

ANALYSIS OF NATIONAL HEALTH EXPENDITURE IN CHINA:
EXPERIMENTAL MODEL APPROACH

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A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Science in Health Economics

Department of Economics

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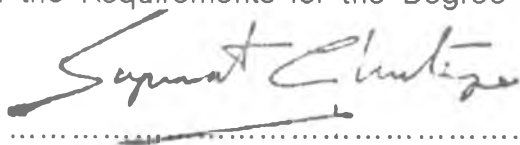
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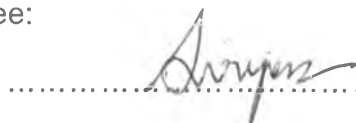
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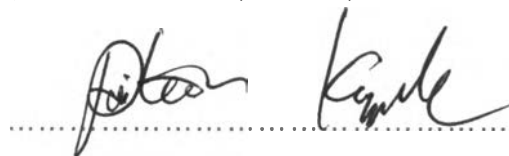
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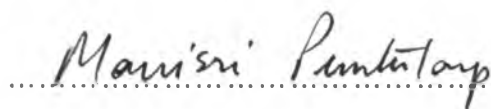
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This study aims to examine various relationships between the national health expenditure and the macroeconomic conditions, and analyze the structure of health expenditure under different scenarios.

This study adopted and little modified the SimFin model (Carrin 1998) by using Chinese data in 1990 to 1995.

By running this model, health expenditure was estimated at both current prices and constant prices. From the simulation result, it was found that the structure of China health expenditure, and the share of government health expenditure in total health expenditure would decrease slowly in the period of 1999 to 2005. With the insurance scheme implemented, the high growth rate of the private expenditure share in the China total health expenditure would be controlled. Due to uncertainties of the future, the estimation used were under 4 scenarios to analyze the health expenditure structures. These scenarios represented likely alternative conditions of macroeconomic variable movements and health expenditure variables. Two scenarios of macroeconomic variable movements were assumed: the low economic growth rate scenario, and the high consumer price index with high private health expenditure scenario. The other two scenarios for health expenditure variables were also assumed, those are the high government health expenditure growth and the high private health expenditure growth.

Based on analysis above, some policy implications and limitations of this study were discussed.

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Abbreviations

CTHE: China Total Health Expenditure

NHA: National Health Account

GEIS: Government Employee Insurance Scheme

LIS: Labor Insurance Scheme

CMS: Cooperative Medical Care System

GHE: Government Health Expenditure

PHE: Private Health Expenditure

GE: Government Expenditure