



## Public, Private and International Healthcare in SHANGHAI













## Overview

Shanghai is the most populous and, arguably, the most modern city in China. Home to residents both local and expat, and of all social and economic demographics, Shanghai is renowned for its cosmopolitan history and intriguing mix of ancient culture and modern infrastructure. Residents of Shanghai will find a range of healthcare options to fit their budget and preferred language – but be aware that medical standards and practices vary greatly between the public and private sectors.



In China, change has become the norm. With a population of 1.3 billion and radical political and demographic shifts during the past century, China is anything but stagnant. The nation's healthcare system, too, is constantly transforming.

At the beginning of Mao's rule in 1949, healthcare was emphasized as a national concern and the private system was destroyed in favor of publically run hospitals. Unfortunately, subsequent political turmoil and famine during the 1950s substantially weakened the nation's public health sector. The barefoot doctors program of the 1960s brought some relief to rural areas: funded by the government, it sent urban medical staff to train community-based doctors on how to treat illnesses and dispense preventative care.











However, at the end of the Mao era in the 1980s and 90s, funding for barefoot doctors and other public healthcare decreased significantly. Physicians began to operate on a fee-for-service basis instead, effectively moving healthcare for the majority of Chinese into the private sector. As most people in China were uninsured during this time, healthcare was only available to those who could afford it. Communicable diseases, such as tuberculosis, became a serious threat, especially in rural areas.

Over the past 25 years, healthcare in China has improved immensely. Following the SARS outbreak in 2003, China increased its public healthcare spending: from \$19 USD per person in 2002 to \$155 USD in 2011. Today, China is extending government-sponsored health insurance to low-wage families and investigating ways to make this coverage universally available.

Private care in China is getting better too. Today there are nearly twice as many private hospitals in China as there were in 2008, accounting for around 42 percent of all Chinese health care facilities. In 2012 the government allowed foreign entities to invest in private hospitals in China, leading to funding from the U.S., the U.K. and beyond that is helping to hire more staff and outfit private facilities with better medical technology.



As a first-tier city, Shanghai enjoys a relatively modern healthcare infrastructure. There are local, public hospitals and clinics along with so-called VIP clinics. VIP clinics are associated with public hospitals but offer tailored outpatient services, for a higher price.











These clinics have been specifically set up to serve expatriate residents seeking English-speaking doctors, more privacy at appointments, and (reasonably) modern medical equipment. At a VIP clinic, patients can book an appointment with their preferred doctor at their preferred time, have general check-ups, and undergo lab tests and X-rays.

Expatriates who wish to eschew the VIP system and visit the main ward of a public hospital may do so. Prices will be cheaper, but the ability to communicate in Mandarin is a must. Queues can be long, so it's important to get to the hospital as soon as possible and buy a registration ticket (around 14 RMB) upon arrival. Be aware that medical services may be limited at a public hospital, and cleanliness standards can vary. Public hospitals in Shanghai and around the country have also been accused of overusing intravenous antibiotics, so patients who prefer oral medication should be prepared to state their wishes firmly.

Do be aware that outside of big Chinese cities like Shanghai, public clinics may refuse to treat foreigners. Doctors at these clinics are generally reluctant to work with anyone who can't pay up front, and in recent years stories have spread of Chinese doctors being sued by foreign patients dissatisfied with the standard of care. With this in mind, rural doctors may prefer to avoid treating foreign patients altogether.



The majority of expats in Shanghai choose to visit an international hospital. These facilities are primarily funded by foreign investors, and staffed by international and Chinese physicians with overseas training or experience. Doctors and administrative workers are able to communicate very well in English, and may speak other Western and Asian languages too.











At an international hospital, much like at VIP clinics, patients can book appointments with their preferred doctor on their preferred day and time. Many patients appreciate this ability to forgo hospital queues, and build an ongoing relationship with a healthcare professional. Shanghai's international hospitals also keep good records of patients' medical history, reducing the risk of complications in case of emergency. Some expats also choose an international clinic due to the impression that doctors at local hospitals come across as brusque or appear to have less interest in hearing the patient's opinions on symptoms and treatment options.

Increasingly, middle class and wealthy Chinese are also making use of international hospitals, especially for inpatient care. International hospitals offer more comfortable accommodation for overnight stays and are often equipped with better technology for tricky surgical procedures. They may also appreciate the ability to visit with a primary care physician longer, whereas appointments at public hospitals tend to be short to accommodate the larger number of patients.



The government of China has very recently begun to promote the private health sector as a method of improving the nation's health, along with increasing foreign and local investment opportunities. The Chinese Health Ministry has said that in the next few years 20 percent of all healthcare in China might be provided by the private sector. In Shanghai, there are more than 1,500 private hospitals and clinics.

Many non-public hospitals in Shanghai are members of large, private hospital groups. The reputable Parkway Hospital, for example, is part of Parkway Health, a hospital group with more than 35 facilities around the Asia region.











Like other private facilities, Parkway operates on a fee-per-service basis, billing patients or sending claims directly to partner insurance agencies. If a co-pay is required, the patient will be asked to pay that amount on the date of service. Prices are published online for patient reference.

Patients choose private hospitals for the same reasons they choose international hospitals: no wait times, the ability to build a relationship with one doctor, and a better standard of technology and cleanliness. Private hospitals and international hospitals in Shanghai are very similar, and as the healthcare sector in China becomes more inviting to foreign investors, we may see more crossovers between these facilities. In the meantime, patients seeking higher quality care than what is available at public hospitals can assume that both private and international facilities will meet their needs.



Public hospitals are much less expensive than private or international centers. You will pay less than 20 RMB for a general check-up, and around 150 RMB to see a specialist or undergo basic lab tests. At a public hospital's VIP clinic, prices will be higher: starting at around 600 RMB, and up to 1,200, for a general consultation. Inpatient costs at public hospitals are inexpensive, but be aware that basic toiletries aren't always provided and food options are limited.

At a private or international hospital, you will likely pay 1,200 to 1,500 RMB to visit a GP. Further tests and specialist appointments will cost more. Expect to pay around 12,000 for a colonoscopy, 50,000 for an emergency surgical procedure such as an appendectomy, and up to 98,000 for a maternity delivery package including C section and three to five days inpatient recovery room and board.











International hospitals in Shanghai are equipped to bill international insurers directly; so many expats prefer to hold a global coverage policy to make medical billing easy. Private hospitals will normally do the same, although holders of China's national insurance coverage may have a tougher time submitting their bills for reimbursement. Some private clinics can help with that process, but Chinese citizens who prefer private to public care will often invest in a private insurance policy.



Nearly all Shanghai public and international hospitals have accident and emergency services. Unfortunately, ambulances in Shanghai (and across China) aren't the most efficient vehicles to call in an emergency. Hospitals are prohibited from privately owning an ambulance fleet, so instead, ambulances are managed by the Shanghai Ambulance center. Operators and on-board staff often speak no English, and the medical equipment in an ambulance isn't comprehensive. Add to this the fact that ambulances are often slow to respond to emergency calls and it's easy to understand why most patients prefer to take a taxi if an emergency occurs.

Foreigners who aren't part of China's national insurance scheme may be asked to pay 20,000 RMB or more up front before receiving emergency treatment at a public hospital. Collect proper documentation if you wish to request a reimbursement from your insurer, or go to an international hospital's A&E department instead.













Public, private and international hospitals all staff doctors specializing in traditional Chinese medicine. Acupuncture, herbs and other traditional methods may be prescribed to deal with pain, respiratory difficulties, smoking cessation, skin problems and so on. Patients should check their insurance policy to find out if traditional Chinese medical services are covered. If not, plenty of TCM clinics around Shanghai are affordable – as well as comfortable, clean, and, according to patients who appreciate the traditional Chinese medicine approach, quite effective.





