

Analysis of Policy and Social Issues in China's Healthcare Sector

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Abstract. The significance of government policies on healthcare has been amplified due to the swift progress observed in China's healthcare industry. The primary objective of this study was to conduct an in-depth examination of the societal implications of China's healthcare policies, with particular emphasis on the social dimensions of the healthcare insurance system, the essential medications system, and the regulation of drug pricing. Through a comprehensive analysis of these challenges, the objective is to establish a foundational framework for future enhancements in policy. The focus of this study centres around the policies of China's pharmaceutical business. Various research methodologies are employed, such as literature review, policy analysis, example analysis, and quantitative data assessment. The examination of policies in a thorough manner indicates that the execution of the government's pharmaceutical policies, particularly in relation to the health insurance system, critical drug system, and drug price control, has the potential to give rise to a range of societal issues. The issues encompassed in this context comprise, though are not restricted to, the problematic aspects of health insurance reimbursement, shortages of pharmaceutical drugs, and the inequitable allocation of medical resources. In order to tackle these issues, policymakers have proposed a set of recommendations aimed at enhancing the efficiency of the health insurance system, bolstering the management of the drug supply chain, optimising the allocation of medical resources, fostering drug innovation and research and development, and reinforcing the governance and utilisation of health insurance funds.

Keywords: Healthcare policies, healthcare insurance system, the essential medications system, the regulation of drug pricing.

1. Introduction

In recent years, the healthcare industry in China has experienced significant growth, and healthcare insurance plans have emerged as a crucial mechanism for protecting the rights and interests of the public in terms of healthcare. Nevertheless, the development and execution of policies frequently give rise to a range of intricate societal issues, including the efficacy of the health insurance system's operations, the reliability of critical pharmaceutical supply, and the reasonableness of drug pricing. The primary objective of this study is to conduct a comprehensive analysis of the potential challenges that may arise during the implementation of these policies. Subsequently, based on this analysis, appropriate policy recommendations will be proposed.

Through the undertaking of a thorough examination of critical domains including the health insurance system, the essential medications system, and drug price control, the research endeavours to acquire a full comprehension of the intricacies associated with policy implementation, with the aim of discerning the inherent merits and limitations inside. Simultaneously, the author also investigates methods to augment the overall efficacy of the pharmaceutical system by implementing further policy enhancements, so guaranteeing the public's accessibility to healthcare services of superior quality and reasonable cost.

In light of the aforementioned context, this research aims to conduct a thorough and systematic investigation into the implementation of the health insurance system, essential medicines system, and drug price control policies. This will be achieved through an extensive review of relevant literature, policy analysis, and examination of specific case studies. The ultimate goal is to furnish policy makers with a robust foundation of knowledge and insights to inform their decision-making processes.

Simultaneously, it will also offer novel insights and viewpoints for empirical research on the effects of medical policies within the academic realm.

2. Health Insurance System and Medical Care

2.1. History and Structure of the Health Insurance System

The establishment and subsequent development of the medical insurance system holds immense importance in ensuring the fundamental medical requirements of individuals, enhancing their overall health, fostering economic and social progress, upholding social harmony and stability, and attaining the objective of comprehensive well-being [1]. This study aims to investigate the effects of a new drug on patients. The reform of China's medical insurance system has undergone an extensive and protracted process, resulting in the eventual establishment of a comprehensive and multi-tiered medical insurance system [2]. During the initial stages of China's establishment, the healthcare system primarily focused on public health and primary healthcare. The medical insurance system was relatively underdeveloped, with a heavy reliance on public medical services to ensure the fundamental health requirements of the population. Following the initiation of the reform and opening up policy, China progressively implemented a range of healthcare security measures, so gradually constructing the fundamental structure of the medical insurance system. In the year 1988, the People's Republic of China implemented a fundamental medical insurance system specifically designed for urban workers. This system aimed to provide coverage for individuals employed in metropolitan areas, as well as their respective families.

The implementation of this system signified the commencement of a novel phase in China's medical insurance system. In 2003, a policy was implemented with the aim of extending healthcare coverage to individuals residing in rural areas and enhancing the degree of medical security for agricultural workers. China initiated the implementation of a novel rural cooperative medical care system. Over the course of its development, China has made progressive enhancements to its medical insurance system by merging the medical insurance for urban workers with that of urban and rural inhabitants, resulting in the establishment of a comprehensive statewide medical insurance system. Presently, health insurance assumes a pivotal position within the framework of the "three medical systems" including health insurance, medical care, and pharmaceuticals. It serves as a focal point for pharmaceutical corporations, medical institutions, patients, and other relevant stakeholders [1].

China's health insurance system is comprised of three main components: basic medical insurance for urban workers, basic medical insurance for urban and rural inhabitants, and new rural cooperative medical care. The urban workers' basic medical insurance scheme provides coverage for urban employees as well as their immediate family members.

Participants are obligated to remit medical insurance fees in accordance with the established regulations and afterwards avail themselves of the related medical coverage. The scope of basic medical insurance encompasses both non-employed urban dwellers and rural residents. The system operates on a family-centric framework, emphasising active involvement and contributions from both individuals and the family unit. The newly implemented rural cooperative medical care programme, especially targeting rural inhabitants, serves as a significant rural medical insurance system that aims to address the challenges faced by farmers in accessing healthcare services and the associated financial burden. Major sickness insurance is a form of supplementary coverage that aims to alleviate the financial strain experienced by insured individuals and their families by assisting with the medical expenses associated with certain significant illnesses. In addition to the fundamental health insurance system, commercial health insurance encompasses a range of health insurance products offered by private insurance companies. These policies aim to offer individuals enhanced medical coverage and a more complete level of protection. The health insurance systems in China collectively form the country's medical insurance system, offering vital medical insurance services to individuals who are insured.

2.2. Effectiveness of the Health Insurance System

The founding and subsequent growth of the medical insurance system in the People's Republic of China has provided a robust framework for ensuring that residents have equitable access to fundamental healthcare services [2]. The medical insurance system comprises two main categories: urban employees' medical insurance and urban and rural residents' medical insurance. The urban workers' medical insurance holds significant importance within China's medical insurance system since it offers fundamental healthcare coverage to urban employed individuals and their families. The health insurance system in place for this particular group is considered to be well developed, resulting in a notable decrease in their financial obligations related to healthcare expenses and a consequent enhancement in the overall standard of living for those who are working.

The health insurance coverage for urban and rural populations exhibits varying levels of protective effects across different social groupings. The first group of individuals to consider are urban inhabitants who are not employed. This category includes both unemployed individuals and retired individuals residing in the city. Typically, these individuals lack stable financial means. The creation of a health insurance system is particularly significant for this group, as it offers crucial medical protection. By engaging in the health insurance system, individuals are able to access medical services at a reasonably affordable cost. Additionally, the health insurance system for urban and rural inhabitants serves as a crucial healthcare provision in rural regions, offering fundamental medical coverage to farmers. The adoption of the health insurance system has provided a measure of financial assistance to low-income populations residing in rural areas, thereby alleviating the financial strain associated with medical expenses during times of illness.

The health insurance system holds significant importance in safeguarding individuals, particularly those belonging to low-income groups. The health insurance system enables individuals to access medical services that are relatively advantageous, mitigating the risk of incurring substantial debt due to exorbitant healthcare costs in the event of unforeseen illnesses. Specifically, with regards to catastrophic illness insurance, this coverage serves as a crucial protective measure for those belonging to the low-income demographic. It has the potential to offer individuals with a relatively comprehensive level of financial assistance when confronted with severe illnesses, thereby guaranteeing their access to high-quality medical care.

Overall, the health insurance system has had a beneficial impact on the low-income population in terms of its protective benefits, particularly through the implementation of measures such as serious sickness insurance, which offers them supplementary protection.

2.3. Problems and Challenges

For a long time, the intricate and countless policy documents in the field of health insurance show that the current construction of China's health insurance system is still not perfect, especially the fundamental issues of fundamental medical insurance are becoming more and more prominent, and the development of commercial health insurance is seriously delayed [3]. First and foremost, the issue of insufficient funding and financial strain arises due to the advancement of medical technology and the escalating costs associated with healthcare. Consequently, the health insurance fund may encounter challenges in adequately addressing the increasing need for medical services. The rise in demand for medical treatment for the elderly, particularly within the framework of a growing ageing population, has the potential to exert further strain on the health insurance fund. Furthermore, it is worth noting that certain regions may experience a depletion of health insurance funds as a result of mismanagement or other contributing factors. Additionally, there exists an inequitable allocation of medical resources.

As a consequence of historical circumstances, disparities in regional development, and various other contributing variables, certain places exhibit a relative abundance of medical resources, while others face a scarcity of such resources. This phenomenon may lead to disparities in access to high-quality medical care among residents, with certain areas experiencing challenges in achieving equivalent levels of medical coverage. Once again, the challenge of regulating pharmaceutical costs

and the expenses associated with healthcare services. The management of pharmaceutical pricing and the financial burden associated with healthcare services represents a significant concern within the realm of health insurance. Certain sophisticated medical technology and pharmaceuticals may possess higher price points, hence posing challenges for the health insurance fund in terms of financial burden. Simultaneously, it is possible to encounter issues such as inadequate regulation of pharmaceutical costs and unjustifiable pricing of healthcare services in certain regions, resulting in excessive expenditures from the health insurance fund. Finally, it is worth noting the arduous nature of the reimbursement procedure. The reimbursement process for health insurance in certain regions can be quite burdensome, necessitating individuals to submit a significant quantity of materials and supporting documentation, or even make multiple visits to the health insurance office in order to complete the necessary procedures. This can potentially result in increased time and energy expenditure for the participants.

The aforementioned concerns encompass a subset of the difficulties that may be encountered by the health insurance system. Collaboration among governmental entities, the healthcare industry, and the community is necessary in order to consistently enhance the health insurance system and enhance the degree of safeguarding, thereby guaranteeing universal access to high-quality healthcare services for all individuals.

3. Essential Medicines System and Drug Security

3.1. Development and Implementation of the Essential Drugs System

China's fundamental drug system, initiated in 2009, represents a significant medical security policy implemented by the State. Its primary objective is to enhance the overall level of basic medical security for the entire population. This policy aims to ensure that the public has access to essential medicines that are both of dependable quality and reasonably priced. The essential medicines system serves several objectives, which encompass the protection of the public's pharmaceutical requirements, the mitigation of medication expenses, the establishment of uniform pricing for medications, and the facilitation of public access to indispensable essential medicines, with a particular emphasis on those pertaining to prevalent, persistent, and significant ailments. The implementation of State control over medication costs leads to a decrease in the financial burden borne by the general people while acquiring necessary pharmaceuticals. In order to mitigate price volatility and ensure the affordability of vital medicines, it is proposed that the national government implement regulatory measures to manage the pricing of such medications. The implementation of a comprehensive drug system as a public policy has significant implications and wide-ranging effects on enhancing the medical security system, addressing the issue of limited medical and healthcare resources, alleviating the economic burden on the public, reinforcing the development of the drug supply guarantee system, and fulfilling the fundamental medical and healthcare requirements of the population [4]. The nationwide implementation of the fundamental drug system has resulted in a certain degree of improvement in the level of public healthcare protection. China's fundamental medical security system has been initially established through the collaborative efforts of medical insurance policies and the basic drug system.

The primary drug catalogue serves as the central component of the foundational drug system. This catalogue prioritises the essential medication requirements for prevalent and chronic diseases, as well as diseases that impose significant burdens and pose substantial risks to public health. Additionally, it emphasises the utilisation of medication among children and other vulnerable populations. By encompassing the principal clinical diseases and ailments, the catalogue aims to better align with the fundamental medical and healthcare needs and cater to diverse medical and healthcare institutions at all levels [5]. The document comprises a comprehensive inventory of indispensable pharmaceuticals that are required to be covered by medical insurance policies. Regular examination and revision of the catalogue of essential medications is often conducted on a routine basis. The National Health Commission will conduct periodic evaluations of the medications listed in the catalogue, taking into

account several factors such as the effectiveness, safety, and cost of the drugs. Furthermore, as part of the catalogue update process, it is customary to ask specialists from the domains of pharmacy and medicine to form an evaluation committee. This team is responsible for assessing the potential pharmaceuticals under consideration. The evaluation of the pharmaceuticals' adherence to the essential medicines criteria will be conducted by professionals, taking into consideration their effectiveness, pharmacological characteristics, cost, and additional relevant aspects. Furthermore, public participation is evident. As part of the catalogue updating process, active engagement with the public will be pursued to solicit their perspectives and recommendations. This can be achieved by considering the perspectives of medical institutions, pharmaceutical companies, health insurance stakeholders, and other relevant entities. In addition, policy concerns will be taken into account during the process of updating the catalogue. This includes the evaluation of adjustments made in national health policies and the analysis of the pharmaceutical market's development. The aim is to guarantee the rationality and efficacy of the catalogue.

In general, the process of updating the essential medicines catalogue is a multifaceted undertaking that considers several factors, such as effectiveness, safety, cost, and policy. The primary objective is to ensure the efficient functioning of the essential medicines system and to offer the general population affordable access to fundamental healthcare provisions.

3.2. Pharmaceutical Security under the Essential Medicines System

The essential medications system assumes a prominent role in the regulation of pharmaceutical costs. The essential medicines system is designed to maintain acceptable pricing for certain medications and prevent excessive price hikes by implementing stringent price controls on essential medicines at the national level. This approach aims to alleviate the financial strain on patients. The implementation of the essential drug system alleviates the economic burden on those seeking vital medications, hence facilitating their access to imperative healthcare interventions.

Moreover, with regards to the safeguarding of health insurance, the Essential Drug System has incorporated a selection of significant and frequently utilised medications into the health insurance inventory. This inclusion enables the reimbursement of said medications through the health insurance programme, thereby mitigating the financial strain on patients during the procurement of drugs. There has been an increase in the level of safeguarding patients' access to medical services, particularly for individuals with chronic illnesses and those requiring long-term medicine. This enhancement aims to successfully alleviate the financial burden associated with medical expenses. The essential drug system assumes a significant role in addressing the public's need for pharmaceuticals. The essential drug system guarantees public access to necessary essential medicines by providing clarification on the inventory of such drugs. The provision of medications pertaining to prevalent, persistent, and significant ailments is of utmost importance. It ensures that individuals can obtain dependable, high-quality essential drugs, hence playing a critical role in safeguarding public health. The critical drug system plays a crucial role in supporting healthcare professionals and patients. The fundamental drug system facilitates the rational selection and utilisation of drugs by medical personnel, patients, and health insurance organisations. This system aims to mitigate the excessive utilisation of costly medications, enhance the efficiency of medical resource utilisation, and foster the judicious allocation of medical resources. Additionally, it endeavours to ensure that the general public can access cost-effective treatments.

The national essential drug system is a welfare policy that is both universal and comprehensive. It serves as a practical measure for the betterment of the populace and holds significant significance in the reform and advancement of primary healthcare institutions in China's townships. Additionally, it carries a substantial societal obligation [6]. The fundamental pharmaceutical system has contributed positively to the regulation of drug prices, safeguarding health insurance coverage, addressing public demand for medications, and fostering the appropriate utilisation of pharmaceuticals. The aforementioned intervention has yielded substantial benefits in terms of patient health protection, alleviation of medical expenses, and optimisation of medical resource utilisation.

4. Drug Price Control and Market Competition

4.1. Government Strategies for Controlling Drug Prices

The drug price creation mechanism is a crucial aspect in the context of drug price regulation, as it serves as the fundamental component for the government to establish appropriate pricing for pharmaceutical products. Currently, China utilises the cost of medicine pricing as the fundamental determinant for price, employing the cost plus approach as the primary strategy for drug pricing [7]. When the government implements drug price limits through various mechanisms, it often employs the following significant strategies.

The government will develop distinct drug pricing policies to elucidate the underlying concepts and permissible ranges for pricing different categories of pharmaceuticals. This measure aims to guarantee that drug prices remain within a justifiable and acceptable range. This measure will effectively mitigate the occurrence of significant changes in pharmaceutical prices, hence ensuring the continued accessibility of inexpensive and equitable medications for the general people.

The implementation of maximum retail pricing entails the establishment of price ceilings by the Government for pharmaceutical products. This measure serves the purpose of mitigating exorbitant drug prices and ensuring the accessibility of medicines to the general population. The introduction of maximum retail pricing can effectively guarantee that medication prices remain within a fair range, preventing exorbitant price hikes. As a result, this measure can alleviate the financial strain on patients.

The government can exert control on the price of raw materials in order to influence the price of the finished product, so ensuring the appropriateness of the product's pricing. The regulation of raw material prices can effectively manage the cost of pharmaceuticals at their origin, thereby mitigating the potential adverse impact of raw material prices on the pricing of drug preparations.

Promoting competition and mitigating monopolistic practises. The government has the potential to mitigate drug prices through the promotion of increased participation from numerous firms in drug production. This approach would foster market competition and effectively restrain monopolistic practises among drug producers. These policies serve to dismantle market monopolies, enhance competition, and drive pharmaceutical pricing towards more equitable levels.

By implementing the aforementioned significant strategies, the government may proficiently regulate the costs of pharmaceutical drugs and guarantee affordable access to the general population. Consequently, this will elevate the quality of healthcare provision and alleviate the economic strain experienced by patients.

4.2. Effects of Price Controls on the Pharmaceutical Market

The implementation of drug price regulation encompasses a policy framework aimed at fostering drug innovation, stimulating market competitiveness, and fostering industrial expansion. Additionally, it encompasses the implementation of control policies aimed at enhancing the overall well-being of the general population and mitigating the escalating expenses associated with pharmaceuticals. Additionally, it encompasses the formulation of a balanced strategy that takes into account the interests of all stakeholders within the pharmaceutical business. This policy aims to effectively allocate resources and foster the sustainable growth of both the pharmaceutical and healthcare sectors [8]. When the pharmaceutical market is regulated by the government through price regulation, it will have influence on various areas such as competition, innovation, enterprise profitability, and overall impact. Additionally, it will also have implications for the survival and growth of companies. To begin with, the influence on competition within the pharmaceutical market, the implementation of price control measures can effectively mitigate the escalation of pharmaceutical prices and minimise price disparities. This, in turn, fosters a more equitable pricing environment for firms engaged in competitive pricing strategies. The lack of significant price differentials among firms has diminished the competitive advantage based on pricing. Consequently, market competition in the pharmaceutical industry is primarily driven by factors such as product quality, service, and innovation. This emphasis

on non-price components of competition contributes to the overall well-being and sustainable growth of the pharmaceutical market.

The influence of price regulation on the pharmaceutical market might potentially affect the profitability of firms, thereby impacting their investments in research and development, as well as innovation and other related areas. One potential consequence is that organisations may experience financial constraints that lead to decreased profitability, which in turn may result in a reduction in their investment in research and development (R&D) and innovation. However, it is possible that companies may prioritise efficiency and cost management, striving to enhance the quality and competitiveness of their offerings.

The influence of price control on corporate profitability is evident as it directly affects the pricing authority of firms, potentially leading to an impact on their overall profitability. The profitability of firms may be constrained in cases where the cost of certain medications are subject to rigorous regulation. Nevertheless, organisations that can sustain competitive pricing strategies are also able to uphold a consistent degree of profitability within the market.

In order to ensure survival and development, it is imperative for businesses to maintain high product quality, optimise production capacity, and foster a culture of ongoing innovation, all within the confines of a price-controlled market. Enterprises will prioritise the enhancement of their core competitiveness, by focusing on strengthening product research and development, quality control, and improving production efficiency. Additionally, enterprises must also cultivate flexibility in order to effectively respond to market changes, so ensuring their survival and continued growth.

Collectively, the implementation of price control measures will exert a substantial influence on various aspects, including competitiveness, innovation, corporate profitability, as well as the survival and growth of firms operating within the pharmaceutical sector. In order to adapt to market fluctuations, enterprises must exhibit flexibility by boosting their core competitiveness, fostering innovation, and sustaining a positive trajectory of growth within this context.

5. Problems and Suggestions

5.1. Social Problems under the Pharmaceutical Policy

The pharmaceutical sector in China has experienced substantial growth and progress due to the rapid expansion of the country's economy and the notable enhancement of living conditions. This development has presented both favourable prospects and obstacles for the industry. In order to facilitate the robust and sustainable growth of China's pharmaceutical industry and effectively safeguard the overall public health, it is imperative for citizens to adeptly seize the available development opportunities and aptly address the encountered challenges. By doing so, individuals can contribute to the resolution of existing problems and propel the industry forward in a healthy and expeditious manner [9]. The nation has transitioned into a phase of high-quality growth. While notable progress has been made in constructing the medical and health service system, the issue of imbalanced and inadequate development remains evident. The medical and healthcare consumption demand of the population is being further freed and improved due to social progress and the enhancement of people's living circumstances. Nevertheless, society is confronted with various obstacles, including an ageing population, a growing prevalence of chronic illnesses, regional disparities, and urban-rural divisions. Consequently, there is a rising demand for healthcare services, which necessitates the efficient allocation of healthcare resources and the implementation of innovative changes in the service model. The issues pertaining to the medical insurance system ultimately derive from inherent imbalances and inadequacies that have been apparent during the system's evolution. The challenges primarily arise from inherent issues within the fundamental medical insurance system, the misalignment between the development of the basic medical insurance system and the multi-level protection system, the incongruity between medical insurance reform and the integrated reform of medical care, health care, drug circulation, and supply systems, as well as the discrepancies between the advancement of the medical insurance sector and the governance

system and capacity [10]. The persistent scarcity of medications in China represents a longstanding issue that has proven arduous to address. The implementation of price control measures and limitations on profitability might potentially impede the manufacture and distribution of certain medications, leading to a scarcity of these drugs and thus impacting the therapeutic outcomes for patients. The unequal allocation of healthcare resources poses a significant challenge within China's healthcare sector. Disparities arise as certain developed regions benefit from a greater abundance of healthcare resources, while remote areas experience a relative scarcity. Consequently, patients residing in these remote areas encounter difficulties when attempting to access medical treatment. The issue of medical insurance reimbursement presents a significant challenge that necessitates resolution. Certain medical insurance policies may present complex reimbursement procedures or limitations on reimbursing inter-regional medical treatment, thereby impeding patients' ability to fully access the entitlements and advantages offered by such insurance policies.

First and foremost, the National Health Insurance (NHI) should strive to enhance the efficiency of the health insurance system, streamline the reimbursement process, and enhance the convenience of reimbursement for beneficiaries. Additionally, it should promote inter-regional medical treatment, alleviate constraints on such treatment, and mitigate limitations on medical options available to participants. This measure is expected to enhance the accessibility of health insurance policies for participants, facilitating their enjoyment of associated rights and benefits, while concurrently alleviating the financial strain imposed by medical expenses. Additionally, it is recommended that the State Medication Administration enhance the management of the medication supply chain by establishing a robust system and improving the ability to provide drugs. This will help mitigate the occurrence of drug shortages and ensure a reliable drug supply chain. Ensuring a consistent drug supply within the drug market can effectively mitigate the occurrence of shortages, hence preventing patients from experiencing delays in accessing vital medications. The optimisation of medical resource distribution, policy guidance to encourage medical personnel and institutions to serve in remote areas, promotion of balanced utilisation of medical resources, and mitigation of the issue of uneven distribution of medical resources should be prioritised by the National Health Commission. The optimisation of medical resource distribution can result in a more reasonable allocation of these resources, hence ensuring equitable access to timely medical treatments for patients residing in remote places. The government ought to actively facilitate medication innovation and research and development (R&D), while also offering policy assistance to incentivize firms to intensify their efforts in drug innovation and R&D. This approach will effectively enhance the range and accessibility of pharmaceutical products. The promotion of medication innovation and research and development (R&D) has the potential to cultivate competition and create innovation within the pharmaceutical sector, thereby offering patients a wider array of treatment alternatives that are more efficacious. In conclusion, it is imperative for the medical insurance administration to enhance the management and utilisation of the medical insurance fund. This entails reinforcing the oversight of the fund to prevent any instances of misuse or excessive expenditure. By doing so, the effective utilisation of the medical insurance fund can be ensured, thereby promoting its rational use, bolstering the sustainability of the medical insurance system, and safeguarding the rights and interests of the insured individuals.

The objective of these policy recommendations is to address the potential social issues stemming from the existing medicine policy, improve the level of medical safeguarding, and provide public access to medical services of superior quality at affordable prices. The advancement of the healthcare sector necessitates collaborative endeavours from the government, healthcare groups, companies, and the general public to foster the sound progression of the pharmaceutical system.

6. Conclusion

The primary objective of the Government's pharmaceutical policy is to implement price control measures in order to ensure the protection of public health care requirements and promote equitable

and rational allocation of health care resources. Nevertheless, during the process of policy implementation, a range of social issues has been highlighted by individuals. The health insurance system assumes a pivotal role in shaping the pharmaceutical strategy. Nevertheless, the existing health insurance system continues to exhibit certain laborious issues pertaining to the reimbursement process and the provision of inter-regional medical treatment, hence causing difficulty to the insured individuals. Therefore, it is advisable to streamline the health insurance reimbursement procedure and enhance the convenience of reimbursement for individuals with insurance coverage. Additionally, it is important to loosen the constraints on inter-regional medical treatment to ensure insured individuals have prompt access to medical services. The primary objective of the drug system was instituted to ensure the protection of the general population's need for fundamental healthcare services. Nevertheless, throughout its execution, challenges have emerged pertaining to the availability of certain essential medications, resulting in instances of drug scarcity. Hence, it is advisable to enhance the supply chain management of pharmaceuticals and build a robust supply chain system in order to guarantee a consistent provision of vital medications and mitigate the occurrence of shortages. Furthermore, the assessment of drug costs' appropriateness is a crucial component within the realm of pharmaceutical policy. The government employs price control measures to ensure the rationality of medicine costs. Nevertheless, it is worth noting that such interventions may potentially affect the profitability of firms. Hence, it is proposed that the government should offer suitable policy assistance to firms, with the aim of fostering medication innovation and research and development. This measure is intended to assure the steady growth of the pharmaceutical market, while simultaneously regulating pricing.

The study holds importance in offering precise policy recommendations to the government for the formulation of pharmaceutical policies. These recommendations aim to foster the sound growth of the pharmaceutical system and guarantee public access to medical services that are both of high quality and reasonably priced. Simultaneously, this study offers an empirical examination of the effects of pharmaceutical policies on the academic community, so serving as a valuable point of reference for subsequent scholarly investigations. The study's policy recommendations aim to assist the government in formulating medicine policies with a greater emphasis on scientific rigour and accuracy, thereby enhancing the overall level of medical protection. Nevertheless, the execution of any policy may encounter several obstacles and complexities that necessitate ongoing refinement and enhancement in practical application. Future study has the potential to delve deeper into the consequences of policy implementation by employing a combination of field surveys and quantitative data. This approach would enable a more comprehensive assessment of the impact of policies. Inclusion of cross-country comparisons in the study can be deemed advantageous in order to provide a more comprehensive outlook and establish a benchmark for conducting comparative analyses of global pharmaceutical policy.

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