The State Health Reform in China
On the Role of Financing

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Economy and HC in China

2010 GDP (billion current USD), World Bank

Growth Rate $r = 9.8\%$; HC=306 B, Insurance>90% Half=Rx Cost, $r$ over 25%
The State Health Reform Roadmap

- **The State Leadership**
  - The State Council Health Reform Leadership Team, chaired by Deputy Prime Minister Li Keqiang
  - The State Council Health Reform Taskforce Office, directed by Mr. Sun Zhigang (Deputy director of NDRC), joined by four core ministries (MHRSS, MF, NDRC, MOH)

- **The Advisory body**
  - The State Council Health Reform Advisory Commission (36 members)

Task: Making The 12th 5-Y Health Plan
The Key State Health Reforms

The State Health Reform Plan

- Building social insurance for financing
- Promoting equal public health measures
- Essential drug policy intervention
- Improving community-based healthcare facility
- Reforming public hospitals and payment approach

The State〔2010〕Doc No. 58

鼓励和引导社会资本举办医疗机构，有利于增加医疗卫生资源，扩大服务供给，满足人民群众多层次、多元化的医疗服务需求；有利于建立竞争机制，提高医疗服务效率和质量，完善医疗服务体系。

各地区、各有关部门要解放思想、转变观念，充分认识鼓励和引导社会资本举办医疗机构的重要意义。
Fast Growing Insurance Coverage

![Graph showing the growth of insurance coverage from 2006 to 2011 for UEBMI, URBMI, and NRCMI.]
Third-party payer as cost driver?

- PID: no impact
- Defensive medicine: 1%
- Aging: 7%
- Insurance: 10%
- Income: 5 ~ 25%
- Technology: > 50%

Joseph P. Newhouse

A scientific approach: Health Technology Assessment (HTA)
Medical Expenditures: Over Rx?
The State Reform Calls on PE Study

- **The State Health Reform Plan:**
  - “合理调整政府定价范围，改进药品定价方法，利用价格杠杆鼓励企业自主创新，促进国家基本药物的生产和使用。对新药和专利药品逐步实行上市前**药物经济学(PE)**评价制度。”

- **The MOH Essential Drug Policy:**
  - “目录遴选调整应当坚持科学、公正、公开、透明。建立健全循证医学、**药物经济学(PE)**评价标准和工作机制。”
  - “鼓励科研机构、医药企业、社会团体等开展国家基本药物循证医学、**药物经济学(PE)**评价工作。”

- **The NDRC Pricing Directives**
  - 了促成科学合理的药品价格形成机制，《意见》将鼓励与支持药物创新，进行新药定价前的**药物经济学评价(PE)**。
China Guidelines for Pharmacoeconomic Evaluations

China PE Guidelines Taskforce
- Chief Advisor: Guowei SANG (桑国卫), China’s PCC Vice Chairman

Executive Committee
- Chair: Gordon G LIU (刘国恩), PKU
- Vice Chairs: Shanlian HU (胡善联), Fudan U; Jiu Hong WU (吴久鸿), PLA 306 Hospital
- Members: Jing WU (吴晶), Li YANG (杨莉), Zhaohui DONG (董朝晖), Hong chao LI (李洪超), Minghui LI (李明晖), Ning SHI (史宁), Jinghua CHANG (常精华)

SANG, Guowei: The Vice Chairman of NPC
Academic Response: PE Guideline
(Released on 4-9-2011)

- Guideline 1: Study Question
- Guideline 2: Study Design
- Guideline 3: Cost
- Guideline 4: Health Outcomes
- Guideline 5: Evaluation Techniques
- Guideline 6: Modeling Analysis
- Guideline 7: Variability and Uncertainty
- Guideline 8: Equity
- Guideline 9: Generalizability
- Guideline 10: Budget Impact Analysis

RDPAC: translating and releasing soon
Payment Reform Launched 2011

- MHRSS-led Effort and Guidelines
  - Inpatient: by disease or DRG
  - Outpatient: by capitation

- Possible responses by different stakeholders
  - MOH to focus EDL with more central interventions
  - NDRC to price, referencing to PE and cross-country data
  - MHRSS to demand for PE data for policy forumulary
  - Hospitals to demand for PE data
  - Manufacturers to conduct and provide PE data