

Life Sciences Health Industry China Briefing – May 2012 (June 14, 2012)

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Pharmaceuticals, Medical Devices, Health Care & Life Sciences

News

- **Introduction of Administrative Measures on Clinical Application of Antimicrobial Drugs (Ministry of Health 2012-05-08) – May 9, 2012**

The Ministry of Health recently issued the Administrative Measures on Clinical Application of Antimicrobial Drugs, which will take effect August 1. The Measures consist of six chapters with 59 articles and clarify the following issues:

(i) Antimicrobial drugs will be classified into three categories and be subject to different administrative measures

(ii) The selection, procurement, clinical application, monitoring, early warning, intervention, and withdrawal of antimicrobial drugs by medical institutions will be clarified

(iii) Medical institutions will establish early warning mechanisms for antibiotic-resistant bacteria

(iv) Local health authorities at county level and higher will be responsible for monitoring the clinical application of antimicrobial drugs

- **Two Agencies to Crack Down on Violent Crime Against Medical Personnel (Caixin Media 2012-05-01) – May 2, 2012**

On May 1, the Ministry of Health and the Ministry of Public Security jointly issued an announcement to crack down on violent crimes against medical personnel and patients, and crimes that disrupt medical institutions. Burning spirit money, placing funeral wreaths, interfering with the disposition of dead bodies, mob violence and other violations will be punished in accordance with the Law on Security Administration Punishment and may be investigated as criminal acts.

- **State Council: Medical Insurance Reimbursement for Hospitalization to Reach 75% of Total Expenses during 12th Five-Year Plan (Caixin 2012-05-02) – May 3, 2012**

On May 2, the State Council adopted the Outline on Social Security of the 12th Five-Year Plan, which requires that reimbursements from basic medical insurance and new rural cooperative medical subsidies shall reach 75 percent of total hospitalization expenses during the five years of the plan. Additionally, a regular adjustment mechanism for the basic pension will be established, comprehensive arrangements for basic medical insurance and new rural cooperative medical

subsidies will be implemented, and financial subsidies to local governments will increase. The government will also develop supplementary insurance to deal with the problems presented by China's aging population.

- **Foreign Medical Workers to Receive TCM Training in Shanxi (Xinhua News Agency 2012-05-03) – May 5, 2012**
Thirty-two medical workers from 18 developing countries will start a three-month training program focusing on traditional Chinese medicine (TCM) in north China's Shanxi province this month. Their courses will focus on acupuncture treatment and Chinese-style massage, said Yan Ping, director of an acupuncture and massage school affiliated with the Shanxi University of Traditional Chinese Medicine.
- **MOH Requires Class B and Higher Hospitals to Establish Security Offices (China Legal Information Center 2012-05-07) – May 7, 2012**
The Ministry of Health urgently required local counterparts to coordinate with local public safety bureaus to set up security offices staffed by police officers in Class B and higher hospitals, and required all hospitals to increase security measures. Hospitals shall carry out 24-hour security monitoring on key departments and areas. This program is estimated to involve more than 20,000 policemen providing security for more than 7,800 hospitals.
- **State Food and Drug Administration: China Has Never Approved Health Foods That Can Improve Intelligence (Xinhua Net 2012-05-11) – May 11, 2012**
Yesterday, the State Food and Drug Administration issued consumer guidance on health foods, clarifying that Chinese authorities have never approved health foods that can improve intelligence or that have similar functions. The guidance also states that health foods previously approved for improving memory, relieving physical fatigue, enhancing immune response, or other similar functions are not able to improve intelligence or relieve mental fatigue.
- **Clinical Pathways Implemented in Half of China's Public Hospitals (Xinhua News Agency 2012-05-15) – May 15, 2012**
The Ministry of Health (MOH) announced that nearly half of China's public-funded hospitals implemented clinical pathways by the end of 2011. According to the MOH, China has designed clinical pathways for 331 diseases under 22 disciplines since the 2009 implementation of clinical pathways on a trial basis in public hospitals. Clinical pathways are tools used to manage the quality of health care through the standardization of care processes and the reduction of variability in clinical practice.
- **China to Expand Medical Payment Reform (Xinhua News Agency 2012-05-16) – May 16, 2012**
China plans to expand medical payment reforms to ensure that new payment systems will be implemented throughout the country's rural areas by 2015, Minister of Health Chen Zhu announced. Chen said during a video conference that the payment systems will help control medical costs, as they will result in the scrapping of the fee-for-service system and will cap patients' total medical expenditures.
- **Campaign to Regulate TCM Raw Material Market (Xinhua News Agency 2012-05-23) – May 23, 2012**
The State Food and Drug Administration (SFDA) has ordered a special crackdown on counterfeit materials used in traditional Chinese medicine (TCM), as well as illegal acts such as artificial dyeing and weight-increasing. The crackdown was announced by the SFDA as part of a six-month campaign to regulate the market for TCM raw materials. The SFDA has urged both regularly

scheduled and surprise inspections of TCM raw materials suppliers, as well as stricter management of the quality of TCM products and the licensing of sellers.

- **Pharmaceutical Firm Seeks Compensation (Global Times 2012-05-29) – May 29, 2012**
Guangzhou Pharmaceutical Holdings said it would seek compensation from Hong Kong-based herbal tea maker JDB Group as the latter has earned 7.5 billion Yuan (\$1.19 billion) in profits through unauthorized sales of Wong Lo Kat branded herbal tea since 2010. The statement came a day after JDB announced that it filed suit in Beijing appealing an earlier ruling that revoked its right to use the Wong Lo Kat brand.

Regulations

- **Notice from the General Office of the Ministry of Health concerning Classification of Hospitals Run by Private Investors – May 21, 2012**
Local health authorities shall classify hospitals run by private investors, including Chinese-foreign cooperative hospitals, based on the hospitals' function and services. The local health authorities are also required to classify those hospitals as soon as possible. This change is expected to decrease the barriers to investment for private investors.
- **Notice from the Ministry of Health concerning the Business Nature of Hospitals Run by Private Investors – May 21, 2012**
Private investors are permitted to establish both for-profit and nonprofit hospitals. Previously, health care organizations established by private investors were classified as for-profit. This notice is also intended to remind local MOH offices to strictly supervise privately invested health organizations.

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