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## **Assessment of Rural Health Purchasing Arrangements in China**

Background: Strategic purchasing aims at maximizing health system performance and takes the health preference of people as basis to decide which interventions should be purchased, how and from whom they can buy them. At present China, the purchasing arrangements are not perfect and several issues should be resolved urgently. Moreover, the limited research findings have not proposed effective solutions. Therefore this research project is considerably necessary and significant. The objectives of this study is to describe the purchasing arrangements in current China, analyze the factors which block the system performance, and propose what roles are purchasers expected to play in progress towards universal health coverage (UHC) from the perspective of strategic purchasing. Methods: This study applies the model of multiple principal-agent relationship to the examination of relationships among the performers within the new rural cooperative medical scheme (NCMS) in China. We obtain information from case study and qualitative study by interviewing key people. Three provinces including Qinghai, Henan and Shandong have been chosen as our study sites with purposive sampling. In addition, provincial and county level leaders will also be interviewed. We critically assess the actual purchasing performance by comparing it with ideal strategic purchasing mechanism, recognize hindering factors which influences the system's performance, and finally propose suggestions for policy making. Results: The results indicate that the accessibility, efficiency, and quality of primary health services in present China are low. Practice of strategic purchasing is limited and the purchasers could not fully represent community's preference. Meanwhile, purchasers are lack of control on healthcare providers and stewardship of government is not adequate. Conclusions: Enhancement of strategic purchasing mechanism needs to better coordinate principle- agent relationships between different actors, create appropriate incentives by adopting mixed provider payment methods and contracting with providers. Key words: Strategic purchasing; multiple principal-agent model; financing; people preference