

## CURRENT TOPIC / AKTUELNA TEMA

# Challenges and suggestions for healthcare insurance of internal migrants in China

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**SUMMARY**

With its rapid social and economic development, China's medical and healthcare services are also continually evolving. At present, China's medical and healthcare field mainly comprises two aspects: service institutions and insurance systems. Healthcare insurance refers to the basic security system that provides medical services to the population and pays part of their remedial expenses by rationally organizing financial resources. It is not only a safety net but also a social stabilizer for the population. It is also an important part of China's medical and healthcare reform. Internal migrants are those who do not belong to the household registration system within a city's jurisdiction and constantly move between districts. They primarily include temporary residents, people in transit and registered tourists. The main purpose of healthcare insurance is to meet the needs for medical funds in line with the current level of economic development. In short, it is a basic security system that grants people access to a doctor, regardless of their income. However, since internal migrants move between districts, it can be difficult to guarantee their healthcare insurance. Healthcare service needs of the internal floating population are constantly growing, but the coverage of remedial services provided by medical insurance is still not comprehensive, and the guarantee is not sufficient. We should solve the medical security problem of the internal floating population by improving the measures of transferring medical insurance, implementing a more reasonable medical insurance system for employees, lowering the threshold for participation and expanding the scope of assistance.

**Keywords:** healthcare insurance; internal migrants; research progress

**INTRODUCTION**

China has built a relatively complete healthcare insurance network covering urban and rural areas per its economic and social development needs [1]. Its security expenditure and level have been continuously improving, meeting the country's current economic and social development needs. At the same time, however, the development of China's healthcare insurance is facing many problems, especially with internal migrants [2]. Internal migrants are individuals who move within the borders of a country, usually measured across regional, district, or municipal boundaries, resulting in a constant change of residential places [3]. Most of China's internal migrants are rural, and the level of healthcare insurance for countryside migrants is usually relatively low. Some scholars have suggested that, since the mid-1990s, the health problems of the domestic rural internal migrants have been the main focus and challenge for medical and health work. Domestic immigrants are usually difficult to manage. Some areas still encounter difficulties and unfairness in that the new rural cooperative medical system cannot work, the management of premium payment is not perfect, and the health status of low-income individuals is even worse [4]. Because of this, the rights of internal migrants in the labor market and social security have increasingly attracted the attention of scholars [5].

This article will analyze the current status of internal migrants' healthcare insurance in China and propose specific measures to deal with the present challenges for the medical coverage of this population.

**ANALYSIS OF THE CURRENT MEDICAL SITUATION OF THE INTERNAL MIGRANTS IN CHINA****The demand for delivering healthcare services to internal migrants in China has increased**

Leng and Zhu [6] stated that basic public health services are a major institutional way for China to deepen medical and health system reform and promote the Healthy China 2030 strategy. Population mobility is the most critical, yet the weakest, link in the current public health service system. According to data from the Seventh National Population Census, the internal migrants in 2020 were nearly 380 million, 150 million more than that in 2010 (data source: National Bureau of Statistics of China, 2020) [7]. With the rapid progress of China's urbanization process, this population is increasing substantially.

Domestic immigrants face many uncertainties and risks in spatial mobility, among which health risks are the most prominent. Domestic

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migrants are usually healthier than their urban counterparts in the initial stage of their stay. However, due to the generally low education level and lack of professional and technical skills, most of them are engaged in occupations with long working hours and poor work environments, alongside poor living standards. Their health is threatened by infectious, occupational, and psychological diseases, and their health advantages change into disadvantages [8].

### **Insufficient utilization of healthcare services for internal migrants in China**

Although China's current healthcare insurance system is relatively complete, the number of people participating in medical insurance exceeds 95% of the total population and a basic low-level, wide-coverage medical system has been implemented, there are still significant variations in the healthcare insurance of internal migrants in different regions [9, 10]. Most of the internal migrants are young or middle-aged and have strong adaptability. Their physical condition is generally better than that of the urban resident population from both subjective and objective perspectives. Their main health problems are the common cold, infection, and other general illnesses. However, the proportion of elderly internal migrants is still around 7.2% [11], and chronic ailments that are common in the elderly, such as hypertension, diabetes, and coronary heart disease, cannot be ignored. In addition, extensive research shows that internal migrants, which are mainly a rural population, have a higher risk of developing infectious diseases [12]. Due to the limited economic and health conditions of this population, some serious infectious diseases may be latent before an infected person moves into a city or town. Furthermore, when an internal migrant sees a doctor, his/her illnesses are usually treated uniformly, and the treatment is less targeted. A majority of this population do not take corresponding treatment measures until they get sick, causing their health problems to become more serious. Therefore, internal migrants usually have a high demand for remedial services, but their medical needs are often not met [13].

### **Current problems in the healthcare insurance of the internal migrants**

According to relevant reports, 60.9% of the internal floating population have long-term residence intentions [14], and medical insurance will play an important role in safeguarding their multi-stage healthcare rights and interests. Therefore, we should not only pay attention to the participation rate of medical insurance for the internal floating population but also fully consider the diversity and convenience of healthcare service needs of special groups, such as pregnant women and seriously ill patients.

### **The participation rate of internal migrants is relatively low**

China is still a developing country and has a large informal sector [15]. In addition to the employees of private and

public industrial and commercial businesses, the informal sector is mostly composed of unregistered employees, such as stall vendors and hourly workers [16]. Their employment scale is often small, and their income is unstable. Even though most migrant workers are employed, companies do not sign formal labor contracts with them, and their salaries and basic security differ from those of regular employees. Because the insurance relationship is not portable, the payment period is long and the burden on enterprises is heavy, there is no effective supervision, and, at the same time, it is difficult for employers to provide them with basic medical insurance on their initiative, which is one of the main problems of medical insurance for internal migrants in China [17].

Except for private and self-employed employees, the informal sector is mostly composed of unregistered employees, such as stall vendors, babysitters and part-time workers. They are unorganized and have an unstable income, making it difficult to get them to participate in insurance. The income of China's internal migrants is also generally low, and most of them are poor. The inequality between migrant workers and urban citizens is particularly significant, and the high threshold of urban medical insurance hinders insurance access for low-income internal migrants [10].

Qin Xuezheng and Chen et al. [18] used the employment and healthcare survey data of migrant workers in Beijing in 2011 to study the pull-back and absorption effects of migrant workers' employment. The results showed that the internal migrants were more inclined to participate in the new rural cooperative medical system, which only costs tens of yuans a year, than in the basic remedial insurance for urban employees, which charges thousands of yuans annually. In addition, Tang [19] stated that the insurance participation rate of migrant workers in China is relatively minimal due to contradictions between the high mobility of migrant workers and long payment years of medical insurance, low disposable income and elevated cost of medical insurance and little expected income from medical insurance benefits and high actual payment.

### **Internal immigrants have some difficulties in using medical insurance**

Furthermore, even the insured internal migrants still encounter problems, such as cross-provincial and remote medical treatment [20]. Previously, the medical insurance reimbursement in China was that, if the insured sought remedial treatment in a medical institution outside the overall planning area, the medical insurance fund could not be settled in real time, and the individual could only pay in advance and then return to the insured place for repayment [21]. With China promoting the direct settlement of non-local remedial treatment and hospitalization costs, it has achieved real-time payment of hospital expenses for non-local medical treatment personnel – in July 2020, the payment proportion of inter-provincial direct settlement funds for hospital expenses was 58.6% – but the charges for ordinary outpatients and outpatient serious diseases still cannot be reimbursed by the medical insurance fund

[22]. Notably, migrants of childbearing age were five times less likely than residents to attend antenatal check-ups and three times less often to see a doctor after delivery or receive health education during pregnancy [23].

Previously, internal migrants mainly sought migration from rural areas to cities to pursue economic improvement. However, in recent years, the rural internal migrants have tended to be based on urban development, and the mobility of this population has changed from temporary stay to permanent residence. Therefore, to ensure that their medical needs are met, it is necessary to improve the healthcare insurance system for internal migrants [24].

### Countermeasures and suggestions for improving healthcare insurance of internal migrants

To effectively solve the issues of healthcare insurance for China's internal migrants, the current problems need to be addressed at their roots. This paper puts forward suggestions, based on previous research and China's development and needs, to address these problems on three levels: national (state), corporate, and institutional.

Relevant systems for delivering the basic healthcare insurance of internal migrants need improvements at the national level. Since internal migrants usually seek jobs across urban and rural areas, in different regions and across various systems, the connection of their medical insurance has always been a serious problem. Xiao [25] stated that the operation of China's basic insurance system is constrained by its inability to coordinate urban and rural areas and by the fragmented management of medical cover funds; furthermore, the incapability to smoothly connect basic remedial coverage in various regions has become an important factor hindering labor mobility. As internal migrants are eager to receive medical protection from governments in their inflow and outflow areas, the efficient connection of basic remedial insurance in different regions is particularly critical. In addition, China's medical insurance system has different standards, diverse management methods and uneven remedial coverage levels, which is not helpful to the mutual transfer of health protection between regions. To ensure that internal migrants can be continuously enrolled in basic medical insurance during their employment, relevant national departments should consider local conditions and issue specific implementation measures and operating rules for efficient medical insurance relationships; this will avoid repeated enrolment or failure to participate in insurance in time.

The protection level of the new rural cooperative medical insurance also needs improvement. The current level of security for this system is still of a low standard [26]. Due to significant differences in economic development between urban and rural areas, the security for the new rural cooperative medical system is relatively limited. Considering that internal migrants are more inclined to participate in the new rural cooperative medical insurance, it is necessary to improve its level of protection. Small medical subsidies and healthcare insurance must be considered when solving the most basic healthcare coverage

problems for insured personnel, and serious illness medical insurance should be given attention to overcome the issue of people returning to poverty due to sickness [27].

Another solution on a national level is to implement an incentive mechanism for medical treatment among internal migrants. Establishing a division of labor and a cooperation mechanism among different levels and categories of healthcare institutions is one way to deepen medical reform to carry out graded diagnosis and treatment [28]. Therefore, incentive mechanisms, such as initial consultation with internal migrants at a grassroots level and the priority settlement of chronic disease treatment costs in community clinics, can be used to create order for medical therapy in different places among internal migrants.

Finally, proficiently integrating the medical insurance system is realized through efficient national medical insurance.

Businesses should implement the internal healthcare insurance system for every employee at a company level. Corporates should treat residents and members of the internal migrants fairly, sign formal labor contracts uniformly, and purchase the same medical insurance for all employees, thereby ensuring the basic healthcare protection rights of all members of the workforce, including the internal migrants.

The basic responsibility of medical and health service organizations is to provide treatment and rescue services for patients. At present, the proportion of the floating population without medical insurance in China is relatively high. If an internal migrant suffers from a serious disease, he/she may not be able to afford the medical expenses; furthermore, the basic healthcare insurance services given to some migrant workers may not be enough to meet their current remedial needs. Medical and healthcare service institutions should coordinate and cooperate with financial, health and relevant administrative departments to provide medical assistance for uninsured or poorly insured internal migrants, formulate relevant assistance policies and systems and establish more perfect and inclusive medical assistance funds. At the same time, to create a safety net for the basic medical protection of internal migrants, the threshold for implementing assistance should be appropriately lowered, and the scope and standard of assistance should be increased.

### CONCLUSION

The new generation of internal migrants in China aims to not only survive but also develop in urban areas, which will call for special medical services – such as childbirth and old-age care – that are no longer satisfied with basic remedial and healthcare services. However, at present, there are still difficulties in medical insurance, such as imperfect payment systems for some occupations, unsmooth settlements in various places, and heavy burdens on low-income people, which lead to internal migrants not being able to enjoy medical care in the inflow areas and their health level being reduced. It is expected that internal migrants' medical security problem can be solved by improving the

transfer and connection measures of remedial coverage, enhancing the payment system of employee medical insurance, lowering the threshold of participation, and expanding the scope of assistance.

### New knowledge added by the study

- The current status of the floating population's medical security in China was analyzed.
- Because internal migrants constantly move between districts, it can be difficult to ensure their medical security.
- Specific measures to deal with the current challenges for the medical security of this population were proposed.

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### Implications for clinical practice or policy

- To better adapt to the current development trend of the domestic migrant population, the establishment of a healthcare insurance system for this group should be fully integrated with related disciplines, and, at the same time, the exploration of system-related theories should be encouraged.

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## Изазови и сугестије за здравствено осигурање унутрашњих миграната у Кини

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### САЖЕТАК

Са брзим развојем социјалне економије, кинеске здравствене услуге се стално развијају. Здравствени сектор у Кини тренутно углавном укључује два аспекта: институције и осигурање. Медицинско осигурање се односи на основни гаранцијски систем који пружа медицинске услуге људима и плаћа делимичне медицинске трошкове кроз рационалну организацију финансијских ресурса. То није само сигурносна мрежа већ и социјални стабилизатор за популацију. Такође је важна компонента реформе здравствене заштите Кине. Унутрашња миграција се односи на људе који не спадају у систем здравствене заштите домаћинстава на нивоу града и често се крећу између региона. То су углавном привремени становници, људи у транзиту и регистровани туристи. Главна сврха медицинског осигурања је испуњавање захтева за

медицинске трошкове на тренутном нивоу економског развоја. Укратко, ово је основни сигурносни систем који омогућава људима приступ услугама доктора без обзира на њихов приход. Међутим, због мобилности домаћих миграната између различитих регија, тешко је осигурати њихово медицинско осигурање. Захтев за здравствене услуге за домаћу мигрирајућу популацију стално расте. Постојеће медицинско осигурање пружа ограничене услуге и недовољну заштиту за ову групу људи. Морамо побољшати мере медицинског осигурања, спровести разумнији систем медицинског осигурања, смањити праг за учествовање, проширити област помоћи и решити проблем медицинске сигурности за унутрашње мигранте.

**Кључне речи:** здравствено осигурање; унутрашњи мигранти; напредак истраживања