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Uruguay, Argentina, Chile](#)[Hu visits Denmark,  
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China's reform of government-run hospitals will have serving public interests as its goal, Premier [Wen Jiabao](#) said during an online chat with Internet users Saturday.

"The reform of public hospitals is the most difficult part (of the entire health care reform), but we have chosen 16 cities to pilot the reform," Wen said.

China's [State Council](#), or Cabinet, passed a long awaited medical reform plan in January 2009, which promised to spend 850 billion yuan (123 billion U.S. dollars) by 2011 to provide universal medical service to the country's 1.3 billion population.

Sixteen cities, including six in central China, six in the east and four in the west, will start the public hospital reform this year, according to a government circular issued Tuesday.

"Public hospital reform is complicated. We must carry it out properly," Wen said.

Statistics of the Ministry of Health show that China had about 14,000 public hospitals nationwide by last November.

Public hospitals in China enjoyed full government funding before 1985. The situation has changed since then as public hospitals embarked on a market-oriented reform along with the deepening of the reform and opening up policy adopted in late 1978.

Analysts say the market-oriented reform has improved the medical service to some extent. But the fact that hospitals operate on profits made from medical services and drug prescriptions have also resulted in soaring medical costs on the part of patients.

Wen said the situation of hospitals relying on profits from drug prescriptions has to be changed to solve the problem of high medical costs.

**Editor:** Zhang Xiang**Source:** Xinhua