

December 22, 2004

To: Committee on Faculty Research Awards (FRAC), Professor Robert Cook, Chair  
From: Karen Eggleston, Economics Department

Re: Report on FRAC support for "Health System Reform in China" research project

Thanks to support from a FRAC award for research on China's health system the summer of 2003, three of the four papers developed at that time are now published or forthcoming. The award allowed me to hire a bright sophomore quantitative economics major as a research assistant for the summer. She worked with me on literature review, assembling tables and figures from original Chinese sources, and performing some data analysis and synthesis. The projects supported under the award include the following:

- (1) "Government and Market Roles in the Health Sector: Theory and Application to China," with Wang Jian (Peking University, PRC) and Rao Keqin (Ministry of Health, PRC), presented at the International Health Economics Association 4th World Congress, San Francisco, June 2003, and forthcoming in *Miracles and Mirages in East Asian Economic Development*, University of Hawaii Press 2005.
- (2) "Hospital Competition Under Regulated Prices: Application to Urban Health Sector Reforms in China," with Winnie Yip, was also presented at the International Health Economics Association 4th World Congress, San Francisco, June 2003, and is now published in the *International Journal of Health Care Finance and Economics* 4(4) (2004): 343-368.
- (3) "Health Care Payment Incentives in East Asia: Taiwan, South Korea and the PRC in Comparative Perspective," with Chee-Ruey Hsieh (Academia Sinica, Taiwan), published in *Applied Health Economics and Health Policy* 3(1) (2004): 1-14.
- (4) "A Global Public Health Case Study: Transnational Tobacco Firms in China and Korea," with Edith Balbach (Tufts Community Health Program). China is the

largest producer and consumer of cigarettes in the world. This research focuses on Chinese and Korean tobacco policy and the role of international tobacco company marketing strategies. Professor Balbach and I are still working on this project.

During the summer of 2004 I also completed a critical review of health service delivery in China with two Chinese colleagues and presented the results in Beijing as part of a World Bank project on reform of China's health sector.

Many thanks to FRAC – both for this grant and a previous one in 2001 -- for helping to further my research on domestic and international health economics and design of proper incentives to underpin evidence-based health policy, particularly to protect the most vulnerable populations.