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The Challenge of Healthcare Disparities in China

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Abstract: This essay explores the present conditions, issues and problems, and medical equity issues in China. This essay, given the actual context of the healthcare system in China, looks into the problems of medical resource allocation, medical security mechanisms, medical quality, and inequalities of medical services provided to different groups of society. The research also evaluates the Healthy China 2030 program and policies such as Basic Medical Insurance (BMI), Urban Resident-Rural Resident Basic Medical Insurance (BURI), New cooperative Medical system (NCRS) and many others. Numerous disparities continue to be evident in healthcare regarding structural enhancements and coverage; these inequalities are especially pronounced in rural areas and among the elderly population. The paper further identifies inequalities in resource allocation, the absence of policies, and disparities in policy application among various types of hospitals and regions of the country, recommending the improvisation of policies and the initiation of policies that develop telemedicine.

Keywords: Health and economy, Medical equity, Healthcare System, Policy Improvisation.

1. Introduction

One of the earliest and simplest definitions of health equity comes from Whitehead in the early 1990s [1]. As per Whitehead, health disparities, inequality, and equity are best defined as gaps in health that "are not only unnecessary and avoidable but, in addition, are considered unfair and unjust" [1]. The author stated that equity in health suggests that, in principle, every individual ought to have an equal opportunity to achieve their utmost health potential, and in practice, no individual should be obstructed from attaining this potential if it is avoidable. [2]. Equity in health care, is "equal utilisation for equal need, equal access to available care for equal need, and equal quality of care for all"[2]. Medical equity is one of the important indicators for measuring social justice and harmony. In China, with the rapid development of the economy and the improvement of people's living standards, the demand for medical services is increasing, and the issue of medical equity is also receiving increasing attention. This essay will conduct an in-depth analysis of the current situation of medical equity in China from multiple perspectives and explore the underlying reasons and solutions.

Data analysis was used to quantitatively analyse the fairness of medical resource allocation, medical security coverage, and medical service utilisation during the research process. At the same time, the existing literature was studied, which provided theoretical support and research methods for this study. In addition, this paper also combines national medical and health policies, medical security systems, and other content to analyze the impact of policies on medical equity. It proposes policy recommendations to improve the medical security system and promote medical equity.

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2. Uneven Distribution of Medical Resources

2.1. Rural-urban Differences

China's medical care system exhibits significant disparities in resource distribution between urban and rural areas. Urban centers boast large hospitals, advanced technology, and skilled personnel, ensuring access to quality healthcare. In contrast, rural populations face challenges due to limited facilities, outdated equipment, and a shortage of professionals. This inequity arises from historical development priorities favoring urban modernization over rural healthcare infrastructure. Consequently, rural residents encounter substantial medical disparities, often traveling long distances to urban centers for adequate care, exacerbating their financial and logistical burdens. Since the beginning of economic liberalisation in the 1980s, China has experienced improvements in health outcomes and rapid economic growth (gross national income per capita increased more than 30 times from US$220 in 1980 to US$8690 in 2017, at current US dollars) [3]. However, these national averages conceal significant disparities in performance between rural and urban settings. In 2015, the under-five mortality rate in rural regions was more than double that of urban areas. [3]. The different performances of the health system may be the cause of the observed differences in health outcomes between rural and urban areas. Due to these differences, there is a great deal of medical disparity, with urban inhabitants having greater access to healthcare services and resources and rural populations finding it difficult to receive even the most basic care.

2.2. Disparity in the Case of the Elderly Population:

Further, the aging population also significantly influences the disparities in healthcare access between urban and rural areas. This has been highlighted in various scholarly articles. Initially, a significant positive correlation exists between aging and actual per capita medical expenses, with an elasticity of 0.268 for aging-related medical expenditure, representing 3.9% of the variation in these expenses [4]. Furthermore, there are notable urban-rural disparities in the connection between aging and medical costs.In urban settings, a growing elderly population correlates with a significant upsurge in healthcare costs, evidenced by an expenditure elasticity of 0.207. In contrast, rural environments display that an increase in aging does not correspond with a rise in medical expenditures; rather, it may lead to a decrease in out-of-pocket healthcare costs. Tao and Cheng illustrate how geographical accessibility to healthcare for the elderly is unevenly distributed in Beijing, with accessibility levels sharply declining from the city centre [5]. Additionally, they discover elderly individuals have disadvantages when competing with younger individuals for healthcare services. Wu and Tseng argue that policy assessments should aim for more equitable distribution in addition to measuring overall accessibility by evaluating differences in elderly community care services using a geographical accessibility and inequity index [6]. Geographic accessibility aids in identifying places with a scarcity of healthcare and provides information for the fair distribution of resources [7]. Thus, this disparity has broad ramifications. It leads to high costs and delays in treating people living in rural areas or old age.

2.3. Regional Disparity

Socio-economic status contributes to determining the differential distribution of health and medical services. A number of surveys have established that economic factors are to be blamed for the rural population’s underutilisation of the medical resources. Health care needs of the rich elite such as the medical professionals are placed high and therefore the best standard for service is rendered [8]. In China, the economically developed eastern region boasts abundant healthcare facilities, unlike the central and western regions. This disparity is evident in both the quantity and quality of healthcare

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resources. The east has garnered a significant concentration of quality medical assets and established a comprehensive healthcare system. Conversely, the central and western regions still fall short in medical infrastructure. Additionally, the remote, ethnically diverse areas in these regions face geographic and economic challenges affecting healthcare access.

2.4. Different Hospitals Have Different Ability to Implement Policies

2.4.1. Public and Private Hospitals

In various jurisdictions, the lack of effective policy enforcement or insufficient oversight can result in inequities in the practical functioning of the healthcare system. There may be differences in policy implementation between public and private hospitals. Public hospitals are usually subject to stricter supervision and assessment, and their policy implementation is relatively strong. Private hospitals, on the other hand, may have certain flexibility and adaptability in policy implementation due to their pursuit of economic benefits and strong management autonomy.

2.4.2. Different Levels of Hospitals

There may also be policy implementation differences among tertiary, secondary, and primary hospitals. Generally speaking, hospitals with higher levels have more advantages in policy understanding, execution ability, and resource allocation, so their policy execution ability is relatively strong. However, grassroots medical institutions may have poor policy implementation due to limited resources and uneven personnel quality.

2.5. Policies and Measures

After the new policy rollout, hospitals must quickly train staff for clarity on its intent and requirements. Enhancing management systems is crucial, establishing a robust governance framework. Healthcare institutions should create a comprehensive management system outlining job roles, workflows, and evaluation criteria for compliance. Streamlining redundant processes is essential for efficiency. Moreover, fostering interdepartmental communication and coordination mechanisms is vital for effective policy implementation.

With the advancement of informatisation, information technology serves as the essential catalyst for facilitating transformative progress in health reform [9]. It is now well acknowledged that the informatisation of healthcare services will result in patient satisfaction with care, greater medical quality, cheaper medical costs, and a range of digital medical data accessible by patients in addition to better and more efficient medical care. Modern information technology can be utilized to establish a hospital information management system, achieve real-time sharing and transmission of information, and improve work efficiency and execution. Telemedicine is a positive consequence of China's Internet & Medical Innovation Strategy because it reduces the disparity in the distribution of medical resources, improves medical treatment in remote and impoverished areas, and satisfies the general demand for superior medical treatment throughout multiple regions, especially for disadvantaged areas that are remote. Additionally, telemedicine is a positive endeavour that supports the implementation of the Healthy China policy and is acknowledged as a successful means of guaranteeing that all individuals have equal access to and privileges with respect to high-quality healthcare services. It has been instrumental in strengthening the potential, performance, and efficiency of healthcare delivery in marginalised regions, and improving the inequitable allocation of medical resources [10].

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3. Current Policies for Health Equity

In order to improve healthcare access nationwide, rectify the unequal distribution of medical resources, and achieve health equity, China has enacted a number of laws and reforms. These programs concentrate on enhancing public health systems, broadening insurance coverage, and focusing on certain areas or groups of people that have considerable obstacles when trying to obtain healthcare. The New Rural Cooperative Medical Scheme (NRCMS) was first implemented in 2003 and is among the key policy instruments in this regard [11]. This policy was aimed at providing affordable healthcare to rural people in countries. The National Rural Cooperative Medical Scheme offers financial assistance against healthcare expenses for the residents of rural areas [11]. The initiative is supported by government bodies, private sector funding, and local administration resources. While the program has demonstrated success in enhancing healthcare accessibility for the rural populace, challenges persist, particularly concerning inadequate reimbursement rates, which result in most patients incurring out-of-pocket expenses for their treatments. [11]. In as much as this strategy continues to gain popularity and improve some aspects of healthcare segmented herein, the disparity between the levels of healthcare delivery in cities and rural areas still stifles the degree to which this strategy can be used to promote health equity. Additionally, overweight urban populations who are formally employed but are not covered by UEBMI, as well as the informal sector populations, are targeted by the Urban Resident Basic Medical Insurance scheme [12]. The purpose of these measures is to provide insurance to working and the unemployed or informal residents of cities. Although URBMI began in 2007 and caters to those living in city areas not covered by the employment-based health insurance program, UEBMI was set up for formal employees in 1998 [12]. As a result of such regulations, these have enhanced the healthcare system and assisted many urban dwellers with medical expenditure burden more effectively than what the system could have done prior to this. They have at the same time experienced difficulties in service range and reimbursement of monetary levels across different regions, which makes health care system inequities and access a bad dream.

Further, in 2016, China incorporated these two tiers of insurance programs for rural and urban residents and created one dual-tier scheme known as the Urban-Rural Resident Basic Medical Insurance Scheme (URRBMI) [13]. The particular focus of this policy, was to reduce the health care inequities that existed between different population by harmonising and unifying health insurance systems and also addressing the productivity imbalance that had persisted between rural and urban healthcare systems for ages [13]. While URRBMI has improved overall insurance coverage, there is still a gap in healthcare delivery between rural and urban areas, making the implementation of the scheme underperformed. Through the Healthy China 2030 project, which was introduced in 2016 with the goal of promoting public health and achieving universal health care, China has also implemented reforms [14]. Healthy China 2030 emphasizes the critical need to address regional and socioeconomic inequalities by increasing investments in medical services, fostering advancements in digital health technologies such as telemedicine, and improving healthcare resources in rural and remote areas.[14]. Healthy China 2030 aims to reduce geographic and economic disparities in health service access and utilization by enhancing financial investment, adopting technological innovations like telehealth, and decentralizing service distribution. While these initiatives have improved the health equity index, challenges remain, particularly among the elderly and in rural areas. Issues regarding service standardization, including inadequate medical facilities and personnel, as well as inconsistent policy implementation across government healthcare systems, persist.

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4. Recommendations for Improvement of the Health Care System

4.1. Strategies for Improved Healthcare Service Proficiency and Fairness

Policies should enhance the development of grassroots healthcare service capabilities. It is vital to prioritize the perspectives of those at the grassroots level. Public health governance must follow collective action principles that genuinely represent the interests of community members [15]. On one hand, enhancing the quality of grassroots diagnosis and treatment is crucial; this includes increasing investment in grassroots medical institutions and upgrading their infrastructure and medical equipment. On the other hand, attracting talent to these areas is essential, it must implement policy incentives and salary guarantees to draw highly qualified physicians to grassroots positions, thereby improving the appeal and competitiveness of these medical institutions. In promoting equitable regional healthcare development, the government should amplify investments in healthcare for underdeveloped areas, elevating their medical facilities and service quality to reduce disparities with more developed regions. Additionally, it is important to facilitate the distribution of medical resources, encouraging high-quality healthcare provisions to flow into grassroots and rural areas. Initiatives such as telemedicine and medical consortia can significantly improve the service capabilities of grassroots medical institutions. Moreover, advancing remote healthcare through telehealth can overcome spatial and temporal constraints, fostering effective communication among healthcare professionals and ensuring the provision of essential medical services [16]. China's telemedicine efforts are enhancing the nation's tiered healthcare system, delivering equitable health services in both underserved and metropolitan regions while promoting the transfer of premier healthcare resources from urban centers to remote rural locales.

4.2. Policies and Measures

Increasing medical insurance coverage is essential for expanding access to healthcare resources and addressing unequal distribution. Ensuring comprehensive coverage for employees and residents, alongside strengthening fund administration and oversight, will enhance sustainability and prevent misuse. Implementing diverse reimbursement models, such as capitation and condition-specific payments, promotes cost-effective care without sacrificing quality. Additionally, expediting the medical insurance information system's development will facilitate thorough coverage and data sharing, ultimately improving service standardization and patient care through advanced information technology.

5. Conclusion

The attainment of healthcare equity ought to be grounded in the standards of economic and social advancement, as well as the capacity of healthcare services. The unfairness of Chinese healthcare is reflected in the uneven distribution of medical resources, incomplete medical security system, and uneven implementation of policies by different hospitals. Despite the fact that China has made great progress towards promoting health equity, notably through programs like the NRCMS, URRBMI, and the Healthy China 2030 project, there are still wide gaps in health, especially between urban and rural areas and across other demographic groups like the elderly. Nevertheless, the fair health system of the country is undermined by the irrational distribution of healthcare resources, socio-economic and geographical constraints and discrepancies in the application of strategies at the varying levels of hospitals. In the long term, information and communication technology is expected to improve healthcare equity by optimizing resource allocation, enhancing the quality and efficiency of care, boosting patient satisfaction, and strengthening the enforcement of health insurance policies. All contribute to the healthy, continuous, and explosive development of the health care system. Besides,

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one must remember that the introduction of information technology should be associated with properly controlling its usage. In this context, the provision of information is not only about building advanced health information technology but also about providing standard operating procedures to protect the information of the patients. In addition, the active participation of communities in the development and implementation of these technologies will help meet their objectives and improve their satisfaction with health services.

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