



THE WORLD BANK



# **Impact Evaluation: From Promises into Evidence**

## **Evaluation of Zero Drug Mark- up Policy in Local Health Facilities**

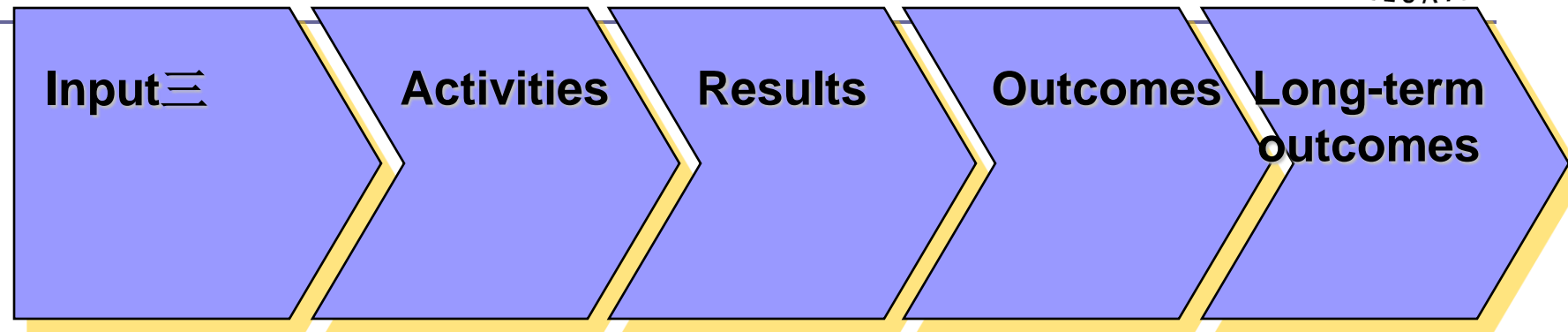
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Beijing, China  
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# 1. Background

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- ❑ The policy that the health facilities can keep the 15% of the drug mark-up has led to the profit-driven behaviors of the health facilities, which has increased the patients' economic burden.
- ❑ Since 2006, some regions and cities, such as Beijing (a municipality), Jiangsu Province and Zhejiang Province, have gradually implemented the pilot work on the "Zero Drug Markup Campaign", which has made certain achievements, but on which systematic impact evaluation hasn't been conducted, yet.
- ❑ One of the five priorities of the 2009 Health System Reform in China health sector is to develop the national policy concerning essential drugs. The policy document on the reform stated that "Zero Drug Markup" should be applied in the local health facilities funded by the government.

# 2. Result Chain



supplementation of the drug mark-up by the public funds;  
•Social insurance funds making up for the administrative costs of medicine services  
•Out-of-pocket  
•charity funds

advocate for improvement of the internal financial management system in health facilities, and establish compensation system for implementing the “Zero Drug Markup” policy

•local health facilities should sell essential drugs at the procurement price

•reduce the economic burden of medicine of the patient

•increased visits for common illness  
•high satisfactory rate for the medicine costs in local health facilities

## 3. Primary research topic

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- If the implementation of the essential drug policy can curb the providers' profit-driven behaviors by encouraging them to sell essential drugs at procurement price, so as to reduce the drug burden on the patient, and finally to increase the visits by the patients with common illnesses and their satisfactory to the drug costs in local health facilities.

# 4. Outcome indicator

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- ❑ Percentage of the drug revenue to the total revenue of the health facility - financial reporting forms
- ❑ Percentage of the drug revenue to that of the total business revenue
- ❑ Per capita medical expenditure and drug expenditure - hospital information system (HIS)
- ❑ Percentage of the drug expenditure to the per capita health expenditure
- ❑ The number of patients visited the local facilities

Long-term outcome indicators:

- ❑ Satisfactory of the patients for the drug costs in the local health facilities -patient survey
- ❑ the number of patients with common illnesses and its ratio to the total number of patients visited the local facilities – HIS

# 5. Identification of strategy/methods

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## 6. Sample and data

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- Randomly select 50% counties as treatment subjects

# 7. time/workplan

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# 8. Source of financing

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