

Occasional Papers No. 21 (June 2002)

Reform of Health Insurance System in Urban China

Victor C. W. Wong

Department of Social Work, Hong Kong Baptist University

Abstract

This paper critically discusses the evolution of health insurance trials and reforms within the urban context of China, particularly since the start of economic reforms in the late 1970s. In 1998, the central government of China announced the implementation of a national programme on urban health insurance, which was designed to achieve the dual purposes of providing basic health insurance coverage to all urban employees on the one hand, and containing cost escalation of health care on the other hand. In spite of the emphasis placed in promoting both individual and social responsibility in financing health care on a city-wide level, and in spite of measures taken to address users' and providers' incentives to overuse health care, the new programme has confronted new problems before solving the old ones. Unless the state would take up a more active role in financing health care, enforcing a genuine level of city-wide health insurance scheme, and equally important thoroughly addressing the increasing commodification of curative medicine in particular, to achieve the dual purposes of health insurance reforms is anything but easy.