

# Policy Analysis of Shanghai’s Multi-Level Medical Security System from a Policy Tool Perspective

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**Abstract:** To inform future policy-making for China’s multi-level medical security system,this study analyzes the release and characteristics of relevant policies in Shanghai.Content analysis was applied to 53 policy documents.There is an emphasis on environmental supply and neglect of demand-side tools.Policy goals are mostly long-term,with weak connections to each other. Financial investment and talent cultivation are significantly lacking.It is recommended to balance policy tool use,combine short- and long-term goals,strengthen policy coordination,and innovate cooperation models.

**Keywords:** Policy tools; Multi-level medical security; Policy documents; Shanghai; Textual analysis

In 2020,the Central Committee of the Communist Party of China and the State Council issued the”Opinion on Deepening the Reform of the Medical Security System,”advocating for the development of a multi-level medical security system to enhance the complementarity of various medical security programs.<sup>[1]</sup>The report of the 20th National Congress of the Communist Party of China further emphasized the need to”promote the orderly connection of multi-level medical security.”<sup>[2]</sup>As a mega-city with a permanent population of about 24.87 million,Shanghai has been an early explorer in building a multi-level medical security system,forming a relatively complete framework in basic medical insurance,supplementary medical insurance,and medical assistance.<sup>[3]</sup>By constructing a”policy tool-policy goal”analysis framework,it will examine the current situation of policy formulation,reveal the elements of policy texts analyze the use and effectiveness of policy tools,and explore how these tools affect the sustainability and fairness of the medical security system.<sup>[4]</sup>This analysis aims to provide insights into Shanghai’s medical security services and modern health governance,identify strengths and weaknesses in policy implementation,and offer suggestions for future optimization policy.

## 1. Data and Methods

### 1.1 Data Sources

Policy documents on Shanghai’s multi-level medical security system from 2020 to 2025 were collected.Using keywords like”multi-

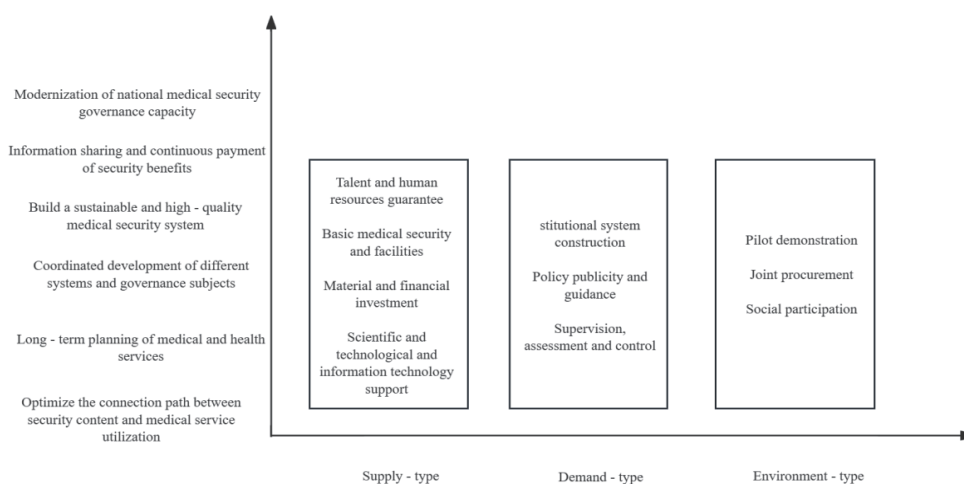


Figure 1:Two-dimensional analytical framework of “policy instruments-policy objectives”

level medical security system”and”Shanghai medical care”,we retrieved information from authoritative platforms such as the National Health Commission’s website,the Chinese Government website,the Shanghai Municipal People’s Government website,the Shanghai Municipal Medical Security Bureau’s website,and the”PKU Law”database of Peking University.The collected documents include notices,agreements,plans,opinions,and schemes,excluding administrative approval replies,replies,project evaluation results,and activity notices.We gathered 53 valid policy texts in total.

## 1.2 Construction of the analysis framework for Shanghai’s multilevel medical insurance policy

This study takes the policy tool dimension(X-axis)and the policy goal dimension(Y-axis)as the analysis framework,and is committed to optimizing the policy design through the two-dimensional analysis method.(Figure 1)

### 1.2.1 Policy Instruments Dimension

Policy Instruments(Policy Instruments)are specific means,methods or mechanisms used by the government or public institutions to achieve specific policy objectives.<sup>[5]</sup>This paper draws on the research results of Rothwell and Zegveld to categorize policy tools into supply-type,demand-type and environment-type.<sup>[6]</sup>In promoting the construction of a multilevel health care system,policy instruments can be categorized into three types:supply,demand and environmental. Supply-oriented policy tools are policy instruments used by the government to promote the development of a multi-level medical insurance system by directly investing resources or optimizing management.Demand-based policy instruments promote the development of a multilevel health insurance system by stimulating residents’demand for health insurance services.Environment-based policy tools aim to indirectly support the construction of a multi-level medical insurance system by creating a favorable policy environment.

### 1.2.2 Policy Objective Dimension

This study extracts six objectives of Shanghai’s multilevel medical insurance policy.These aim to optimize the basic system,reduce disparities,ensure service fairness,share information,increase protection levels,and promote sustainable,high-quality development. The policy integrates various insurance types to form a government-market-society protection pattern.It also focuses on long-term medical service planning,optimizes management services,reforms payment methods,and enhances service convenience.Additionally,it improves the convergence path between protection and healthcare use through payment reforms to standardize services,reduce costs,and achieve insurance synergy.These efforts target a comprehensive,sustainable medical security system enhancing people’s well-being.

## 2. Textual analysis of Shanghai’s multi-level medical insurance system policy

### 2.1 Descriptive Statistics Analysis

From 2021 to 2023,the multi-level medical insurance system policy issuance peaked in 2021,then decreased and stabilized from 2022 to 2024,transitioning from rapid development to a stable phase.The policy subjects in Shanghai’s system include the Shanghai Municipal People’s Government,the Medical Insurance Bureau,some medical institutions,and the National Medical Insurance Bureau.

### 2.2 Analysis of Policy Instruments

This study analyzed 53 Shanghai’s multilevel medical insurance policy texts,with policy tools applied 297 times.The three policy tools are unbalanced,showing a”heavy on supply,light on demand”characteristic.Specifically,supply-oriented tools are used the most,with basic medical insurance and facilities having the highest proportion.Government departments use basic and supplemental insurance to form a complementary mechanism and provide talent-exchange platforms.Among demand-based tools,social participation is the highest.For environment-based tools,institutional system construction ranks first.Government departments promote collaborative development by establishing disease-prevention systems,supervision mechanisms,and information-sharing mechanisms.(Table 1)

Table 1 Statistics on the share of policy instruments

Type of policy instrument	Number of applications(times)	Percentage (%)	Type of Policy Instrument	Number of Times Used(times)	Percentage (%)
Supply-side policy instruments	161	54.21	Institutional System Construction	40	13.47
Environmental Policy Instruments	90	30.30	Policy publicity and guidance	12	4.04
Demand-based Policy Tools	46	15.49	Supervision and assessment control	38	12.79
Talent and manpower security	17	5.72	Pilot Demonstration	16	5.40
Basic medical security,facilities	74	24.92	Joint Procurement	8	2.69
Materials,capital investment	35	11.78	Social Participation	22	7.41
Technology,IT support	35	11.78			

## 2.3 Analysis of Policy Objectives

Among the policy documents related to Shanghai's medical security system, the number of code points for the policy objective of "coordinated development of different systems and governance subjects" is 27, accounting for 15.17% of all documents. The same number and percentage apply to the objective of "optimizing the connection between the content of protection and the use of medical services". The objective of "long-term planning of medical and health services" has 29 code points, making up 16.29%. "Modernization of the national medical security governance capacity" accounts for the largest share with 84 code points, representing 47.19%. Lastly, the objective of "building sustainable, high-quality development of health care" has 30 code points, which is 16.85% of the total.

## 3. Discussion

### 3.1 Policy Instrument Dimension

Shanghai's medical insurance system has an imbalance in policy tool use, "emphasizing supply, neglecting demand". The government leads in collaborative development, offering a good environment via services like direct compensation and intelligent fund supervision, and investing more in supply-based areas like IT infrastructure and medical supplies. However, demand-based tools are under-utilized, weakening policy incentives. Though Shanghai expanded health insurance coverage, demand-side incentives are lacking, failing to fully boost payment willingness among some groups. This limits collaborative development and impacts system efficiency.

### 3.2 Dimension of Policy Objectives

The policy objectives of Shanghai's multi-level medical security system are to boost national medical security governance, promote information sharing, build a sustainable system, encourage coordinated development, strengthen long-term healthcare planning, and optimize security content and healthcare service paths. However, due to district-level healthcare development and investment differences, these objectives are not specific enough. There is a lack of targeted and quantitative planning, and no coordinated short-term goals, making it hard to meet current healthcare needs. Also, policy formulation is dominated by local health departments, with insufficient national department participation and unclear functional demarcation among departments, affecting policy synergy and efficiency.

## 4. Recommendations

Optimize policy tools to enhance multi-level protection. On the supply side, upgrade health insurance information systems, develop "intelligent health insurance", streamline settlement, and boost service convenience. Open health insurance data to society to promote the development and integration of commercial health insurance with social insurance. China can learn from Singapore's experience, clarifying commercial health insurance's coverage and function to promote its integration with social insurance. In the short term, strengthen the foundation and implementation of basic medical insurance, improve the system, enhance the payment system (e.g., DRG/DIP), guide grassroots medical visits, and reinforce the hierarchical diagnosis and treatment system. In the medium and long term, refine the multi-level medical insurance system of common construction and sharing, clarify the roles of each level of protection, improve basic medical insurance, and promote commercial and supplemental insurance for multi-level needs. Also, strengthen the synergy between medical insurance and public health, build relevant systems, and enhance collaboration between medical institutions and medical insurance operators.

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