

Health Care Payment Reform in China

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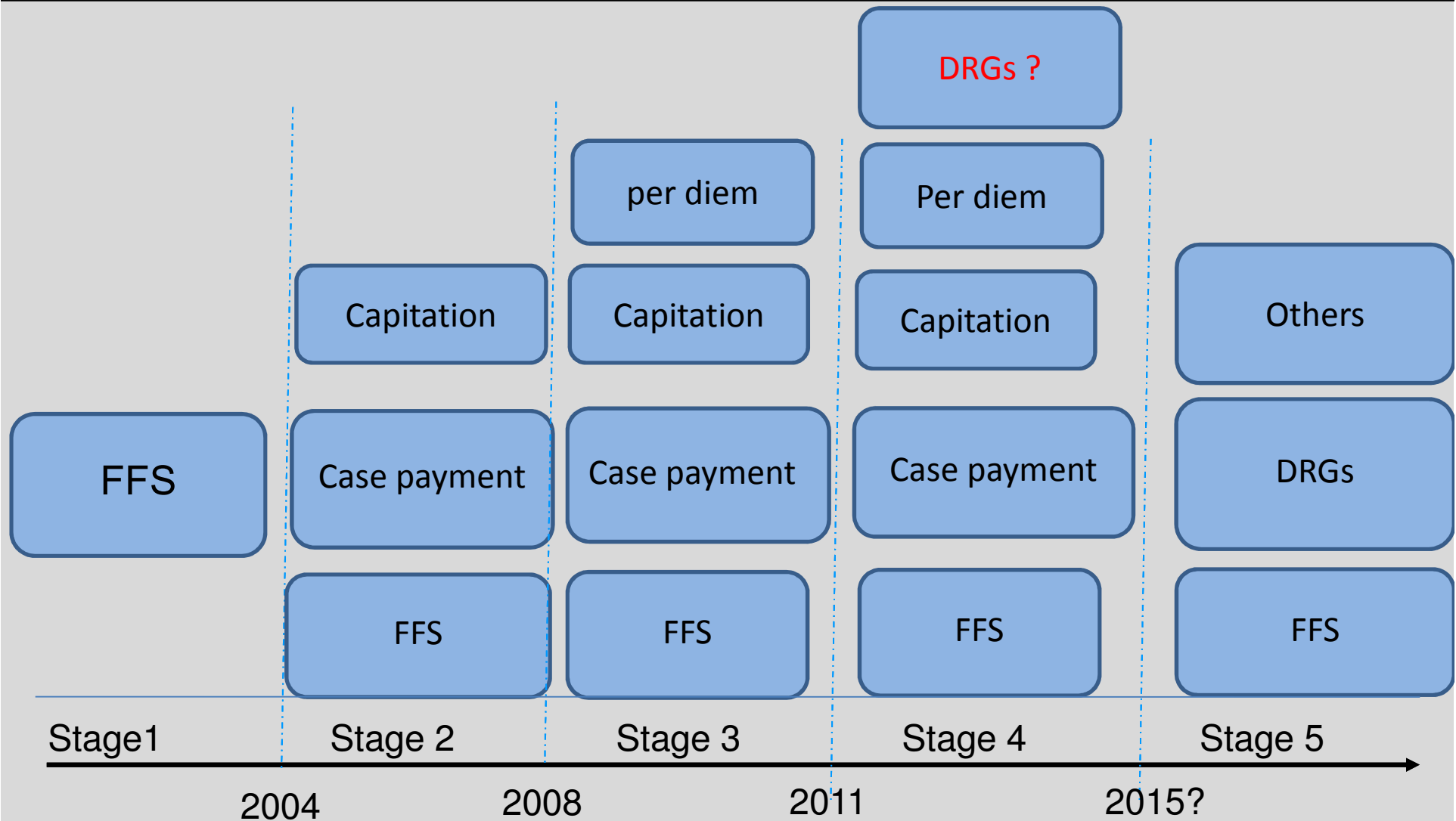
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Current Payment system and reform

- **Fee for service**
 - the national fee schedule for medical procedures and their coding standards: CCHI
- **Per Diem**
 - Case-mix adjusted per diem rate by disease groups, also added P4P elements
- **Single case payment**
 - 104 simple diseases bundle payment method: Clinical pathways, pricing, quality control, etc.
- **DRGs**
 - Pilot program in Beijing from 2011

Prediction of the payment reform in China



Prediction of the payment reform in China

- **Currently, the predominant payment method in China is FFS, which could improve the efficiency but tend to induce abused services. However, FFS is the basis of other payment methods and will exist for a long time.**
- **payment methods such as per diem, capitation and case-payment should be mainly concerned currently.**
- **Gradually a mixed payment system focusing on DRGs together with other payment methods could be formed.**

- **Any payment method has its advantage and disadvantage, to make it work effectively, rigorous supporting systems should be designed and implemented.**
- **The development of the new payment system in the future should be on the premise of ensuring clinical quality.**

C-DRGs

- Which system to choose
 - USA, Australia, Germany, France, UK?
- Build our own system

Supporting system (technical)

- Information system
 - Thousands of different versions without national standard in China
- Medical coding
 - No national standards of ICD10 dx codes, coding errors are over 50%,
- Data quality
 - No good quality clinical and cost data for grouping and weight calculation, some hospitals have no electronic data at all
- Cost accounting

Supporting system (political)

- Policy makers
 - Intend to select the system which can solve the problem overnight
- Government
 - Different office for different responsibility. Hard to work together to make agreement
- Hospital and doctors
 - Refuse the bundle payment
 - Have various countermeasures with regarding to the specific policy



Thank you for your attention!

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