

A decorative border with various flowers and greenery surrounds the central text area. The border is composed of several layers of stylized flowers in shades of yellow, orange, and purple, interspersed with green leaves and vines. The central area is enclosed in a white rounded rectangle with a dashed green border.

Health Care Financing for the Elderly in China: Evolution, Problems, and Responses

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Life expectancy

- Global life expectancy in 2015 was 71.4 years (World Health Organization 2016, p.9).

Life expectancy at birth, total (years)

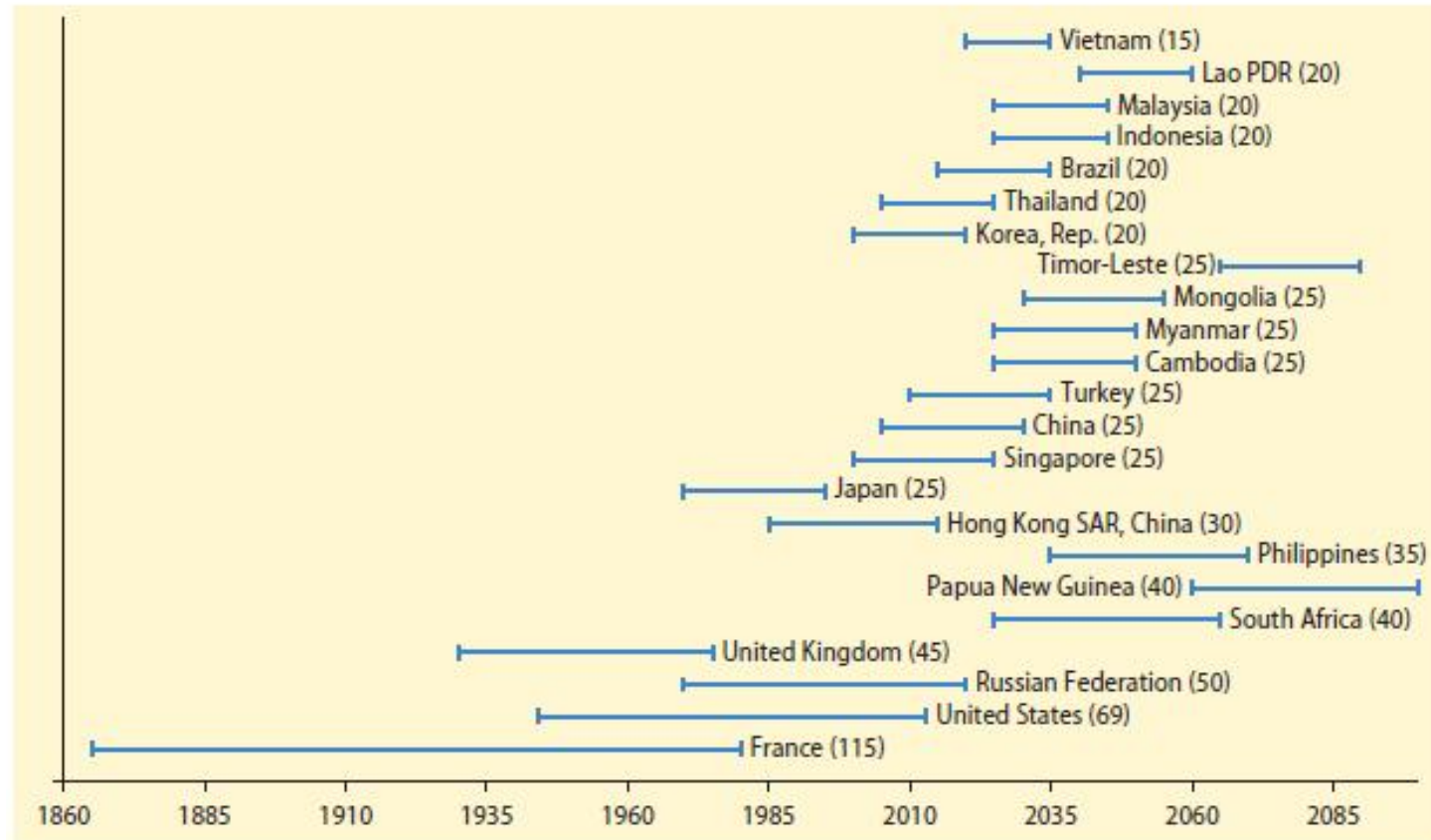
	1960	2014
China	43	76
Singapore	66	83
Hong Kong	67	84

Source: The World Bank <http://data.worldbank.org/indicator/SP.DYN.LE00.IN>

Ageing at an unprecedented speed

China experiences an unprecedented pace of aging, transitioning to ageing societies in 25 years—a transition that took 50 to more than 100 years in OECD countries.

Years to move from 7 to 14 percent population share 65 years and older and the start and end years of transition



Source: World Bank (2016) *Live Long and Prosper: Aging in East Asia and Pacific*, p.4

<http://www.worldbank.org/en/events/2016/05/31/aging-in-east-asia-and-pacific>

Population ages 65 and above (% of total)

- Ageing society: persons aged 65 and above making up more than 7% of its total population.

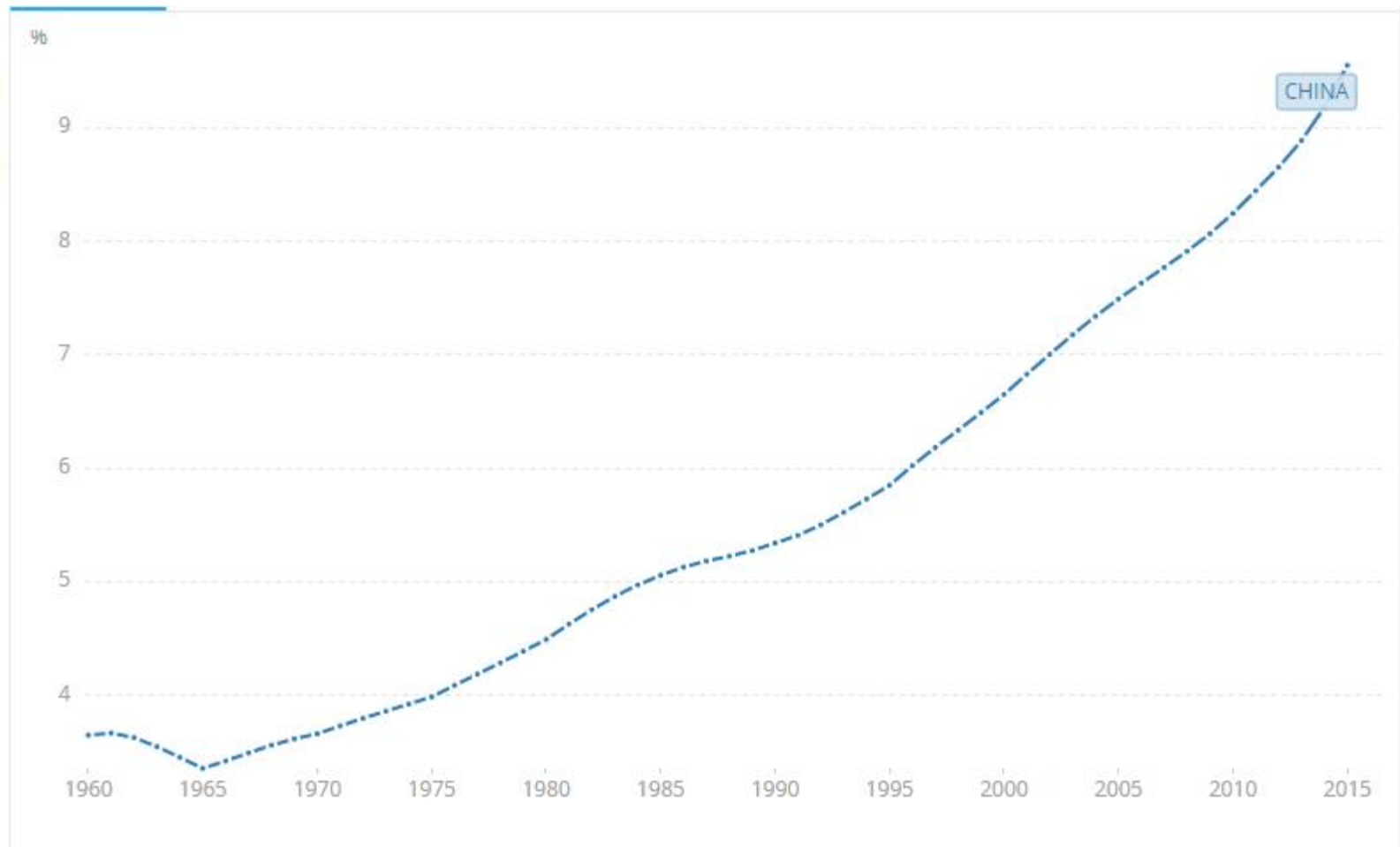
China	
Year	Percentage
1982	4.9
1990	5.6
2000	7.0
2010	8.9
2014	10.1

Source: China Statistical Yearbook 2015
<http://www.stats.gov.cn/tjsj/ndsj/2015/indexch.htm>

Ageing at an unprecedented scale

- China has the world's largest ageing population.
- By the end of 2014, China's population aged 60 years and over reached 212 million, accounting for 15.5% of the total population (Xinhua News 2015).
- In 2013, China had the world's largest number of oldest-old group aged 80 years or over, which were 23 million persons (The United Nations 2013: 32).

China: Population ages 65 and above (% of total), 1960-2015

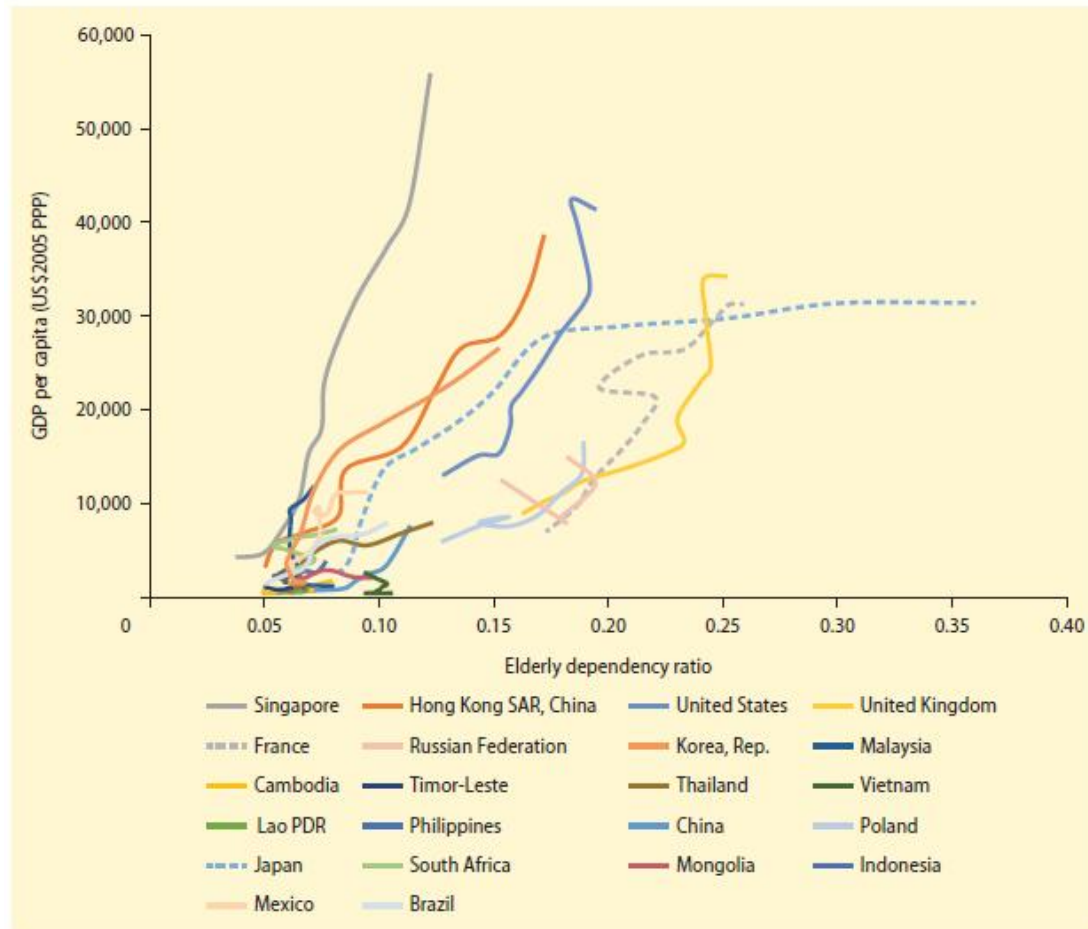


Source: <http://data.worldbank.org/>

Getting old before getting rich [未富先老] (China)

Getting rich before getting old [先富後老] (developed countries)

Elderly dependency ratio by GDP per capita (2005 PPP), various economies, 1980–2010



Source: World Bank (2016) *Live Long and Prosper: Aging in East Asia and Pacific*, p.4
<http://www.worldbank.org/en/events/2016/05/31/aging-in-east-asia-and-pacific>

Five major causes of death in China: non-communicable, chronic diseases

China	
2014	
Urban areas	Rural areas
Cancer (26.1%)	Cancer (23.0%)
Heart disease (22.1%)	Cerebrovascular disease (22.9%)
Cerebrovascular disease (20.4%)	Heart disease (21.7%)
Respiratory disease (12.0%)	Respiratory disease (12.0%)
External cause of morbidity and mortality (6.1%)	External cause of morbidity and mortality (8.3%)

Source: China Statistical Yearbook 2015

<http://www.stats.gov.cn/tjsj/ndsj/2015/indexeh.htm>

An Analysis Report of National Health Services Survey in China, 2013

2013第五次国家卫生服务调查分析报告

20年来城乡老年人口的慢性病患者率持续上升,近10年来的增长快于前10年。城市地区慢性病患者率始终高于农村地区,但差距逐渐缩小。

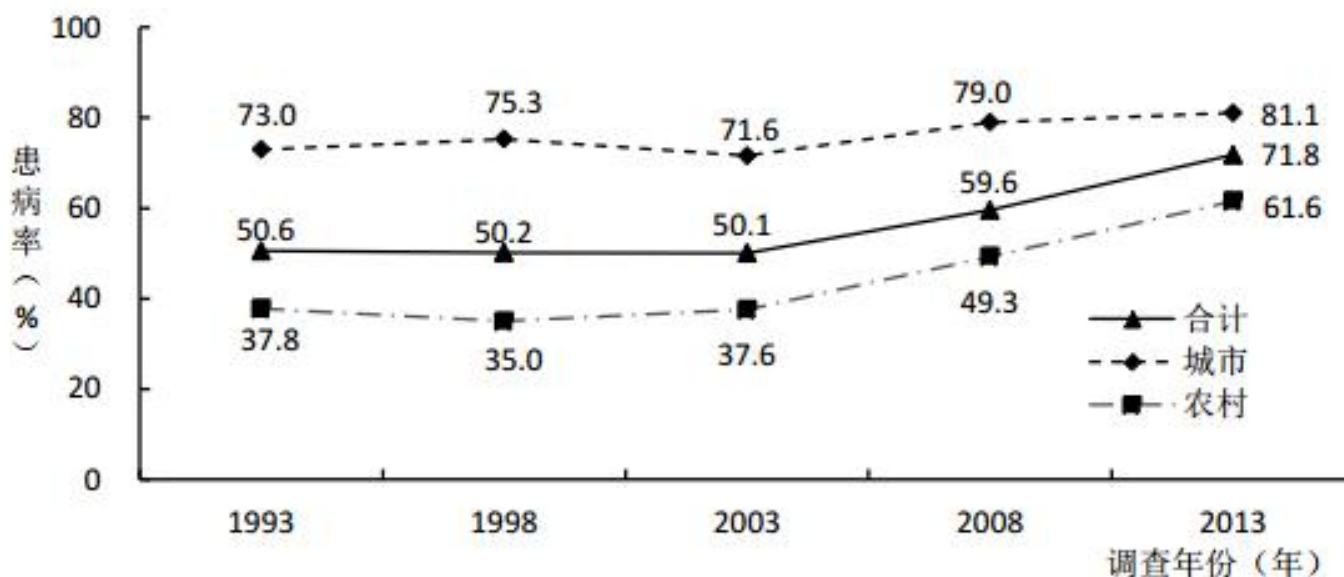


表 8-2-4 不同年份调查老年人慢性病患者率

Source: National Health and Family Planning Commission of the People's Republic of China

<http://www.nhfpc.gov.cn/>

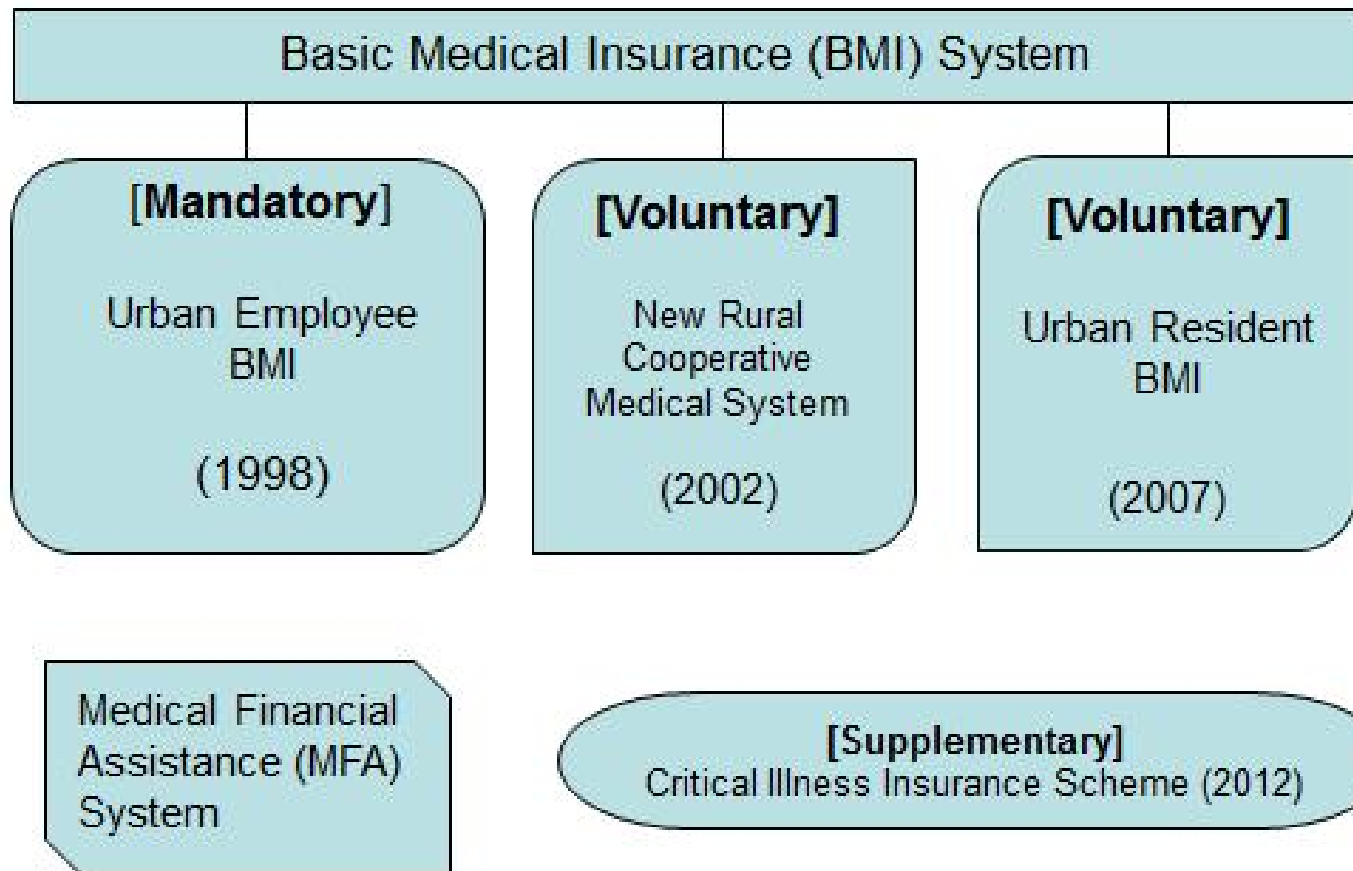
Forces that shape health insurance reforms in China

- the dynamic interaction among political institutions, actors, ideology and environmental triggers

- a highly centralized political system and top-down decision-making model put top party leaders in an advantageous position to implement health insurance reform.
- New political leaders embraced new ideas of market forces and efficiency.
- They triggered a series of economic reforms.
- Health care is subordinate to the economy.
- The old ideas of free health care and equalitarianism were delegitimized. The Chinese government retreated from financing health care.
- New ideas of individual responsibility and social solidarity gain political prominence because they fit with the market economy.

Health care financing reforms in China

- China has transformed from a free health care system into a multi-layered social health insurance system.
- But **none** of the health insurance schemes are **specific for the elderly**.



Health care financing reforms in China

Scheme	Participants	Source of finance	Coverage
UEBMI (2000)	Employers and employee in the public and private sector; retired employees	Mandatory contribution by employers and employees	Individual medical savings account (MSA): outpatient medical expenses , prescribed drug charges Social pooling fund (SPF): inpatient medical expenses
NRCMS (2000)	Rural households (includes the rural elderly)	Individual contribution & government subsidies	Catastrophic illnesses
URBMI (2007)	Non-working urban residents (young children, students, the disabled, the elderly)	Individual contribution & government subsidies	Catastrophic illnesses
CIIS (2012)	NRCMS participants URBMI participants	Via the surplus of NRCMS/URBMI fund	No less than 50% of out-of-pocket medical expenses incurred by treatment for critical illnesses, on top of the BMI reimbursement
MFA Scheme	Rural and urban low-income persons (e.g. low-income elderly [五保老人] without sufficient family resources to provide food, clothing, medical care)	Local government financial provision; lottery funds; donations from society	Basic health care; part of the participant's catastrophic medical expenses

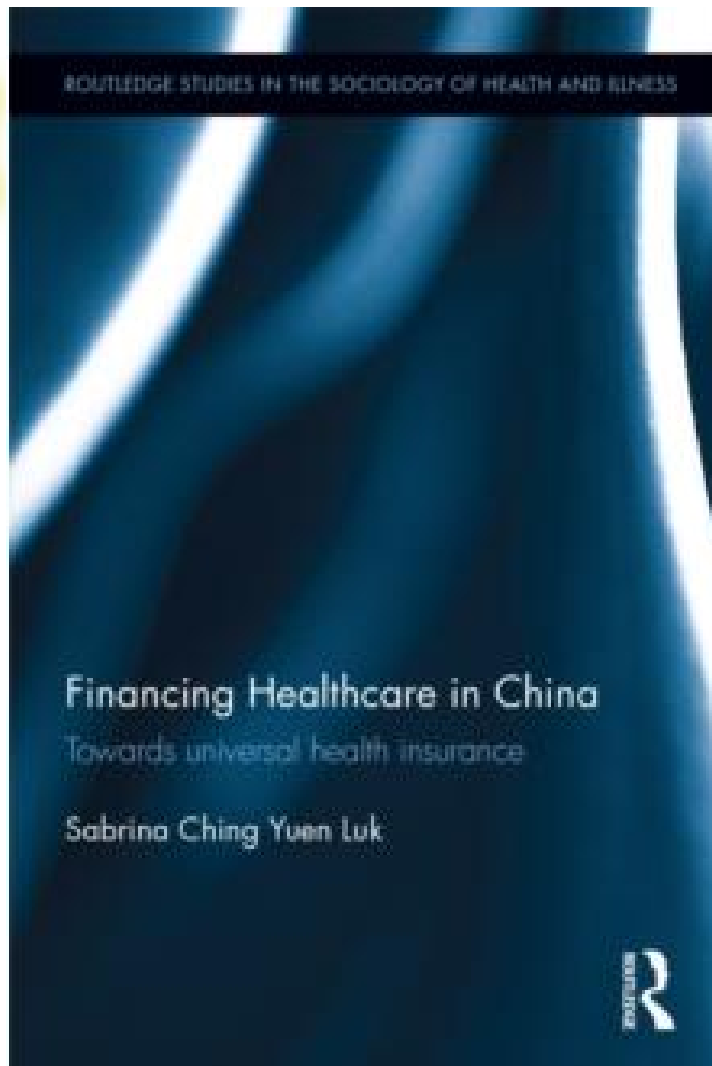
Problems in the current health care financing system in China

1. Deep inequality and wide disparity in treatment
 - Retired employees in UEBMI enjoy more comprehensive coverage than elderly enrolled in NRCMS and URBMI.
 - Retired employees in UEBMI enjoy higher reimbursement ratios and lower self-payment rates than elderly enrolled in NRCMS and URBMI.
 - Elderly enrolled in NRCMS and URBMI usually face the problems of 'falling into poverty' and 'falling back into poverty' due to illness.
2. Poor risk-pooling capacity due to the fragmentation of health insurance system.
3. Poor portability of medical insurance schemes. Discourage the elderly to seek medical treatment across provinces.
4. Deficit/accumulated deficit in health insurance fund due to
 - shrinking working-age population (UEBMI deficit)
 - the medical expenses of the elderly being 3 times higher than that of younger population
 - supplier-induced demand (SID)

Integrating medical and nursing care for the elderly (醫養結合)

- The idea of providing the medical and senior care services at the same time in one facility.
- To allow senior care facilities to provide medical services legally.
- To achieve the important goal of 'healthy ageing' through the provision of all-round care (全方位照顧) for the elderly:
 - prevention of disease
 - treatment of disease
 - rehabilitation
 - long-term care (預防+治療+康復+長期護理)
- 'yi' (醫): treatment for diseases
- 'yang' (養): (i) maintain good physical health (養生)
 - (ii) maintain good mental health (養心)
 - (iii) sense of security(養老), rehabilitation (康復) service, long-term care (長期護理), hospice care (善終服務)
- Emphasis is put on the concept of 'yang'.

Monograph



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Thank you!