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Income related inequalities in New Cooperative Medical Scheme: a five-year empirical study of Junan in China

Background The Chinese New Cooperative Medical Scheme (NCMS) was launched in 2003 aiming at protecting the poor in rural areas from high health expenditures and improving access to health services. The income related inequality in NCMS is a debating and concerning policy issue. The purpose of this study is to analyze the degree and changes of income related inequalities in both inpatient and outpatient services among NCMS enrollees from 2007 to 2011. **Data and methods** Data was extracted from NCMS information system of Junan County in Shandong province from 2007 to 2011. The study targeted all NCMS enrollees in Junan, 726850 registered in 2011. Detailed information included demographic data (age, sex, etc.), inpatient and outpatient data (visits/admissions, length of stay (LOS), total expenses, reimbursement and self-payments) in each year. Descriptive analysis and standardized concentration index (CI*) were employed to examine the equalities in both inpatient and outpatient care. **Main Results** For inpatient care, the benefit rate CI* was positive (pro-rich) and increased from 2007 to 2011 while for outpatient care was negative (pro-poor) and a decreasing pattern was observed. For outpatient visits and expenses, the CI* changed from a positive sign in 2007 to a negative sign in 2011 with some fluctuations. The pro-rich inequality exacerbated for admissions while alleviated for LOS and total inpatient expenses. The pro-rich inequality for inpatient reimbursement aggravated from 2007 to 2010 and alleviated from 2010 to 2011. The richer enrollees needed to afford more self-payments for inpatient services while the inequality for outpatient self-payments changed from pro-rich in 2007 to pro-poor in 2011. **Conclusions** In NCMS, the pro-rich inequality dominated for inpatient care while a pro-poor advantage was shown for outpatient care from 2007 to 2011. The extent of pro-rich inequality in LOS, inpatient expenses and inpatient reimbursement increased from 2007 to 2009, but recently between 2010 and 2011 showed a change favoring the poor.