

# ***Research on Medical Coverage for Disabled Children in China***

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**Abstract:** Every country has numerous disabled individuals, and throughout their lives, they typically face more difficulties and challenges than the general population. Disabled children, in particular, face even greater challenges. These children are born with noticeable differences and require significant external support. While in many European and American countries, people often see children with disabilities integrated into schools, in China however, it is often difficult for disabled children to live and learn alongside their peers. They usually require support from medicine and doctors due to their physical and mental conditions, which can incur substantial expenses, placing a significant financial burden on most families. Therefore, the Chinese government should pay closer attention to the health and well-being of this particular group. This unique population needs a better healthcare system. We urgently need to focus on and allocate more resources to ensure that every disabled child can access the healthcare and opportunities they rightfully deserve.

**Keywords:** Disabled Children, Health Conditions, Government Policies, Resource Allocation, Establish Commercial Closed Loop

## **1. Introduction**

### **1.1. Background**

China's disabled children face a myriad of challenges. With the growing number of disabled children, the Chinese government and society are making efforts to provide better healthcare, education, and social integration support, thereby enhancing their quality of life and opportunities. However, there is much work to be done by the government to ensure that disabled children can fully participate in society and realize their potential. This article will explore various aspects, including Chinese policies, social systems, and family perspectives, to examine how to further advocate for the rights and well-being of disabled children, making it easier for these disadvantaged children to be more independent and enjoy their lives in society. Assisting disabled children will help emphasize humanitarian, social equality, and inclusiveness in society. Furthermore, by establishing a more comprehensive system, disabled children can become self-sufficient more easily. Through supporting these children, we can build a just, compassionate society that provides equal opportunities for everyone to realize their potential and create their values.

## 1.2. Related research

The health care system for people with disabilities should ensure that all disabled people not only have equal access to health care but also extra health care schemes adapted to their specific needs. Due to the consideration of social equity, some problems still exist, such as the rehabilitation medical burden needs to be lowered, the coverage area and the diversity of medical security needs to be expanded, and the inequality in the medical security treatment of the urban and rural needs to be changed. Therefore, it is necessary to improve the health coverage for disabled people in a targeted manner [1]. The gap between normal and disabled people's living standards in society is gradually widening. The imperfect medical security system makes it difficult for most disabled people to obtain medical security, and the problems of difficult and expensive medical treatment are widespread. To achieve broader health insurance for these special minorities, expanding health insurance coverage is a necessary step-by-step process. How to integrate all urban and rural disabled people into the medical security system has become an important and urgent issue. The first thing that the government should do is to establish the basic security of the first layer of medical insurance, and then make good social medical assistance or welfare policy. Through these two dual securities of medical insurance and allowance, disabled people will be able to have comprehensive coverage of the "safety net". This will contribute to the overall goal of health care for people with disabilities and it should be a part of the development direction of China's health insurance system [2].

The problem with rehabilitation centers for children with disabilities in China is that they are often unable to provide efficient and professional medical services. There is a lack of professional knowledge and quantity in the institution. Even more, there is not enough advanced training and examination equipment for these special students to use. This situation leads to the limited range and limited effect of children's rehabilitation that the institutions can offer. However, people cannot blame anyone. China just started to pay attention to the rehabilitation of disabled children in 2006, which led to a lag in relevant policies and laws. The development of the medical treatment and rehabilitation of disabled children in China has just begun. In the future, policymakers and government officials need to attach more importance to solving the problems existing in the policy [3].

Based on a survey conducted across 10 provinces in China, the data reveals that approximately 30% of low-income families in rural areas and 50% in urban areas lack basic health insurance for at least one family member. This percentage shows that the uninsured low-income families without access to basic living allowances were very high. A way to address this problem is to have a policy for financial assistance for low-income families to afford basic health insurance. In the short term, the government makes a policy that allows these special families to be fully subsidized. In the long term, there should be a focus on enhancing the coverage and benefits of basic medical insurance [4].

Definition: Children under the age of 18 who are mentally, physically, structuring, organizing, or functioning abnormally, or who have partially or completely lost their ability to take care of themselves in daily life, study, and adapt to society. The difficulties for disabled children in China are that the welfare laws for disabled children are not perfect. Families of disabled children do not pay enough attention to the children, and rehabilitation services are not standardized enough. At the same time, China's large population base means that the government had limited resources and it is a hard question to think about how to allocate the wealth: to ordinary people or these minorities. Unfortunately, the truth is that the government is reluctant to spend too much money to help disabled children. After discussions and research, it is found that if the government can establish a subsidy system for disabled children, it might be able to allow medical insurance for disabled children to cover more medical services, and find more professional rehabilitation trainers. If there occurs an organization or a system that works systematically, the help for disabled children can be much more

effective. At the same time, eliminating cognitive bias in society and organizing more people to give spontaneous help can also help disabled children in society [5].

China has been committed to meeting the needs of disabled children through the promulgation of welfare policies. The initial objective of these policy measures is to provide much-needed assistance services to families of children with disabilities. However, the problems that still exist in society are narrow policy coverage, insufficient and uneven distribution of service institutions, limited ability of assistance, and crude rehabilitation effect. These problems are caused by a negative view of welfare in government, inadequate welfare spending, and parents' ignorance of disability prevention and rehabilitation. Therefore, if China increases the welfare expenditure and the promotion of spreading rehabilitation knowledge, it will create a huge chance in the overall medical treatment and rehabilitation of disabled children [6].

Two principles have gone wrong in today's society that cause children with disabilities to be treated poorly. First of all, the disabled are treated unequally. In society, many people discriminate against the identity of disabled children: companies rarely hire people with disabilities to work for them, and some care institutions take children with disabilities, not according to their own needs, but pay more attention to their degree of disability. Secondly, the rights of persons with disabilities were not taken into account when the law was amended. The government should treat the disabled as a special protection group and carefully consider all aspects of their needs to be protected. There are four ways that the government can solve this social problem. First of all, there needs to be decentralization. When it comes to paying subsidies and seeking help from people with disabilities, it is faster when non-governmental organizations can give services to disabled children more quickly. Secondly, it is very important to improve the public service law for the disabled children. Big changes in society can only happen when the law drives them. Then the development of standards for disability services also needs to be considered. Medical institutions and services need to have a unified system to better help patients. Finally, third-party supervision and evaluation mechanisms need to be introduced, rather than superiors directly managing subordinates. Only in this way can everyone be more active in helping children with disabilities [7].

### **1.3. Objective**

The following text will predict the problems that children with disabilities may face in the future based on the data of people with disabilities and government policies in Chinese society. After identifying the root cause of the potential problem, the article will provide analysis and solutions for how the government should innovate and improve policies to make better adjustments for disabled children.

## **2. Current Situations and Existing Problems**

### **2.1. Current Situations**

#### **2.1.1. Number of Disabled People**

According to China's population census, the total number of people in China is about 1.4 billion, and the number of disabled people in China is about 85 million, accounting for 6.07% of the total population. Among all disabled people, the number of children with disabilities is about 14 million, accounting for 1.65% of the total population in China. As indicated by statistics from the China Disabled Person's Federation given in 2022, 8.57 million disabled people will receive basic rehabilitation services, 1.648 million disabled people receive assistive device adaptation services, and 407,000 disabled children will receive rehabilitation assistance, accounting for 4.75 percent of the total population of disabled people number.

### 2.1.2. Employment Situation of Disabled People

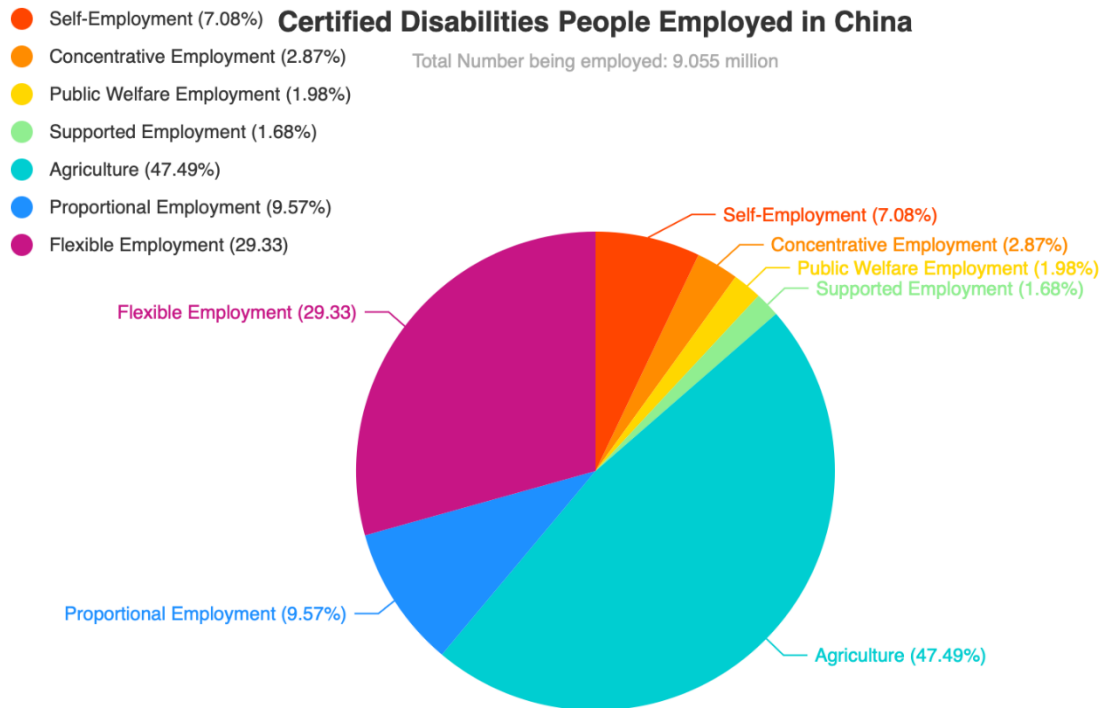


Figure 1: Certified Disabilities People Employed in China [8]

From Figure 1, the term explanation is as follows:

**Self-employment** (641 thousands of people): refers to laid-off and unemployed disabled workers being employed by organizations such as streets and communities. They will engage in various labor services such as community convenience services, housekeeping services, and onsite services.

**Concentrative Employment** (260 thousand people): refers to the centralized recruitment and employment of disabled people by the country and society through the establishment of welfare enterprises and business organizations, etc.

**Public Welfare Employment** (179 thousand people): refers to posts funded by the government, with the main purpose of arranging disabled people who have employment difficulties, and engaged in social auxiliary management and service posts.

**Supported Employment** (152 thousand people): refers to a form of concentrated employment that organizes mentally, and physically disabled people within a specific age group who are willing to be employed but are difficult to enter the competitive labor market. This job is more flexible than ordinary workers in terms of working hours, remuneration, and labor contract system.

**Agriculture** (4.3 millions of people): refers to disabled people who farm to make money.

**Proportional Employment** (867 thousand people): refers to the employment of disabled people according to a certain proportion of the number of employees of the unit announced by national laws and regulations.

**Flexible Employment** (2.656 million people): refers to the general term for various employment forms that are different from the traditional mainstream employment methods based on the industrial, commercial, and modern enterprise system in terms of working hours, income remuneration, workplace, insurance benefits, and labor relations.

### 2.1.3. Conditions of Rehabilitation Institutions

According to the China Disabled Persons Federation, by the end of 2022, there will be 11,661 rehabilitation institutions for the disabled across the country. These rehabilitation organizations are foundations that provide rehabilitation services for various types of disabled persons. These institutions include rehabilitation centers, medical institutions, special education institutions, and private non-enterprise organizations, which can provide rehabilitation medical treatment, functional training, assistive device adaptation, psychological counseling, consultation, and other services for all types of disabled persons. Rehabilitation institutions have 328,000 on-the-job personnel, including 34,000 management personnel, 239,000 business personnel, and 55,000 other personnel. 17,000 trainers have completed China's standardized training for rehabilitation professionals in China throughout the year.

### 2.1.4. Policy and Economic Support

In Announcement No. 8 of 2023, the Chinese Finance Department published the implementation of employment guarantee policies for disabled people in enterprises. If the employment ratio of the employing unit for disabled people reaches 1% and more, 50% of the prescribed payment amount shall be paid as the employment security fund for the disabled; the employing unit arranges the disabled. If the employment ratio is less than 1%, 90% of the prescribed contribution amount shall be paid as the employment security fund for the disabled. Enterprises with 30 or fewer employees are exempt from the employment security fund for the disabled [9].

Based on Figure 2, it is clear that when calculated at the annual average exchange rate, China's GDP totals approximately 120 trillion RMB (Chinese money), equivalent to around 18 trillion USD, firmly securing its position as the world's second-largest economy. Nevertheless, although China ranks second in the world in terms of GDP, its expenditure on healthcare accounts for only 5.2% of its total GDP. According to statistical data, China allocates only about 6.24 trillion RMB, approximately 933.9 billion USD, to safeguard China's 1.4 billion people on health expenditure. These statistics raise concerns, especially given China's vast population. While China has achieved remarkable successes in various domains, the relatively low proportion of healthcare expenditure as a share of GDP is shocking and could have adverse implications for the healthcare and well-being of its citizens.

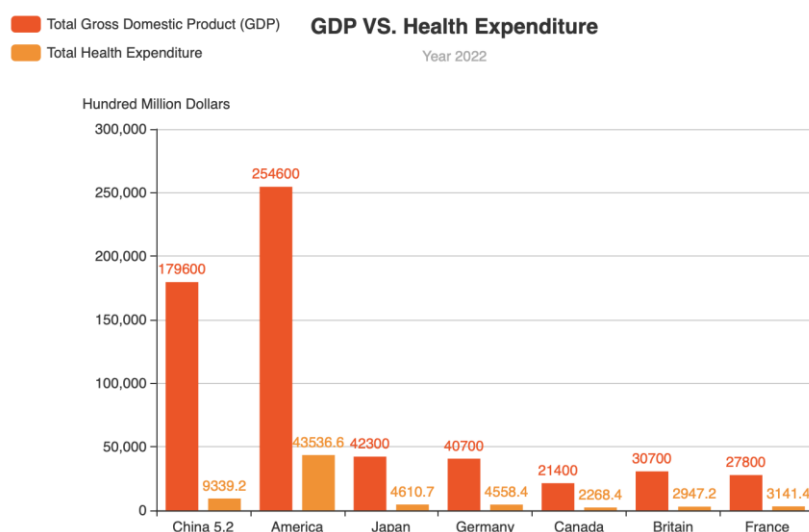


Figure 2: GDP VS. Health Expenditure [8]

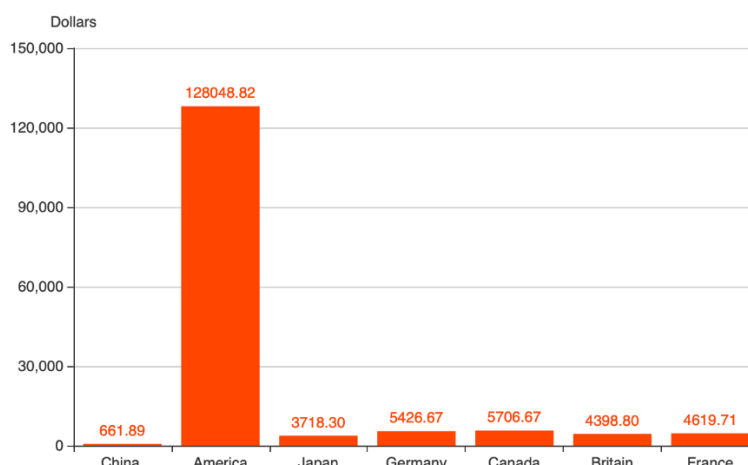


Figure 3: Health Expenditure Per Person in Different Countries in 2022

As shown in Figure 3, it is evident that the Chinese government still lagged significantly behind the developed countries in terms of per capita healthcare expenditure. As the world's second-largest economy in terms of GDP, China's spending on healthcare is approximately 193 times less than that of the United States, which holds the top rank in GDP.

#### 2.1.5. Social Security Disability Insurance

In 2022, there were 27.617 million disabled individuals (older than 18 years old) enrolled in basic old-age pension insurance in China. Among these, 12.093 million disabled individuals were receiving pension benefits. For the disabled individuals who are under the age of 60 and enrolled in the insurance, 6.923 million who suffered from severe disabilities, and 2.855 million who suffered from non-severe disabilities all received subsidies for their insurance contributions. Nevertheless, the government never provides any subsidies to rehabilitation institutions. However, children under the age of 18 who undergo rehabilitation training in these institutions receive subsidies ranging from 10,000 to 24,000 RMB (1430 to 3000 dollars) per year.

#### 2.1.6. Companies and Disability Pension

In China, if each company arranges the employment of one individual holding a Level I or Level II "People's Republic of China Disabled Person's Card" or a Level I to Level III "People's Republic of China Disabled Military Person's Card," it is calculated as arranging the employment of two disabled individuals. If one person arranged for employment within the statutory employment age is a full-time blind graduate (visual disability Level 1 to Level 2) from a regular secondary or higher educational institution and has graduated for less than 5 years, it is calculated as arranging the employment of three disabled individuals. If one person arranged for employment within the statutory employment age is a full-time graduate from a regular secondary or higher educational institution with other disability levels or categories and has graduated for less than 5 years, it is calculated as arranging the employment of two disabled individuals. If the company fails to meet the government-required employment standards for disabled individuals, they are required to pay a disability insurance fund. The government's collection standards for the disability insurance fund are as follows:



For a company with a disabled employee employment ratio of 1% or higher, the annual contribution amount is calculated as follows:  $(1.5\% - \text{Disabled employee ratio}) \times \text{Contribution base (the specific wage of a person upon which the taxes are calculated.)} \times 50\%$ .

For a company with a disabled employee employment ratio of less than 1%, the annual contribution amount is calculated as follows:  $(1.5\% - \text{Disabled employee ratio}) \times \text{Contribution base} \times 90\%$ .

Companies with a total workforce of 30 or fewer employees are temporarily exempt from contributing to the disability insurance fund.

Under this circumstance, the government can collect money from different enterprises and use this money to support unemployed disabled people. Meanwhile, the government also states that the reduction rate for wage income earned by disabled individuals has been increased from 50% to 80%. Additionally, the threshold for a 100% reduction in the annual production and business income of disabled individuals has been raised from below 30,000 RMB (30,000 RMB included) to below 100,000 RMB (100,000 RMB included), while the reduction rate for income between 30,000 and 50,000 RMB (30,000 and 50,000 RMB included) has been increased from 50% to 60% for the portion exceeding 100,000 RMB. [10]

## **2.2. Problems Occurring**

### **2.2.1. Medical Assistance Funds Used by Disabled Families as Living Expenses**

When the government provides subsidies to families with disabled children, the money is often given to the guardians of the children who often do not bring significant help to these children. This is because the economic circumstances of these families are generally poor. They do not view these subsidies as "medical assistance funds" but rather as "living expenses." Although these children might want to use the money to improve their body conditions, their parents might stop them from doing so. As a result, the medical assistance funds issued by the government do not effectively contribute to improving the physical condition of disabled children. The money might be used to buy some necessities such as food and water.

### **2.2.2. High Cost in Rehabilitation Training**

Rehabilitation training for disabled children includes various forms such as physical therapy, occupational therapy, speech therapy, and so on. Doctors carefully tailor individualized treatment plans to address different types of disabilities. Consequently, doctors invest significant time and expertise in these disabled children, resulting in high treatment costs that impose a substantial financial burden on families. Rehabilitation training often needs to use specialized equipment and materials for a long period, such as physical therapy devices, assistive tools, and medications, all of which contribute to the overall cost of treatment. For example, purchasing a rehabilitation hand training aid for a child with cerebral palsy costs 1,200 RMB, approximately 170 USD. Even the most basic walking assistive device requires around 200 RMB, approximately 30 US dollars. These expenses place significant financial stress on the majority of families who need to raise disabled children.

### **2.2.3. Lack of Rehabilitation Professionals**

Rehabilitation Professionals can be separated into two different categories: rehabilitation therapists and rehabilitation physicians. Both of these professions require a bachelor's degree in a relevant field such as Rehabilitation Therapy, Physical Therapy, Occupational Therapy, or Speech-Language Pathology. These bachelor's degree programs typically involve four years of university coursework

along with practical clinical internships. If one wishes to become a rehabilitation physician, he or she needs to pursue a master's and doctoral degree in Rehabilitation Therapy or a related field.

Studying these courses typically requires a significant amount of time, effort, and financial investment. However, all the efforts they put in do not match their income. Rehabilitation therapists typically earn a monthly income ranging from approximately 5,000 to 7,000 RMB, which is roughly 700 to 1,000 US dollars. The rehabilitation physicians usually earn a little bit more, about 10,000 RMB per month, approximately 1,500 US dollars. For these medical professionals, their efforts may not yield commensurate returns. Consequently, fewer and fewer people are willing to become work as rehabilitation trainers, resulting in a scarcity of rehabilitation professionals.

#### **2.2.4. Lack of Systematic Development in Healthcare System for Disabled Children**

In China, many communities and households are not well-informed about the importance of rehabilitation, leading to a lack of clear rules and policies in many regions to support the rehabilitation needs of disabled individuals. Furthermore, the inadequacy of legal provisions can result in an imperfect rehabilitation system. The officials know that disabled children are minorities and marginalized groups in society. Therefore, their voice might not be heard and nobody will stand out to advocate justice on their behalf, resulting in delays in the approval of financial assistance, insufficient medical support, and even cases of corruption and embezzlement of subsidies.

### **3. Solutions**

#### **3.1. Proper Ways of Utilizing Healthcare Coverage Funds and Supplementary Expenditures**

To ensure that families of disabled children use the government subsidies for their healthcare coverage in the right way, rather than spending the money on miscellaneous living expenses, the government can directly deposit the subsidies into the children's medical insurance cards. By enhancing the healthcare coverage for disabled children in this manner, the money can only be used for medical bills.

Due to the insufficient amount of subsidies for disabled children, which often are unable to cover the living expenses of the children, the government can address this issue by providing assistance in budget planning for families with disabled children. This assistance can help them manage their expenses and finances effectively. Additionally, on this basis, the government can consider providing discounts on essential household items for families with disabled children and increasing the wages of the children's parents in their jobs. Furthermore, society can allocate money for disabled people based on the severity of their disabilities, ensuring that individuals with more severe disabilities receive better support. This approach allows disabled individuals to receive varying levels of assistance based on their specific needs. Under this model, the government may need to collaborate with a reputable third-party organization that employs medical and rehabilitation professionals to assess and determine the disability level and subsidy eligibility of disabled children.

These children cannot rely on their parents for their entire lives. They need to acquire a knowledge of skills that can make money for themselves. Therefore, society should provide opportunities for disabled individuals to access education, vocational training, and employment opportunities. This can be achieved through government policies, non-governmental organizations, and social programs aimed at helping disabled children achieve self-sufficiency and integration into society.

If these families still require extra assistance, they can seek help from charitable organizations and the Red Cross. These influential and non-profit organizations can make a significant impact by establishing financial assistance programs through fundraising to alleviate the financial burden on these families by covering medical expenses and other expenses.



### 3.2. Transparency in Rehabilitation Costs and Adjustment of Treatment Program Prices

The government should ensure transparency in all rehabilitation costs. They should provide cost estimate-related information to inform families of disabled children about the overall process and pricing of rehabilitation programs. In this situation, disabled children's families can have a clearer understanding of the expected expenses for rehabilitation training, allocate their expenditure correctly among examination fees, rehabilitation costs, and medication expenses, and make informed decisions. Furthermore, after completing all rehabilitation training and purchasing medications, medical institutions must provide patients with detailed bills that show the cost of each treatment item, as well as any additional charges or discounts. This helps prevent hospitals from charging unreasonable fees or additional costs.

The government should establish free consultation services for families of disabled children at medical institutions. They should engage the most specialized rehabilitation physicians to provide advice on cost and payment options. It is essential to identify the most suitable and effective treatment plans for these children.

The government needs to ensure the feasibility and effectiveness of rehabilitation medications to ensure that families of disabled children do not spend their money in vain. Additionally, the government can regulate and control drug prices by implementing new policies to ensure reasonable pricing. Furthermore, the country should encourage domestic production of rehabilitation aids and equipment by reducing manufacturing and transportation costs. Domestic manufacturers should be incentivized to produce these products so that disabled children can use cheap but useful machines to examine and train themselves since they do not have to pay import and export taxes.

### 3.3. Increase Health Expenditure

As evident from the GDP vs. Health Expenditure chart above, as the world's second-largest economy in terms of GDP, the total health expenditure in China is relatively low. The national government should consider increasing the budget allocated to health expenditure appropriately. With an increased budget, the government can allocate sufficient funds to various provinces and regions to establish rehabilitation centers and provide medical care to disabled children at very low or even free-of-charge rates.

At the same time, when the government starts increasing the health expenditure for disabled children, it attracts more professional physicians and therapists as their income may improve greatly. Additionally, with higher salaries, more individuals may be motivated to become rehabilitation trainers for disabled children, thereby ensuring that an increasing number of disabled children receive care from healthcare professionals.

### 3.4. New Ideas and Business Models

Due to the lack of attention to disabled children in China, the support system is not comprehensive. China needs a more inclusive, equitable, and just platform or organization to advocate rights for disabilities. To truly assist people with disabilities, it is believed that establishing an organization that is not subject to government restrictions is necessary. In this context, adopting the jury system used in the United States could be a suitable choice. The jury should consist of individuals from society who are concerned about disabled children, have no biases, approach issues from the perspective of the general public, and cast their votes fairly to advocate for the interests of children with disabilities. With the jury system being built, disabled juveniles will gain more support.

Next, we need to consider from an ethical perspective how to fairly distribute subsidies. Many believe that in the future in China, we should be more concerned about urgency and need (helping those in urgent need of medical assistance and life support first) rather than blindly pursuing the

principle of equity (treating everyone equally, regardless of the severity of their condition). Under this circumstance, more subsidies will be distributed to those people who are severely disabled. Less money will be given to the people who have non-severe disabilities and these people need to work hard to find a way out and maintain their lives.

Empowering disabled children to create value for themselves and become self-sustainable is the ultimate goal for everyone because this structure can save government expenses and establish a sustainable business model. One way to realize this idea is through the "Mutual Aid" model. Firstly, the government will find schools and rehabilitation therapists for disabled children who are capable of mobility, provide free training, and cover the tuition fee for them as a kind of allowance. They will teach those special juveniles how to give physical therapy, relaxation, and recovery assistance to other disabled individuals. After training and internship, these children can independently provide rehabilitation therapy to disabled children who are entirely immobile, offering massages and other therapies. Meanwhile, the immobilized children will have to pay these skilled disabled children so that these disabled children benefit each other. This creates a self-sustaining ecosystem that optimizes the overall lifecycle of the clients. Those disabled children who can move can find long-term, stable employment through this model, while those who cannot move can receive rather cheap but more dedicated care from well-trained "therapists."

#### 4. Conclusion

The article carefully analyzes the number of disabled people and their living conditions in China and points out potential and possible hidden dangers that will or already occur. By finding out the problems in the medical system for disabled children, such as the imperfect healthcare system, the unfair decision-making, and the low budget and funding. At the same time, it also gives some ways to solve the problem, such as creating a win-win economic closed loop, so that disabled children support each other. With this cycle occurring, society will have better productivity since a lot more people will start working and donate themselves to a productive economic cycle. When more and more disabled children receive help to overcome their barriers, they will be able to move and may contribute to the workforce and the economy shortly. As a result, this situation can significantly reduce China's long-term expenditure on disabled children. The disabled children are a big part of the society. Even though they are sometimes marginalized, their voices should always be advocated and they should always have the same opportunities as ordinary people. By creating a society that helps everyone, the world will become a better place.

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