

Abstract

China is a big agro-country in the world from of old, and farmers of China have an important effect on the stage of China history. Since 1930s, the government of China has a great attention to rural area and the security of farmers. Rural Cooperative Medical Systems (RCMS) in China began its development. There are six periods during RCMS development and it's New Cooperative Medical System (NCMS) now. Different period has different financing mechanism which depends on the temporal historical circumstance. The paper gives some advices to NCMS according to research those systems. There are also some problems during NCMS development, Such as adverse selection which because of "voluntary rule", the problem of transfer payment, the trading off between equity and efficiency and so on. We can resolve those questions: the adverse selection can be reduced by the drumbeating, and enhancing the joint between the NCMS and urban social medical insurance also can raise the joined rate of high quality clients. To reduce the unfair between the East area and West area in China, we can take the transfer payment and give favorable conditions to the West areas. Comparing the National Health Insurance (NHI, Taiwan), NCMS require laws to insure actualizing. At last, for the total financing amount, the paper gives a design. The paper research methodologies include literature review, history retrospective research, case study, comparative study and quantitative study. To fill up the blank and accelerate NCMS development, the paper is comparing different systems and calculating the amount. There're two innovations of the paper: description with historical circumstance and new financing model design. But because of the limitation of writer and time, the insufficiency of the paper is also clearly, requiring continuous study to complete it.

Key words: Financing, Rural Cooperative Medical System (RCMS), New Cooperative Medical System (NCMS).