



Analysis of the Provincial-level Overall Planning Path of Basic Medical Insurance from the Perspective of Incrementalism

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Abstract: Objective — To analyze the situation of the provincial-level overall planning of basic medical insurance in China, so as to put forward some suggestions on the path of promoting the provincial-level overall planning in China. Methods — By means of literature search and incremental analysis, a systematic study was conducted on the current situation and implementation path of the provincial-level planning of basic medical insurance in China. Results — At present, only some provinces have achieved provincial-level overall of some insurance types, and the overall paths of these provinces basically incubate the principle of incrementalism. The overall planning of benefit has transitioned from “one system and multiple tranches” to a unified system; the overall planning of fund has transitioned from the risk adjustment mechanism to fund unified revenue and expenditure; the overall planning of regional is characterized by gradual progress by region; the overall planning of insurance types is basically advanced in the order of first employee medical insurance and then resident medical insurance. Conclusion — The general path of provincial overall planning should follow the principle of incrementalism. On the premise of ensuring policy stability, provincial overall planning should be gradually promoted in stages, tasks, regions and types of insurance.

Keywords: incrementalism, basic medical insurance, provincial overall planning, path analysis.

1. Introduction

In the initial stage of China's basic medical insurance system, the basic medical insurance for urban employees and the basic medical insurance for urban residents requires that the administrative districts above the city level be the overall planning unit, and the county can also be the overall planning unit. At present, China's basic medical insurance has basically completed the overall planning at the municipal level, and the planning at the provincial level is being explored. The goal of this paper is to analyze the path of provincial overall planning and put forward corresponding countermeasures and suggestions.

2. Research methods

The research method of this paper is mainly based on the theory of incrementalism, which was proposed by American political scientist Charles E.Lindblom in 1959. The achievement of policy objectives is seen as a gradual process. Under the premise of ensuring social stability, the decision-making goal can be gradually achieved by revising the current policy step by step[1]. It requires decision makers to pay attention to reality when analyzing policies, formulate policies based on the original policies, and regard the decision-making process as a mutually adaptive strategic process[2]. Incrementalism can also be applied to the process of provincial co-ordination. In the process of promoting provincial co-ordination, an incremental mode of provincial co-ordination should be adopted instead of an overnight reform method.

3. Results

At present, the progress of promoting provincial-level coordination across China is not synchronized. Most provinces have completed municipal-level coordination of basic medical insurance, but only Beijing, Tianjin, Shanghai, Chongqing, Ningxia, and Hainan have achieved provincial-level medical insurance for residents and employees. Qinghai has only achieved provincial-level coordination of residents' medical insurance, while Tibet and Fujian have only achieved provincial-level coordination of employee medical insurance.

3.1 Unification of treatment standards

Benefit co-ordination is the most basic content of provincial co-ordination. Specifically, it should include unified coverage, unified medical insurance catalog, unified financing standards, and unified treatment standards. At present, the coverage and medical insurance catalog in most parts of China have been consistent with the national regulations. The key

content is the unification of financing standards and treatment standards. Among the provinces in China that have achieved provincial-level overall planning, with the exception of Tianjin and Chongqing, which are "one system with multiple tranches", the rest have achieved the unification of funding and treatment standards within the province. "One system and multiple tiers" means that under the same policy framework, the financing and treatment standards are set in different grades. Low payment corresponds to low treatment, and high payment corresponds to high treatment[5].

From the perspective of incrementalism, it is reasonable to use "one system and multiple tranches" as a transitional policy with unified funding and treatment standards. This is mainly due to the rigidity of welfare. In the process of provincial overall planning, treatment standards can only be unified to the highest standard. In order to ensure that the insured can continue to participate in the insurance, the financing standard can only be unified as the minimum standard. Therefore, if the financing and treatment standards in the province are too different, the province's minimum financing standards and the highest treatment standards will be directly unified across the province, which may have a greater impact on the medical insurance fund. Areas that choose the multi-level system are often due to the large difference in economic level between urban and rural areas. With the improvement of economic level, the disparity of residents' disposable income gradually narrows, and treatment and financing can also be merged from the multi-level system to the one-level system[6].

3.2 Unification of fund pools

Fund co-ordination is the most critical part of provincial co-ordination, and municipal and prefecture-level co-ordination make medical insurance funds unable to complement each other, thus making medical funds not fully utilized and reducing the ability of basic medical insurance to diversify and transfer risks[7]. When the management authority of the medical insurance fund is transferred to the provincial level, the medical insurance fund can realize mutual aid in the whole province, thereby improving the fund's ability to resist risks. The content of fund co-ordination mainly includes the management of income and expenditure of the medical insurance fund and the management of budget and final accounts. The former ensures the mutual aid of the fund at the provincial level, and the latter clarifies the rights and responsibilities of various regions and controls risks.

The revenue and expenditure management mainly includes the adjustment fund model and the unified revenue and expenditure model. The difference between the two is the ownership of the management authority of the medical insurance fund. The adjustment fund model is that the municipal level only needs to transfer the prescribed part of the medical insurance fund to the provincial account. Most of the remaining funds can still be retained in the municipal account, which is managed by the municipal medical insurance department. The funds handed in by cities are used as transfer funds, which are uniformly dispatched and used by the provincial medical insurance departments throughout the province. The unified revenue and expenditure model refers to the establishment of a special account by the provincial finance department to conduct unified management of the provincial medical insurance fund. Among the provinces that have achieved provincial-level overall planning, except for 4 municipalities directly under the central government, the provincial-level unified revenue and expenditure of the fund has been directly realized, and the rest of the provinces have adopted the transition from the transfer fund model to the fund's unified revenue and expenditure.

Table 1. Time to realize provincial adjustment funds and unified revenue and expenditure

Province	Employee medical insurance		Resident medical insurance	
	adjustment fund model	unified revenue and expenditure model	adjustment fund model	unified revenue and expenditure model
Hainan	2012	2020	2016	2019
Ningxia	2017	2021	2015	2021
Tibet	2009	2019	-	-
Fujian	2019	-	-	-
Qinghai	-	-	2016	2021

4. Discussion

4.1 Unification of treatment standards: adopt one system and multiple gears to gradually transition

For provinces with large gaps in financing treatment standards before provincial co-ordination, the treatment co-ordination can first achieve the unification of the medical insurance catalog and coverage. The financing and treatment standards should be combined with the financial capacity of each region and the medical expenses, and gradually transition to a unified policy and treatment by adopting one system and multiple files. Compared with the one-time adjustment plan,

the gradual adjustment plan has less annual pressure on the fund and is easier to implement. However, from the perspective of fairness, the one-system multi-level resident medical insurance is linked to the payment level through medical insurance benefits, and multiple payment standards are established. Low-income people may choose a model with low payment standards and low treatment levels. This will cause the high-income group to occupy the medical resources that the low-income group should have, which is not conducive to the basic medical insurance to achieve its social welfare redistribution goal[8]. Therefore, regions that adopt one system and multiple levels of transition need to set up a policy transition period. As the gap between urban and rural residents' disposable income gradually narrows, the gap between different levels will be continuously narrowed during the transition period, and ultimately the goal of unifying policies and systems will be achieved.

4.2 Unification of fund pools: Adopt the transfer gold model to gradually transition

For provinces with a large number of insured people and insufficient medical insurance fund balances, the transitional mode of transfer funds can be adopted. First, keep the medical insurance fund accounts in various regions, and formulate corresponding transfer plans according to the fund gaps of different amounts, so as to give full play to the management of fund budget and final accounts. It will synergize the provincial adjustment funds and local finance, and fully stimulate the driving force of the cities and counties to control the medical insurance funds. However, the amount of medical insurance adjustment funds that can be used for overall adjustment within the province is very limited. The medical insurance fund has not been used as a whole in the whole province, and the revenue and expenditure accounting is still carried out on a city (county) unit. Small-scale overall planning The revenue and expenditure risk has not been fundamentally resolved[9]. Therefore, in the long run, it is necessary to gradually increase the proportion of adjustment funds and solutions. When the balance of the medical insurance fund is relatively sufficient, the unified revenue and expenditure of the medical insurance fund in the whole province will be finally realized.

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