

# China to deepen reform with public hospitals

China will carry forward public hospital reform to optimize medical care resources for public health, according to a decision at a State Council executive meeting chaired by Premier Li Keqiang on Monday.

The reform on medical care pricing at public hospitals will continue toward dynamic price adjustment of medical services to make the knowledge expertise and efforts of medical workers better reflected in values.

One or two cities in provincial regions where the comprehensive medical reform are piloted will be chosen for medical insurance payment reform, which covers all medical care institutions and services. The government will also designate over 100 disease categories for an insurance payment by-category reform.

“The medical care reform is not only a major project to better public wellbeing, but also a major economic measure,” Li said.

He said the public hospital reform should be pushed forward across the board, and the reform on medical care partnerships should be piloted in multiple forms to better serve “Healthy China” with better and more convenient healthcare services.

China’s medical care reform should adhere to the principle of guaranteeing basic health care, building up working mechanisms and strengthening community health services, he added.

China started the latest round of healthcare reform in 2009, making offering healthcare services to all people as a public good its core objective.

As of September, all public hospitals in China have joined the comprehensive reform program to end 60-year-old practice of drug price markups, which enables rationalization of medical care cost. As the reform proceeds, the share of drug sales in the total revenues for hospitals dropped from 46.3 percent in 2010 to 38.1 percent in 2016.

Public hospitals, which totaled 12,708 by the end of 2016, provided 2.85 billion diagnosis and treatments last year, accounting for 87.2 percent of cases provided by all hospitals in China, according to the National Health and Family Planning Commission.

The reform on the medication dispensing scheme will also be deepened as public hospitals will be encouraged to practice category-based pharmaceutical procurement. Hospitals across different regions and different specialized hospitals will be encouraged to conduct procurement together.

The public hospital oversight mechanism will be reformed to better supervise the quality and safety of medical care, medical services and medical

expenses. The number of hospital beds, construction standard and procurement of large medical equipment will undergo greater scrutiny.

“The medical care reform is still an ongoing reform, and these are progresses yet to be consolidated. The government should provide due financial support. The reform on the remuneration mechanism of medical workers should get stronger support to provide them with more incentive,” Li said.

The meeting on Monday decided to speed up efforts to establish medical treatment partnerships, which promote effective cooperation and coordination between different types of medical institutions, including major hospitals and grassroots clinics.

All major public hospitals must take part in the development of such partnerships before the end of October. The operating mechanism of medical partnerships will be further improved to ensure better coordination in technical support, staffing, staff salary arrangements, and resources sharing among different medical institutes.

Private medical care facilities, aged care and rehabilitation centers will also be encouraged to join the partnerships to provide integrated services for the public.

More efforts will be made to expand the availability of family doctors, and to enable the doctors to offer more services based on demand and improve the fee collecting and paying mechanisms.

Medical services at grassroots will be further improved, with more emphasis on improving the talent, technology and key departments at county-level hospitals.

“The medical treatment partnerships should be developed in parallel with systematic reform. Openness instead of exclusiveness to private capital is the way to go. A lot can be done to advance China’s medical equipment and pharmaceutical industry, not least the traditional Chinese medicine, including with Internet plus medical care that can help better consolidate our resources,” Li said.