Brief Introduction of Medical Insurance System in China

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ABSTRACT
China has one of the largest numbers of cancer patients. The huge expenses of medical care for cancer patients has brought heavy economic burden to the family. This paper briefly introduces the tumor medical insurance situation in China from the construction and composition of China's medical security system, the access of cancer patients to get health insurance, the challenges and developmental trend of China’s medical security system, and two case studies that highlight different financial situations.

Key words: Cancer patients, economic burden, medical insurance

Introduction
Cancer is a major cause of death over the entire world. The global cancer report 2014 released by the World Health Organization indicates[1] that the global cancer patients and death cases are on the increase, especially in the developing countries such as Africa, Asia, and South America. The new cases and deaths of cancer in China rank first in the world, accounting for 21.9% and 26.8% of the global total.

On the whole, the amount of medical expenses for people with malignant tumors is very large,[2,3] which has put extra heavy economic burdens on the patients and their families.

To achieve the goals that “everyone will have access to health care, poor people can afford the medical costs,” the Chinese government has established a multi-level medical security system including the universal health care system, the commercial medical insurance, and a medical charity aid. This has led to charge by the national policy, commercial
insurance organizations, and charity institutions. A universal health care system is the main form of Chinese health care which comprises basic medical insurance, urban and rural medical assistance, serious illness aids, critical illness insurance, etc. The urban workers and residents, the rural population, the poverty group, patients with serious diseases, as well as malignant tumor patients, are able to use this universal health care system. By the end of 2014, the number of Chinese people who have utilized this form of basic medical insurance has exceeded 1.3 billion, accounting for more than 95% of the total population.

According to China’s current system of medical insurance, poor patients with malignant tumors can get the basic medical insurance reimbursement, serious illness insurance compensation, urban and rural medical relief, and charity relief. Different levels of medical treatment charges are compensated according to the cancer patients’ type of health care insurance, medical costs, and current income level. The actual reimbursement ratio of hospitalization expense is not <70% and the highest can reach 90%.

Although China has established a relatively thorough system of medical insurance, many problems and challenges still exist, such as insufficient security, inadequate cost control, and what seems to be an unfair insurance system. The implementation of health care chain is part of China’s 13th 5-year plan. The health care plan will focus, over the next 5 years, on improving the health care system, full implementation of urban and rural residents insurance coverage for a serious illness, integration of urban and rural residents health policy, and care and encouragement of people purchasing supplementary medical insurance and commercial health insurance.

The following case studies are intended to help foreigners better understand the situation of China’s medical insurance system for the person who is covered under the current Chinese health insurance plan.

Case Studies

Case study 1

Ms. Yin: Medical care insurance for poor rural patients. Ms. Yin Jinding is a 64-year-old married woman who lives in a rural area of China. Educationally, she attended school through the third grade. Her husband has died leaving her to raise her son on her own. They earn their income through farming.

Yin Jinding has applied for the type of new medical insurance that is for people living in a rural cooperative. She was diagnosed with cervical cancer on March 15, 2015. She chose not to have the surgery treatment protocol, but rather chose to have the protocol of chemotherapy plus radiotherapy treatment. This was selected because of her age and state of her illness. Yin Jinding has finished five rounds of Paclitaxel combined Cisplatin chemotherapy and now is receiving intracavitary radiation. The cost of each round of chemotherapy was approximately 5500-6000 RMB. The intracavitary radiation therapy costs 495 RMB each time.

Because Yin Jinding had, by definition, a serious illness, she received financial aid during her hospitalization, the doctors and nurses did their best to control the cost: Single chemotherapy for cervical cancer within 6500 RMB every time. The fee of chemotherapy plus radiotherapy was controlled within 12000 RMB, which accounts for 70% of immediate reimbursement. As for the hospitalization expense, the bed fee, cost of accompanying family member, heating/cooling fee, indwelling needle, etc., were 100% at her own expense. Examinations such as color Doppler ultrasound did not exceed 500 RMB and thus were all compensated by government medical insurance. The reimbursement rate for pharmaceuticals which were outside the new drug directory but belong to the entire province unified purchase is 30% by insurance whereas those within the new drug directory were covered 100%. Yin Jinding did not use 100% self-paid drugs during hospitalization, but so and the costs each time met the requirements of the rescue standard of a serious illness. According to the new rural and rescue of a serious illness provisions, single chemotherapy for her to pay was 850-950 RMB each time. The average amount for radiation that was at her own expense is not quite clear.

Considering the economic burden of Ms. Yin, the head nurse and primary nurse assisted her in contacting the local village committee and submitting relevant information needed for auditing, she finally obtained the severe illness pension (the specific amount is unknown). Second, the primary nurses guided Yin Jinding in submitting disease treatment expenditures and income sheet to the village committee. After receiving approval, Yin Jinding began receiving a low-security subsidy. She could now enjoy security as financially her burden was lifted and she would have additional income to live her daily life. The future-specific amount of her health care coverage will be in accordance with local regulations. Third, the nurses and physicians voluntarily provided compassion sponsorship. However, the family members refused to accept the donations. They thought they could afford the costs along with the new rural cooperative reimbursement,
serious disease pension, and Yin Jinding’s low-security subsidy.

Case study 2
Except for new rural cooperative medical rescue, the poor rural patients can also have access to serious disease pension, low-security subsidy, and financial assistance from medical providers. The nurses got involved in helping Yin Jinding throughout her entire financial process.

Ms. Mao: Medical care insurance for urban employees. Mrs. Mao Yajian is a 31-year-old married woman and works as a teacher in an urban area of China. Her husband works in the power bureau. She and her husband have an 18-month-old daughter. Mao Yajian is enrolled in the medical insurance for urban employees.

Mao Yajian was diagnosed with a choriocarcinoma form of cancer. She received chemotherapy, the protocol being sinoactinomycin + methotrexate + cisplatin. The treatment cost is 20,000 RMB each time. The insurance reimbursement ratio was 65% and drug reimbursement was 88%. This meant that Mao Yajian’s self-pay part would include the bed fee beyond sixty RMB per day and some materials such as infusion tube, 3 M dressing, flushing fluid, and the remainder of the drug costs. Now Ms. Mao is receiving her 10th round of the chemotherapy, the total reimbursement cost has reached 90,000 RMB, and the drug reimbursement ratio has risen to 94%.

Although Ms. Mao did not need us to provide related economic aid because of her good economic conditions, she was selected as an extremely needy family in the school system, the school where she works raised donations for her. Her other, if any, specific subsidies are unknown.

Comparing the two cases, with the help of the new health insurance policy, the reimbursement ratio between rural residents and urban workers is virtually the same. The farmers’ economic burden is greatly reduced from what it was in the previous health plan. China is striving hard to develop a tertiary therapy system and perfect the rural cooperative medical insurance.

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