

**FACILITATOR'S NOTES ON:
"Health Insurance: Rural Health Care in China"**

1. Objectives

This case study aims to provoke discussion about the factors influencing the likely success of community pre-payment schemes. It prompts participants to consider how to address some of the problems raised.

2. Description

The case study is written as a play, set in rural area in China. The play brings two outsiders (one from headquarters and a visitor from the US) to a rural village that is holding a village meeting to consider how to use the funds generated from the Cooperative Medical Systems, and whether or not to re-vitalise the system. Various village members present their views on these matters. During the meeting a sick person is brought in, and the two outsiders volunteer to drive him for care. They first try to find the local 'doctor' (village health worker), but when he cannot be found they travel to a local hospital. During the course of these journeys they learn more about the villagers' perceptions and experiences of local health care.

This case study must first be read by all participants. Then in small groups of 4-5 people they should characterise the main problems faced by the villagers in financing their health care. They should also consider the sorts of approaches that be implemented to tackle these problems. A feed-back session should then allow plenary discussion of the groups' analyses, with the facilitator finally drawing out some of the key issues that need to be considered in relation to pre-payment schemes.

3. Preparation and linkages

This case study can be used before or after a broader introduction to pre-payment mechanisms. Such an introduction should cover the objectives of pre-payment systems, key issues in pre-payment scheme design, the key factors likely to influence their impacts, and the broader range of factors influencing their successful implementation. If used before such a session, participants would require some familiarity with health care financing issues and concerns in general. If used after such a session, the case study would allow participants to apply knowledge already gained. Overall, it can usefully form part of a series of sessions on health care financing topics.

4. Timing and logistics

Overall, the exercise should take around 2 hours.

Participants should spend the initial 15-20 minutes reading the case study by themselves, and highlighting key issues to raise in discussion. Then in small groups, 20 minutes should be spent developing a full summary of problems identified from the case study. The groups should spend a final 20 minutes thinking about how to tackle these problems.

It is important to avoid repetition and duplication in the feed-back session. One approach is to split the feed-back into two parts. First, ask one group to provide a full feed-back of the problems they identified. Other groups can then be asked just to add to this list, or to question or contradict the initial group. Second, ask one group (different from that that initially presented problems) to present the solutions the group discussed – then ask other groups just to question and add to the first group's presentation. Overall, this feed-back session should take around 30-45 minutes.

In the final 15 minutes the facilitator should wrap up the discussions by highlighting the key points raised, emphasizing the priority issues and making links to other sessions on health care financing issues.

5. Points for discussion

The key issues raised in the play include:

- a) Context of poor rural villages in a low-income country:
 - Greater levels of disease burden than urban/more wealthy areas
 - Lower levels of health care utilization than urban/more wealthy areas
 - Very low levels of household per capita income
 - Health care costs can be catastrophic for households, i.e. lead to debts and impoverishment
- b) Role and limits of pre-payment schemes in poor, rural communities:
 - By pooling resources among people, support the costs of accessing at least a basic package of preventive care for all
 - Benefits covered limited by the total revenue that can be generated in this way
 - Household resources need to be complemented by other financing sources
- c) Factors influencing community willingness to pay pre-payment premia:
 - Some people may pay and never use health care, so do not see the benefits of paying
 - Some people see the benefit of paying a relatively small amount to get at least some protection from the unexpected and often considerable of seeking care for serious illness
 - Some people see the benefits of financing preventive care today to prevent illness tomorrow
 - Perceptions about the reliability of the administrative arrangements for the fund (including who will make decisions, and how decisions will be made)
 - Perceptions of the quality of care available with and without a pre-payment scheme
- d) Factors influencing health seeking behaviour (perceived quality of care):
 - Availability of provider
 - Severity of illness
 - Availability of equipment
 - Price of care
 - Transport costs

There are no easy or right solutions to many of these problems! However, some of the key issues that will always be important in developing solutions across contexts are:

- supplementing pre-payment and other community financing schemes with funds from other sources as such schemes can never generate enough resources to cover the full costs of a comprehensive package of care (for example, ensuring a fair share of available tax resources are allocated to rural areas given their level of health need, share of total population etc)
- determining what level of pre-payment villagers are willing to pay, that will not compromise their household economic security
- thinking carefully about how much revenue can be realistically generated through pre-payment schemes, and so what benefits can be funded through them
- strengthening quality of care, both to encourage payment for services and to ensure that the available services are as effective as possible
- ensuring sound and acceptable administrative procedures and personnel, to encourage pre-payment
- providing information and promoting discussion about the benefits of a pre-payment scheme relative to not having one