

Reconstruction of Medical Aid System under the Dilemma of Poverty Caused by Illness

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Abstract. As the last line of defense in the medical security system, medical assistance should focus on the rural people in poverty as well as the marginalized people in poverty, playing an important role in preventing "poverty due to illness". As time goes by, poor people caused by illness have become the mainstream of medical assistance, gradually gaining the government attention. At present, the medical aid for the poor due to illness faces the following dilemmas: the lack of unified medical aid standards, the failure of government functions, and the difference in the regional collection of medical aid funds. Therefore, it is necessary to speed up the establishment of a unified medical aid system, improve the government's functions, and enhance the bottom-up support of medical aid combined with social forces, so as to increase the aid scale of those in poverty due to illness.

Keywords: Poverty Due to Illness; Medical Assistance; Governmental Function; Medical Aid Funds.

1. The Necessity of Reconstructing the Medical Aid System under the Dilemma of Poverty Caused by Illness

1.1 The Reality Level

As time goes by, the environment is suffering from serious pollution, leading to the risk of food safety. People are also faced with great psychological pressure and economic difficulties. With little health awareness, many people do not have healthy eating habits and living habits. Moreover, the society has less health knowledge popularization, making it difficult to draw people's attention. That is why people are clueless when diseases come. In China, more than 10,000 people are diagnosed with cancer every day, and on average, 7 people get cancer every minute. [1] According to the *Report on the Current Competition and Investment Scale Forecast of China Cancer Research Industry 2020-2026*, the number of cancer patients in China increased from 3.844 million in 2014 to 4.285 million in 2018, and it is expected to increase to 5.696 million in 2030, with a rising trend. The huge figure does not include other diseases, such as chronic diseases, rare diseases and other difficult diseases, etc. If these patients are included, the number can be very large. According to the *China Health Statistics Annual 2020*, in China, the medical cost per inpatient in public hospitals in 2019 was 10,484.3 yuan, while the average medical cost for inpatients suffering from malignant tumors, gastric malignant tumors, acute leukemia, and other diseases were over 20,000 yuan. The reimbursement amount of basic medical insurance has different coverage ratios in different provinces, cities, and districts, but almost all of them are above 50%. Therefore, patients need to bear part of the cost, which is enough to overwhelm many families that could maintain a stable life. Such families, whose poverty is caused by illness, are the object of the paper. Before the arrival of patients, these families could make ends meet or keep part of their savings, not very rich but not poor either, so they cannot withstand the sudden changes in their lives.

1.2 The Theoretical Level

After the 18th Party Congress, the Party Central Committee kicked off the battle against poverty. Through twelve years of relentless efforts, finally at the end of 2020, the task of poverty eradication was completed as scheduled, enabling poor areas and poor people to enter a moderately prosperous society in all aspects. With the background of absolute poverty elimination, relative poverty becomes

particularly prominent, and the focus at this stage should also shift from solving food and clothing problems to improving basic living conditions. [2] It is also mentioned in the *Implementation Opinions on Consolidating and Expanding the Achievements of Effectively Linking the Medical Security against Poverty to the Rural Revitalization Strategy* that the current stage is in the transition period of linking the rural revitalization strategy, and the bottom-line task is to prevent the return of poverty on a large scale and the emergence of new poor people. As the treatment of diseases is a long and repeated process, people who return to poverty due to illness are those who fluctuate above and below the poverty line. Thus, how to prevent these people from returning to poverty is the key issue to be solved at this stage. Shanghai, where expenditure poverty, including poverty due to illness, was first identified, launched a pilot study on expenditure poverty assistance in Jing'an District as early as 2008. In 2018, Shanghai expanded the scope of medical assistance and included "poverty due to illness" for the first time in the *Shanghai Social Assistance*. The recent *14th Five-Year Plan for National Healthcare Security* mentioned that to win the battle against poverty with high quality healthcare security, a basic legal framework for the rule of law in healthcare security is needed. Therefore, the formulation of the *Medical Security Law* is an urgent task of the *14th Five-Year Plan*. Besides, *Medical Assistance Regulations* are also proposed to be formulated, so as to stabilize the last line of the medical security system. As a key group of people in the new era of medical assistance, the identification of "poverty due to illness" should also be the focus of future regulations. Since 2018, the National Health Insurance Bureau has attached great importance to strengthening medical assistance as a bottom-up guarantee and issued many documents to make detailed arrangements. The scope of the assistance recipients has been gradually expanded. At present, 13 provinces have clearly defined the identification criteria for patients with serious diseases from families suffering from poverty due to illness at the provincial level. [3] However, there are 34 provincial-level administrative regions in China. It will take some time for other provinces to set the criteria, so the people in need are treated unequally nationwide. From the *14th Five-Year Plan for National Healthcare Security*, a blueprint can be seen, which provides a basis for improving the laws related to medical aid. Meanwhile, the provinces that have already defined the criteria for determining "poverty due to illness" can also provide a realistic reference for other provinces that have not yet formulated or are preparing to do so.

2. The Constraints of the Medical Aid System under the Dilemma of Poverty Due to Illness

Regulations on medical assistance lie in the fifth chapter of the *Provisional Measures for Social Assistance* (PSMA) (State Council Decree No. 649). It stipulates the assistance recipients and criteria hoping that the medical assistance can be effectively combined with other medical insurance. The PSMA was promulgated in 2014, which can no longer meet the current needs. It is only recently that the group of "poverty due to illness" has received the attention of society and the government, who has not been covered in the previous regulations. The imperfection and lag of the law makes it difficult to provide timely assistance.

2.1 Inconsistent Standards of Medical Assistance

According to the PSMA, the objects of medical assistance include families with minimum living security, people in special hardship, and others in special hardship above the county level as stipulated by the government. [2] The provision is not so clear and specific, mainly based on the economic level and medical aid funds to determine the poor groups, thus giving the people's governments above the county level a lot of discretion. Whether other special hardship groups include those who are "poor due to illness" varies from province to province. Therefore, in the paper, examples from Eastern, Western, and Central regions are taken to learn the differences of assistance standards.

In the Eastern region, Beijing, for example, the issues related to medical assistance for poor families caused by illnesses were explored one year after the introduction of the PSMA. Three aspects,

namely income and expenditure, family property and family members, are used as the conditions for assistance recognition. Following normal reimbursement through other insurance policies, the remaining expenses are reimbursed at three levels: 30% for no more than 30,000 yuan, 40% for from 30,000 yuan to 50,000 yuan, and 50% for more than 50,000 yuan. Only one application can be made per year with the maximum amount of 80,000 yuan.

In the central region, Hubei Province, for instance, as stipulated in the *Implementation Measures for Social Assistance in Hubei Province*, subsidies will be provided for the basic medical expenses that individuals and their families can hardly afford after paying through basic medical insurance, major disease insurance and other supplementary medical insurance. Moreover, outpatient assistance will be offered for patients with chronic diseases and serious illnesses that require long-term drug maintenance.[3] These regulations show that Hubei Province will help families in need due to illness, but the scope of poor families eligible for assistance is not clear.

In the western region, Chongqing, for example, the *Opinions of Chongqing Municipal People's Government on Further Improving the Urban and Rural Medical Assistance System* (Yufufa [2012] No. 78) does not include people who are "impoverished due to illness". However, in the further notice issued by Chongqing government recently, it has been clarified that the "poverty due to illness" group belongs to the group of medical assistance. For the severe patients in such families, the self-paid expenses after medical assistance can also be subsidized at a rate of no less than 50%. In addition to raising the assistance amount for patients with serious illnesses, the minimum assistance ratio for general illnesses of key assistance recipients is also adjusted to 70%. As for the other aid recipients, the minimum medical aid ratio for general illness hospitalization is adjusted to 60%.

It can be seen from the regulations above that each city has different criteria for "poverty due to illness". Beijing has clear identification standards and assistance percentages for those who are poor due to illness, but it sets a maximum assistance limit and restricts it to once a year. Hubei Province does not specify the assistant objects and ratio, only stating that assistance will be given to families who cannot afford the financial pressure of illness. Chongqing has a very narrow definition of this category, only considering patients with serious illnesses and key assistance recipients with common illnesses. Families in need due to other illnesses are not covered. The main reason for the different assistance standards of these cities is the lack of a clear legislation. Therefore, a unified medical aid standard can help eliminate the unfairness between regions in providing effective aid to such families.

2.2 The Absence of Efficient Government Functions

China's medical security system includes urban employees' medical insurance, new rural cooperative medical system, urban residents' medical insurance, urban and rural residents' major disease insurance, commercial insurance, and medical assistance. Although almost all people enjoy insurance, they still face financial pressure from illness. There are two reasons.

The lack of effective connection between various medical insurances. The current reimbursement rate of each health insurance almost reaches 50% or more. If they are effectively combined, the reimbursement rate will be higher and people will pay less. The lack of a well-developed healthcare security regulation in China has led to an ineffective connection between various insurance policies. Since each insurance was introduced successively as time progressed, the insurance system is contemporary in nature. It was adequate for the development conditions at that time, but at present, an effective combination of insurance can show the biggest advantage. Especially for the poor due to illness, it can bring more help to the patients.

Unequal information. People have to run back and forth between multiple departments from seeing a doctor to getting reimbursed, because they do not know where they can be reimbursed and what procedures they need to go through. The amount of reimbursement varies from hospital to hospital, with some offering higher reimbursement rates and others offering lower ones. The lack of information often results in people not being reimbursed for going to a wrong designated hospital, or not receiving the maximum amount of reimbursement. The reimbursement process is inconsistent between departments, so many people have to go through the reimbursement process several times

due to incomplete procedures, leading to a long reimbursement time. The reason for those is that the government does not promote the medical reimbursement knowledge in time, leaving them in a state of blindness. Many of the poor due to illness are special. Their family income may not fall below the poverty line, but they cannot afford the high cost of medical care, falling into financial difficulties. Many cities offer medical assistance to these people, but they may not be aware that they are eligible, causing delays. Information is very important. If the relevant policies introduced were not known, they could not work at all.

2.3 Uneven Fundraising for Medical Assistance

Medical assistance is not only an important component of the national basic medical security system, but also a basic tool for solving the poverty problem caused by illness [4]. At present, the medical assistance funding is managed on a territorial basis, and the specific proportion of fund raising and sharing between provincial and sub-provincial governments is mainly decided by each province itself. Although the central government constantly emphasizes the need to strengthen the responsibility of provincial financial expenditures, there is no "rigid" regulation on the proportion of financial sharing of medical assistance funds by governments at all levels. Instead, it only requires each place to "determine according to the local financial situation, the number of protected objects and other factors" [5]. This indicates that the expenditure of local medical assistance depends to a large extent on the discretion of the provincial government, and this discretionary space is the reason for the uneven funding of medical assistance in various regions. Each province varies in its level of economic development. Provinces with good economic development will naturally have more funds at their disposal, and they will be willing to take on more responsibility to allocate more funds for medical assistance to each region under their realm. On the contrary, those where economic development is not so favorable will increase the financial pressure on the local government and let the local government raise funds on its own. However, the local government's fund-raising capacity is more limited, which will lead to a lack of funds to help the people in need. In both cases, it is obvious that the people in need of assistance in different cities are not equally subsidized, which is not conducive to improving the welfare of the people concerned. Therefore, only a reasonable division of responsibilities among governments can help achieve a balanced public service.

3. Reconstruction of Medical Aid System under the Dilemma of Poverty Caused by Illness

As the last line of defense for people's livelihood, medical assistance plays a vital role in the medical security system. The group suffering from poverty due to their illnesses is now the major group of people in need of medical assistance. Based on the constraints mentioned above, it is easy to find that this group of people is facing the problems of ineffective assistance and inequality, etc. To solve these problems, the paper presents the following ideas.

3.1 Establish a Sound and Integrated Medical Assistance System

3.1.1 Identify the People in Need

Some of the existing policies are designed to provide assistance to the impoverished in rural areas, neglecting some special groups in urban areas. Therefore, the coverage of identifying people stuck to poverty due to their illnesses should be expanded from rural to urban areas. With the rapid development of the society, this special group can be found in the cities. They can satisfy their own needs and their income is not in the scope of the poor, but because of the high cost of treatment, the family is close to poverty. These people also need extra help from the government. Therefore, it is also necessary to pay attention to the group in urban areas.

3.1.2 Set a Uniformed Minimum Assistance Limit

Realistically speaking, it is impossible to fully reimburse the people who need assistance at this stage, and some provinces have a maximum amount of assistance for the assistance standard. However, as for to what extent should the "maximum" be set, there are different standards for different provinces. Therefore, it is necessary to make a most reasonable standard according to the economic development level of different provinces. Certainly, the maximum limit should be set at a as high level as possible, but a high maximum limit will put more financial pressure on the government. Since it is impossible to specify a maximum standard, a uniform minimum limit of assistance should be established in order to avoid excessive regional differences that lead to extreme inequity, so that everyone can receive help within a reasonable range. Considering the different levels of development in each region, for those who cannot be reimbursed according to the minimum limit, the central government or other provinces with surplus funds should help those provinces in need. Through the vertical allocation and horizontal help, it can make the medical assistance maximize the relief function. Only by enhancing the function of medical assistance to support the bottom line can we establish a long-term mechanism to prevent and solve the problem of poverty caused by illness.

3.1.3 Provide Funds in Accordance with the Certain Type

There should be a clear classification of people suffering from "poverty caused by illness" in terms of the degree of need for help from the most serious to the least serious. For families in need of a large amount of money, medical assistance fund is what they urgently need, and medical insurance should be the foil for it. This is because these people need a long-term assistance, and it may be difficult to help them out of their plight by the assistance fund alone. By combining with other medical insurance, not only can the excessive expenditure of the assistance fund be relieved, but also it can largely help these people in difficulty. For people who need low or high assistance, they can use other medical insurance to solve the problem, and the assistance will be provided when insurance alone cannot settle the problem. By classifying the recipients of the assistance according to their severity and combining them with other medical insurance, the scope of assistance can be expanded.

3.2 Governments at Higher Level should Set a Model for Reference

3.2.1 Establish more Service Windows for Medical Insurance Transmission

According to the State Council's newly released "*Opinions of the National Health Insurance Administration on Optimizing Convenient Services for the People in the Health Insurance*" (No. 39 of 2021), it can be seen that improving convenient and efficient health insurance services for the people is of utmost importance. With regard to the problem of saving time and cost for those people in need, it is necessary to improve the efficiency of the government and optimize the government's business functions. The *Opinions*, mentions that the medical insurance service windows should cover over all types of insurance in the medical security system. If it is realized all over the country, it can efficiently solve the people's needs for medical services. This year, Shanggao County in Jiangxi Province set a comprehensive window for social assistance, integrating more than 40 pieces data from more than 20 departments such as civil affairs, education, justice and medical insurance, setting up a database for matching assistance information and building a rapid response mechanism for departmental linkage to provide rapid assistance to people in difficulty due to illness and disaster [6]. The establishment of such a comprehensive window can quickly help not only the people suffering from poverty due to illness, but also other people in need of assistance, which is conducive to the people in need of assistance, so it is extremely urgent to speed up the construction of such a window.

3.2.2 Governments Should Take the Initiatives in Prevention

As mentioned above, people suffering from severe diseases are on the verge of poverty. Therefore, it is not only essential to provide assistance afterwards, but also to prevent such cases beforehand. Since this year, Zhangjiagang Civil Affairs Bureau has set up an early warning system for families with difficulties in ensuring basic living condition. By using the big data analysis of Zhangjiagang

social assistance management platform, in combination with grid management and manual visit, the Bureau has been able to identify and help the neglected minority groups among the needy groups. Apart from the work done online, they also made offline effort. The government should organize social assistance workers and grid workers at all levels (municipalities, towns and villages) together and set up a department for special groups in need, and involve social organizations and the general public in social assistance. They initiatively find the potential needy people, and then learn their situations by inviting professional relief workers to visit their homes, so as to provide reasonable and scientific assistance to these groups. This pattern can effectively change post-event relief into pre-event intervention, which can effectively alleviate the difficulties of the poor people in the city, improve the assistance efficiency and reduce the waste of assistance resources. Zhangjiagang City has issued 352 early warnings on the platform about poverty caused by illnesses through this model, and has distributed 769,500 yuan in basic living subsidies^①. Through this real case, the need to establish an effective relief network platform can not only greatly improve the efficiency of government work but also enable the government to identify the people in need of assistance and provide accurate services for such people timely. The medical assistance is not a task of a single department, but the result of the joint efforts of several departments, so the wireless connection between departments is also very important.

3.2.3 Proactively Serve the Citizens

Due to the imbalanced development among regions, not all cities are capable of having a well-developed online assistance service platform like Zhangjiagang's. Though the efficiency of the online platform is high, the offline efficiency (e.g., in-person visit) of medical assistance is also reliable and efficient. Neighborhood committees and village committees, which are the closest government departments to the people, should take the initiative to provide services for the households and inform them of the latest policy. They should be proactive to understand the family situation under their jurisdiction, and should keep a record of the family living under the average level or in difficult situations, visit them at any time, and take the initiative to care about their practical needs. When they encounter people in need of assistance, they should promptly help them contact the relevant departments to evaluate their situation and help them get assistance as soon as possible. The people's education level varies, and their ability to obtain effective information is limited. The neighborhood or village committees should publicize the relevant policies well, so that the people do not miss out on the benefits of assistance. To ensure smooth progress of the assistance work, the senior leaders must organize the training for the neighborhood committees and village committees.

3.3 Improve Fundraising Ability

At present, the funds for medical assistance programs in China come from the central and local governments in the form of financial transfers to fund management agencies, which ultimately benefit the recipients by reimbursing, reducing or waiving part of the medical fees, and paying the cooperative medical insurance premiums on their behalf [7]. As the old Chinese saying goes, "There is strength in numbers". The same is true for raising assistance funds. If the government relies merely on its strength, it is difficult for the majority of the special group of people to get out of the predicament completely. Only the combination of social forces will be strong enough to help more people.

3.3.1 Governments should Take the Lead

The government can take the lead in setting up a special fund for people who suffer from poverty due to illness, and advocate that people from all provinces and municipalities who want to join it. At the same time, the government can conduct public meetings from time to time to help this special group by popularizing the social difficulties faced by this group, so that other people in society can pay attention to them. The government should also effectively coordinate with other private foundations related to health care, so that resources can be shared among them to help the people

concerned, which can effectively achieve rational use of funds and avoid wasting resources. With effective government management, it is also possible to prevent misuse of the fund.

3.3.2 Create Online Information-sharing Platforms for Charity

In the Internet era, the use of online platforms can solve problems more effectively. The establishment of these platforms allow those in need of help to release information. The backend staff should monitor the data and report them to the corresponding department as soon as possible to ensure that they can pay a timely visit to those in need and offer them help. The staff can also make them verified on the platform so that more people will help them without doubting whether it is true or not. [8] Benevolent people will help such groups in their own way, such as donating money, goods or offering jobs. This not only reduces the pressure on the government, but also allows the recipients to feel the care of the community, and the caring people will also feel happy that they have helped others. Most of the patients will now help themselves through a private platform shuidichou.com. Although this platform claims that they do not charge agency fee, it still has its own profit model. Therefore, it cannot be called as a pure charity organization. Platforms built by the government, instead, will be accepted by the massive more easily.

4. Conclusion

It is now in the transition period of what the rural revitalization strategy plans, and preventing poverty caused by illness is a key task in this period. In order to finish the tasks in the transition period with high quality, it is necessary to establish the basic legal framework for health care insurance. Therefore, The Medical Security Law should be enacted quickly to provide a legal basis for the existing medical security system, and the Medical Assistance Regulations should be drafted to guard the last line of defense of the medical security system for the people. With the development of the times, more and more people cannot afford to cure diseases and are afraid of getting sick, so the group of people who suffer from poverty due to illness has become the mainstream group of people in need of medical assistance at this stage. However, the existing medical assistance standards do not fully cover this group of people and cannot meet their needs. The differences among cities also lead to different scope of assistance for them, resulting in a failure to treat equally. Therefore, it is necessary to clarify the scope of the medical assistance system and the criteria for identifying such people. Meanwhile, it is also necessary to integrate the medical assistance with other basic medical insurance and commercial insurance, so that the medical assistance system can help them more precisely and effectively.

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