Medical Security Law of the People's Republic of China

China – National People's Congress Standing Committee

Main information

Scope of Application:

Rules on financing and on operation of medical security, payment of benefits, public services, the use of medical security funds, together with supervision and administration of BMI funds

Effective Date:

January 1st, 2027

Related Provisions:

- Constitution of the People's Republic of China
- Social Insurance Law
- Supportive Measures for High-Quality Development of Innovative Drugs
- Civil Code of the People's Republic of China
- Healthy China 2030 Plan

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Key Topics

Framework

- The Law is China's first foundational law for the entire healthcare security system in China, broadening the legal coverage and protection compared with the Social Insurance Law

- It provides a unified legal framework for all initiatives somehow related to medical insurance funds: procurement, reimbursement, payments by BMI Basic Medical Insurance funds of medical services, participation in BMI payments by employees and employers, maternity insurance, funds management and governance, financial and accounting system by public authorities, supervision and liabilities.

What's new

- **Procurement** – Centralized system is now codified as ordinary system for procurement of drugs and medical consumables. Practices such as VBP Volume-Based Procurement, Pilot programs or local initiatives to centralize procurement of drug and medical consumables are now covered by a legal provision which mandates Central authorities to coordinate the procurement under one system, to strengthen the management of funds under a coordinated and unified governance

- **Reimbursement** - NHSA shall organize evidence-based medical and economic evaluations of catalogues of drugs, medical consumables and medical services included in the scope of payments by BMI Basic Medical Insurance funds. It coordinates with ordinary review of NRDL National Reimbursement Drug List, and with Catalogue of Drugs.

Sensitive Factors

- **Payment scope evaluation**: Article 23 establishes that the payment scope determines whether a drug is reimbursed by basic medical insurance. This decision is the definitive "gatekeeper" for the "basic" market. Article 24 stipulates that to enter this payment scope, a drug must pass **rigorous evidence-based medicine and health economic evaluations**, the results of which serve as the basis for adjusting the payment scope.

Drivers

- The Law will come into force starting from Jan 1, 2027. It mandates NHSA National Healthcare Security Administration to formulate the “scope of payments” from BMI Basic Medical Insurance funds. Market-Access strategy: Companies aiming to have their product be reimbursed under BMI should be prepared for health economic evaluations conducted by the NHSA, by providing information on "true" and "differentiated" innovation through robust clinical and economic evidence to pass the evaluation and secure a favorable payment standard within the BMI system. Companies should also do efforts to coordinate with pre-consultation mechanisms under the current policies to further enhance the target of reimbursement.