



## Ear to Asia podcast

**Title:** How healthy is China's healthcare system?

**Description:** China's citizens are now demanding more from the nation's healthcare system, with its tangle of institutions, insurance plans and bureaucratic rules. So how do ordinary Chinese seek medical help? And how does rising marketization fit with the socialist aims of the Chinese Communist Party? Asia historian Dr Lewis Mayo and medical sociologist Dr Jane Brophy peel back the layers of healthcare in China.

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**Ali Moore:** Hello, I'm Ali Moore. This is Ear to Asia.

**Lewis Mayo:** What you tend to have in public hospitals in China is large concentrations of people so much so that for a doctor in a public hospital you might see a hundred consultations a day with those consultations lasting two minutes.

**Jane Brophy:** It feels as though the burden on you to make the right decision about who you see and where you spend your money can lead to an increased sense of frustration and distrust in the system when you as a health consumer basically shoulder the burden of risk.

**Ali Moore:** In this episode, how healthy is China's healthcare system?

Ear to Asia is the podcast from Asia Institute, the Asia research specialist at the University of Melbourne.

As China's economy has grown, so too has its healthcare system notching up some impressive achievements and how it cares for its more than 1.3 billion people. But with increasing affluence comes greater expectation along with a growing divide between those who can afford the best treatment and those who can't. So in a country where rural poverty sits in the shadows of rapid economic development, how does the Chinese government prioritize the provision of healthcare? How do ordinary Chinese navigate the medical system with its assortment of public and private institutions and insurance plans, and how do issues such as access and equity fit with the socialist aims of the Chinese Communist Party.

To examine the current state and future direction of healthcare in China, we're joined by Asia historian and longtime China watcher, Dr Lewis Mayo from Asia Institute at the University of Melbourne and Dr Jane Brophy a medical sociologist and author. Welcome back to Ear to Asia Lewis and welcome to the podcast Jane.

**Jane Brophy:** Thanks Ali.



Lewis Mayo:

Thank you.

Ali Moore:

Let's begin with a sort of state of play of China's healthcare system if you like. A system which has to service well over 1.3 billion people, what does it look like Lewis?

Lewis Mayo:

All right. Well, as a historian, I'm going to start historically and we can look of course at the larger story of China's revolutionary transformation in the 20th century and in particular the consequences of the founding of the People's Republic of China which was established in 1949 after the victory of the Chinese Communist Party against its rival, the Chinese Nationalist Party, which then flipped to Taiwan. That was a party pledging to liberate the Chinese masses from the backwardness of feudalism and from the oppression of capitalism, and it would do that through radical socialist revolution. One of its beliefs was that all Chinese people, including the poorest, were entitled to healthcare and that this should not be on a class basis. So it set about the process of transforming radically the healthcare system. Of course, under the previous regime there had been limited state capacity to provide modern types of hospitals.

Most of the population was reliant on traditional Chinese medicine for its healthcare needs and that the Chinese system under Mao saw the spread on a broad basis of a basic health care system which was in theory free. The state as we know recorded great success in industrializing China, but was presided over the largest famine in human history. And it also recorded substantial improvements in life expectancy through that period. But there was a rigid system of control of population movement, people living in the countryside who got healthcare supplied by the local system of clinics and in particular basic level health care from what we call barefoot doctors who were essentially kind of public health nurses. That system I suppose also coincided with an immunization program that reduced a lot of chronic diseases. So you had a system, essentially, at that period of subsidized health care in the cities for people with government jobs, which was everybody who was living in the cities and then some health care in the countries.

When Mao Zedong died in 1976, the government shifted its healthcare strategy quite substantially. And in the period between the 1970s and the early 2000s there was, I suppose what we would call privatization of the healthcare system and the phenomenon of universal healthcare for free disappeared being replaced by a system essentially of the health care burdens falling substantially on the ordinary citizens to pay for it.

Ali Moore:

So Jane, today in China, what does that mean in practice if someone is sick, if someone has a chronic condition, if someone needs treatment?

Jane Brophy:

Well, I think it differs from person to person and also depending on whether you're in an urban or rural location and to what extent you're covered by medical insurance and what type of medical insurance. To provide a



scenario, one of the most common would be that you would show up to a hospital seeking to see a specialist that you've decided is probably the person best equipped to assess your condition. What it looks like to walk into a foyer of a major metropolitan hospital is to use this analogy of a train station, is that you've got these ginormous boards with numbers and what you're seeing there is what number of specialists are in the hospital that day. So if you're walking in and hoping to see an oncologist and there's only two oncologists there that day, you might be the hundredth person in line.

Ali Moore: So there's no appointment system?

Jane Brophy: No, it's basically a ticketing system. And as long as it's not an emergency, then the first real question is what will my insurance cover? What can I afford to access, and could I, may be, compromise by going to a traditional Chinese medical clinic just in your local suburb, or a pharmacy which there's usually someone who may have the capacity to assess your condition and give you some kind of over the counter medication. But 90% of health care is provided in hospital based environments. I think on a very general level, it's quite a bewildering experience to navigate on one's own and I think this adds to this sense of chaos. I think it feels as though the burden on you to make the right decision about who you see and where you spend your money can lead to an increased sense of frustration and distrust in the system when you as a health consumer basically shoulder the burden of risk.

The residential registration system, if your residency is designated in a particular county and that doesn't have advanced hospital services, then that limits your capacity to access the kind of treatment that others in richer counties might do.

Lewis, I think you've broken down some of these categories with a bit more clarity.

Lewis Mayo: 95% of the population since roughly 10 years ago has had health insurance, so health insurance system and there's health insurance is divided essentially to a system for the rural population and two types of system for urban residents.

Ali Moore: But who pays for that? Is that government subsidized?

Lewis Mayo: It's government subsidized largely, but roughly 30% of costs of medical visits on average in China are paid for out of pocket by the patient, which compares to around 10% here in Australia.

Jane Brophy: Even that is dependent on where you are registered as a resident. So if you're seeking treatment outside of the area that you are registered to, then that limits whether you are entitled to reimbursement for your medical costs.



- Ali Moore: Indeed a large proportion of the consultations are actually in hospitals, aren't they? There's no real general practitioner network.
- Lewis Mayo: The state has attempted to kind of create a system of what they're called Community Health Centers, but the uptake of those services and trust in those services is very much lower than trust in large hospitals. So 90% of people with any kind of illness will show up at a hospital. Now in the Mao years, of course, in the countryside there was a tiered system in which if you had a serious illness, eventually you would kind of climb up through the hierarchy to that. That's broken down and so what you tend to have is large concentrations of people seeking anything from just what we would have a GP consultation for to serious illnesses in public hospitals. So much so that you might see a hundred consultations a day for a doctor in a public hospital with those consultations lasting two minutes in some cases.
- Jane Brophy: And There's also, if you want to talk more literally about what that looks like through the course of my research, I've spent time in various hospitals, in various rural and urban locations, but one of the common features is just the sheer number of people occupying that space. I can remember visiting a neurosurgical specialized ward, there are people who had come from far and wide to seek out a particular specialist and were waiting days camped out on pieces of cardboard just to be able to see this specialist. And most likely out of pocket without their social support network because they're away from their rural environment.
- Ali Moore: So what...
- Jane Brophy: It can look very chaotic both administratively and also in terms of the movement of people and services.
- Ali Moore: What does that mean for the general health of the population which as China's... We said in the introduction [that] as China has become more wealthy, so it has made great improvements in people's longevity and in the health of the Chinese population. But is that level of improvement being maintained?
- Lewis Mayo: Well, it's interesting to look at where China sits in terms of its global profile. Longevity increases improved very, very quickly during the Mao years, but flattened out and a major American political scientist working on this topic, Yanzhong Huang has observed that if you compare the improvement in life expectancy with the level of China's economic growth, it's actually not as substantial and improvement as you might expect. And he believes that there are structural problems that caused this. The state is spending more on healthcare, the number of visits to hospitals are increasing, but much of the evidence suggests that discontent with the supply and the quality of medical care in China, particularly in the cities is substantial.
- Ali Moore: Jane, tell us what that discontent looks like because you've been in China and you've witnessed it.



Jane Brophy: Yes. Well, so this was in 2010 I was living in Kunming which is capital of Yunnan province in southwest China. It's one of the poorest provinces in China. I didn't witness this firsthand, but I think that at that time I only came to know about it because I had access to the local press. I don't think that these kinds of events were being reported outside of China. There was one private hospital that most resembled what you would find in an advanced western medical system and that was considered where you would go if you had the money and did not want to get involved in the local publicly-administrated hospital system. So seemingly out of nowhere, a very angry family had occupied the lobby of this hospital and manage to shut down basically all but very critical care services and vandalized the lobby.

So this went on for five days with the local police in attendance, but not really curtailing the-

Ali Moore: So they were angry with the treatment-

Jane Brophy: Yes.

Ali Moore: For a member of their family?

Jane Brophy: Yes. So it took a little time for the story to unravel and for us to make sense of what had happened. So a woman had died during childbirth, but this was concealed by the doctors from family members and they weren't told until 7.00 PM the following day. I believe once this became more widely known that more and more family members showed up. Something that is now spoken about is *yi nao* (医闹) translated roughly as hospital-based disturbances. It's becoming an increasing phenomenon and it's now becoming a studied phenomenon.

Ali Moore: So these hospital based disturbances, is it frustrated families blaming doctors, Lewis? Is it frustrated families blaming government? I mean where is the blame being put and what does it say about the status of doctors?

Lewis Mayo: Well, the surveys on this topic suggest very low levels of public respect for doctors. That case that Jane mentioned in Yunnan in 2010 is symptomatic of a common phenomenon whereby the police don't actually aid in the assistance of the doctors and assaults on doctors are very common and that internet talk is sympathetic often to those who've suffered some kind of medical disadvantage shall we say, and rather than with the doctors themselves. And indeed in the statistics on medical disputes in China and there is no system for satisfactory resolution, I guess of malpractice issues. Overwhelmingly the findings have been in favor actually of the patients, rather than of the doctors and research that's even been published in the Lancet and other places like that, points to a declining commitment of both Chinese parents to medical training for their children and low retention rates for doctors in the system.



- Ali Moore: So very different Jane from and this is obviously generalizing, but from a Western perspective where doctors are right up there with the engineers and the lawyers.
- Jane Brophy: Well, in China, the engineers and the scientists are the people to aspire towards being given that the last 30 or more years, the government has been populated by technocrats or themselves, engineers.
- Lewis Mayo: Industrializing context that didn't have socialist revolution, if you thought of Japan, Taiwan, Thailand, et cetera, what you generally have is a medical profession arising as part of the middle class or part of the establishment along with the legal professionals in parallel. Now in China and in the Soviet Union, neither the lawyers nor the doctors had that kind of position because the states were dominated by these highly militarized revolutionary industrialization cadres. Cadres in both a sense of a body of people and so because the state is putting its emphasis on that big construction project and saying the working class is very much a class of steelworkers if you like. There's not the social basis for that bargaining power that doctors have socially.
- Ali Moore: Given the stresses that we've been talking about that have already led to these occasions of violence and obviously enormous frustration. Put into that, of course, is the fact that China has an aging, a rapidly aging population and it also has an increase in chronic illness. So what does that do to a system that is already under stress?
- Lewis Mayo: Well, I mean China's healthcare performance is comparable to a lot of middle income countries, which is still where it sits and that's therefore not an inherently destabilizing force in the population. What's interesting I think is that in terms of how far medical issues get politicized is a question of well, who will take up those questions and turn them into political ones? There I think returning to that question of shifting from an idea of working class revolution to an idea of population quality, there are a lot of things that I suppose locate health issues as part of family life rather than perhaps as being part of social problems. The state tends to see them as things that it hopefully can either administer its way out of by refining policy strategies or else that through technological improvement it will be able to take the problem away. So in this sense it's not a politicized question at least from the state's point of view and arguably it's difficult for the population really to mobilize around those sorts of questions because there isn't any political infrastructure for it to do that.
- Jane Brophy: One way to think about the politicization of aging and the care of the aging population, there's an economist, Lauren Johnson, who did a comparative study of Australia and China to distil the concept. She argues that China became old before it became rich, whereas Australia became rich before it got old or the population aged. When you have a poor country that hasn't had a particularly good healthcare system for a while, there are many kinds of low cost ways of taking care of aging bodies and anyone who's ever been



to China will know about what I've referred to as elderly playgrounds, the use of public space to keep all the people fit, to exercise, to take care of their nutrition.

These are very low cost ways of thinking about caring for aging bodies. Whereas in Australia, by the time we had to deal with the issue of an aging population, there was already the provision for thinking about it in terms of high tech and high cost medical solutions. In that sense, it may well be that the aging population in China is not considered as much of a financial burden as it is in Australia.

Ali Moore: You're listening to Ear to Asia from Asia Institute at the University of Melbourne. I'm Ali Moore and I'm joined by Asia historian, Dr Lewis Mayo and medical sociologists Dr Jane Brophy. We're talking about the current state and future direction of healthcare in China. And Lewis, I know that you said that from the state's point of view, it's not a politicized question, but how important is health and longevity and equitable access to healthcare to the Chinese government? Where does it sit in how the government derives its legitimacy? Because it's a question applicable to all countries, citizens quality of life and government ability to deliver.

Lewis Mayo: Well, it isn't a politicized issue. What I was suggesting I think is that because the overall shifts in the history of the People's Republic of China occurs more or less with the death of Mao Zedong with a movement from a narrative of class and revolution to a narrative of improvement of the population. Then of course once you've got a narrative of the improvement of population, you are answerable to that notion.

Jane Brophy: And this rejuvenation of the Chinese population has been a central tenet of Xi Jinping thought...

Ali Moore: Is that tied to healthcare?

Jane Brophy: It's tied to everything really. But I guess you can think about it in a very semantic way of physically rejuvenating the Chinese population as well as in all other sectors of civil society.

Lewis Mayo: I think it's indicative of the fact that if you don't read the specialist's literature on this topic, you'd probably just concentrate on the fact that yes, there is an increase in the longevity of the Chinese population, yes there is an increase in coverage for insurance, yes there is an increase in government investment. All of these things are true and that may in fact just be enough to keep people satisfied with the issue because it's only if you're starting to look comparatively that you might start to raise questions about these issues. That said, it's interesting that I think that the most significant challenge that the Chinese state has faced, organized challenge to its power since the Tiananmen incident in 1999 came from the Falun Gong religious movement and one explanation for the expansion of that movement was that many of its adherents believed that participation in the rituals of the



Falun Gong movement would solve medical problems. That one motivation for their engagement with it was the collapse essentially of the oldest system of socialized medicine. So it has been a political challenge to the state in recent times, but that's more than 20 years ago.

Ali Moore: If we look today and we look at the rise in medical disturbances and we look at the increasingly aging population, the rise in chronic illnesses, to what extent do people, they may not respect doctors, but to what extent do people regard the government as responsible for their care and to what extent is an inability to access that care going to undermine government legitimacy? Just as many have always argued that that legitimacy is built on a continuing betterment of people's lives and that's been economic, but to what extent is that also become longevity, health and quality of life?

Lewis Mayo: Well, one interesting thing of course is the sense of division within the Chinese population between those people historically connected with the countryside and those connected with lives in modern cities. Now, all of the research suggests that inequalities in the Chinese healthcare system are substantial and that those at the top of the structure, while they may have anger about the supply and the speed of the delivery of hospital-type service, but since the death of Mao, the sense that the peasant population is a burden upon the advanced sector of Chinese society has been quite pervasive amongst members of the middle class. If you think about the one child family policy, the urban population subscribed to that quite readily, resistance to it in the cities was not great and it was primarily the rural population which was reliant on extra family members for welfare purposes who violated it. So you, as such, had a divided conception of the society over issues of well, who was acting responsibly in the name of the nation's development.

Ali Moore: Do you think this extends to health care? That there is a sense that actually it's your responsibility?

Jane Brophy: Yes. So I would say that during the 80's and 90's and the systematic defunding and move towards market based medical systems, to some extent that has reduced expectations about what the government can and should provide. And I think the large number of private companies that now dispense medical services is indicative that people are looking outside of the government funded systems to get the kind of treatment that they want if they can afford it.

Lewis Mayo: I mean, it's interesting to think what the reference points for I suppose members of the middle and upper middle classes are in China and I mean some of them may be looking at the United States and saying, "Well, there's a lot of dysfunction-

Ali Moore: As I was going to say, comparatively speaking...



- Lewis Mayo: It's a healthcare system that's remarkably similar, but they might also look at Japan or Taiwan or South Korea, countries that are wealthier and have much more equitable distributions of health care resources and this may force some of those people to ask those questions about whether or not the supply of these things is really sufficient. But statistically China looks a lot like a middle income country around the world and as we know in those sorts of countries, anyone who can afford it gets their healthcare overseas. So there can be situations in which the political push for improvement of collective health care is limited. On the other hand, my colleagues at the University and the Asia Institute who are interested in the question of the rise of philanthropy and of charity work in China, point to the growth of that sector as something.
- And indeed, the improvement of health and education conditions for the very poor is something that looms quite large in the lives of certain members of the middle class and in the cities in China, and that it may be that the state in that sense encourages that style of development. In a sense remarkably similar to what conservatives in the United States would want to see with their healthcare system...
- Jane Brophy: I guess another major phenomenon is doctor Google. So turning to the Internet to self-diagnose or seek out options that have not been offered to them in the conventional system. There was an interesting case a couple of years ago, a young woman named Wei Zhixin talked to the Internet to be diagnosed with a rare form of cancer, and she as a result of pursuing nonstandard treatment that she found on the Internet, she died and there was this massive outcry from Chinese netizens who were outraged that there wasn't enough regulation of the Internet in China, which I think runs counted to the narrative of what people outside of China think that there's too much control of the Internet. But in this instance, Chinese people expected to be protected from Dr Google, I guess.
- Ali Moore: When you talk about being expected to be protected, I mean as well as issues of access and equity, there's also a massive issue of trust. Isn't there in the Chinese health care system? I think contaminated medicine, faulty vaccines, all those sorts of things that seem to regularly make the headlines.
- Jane Brophy: Yes, and this is also led to a major demand for Australian pharmaceuticals and vitamins. So foreign produced products and services.
- Ali Moore: But does that also lead to calls for tighter regulation of the system in China?
- Lewis Mayo: I think, yes. It does...
- Jane Brophy: Yeah.
- Lewis Mayo: There's certainly the sense that there's, I mean, a long history of concern about quackery. This is interesting, again I'm thinking about the Chinese state's response to the Falun Gong movement. It was understood as



essentially part of a long history of, in a sense, feudal backwardness within the system and so when you have what the historians who call scientific state, a state that basically says that it is affiliated with science and modernity. It often constructs itself in opposition to the past and to traditional practices. But I think this also spills over into a belief that the state has a responsibility to protect citizens from being misled. There's that dimension in addition to just questions about poor regulation of medicines and other problems with pollution and food safety and things like that that are of concern to the middle class.

Ali Moore: Lewis and Jane, thank you very much for your time.

Lewis Mayo: Thank you, Ali.

Jane Brophy: Thank you.

Ali Moore: Our guest has been Asia historian, Dr Lewis Mayo from Asia Institute and medical sociologist Dr Jane Brophy. Ear to Asia is brought to you by Asia Institute of the University of Melbourne, Australia. You can find more information about this and all our episodes at the Asia Institute website. Be sure to keep up with every episode of Ear to Asia by following us on the apple podcast App, Stitcher, Spotify, or SoundCloud. If you like the show, please rate and review us on apple podcasts. Every positive review helps new listeners find the show. And of course, let your friends know about us on social media. This episode was recorded on the 13th of February, 2019. Producers where Eric van Bommel and Kelvin Param of profactual.com. Ear to Asia is licensed under Creative Commons. Copyright 2019 the University of Melbourne. I'm Ali Moore. Thanks for your company.