As China continues its moves from a socialist ideology to a market economy, the impact of its presence is being felt globally. This is especially true with China’s health care system and the challenges that it is experiencing with its 1.3 billion population. The erosion of China’s socialist ideology was accompanied by an erosion of the government’s subsidy of health services, placing the major responsibilities of providing health care services on regional governments. Unfortunately, the impact of these policies on China’s health care system is not commonly understood, resulting in confusion and propagation of myths. For example, many believe that the Chinese government provides free health care for all citizens, and the population has not accepted Western medicine and relies primarily on traditional Chinese medicine. In addition, it is believed that there is no shortage of nurses, as the majority of care is provided at home. Finally, it is commonly believed that China’s health care issues are different from those of the United States. Exploration of these myths provides us with a better understanding and an improved ability to engage with this emerging economic global leader. Key words: China, Complimentary Therapies, Nursing, Traditional Chinese medicine, Western Medicine

China’s emerging presence in the global economy has been accompanied by significant shifts in the country’s domestic policy, especially in the area of health care. Erosion of the socialist ideology that shaped China’s political landscape after the World War II is clearly apparent in the country’s market reform initiatives but less obvious in the government’s activity in the area of health care. China’s health care system underwent massive restructuring in the early 1980s, which reduced the central government’s subsidy of health services and placed the major responsibilities on regional governments. The impact of these changes is not commonly understood, resulting in the propagation of myths and misunderstandings about health care in China.

Many believe that the Chinese government provides free health care for all citizens and controls the cost of health care services. Another belief is that the Chinese population has not accepted Western medicine and relies primarily on traditional Chinese medicine (TCM). Common beliefs about the reliance on TCM and the Chinese’s reverence for the elderly and family obligation to care for the elderly parents have led to the perception that there is no shortage of nurses, as the majority of care is provided at home. Lastly, because China is viewed as a developing country, it is believed that their major health care issues are different from those of the United States. Exploration of these myths provides a picture of a health system that has invested in the future but, like the United States and other Western nations, continues to face tremendous challenges.
MYTH 1: THE CHINESE GOVERNMENT PROVIDES ALL OF ITS CITIZENS WITH HEALTH CARE

One of the most prevalent myths concerning the Chinese health care system is that the Chinese government provides its citizens with health care. This myth persists because, under its socialist system, China provided a universal, albeit rudimentary, health care system.¹ At that time, China had a 2-tiered system which included coverage for rural and urban populations. Today, China has one of the world’s largest health care systems comprised of approximately 17,000 major hospitals and 48,000 smaller “township” hospitals. These institutions provide 3.6 million hospital beds nationwide and are supported by 170 different medical schools and educational institutions, 120 biomedical research institutions, and various national organizations representing hospitals and physicians.² Market reform policies initiated in the early 1980s, under Deng Xiaoping’s leadership, have allowed China’s central and local governments to reduce and, in some cases, even eliminate funding for this system. In 1994, substantial market reforms were launched that essentially dismantled what was left of China’s socialist health care system. These reforms ended China’s policy of providing free or low-cost health care to its citizens. The government’s share of national health spending has steadily decreased from approximately 100% under the socialist system to approximately 16% today.³

As the government’s support for the public health care system diminished, hospitals and clinics were forced to look elsewhere for revenue.⁴ With few alternative sources for payment, health care providers began charging patients for services and enforced the collection of commercial rates for drugs and most medical procedures. This change in policy encouraged hospitals to enforce strict pay-as-you-go collection standards to help ensure their financial sustainability.⁵,⁶ Hospitals also linked administrator and physician salaries to the amount of income they generated.⁷ As a result, physicians had a strong incentive to steer patients toward high-cost medical treatments and pharmaceuticals.⁸ This resulted in the overprescription of expensive hospital care, diagnostic procedures, and pharmaceuticals. Recent research has clearly shown the impact of these practices in areas such as obstetrics and prescription use. It is now reported that an average of 50% to 70% of infants born in China’s hospitals are delivered by cesarean section, which generates significantly more revenue than a normal delivery does. In addition, it is estimated that income from pharmaceuticals now represents 50% to 90% of hospital revenue.⁵,⁹ As hospitals lacking earlier governmental subsidies enforced up-front payment from patients, most of China’s population found themselves without access to any type of comprehensive health insurance or the financial resource to pay for health services, forcing many to forgo health care altogether.²

Under the prereform health care system and the leadership of Chairman Mao Tse-tung, most citizens working in urban areas were state employees, and most urban health care facilities were supported and operated by the state. Health care within China’s vast rural areas was provided through a network of rural cooperatives. Although medical services were administered differently in urban and rural areas, the common denominator was that most Chinese citizens had access to basic health services that were either free or affordable.⁸

The rise of free enterprise and the reduction of the centralized government’s investment in medical services left many urban residents without affordable health care and little access to affordable private health insurance. In urban areas, the workplace once acted as a small-scale welfare state, offering free health care services to its employees as a nonwage benefit. This arrangement began to erode as the transition toward a market economy imposed new enterprise budgetary requirements and policies. As a result, more than 50% of China’s 350 million urban population now has no health care coverage.
For those who do have health coverage, it is typically provided through either the Government Health Insurance or Labor Health Insurance programs.8 The Government Health Insurance program, established in 1952, provides coverage to government employees as well as government retirees, disabled veterans, university teachers, union officials, and students of approved universities and colleges. The government finances this coverage, and the funds are managed by individual government agencies for the benefit of their employees.10 The Labor Health Insurance program was established in 1951 and provides coverage for employees, retirees, and dependents of state-and collective-owned enterprises with more than 100 employees. These organizations contribute a percentage of their employees’ annual salaries to a fund which provides health insurance coverage to the workers of the individual organizations. Funds are not pooled across organizations.11 This lack of risk pooling across institutions eliminates the ability for each enterprise to spread risk, thus resulting in out-of-pocket costs as high as 40% to 50%. Some enterprises have found themselves in deficit situations and unable to reimburse their employees for health care. This leaves their workers and their dependents essentially uninsured.10

Within rural China, health care was once provided through a government-sponsored Rural Cooperative Medical System (RCMS). These cooperatives were an integral part of China’s collective farming system and were used as a vehicle to ensure that basic health care was provided to the country’s vast rural population. Individual commune members would contribute a small portion of their incomes to a commune-based RCMS, and in the event that the commune member needed health care services, the RCMS would pay for their medical expenses.12

Chairman Mao, who gained power after a ‘‘peasant revolution’’ that began in China’s vast rural countryside, was a strong advocate for the health and well-being of China’s rural population. There were not enough formally educated physicians to serve these areas, and Mao committed to finding a solution that would provide a measure of health care equity for these citizens.1 As a result, the ‘‘barefoot doctor’’ program was created. The program provided very basic traditional Chinese and Western medicine, including immunizations and health education. The individuals selected to participate completed a 3- to 6-month medical training course that included anatomy, bacteriology, disease diagnosis, acupuncture, birth control, and maternal and infant care. In addition to their health care responsibilities, barefoot doctors continued with their primary profession of farming in the commune fields. With more than 1 million barefoot doctors practicing in 1970, Chairman Mao was able to provide China’s escalating rural population with a relatively inexpensive basic level of health care.

The past 25 years of social and market reforms resulted in a profound change for China’s health care system. Responsibility for health care financing and delivery shifted from the centralized government to provincial governments and ultimately to the individual.13 The dismantling of China’s safety net of rural cooperatives severely compromised health services to more than 900 million individuals or between 60% and 70% of the population who live within China’s impoverished rural areas. Before the collapse of the RCMS program, approximately 90% of China’s rural population had access to free or affordable health care as they pooled risk through their RCMS.12 With the implementation of market reforms, most rural peasants were not able to afford even basic health care.14,15

Compounding the problem was the transition of China’s barefoot doctors from public workers to private practitioners. The country’s emphasis on a market economy and profit influenced many of these practitioners, who abandoned the countryside and entered far more lucrative professions, such as pharmaceutical sales.1 In many rural communities, there is now a lack of even basic health services, and where health services are available, they are often unaffordable. With the
migration of the barefoot doctors to urban centers, the number of rural health providers has decreased significantly. Only 20% of China’s medical resources are located in the rural areas, which are home to approximately 60% of China’s total population.16

In 2003, recognizing that a safety net was needed for China’s rural population, the government implemented the New Cooperative Medical Scheme (NCMS). This new program essentially replaced the RCMS. Although NCMS provides subsidized health insurance for China’s rural population, its primary focus is on catastrophic health problems. New Cooperative Medical Scheme is characterized by relatively high premiums and out-of-pocket reimbursement maximums that may be insufficient to cover the needs of the impoverished rural population. Premiums and maximum reimbursement amounts can vary dramatically from county to county. Although NCMS is a program that may provide some access to health coverage, premiums and out-of-pocket costs are still unaffordable for most of China’s rural population.17

Although China’s key health indicators show that life expectancy and infant mortality trends made significant progress during the last 10 years, improvements in these indicators have slowed. In addition, in recent years, the reported incidence and mortality rates for infectious diseases have increased.13 The decline in these health indicators clearly reflects a health system that is not readily available or widely accessible. As China continues to move toward a market economy and as its population continues to grow, access to health care will become an even greater burden on Chinese society, requiring government policy and private market solutions.

MYTH 2: THE CHINESE GOVERNMENT IS CONTROLLING THE COST OF HEALTH CARE

The second myth regarding the Chinese health care system is that the government is controlling the cost of health care. China’s move from a socialist to a market economy has had serious consequences for those in need of health care services.18 The decentralization of the public health system, modification in hospital and physician compensation, and the end of agricultural communes came with a steep price for all of China’s population, but the most serious impact was in the rural areas. In spite of these dire statistics, the government’s financial investment in health services has been less than expected. This is mostly a result of fewer fiscal revenues, which has resulted in a return of government spending for health care to the 1980 levels.19 At the same time, increased cost of health services led to a decreased use overall, whereas the supply of medical services and the number of physicians remained constant over a 6-year period.16 Government spending for health care, as a percentage of total health care spending, has dropped by approximately 50% from the early 1980s to 2002.1,20

As China’s government considers interventions that could help regulate health care pricing, it faces what many health care systems now face—the spending of money on unnecessary services and the lack of access to health care.21 China’s health care price schedule needs to be revised, and prices need to be aligned with actual costs. These efforts are needed to reduce existing incentives to overprescribed pharmaceuticals and overpriced, unnecessary medical procedures.

In the early 1980s, China began the privatization of its economy, the effect of which was a sizeable interruption in health care services. Also during the 1980s, a system of price regulations was instituted. Controls over what publicly owned hospitals and clinics could charge were put in place in an effort to ensure access to basic care. The controls were not effective, as the government permitted facilities to earn profits from new drugs, new tests, and technology.1 Hospitals benefited from the investment of high-priced technologies and the sale of new drugs in a variety of ways. For example, due to special price schemes, prices for drugs and technology-based diagnostic procedures
such as computerized tomography scans, magnetic resonance imaging, and ultrasound were set high and often well above the average cost for other hospital services. This unbalanced pricing of hospital services created distortions in the mix of services provided. There was an incentive for hospitals to use the high-technology equipment frequently, especially for those insured patients who bear much less of the cost of these procedures. At the same time, the State Price Bureau allowed hospital pharmacies to charge a 15% markup on the wholesale price of drugs, encouraging hospitals and physicians to overprescribe pharmaceuticals, especially new and expensive drugs.

The high rate of use of new high-technology medicine and drugs contributed to the rapid increase of hospital spending. From 1995 to 2005, the average annual medical expense per outpatient in China's general hospitals increased from 39.9 Yuan to 126.9 Yuan (or from roughly US $5 to $16), and per inpatient expense increased from 1667.8 Yuan to 4661.5 Yuan (or from roughly US $211 to $590). Pharmaceuticals now account for half of all health care costs. In the 1990s, a revenue-related bonus increased physician pay through the provision of services and use of prescription medications. This system encouraged unnecessary admissions and surgical procedures as well as overprescription of many medications. Many hospitals instituted bonus systems tied to the use of high-technology equipment, where physicians were offered monetary compensation for ordering diagnostic procedures. At the same time, hospitals were overcharging by unbundling services.

Efforts to address these problems are evident. In 2004, the government began a program to reduce the number of available drugs, set limits on retail pricing, and halt a system which rewarded hospitals and physicians financially for the use of pharmaceuticals. Many questions remain as to the impact of government-driven reforms. Researchers examining the impact of price regulation efforts and efforts to provide access through insurance coverage for the poorest citizens note that these efforts may serve to increase overall cost, thus limiting access to those who do not qualify for indigent care but cannot afford to self-pay. As China, like many countries, tries to stabilize both the access and the cost of health care, it continues to face the pervasive argument that it is the government’s responsibility to ensure universal health care.

**MYTH 3: THE CHINESE PEOPLE HAVE NOT ACCEPTED AN INTEGRATION OF WESTERN MEDICINE AND TCM**

Western and Chinese medicine are available in China. In fact, China is the only country where the 2 medical approaches coexist at almost every level of the health care system. Although Western medicine was introduced in China in the late 19th century, the real integration of Western medicine began in the late 1950s, as the Chinese government built a national health care system. Although the initial intent was an emphasis on Western medicine and increased education and research into TCM, what actually happened was a de-emphasizing of Chinese medicine.

In spite of the rapid expansion in the use of Western medicine and technology, TCM remained an important component of health care for many Chinese citizens. In recognition of the value of TCM and the need to establish standards of treatment based on scientific inquiry, the Chinese government established the State Administration of Traditional Chinese Medicine as a bureau under the Ministry of Public Health in 1987. This agency supports the education of TCM practitioners; research into TCM procedures, practices, and pharmaceuticals; and TCM health service delivery. Research into TCM is not limited to Chinese institutions but is being conducted worldwide. The results of these efforts are clearly evident in the United States, as the US Food and Drug Administration approved clinical trials in 2003 for a drug derived from a plant, which is a key ingredient in a number of traditional herbal remedies. The drug is being tested to
determine its effectiveness in treating non-small-cell lung cancer. 31

Today, 95% of general hospitals in China have staff in TCM departments who treat 200 million outpatients and almost 3 million inpatients annually. 30 At the same time, these hospitals are heavily invested in modern technology. Currently, almost all county hospitals have computerized tomography scanners, and most city hospitals have magnetic resonance imaging and automatic biochemistry analyzers. 32 At the end of 2004, there were 174 head gamma knives and 98 positron-emission tomography systems in hospitals across China. 23

Patients with the resources to seek health care at a hospital often consult a TCM doctor along with a Western doctor. 33 However, among many of the younger, better-educated Chinese, there is a feeling that TCM is antiquated. 34 This culture shift poses potential difficulty in maintaining a system supportive of TCM and pluralistically creating a health care system that is accessible and affordable.

Government efforts to maintain and encourage the use of both TCM and Western medicine include scientifically based research into the efficacy of traditional medicines and health practices. Research is needed to establish which illnesses are treated more efficiently or with better outcomes through 1 approach or through a combination of the 2 approaches to medicine. One such study which examined the therapeutic effect of a combined intervention by Chinese and Western medicine in treating severe acute pancreatitis concluded that the combined approach to treatment was successful. 35 At the same time, it is argued that it may not be possible to find common measures that allow effective evaluation of the 2 systems. 36 It is believed that without common standards of treatment or outcomes, comparative research will not likely lead to integration but rather the continued decline of TCM, as acceptance of scientific-based Western medicine grows. Traditional Chinese medicine advocates suggest that the 2 systems should be treated as equal but different, allowing both to grow unimpeded by adherence to standards that do not address the quality or value of the individual approach to health care. 36

Although China continues to modernize its health care system and looks for ways to use TCM in the primary care setting, other countries are beginning to explore the same possibilities. Most industrialized countries have been slow to include TCM or “complementary” medicine into national health care programs, whereas many developing countries have made significant efforts in this area. 30 However, acceptance of TCM is increasing in some European countries. This is especially true in Germany, where it has been reported that 50% of German patients prefer a combination of the 2 health care systems. 37 In the United States, only acupuncture has made a headway into an insurance-driven access system.

China’s policy on the adoption of Western medicine changed along with political philosophies over the last century. After gaining a measure of acceptance in the early 20th century, changing political imperatives led to the closing of Western medical schools and the return to more traditional medical practices. However, today, acceptance of TCM, even in China, is countered by those who believe that modern hospitals, technologically advanced equipment, and pharmacology are “better.” Western medicine is now accepted as the primary system in China, but TCM remains an integral component of the system, with the government’s support for research that validates the efficacy of TCM practices.

**MYTH 4: BECAUSE OF THE CURRENT COMMITMENT TO MODERNIZATION OF THE HEALTH CARE SYSTEM AND INVESTMENT IN UNIVERSAL EDUCATION, CHINA DOES NOT HAVE A NURSING SHORTAGE**

The nursing shortage is a global issue. China is the largest developing country in the world, with the second largest nursing workforce. However, this workforce of 1.43 million nurses is insufficient to meet the current and forecasted needs for China’s rapidly aging population. 38 With a population of
more than 1.3 billion, the ratio of nurses to the general population in China is extremely low at 1 nurse per 1000 population. These numbers are far below those of other industrialized countries in the east and west. Statistics included in the World Health Organization’s (WHO’s) 2007 report shows Japan and the United States with ratios of 7.79 and 9.3 nurses per 1000 population, respectively. The WHO report also highlights the fact that the Chinese have more physicians than nurses, an anomaly compared to other countries.

China has a multitiered nursing education system that enrolled 500,000 students in 2005. Most of the current nurses graduated from one of the 500 health schools. These schools admit students directly from junior high school for a 3-year program, which is equivalent to a trade school. Graduates from these schools make up approximately 90% of the current nurse workforce in China. The education provided by the health schools is not considered equivalent to professional nursing programs in Western countries, and graduates are not eligible to sit for examinations qualifying them to practice in most other countries without continuing education to complete an additional degree.

A second level of education equivalent to an associate’s degree is available to students who first complete their secondary education and then a 3-year nursing program. These programs are now attracting 23% of new Chinese nursing students, with another 6% entering baccalaureate programs in nursing. Graduate programs are available for nurses interested in pursuing advanced practice, with most of them seeking education positions. In addition, a program offering a doctorate in nursing was opened in Shanghai in collaboration with The Johns Hopkins University in 2004. China has been successful in improving nursing education and the number of university graduates. More than 300 colleges and universities nationwide offer nursing programs, with nursing graduates exceeding 50,000 in 2003.

However, the Chinese health care system, although acknowledging that it would like a higher nurse-to-patient ratio in acute care hospitals, is not funding positions for nurses within the health care system nor making significant efforts to increase recognition of nurses as valued members of the professional health care team. Thus, many nurses complete their education and are unable to find work, and others leave nursing positions because of dissatisfaction with the profession.

The number of nurses in China has increased steadily during the last several decades. In 1980, there were only 470,000 nurses in China. This number doubled by 1990 and climbed to 1.27 million in 2000. At the end of 2005, China’s nursing population totaled 1.35 million. However, these numbers cannot meet the needs of the current population in China, much less their rapidly growing senior population.

China currently has 144 million people aged 60 years or older, including 100 million aged 65 years or older. It is estimated that by the middle of this century, China will have more than 400 million people aged 65 years or older and at least 100 million aged 80 years or older. Chronic diseases prevalent among the elderly currently account for approximately 80% of all deaths. Treatment for these diseases including hypertension, which alone affects about half of China’s population aged 65 years or older, creates enormous demands on their health system. Like the West, China’s rapidly growing elderly population is increasing the demand for nurses. Looking ahead, China faces new problems related to their rapidly expanding elderly population and cultural and demographic changes in family structure.

The moral obligation to support aging parents is imbedded in Chinese philosophy; thus, China has a long history of adult children caring for their aged parents. As a society, China embraced the care of aging parents and mandated such care in its laws. Where children failed to meet this obligation, parents in need of support could demand support payments. Placing one’s parents in a nursing home or other institution was considered immoral. Therefore, China’s elderly
could expect to live out their days in the center of the family, with all their physical, emotional, and financial needs met by their children.

However, these traditional values have been challenged with the change of China’s family structure, especially after the implementation of the one-child-per-family birth control policy in 1979. A growing number of young single adults are now faced with the daunting prospect of caring for their parents and for their grandparents. Although most current caregivers have multiple siblings to share the responsibility for elderly parents, children of later generations will confront the tasks of caring for elderly parents by themselves. This is happening at the same time that China is confronted with a rapidly growing elderly population. China’s 144 million seniors represent 11% of the country’s total population. It is projected that the percentage of these individuals aged 65 years and older will grow to 22.2% between 2005 and 2040.

With the change in family structure and the rapid rise in the number of elderly along with their increased longevity, the demand for and acceptance of nursing homes have increased. Today, an increasing number of private nursing homes and formerly government-sponsored elder homes (which used to be reserved exclusively for elderly with no children and no other means of support) are providing an alternative to familial elder care. However, these facilities are small in number, of varying standards, and often too expensive for many elderly and their families. Although the country has more than 40,000 nursing homes for the elderly, they provide accommodations for less than 1% of the aging population. This rate should reach 5% to 8% to meet the practical needs based on international standards. The China National Committee on Aging, in collaboration with the Ministry of Construction, has been working on an appraisal and rating system for nursing homes consistent with international practices. In addition, the Chinese government recently formulated tax exemption and financial incentive policies to encourage private investment in nursing homes. Although the government’s efforts are encouraging, the cost of nursing home care is still beyond the reach of most seniors.

Recognizing the challenges facing its elderly population, China has focused its attention on policy concerns and practical proposals for a new social support system, the community care system for the elderly. Proposals include arranging community services that support the family’s efforts to keep the elderly living in the household. These would include forming community teams that visit regularly to provide services to meet the elder’s physical, economic, and emotional needs. The intent is that this community system, along with pension security, medical insurance, and social welfare, will provide the elderly with basic financial security. Pension and social welfare programs are also providing policy support and economic help in the development of nursing homes, senior housing, and other community services. A second initiative, the “Starlight Project,” has focused on building community centers that provide elder services. The investment in this project, 3.5 billion Yuan (US $1.63 billion), resulted in 20,000 centers being built in cities around China. These centers provide the elderly with services ranging from health advice to leisure entertainment. The government’s intent is to expand this program from China’s cities to the rural areas over the next several years. These new programs will increase the demand for nurses.

China has a ratio of 1 nurse per 1,000 people, a far lower ratio than the international average of 4 to 5 nurses per thousand. This nursing shortage is driven by a variety of factors related to social value, recruitment, and retention. China’s society traditionally values medical treatments but not nursing care. Nursing in China is a vulnerable occupation, with no professional organization to protect its interests. Students generally view nursing as an inferior profession. Many Chinese hospitals underestimate the nurse’s role and recruit more doctors than nurses. Moreover, most nurses are working in large
urban areas. The rural and western regions have much lower nurse staffing levels and thus a much greater need for nurses.

A second factor impacting low nursing numbers in China is salaries, which are low compared to other occupations. The entry-level salary for new graduates starts as low as 300 to 400 Yuan (US $37-$49) per month, not much higher than that of hospital janitors. Low salaries, along with heavy workloads and difficult working conditions, are negatively impacting recruitment and retention of nurses. During the past 5 years, nearly 13% of the nurses in China’s largest city, Shanghai, have left nursing positions for employment in other fields. The nurses who remained work under increasingly difficult conditions due to the growing shortages, and many express the desire to leave their present positions. In addition, although some urban hospitals are not willing to hire sufficient numbers of nurses due to financial considerations, many rural hospitals have openings but cannot attract the needed nursing staff. Finally, some nursing jobs have been lost when hospitals consolidated, merged, or even abolished their nursing departments and to recruiters offering better opportunities in other countries. China has not only a nursing shortage but also a rapidly growing need for nurses.

**MYTH 5: CHINA IS A DEVELOPING COUNTRY, AND THUS, ITS MAJOR HEALTH CARE ISSUES ARE DIFFERENT FROM THOSE OF THE UNITED STATES**

Chinese health care is plagued by inadequate governmental spending, lack of access to affordable health care, inefficient use of health care resources, and a lack of high-quality care. All of these statements could and have been voiced about the US health care system. Yet, many believe that China’s health care system is vastly inferior to the US system, and the problems it faces are very different. At the same time, the United States, which spends more on health care per person each year than any other country does, has not been able to establish a correlation between this investment and consistently superior health care services. The WHO, in their ranking of health care systems, places the United States as 37th of 190 countries, well below most of Europe and below Chile and Costa Rica.

Funding differences between the United States and China are vast, but in some areas, health measures are very close. In 2003, the US per capita expenditure on health was $5,711 (international dollar rate) compared to China’s $278. Although China’s infant mortality rate is much higher than that of the United States, in other measures, the WHO rankings find the US scores much closer to the Chinese scores. One example is the healthy life expectancy for males, which is 63.1 years in China and 67.2 years in the United States. In addition, China is making rapid improvements in some areas, including life expectancy at birth, which has increased by two-thirds during the past 50 years. A study on healthy lifestyles as a predictor of potential public health issues found that Chinese citizens had a slightly higher score than US citizens. Although the Chinese scored higher in diet quality, physical activity, and smoking, the US scores reflected higher use of alcohol. Obviously, each system has its strengths and weaknesses.

Health care in both countries is expensive. Approximately 50 million Americans lack medical insurance, and of the more than 1.5 million bankruptcies filed each year, about half are a result of medical bills. In 2004 alone, the number of uninsured in the United States rose by 13 million. When considering the cost of health care, it is estimated that 500 million Chinese find medical care unobtainable, even with the difference in population, which is more than twice the percentage of the uninsured in the United States.

For the rural Chinese, the good news is that there has been a move by the government toward more involvement in financing of health care in rural areas. However, recent efforts to establish new rural community-based insurance systems have been met with limited success, as the government stipend provided to help cover the low premiums was
not sufficient to encourage participation in a program that has very high co-payments. Wealthier and healthier participants netted more benefit, whereas the poor rural population continues to avoid participation due to the inability to pay.\textsuperscript{60}

The education of sufficient numbers of physicians and nurses remains a problem for China. Although China has almost twice the number of physicians as the United States, it has less than half the number of physicians required per 1,000 population.\textsuperscript{59} In addition to the numerical differences, US physicians receive a standardized education. Chinese physicians complete 1 of 3 types of medical programs. Most programs are secondary medical-pharmaceutical schools, which are 3-year programs. A second type includes medical-pharmaceutical universities, which range from 5 to 8 years. The third program is the TCM program. Chinese students are admitted to medical school based on national entrance examinations. However, there is no national licensing examination, and schools and universities are not measured by any national standard.\textsuperscript{51}

One area where the Chinese system performs better than the United States does is in the area of administrative cost. The United States allocates a phenomenal amount of its health care dollars to program administration. Growth in administrative costs has exceeded growth in national health expenditures.\textsuperscript{55} On the other hand, the proportion of administrative costs to total expenditures in China is negligible, and when evaluating that expense, there was no difference found between rural and urban systems.\textsuperscript{62}

Even with the disarray of the postsocialistic health system, the overall health status of the Chinese population has not decreased. This may be due to the fact that the level of funding has not decreased in recent years, and rising incomes in China led to better nutrition, clean water, and education.\textsuperscript{20} China has recognized the gaps in its systems and is spending time and resources on shaping a new system that may more efficiently cover both rural and urban areas.\textsuperscript{1}

Both countries are at a crossroads, and both countries are struggling to manage conflicting priorities. Realistic solutions are needed to control spiraling health care costs and improve the access to affordable health. If this can be accomplished, improved health outcomes will result for both countries.

**CONCLUSION**

Like every other country, China’s health care system is shaped by its history, culture, political system, and economic resources. Political and cultural changes in China over the last half of the 20th century have opened the door for China’s acceptance of contemporary Western medicine. At the same time, increasing acceptance and adoption of aspects of TCM by Western cultures are a testament to the value of wisdom gained over many centuries. In addition, China’s move toward a market economy has created many challenges in the area of health care. Efforts to understand these challenges require the separation of fact and myth. The common denominator among all nations is the need to provide citizens with affordable, accessible health care. China shares this challenge as well as the need for well-qualified nursing personnel, allocation of sufficient economic resources, and research to identify the most cost-effective treatment and delivery systems. The Chinese government is working to understand and address these issues, as is searches for solutions that will alleviate access problems and improve health outcomes for its citizens.

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