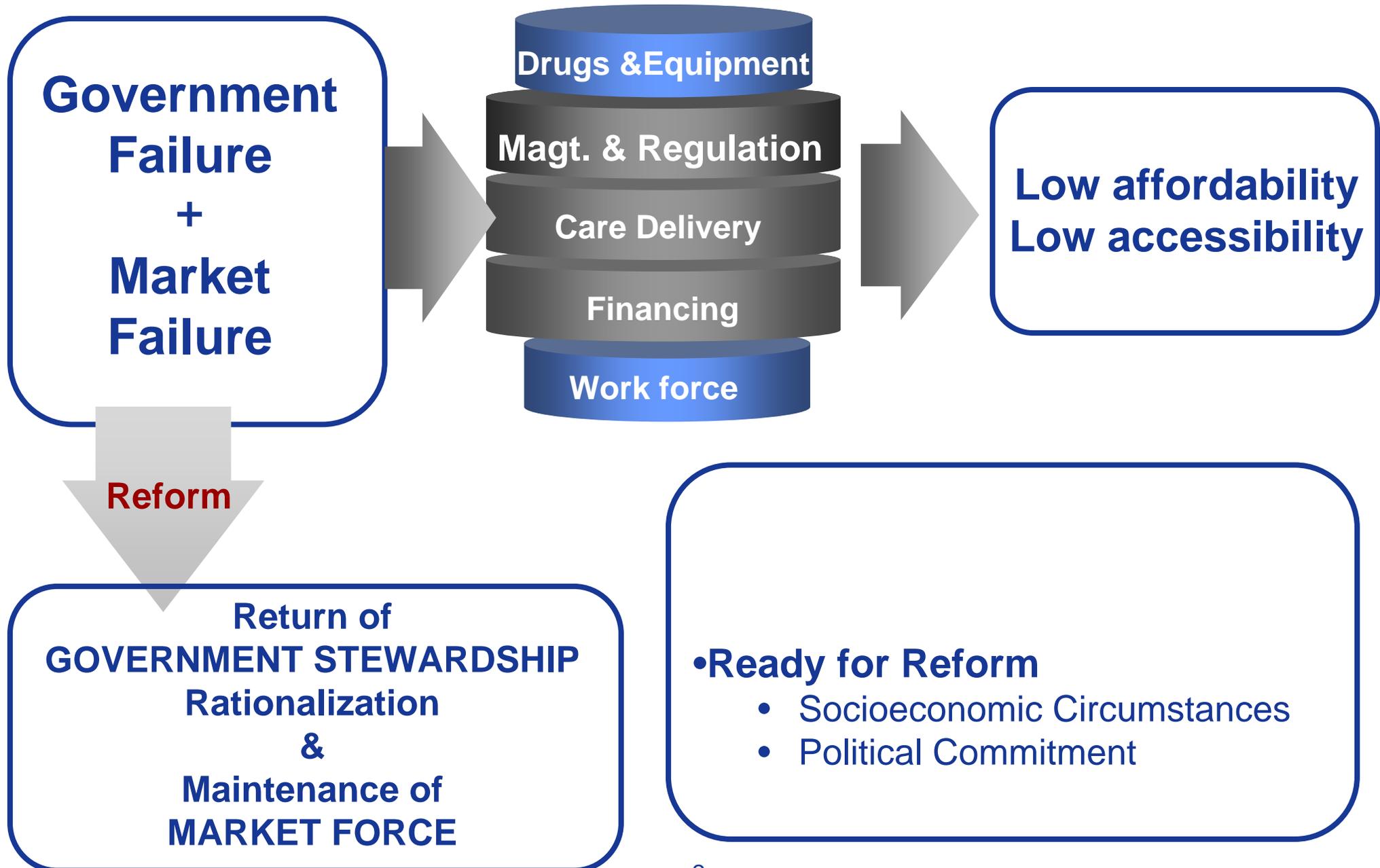


Management & Regulation in China's Healthcare System

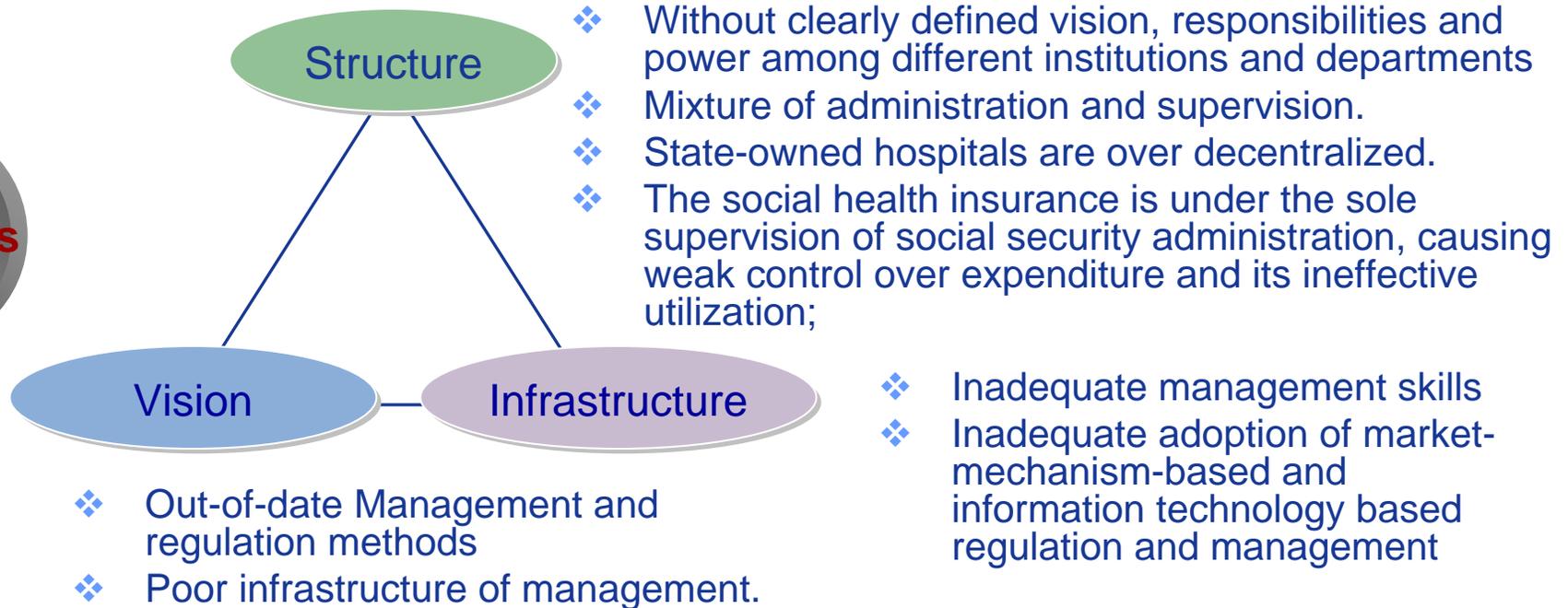
**Ling Li
Peking University**

Key Issues



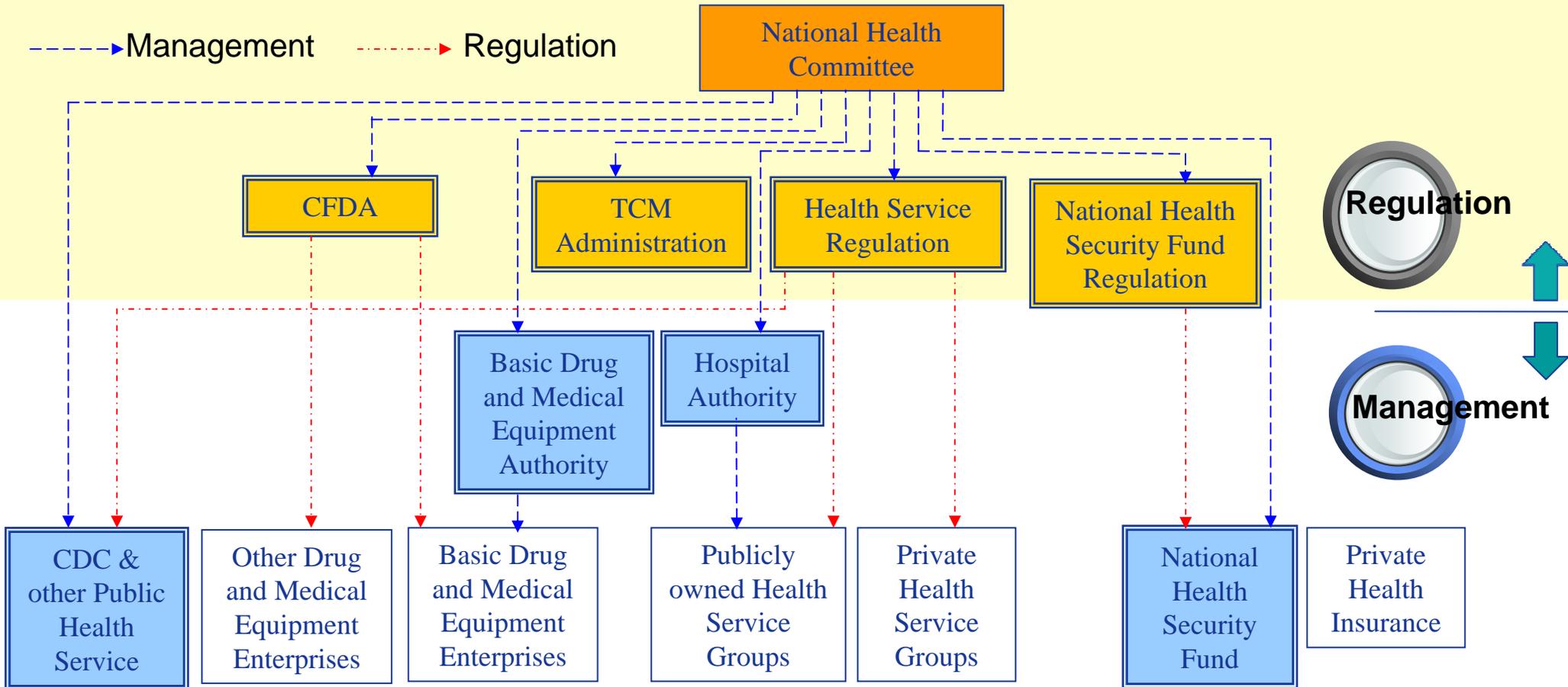
Management and Regulation Systems

Key Problems and Goals



- Forming an efficient management and regulation system
- Strengthen the power of the health administrative department for overall planning
- **Separating management from regulation**
- Developing better methods of management and supervision
- Emphasizing performance evaluation
- Controlling the costs of management

Management and Regulation Structure



**An integrated and comprehensive administrative department
Separate managerial and regulatory institutions**

Health service management and regulation

- Set up hospital authority Institution (see Chapter Five), which is responsible for the administration of state owned hospitals.
- Set up the healthcare service regulation institutions, which is responsible for the regulation and oversight of the whole healthcare delivery industry.

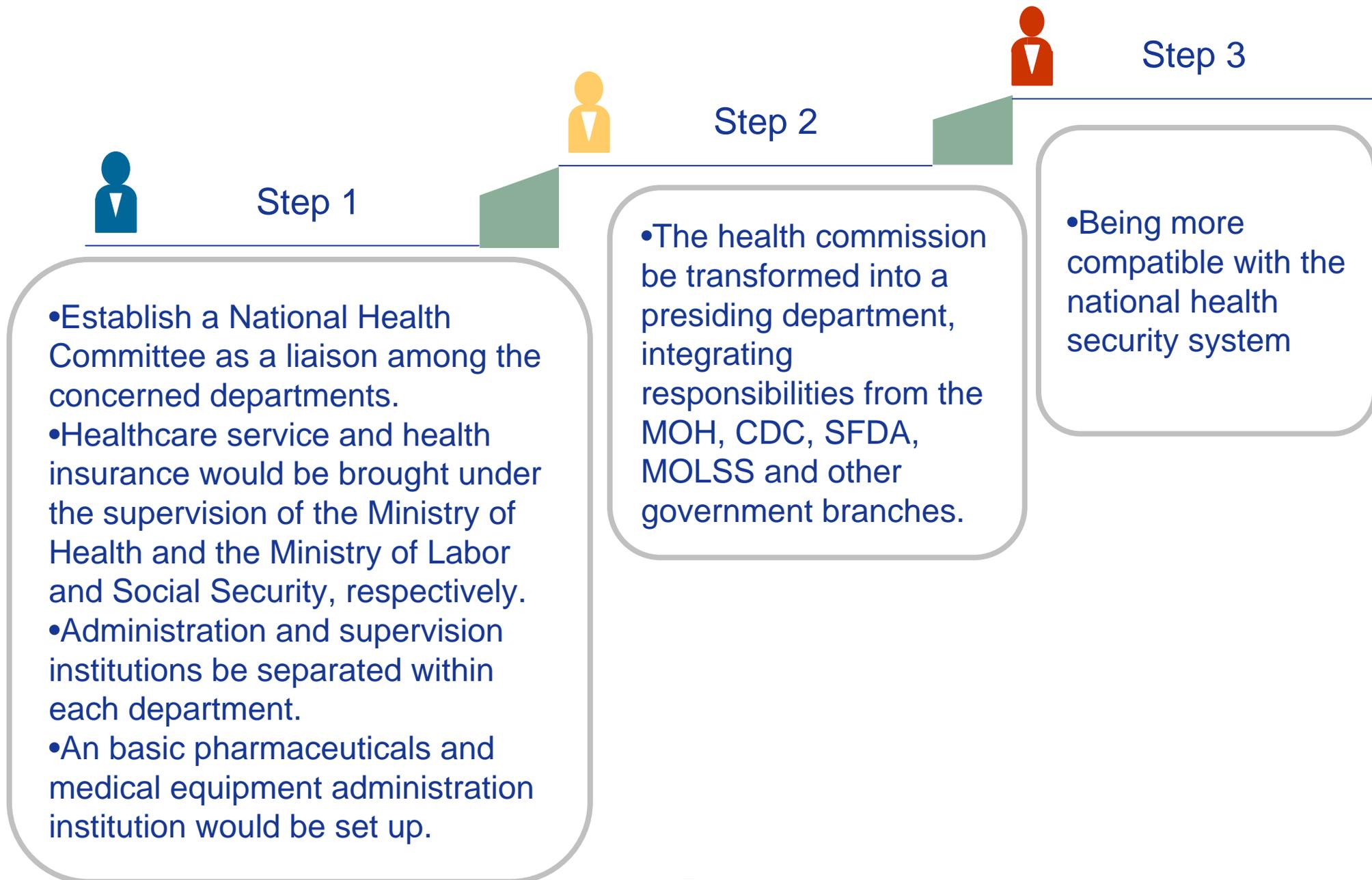
Social health insurance

- Health insurance fund management institutions would be authorized to handle, collect, manage and spend the social insurance funds
- Health insurance regulation institutions would be responsible for industrial management, policy making, industrial regulation, entry and performance evaluation in the health insurance sector.

Pharmaceuticals and Medical Equipment

- Institutions would be established for the formulation of a national catalogue of basic pharmaceuticals and medical equipment, and for organization of production, purchase, allocation and distribution
- The surveillance powers of the SFDA would be reinforced

3 Steps of implementation



VA Case

The success of American Veteran's Affairs in health reform demonstrates that publicly owned health institutions can improve quality and lower costs by proper restructuring.

Governance restructure

- **Governance Structure:** A Hospital Authority be established, representing the government to fully manage hospital human resources, assets and operations.
- **Reimbursement Changes:** The Hospital Authority would enforce financial oversight and the supervision of large expenditures, and distribute government funding corresponding with the quantity and quality of service.
- **Performance management:** Enhance performance evaluation and construct Administration Accountability system. Contracts are made between governments and hospital authority, hospital authority and hospitals, as well as within hospitals, to make clear objections and responsibilities.

Information System

Innovated System

Take the advantage of new information technology to explore the integrated and efficient healthcare management and regulation system



Encourage vertical and virtual integration and horizontal competition between different types of health institutions and groups.



By developing Health Information Systems we will be able to monitor hospital circumstances, doctors' conduct, hospital finances, patient information and population health status all at real time.



Standards should be set up for clinical practice delivery, including standardized clinical pathways so that cost and quality can be evaluated and improved.

Thanks!