EAGLES

European Action on Global Life Sciences | Health Systems Research Report

Why countries need health systems research

1. The case of China

5

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by Robert Walgate, reporting for EAGLES and *RealHealthNews*

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Summary

China is undergoing a radical shift in its health policy, especially towards the rural poor, in which research is playing a major role. Werner Christie, past Minister of Health of Norway and health advisor to WHO China, and member of EAGLES health committee, gives his latest perspective in spring 2009.

>Robert Walgate, EAGLES, speaking to Werner Christie, spring 2009: Could you tell us about the massive Chinese health reform, which I understand aims to improve care especially for the poorest, and - I believe - was triggered principally by the experience of the SARS epidemic in 2003?

WC: Yes indeed. As I see it, China is constantly struggling to face three fundamental challenges: to raise more and more people out of absolute and relative poverty - even under the current economic crisis; to deal with huge environmental and resource challenges; and third but not least to provide a health, welfare and funding system that can provide health and social services when adverse events hit families. Catastrophic health expenditure is now the most important cause of impoverishment desperation for Chinese people.

China used to have, as late as the mid '80s, one of the better healthcare systems in the world - for countries 'in their league', so to speak. Its distribution was quite good and implementation not too bad. But then the fundamental organizations behind this began to disintegrate. The people's communes were more or less dismantled and state enterprises became mainly concerned with profits. So their formerly well-developed commitment to corporate responsibility for the life of all their employees including welfare, prevention and healthcare - based on communism - was reduced to third priority or less. That's how their health care system broke down.

>EAGLES: So it broke down at the time of the beginning of the "one country, two systems" philosophy, did it?

WC: Yes. This started around the early '90s when China began to open up. Everything became focused on economic growth, and the health and welfare systems were basically left to fend for themselves. Maybe some people hoped that the market would take over spontaneously and solve all the problems. And indeed the market *did* take over. The basic structure of a health care was still around, but was grossly underfunded and dysfunctional, so hospitals and health care centres and practitioners had to provide for much of their own funding.

>EAGLES: So how did they do that?

WC: They did it by charging increasingly prohibitive user fees for uninsured, poorer people and by doctors over-diagnosing and over-prescribing medications and selling the drugs themselves. This led to fatal conflicts of interest. And to be fair, I think a large proportion of the professionals felt very frustrated with this situation, on behalf of the people and their own patients. So, everything was going wrong, and the trust of the population and the patients towards the professionals fell below zero.

>EAGLES: Is that so?

WC: Health professionals in China sometimes asked me about health rights. I asked what do you mean by that, patient's rights? No, professional's rights, they say - how can we protect ourselves from complaints and frantic patients? Some of them actually used helmets in the corridors.

>EAGLES: For fear of being attacked by patients?

WC: Exactly. The patients became desperately frustrated because either they didn't get appropriate help, or the help was prohibitively costly, and they became helpless.

The government and responsible authorities did not really react until 2003, when the SARS epidemic came. WHO Director General Gro Harlem Bruntland had to threaten to close down the country, to avoid a possible international expansion of the dramatic outbreak of this unknown disease.

WHO demanded all relevant information from China, to be certain that the situation was really under control - otherwise they would have had to recommend that nobody should go to China, and nobody should be allowed to leave China, until they had gained control.

With this threat the Chinese suddenly became aware that they didn't really have the necessary systems and mechanisms in place to appropriately solve such health problems - or for that matter any other health problem either.

Then structured analytical work started, and that's where the science, and what they call 'science-based development' came in. This is based on research papers, white papers, and technical discussions, using as much available science as possible - so it's fairly similar to how we develop new policy in the West. But previously reforms in China were more typically based on pure ideology, so this is a fairly new concept to them. We call it good management and they call it science-based management.

>EAGLES: What is the difference?

WC: Well, there are many similarities between the two, and the Chinese are trying hard to improve both their central and their local governance - the latter still lagging far behind. But there are no public hearings or discussions or democratic decision-making - these are still lacking. But scientific dialogue, discussions, critical testing of all the ideas in more limited academic fora is going on, and it's important because it amounts to a substitute for, and maybe a rudimentary seedling for, a more developed democracy.

>EAGLES: Earlier, you told EAGLES that you thought that this was one of the biggest transformations in health systems taking place in the world.

WC: Yes, it is - and it's possibly the biggest ever. It is big for two reasons: first of all because they have to develop an integrated health and welfare system for 1.3 billion people, possibly growing to 1.5 billion. Nobody has ever tried to work on health systems on that scale.

Secondly, it's big because their ambition is big: to build a fully comprehensive insurance and health service delivery system, covering preventive, primary and hospital health care for both their rural and urban populations, including the 200 million migrant workers.

They began the reforms around 2005 from the National Development and Reform Centre (NDRC), the former Five Year Planning Centre. They called on an interdepartmental planning commission with representatives from all the 14 different ministries involved, together with different parts of the legislation and management.

The work was organized in four main working groups - covering the insurance and financing system, health personnel, drugs provision, and the organisation of health providers and institutions.

The greatest problem was working out how to create and finance a universal insurance system - one that is effective, equitable and trusted and supported by the population [who will pay the insurance premiums to cover a big

proportion of service costs]. China's aim is to have everybody on board a basic insurance system by about 2012. From that point they will expand and broaden coverage of the system to make it steadily more comprehensive and valuable, so people will agree to spend more and more money on their premiums, so service provision can be steadily improved. 2020 is the deadline to reach the final goal.

The second working group addresses how to develop the appropriate personnel groups and increase and define their competence - including how to upgrade 'barefoot doctors' and other practitioners with only more limited formal training. Today, almost anyone can call themselves a "doctor" in China! This also contributes to the public distrust of the system: you don't really know who you're dealing with at primary healthcare centres. It could be anyone, ranging from someone with from three months' training to full doctors.

Also most practitioners of traditional Chinese medicine (TCM) call themselves doctors. Some of them are quite competent and TCM can have impressive effects, but it is still not a science-based part of medicine.

However, the best doctors and surgeons in China are reaching world class, and have tremendous experience in their handcraft due to the high demand at the best hospitals.

>EAGLES: Will China be introducing some kind of qualification scheme?

WC: They need to standardise their qualification criteria, and educate more people to professional standards and ethics, and give them training and experience on how to develop the best services according to the current state of the art.

I think they're still struggling to find the best models for this, and could use all the know-how and support they can get from counties with longer experience in these challenges.

Then the third group is looking at drug provision - how are they should organise drug delivery systems to avoid current conflicts of interest, fraud and bribery to provide the necessary good quality drugs at affordable prices for everyone.

For this, a lot depends on how they can regulate, control and supervise the drug delivery system and develop effective drug approval and quality control systems. In fact the former head of the Drug Safety Authority in China was executed because he accepted bribes for approving some new drugs that were not appropriately tested and therefore harmed a number of patients.

WC: Then fourth working group is facing what is perhaps the most difficult and controversial job - organising the hospitals and the whole service provider system: who is going to own it, who is going to operate it , how is the funding going to be organised and so on. This is a big discussion all over the world; we know different models from the UK, Europe, the Nordic countries and the US, with numerous variations.

So, this grand reform process with all its aspects is being rolled out at the same time. Academics and research institutions are much involved in the discussions, and foreign models are being studied.

However, I believe there should be a much broader research effort, following the reforms to measure and evaluate results and contribute to the necessary adjustments of policies, according to scientifically documented experience.

Also the *international* health and welfare research and management community could be much more strongly involved, and offer their wide knowledge and experience, even if the Chinese definitively must find a model based on their own specific conditions.

So far WHO and five other international institutions and universities were invited to give their direct recommendations to the draft reform plans before they were announced last year. In addition there are many conferences and policy discussions going on in China and between Chinese and foreign partners, but I think it could be better organised and increased in scale - taking the importance and scale of the Chinese health reform into account.

>EAGLES: So who has been driving this reform? Has it been driven from presidential level?

WC: Yes, through the State Council. And in charge were NDRC, and the Planning Commission, which is a super-departmental, above all the other ministries in rank. And all the relevant ministries have been involved.

I have a clear impression that they all want to go for a universal public insurance system, but they are much more divided on how to organise the hospitals and provider system. They do not yet sufficiently trust their public organisations due to inefficiency and corruption.

Therefore some people say, let's go for the American system, let the market take care of all this. But other people see that it will never work and never happen. They have recognized that most of the successful market economies have strong public involvement in the health and welfare sectors, and that when market mechanisms are applied in this sector they do not work well. So, currently they are actually quite interested in the European and especially the Nordic and UK model of health and welfare systems.

>EAGLES: Is there a 'Chinese health reform', a definite plan which is now complete and written up?

WC: No, not yet. I think the final goal is to have it all in place by 2020.

>EAGLES: So, to what extent is research really involved in this? I mean, you say it's simply expert groups; it's not actual research, publishable research?

WC: Well, they have published a lot of analysis about the problems they had before the reforms, and what issues needed to be solved, but I believe it is less elaborate, less explicit and more sensitive when it comes to proposals for specific solutions to the diverse challenges.

>EAGLES: And I believe you said that a lot of it is in Chinese and in Chinese journals, so not easily available internationally.

WC: That's right. But there are a number of highly competent research-based institutions closely following the process of what's going on. The Chinese Academies of Science and Social Science, as well as others, are much involved. Another is the China Health Economics Institute (CHEI). They are collecting the statistics and analyzing the process, especially for introducing the new Rural Cooperative Medical Insurance scheme, as well as advising the government on the reform process. They also have a forum for international research collaborations.

>EAGLES: When I've talked with Chinese scientists working on the health insurance scheme, I've learned that they can be very nervous about making any public criticisms of what's been happening in China. So, they are happy to report their results to the Government, and contribute to policy-making, but they're less happy about reporting it in the journals. So, it's a very interesting relationship.

WC: Yes, I think this is correct. To the extent you can say there is any kind of democratic debate in China, it's inside academic communities and between selected academic institutions and the Government. The resulting deliberations are actually not bad and often also involve academicians and professionals from abroad.

Another institution that's been involved is the China Institute for Research and Development (CIRD) in Hainan, which is a state organised think tank. They study most of the major reform issues, mostly by organising research and conferences where ideas are exchanged and developed. International groups, including myself, have over a period of four years collaborated to organise conferences and policy discussions - with broad participation - on equitable rural development, welfare and health care They've resulted in very competent, timely, heated and always interesting debates, which the institute then report and distribute broadly, and use as basis for their recommendations to the government.

In academic conferences like this open debate really seems to work quite well within certain limits. Otherwise the reform process is not very open. For example it is hard to get access to details about proposals before decisions are made and implemented.

>EAGLES: It's really a very interesting model of collaboration between research and policy-making in health. One of the problems in other developing countries, for example in countries in Africa, is to get that collaboration going at all. Research may be done in universities, and published, on how health systems might be improved. Then suddenly there's concern about communications - how should the national policymakers get to know the results, and how should they get to implement what the research has discovered? But in China it's exactly the other way round, you're communicating and actually implementing even before results are published!

WC: That's right. And I have a proposal so we can learn from each other. I suggest that countries and interested researchers in Europe and other developed countries should offer China help to develop a coordinated international research network - or even centre - that could provide better access for the Chinese to all the existing health and welfare reform research and ongoing experiences.

But the process should not be one way, from us to China; on the other hand, it should bring more international researchers from developed and developing countries into close contact with the immensely fascinating reform process now rapidly evolving in China.

This two-way learning experience and the value of the knowledge gained could be unprecedented in research history, and contribute hugely to science in general and specifically to the scientific basis for reform efforts in numerous other developing countries.

READ ON

The Lancet series in China
http://www.thelancet.com/series/health-system-reform-in-china

Ministry of Health, China
http://www.gov.cn/english/2005-10/09/content_75326.htm

Officially sanctioned report on the need for health improvements by Ge Yanfeng and Gong Sen: An Evaluation of and Recommendations on the Reforms of the Health System in China (Beijing: Project Team of the Development Research Center, 2005), 400 pp.

China Development Review (Supplement), 7(1): 1-259 (2005)

For stories related to this report and its follow-up, search for "Ge Yanfeng" on the official news service
http://www.china.org.cn/english/index.htm

Health VIII rural health scheme "huge success" – report in China Daily, June 2007
http://tinyurl.com/3dglkl

World Bank studies and reports on rural health in China
http://tinyurl.com/2nxk4d

WHO website on China, with key statistics
http://www.who.int/countries/chn/en/

WHO representative in China
http://www.wpro.who.int/china

Future Health Systems Consortium
http://www.futurehealthsystems.org

Poverty and Illness - Evidence for Policy
http://www.povill.com/

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