

Mini-Congress Submission Abstract

Name: Wang, Wenliang

Country of Residence: PRC

Professional Association: Associate of SOA, Admitted Member of China Bar Association, CFA
Charter holder of CFA Institute, Fellow FRM of GARP.

Title: The Public Health Care Plan in China, Reality and Challenge

China government has recently declared its commitment to reform its public health care system in hope to establish a biggest public health care system in the world. The paper will extend some quick facts, critical findings and analysis upon current three public health care plans in China, the plan for Urban Employees, for Urban Residences, and for Rural Residences respectively. Covered areas include plan structure, participation rate, medical cost trend (Demographic, Technology, Social Inflation, and Structural Inflation), PMPM trend over time, disproportionate treatment of population (difference between diverse age and geographic groups on coverage, accessibility, quality of service, cost shift arrangement), funding sources (cost burden, reliability, allocation and its implication, particularly the incentive to control cost, role of governmental subsidy).

The paper will focus on the difference between intended target and real outcome of participation rate over time and in different plans and their attributed causes as the primary method to check all surroundings for the public health care system in China.

The paper also checks various causes in details for cost inflation, ranks the causes and consequently provides a set of solution to identified issues. A brief cost components analysis on medical service has also been made and will reinforce findings elsewhere.

The paper is purposed to give out a basic assessment of current system, identify and interpret relevant emerging issues, such as over utilization, resistance from different sources to alternative incentive system, crowding out anticipated function of market mechanism, funding issues for retirees' and layoffs' medical cost, not meeting the need of the population in transition and/or under urbanization, not matching medical cost inflation trend with PMPM trend for Urban

Employee Plan.

Finally, a presentation as a summary of the paper can be made at the same time.