

Investigation of the Pathway for Targeted Medical Measures for Poverty Alleviation in the Context of Building an Overall Well-Off Society in China

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Abstract

Health forms the basis of an overall well-off society. In order to eliminate the phenomenon of “poverty caused by illness”, China must implement targeted medical measures for poverty alleviation. To achieve this, China should adhere to the medical and health policies of prevention first, the medical spending for poverty alleviation should be precise, the medical compensation mode needs to be de-marketized, the access to the medical market should be more marketized, and the medical and health resources should be supplied to the countryside, thereby “focusing our medical and health work on rural areas” substantially.

Key words: Overall well-off society; Targeted medical measures for poverty alleviation; China

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INTRODUCTION

“Poverty is not socialism.” Eradicating poverty, improving people’s livelihood and achieving common prosperity are the essential requirements of the socialist system. In November, 2015, Xi Jinping, the General Secretary of the Central Committee of the Communist Party of China, emphasized in the central work conference on poverty

alleviation and development, “the bugle call for the tough fight against poverty has sounded, and we need to set a target like the Foolish Old Man, stick to the goal and work hard to win the battle against poverty resolutely so that by 2020, all poor areas and poor people can enter a well-off society.” According to statistics from China National poverty Alleviation Office, there are 70.17 million poor people in China, and the most important reason for poverty is ill, accounting for 42% of registered poor households. “Health care safeguards a well-off society and a well-off society depends on health care.” To solve the problem of poverty alleviation, targeted medical measures for poverty alleviation are of vital importance. To make health care more accessible and affordable, China must have medical measures in place to alleviate poverty, implement them strictly using the right remedies, and adhere to the principle of “targeted therapy”.

1. “PRECISION DRIP IRRIGATION”: MEDICAL SPENDING FOR POVERTY ALLEVIATION SHOULD BE PRECISE

The health spending of the Chinese government in 1990 was 18.728 billion yuan, accounting for 25.06% and 1% of the total health expenditure and GDP, respectively. The health spending in 2014 rose to 1.057923 trillion yuan, accounting for 29.96% and 1.66% of the total health expenditure and GDP, respectively. Rural per capita health expenditure in 1990 rose from 38.8 yuan to 1274.4 yuan in 2013 (NHFPC, 2015, pp.91-94) In 2005, the civil affairs department funded the participation in cooperative medical care by 95.08 million yuan, with the direct medical aid expenditure being 481.4 million yuan. In 2014, the civil affairs department funded the participation in medical insurance by 1.61508 billion yuan and the participation in cooperative medical care by 3.2296

billion yuan, with the direct medical aid expenditure being 20.41295 billion yuan (Ibid., p.336). The government's expenditure on health and medical aid is increasing by a huge margin, while the poor accessibility and affordability of health care have not been resolved since the implementation of reform and opening up, and instead, the situation is exacerbating.

Therefore, the Chinese government, on the one hand, should continue to increase the medical fund for poverty alleviation and to encourage and support for the wide masses of farmers to purchase new rural cooperative medical care. Measures should be suited to families with poverty caused by illness. "Medical care and medical aid should be strengthened, and policies regarding new rural cooperative medical care and serious illness insurance should be tilted the poor" (Anonymous, 2015). The medical fund for poverty alleviation should be in place and substantially effective. On the other hand, studies on modern hygienics show that one-third of diseases can be prevented, and one-third can be detected and controlled early. The medical fund for poverty alleviation should emphasize on prevention first. Propaganda on health education and rural health infrastructure construction should be enhanced. Besides, patriotic health campaigns should be carried out vigorously, and spending on "water and sanitation overhaul" should be actively promoted. We should constantly summarize historical experience and lessons, explore the medical poverty alleviation model of obtaining high yields using lower financial input as the only example of resolving medical expenditure collectively in developing countries in line with the conditions of China in the new era in practices.

2. "DE-MARKETIZATION": THE MEDICAL COMPENSATION MODE NEEDS TO BE REFORMED

Since the implementation of reform and opening up policies, hospitals have been gradually marketized and China's total health expenditure has been rising rapidly, from 16.012 billion yuan in 1981 (accounting for 3.27% of GDP) to 3.53124 trillion yuan in 2014 (accounting for 5.55% of GDP). The per capita health spending rose from 16 yuan in 1981 to 2581.7 yuan in 2014. In 2013, China's total health expenditure was as high as 802.4 billion yuan, and the rural per capita health expenditure reached 1274.4 yuan (NHFPC, 2015, p.91). Due to the substantial reduction in financial input by the government to hospitals, hospitals' operations depend on their own incomes. As "a hospital subsidizes its medical services with overly expensive drug prescriptions", operations of hospitals and pays of basic medical and health personnel depend on patients' commission of health care spending, resulting in today's wide-spread phenomenon of "over treatment". Exceedingly high health spending increases

the burden on patients, and may exacerbate the poverty of some patients.

Health care as a public product, should not be fully marketized like other commodities. When buying ordinary goods, consumers can bargain or abandon the purchase. While in face of doctors' disease treatment, patients are basically in a completely vulnerable position due to information asymmetry. There is hardly any leeway for "bargaining" and they can do nothing but accept all. In order to increase incomes, some doctors add some unnecessary tests beyond patients' knowledge, and therefore, the test fees exceed the drug fees finally. Prescribing drugs arbitrarily, namely prescribing many drugs not covered by the new rural cooperative medical care medicine directory to patients as long as it satisfies their own interests, increases the medical burden on patients even further. The vast majority of poor patients, when suffering from a disease, often delay visiting doctors and are not willing to go to hospital. Although the number of people who participate in the new rural cooperative medical care is on the rise, the medical spending of many patients has not been substantially reduced due to "over treatment", resulting in the ubiquitous phenomenon of "If one person is sick, the whole family becomes poor". This further exacerbates the panic of diseases by poor people and increases social instability. Therefore, effective measures should be taken to reduce the medical costs to decouple "medicine" from "commerce", reduce the burden on people and reduce the number of poor people. On the one hand, party committees and governments at all levels should be concerned about medical workers and create a good working environment of hygiene actively so that the majority of medical workers can engage in the life-saving medical and health causes enthusiastically, and actively encourage the majority of medical workers to study professional knowledge carefully and improve medical ethics, thereby eliminating the diseases of a wide masses of patients. On the other hand, we must "comprehensively promote the overall reforms of public hospitals, maintain the public property, abolish the profit-driven mechanism, and establish the personnel and compensation system in line with the characteristics of the medical industry" (*The suggestions of the CCP central committee on making the 13th five-year plan of the national economy and social development*), enhance the supervision and management of medical institutions, and create a good hospital atmosphere.

3. "MORE MARKETIZED": THE ACCESS TO THE MEDICAL MARKET SHOULD BE MORE OPEN

The "de-marketization" of the compensation model of public medical and health institutions will help to eliminate profit-driven subjective motives of medical

workers, thereby curbing the unchecked spreading of “over treatment”, reducing medical costs and increasing the poverty of patients. The spending of health care remains high and sky-high prices occur, one of the reasons for which is that the access to the health care market has not been fully “marketized” and there is not an effective market competition between medical institutions. In 1981, there were 800,205 various types of medical and health institutions in China, including 10,252 hospitals, 55,500 township hospitals and 610,079 village clinics. Besides, there were then 7,199,133 health workers, 3,011,038 health technicians and 3,403,012 rural doctors and health workers. By 2014, there had been 981,432 various types of medical and health institutions in China, including 25,860 hospitals, 36,902 township hospitals and 645,470 village clinics. There were then 10,234,213 health workers, 7,589,790 health technicians and 1,058,182 rural doctors and health workers (Ibid., pp.3-25). According to the rule of the market, the increase in China’s health spending by a large margin should encourage more medical institutions and medical personnel to enter such an industry, while there is not a significant increase in the number of medical and health institutions and employees in China.

After the current health care system of China experienced the impact of “Western medicine” and “holistic public health” reforms, the era of roving doctors and herbalist in the traditional Chinese society has become extinct. Affected by the socialist transformations after the founding of PRC and the people’s commune movement, especially the rural cooperative medical care, the image of public health institutions in serving the people wholeheartedly has been deeply rooted in the hearts of people. When visiting doctors, they first select public hospitals because public hospitals are reliable and secure, and therefore, they become the main supplier of medical care. Although China implemented the medical market-oriented reforms, the number of private hospitals in China increased greatly in 2005, from 3,220 to 12,546, the access to the medical market is still very strict, and a lot of hospitals from Hong Kong, Macao and Taiwan with high social reputations and even foreign hospitals fail to enter the Chinese medical market. The small number of domestic small and medium sized private hospitals, due to their sign of “profits”, the lack of the trust of people and not being included in medical insurance, few patients go there for treatment. Plus many reports on a variety of private hospitals’ “cheating”, their living space is extremely narrow. The original purpose of medical “marketization” is to, according to the rule of the market, enhance competition and thus reducing spending on medical care, enable the masses to enjoy better and cheaper services and reduce the medical burdens. The result is that, due to its “professionalism” and strict market access, no equal “marketized” competition is formed between medical institutions. And finally, on the one hand, the substantial increase in needs for health

care calls for more, better and more convenient medical institutions are seen, and on the other hand, public hospitals are overcrowded with patients and do not need to pay taxes. While private hospitals have few patients but still need to pay relevant taxes. One aspect is that the number of doctors is small while their workload is huge, and the other aspect is the “non-marketized” phenomenon of medical graduates facing a hard employment season (In 2014 alone, the number of graduates from Chinese medical colleges and universities was 588,724, the number of medical graduates from secondary vocational schools was 452,132, and the number of postgraduates was 61,192). Therefore, the Chinese government should put in place the goal of “encouraging the social forces to start health service industry, promoting the equal treatment between the non-profit private hospitals and public hospitals”, reduce the threshold of access to medical services, promote the “marketized” competition with equal rights among medical institutions, encourage and guide the operations of private hospitals in the countryside, play the role of market competition, reduce the medical costs effectively, improve the service quality and reduce the burden on patients.

4. “MOVING THE GRAVITY DOWN”: MEDICAL AND HEALTH RESOURCES SHOULD BE SUPPLIED TO THE COUNTRYSIDE

While the medical expenses, the number of medical institutions and of health personnel are on the rise widely, the number of China’s rural health personnel and institutions is on the decline significantly. In 1981, there were 3,403,012 rural doctors and health personnel in rural township hospitals in China, and 55,500 township hospitals. In 2014, the number of rural doctors and health personnel in China fell to 1058182, and the number of township hospitals declined to 36,902 (Ibid.). More and more health resources are concentrated in cities, and there is a lack of doctors and medicine in rural areas. In 2005, the Ministry of Health, the Ministry of Finance and the State Administration of Traditional Chinese Medicine of China and other units jointly launched the “Ten thousand medical staff support rural health project”, which, to some extent, improved the level of medical services in rural areas, provided convenience for rural patients to get the nearest medical care and reduced the financial burden on farmers. However, professionals who have received modern high medical education and training, due to cost and development considerations, try everything possible to stay in cities, leading to the current situation in which there is a lack of skilled medical staff in rural areas. After the new rural cooperative medical care emerged, there is a strong medical need among farmers for township

hospitals. While the township hospitals, due to the medical facilities and lower professional skills of health personnel, have resulted in declined trust of grassroots health centers among the wide masses of farmers. Farmers tend to go to county-level hospitals or above, thereby exacerbating the medical burden on them.

Therefore, if China is to change the rural underserved situation, achieve the goal of “patients with minor ailments do not need to go out for treatment, and patients with common diseases do not need to go out of village for treatment”, reduce the health care spending of rural residents effectively and reduce the occurrence of poverty, it is necessary to “focus its medical and health work on rural areas”, “a lot of human and material resources should be put to the problem of people needing resolution mostly urgently”, pay attention to the training of “indigenization” of medical personnel, cultivate new “barefoot doctors” that rural areas can support and actively, promote the downward movement of the center of gravity of medical and health work and health resources, and promote the equal basic public services in both urban and rural areas, thereby providing the masses with safe, effective, convenient and cheap public health and basic medical services and making health care more accessible and affordable for grassroots masses (Huo & Wang, 2014).

“There is no overall well-off society without national health”. “Health services are directly related to people’s physical health.” Only by attaching great importance to the health and medical issues of rural poor people, accompanied by various medical, sanitation and health measures can be the problem of poverty of a group of people is solved fundamentally. As the Chinese Premier

Li Keqiang put it, “For people’s health and family well-being, we must resolutely push ahead with the health care reforms and use the Chinese-style approach to solve this global problem.” (Li, 2014) To solve this problem, we need to spare no efforts to take “targeted treatment”, explore and practice from such four aspects as spending of medical care for poverty alleviation, the medical compensation model, the access to the medical market and medical and health resources so as to effectively reduce the people’s spending on health care, reduce or eliminate the phenomenon of “poverty caused by illness”, solve the problem of “how to alleviate poverty” and consolidate the fruits of poverty alleviation so that all Chinese people can live a happy well-off life.

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