



CHINA UPDATES

April 18, 2017 – Issue 242

INSIDE THIS ISSUE

Fujian Launched Campaign on Food Safety

Jiangsu: Many Import Food have No Chinese Label

Health Product Drives China's overseas buying

China's Cabinet Approves Setting Up Seven New Free Trade Zones

Reforms are a Shot in the Arm for Capital's Healthcare System

Natural Health & Nutrition Expo Shanghai



Fujian Launched Campaign on Food Safety

The provincial food and drug regulator of Fujian recently launched a new round of campaign on food safety in key areas including rural and suburban regions.

Special attention will be paid to prevent collective food poisoning cases.

The regulators will specifically inspect qualification of staffs in restaurants and food processing factories, import approval of food ingredient, food additive management and cleanness of kitchen and tableware.

At the same time, risk control over food safety in rural areas will be strengthened. More training will be conducted among chefs working in those areas.(Source: Fujian Daily)

Jiangsu: Many Import Food have No Chinese Label

According to government data, in 2016, regulators with Jiangsu province received over 62400 cases of food and drug complaint reports from local consumers, over 78% of which were about food.

Among the reports, 3040 cases are about health food, and 2311 cases about cosmetics.

A big rise in number is seen in the field of general food, most of which are about imported products lacking for Chinese labels.

A majority cases were from restaurants and street vendors. False advertisement as well as illegal online sales remain to be serious problems.



Are you seeking a reliable partner to help you navigate and successfully enter the China dietary supplement market?

TSI has the **expertise** to help.

Contact your TSI representative today to learn more.



www.tsichina.com
www.tsiinc.com

The reports also show that elderly consumers are most likely to buy substandard products. (Source: Shuzheng Kangxun)

Health Product Drives China's overseas buying

China's consumers are having a shopping spree of products from overseas. According to eMarketer, the retail value of China's cross-border e-commerce is expected to reach \$110.68 billion in 2017, a double-digit growth that would keep till 2019.

Health product would be a major force to drive the growth, which would boost the retail value to \$157.7 billion in 2020.

In recent years, Chinese consumers hold suspicion towards home-made food due to serious pollution in China and food safety scandals.

Government data showed that in 2015, many Chinese consumers are buying dairy products, infant formula and health food from overseas online.

A survey by Mintel also showed that 75% of interviewees said they would buy foreign products via local online platforms instead of foreign websites. (Source: Shuzheng Kangxun)

China's Cabinet Approves Setting Up Seven New Free Trade Zones

China's cabinet has approved the establishment of seven new free trade zones, China's commerce ministry said on Friday.

The new free trade zones will be in Liaoning, Zhejiang, Henan, Hubei, Chongqing, Sichuan and Shaanxi, a document issued ahead of a press conference in Beijing showed.

China's seven new free trade zones will ease investment and promote free trade in commodities, especially in oil products, it said.

China will also further explore reform of state-owned firms in the new free trade zones, it added. (Source: Reuters)



Reforms are a Shot in the Arm for Capital's Healthcare System

End of medicine price markups puts focus on provision of better services, Li You reports.

Beijing will put a new medical care reform plan into effect on Saturday, which will bring an end to medicine price markups, according to local officials.

More than 3,600 medical institutions are involved in the reform and all of them will abolish the medicine price markups, according to Fang Laiying, head of the Beijing Municipal Commission of Health and Family Planning.

It is estimated that the cost of treatment per outpatient will be reduced by about 5 percent on average thanks to cuts in medicine prices, while there will be an average cost increase of 2.5 percent for inpatient treatment due to the growth of certain service charges, according to Fang.

Community hospitals and medical institutions will be given the same access to the medicines usually prescribed in higher-level hospitals, so that patients will have more choices, Fang said.

Marking up medicine prices is a practice that has been adopted by most public hospitals in China since the 1950s.

It allows hospitals to sell drugs with markups usually at a rate of 15 percent above the drugs' tag prices.

Its purpose was to make up for the shortage in healthcare funding from the government, and it became part of doctors' salaries, creating incentive for doctors to over-prescribe.

In 2015, incomes from checkups, tests and medical treatment materials accounted for about 66 percent of the city's medical services revenue, while the incomes from the intelligence and labor of medical personnel, such as diagnosis, surgery, treatment and nursing, which are closely related to the quality of medical services, only accounted for 34 percent, according to Fang.

"The core of this new reform is to separate the functions of medical services and drug sales so as to shut down the markup mechanism in public medical institutions in Beijing," Fang said.

"The separation will cut off the channel for making money through over-prescription and help medical practitioners provide better treatments and other services," Fang said.

"The reform will effectively motivate the medical staff to pay more attention to the medical service they are providing, and further improve the doctor-patient relationship," said Li Ruifeng, a medical reform expert from Beijing University of Chinese Medicine.

Another major change brought about by the reform plan is the cancellation of the registration fee and consulting fee, which will be replaced by a single medical service fee instead.

It embodies the intelligence and labor value of doctors, nurses and other medical personnel, creating a boost to the provision of better medical services, said Fang.

Third-level hospitals the highest-level public hospitals in China for example, will charge a medical service fee for outpatient services offered by its general practitioners of 50 yuan (\$7.26) per instance, for associate chief physicians 60 yuan, for chief physicians 80 yuan, for renowned experts 100 yuan. The registration and consulting fees combined were less than 20 yuan.

For those patients who need emergency treatment, they should pay 70 yuan per instance, and the medical service fee for an inpatient will be 100 yuan per bed per day.



"Most of the doctors in our hospital are optimistic about the medical reform, we are expecting higher income in the following days," said a doctor from Beijing's Chaoyang Hospital, who asked to remain anonymous. The hospital is one of the third-level public hospitals in Beijing.

To ease the burden of the public for the medical service fee, the Beijing Human Resources and Social Security Bureau renewed its medical insurance policies, making the medical service fee reimbursable in the basic medical insurance systems for urban employees as well as urban and rural residents.



Besides the medical service fee that is correlated with doctors' incomes, the prices for general healthcare services, ranging from beds and nursing, medical imaging examinations such as CT and MRI scans, to traditional Chinese medicine, surgery and other treatments, will also have major changes, according to the Beijing Municipal Commission of Health and Family Planning.

The general reform principle for those items is to increase the prices for beds, nursing, surgery and traditional Chinese medicine treatment, while reducing the prices for physical examinations using medical equipment.



天津市滨海新区求是义工联合会2014.10.02 (重阳节) 钻井养老院慰问文艺表演活动记录

For example, the price of common-level nursing for patients confined to a bed will be increased from 7 yuan to 26 yuan, appendectomy surgery from 234 yuan to 560 yuan, and acupuncture from 4 yuan to 26 yuan per session.

CT scans will drop from 180 yuan to 135 yuan, an MRI scan from 850 yuan to no more than 600 yuan, and a PET/CT scan from 10,000 yuan to 7,000 yuan.

Fang said the price reform of healthcare services involves 435 items. Medical imaging examinations

account for 42.5 percent of the total number, general healthcare services 28.7 percent, traditional Chinese medicine services 22.1 percent, surgery and other physical treatments 6.7 percent.

He said that part of the costs of most of the 435 items will now be reimbursable, making the costs more affordable for patients.

Fang said community medical institutions will also be equipped with more drugs for chronic diseases, such as hypertension, diabetes and cardio-cerebrovascular diseases, offering more convenience for residents.

Similar medical care reforms will be promoted to all public medical institutions in China by the end of this year, according to the National Health and Family Planning Commission, China's top health authority. (Source: China Daily)

Natural Health & Nutrition Expo Shanghai

May 16-18, 2017 The Natural Health & Nutrition Expo (NHNE) hits Shanghai. The expo is being held at Shanghai's [National Exhibition and Convention Center](#) and is being organized by Reed SinoPharm,



GMP Services
注册服务

To learn more about NSF cGMP Services, [click here](#)
Experts in auditing, consulting, training and testing

欲了解更多服务信息请点击
审核、咨询、培训和测试专家团队

which is a joint venture between Reed Exhibitions, a UK based event organizer and SinoPharm, a state owned Pharmaceutical Group in China.

NHNE is co-located with China Medical Equipment Fair, PharmChina and API China in total covering over 3 million square feet of exhibition space and attracting more than 200,000 visitors.

This year the organizers have invited the association to attend and explore potential cooperation.

For more information on Natural Health & Nutrition Expo, visit their site [HERE](#).



China Updates is published weekly by the U.S. – China Health Products Association, a non-profit organization dedicated to the promotion of dietary supplements and nutritional ingredients. The association’s major focus is the continued development of China’s overall natural health product industry as well as offer business services to its global members.

If you have comments, suggestions or would like to advertise, please contact us at:

news@uschinahpa.org

If you are not already subscribed to “China Updates”, [SIGN UP TODAY](#)

