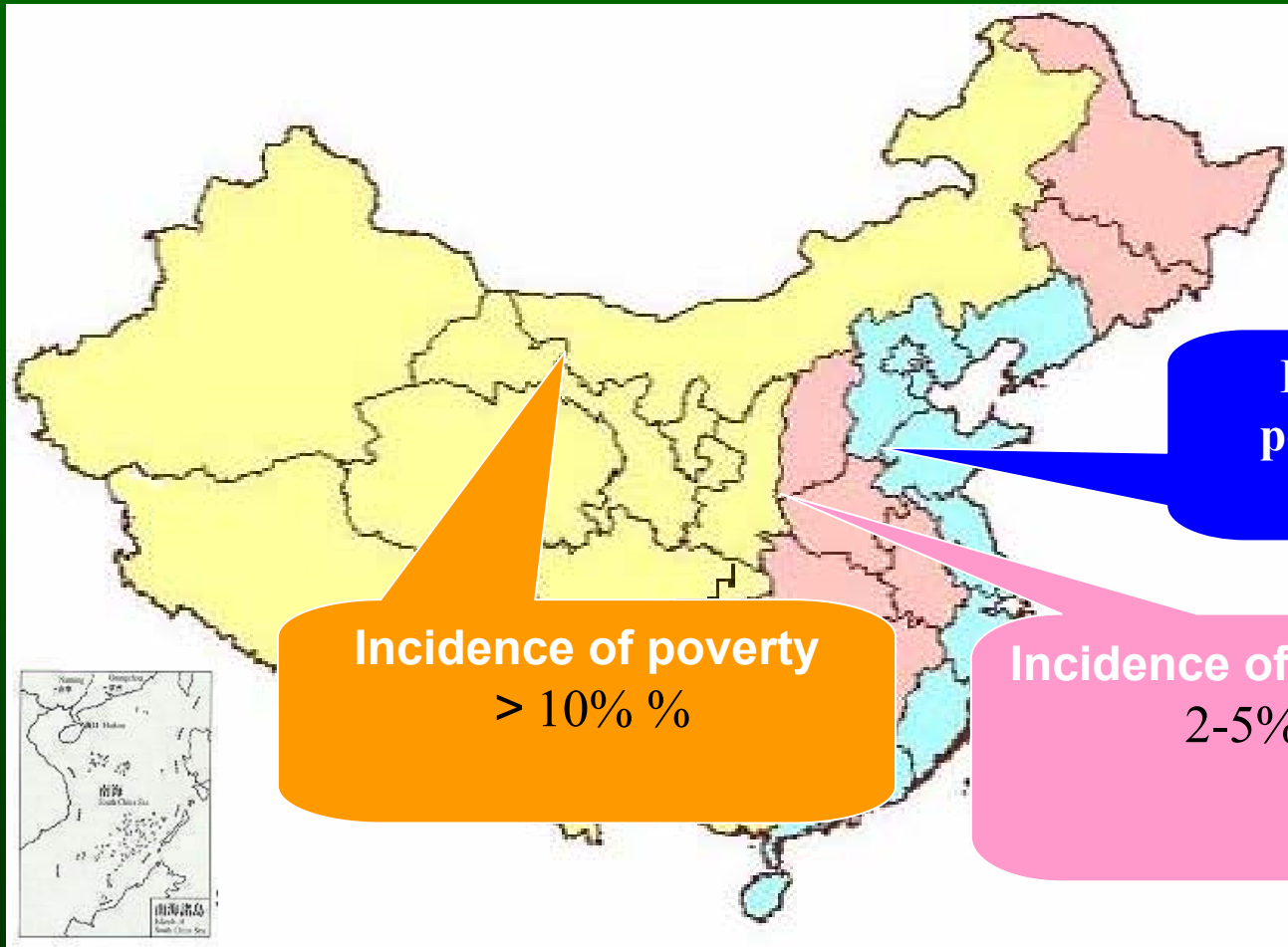
Prospects for future health cooperation

Prospects for future health cooperation

- ◆ Health in China is now at cross road
 - ◆ China's economic development adversely led to inequitable social consequences
 - ◆ China's health reform plan is still a blue picture that needs much ground-paving work
- ◆ Institutional reform configuration determines the future direction of reform
 - ◆ "the fundamentals" are under consideration
 - ◆ External knowledge and wisdom are in higher demand



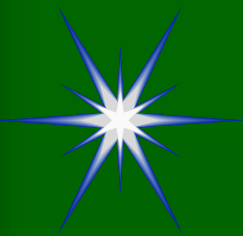
Prospects for future health cooperation: Incidence of Chinese Rural Poor



Incidence of poverty
> 10%

Incidence of
poverty < 1%

Incidence of poverty
2-5%



Contact:

**Dr. Hongwen Zhao, Director
International Health Program
China Health Economics Institute (CHEI)
Ministry of Health**

P.O. Box 218 Beijing University Medical Sciences Center

E-mail: Zhaohongwen@nhei.cn

Mobile: 86 - 13901078746

Fax: 86 - 10 - 62032778



Thank you!

