

Matching state's role to its capacity:
Need for methodology for resource allocation

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Health transition in China

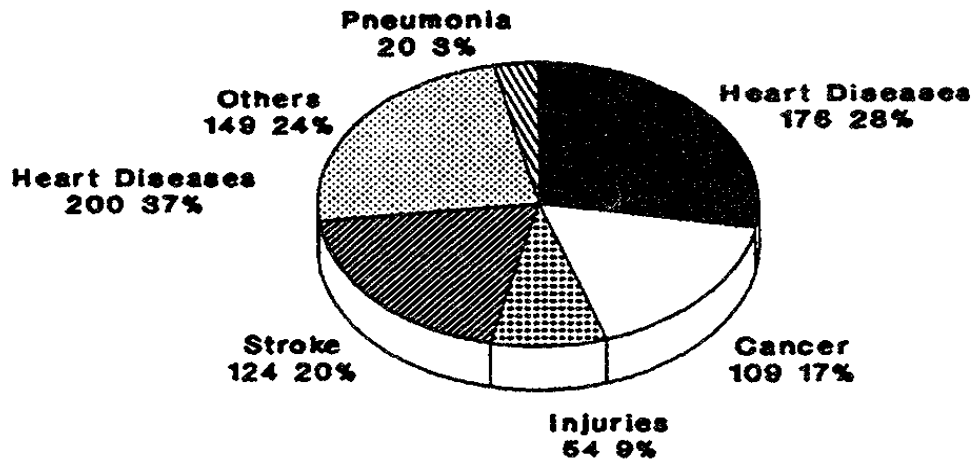
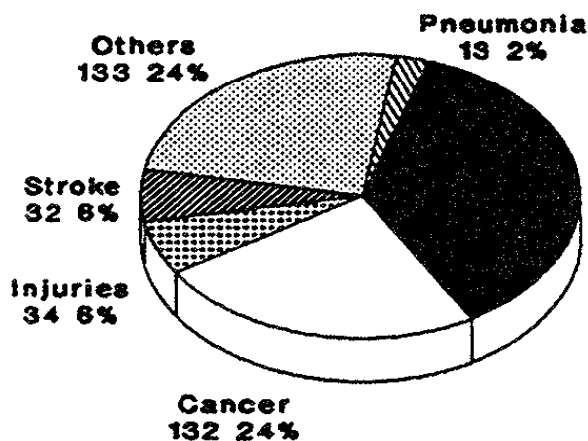
- Three forces
 - The relative change effect
 - The demographic change effect
 - The epidemiological effect
- Major leading causes of premature death
 - Shift from infectious disease to chronic disease

Chronic disease: major course of death

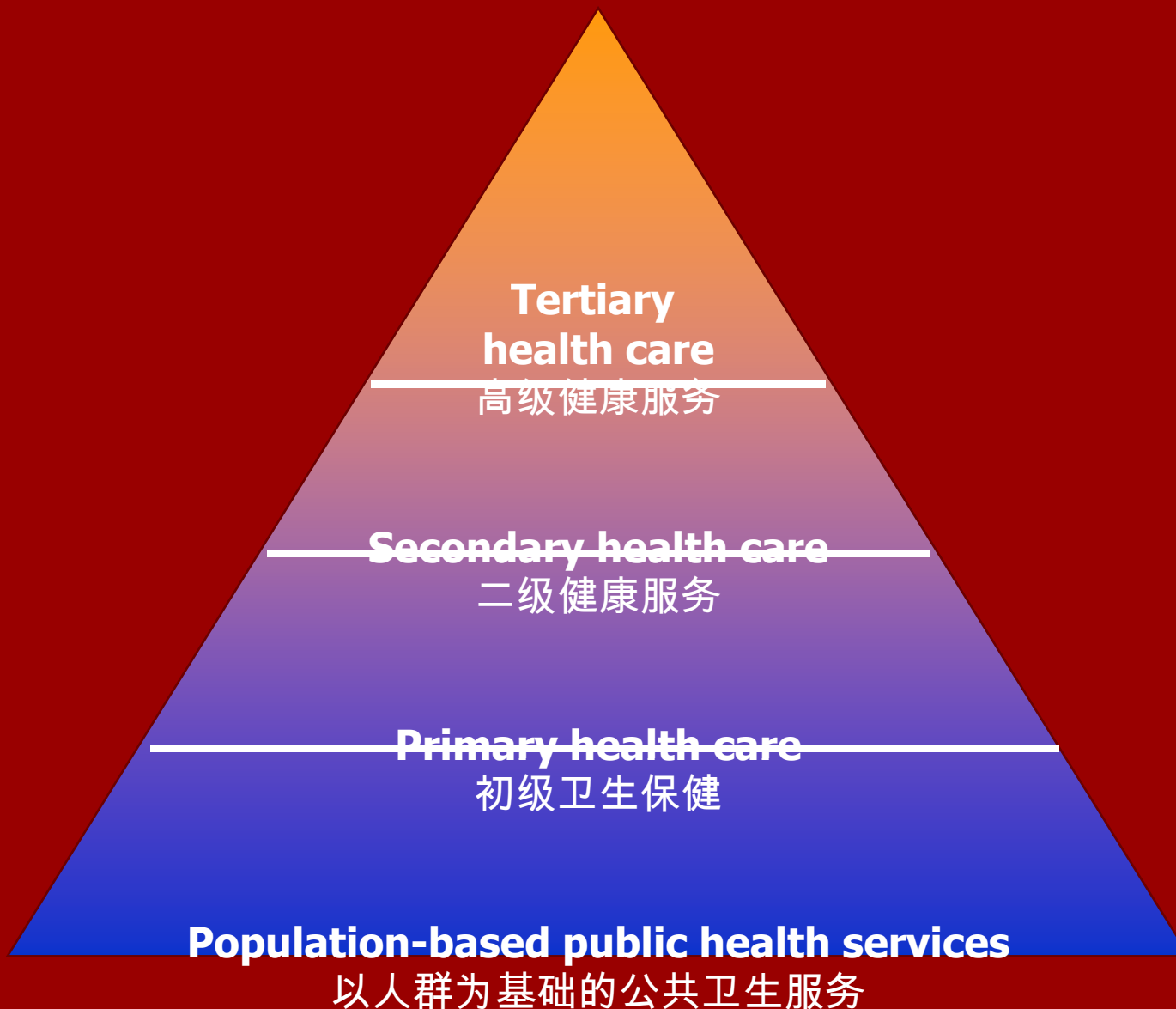
Age Adjusted Rates for Major Causes of Death in the U.S., 1985 and China, 1986

U.S. 1985 (Total = 546/100,000)

China 1986 (Total = 634/100,000)



Rational health system: Health services pyramid



Lessons of “Community Health Development”

- Primary prevention is effective means to deal with chronic disease
- Gov. promote establishing “Community Health Center”, but not regular financial support
- The established community center seek to provide treatment services which can generate profit for survival
- Consequently the community health center behave as clinic to provide treatment rather than primary care

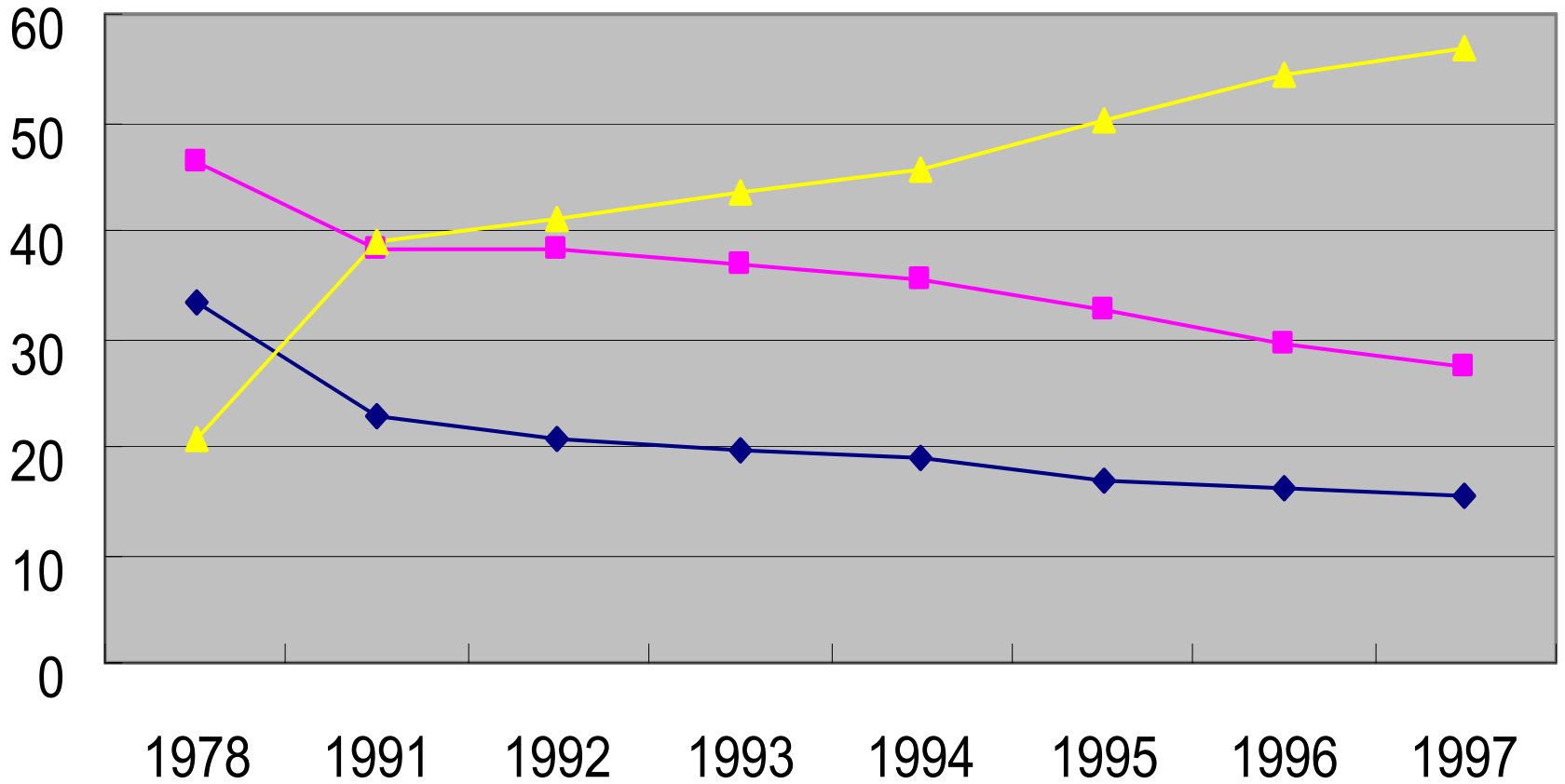


Tertiary care
and secondary care

Primary care

Cost escalating

Less effective and less efficient

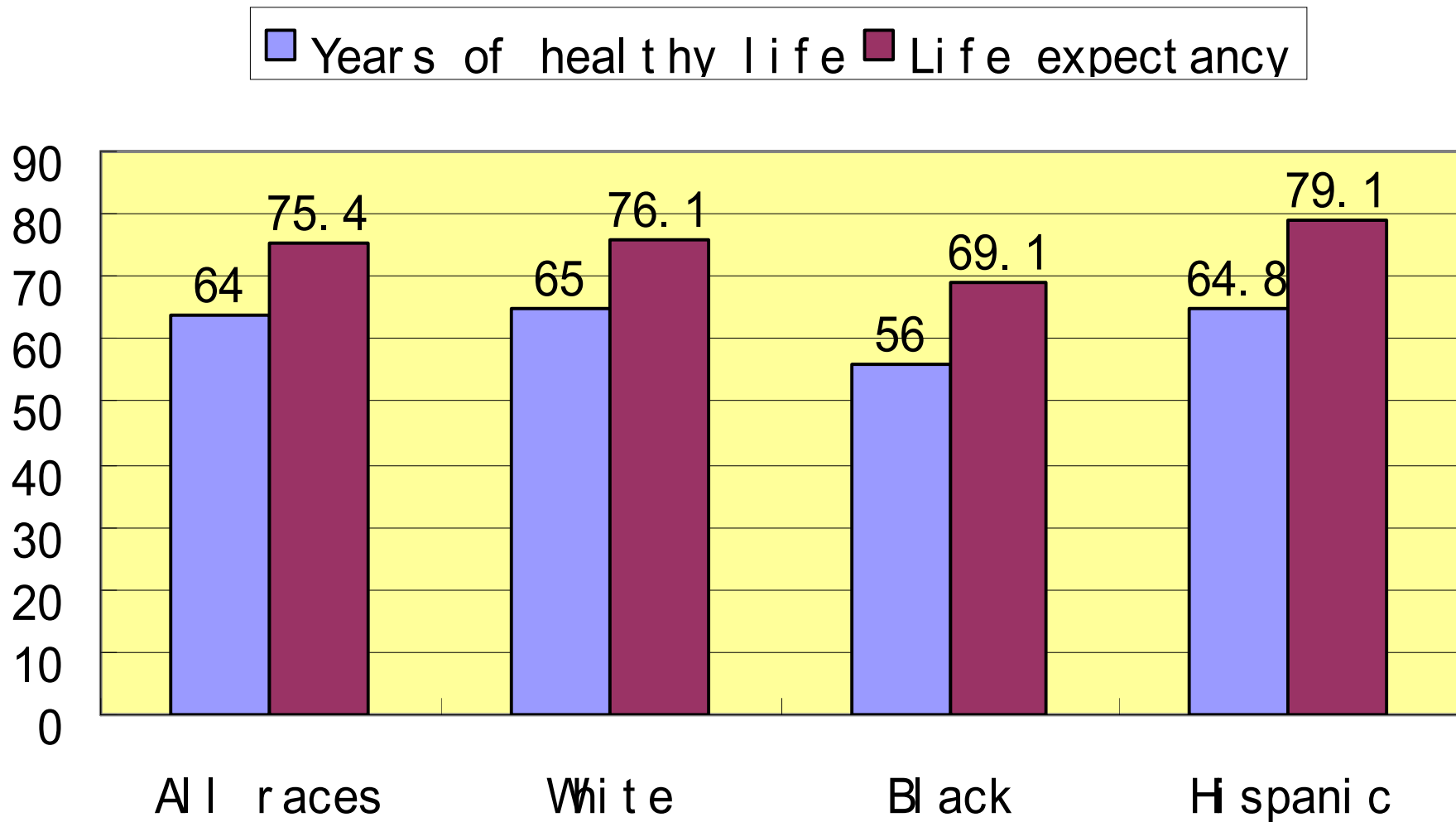


Data source: Ministry of Health

Matching state's role to it' capacity

- Public health, public financing
 - Dismantling gov.
 - Limited Gov. budget
 - Unrealistic policy
 - Distorted and fragmented health system by mismatch
- Possible solution
 - Matching state's role to it's capacity
- Means
 - How to select the most cost-effective intervention
 - How to measure health outcome
 - Life expectancy?
 - Span of Healthy Life?
 - Years of Potential Life Loss (YPLL)

Measuring Health Outcome?



Source: P. Erickson, 1990

- Strong need for methodology