

POLICY REVIEW

Private medical boost amid talent injection

Greater support, quicker approval are diagnosed for success

By XU WEI
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The State Council has moved to incentivize the growth of private medical institutions with streamlined approvals and greater policy support as experts underscored the importance of enabling more talent flow to the private medical sector.

The cabinet decided at an executive meeting on Wednesday to expand the room of development for private medical institutions, cancelling restrictions on the number of such institutions within a certain region during urban planning procedures.

Workers from public hospitals can apply for the opening of medical institutions while they are still in service or on suspension from duty without pay, according to a statement released after the meeting.

The meeting also vowed improved efficiencies in government approvals, with an interdepartmental mechanism for such institutions set to be established before the end of this year.

The growth of private medical institutions will effectively increase the supply of medical services, stimulate the potential of the market and unleash the potential of consumption in the service sector, the statement said.

According to a report released by the National Health Commission last week, the number of private hospitals reached 20,977 last year, up by 11.8 percent from 2017. Private hospitals, with 26.3 percent of the country's hospital beds, received a total of 530 million patients, or 14.8 percent of the country's total, last year.

Li Ling, a professor who has conducted research on the country's medical reforms at Peking University, said the measures by the State Council showcased the growing importance of private medical institutions in the health sector.

However, she said, one of the major challenges for private medical institutions is the lack of high-quality medical workers. "It is not about money. It is about doctors," she said.

Even though private hospitals far outnumber their public counterparts, a majority of patients

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Shi Lichen, founder of Beijing Dingchen Consultancy

still opt for public hospitals. "It is a lengthy process to train a qualified doctor with enough expertise," she added.

The State Council meeting also came up with greater policy support for private medical institutions. To boost the number of outpatients, private hospitals can enjoy the same treatment as public hospitals on the policy of interprovincial on-the-spot settlement of medical bills through basic medical insurance accounts. More private hospitals will also be included in the basic medical insurance system, the statement said.

Tax incentives of small and micro businesses as well as high-tech firms will also be made available to private hospitals, which can also obtain land use rights through government allocation, transferring or leasing.

The cooperation between public and private medical institutions in the development of Internet Plus healthcare will receive support, in addition to services in long-distance medical coordination, medical examination and imaging.

Private medical institutions will be given priority in undertaking rehabilitation and nursing services from top-tier hospitals, and one-stop direct payment services will be promoted between them and commercial insurance institutions, it said.

For private institutions that are devoted to rehabilitation and nursing services at community levels, they can have taxes exempted based

on relevant regulations, it added.

Shi Lichen, founder of Beijing Dingchen Consultancy, contended that there is a need to encourage more flow of people and services, including rehabilitation and nursing, from public hospitals to private institutions.

"The best way is to enable more partnerships between public hospitals and social capital so that hospitals will be incentivized to outsource rehabilitation and nursing services," he said.

The meeting also called for better oversight and the establishment of reporting and handling mechanisms to crack down on wrongdoings. Those with severe credit losses will be subject to lifetime ban from the health sector.

Li, the professor, said the government stepping up punishment for wrongdoing will help improve the quality of private institutions in the sector. She noted that some private hospitals, driven by profits, have tainted the reputation of the sector as a whole.

The reputation of private hospitals in China suffered a blow in 2016 after Wei Zexi, a 21-year-old cancer patient from Shaanxi province, died after undergoing an experimental cancer therapy at a Beijing hospital that had outsourced work to private service providers.

"The key is to make sure that good money drives out bad in the market, not the other way around," she said.



SHI YU / CHINA DAILY

POLICY RESPONSE

Project safety, school enrollment among key issues

By XU WEI

Several ministry-level departments, including those for housing and urban-rural development, education, and public security, have responded recently to issues of public concern.

Construction safety drive



The Ministry of Housing and Urban-Rural Development has launched nationwide safety checks on construction projects and public facilities in urban areas in the wake of two accidents within a week.

The ministry said in a notice issued on Thursday that local authorities must step up safety checks to prevent hazards and accidents.

The move came after a collapse of a factory wall in Shanghai's Changning district claimed the lives of 10 people on May 16. In another accident, four people died and 87 were injured when the roof of a bar collapsed in Baise, Guangxi Zhuang autonomous region, on May 20.

The ministry said ongoing projects that have yet to obtain construction permits and projects that are constructed illegally will be a priority for safety checks.

The notice said no projects or equipment should be left unchecked during the safety check, and those found guilty of wrongdoing must be held accountable.

School enrollment checks

The Ministry of Education warned schools and universities nationwide against enrolling students in violation of regulations in an emergency notice on Friday.

Local authorities must ensure that the exam-free access to nearby primary and secondary schools is universally available for school-age children, the ministry said.

The ministry said the notice was issued after several cases of student enrollment against regulations had been found recently.

It called for high schools to strictly follow the admission procedures and policies, adding that vying for ace students in violation of regulations will not be tolerated. Universities must strengthen regulation of independent enrollment of students.



dents with special talents, it added.

The ministry also required intensified efforts to prevent high school students migrating to other provincial areas to sit college entrance exams as well as using illegal means to obtain qualifications for the exam.

Easier car registration



The Ministry of Public Security has given the green light to residents in 120 cities to have vehicle registration files changed and transferred online.

The ministry said in a notice on Friday that residents wishing to change their vehicles' registration location can submit their applications directly to the authorities at the new city where the vehicle is intended to be registered.

Applicants would no longer have to make a trip to the cities where the vehicles were registered previously, saving the trouble for vehicle owners to go back and forth between the two places for de-registration and re-registration.

The measure, the latest efforts made by the country to further

the reform to streamline administration, enhance compliance oversight and improve services, will take effect starting from June after having been piloted in 15 cities last year, the ministry said.

More elderly protection

Chinese authorities have banned elderly care institutions from selling health products and services to elderly people to protect them from false advertising.

According to a notice jointly issued by the Ministry of Civil Affairs and another three central government departments, elderly care institutions are also prohibited from fundraising activities targeting elderly people.

Local authorities should target the above wrongdoings in its oversight campaigns and prohibit the institutions from such behavior or providing support to other entities for such actions.

It called for elderly care institutions to organize more health knowledge activities to help seniors better identify false advertising. It also encouraged institutions and elderly people to report to authorities about false advertising of health products and illegal fundraising.

The ministry initiated a four-year campaign in 2017 to improve the service quality of elderly care institutions. There were a total of 30,000 elderly care institutions and 249 million people age 60 or older in China by the end of last year, according to the National Bureau of Statistics.

Policy digest

New swap to help firms

China will encourage private and foreign investors to take part in debt-to-equity swaps in a bid to help ease companies' debt burdens and boost their vitality, the State Council decided at an executive meeting on Wednesday.

According to a statement released after the meeting, chaired by Premier Li Keqiang, a proper pricing mechanism for the swaps will be set up. Social capital will be encouraged to take part in market-oriented swaps to improve equity structures, with the protection for the rights and interests of private investors set to be enhanced.

Foreign investment will be encouraged to acquire stakes in the implementing agencies for the swaps.

More support will be extended to financial-asset investment firms in launching asset management products and accepting investment from insurance and pension funds. Publicly offered asset management products will be allowed to participate in the swap in keeping with related laws and regulations, the statement said.

The meeting also called for improvements in the mechanism of exempting liability in cases of due diligence in State-owned enterprises and implementing agencies. New approaches to pursue swaps will also be developed, and the pilot program of debt-to-preferred stocks swap will be expanded.

Quality companies with a high-leverage ratio as well as qualified business segments will be prioritized in the debt-to-equity swap, the statement said.

Participants at the meeting also

agreed to adopt multi-pronged measures to help financial asset investment firms involved in the swap programs to replenish their capital.

The meeting also greenlighted eligible trading floors to trade assets in the swap deals to ensure that financial-asset investment firms play an important role in the debt-to-equity swap process.

Workers get skills upgrade

The State Council issued a three-year action plan on Friday to upgrade workforce skills with training sessions offered to migrant workers, veteran soldiers and the unemployed.

The country will offer subsidies to open 50 million upgrading sessions to its workforce between 2019 and 2021.

It has also set a target of increasing the percentage of skilled workers to more than 25 percent of the total workforce by 2021, with high-skill workers taking up at least 30 percent of all skilled workers.

The plan will also prioritize training to key groups, including families living below the poverty line, with incentives offered to businesses to bolster training of their workers.

The government will encourage enterprises to establish vocational training centers and promote the development of these centers between vocational schools and businesses, the plan said.

The plan also called for more funding support for the training of workers as local authorities are required to coordinate their funding for vocational training purposes.

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