Perspective on dentistry in China

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Economic growth in China

China is an important center of attention and attraction in the world today with its influence being felt mainly through its rapid economic growth. After years of state control of all productive assets, in 1978 the Chinese Government embarked upon a major program of economic reform. In an effort to awaken a dormant economic giant, it encouraged the formation of rural enterprises and private businesses, liberalized foreign trade and investment, relaxed state control over some prices, and invested in industrial production and the education of its workforce. By nearly all accounts, the strategy has worked spectacularly.

While pre-1978 China had seen an annual growth of 6% (with some painful ups and downs along the way), post-1978 China saw an average real growth of more than 9% per year with less instability. In peak years, the economy grew more than 13%. Per capita income has nearly quadrupled in the last 15 years, and a few analysts are even predicting that within 20 years the Chinese economy will be larger than that of the United States. Such growth compares very favorably with that of the ‘Asian tigers’—Hong Kong, South Korea, Singapore, and Taiwan—which, as a group, have had an average growth rate of 7% to 8% per year over the last 15 years.

This rapid growth has accelerated in China in recent years and correlates with a steady and healthy growth in personal incomes. According to official figures from 1979 to 2003 1, disposable income has increased 24-fold in the last 24 years, and 6-fold in the last 6 years. Annual income in the more developed cities has risen even higher, to RMB 20 548 in Shenzhen, RMB 12 883 in Shanghai, and RMB 11 577 in Beijing.

Growth of dentistry in China

The general economic gains providing capital and greater personal incomes create a tremendous need for dental services. It has been reported that in China there are about 250 million decayed teeth nationally 2. Seventy percent or more of the deciduous teeth have dental caries, 97% of adults have periodontal disease, 60% of the population has never seen a dentist, and less than 2% of Chinese citizens receive regular dental checks and cleaning 2. This situation represents a gold mine for dentists.

In 1914, there were only about 400 dentists in China, providing a dentist to patient ratio of 1:1 000 000 in a population of 0.4 billion at that time 1. The first modern dental school, West Union School of Stomatology, was established in 1917, but the development of modern Chinese dentistry was arduous and slow for the next 60 years. The 1978 Open Door policy was a significant turning point that allowed the expansion of dental services at a pace similar to overall economic growth. In 1978, there were only 5741 registered dentists in China. By 2002, the number increased to 50 920 1. However, the dentist to patient ratio would still have been 1:24 000 in a population of 1.2 billion. Moreover, the distribution of dentists is not even: it is, as should be expected, closely related to the regional gross domestic product level. In 2002, the dentist to patient ratio was 1:6868 in Beijing, while the ratios were 1:72 162 and 1:76 587 in Tibet and Guizhou, respectively 1. Based on various studies projecting a population of 1.6 billion, an estimated 136 000 to 400 000 dentists will be needed in China by 2030 1.

Traditionally, dental care has been provided by state- or dental school–administered dental hospitals and clinics, and throughout the 1990s, the number of dental hospitals increased from 62 to 89 1. Between 2001 and 2003, the number further increased to 196—a spectacular growth of over 100 dental hospitals 1. Private dental clinics have only been legally available in modern China since the 1980s, but by 2003 their number had grown to 13 600 1. In Beijing, there were 300 to 400 private dental clinics in 2001. By 2004, that number had increased to about 1600.

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Private dental institutions

A recent survey by the Ministry of Health 3 provides some interesting statistics regarding the growth of private dental institutions (民營口腔醫療機構):
1. Registered private dental institutions holding a medical institution practice permit: 33,000
2. Dental chairs in those private dental clinics: 83,000
3. Employees in those private dental clinics: 165,000
4. Registered dentists (including assistant dentists): 68,000
5. Private dental clinics with eight or more dental chairs: 674
6. Private dental institutions merged with medical insurance—assigned hospitals/clinics: 17
7. Private dental clinics in cities and counties: 98%
8. Private dental clinics make up to about 68% of the total number of oral health institutions nationally (including the dental department within the comprehensive hospital system), and utilize 17% of all oral health resources.
9. Between 2003 and 2004, 70% of all private dental clinics earned a profit, 17% broke even, and 13% did not perform satisfactorily; some of these have been closed, merged with other institutions, or shifted to villages for further development.
10. In terms of service market, 60% of all private dental institutions serve the general public and the relatively poor. Working class people and those with assigned medical benefits usually attend dental clinics within government hospitals. About 0.5% of the private clinics serve the high-end market. These dental clinics are mainly concentrated in the more developed areas, such as Beijing, Shanghai, Guangdong, etc.
11. Ninety percent of the private dental institutions were established through personal investment and registered as dental clinics, with the registered owners being oral health professionals or technical staff. Two percent are registered as dental hospitals or dental departments in the outpatient services of general hospitals, the registered owners being investors other than oral health professionals or technical staff. A small number of joint-venture oral health institutions offer company shares, the owners being expatriates or citizens from Hong Kong, Macau, or Taiwan. These joint-venture institutions are located primarily in Beijing, Shanghai, and southern Guangdong. Some formerly state-run oral health institutions have also become private.

Dental practice in Beijing

There are several joint-venture medical/dental institutions in Beijing. They are located mainly in Chaoyang District and include: Arrail Dental Clinic, Bailey and Jackson Medical Center, Beijing International Medical Center, Beijing International SOS Clinic, Beijing United Family Hospital and Clinics, Beijing Vista Clinic, King’s Dental, SDM Dental, Sino-Japanese Friendship Hospital, etc. Their client base is the 200,000–odd foreign passport holders, who work and live in and around Chaoyang District, as well as the city’s approximately 500,000 senior white-collar workers.

Establishing a private dental clinic

Dental clinics in China are governed and licensed by the Health Bureau under the authority of the local district government office, not the Ministry of Health of the central government (Han L., unpublished data, 2005). Therefore, the governing and licensing of dental clinics in different cities, districts, and counties is vastly disparate with varying standards and hardware and software requirements. In Beijing, for example, the registered capital investment for the dental clinics must be RMB 1 million or more in Haidian District, while RMB 2 million or more is required in Chaoyang District. Consequently, dental clinics in China display great differences in the scale of business, level of services, technical standards, and level of staffing. The progress of development is similarly uneven.

The examination process leading to the opening of a dental clinic, as well as the endorsement of equipment in the clinic, is under the authority of the local city, district, and county department of health. Related governing laws include: The Laws of Registered Doctors of Peoples’ Republic of China (中华人民共和国执业医师法), Regulations on Supervision of Medical Institutions (醫療機構管理條例), Regulations on Handling of Medical Accidents (醫療事故處理條例), and Recommendation on Implementation of Classified Supervision of City/County Medical Institutions (關於城鎮醫療機構分類管理的實施意見). In 2000, Temporary Means on Joint Investment/Cooperative Medical Institution Supervision (中外合資、合作醫療機構暫行辦法) were announced by the Ministry of Health in Foreign Trade and Economic Cooperation Order Number 11. They stipulate that “joint investment/cooperative medical institutions”—foreign medical institutions/companies/enterprises and other economic organizations (i.e. foreign joint ventures/cooperative partners)—based on the principles of equality and mutual benefits and after approval by the responsible Chinese Government departments, are allowed to set up medical institutions as joint ventures or in cooperation with Chinese medical institutions/companies/enterprises and other economic organizations (i.e. Chinese joint ventures/cooperative partners) within China (except Hong Kong, Macau, and Taiwan). In certain regions and districts, the ratio of the foreign capital in a joint-venture clinic (medical institution) is not allowed to exceed 70%.

Under the Regulations on Supervision of Medical
Institutions (醫療機構管理條例實施細則), the establishment of a dental clinic requires inspection, endorsement, and registration to obtain a medical institution practice permit, in addition to a business permit. According to the nature of the dental practice, non-profit clinics should apply to the civil service department for a civil non-profit enterprise permit; profit-oriented clinics should apply for a business permit in accordance with the National Laws of Business Administration (國家工商管理法規). Further, the dental clinic should follow the additional regulations of the local government in the province/city/county as required. For example, the Government of the Shanghai City has issued the Law of Management of the Medical Institutions in Shanghai (上海市醫療機構管理辦法), which stipulates the additional requirement that an individual applicant for an individual clinic “be a registered city resident and have at least 5 years of clinical experience after obtaining the dental practitioner licensure registration.”

Closer Economic Partnership Arrangement

Following the signing of the main parts of the Closer Economic Partnership Arrangement 4 (CEPA) on 29 June 2003, Hong Kong and the Mainland signed the six Annexes to the main text of the Arrangement on 29 September 2003 and stipulated the implementation details. From 1 January 2004, the Arrangement ensures that Hong Kong will be “economically interlocked” with the Mainland and that smaller Hong Kong companies will benefit from the opening-up and liberalization on the Mainland beyond China’s commitments to its WTO accession. With CEPA, 90% of Hong Kong domestic exports to the Mainland enjoy zero tariffs. The CEPA also opens up 18 service industries to Hong Kong companies. More importantly, CEPA provides long-term opportunities for Hong Kong citizens to establish businesses or work on the Mainland.

Medical and dental services belong to one of the 18 specified service industries. According to CEPA 4, Hong Kong doctors can work on the Mainland for up to 3 years. Although Hong Kong permanent residents who are legally eligible to practice western medicine and dentistry or Chinese medicine in Hong Kong are not required to sit the Mainland’s qualification examination for the purpose of short-term practice in China, they are allowed to sit the Mainland’s qualification examination (Chinese medicine practitioners are not). A “medical/dental practitioner’s qualification certificate” of the Mainland will be issued to those who pass the examination. This agreement will further allow Hong Kong permanent residents who are legally eligible to practice in Hong Kong and have practiced in Hong Kong for at least 5 years to open clinics on the Mainland on the condition that they have obtained that certificate. Matters relating to the application for the establishment and registration of clinics on the Mainland should be handled in accordance with Mainland regulations.

As of 30 September 2005, statistics provided by the Trade and Industry Department of the Hong Kong Special Administrative Region Government show that of the 913 applications for business licenses in China, 861 have been successful, including one for medical and dental services 4. Despite the availability and the great need, it appears that the medical and dental practitioners of Hong Kong are not yet as keen as their fellow professionals and service providers to take up the opportunities offered by CEPA to venture into Mainland China.

References