

## China Health Bibliography Update

January 2005

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EASHD---China Rural Health AAA

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\*\*\*Contents in this update are from the following database: [PubMed](#), [EconLit](#), [Social Science Citation](#) and [Factiva](#).

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- [Fiscal Centralization and the Form of Corruption in China](#)
- [Why Do More Open Chinese Provinces Have Bigger Governments?](#)

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- [China Daily: MOLSS announces more people receive coverage of social security and medical insurance in 2004](#)
- [China Medicine Daily: The top 10 controversies in China's health sector in 2004](#)
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- [Xinhua: China FDA plans to finish the classifications of drugs by 2006](#)
- [China Medicine Daily: China considers to phase in resident doctor scheme](#)

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Note: Below are selected results from PubMed using EndNotes (search terms: 2005/01/01:2005/02/01, China)

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(2004). "TB prevalence down 30% in China after DOTS." Bull World Health Organ **82**(9): 716.

Full-text: [http://www.who.int/bulletin/volumes/82/9/en/who\\_news.pdf](http://www.who.int/bulletin/volumes/82/9/en/who_news.pdf)

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Note: Below are selected results from Social Science Citation using EndNotes (search terms: 2005, China, health)

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Lai, C. K. Y., D. G. Arthur, et al. (2004). "Implication of Internet growth on enhancing health of disadvantaged groups in China: a global perspective." Journal of Clinical Nursing **13**(6B): 68-73.

The Internet is promising to play a prominent role in health care in the future, but there is an imbalance in its use between the East and the West, between genders, the rich and poor, the educated and uneducated and the urban and rural. This paper looks at the use of the Internet from the perspective of these subgroups across the world, and outlines some of the problems facing disadvantaged groups in particular older people and their caregivers in China. Older people and their predominantly family caregivers have limited access to computers which is compounded by lack of access to good health care. However, it is suggested that this will become a growth area as older people and their caregivers may well bypass traditional care for telehealth care and Internet information-based systems.

Liljestrand, J. and I. Pathmanathan (2004). "Reducing maternal mortality: Can we derive policy guidance from developing country experiences." Journal of Public Health Policy **25**(3-4): 299-314.

Developing countries are floundering in their efforts to meet the Millennium Development Goal of reducing maternal mortality by 75% by 2015. Two issues are being debated. Is it doable within this time frame? And is it affordable? Malaysia and Sri Lanka have in the past 50 years repeatedly halved their maternal mortality ratio (MMR) every 7-10 years to reduce MMR from over 500 to below 50. Experience from four other developing countries-Bolivia, Yunan in China, Egypt, and Jamaica-confirms that each was able to halve MMR in less than 10 years beginning from levels Of 200-300. Malaysia and Sri Lanka, invested modestly (but wisely)-less than 0.4% of GDP-on maternal health throughout the period of decline, although the large majority of women depended on publicly funded maternal health care. Analysis of their experience suggests that provision of access to and removal of barriers for the use of skilled birth attendance has been the key. This included professionalization of midwifery and phasing out of traditional birth attendants; monitoring births and maternal deaths and use of such information for high profile advocacy on the importance of reducing maternal death; and addressing critical gaps in the health system; and reducing disparities between different groups through special attention to the poor and disadvantaged populations.

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Below are selected search results from EconLit using EconLit Advanced Search (search terms: China, 2004 and 2005, rank by date)

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Chen, K. (2004). "Fiscal Centralization and the Form of Corruption in China." European Journal of Political Economy **20**(4): 1001-09.

Fiscal recentralization in China in the 1990s introduced incentives that changed the form of corruption at the local government level from the helping-hand to the grabbing-hand type. Against the background of the experience of China, this paper describes how the central-local government revenue-sharing rule introduces strategic considerations that affect the form of corruption and thereby economic growth. Information regarding the possibilities for substitution in

the form of corruption is shown to be relevant for decisions regarding fiscal centralization. However, the consequences of the decisions made in China suggest that such information was either not available or was not taken into account.

Guillaumont Jeanneney, S. and P. Hua (2004). "Why Do More Open Chinese Provinces Have Bigger Governments?" Review of International Economics **12**(3): 525-42.

The transition of China towards a market economy was accompanied by a vast fiscal decentralization movement. Econometric analysis of the determinants of public expenditure of the Chinese provinces does not permit rejection of the hypotheses that (i) the behavior of provinces is similar to that of governments in developing economies significantly affected by external shocks, and (ii) in order to alleviate external risk, they take control of a more significant share of the revenues of the economy.

Liang, Z. and Z. Ma (2004). "China's Floating Population: New Evidence from the 2000 Census." Population and Development Review **30**(3): 467-88.

This article uses tabulations from the 2000 Population Census of China along with a micro-level data sample from the census to provide a picture of China's floating population: migrants without local household registration (hukou), a status resulting in significant social and economic disadvantages. By 2000, the size of China's floating population had grown to nearly 79 million, if that category is defined as migrants who moved between provinces or counties and resided at their destinations for six months or more. Intra-county floating migration is similarly large, contributing another 66 million to the size of the floating population. The article also discusses the geographic pattern of the floating population and the reasons for moving as reported by migrants. Policy implications are noted.

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Note: Below are selected search results from Factiva using search builder for news in the last month. Search terms: China and health; China and medical and insurance; 中国, 卫生; 中国, 医疗, All sources, All companies, Subject: Analysis or Audio--visual links or Commentary/opinion or Country profile or Dow Jones/Reuters Top Wire News or Economic News or Editorial or Intl Pol-Econ Organizations or Interview or Letter or News Digest or Political/General News or Review or Routine General News or Transcript, Region: China, All industries, Language: Chinese simplified or traditional or English, Sort results by: publication date, most recent first  
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### **Xinhua notes highlights of Chinese government rural policy document**

BBCAPP0020050203e1230018h

1992 Words

03 February 2005

10:55 GMT

BBC Monitoring Asia Pacific

English

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Chinese news agency Xinhua has explained the policies of a government document on rural reform and improving agricultural production. This year's rural policy document focuses on increasing rural investment, grain production and farmers' incomes, and direct subsidies to grain-growing farmers, the agency said. The following is the text of the article by Xinhua reporters Xu Jingyue and Song Zhenyuan entitled: "For the continued development of China's agriculture - Central Document No 1 of 2005 is published" by official Chinese news agency Xinhua (New

China News Agency); subheadings as carried

Beijing, 30 January: The "Opinions of the Chinese Communist Party [CCP] Central Committee and State Council on a Number of Policies in Further Strengthening Rural Work and Enhancing Overall Agricultural Production Capacity" was published on 30 January as the Central Document No 1 of 2005.

Against the all-round background of China's general entry into the stage of "industry leading forward agriculture and urban areas leading forward rural areas", this year's Central Document No 1 focuses on making efforts to achieve steady increase in grain output and sustained increase in peasant incomes; a considerable proportion of it is taken up with policies on direct funding support.

People believe that agriculture will do still better in 2005.

More and more state finances tilted towards the rural areas

As we enter 2005, governments at all levels from central to local are intensifying investment in the rural areas. Half of Beijing municipal government investment this year goes to the city outskirts, to narrow the gap between the town and country and achieve coordinated urban-rural development. The municipal government's investment in the urban and outlying areas was in the proportion of 80:20 in 2003; this was readjusted to 60:40 in 2004.

Reading through Central Document No 1 of 2005, a prominent characteristic is that state finance has started to favour the rural areas more and more, and there has been a positive change in the peasants' enjoyment of public services. On the basis of continuing to persist in "reduction methods" and "taking less", there are more policies this year in "methods for increase" and "giving more":

- In 2005, we will continue to directly subsidize grain-growing peasants, and places where the conditions are right will further intensify the subsidies. The central treasury will continue to increase subsidies for fine-strain seed and for the purchase of farm machines and tools.

- The central and local treasuries will make a relatively big increase in input for all-round agricultural development; newly increased funds will mainly be assigned for building high-standard basic farmland.

- The proportion of state science and technology investment in 2005 that is used in agricultural scientific research will be continually increased, and there will be a relatively big increase in the scale of investment in agricultural scientific research in relevant major science and technology projects and plans for tackling tough problems.

- Rural infrastructure construction will be stepped up, and special funds from the newly increased fiscal revenue will be set up to subsidize the building of small farmland water conservancy projects.

- Policy-style financial support for agriculture will be intensified, and medium and

long-term loans for supporting agriculture and rural development will be increased.

- The treasuries at all levels will greatly increase input in professional and technical training for the peasants. Not less than 70 per cent of the newly increased expenditure on education, public health, culture, and family planning at county-level and below will be spent in the rural areas.

The facts have clearly proven: The central authorities are intensifying the readjustment of the national income distribution pattern, and truly changing the policy of favouring the urban areas in finance distribution and resource allocation; on the basis of stabilizing the existing agricultural input, the newly increased fiscal expenditure and investment in fixed assets is tilted towards the "three rural issues" [Chinese: san nong: agriculture, the peasants, and rural areas], and a stable mechanism for increasing agricultural input is gradually being built.

We should make "lightening the burden" of the Chinese peasants forge ahead

At a time when China's economy has grown from a "small sampan" into a "big ship", GDP in 2004 exceeded 13.65 trillion yuan, foreign exchange reserves rose to 609.9bn dollars, and the state's macro regulation and control capability was markedly strengthened, we are no longer justified in making the peasants, whose income is less than one-third that of townfolk, shoulder too heavy a burden, and we are no longer justified in making the rural areas become the "short leg" in urban and rural development.

In recent years, as the national economy has rapidly developed, the proportion of agricultural tax in China's fiscal revenue has gradually dropped, and by 2004 it was less than 1 per cent. Policies such as "two reductions and waivers, three subsidies" tabled last year show that China has taken important steps in coordinating urban and rural development, that China's economic structure is now undergoing a new transformation, and that China has in general reached a new stage in which industry promotes agriculture and the towns lead forward the rural areas.

Following on from 2004, the fact that this year the central authorities are again treating support for the "three rural issues" as the main theme of Document No 1 reflects major changes in China's development strategy and line of thinking on policy, that is, switching from taking accumulation from agriculture to having industry repay agriculture. The central economic work conference explicitly pointed out: We must adapt to this situation, more consciously readjust the distribution pattern of national income, and more actively support the development of the "three rural issues".

Minister of Agriculture Du Qinglin says: "China has now entered a mid-term industrialization stage; judging by foreign experiences, this stage is a period in which the transformation of the employment structure is speeded up, and a period when industry repays agriculture, and the treasury repays the peasants, and there is a change from separation to coordinated development of the towns and rural areas. Looking at our actual internal conditions, agriculture is the basic national industry and is also the weak link in the national economy; following many years in which agriculture has supported industry, objectively industry needs to repay agriculture

and the treasury needs to repay the peasants."

This year's Central Document No 1 stresses sticking to the strategy of coordinating urban and rural development; this shows that profound changes are taking place in the overall environment for resolving China's "three rural issues":

- The arrival of a period of major strategic opportunity for China's agricultural and rural economic development. We now initially have the economic strength for industry to repay agriculture and the urban areas to support the rural areas, and we will more consciously readjust the distribution pattern of national income and more positively support the development of the "three rural issues".

- China will carry out the necessary readjustments in drawing up plans, carrying out structural reform, and arranging work, to completely bring rural development into the entire national modernization process. We will scientifically plan economic and social development, and make coordinated arrangements for agriculture and rural economy in the entire national economic development; make coordinated arrangements for rural social undertakings within the entire process of comprehensively building a well-off society; and take all-round consideration for increasing peasant incomes within the common enrichment of the people of the whole country.

- China will make efforts to eliminate structural obstacles hampering coordinated urban and rural development; we will devote great efforts to building a market system for rational allocation of resources between urban and rural areas; to build an operational mechanism for the common development of urban and rural social undertakings and infrastructure; and to build an effective structure in which urban and rural economy and society spur each other and interact in a benign way.

The Central Document No 1 of 2005 makes clear that China's development concepts, strategy, and pattern are undergoing major changes, and this also demands major readjustments of structural mechanisms, policy measures, and work arrangements. In the future the central authorities will persist in regarding helping to narrow the gap between urban and rural areas, strengthen agriculture, enrich the peasants, and make the rural areas prosperous as major principles in formulating economic and social policies.

All localities and departments are actively implementing Central Document No 1

From, lightening the peasants' burdens to increasing input in agriculture; from whipping up a storm of clearing arrears to promoting reforms in the land requisitioning and household registration systems; from supporting rural economic development to speeding up the development of rural social undertakings such as education, public health and culture... [ellipses throughout as received] The various rural reforms display the resolve and confidence of the CCP Central Committee and State Council to make all-round arrangements for coordinated urban and rural economic and social development.

This reporter has seen in the Ministry of Agriculture building offices in recent days that the various departments and bureaus are planning with great fanfare the agricultural work for the whole year. This year the ministry will do 15 practical things

for the peasants, from training 100,000 agricultural science and technology demonstration households to popularizing 50 kinds of fine quality and high-yielding seed; and from training 2.5 million peasant labourers to building 110 comprehensive information service centres for agriculture. All these are practical affairs involving coordinated urban and rural development.

How to promote increased grain output and peasant incomes is not only the top priority matter for the agricultural departments but is also an important work item to which various ministries and commissions are now paying close attention and considering in all-round fashion. From the Ministry of Finance to the General Administration of Taxation, from the Ministry of National Land and Resources to the Ministry of Labour and Social Security, and from the Ministry of Railways to the Ministry of Construction, all of them have set coordinated urban and rural development as a focal point in work for 2005. The Development and Reform Commission has made all-round plans, careful preparations, and thorough arrangements for this.

In the process of actively implementing Central Document No 1, more than 20 provinces, autonomous regions, and municipalities have now abolished agricultural tax. People expect that the goal of Premier Wen Jiabao's promise one year ago for abolishing agricultural tax in five years can be achieved two or three years ahead of schedule.

Jilin, Hubei, Hunan, Shandong... the major agricultural provinces have formulated package plans for "industry to promote agriculture and the urban areas to lead forward the rural areas", closely centring on raising the all-round production capacity of agriculture.

While feeling glad, people also soberly perceive that the "three rural issues" have been accumulating for many years and cannot be resolved in a day. The Central Document No 1 makes a clear judgement on this point: Agriculture remains a weak link in national economic development; the situation of insufficient input and fragile foundation has not changed; a lasting mechanism for increasing grain output and peasant incomes has not been established; the deep-seated contradictions constraining agricultural and rural development have not been eliminated; the situation of marked lagging behind of rural economic and social development has not been fundamentally changed; rural reform and development are still in the stage of arduously climbing the slope and tackling tough problems; and the task of maintaining the good momentum of rural development is extremely hard.

Although China's agriculture is now in the stage of arduously climbing the slope, it is after all in process of rising. Agriculture will remain the main show in all economic work in 2005; may it put on a good show.

Source: Xinhua news agency domestic service, Beijing, in Chinese 1422 gmt 30 Jan 05

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**China promises farmers higher subsidies, lower taxes in new effort to ease rural poverty**

APRS000020050203e12300568

By JOE McDONALD

Associated Press Writer

606 Words

03 February 2005

10:25 GMT

Associated Press Newswires

English

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BEIJING (AP) - China is promising farmers lower taxes and higher subsidies in its latest effort to raise rural incomes and ease burdens that have sparked violent protests.

The new policy, announced this week by state media, aims to help spread prosperity to China's countryside, most of whose 800 million people have been left behind by a boom that has turned eastern cities into economic powerhouses.

The government of President Hu Jintao, who took office in 2002, has made improving the lives of the rural poor a priority after two decades in which Beijing focused on building up export industries.

Rising tax burdens have led to violent clashes between farmers and local authorities, causing both official alarm at social unrest and embarrassment for leaders of a Communist Party founded on improving the lot of Chinese peasants.

The new policy, titled "No. 1 Document of 2005," doesn't give financial details. But it promises new spending on rural education and health programs and on irrigation and other infrastructure.

"Only by doing this can we support more population with less land, meet the growing consumption demand, open more space for agricultural adjustment of structure and boost farmers income," the Communist Party newspaper People's Daily said Monday.

"The development of agriculture and rural villages will naturally be on a new stage if a big breakthrough is made in these areas."

Other information about the plan was released later in the week. Financial details are likely to be announced by China's finance minister when the national legislature holds its annual meeting in March.

While incomes in Chinese cities have soared, those for farmers have risen slowly, if at all. China's annual income has passed US\$1,000 (euro700) per person, according to the government, but many rural families get by on a fraction of that.

The yawning gap between rural and urban incomes -- and the growing social tensions that it has caused -- are expected to be a key issue at the parliament session in March.

The policy promises higher crop subsidies and "steadily increasing investment in agriculture" this year, though it doesn't say how much or how it compares to

previous government spending.

It pledges to improve farmers' land use rights -- a critical issue at a time when China also faces growing rural anger at the seizure of farmland for real estate development.

Many farm families have no formal title to their land and receive little or no compensation when it is seized.

The policy promises to extend a strategy announced last year of eliminating many basic taxes. But it avoids what experts say are two key issues for raising farm incomes -- the rights of rural families to own land and to move in search of work.

Chinese farm families aren't allowed to own land, instead controlling it through long-term leases that prevent them from using it as collateral for bank loans.

Rural and urban residents also are classified separately by the government. Millions of people who move from the countryside to cities every year looking for work, but many areas periodically detain and send home those who lack residency papers.

A 2003 World Bank report said the single most effective step China could take to raise farm incomes would be to let farmers move to cities in search of better-paid work.

Allowing such migration would raise rural incomes by as much as 16 percent by letting the farmers who remain behind acquire more farmland and compete more efficiently, the report said.

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## **OFFICIALS SENTENCED, REMOVED FOR DERELICTION**

CHNDLY0020050201e1220000n

By Di Fang

557 Words

02 February 2005

China Daily

English

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Two public health officials in the Inner Mongolia Autonomous Region have been found guilty of malpractice, which led to 11 people contracting the HIV/AIDS virus.

Li Zhanping, former director of the Qingshuihe County Public Health Bureau, was sentenced to three years in prison, suspended for five years.

His former deputy Yang Fei also received three years, but it was suspended for four years.

Li and Yang's violation of the nation's blood donation law and the regulation for the clinical use of blood led to the 11 contracting HIV/AIDS.

A hospital in the county illegally collected and provided blood to about 30 patients for transfusions, and carried out various blood tests during the course of about a year from November 27, 1999.

The 11 were among those who had a transfusion.

The spouses of two of the 11 were later infected and one of them died.

The hospital had been banned from doing anti-body tests for hepatitis C, AIDS and syphilis due to a lack of screening procedures. But it continued to do so illegally.

Li and Yang, during their tenure at the health authority, did not stop the hospital from doing so, although they were fully aware of the situation.

Their penalties were made in accordance with Article 397 of the Criminal Law of China, which covers malpractice.

Wang Xiaoling, former president of the hospital, Zhang Jun, former vice-president, and three others associated with the hospital have been charged with dereliction of duty.

They are yet to appear before the court.

## Gambling

In another development, three senior Public Security Bureau officials in Haicheng, Northeast China's Liaoning Province, have been removed from their posts for failing to crack down on gambling.

When provincial-level police raided Zhisheng Recreation Town, a gambling house in the city on January 26, they found a well-organized and packed gambling house in full swing.

Bai Yuexian, in charge of discipline inspection under the Liaoning Provincial Public Security Bureau, described the case as typical, grave and alarming.

Officers rounded up 91 people, including two organizers and 18 service staff and confiscated 82 gambling machines and 92,000 yuan (US\$11,220).

In the past two years, the illegal gambling venue, which extends to 1,500 square metres, has been running a gambling operation.

The smashing of what was described as a major gambling house has not gone unnoticed by the provincial government.

They have issued a directive that both those behind the gambling and those taking part be severely punished, and relevant city heads and police be dealt with accordingly.

Provincial public security authorities accused the Haicheng security forces of failing in

their duty.

Consequently, the chief, political commissar and the deputy chief in charge of security at Haicheng Public Security Bureau have all been removed from their posts.

The moves are all part of an intensified fight against gambling in the province launched on January 19.

As the biggest and toughest anti-gambling campaign in 55 years, its aim is to curb the rampant gambling activities prevalent across the province and improve social and economic order.

Li Wenxi, head of the Liaoning Provincial Public Security Bureau, has called for all levels of law enforcement to step up efforts to stamp out gambling.

(Copyright 2001 by China Daily)

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### **China appoints new minister of public health**

BBCMNF0020050201e121002bd

88 Words

01 February 2005

14:17 GMT

BBC Monitoring Newsfile

English

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Text of report by official Chinese news agency Xinhua (New China News Agency)

Beijing, 1 February: The State Council recently appointed and removed certain government functionaries.

Shang Yong was appointed vice-minister of science and technology; Chen Xiaohong, minister of public health; and Cao Jianlin, vice-president of the Chinese Academy of Sciences [CAS].

Zhu Qingsheng was removed from his post as vice-minister of public health.

Source: Xinhua news agency domestic service, Beijing, in Chinese 1110 gmt 1 Feb 05

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### **Hospitals should focus on patients**

BDU0000020050201e12100017

1075 Words

01 February 2005  
Business Daily Update  
English

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People have long suspected that there are dirty bribery deals between pharmaceutical sales agents and doctors, driving up the prices of drugs and adding to the suffering of patients.

Many say the recent sentencing of Xia Yunyue, a hospital executive in Suzhou, East China's Jiangsu Province, to six-and-a-half years in jail is only the tip of the iceberg.

Xia's trial has attracted national attention because it highlights a widespread practice of doctors taking kickbacks.

Deputy director of the drugs department of a hospital affiliated to Suzhou University, Xia had a significant say about what drugs the hospital would use.

He was charged with receiving kickbacks of about 100,000 yuan (US\$12,000).

China's hospitals are largely State-owned. Xia is, therefore, seen in the legal sense as an executive of a State firm.

Article 385 of the Criminal Law stipulates that any State employee who "violates State regulations by accepting rebates or service charges of various descriptions and taking them into his own possession shall be regarded as guilty of acceptance of bribes and punished for it."

Some other pharmaceutical executives in hospitals in Suzhou and other cities have also been arrested on similar charges.

It is still too early to come to the conclusion that the jailing of Xia and some other law-breaking doctors will shake up the current medical and pharmaceutical operations.

Rather, it will take years before the situation can substantially improve after effective reforms are carried out in the medical system.

Lacking fiscal resources to fund hospitals, China has adopted a de facto pharmacy-based financing system for hospitals, which are supposed to be not-for-profit and subsidized by the State, but actually sell drugs for a profit.

The kickbacks for doctors are a by-product of such an arrangement.

With the exclusive power of prescription at hand, doctors become the main target of pharmaceutical sales agents.

Those agents use every means possible to coax doctors into prescribing their drugs. As a result, kickbacks are a usual practice.

The entry of a drug into a hospital's pharmacy generally involves two steps.

First, doctors need to submit an application to the hospital's authorities for the use of a certain drug.

Then, a special expert panel discusses the merits of introducing it.

The drug department also has a role in the decision. After the hospital agrees to use the drug, the sales agents then go about encouraging doctors to prescribe it.

The more they prescribe, the more kickbacks they get. All of the kickback costs are included in the prices of drugs.

Patients usually have to pay exorbitantly high prices for drugs.

In many cases, the retail price can be 10 times that of the factory price.

The State has hammered out many solutions to the problem, but none seems to be effective.

It requires a bidding system to be implemented in hospitals when it comes to the introduction of drugs.

The State has lowered the ceiling on prices of 1,077 kinds of drugs since 2001, by an average 15 per cent. And the drug management law was amended in 2001 to stipulate that doctors who receive kickbacks could be fined up to 200,000 yuan (US\$24,100).

Despite all this, people still struggle to cope with soaring medical prices.

According to results of the third national medical and health survey in 2003, China's per capita medical expenditure had increased by an average annual rate of 14 per cent. More than 30 per cent of people who suffered illnesses during the year did not go to see a doctor for fear of the huge bill, according to Rao Keqin, director of the Health Statistics and Information Centre at the Ministry of Health.

The harsh situation shows the country's medical reforms are far from effective.

People readily point the finger at the selfishness of doctors and hospitals. However, State funds only cover a small proportion of the operational costs of hospitals. They have to find extra income sources for their daily operations and development.

Experts estimate that generally, the income of hospitals from drug sales amounts to about 50 per cent of their overall revenues. Without this income, hospitals would not survive.

The highest registration fee for general outpatient services in Beijing is only 14 yuan (US\$1.70). In some small cities, it is 1 yuan (12 US cents).

It means revenues from the services alone are far from enough for the hospital to

pay medical workers' salaries and run daily operations and maintenance.

As a result, doctors are paid less than their foreign counterparts, meaning their skills are not reflected in their salaries.

Of course, doctors are both morally wrong and legally accountable if they take kickbacks, no matter how meagre their salary might be.

But the fact that it has become general practice for doctors to take kickbacks calls for serious attention to be paid to addressing the flaws in our system.

There is no sign the government is going to increase subsidies for State hospitals in the near future. Therefore, any further reform must take into account the financial requirements of the hospitals.

The ultimate solution, obviously, would be separating the operation of pharmacies from hospitals so they can concentrate on providing high-quality medical services.

But it is a long-term goal which we cannot expect will be achieved overnight.

The government should first identify non-profit and profitable hospitals as it is financially incapable of fully financing all of them.

For those not making money, the government should increase its subsidies while strengthening their management.

Profitable hospitals could then be left to the mercy of the market.

In the meantime, more social funding should be ushered into the sector.

Demands for high-level medical services are enormous. The public hospitals can only satisfy a small fraction of the demand. It is obvious from seeing the long queues in the registration hall of almost any hospital every morning.

The establishment of private hospitals must be encouraged so they can compete with public hospitals on an equal footing.

After effective competition is allowed, State hospitals would be forced to clean up their act.

And when the time is right, the pharmacies affiliated to hospitals should be separated to become independent players within the market.

When doctors can no longer benefit from subscribing unnecessarily expensive drugs, patients would be the winners.

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**PRIVATE DOCTORS GIVE HEALTH CARE SHOT IN THE ARM**

CHNDLY0020050130e11v0000e

By Shi Xin

539 Words

31 January 2005

China Daily

English

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When Zhang Wei, a 40-year private doctor, was receiving her patients at the membership-only private clinic of Beijing Universal Medical Assistance Co Ltd (BUMA), she tries to get as much health information through friendly heart-to-heart communication.

"I try to understand my patients' health and help them prevent diseases," said Zhang.

Like all the doctors working here, she focuses more on enhancing the well-being of their patients in the broad sense instead of keeping them only physically fit. They have at least 20 years of clinical experience. Now managing health has become one critical issue following the medical fashion seen around the world.

American medical research shows 50 per cent of the causes of death in people in their midlife can be traced to bad lifestyles and habits, 20 per cent to environment, 20 per cent to genetic reasons, while an only 10 per cent to the medical service system.

In the past century, the average life span of American people has increased by 30 years, only five of which is attributed to the advanced medical service system. By contrast, disease prevention means nowadays Americans live 25 years longer.

The average expected life span of Chinese in 2001 is 71.2 years, that of men 69.8 and women 72.7. Statistically, Chinese can live to be 71.2 years old, but after 63.2 their health deteriorates. By sex, men lost 7.7 years of health, women 8.4.

According to media reports, there are plenty of cases of successful people dying in their prime.

"Such invaluable losses of the most brilliant talents in their productive years result from insufficient health care knowledge and absence of effective health asset management," said Hawk Jiang, executive general manager of the BUMA.

Jiang met several clients and asked them some simple questions.

They knew about their financial asset and investments like the backs of their hands, but most of them have little knowledge of their own health except for medical examination records taken at least five years ago.

"After we did an electrocardiogram for them, their faces had gone pale at the abnormal result," said Jiang.

As more and more people choose to exchange their health for the success in their

career, the careless attitude about health would surely result in a deficit in health at an earlier time, warned Jiang.

"We are selling to our clients a concept of viewing health as valuable assets," he added.

Winning the trust of their clients is the most difficult but foremost step, as Zhang noted. She believed that the key for her to build up a sense of trust was to help her patients solve their physical and mental troubles.

It is a systematic project to manage the health assets. The private doctors would keep standard health record for all members and monitor their health anytime and anywhere for early intervention into disease-causing factors.

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### **China's Guangzhou city sets up office for public health incidents**

BBCAPP0020050130e11u002mh

184 Words

30 January 2005

13:41 GMT

BBC Monitoring Asia Pacific

English

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Text of report by official Chinese news agency Xinhua (New China News Agency) Asia-Pacific service

Guangzhou, 30 January: The Guangzhou City contingency office for unexpected public health incidents was set up recently. It is specifically responsible for the day-to-day work and organizational coordination to build the contingency work mechanism, and is established inside the Guangzhou City Public Health Bureau with an official authorized strength of five.

It is understood that the number of large-size building items authorized by Guangzhou City under the city's medical and health units has reached 14. The total investment is 2.16bn yuan and they are being activated in succession. Last year, Guangzhou City upgraded and remoulded 120 communication and command systems and added five new first-aid networks. In addition, Guangzhou City and all the districts (county-level cities) have formed the corresponding emergency treatment contingents. At present, the epidemic situation of major respiratory infectious diseases in Guangzhou City is quiet.

Source: Xinhua news agency, Beijing, in Chinese 0343 gmt 30 Jan 05

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### **What ails China?**

STIMES0020050129e11u00007

Thin  
2379 Words  
30 January 2005  
Straits Times  
English  
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Massive numbers of Chinese who fall sick are turning to self-medication while others go without treatment in the face of spiralling health-care costs. Chua Chin Hon reports

FOR five days straight, driver Chen Lan popped aspirin pills and flu tablets as he waited anxiously for a nasty bout of cold to ease.

The cost for four packs of the pills at a nearby pharmacy: about 40 yuan (S\$7.90).

'It would have cost me about 10 times as much if I had gone to a hospital where they would put me on the drip and prescribe more expensive medicine,' said Mr Chen, who earns about 1,500 yuan a month. 'I can even save these unused pills from the pharmacy for future use.'

The experience of the 42-year-old driver, who lives on the eastern outskirts of Beijing, would have been unremarkable if not for the massive numbers of ordinary Chinese, especially those in the lower-income group, who are turning to self-medication in the face of runaway growth in health-care costs.

About 36 per cent of Chinese who fall sick turn to self-medication while 13.1 per cent go without any sort of treatment altogether, according to the latest nationwide survey on medical services in China.

It is estimated that ordinary Chinese fell sick five billion times in 2003 - or an average of about four times for every person. This means that of the number, about 1.8 billion instances were treated with over-the-counter medicine, while another 660,000 million went untreated.

The survey, conducted between September and October 2003, is one of three nationwide surveys on medical services which have been conducted by the health ministry since 1993.

Results of the 2003 survey, released on the ministry's website late last year, showed that more people were falling sick, but over a third did not see a doctor because they simply could not afford it.

'Medical expenses have become the third largest expenditure for families after food and education,' a summary of the survey results said. 'The average expenditure for one hospital admission is now equivalent to the average annual income of a rural or urban resident.'

The ministry's study showed, for instance, that an average hospital admission would cost 7,606 yuan in 2003 - a figure higher than the per capita annual income of

residents in many Chinese cities such as Hebei, Shanxi or Liaoning.

Between 1998 and 2003, the cost for outpatient treatment rose 85 per cent in the cities and 103 per cent in the rural areas. During the same period, the average per capita income growth for urban residents was 8.9 per cent while that for rural residents was only 2.4 per cent.

The problem of spiralling health-care costs in China has also become a vicious circle: As more people stay away, clinics and hospitals already starved of government funding raise charges to keep the business afloat - through prescribing more expensive medication and treatment - thus driving more people away.

Anecdotal evidence further suggests that the situation has severely strained the patient-doctor relationship, leading to more medical malpractice lawsuits.

In recent years, China has moved aggressively against high-profile outbreaks and diseases, stepping up efforts to combat Aids and developing a vaccine for Sars.

But if the three surveys are any indication, a more fundamental health-care time bomb is ticking quietly in the background.

#### Warning signs

BETWEEN 1993 and 2003, the health ministry took the pulse of the country's health-care services with three major surveys, each involving more than 50,000 households in more than 90 counties.

Taken as a whole, they present a most authoritative and comprehensive look at the changing health-care needs of the world's most populous nation.

But the picture that emerges is not a pretty one.

The 2003 survey revealed that the total number of times the Chinese have fallen sick - five billion - was an increase of 710 million from 1993. The survey attributes the increase to an ageing population and rapid urbanisation.

In the cities, infectious diseases are giving way to chronic, non-communicable ailments like diabetes and high blood pressure due to lifestyle and dietary changes.

Diseases involving the respiratory, digestive, muscular and skeletal systems now form the major health problem facing urban Chinese, many of whom lead a sedentary lifestyle and readily take to fast food.

In the rural areas, the number of infectious diseases has declined but still pose as much of a problem as chronic illnesses.

Yet, more people than ever are shunning hospitals and clinics in favour of cheaper remedies at the pharmacy. And what's alarming is how the problem has persisted on a large scale for over a decade with no solution in sight.

The problems had been identified as early as 1993, where the first nationwide survey on medical services pointed out: 'Medical costs are rising too fast and have exceeded the country's economic growth and the people's ability to shoulder the cost.'

'This has suppressed the growth and usage of medical services.'

Fast-forward to 2003, and the survey showed that those citing 'economic difficulties' as the primary reason for not seeking any medical treatment had risen from 14.3 per cent in 1993 to 34.8 per cent in 1998 to 38.2 per cent in 2003.

The 2003 survey also showed that among those who should be hospitalised but were not, 70 per cent said it was due to the prohibitive costs.

Asked if China is losing sight of a fundamental health problem as attention is increasingly focused on headline-grabbing outbreaks, the World Health Organisation's (WHO) representative in China, Dr Henk Bekedam, told The Sunday Times: 'Your point is very right.'

'The main question is whether people have access to basic health services when they need them and I think the third health survey gave the indication that it is not so.'

'If you look at the report carefully, it says two things: There is health insecurity and inequity in China and that is the main challenge for the government.'

A weak basic health-care system also jeopardises the success of health programmes to combat Aids, Sars or tuberculosis, he cautioned. 'If the basic health system is not working well, at the end of the day, you get stuck with the problems,' Dr Bekedam said.

Reforms gone wrong?

HEALTH experts trace the root of the problem to the market-oriented health-care reforms initiated in the 1980s when the community-based system was dismantled.

Health-care funding fell as the government pulled out from the sector, with local resources strained further by the fiscal policies of the post-Mao era, which required the provincial governments to fund their own health services.

The impact was swift. By 1983, only 11 per cent of villages offered community-based health insurance, down from 90 per cent in 1979.

'At the heart of these policies was the belief that a hardened budget constraint and increased competition would raise economic efficiency and improve access to health care,' wrote Dr Huang Yanzhong in the Harvard Health Policy Review in 2002.

Though the reforms were aimed at providing people with more alternatives by opening up the market to private competition, they worsened the disparity of access to medical care and failed in key public health tasks.

According to the 2003 medical services survey, 80 per cent of Chinese in rural areas

and 50.4 per cent in urban areas now have no medical insurance of any form.

Dr Huang added: 'Market-oriented health-care reforms were detrimental to China's public health by depleting rural areas of health facilities and personnel, promoting unnecessary drug sales as an engine of revenue growth and requiring private consumers to shoulder the burden of rising health-care costs.'

The structural faults in the health-care system have also bred a series of related problems. An Asian doctor who has worked in southern China for more than five years said that rising medical costs were driving the patient-doctor relationship downhill rapidly.

The lack of medical-practice insurance has also increased the practice of defensive medicine, a situation where Chinese doctors routinely over-prescribe intravenous drugs for minor ailments or order a long series of pre-surgery tests for fear of being sued for malpractice, said the doctor who asked not to be named.

Costs are also rising as many hospitals opt for expensive medical technology which may not always be necessary.

The Asian doctor added: 'Many hospitals have invested in expensive machines. (And for) what could be reasonably done by careful physical examination, say stethoscope examination, you now see advanced technology being applied. This jacks up the cost.'

More ordinary Chinese are turning to self-medication as a result, though the impact from such a move is far from clear.

The three health surveys have so far not assessed the quality of self-medication or concerns about the over-use of antibiotics, delayed treatment and counterfeit drugs.

WHO's main concern on this issue is the quality of the drugs the Chinese are buying over the counter, said Dr James Killingsworth, the agency's Beijing-based country adviser for health system development and finance.

People may opt for cheap drugs instead of the right ones for their ailment. Irrational use may also lead to a build-up in antibiotic resistance. Worse, they could be buying expired drugs without knowing.

'All these comes down to the question of not only what kind of guidelines you have, but also how do you enforce them,' said Dr Killingsworth.

'How does the government in such a big and populous country get to the local level to enforce rational use of drugs and overuse of antibiotics?'

Uncertain road ahead

CHINA has set an ambitious target of covering every one of its 768 million rural residents with basic health-care insurance by 2010, while a separate scheme for

urbanites covered about 109 million Chinese by the end of last year.

But sceptics, including commentators in the state media, have openly questioned if China can achieve the target by 2010 in the light of the complex problems at hand.

Health experts say the Chinese government is painfully aware of the problems though there is little consensus on the best cure for the structural problems in the health-care system.

Chinese health experts are mostly divided on which sectors should be reformed next, if comments at a recent forum on hospital management are anything to go by.

Some called for bolder changes to the ownership structure so that more private hospitals can be set up, as selected state-owned hospitals go private or become non-profit entities.

The official China Daily estimates that more than 96 per cent of all hospitals above the county level are state-owned.

Experts such as Professor Zhou Zijun of Beijing University's School of Public Health said that China needed a clearer definition of the types of medical services that the government is responsible for and should leave non-basic care to private hospitals and funds.

But others such as Professor Li Ling, a specialist in health economics at the China Centre for Economic Research, are unconvinced.

High medical expenses do not come down naturally by changing hospital ownership, she was quoted as saying by the China Daily, adding that government hospitals were still the best placed to lead any health-care reforms.

'There's no blueprint in health,' said WHO's Dr Bekedam. 'If there was one, I'm certain China would be willing to adopt it.'

He added that the most pressing task now is for the Chinese government to define a public health package that would be provided to everyone for free and ensure that the service providers are properly paid for it.

The three national health services surveys also provide important signposts for where management reforms and changes to resource allocation should head, Dr Killingsworth said.

He added: 'Policymakers need to look very carefully at evidence to see where to invest and how to invest in the light of changing disease and demographic patterns.'

'Maybe there's going to be a shift towards worrying about urban basic health services in addition to worrying about rural health services. That will be an expensive double burden.'

Speaking to The Sunday Times on the sidelines of a recent press conference, China's

Vice-Minister for Health Huang Jiefu said that the government was pushing for reforms in the public health system, as well as improvements in rural and urban medical care.

'This must go through long-term effort, but the government is putting in more resources,' he added, assuring that a basic medical care system would be in place by 2010.

But as a commentary in the China Daily pointed out recently: 'This sounds good for our rural residents - if their sick can wait six years.'

#### Health matters

People are falling sick more frequently

People fell sick 5.08 billion times in 2003, up by 710 million times from 1993.

But fewer people are going to the doctor

In 2003, the estimated number of trips to the doctor was 4.75 billion, down from 5.33 billion in 1998 and 5.28 billion in 1993.

About 36 per cent of patients now self-medicate, while 13.1 per cent do nothing, meaning nearly one in two people who fall sick in China don't seek treatment at a medical institution.

#### Changing disease pattern

Chronic, non-infectious diseases are now the main ailments. Nutritional problems and diseases involving the circulatory, motor and endocrine systems have increased. High blood pressure, diabetes and cerebrovascular diseases are most common.

Respiratory, digestive, infectious and skin diseases have declined.

#### Rising medical costs

Between 1998 and 2003, urban residents' average per capita income increased by 8.9 per cent, while that for rural residents went up 2.4 per cent. But overall medical costs (which include outpatient costs) went up 13.5 and 11.8 per cent respectively.

#### Low medical insurance coverage

About 50 per cent of urban residents and 80 per cent of rural residents do not have any form of medical insurance.

Source: The Chinese Ministry of Health

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## **'SHOCKING' NUMBER OF STUDENTS TB-POSITIVE**

CHNDLY0020050127e11s0000n

By Li Fangchao

462 Words

28 January 2005

China Daily

English

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HARBIN: An unprecedented large-scale survey has found nearly 9 per cent of students under the age of 14 in primary and middle schools in Harbin tested positive for tuberculosis (TB), reports the city's Municipal Health Bureau.

Conducted by the Harbin Centre for Tuberculosis Prevention and Control, the three-month-long survey covered nearly 400,000 school children.

The TB test involved a tuberculin forearm skin test.

And results were divided into negative, positive and highly positive.

It was the largest TB survey carried out in the Heilongjiang provincial capital since the founding of New China and included almost every child within the selected age group, said Jiang Zhifu, an official with the Harbin Municipal Education Bureau, which helped organize the survey.

Among them, 34,765 children tested highly positive, or nearly 9 per cent.

"The number of the heavily infected is a bit shocking," Wang Chunhui, the centre's senior physician told China Daily.

"Although those children who tested highly positive are different from TB patients, tubercle bacillus in their bodies are like bombs without timers and they could develop TB at anytime when their immunity declines," he explained.

Those who tested positive are in the best category as they have an immunity to TB, while those testing negative have no immunity and ought to be immunized in the future.

The number of those who tested negative is rather small, said Wang.

Those who tested negative have been advised to get vaccinated as soon as possible, albeit on a voluntary basis, he said.

Children whose test came back highly positive have been X-rayed to gain a better insight into their condition. The X-rays revealed more than 100 children have already begun to show symptoms of TB, he added.

A patient with active TB can spread the airborne disease to 10 to 20 healthy people in a year through proximity to their breath.

"If left unchecked, the number of infected will go on increasing in the future," Wang

warned.

But, he rejected that a breakout of TB is likely in Harbin, rather that the number is no more than the average nationwide.

Currently there are about 4.5 million TB infected people in China, of whom one-third are highly contagious, according to a report by Xinhua News Agency.

The number ranks the country second in the world, behind India.

Chinese babies are usually given the BCG vaccine for the prevention of TB within 24 hours of birth.

"Unlike some infectious diseases, TB does not create as much fear, and early detection and proper treatment may cure it easily," Wang said.

Free medicine and preventive treatment are being provided for those children who need it.

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### **China launches health education program to reduce chronic diseases**

XNEWS00020050126e1110018n

270 Words

21 January 2005

Xinhua News Agency

English

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BEIJING, Jan. 21 (Xinhua) -- China launched a massive health education program Friday in a bid to curb the fast increase of non- communicable diseases in the country.

"The program will focus on one major chronic disease each year and the theme of this year is hypertension," said Qi Xiaoqiu, general director of the Department of Disease Prevention and Control under the Health Ministry.

According to statistics from the Health Ministry, about 160 million Chinese suffer from hypertension. Meanwhile, more than 20 million Chinese have diabetes and about 200 million are overweight.

Kong Lingzhi, director of the department of the non- communicable diseases with the Health Ministry, said in contrast with the fast increase of chronic diseases in China, Chinese people's awareness of the diseases is worrying.

"The awareness rate of hypertension among Chinese people is only 30.2 percent. Most people don't know hypertension can cause serious cerebral and coronary heart diseases," she said.

E. Allan Gabor, chairman and general manager of Pfizer Pharmaceuticals Limited, said the awareness rate of hypertension in the United States is 70 percent, which is the result of decade- long efforts on health education.

"Health education is a long-term process, but also a basic measure to prevent chronic diseases," he said. "It needs joint efforts of the government, the public and the private sectors."

Kong said China has lagged behind in public health education compared with many western countries. "We hope the program will help make up the gap and reduce the threat and damage from the non- communicable diseases to Chinese society."

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**Born to be wild - As the number of male births relative to females soars on the mainland, academics fear rising crime and unrest, writes Simon Parry**

SCMP000020050111e11c0005q

FF Features

1649 Words

12 January 2005

South China Morning Post

18

English

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When the newborn baby son of Air China worker Zhang Tong bawled indignantly as he was lifted into the air to a barrage of camera flashes in a Beijing hospital last week, officials declared him the nation's 1.3 billionth citizen and feted his noisy arrival into the world.

As soon as the hubbub died away, the little boy's timely birth began to raise uneasy questions about China's yawning gender gap, which by some official estimates could see 40 million unmarried men on the mainland by the time he reaches the age of 16.

A potent combination of ultrasound scans and late abortions for free under the 25-year-old one-child policy has seen the birth ratio widen to the point where there are now 120 male births to every 100 female births. In some provinces the ratio is 130 to 100 and higher.

The first generation of children born since ultrasound scans gave mothers across China the technology to make selective abortions has now reached the age of 19. Every year, as more young men reach marrying age, there will be less brides to go around.

The men left on the shelf - mostly jobless, poor and prone to crime and drugs - are known in Chinese society as "bare branches". Academics believe that as their numbers grow they are likely to present a growing social menace.

Within two days of the birth of Zhang Tong's son, China announced it was criminalising the use of ultrasound scans to determine the sex of a baby, a practice

that has already been prohibited for the past 10 years.

But in a report shortly to be presented to the policy-making Family Planning Commission, the government will be told it is impossible to stop the use of ultrasound scans and that the only way to avoid the potential social mayhem that lies ahead is to dismantle the one-child policy.

Professor Li Yongping, a demographer from Peking University, travelled last month to Hainan Island - the province with the mainland's biggest gender gap - to report back to the government on whether an experimental policy cracking down on ultrasound scans was having any effect.

The governor of Hainan introduced a law in October making it possible to jail for five years anyone caught giving or receiving an ultrasound scan for sex selection. Professor Li found it had failed to produce a single arrest.

Women pay between \$440 and \$880 for illicit scans, and to avoid breaking the law a doctor gives a coded signal to let parents know the sex of the unborn child - usually a nod or shake of the head.

The use of ultrasound scans is legal for medical checks and for checking the health of a foetus but illegal for sex selection, meaning a doctor need only cite medical reasons for conducting a scan.

"A shake of the head means it's a girl. A nod means it's a boy," said Professor Li. "How can you control that? You can't put cameras in the clinics. You can't prosecute a doctor for nodding his head."

Free abortions are then routinely available with few questions asked - even for women who are five or six months' pregnant - because of China's one-child policy, introduced under Deng Xiaoping in 1979 to slow the population growth.

"If a woman wants to have an induced abortion she can give all sorts of reasons and excuses - she wants to carry on working, or she wants to be a good citizen and follow the government's one-child policy. The Family Planning clinics have no reason to refuse them," said Professor Li.

His conclusions, to be presented to the central government in the coming weeks, make grim reading. "Ultrasound scanners are cheap to buy and there is one in almost every township clinic in the country," said Professor Li. "We have a market economy developing in China and there is strong demand for these scans. Women have the money to pay for them and, on the other side, there is also strong supply."

Professor Li believes a radical solution is required. "We have to find something that is workable. My suggestion is that we let people have more children," he said. "We should reconsider ending the one-child policy."

"In some provinces we should allow people to have three children - if you have three children you have a good chance of having a boy. Then women won't need to have

these scans."

There is an urgency about the recommendations the academic is putting forward. "If you look in primary schools, there are a lot more boys than girls and this is going to create a big social problem," he said. "We have 10 to 15 years in which to solve this, otherwise the problem will be very severe - and who knows what will happen?"

The answer can be found in history books, according to Andrea Den Boer, a lecturer in international politics at the University of Kent in Britain and co-author of a book called *Bare Branches: The Security Implications of Asia's Surplus Male Population*.

Bare branches have existed in China over the centuries because female infanticide used to be so common, she said. In the mid 1800s, it led to an uprising by a predominantly bare-branch rebel group in northern China called the Nien, who took over a territory of six million people before the government crushed them years later.

Bare-branch males were also heavily implicated in the Boxer rebellion of 1900, and even the activities of the Shaolin fighting monks, she said. The historical lessons, she argued, were that a surplus of unmarried males is a recipe for social mayhem.

"When you get a large congregation of single males, they exhibit bare-branch sub-culture," she said. "Men who haven't married tend to be the ones who are low in economic status.

"Men with education and wealth will marry. The unmarried ones will be in the lower levels of society. They are unemployed, have little education and simply can't compete in the marriage market."

She said one of the physiological factors that made bare-branch males a social menace was the fact that when a man married, his testosterone levels dropped, making him less prone to aggression.

"These men don't have a stake in society, particularly in Chinese culture, where to be socially accepted you have to be married," said Professor Den Boer. "It is not acceptable in Chinese culture to remain unmarried.

"In the past 10 years, China has seen violent crime rise sharply and it is being committed by men who are unmarried, not fully employed and who are simply taking by theft resources denied to them," she said. "The larger the bachelor culture, the more serious the implications will be for Chinese society."

The problem of bare-branch males had important political implications, Professor Den Boer said. "A country has to become more authoritarian to deal with this kind of problem," she said. "This is how uprisings like the Nien uprising have been subdued in the past. The possibility for real democracy is reduced in these sorts of situations, so certainly if a country has to be more authoritarian to deal with these kinds of societal problems, there are political consequences."

There are signs that mainland officials are waking up to the potential dangers of the imbalance in the sexes. Li Weixiong, vice-chairman of a committee studying

population and environmental issues, recently talked of the threat of social instability and conceded that there could be up to 40 million unmarried men in China by 2020.

"It is the first time this year that someone high up in the Chinese government has said that China is facing a horribly unstable society if they continue the practice of sex-selective abortions," said Professor Den Boer.

Previously, she said, officials would only acknowledge the byproducts of the gender imbalance, such as the smuggling of kidnapped women into the mainland from neighbouring countries such as Vietnam, and rising prostitution levels.

"If there is recognition that it is a problem, maybe they will change the one-child policy," said Professor Den Boer. "It will be fascinating to watch China in the next few years."

The policy of criminalising ultrasound scans for sex selection would itself have little impact, said anthropologist and gender research specialist Joseph Bosco of the Chinese University.

"They are not addressing the underlying issue," he said. "People tend to think gender selection is a cultural issue and that the Chinese prefer boys over girls because of traditional Chinese thinking. But there are also good economic reasons why they continue to follow that tradition.

"In China, it is the responsibility of the son to provide for the parents in their old age. The daughter becomes part of her husband's family after marriage. If you only allow families in rural areas to have one child and it is a girl, you are condemning them to an old age of loneliness and impoverishment."

The kind of world that Zhang Tong's week-old baby boy grows up into may depend on the social policies that the central government decides to adopt, now that it has acknowledged the seriousness of the gender imbalance.

If it does nothing, Professor Den Boer said, China's 1.3 billionth citizen could enter a very troubled society in his manhood, where between 12 and 15 per cent of the young male population will be bare-branches.

"It will be a society where violence and crime are rampant, or one where there is an authoritarian government and people are very controlled," she said. "Neither scenario is very positive."

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## **URBAN DOCTORS TO PROVIDE RURAL SERVICES**

CHNDLY0020050110e11b00003

By Wu Chong

282 Words

11 January 2005

China Daily

English

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Rural residents are to benefit from ever-stronger medical support from urban areas to help narrow their decades-old service gaps.

A 10,000-strong urban medical team will join in medical services and skills training at county level hospitals in three years, said the Ministry of Health yesterday at a national health conference.

As part of China's efforts to improve rural medical care, the national project will start this June and cover 600 hospitals in poverty-stricken counties in central and western areas.

Ten per cent of the targeted hospitals will be specialized in traditional Chinese medicine treatment.

The plan is to dispatch five senior doctors from urban hospitals to each targeted hospital, each with at least half a year's service.

"The central government plans to subsidize each doctor 24,000 yuan (US\$2,900) a year," said Vice-Minister of Health Gao Qiang.

The doctors are expected not only to undertake daily treatment but to be responsible for medical staff training and hospital management improvement.

Another pilot project to balance medical service gaps between urban and rural regions will begin this year in Northwest China's Gansu Province.

In Gansu, a number of medical staff from hospitals above county level will go to work for a year in clinics at lower levels.

Wang Yancheng, head of the Gansu Provincial Health Bureau, said: "We plan to first launch it in 360 clinics."

In China, more than 70 per cent medical resources including hospitals, medicines and doctors are enjoyed by urban residents who only make up about 30 per cent of the country's total population.

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## **DOCTORS UNDER PROTECTION: SCHEME LAUNCHED**

CHNDLY0020050110e11b0000k

By Liu Weifeng

471 Words

11 January 2005

China Daily

English

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A growing number of fights between doctors and patients has led to calls for an

insurance scheme to cover doctors in Beijing's hospitals.

The conflicts usually spring from patients alleging doctor malpractice.

The government is pressing ahead with a scheme which would cover 100,000 doctors in all public-funded and non-profit hospitals in the capital city.

"In the programme, the insurance company will be responsible for not only the malpractice of the doctors, but also the unsatisfactory service and the administration of the hospitals," said Deng Xiaohong, deputy director with the Beijing Municipal Healthcare Administration.

Altogether, some 1,254 hospitals in Beijing are to be involved, and it will be open to any private hospital in the city, pushing the total number to about 2,000.

Hospitals contacted by China Daily said they were unaware or had just "heard about" the programme.

Doctors at the outpatient department of the Sino-Japanese Friendship Hospital said they had not heard of the scheme.

Things were no better in other hospitals.

Doctor Li at Ditan Hospital said she had heard about the insurance from the hospital's director, but it had not yet been implemented.

Xue Hai, an official with the health law and regulation office of the Beijing Municipal Healthcare Administration, still believes all hospitals will eventually get on the insurance track.

But she did not reveal the insurance cost range among different hospitals.

The Beijing branch of PICC (People's Insurance Company of China) Property and Casualty Company Limited will be responsible for some 90 per cent of this business.

Medical practice is considered to be a high-risk occupation, according to a survey conducted last month among 200 doctors in Changsha, capital of Central China's Hunan Province, the local newspaper Xiaoxiang Morning Post reported.

Fearing something could go wrong in treating a patient, more and more doctors prefer a kind of conservative approach, which, in many cases, means ineffective treatment.

Only 6.8 per cent of doctors said the relationship between patient and the doctor is harmonious; and 26.8 per cent could not understand why the patients and their families were so unco-operative.

Zhang Yunlin, secretary-general with the Beijing Municipal Public Health Law Research Institute, said doctors should automatically be insured for medical

responsibility.

Beijing first introduced the medical insurance in 1998, when insurance was optional to all hospitals in the city.

But only 18 hospitals got involved.

The high premium is a deterrent to most hospitals.

The annual insurance cost is thought to be about 800,000 yuan (US\$97,600).

Southwest China's Yunnan Province was the first to introduce this kind of medical insurance in 1999, followed by Shanghai in 2002, Shenzhen in 2003 and Beijing in 2005.

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### **Chinese vice minister says public health provision must be improved**

BBCAPP0020050110e11a00462

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BBC Monitoring Asia Pacific

English

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Text of report in English by official Chinese news agency Xinhua (New China News Agency)

Beijing, 10 January: China now faces three major challenges in building its health systems, Gao Qiang, executive vice health minister, said Monday [10 January] at an annual meeting of the Ministry of Public Health. "Its response network to possible health emergencies is still not very tight." Gao acknowledged China is frequented by epidemic outbreaks, mass food poisoning incidents and serious traffic and natural disasters on vast territory with a huge population.

He said the situation has changed greatly in recent two years since Chinese government departments at various levels began to pay more attention to the building of public health systems and risk response mechanism. "But we still have numerous weak points in view of our work style, team work, mechanism and financial input... [ellipsis as carried] Those points result in even weaker links in medical care at local levels," he added.

Noting that the second challenge lies in the threat of the spread of killer diseases, Gao said "HIV/AIDS, tuberculosis, schistosomiasis and hepatitis are far from being contained in his country with high prevalent rate and huge number of patients." Meanwhile, he said chronic non-communicable diseases including sarcomata,

hypertension, cardiovascular diseases and diabetes are posing risks to the health of people.

The Chinese vice health minister referred the third challenge to lower accessibility to health services. "Nearly 48.9 per cent of Chinese people cannot afford to see doctors when they fall ill and 29.6 per cent are not hospitalized whenever they should be," Gao said, quoting a survey outcome released last month by the Ministry of Health. He ascribed the problems to five reasons, including China's lack of medical resources, imbalance distribution of the resources, low coverage of Medicare system, fast rise of medical costs, and inadequate government input.

China has 22 per cent of the world's total population with only two per cent of world's medical resources. "Among those resources, 80 per cent of them are in cities and only 20 per cent in rural areas," Gao said. "The imbalance of resource distribution makes it ever harder for rural residents to access needed medical care."

In addition, Gao said approximately 44.8 per cent of the urban population and nearly 80 per cent of rural population in China don't have any type of medical insurance. "Most of them are paying medical bills by themselves, bearing from physical, mental and economic burdens." To make the situation even worse, China's medical fees has risen drastically over recent years. Survey also showed that the outpatient service and inpatient service in the country increase 13 per cent and 11 per cent on average compared with the charges eight years ago.

To improve the situation, Gao promised his ministry will target at the rural areas in 2005 and expand Medicare system to cover more rural residents. Meanwhile, he said, the ministry will reform the present medical services in cities and explore for an appropriate service and management system in line with the country's socialist market economy, so as to "provide quality, convenient basic medical services at reasonable prices".

Source: Xinhua news agency, Beijing, in English 1151 gmt 10 Jan 05

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### **Guangdong sends medical teams to rural area**

BDU0000020050110e11a0001n

152 Words

10 January 2005

Business Daily Update

English

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South China's Guangdong Province has sent 19 medical teams to its rural area, providing medical services to local residents.

The teams, composed of 114 medical workers, will give free medical treatment to the villagers of the province's remote and poverty-stricken parts and will donate medicine and medical equipment to local medical stations.

The teams will offer training to local medical workers through lectures and demonstrations. They will also distribute pamphlets on health and sanitation

knowledge to locals.

Dr Xiao Xin from Huaqiao Hospital, attached to Jinan University, has taken part in such activities several times. "This kind of activities will, in a real sense, incarnate our work ethic of healing the sick and rescuing the dying," he said.

According to the provincial government, Guangdong will send nearly 1,000 more medical workers to the rural areas before the middle of this month.

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### **Foreign insurers' 2004 income in China up 45.7 pct - report**

AFXFE00020050110e11a003sg

187 Words

10 January 2005

08:46 GMT

AFX International Focus

English

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BEIJING (AFX) - Foreign insurers operating in China saw their premium income surge 45.7 pct year-on-year in 2004, more than double the average income growth rate for local industry of 11.3 pct, the International Finance News reported.

The 37 foreign insurance companies operating in the country reported a combined income of 9.8 bln yuan last year, compared with the 431.8 bln booked by the whole industry, the paper said, citing statistics provided by the China Insurance Regulatory Commission.

Foreign insurers have so far gained a 15.3 pct market share in Shanghai, and an 8.2 pct market share in the southern city of Guangzhou, the report said, adding that three more overseas insurers are now preparing to enter.

China opened up its insurance market in December in accordance with its commitments to the World Trade Organization, lifting the geographical curbs on foreign insurer's new outlets and allowing them to offer group, health and pension fund services.

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### **Postnatal care center established**

SHND000020050121e1110000j

Shanghai

293 Words

21 January 2005

Shanghai Daily

English

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The city's first rehabilitation center providing postnatal care and pediatric medicine has opened this week.

Established by Shanghai Zhen'ai Woman & Child Sanitarian Consulting & Service Co and Shanghai Ruixing Hospital, the Shanghai Zhen'ai Yuezi Center targets wealthier families willing to pay 15,000 yuan (US\$1,807) to 20,000 yuan for one month of care.

Traditionally new mothers in China must rest at home for one month. This period is called yuezi. If the mother doesn't recover well in this month, it is believed she will suffer various ailments afterward.

Though there are many health concerns during yuezi, few facilities provide postnatal care. Many young women are left following the advice of their own mother - which is generally not based on sound medical advice. Plus with a new baby at home, it can be a chaotic period, center officials say.

According to Zhu Hao, general manager of Zhen'ai, the center has specialists in nutrition, pediatrics, traditional Chinese medicine and psychology to provide well-rounded care to both mother and child.

"We conduct physical checks on every mother and baby and issue an individualized plan to ensure their health," Zhu added.

In addition to completing yuezi at the center, mothers also can hire yuezi helpers, trained by the center, to provide services at home. "It is different from other house service agencies that provide yuezi helpers," Zhu said. "We also have doctors and nurses visit a patient's home every other day for one month."

Some couples are praising the service. "It is good to enjoy professional medical services," said Ding Xiaoyan, a 27-year-old newlywed. "We can know more about what to expect when we decide to have a baby."

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### **Coverage of social security up by big margins**

BDU0000020050202e1220000i

189 Words

02 February 2005

Business Daily Update

English

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China is striving to expand the coverage of unemployment insurance to employees of non-State enterprises, according to the Ministry of Labor and Social Security Tuesday.

According to statistics from the ministry, China had 105.8 million people covered by unemployment insurance at the end of last year, 2.1 million more than the figure in the previous year.

The number of people receiving unemployment insurance payment rose by 40,000 year-on-year to hit 4.19 million last year.

Meanwhile, the coverage of China's social security and medical, industrial injury and

maternity insurance has all expanded rapidly, reaching 163.4 million, 123.9 million, 68.2 million and 43.7 million people, respectively.

"We are considering to take more people from non-public sectors or those with no fixed jobs into the insurance network in 2005," said Hu Xiaoyi, the ministry's spokesman.

According to the statistics, the accumulation of the five social insurance funds amounted to 560 billion yuan (US\$67.7 billion) and the total payment exceeded 460 billion yuan (US\$55.6 billion) in 2004.

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### **English Summary: The top 10 controversial issues in China's health sector in 2004**

2,065 words

11 January 2005

中国医药报 (简体)

12

Chinese - Simplified

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1. Collective bidding for drug purchases: keep going despite the ongoing protests from pharmaceutical companies

In April 2004, heads of 13 pharmaceutical associations including China Pharmaceutical Industry Management Association jointly appealed by writing to the responsible person in the State Council, listing all the side-effects brought about by single bidding for drug purchase practices and the negative impacts it has imposed to pharmaceutical industry and calling for a repeal of it. On May 25, the State Council and MOH summoned the heads or their representatives of these 13 pharmaceutical associations to have a discussion in Beijing. No final or concrete actions were decided at this meeting.

Despite such protests, GOC seemed to be determined in its push for collective bidding of drug purchases. In middle October, Rules on Further Regulating Medical Institutions in Their Collective Bidding for Drug Purchases was issued, requiring that not only non-profit county- and -above level hospitals participate in collective bidding process of drug purchase but also at least 80% of the drug expenditures (excluding some of the TCM products) of the hospitals participating in the bidding be purchased through collective bidding.

2. Hospital ownership reform: selling hospitals is not the cure to "the difficulty in getting medical care"
3. Drug advertisement: how to tell which is true which is not?
4. Crashing down on the practices of "Red-envelops for doctors": is it the way out for boosting moral standard in health sector?

On April 22nd, MOH issued Opinions on Strengthening the Moral Standard among Health Professionals, threatening to expel, repeal licenses of violators from medical profession. However, can such measures really do the trick?

5. The Abuse of antibiotics: the biggest share is at hospital

The State Administration of Food and Drug Supervision set a policy that antibiotics were not available for sale at retail pharmacies without a prescription after July 1 2004. However, some people questioned the effectiveness of this policy as retail sales of antibiotics only accounted for 15% of antibiotics sale nationwide. The biggest share goes to hospital-affiliated pharmacies. Therefore as long as the connections between pharmacies and doctors retain, there is no way to really tackle the issue of antibiotics abuse.

- 6. ...
- 7. ...
- 8. ...
- 9. ...
- 10. ...

Full-text Chinese original:

财经视点周刊

**2004 年最具争议的 10 大医药卫生“问题”**

2,065 words

11 January 2005

中国医药报 (简体)

12

Chinese - Simplified

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### 1 招标采购：在质疑声中继续实施

2004 年春天以来，医药企业对药品招标喊停的声音就一直没有断过。

4 月，中国医药企业管理协会等 13 家协会负责人，联名致函国务院主管领导，历数药品集中招标采购的弊端和对药品生产企业的不良影响。

5 月 26 日，国务院纠风办与国家卫生部召集 13 家医药行业协会的负责人，以及十几家药品生产企业在北京召开会议进行讨论。但是，这次声势浩大的上书行动最终不了了之。

尽管受到如此多的诟病，政府实施药品招标采购制度的决心似乎并未动摇。10 月中旬，有关部门联合公布了《关于进一步规范医疗机构药品集中招标采购的若干规定》，不仅要求县级以上非营利性医疗机构必须全部参加药品集中招标采购，而且规定采购支出中 80% 以上的品种（中药饮片除外）要纳入集中招标采购。看来，药品招标还将继续前行。

### 2 医院产权改革：“卖医院”难解看病难

公立医院改革，无疑成了 2004 年夏天讨论的最热的词汇之一，而产权一直被认为是改革之重。一句被媒体广泛引用的话引起了业内的躁动，“国资将逐步退出公立医院，在政府所属医疗机构中，国有资产的持股权不低于 51%”。

种种令人焦虑的迹象表明，现在的公立医院改革将焦点放在产权改革上，也要走国企改革的老路子“国退民进”、“公私合营”、“股份制”。不少专家认为卖医院也难解看病难。

### 3 医药广告：真伪难辨

国家食品药品监督管理局广告审查监督管理办公室透露的消息令人震惊：2004 年 1 月至 9 月对全国部分药品电视广告监测检查中，违法率高达 62%；而同一时期医疗报纸广告的违法率更是高达 95%。如此高的违法率让人们不禁对医药广告的可信性产生了怀疑。

也有专家指出，非法医疗广告猖獗说明群众需要医疗广告，正是由于三甲大医院不屑于进行广告宣传，才使得非法医疗广告有了可乘之机。

解决虚假医疗广告问题，除了有关部门应该大力整治、加强监管外，更重要的是应该鼓励品牌医疗机构加大医疗广告投入，去主动占领市场。

#### 4 红包“整风”运动：难破行业“潜规则”

2004年4月22日，卫生部公布了《关于加强卫生行业作风建设的意见》。对社会极为关注的医疗界“红包”和提成问题，有了态度明确、前所未有的严厉说法：严重者将被逐出医生队伍--吊销执业证书或免除主要负责人职务。

然而这次行动能够从根本上改变医疗领域红包的潜规则吗？业内人士普遍表示怀疑。实际上，前几年卫生部门也曾经5次发文，试图解决红包问题，但始终收效甚微。

#### 5 抗生素滥用：“大头”在医院

2004年7月1日以后，习惯到药店购买抗生素的人们忽然发现，抗生素已经不能随便购买了。为了防止抗生素滥用，国家食品药品监督管理局发令：全国所有零售药店必须凭医生处方才能销售抗生素类药品。

然而很多业内人士认为，零售药店的抗生素销量只占抗生素全部销量的15%左右，因此杜绝抗生素滥用的关键在于医疗机构。而由于医生与药品销售之间存在直接利益联系，所以医生给患者开大处方、开贵药的行为难以制止。

#### 6 GMP 认证：小药企是孤独死去还是加盟合作

本来就资金紧张，再加上 GMP 认证，日子就难了。即使通过了 GMP 认证，也难以找到合适的品种，确实很难。故有专家建议，首先，企业之间应该联合起来，每家只需投少量资金，共建 GMP 厂房，达到生产资源共享，企业就可把更多精力放在产品研发和市场销售上；或者共享已经建成的 GMP 厂房，减少资源浪费。

#### 7 中药现代化：方向仍有争议

凭借在治疗 SARS 过程中出众的表现，中医中药令国际社会刮目相看，也再次掀起了关于中药应该“加快现代化步伐”、“打入国际主流医药市场”的呼声。

一种看法认为，中药要跟国际接轨，必须走国外植物药发展的路子。

即根据中药的药效，从中提取有效的化合物成分，加以分析、合成，制成成分清晰、疗效确切的新药。另外一种看法则认为，中药必须结合中医理论，在继承中药传统生产技术的基础上，保留传统生产特色和优势，运用和借鉴现代先进的科学技术，研究创新，逐步实现现代化。

#### 8 原研药单独定价：左右为难

2004年5月31日，国家发改委大幅下调24个常用抗菌药价格，其中，在调整之列的专利药价格下调15%，原研药降20%，国产GMP药品降30%。一时之间，40余家外企联名要求对其药品单独定价，称药品降价超出企业承受能力。

据悉，国家有关部门对部分原研药单独定价的初衷，是为了“体现药品质量和疗效的差异，保持药品合理比价，鼓励新药的研发。”根据有关规定，剂型规格相同的同一种药品，已过发明国专利保护期的原研制药品比GMP企业生产的仿制药品、针剂差价率不超过35%，其他剂型差价率不超过30%。但目前，许多原研药的定价都在仿制药的3倍以上。

#### 9 GAP 认证：专家建议给中小种植户出路

2004年，9名中药材栽培领域的专家认为，据《中药材GAP认证检查评定标准》，只有具备“三证”，即药品生产许可证、卫生合格证、营业执照的中药制药企业才有资格参加GAP认证，也就是说，没有“三证”的个体种植户完全被排除在GAP认证之外，而种植户却占了整个中药种植面积80%以上。专家认为，国家必须采取措施鼓励农民的种药积极性，而不是像某些人认为的必须砍掉中小种植户，否则我国将面临中药材原料的匮乏，直接影响中成药产业的发展。

10 药物副作用：让制药大腕头痛

默沙东公司的万络、辉瑞制药的左洛复、葛兰素史克的帕罗西汀，“老药”息斯敏居然会引起心血管系统方面的副作用，使得药物副作用再次成为人们关注的焦点。

药物不良反应简单来讲，是指正常剂量的药物用于治疗疾病时，出现有害的和与用药目的无关的反应，副作用与药品质量无关。可以说“任何药物都有副作用”。近几年，药物副作用备受关注，多种知名药物牵涉其中，由于证据确凿的副作用资料，有的药物不得不被下架处理，有的则修改说明书。这些药物的生产商多为制药巨头。

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### **English Summary: 2005: the year when private capital fight for enterprise-affiliated hospitals**

The reason why the year 2005 is remarkable for China's enterprise-affiliated hospitals is a policy issued by State State-owned Assets Management Committee (SSAMC):" The work to separate enterprise-affiliated hospitals from SOEs has to be finished by 2005. The preferential tax policies for such hospitals are to end by 2005." Therefore it is expected that a lot of SOE-affiliated hospitals are going to change their ownership structure in 2005.

The policy evolution

In early 2000, the State Council issued Guidelines on Reform Urban Health Sector, of which the separation of hospitals and other social functions from SOEs is one major component. In 2002, the then-State Economic and Trade Committee, MOF, MOE, MOH, MOLSS and MOC jointly issued the Opinions on Further Pushing the Separation of Social Functions from SOEs, speeding up the process of the separation of hospitals from SOEs. In Dec. 2003, the State Council circulated the Opinions on Regulating the Ownership Reform of SOEs issued by SSAMC, making it even clearer regarding the reform on enterprises-affiliated hospitals. In February 2004, SSAMC issued the Provisional Rules on Transferring State-owned Assets of SOEs, providing implementable policies for enterprise-affiliated hospitals to change their ownership. According to the policy, the work of separating social functions from SOESs has to be finished by 2005, and the separations of hospitals from SOEs are the focus of the work.

How does the market respond?

The reporter was told that Aikang Medical Investment and Management Company, which made its original fortunes by investing in real estate, has held negotiations with China South Locomotive and Rolling Stock Industry (Group) Co. ("China South") on purchasing more than 10 hospitals affiliated to China South.

In June 2004, Aikang had bought the full ownership of Huangshi Iron and Steel Co. Hospital of Hubei province, a big SOE, through a public bidding process, and renamed the hospital Aikang Hospital, setting the first example in China in which private capital purchased a C-level SOE-affiliated hospital.

In September 2004, Beijing-based Yiren Medical Group, a private conglomerate, bought the Guangzhou Petrochemical Hospital for 15 million yuan (US\$1.8 million). The hospital has

operated as a State-owned institution for 26 years (Lydia note: more to see in September issue of Bibliography update).

### Difficult transition

However, due to the existence of many unsettling areas, especially those regarding the placement of redundant personnel in former SOE-hospitals and the evaluation of state-owned assets, there are still very few success stories in this area. This is particularly true when it involves big or high-level SOE hospitals.

Full-text Chinese original: see below

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### 民营资本投身企业医院争夺战

2,407 words

3 February 2005

中国医药报 (简体)

13

Chinese - Simplified

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有专家预测，2005 年将是医院投资热年。此话并非空穴来风。

医疗体制改革在国内已经有了相当的基础，催生出了多样化的改革成果，如股份合同制、兼并收购、出售转让、租赁托管和组建集团等。

此外还值得关注的是，国资委对于“主辅分离”的政策规定，“以前隶属于国有和国有控股企业的医院的剥离工作必须在 2005 年以前完成，国企的‘主辅分离’在税收上的优惠政策将执行到 2005 年底”。因此，在未来一年中，将会有大批各级国有企业医院走上改制之路。

多家民营资本从中嗅到了机会，要抢在企业的医院剥离结束前，多收几家医院入囊中。

#### 剥离的政策环境

2000 年初，国务院转发《关于城镇医药卫生体制改革的指导意见》的同时，出台了系列配套文件，其中剥离企业医院是重要内容。全国 1 万多家企业医院，占卫生资源的 44%，但绝大多数经营不善，造成医疗资源的浪费，同时也给企业的发展增添了困难。为推进国企改革，全面建立现代企业制度，企业必须剥离掉这些“办社会”包袱。

2002 年，原国家经贸委、财政部、教育部、卫生部、劳动保障部和建设部联合出台了《关于进一步推进国有企业分离办社会职能工作的意见》，加快了企业医院改制的步伐，2003 年 12 月，国务院办公厅转发了国资委《关于规范国有企业改制工作的意见》，为企业医院改制明确了方向，2004 年 2 月，国资委又出台了《企业国有产权转让管理暂行办法》，为企业医院进行股份制改造提供了可操作的依据。国家有关部门要求，2005 年前，国有和国有控股企业分离办社会职能工作必须完成，而企业医院是重点。

“北京市已经限定 147 家企业医院分离的期限在今年年底。”中华职工医院管理学会主任委员王甫群说：“按照有关规定，国有和国有控股企业分离办社会职能工作到 2005 年必须完成，企业医院是分离的重点对象。”目前，企业医院与企业的剥离正在政府要不要、企业放不放、医院肯不肯之间徘徊。

#### 收购的市场谋略

记者近日获悉，以房地产起家的爱康医疗投资管理有限公司，正与中国南方机车车辆工业集团洽谈，准备收购其下属十多家医院中的优质资产。

而在此之前，2004年6月份，爱康曾投入巨资买断湖北黄石冶钢医院全部产权，并更名为爱康医院，创造了国内首家民营企业成功并购国有企业三级医院的先例。

2004年9月，广州石化医院被亿仁医疗集团以1500万元人民币成功收购，并改名为广州亿仁医院。据透露，该公司目前已在全国新建、收购、托管11家医院。

近日，记者还从其他一些医疗投资机构获悉，他们已经广泛地同各地的企业所属医院接触。

“收购国有企业医院是民营资本与医院对接最好、最快速的方式。”爱康医疗投资管理有限公司董事长王东说。

王东另一个身份是华盛世纪集团的董事长，被称为“北京地产少帅”。

爱康医疗投资公司的母公司华盛世纪集团是北京一家大型房地产集团公司，旗下有房地产及IT两大块业务，十余家公司。华盛世纪集团从2002年开始研究投资医疗产业的诸多政策和市场机遇。

收购冶钢医院是爱康投资涉足医疗产业的第一招棋。成立于1951年的冶钢医院在上世纪80年代以前一直是黄石一流的医院，鼎盛时期拥有病床数高达500多张，1997年被评为国家三级乙等医院。2000年，由于机制落后、管理不善等多种原因，冶钢医院开始走下坡路，冶钢集团决定将黄石冶钢医院从母体剥离，终因条件不成熟而流产。

2004年4月，冶钢集团向社会公开拍卖。在黄石招标中心的主持下，爱康从五家竞争对手中脱颖而出，有着64年历史的冶钢医院被爱康医疗投资管理有限责任公司买断全部产权，成为爱康在医疗行业树起的第一面标志性旗帜。

王东告诉记者，目前正是收购企业医院最佳的时期。“企业医院产权相对明晰，这样既可以绕过一般公立医院的产权问题，又比自立门户更有效率。”

凤凰医院集团的创始人徐宝瑞认为，民营进入医疗产业正处于一个很微妙的状态，没进来的想进来，进来的很多想出去。

广东医学院魏东海教授说，不少外行资本受到医疗市场的吸引，进入到行业内。但由于医院是资金、人才、技术三个因素密集型的行业，另外相关政策不明朗，如果没有行业管理经营，资本容易被困在其中，处于进退两难的尴尬状态。

这种被业内称为“围城”状态的心理，从一个侧面反映了收购企业医院中存在的现实问题。

整合的棘手问题

卫生部卫生经济研究所卫生政策研究室石光副主任认为，迄今为止，医院投资的成功的案例还比较少，成功并购三甲医院的更少。原因就在于当前医疗领域中的政策环境、行业环境和商业准则还很不规范。另外，资本收购企业医院有几个棘手问题，其中人员的安置、国有资产保值增值更视为难题。

对于这一点，王东解释说，他们收购冶钢医院时承诺，原有医院员工的各种保险续接，员工年工资总额不低于改制前。

据了解，爱康在收购冶钢医院中创造了零上访率和零失业率，员工工资和福利也有了大幅度的提高，医院的医疗服务质量明显提升。据统计，2004年7~10月，爱康医院门诊量平均每月增加9000人次，病床使用率增加22%。

对于国有资产的保值，国资委副主任邵宁近日曾表示，“在国企辅业改制过程中，资产处置要按照《企业国有产权转让管理暂行办法》等规定，做到公开透明阳光操作，避免少数人操纵，损害国家、企业和职工利益。要规范资产转让交易方式，有条件的要尽量做到进场交易。同时，也要充分认识主辅分离改制的特殊性，把资产处置与改制企业的未来发展、职工的有效安置和社会稳定结合起来，统筹考虑。”

王东坦言，被收购医院的资产定价是购并过程中的焦点问题。“按照《国有资产评估管理办法》及其实施细则规定，国有资产拍卖、转让、收购，须进行国有资产的评估和确认。但买方与卖方对资产价格的认识不同是自然的。”

石光认为，对于被收购方的资产并不能简单地依据其净资产的多少，被收购医院的价格到底值多少，在公正、规范的操作下，市场给出的价格更为客观。

除此之外，在土地问题上还有许多政策瓶颈。王东对记者说：“企业医院原有土地是划拨用地，在并购重组中，并购方必须通过交纳土地出让金才能使土地变成商业用地，在收购企业医院的同时获得土地使用权，避免企业未来出现隐性负债，这才是最彻底最完美的收购。”

即便如此，民间资本仍没有放弃对企业医院的收购，相反要抢在 2005 年底前，做最后冲刺。王东明确表示，2006 年前爱康的投资战略不会调整。但随着国家医疗卫生体制改革的推进，部分公立医院将向民间资本开放，爱康投资也时刻注意把有一定知名度的公立医院作为并购目标。

爱康将会不断加大对医疗产业的投资，其母公司将从房地产、IT 等投资领域逐渐撤出，集中精力做大医疗产业，将用 3~5 年的时间，投资 10 亿左右，在中国整合 10 家以上同等规模的医院，形成一个大型医疗网络集团，争取在海外上市。

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## English Summary: Rural MMRs in Gansu province almost double those in urban areas

Taipei, Jan. 25<sup>th</sup> 2005 (Central News Agency) – Citing the statistics from Gansu Bureau of Health, Xinhua Net of Xinhua News Agency today reported that the latest statistics from Gansu province showed that the rural and urban MMRs in Gansu province were 93.93 per 100,000 and 47.85 per 100,000 respectively. In the meantime, the IMRs in rural and urban Gansu were 24.76 per 1000 and 19.67 per 1000 respectively, with rural areas having a significantly higher death rate for infants.

Full-text Chinese original below:

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### 甘肃省农村孕产妇死亡率几乎是城市的两倍

408 words

25 January 2005

中央社中文新闻 (简体)

Chinese - Simplified

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(中央社台北二十五日电) 随着中国城乡差距拉大，医疗资源分配也出现严重不对等的现象。例如地处中国西部的甘肃省，农村孕产妇死亡率几乎达到城市的两倍。

新华网今天引述甘肃省卫生厅统计指出，甘肃省最新统计农村、城市孕产妇死亡率分别为 93.93/10 万和 47.85/10 万，这显示农村孕产妇死亡率接近城市的两倍；与此同时，甘肃省农村、城市婴儿死亡率分别是千分之二十四点七六和十九点六七，农村也明显高于城市。

甘肃省卫生厅副厅长韩克茵对此分析，造成城市和农村间差距的原因很多，在广大农村地区，特别是贫困地区和少数民族地区的妇女，一般文化水准较低，受传统观念和自然条件影响，自我保健意识较差，怀孕后不去医疗保健机构建卡登记，不做定期检查，产时不确定因素较多，这导致本能挽回的生命，失去了抢救时机。

除此之外，甘肃省一些山区、民族地区的乡镇卫生院产科条件极差，约有百分之二十的卫生院不能开展产科业务，加上交通不便、经济条件所限，住院分娩率十分低，有的县住院分娩率不到百分之二十，风险很大。 940125

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### **English Summary: Survey show unsafe use of drug widespread in China**

Beijing, Jan. 20<sup>th</sup> 2005 (Xinhua News Agency) – According to figures disclosed on Jan. 16<sup>th</sup> from “Safe Use of Drugs Survey”, around 12 to 32 percent of drug uses in China are irrational. Among over 50 million hospitalizations around the country every year, at least 2.5 million of them are related to side-effects caused by drugs, with a total death of more than 190,000.

The five-month survey was sponsored by Health Daily, Health Digest Daily, China Health Magazine and Popular Health Magazine. It covered all provinces and municipalities in China with a total of more than 60,000 valid responses. Among them nearly 20 percent came from personnel working in health and medical sector.

Full-text Chinese original below:

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#### **我国不合理用药情况十分严重**

450 words

20 January 2005

新华社经济信息-中外医药卫生信息 (简体)

Chinese - Simplified

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我国不合理用药的情况十分严重，约占用药者的12%至32%。全国每年5000多万住院病人中至少有250万人与药物不良反应有关，引起死亡约达19万人之多。这是16日公布的“百姓安全用药调查”结果披露的数字。

历时5个多月的“百姓安全用药调查”是由《健康报》、《健康文摘报》、《中国卫生杂志》和《大众健康杂志》共同举办的。调查覆盖我国内地所有省、自治区、直辖市，共收到有效问卷6万多份，其中近两成来自医药卫生从业人员。

调查结果表明：有八成被调查者“通过医生处方使用药品”；7%通过“药店推荐”；6%通过“广告宣传”选择使用药品；而超过八成的被调查者把“疗效好”作为“影响选择用药”的首要因素。有44%的人认为“药价虚高”，22%认为“夸大宣传”，12%认为“伪劣药多”，11%认为“疗效不佳”和“回扣严重”是“目前药品领域的主要问题”。

此次调查依据百姓使用药品的感受，评出广州白云山制药总厂等10家制药企业为“百姓放心企业”。

本次调查组委会负责人称，根据世界卫生组织报告，全球有一半的药物在被不合理应用，因而使病人产生耐药性甚至死亡。为此他们今年将继续就“医院用药”等展开调查等活动，以进一步提高社会安全用药的意识和营造安全用药的环境。（1月18日 中国新闻社/曾利明）

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### **English Summary: China FDA plans to finish the classifications of drugs by 2006**

Beijing, Jan. 12<sup>th</sup> 2005 (Beijing Xinhua InfoLink Development Co Ltd) – The State Administration of Food and Drug Supervision (SAFDS) recently announced that it planned to start phasing in prescription drugs and over-the-counter (OTC) drugs policy this year and to put all prescription drugs on “prescriptions only” by 2006.

By the end of 2005, all the retail pharmacies that meet the requirements on the classifications of drugs can continue to sell prescription drugs and OTC drugs, while those that fail to meet the requirements can only sell A- and B- type OTC drugs or B-type OTC drugs only.

This year SAFDS will continue to coordinate with MOH to push forward the implementation of the classifications of drug sales. It plans to draft Regulations on the Classifications of Prescription and Non-prescription Drugs and tries to receive approval from the State Council to legalize it into law.

Full-text Chinese original below:

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**中国 2006 年将基本实现处方药凭处方销售**

421 words

12 January 2005

中国产业每日新闻 (简体)

Chinese - Simplified

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2005-1-12

国家食品药品监督管理局宣布今年将分批公布必须凭医师处方销售的处方药品种，2006 年基本实现处方药凭处方销售。同时要对一些长期需靠药物维持治疗的慢性疾病的用药问题进行专题研究，以进一步方便群众就医用药。

2005 年底之前，符合药品分类管理要求的零售药店，可以继续销售处方药与非处方药。达不到药品分类管理要求的零售药店，只能销售甲类非处方药和乙类非处方药，或只能销售乙类非处方药。

今年国家食品药品监督管理局将进一步协调卫生部门，促进药品分类管理的实施。为此，今年国家食品药品监督管理局将组织起草《处方药与非处方药分类管理条例》草案，争取列入国务院立法计划，推进药品分类管理工作向前发展。

1998 年以来，我国已初步建立了药品分类管理制度和模式，先后公布了 4400 多个非处方药品种，目前销售处方药的地市以上城市零售连锁企业和大中型零售企业已基本达到分类管理要求，零售药店所有注射剂和未列入非处方药目录的抗菌药物必须凭医生处方才能销售，到 2004 年底执业药师人数已超过 11 万人。

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**English Summary: China consider to phase in resident doctor scheme**

Jan. 25<sup>th</sup> 2005. China Medicine Daily – In following the message conveyed at one of the recent MOH meetings, Guangdong province plans to strengthen the resident trainings to recent medical graduates. Furthermore, according source close to MOH, in the future medical graduates who fail to go through resident trainings process after graduation will not be able to be promoted to “doctor” rank.

Currently medical graduates could normally expect to receive “Doctor” licenses and start independently practicing medicine after they finish four-year college medical education and one-year work experiences.

Full-text Chinese original below:

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**医科生毕业后不能立即当医生**

669 words

25 January 2005

中国医药报 (简体)

14

Chinese - Simplified

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日前,从在南方医科大学举行的今年首场医药类专场校园招聘会上传出消息:根据**卫生部**近期召开的会议精神,广东省将加强对医学类高校毕业生的住院医师规范培训;我国今后将实行未接受住院医师规范化培训不得评职称的制度。这一消息意味着广东省未接受住院医师培训的医学类高校毕业生的铁饭碗即将被打破。

据了解,目前的医学本科毕业生都是先分配到医院,工作一年后通过考试就可获得医生执照,独立为病人诊疗。由于手里已经捧着“铁饭碗”,这些“新手”医生到医院后往往缺少自我提高的动力,而分配到基层医院的学生因条件限制,也常常得不到正规培训。

这种情况导致患者不信任刚刚毕业的医生,要求经验丰富的老医生诊疗,而最怕碰见“新手”医生。为了迎合患者需求,医院则更倾向于从社会上招聘高水平、有丰富经验的医生,导致医学本科毕业生就业形势十分严峻。日前,在南方医科大学举行的这场招聘会上,共有**97**家用人单位进场招聘,吸引了近**3000**名医科毕业生应聘。但除了护理学、医学影像学等专业毕业生较受欢迎外,很多大型医院甚至包括不少基层医院均表示,对临床医学专业本科生不感兴趣。

据有关医学专家介绍,在国外,病人看病无需顾虑医生知识和经验是否不足,因为国外早已实行专科医师培养与准入制度。据南方医院副院长张树军介绍,日前召开的**中国**医师协会第三次工作会议已经提出,我国应加快医师毕业后医学教育管理工作,并完善专科医师培养与准入制度。

目前广东省省人民医院、南方医院、珠江医院等已成为广东省住院医师规范培训基地,这些基地将对医科毕业生进行“**3+X**”的规范培训。

张树军表示,南方医院将在南方医科大学、同济医科大学等国内著名医科院校,择优录取**30**名毕业生作为“住院医师规范培训”的培训对象。

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