

China Healthcare

Key highlights from the 2024 Government Work Report on healthcare

Industry Overview

On 5 Mar, Chinese Premier Li Qiang delivered the 2024 Government Work Report over Two Sessions. We summarize below the healthcare-related content from the report.

Summary of healthcare-related works in 2023

Changes in Covid-control measures and medical insurance pooling account reforms are the two highlights of 2023. Covid-control measures were changed to Class B management in Jan 2023. And, from Feb 2023, the reform of the medical insurance pooling account started in several pilot cities, where patients got reimbursed from the pooling account at designated retail pharmacies.

Key targets for 2024

"Innovative drugs" were mentioned for the first time. The report states speeding up the development of innovative drugs and views biologics manufacturing as a growth engine. This is the first time that innovative drugs were mentioned in the Government Work Report, showing the central government's rising focus on innovative drugs.

Elderly care a key focus. In the report, elderly care-related contents have been mentioned several times, including to increase the supply of elderly care talents and services, set up a long-term care insurance system, implement a personal pension system and so on. The focus on the silver economy was also announced in the report. The urban and rural residents' minimum monthly pension will be increased by RMB20.

Raise government subsidies for basic medical insurance. Regarding medical insurance, the standard of government subsidies for basic medical insurance will be further raised by RMB30 per person. Moreover, the government will carry on with the previous reforms and policies on medical insurance, including the pooling account reform, VBP, and medical insurance settlement of cross-regional treatments.

Key policy continues on healthcare services. Regarding healthcare services, the report largely maintains the previous targets. It states deepening the public hospitals' reforms and carrying on the tiered healthcare system. The report first proposes improving the synergies of county-level healthcare services and strengthening the service weakness in lower-tier medical institutions. In addition, the report states attracting foreign capital to participate in the healthcare service market.

Other key messages: fertility, drug safety and healthcare consumption. To spur childbirth, the report cites establishing supportive policies on fertility, such as maternity holidays and childcare services. In addition, the report also states encouraging the consumption of healthcare further and enhancing the supervision on drug safety.

Overall, we believe innovation, elderly care, and the continuing reform of healthcare services and medical insurance are still the key focus in 2024.

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VBP: Volume-based procurement

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