

## China introduces new healthcare reforms

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**Singapore:** In a bid to deepen healthcare reforms and improve health infrastructure in the country, the Chinese government has announced an increase in healthcare subsidies by 19 percent. As per the recent cabinet announcement, government healthcare subsidies for qualified urban and rural residents will be raised to 380 yuan (\$61.21), from 320 yuan last year.

The government also plans to reduce the cost of drugs and medical checks, reform the salaries of healthcare workers and increase the availability of doctors in rural areas. According to global consulting firm, McKinsey, China's healthcare bills is expected to hit \$1 trillion by 2020.

The National Development and Reforms Commission, China, also announced that said it will remove price controls on most pharmaceuticals starting June 1, in a move to reduce government intervention in the sector and let the market play a bigger role.

The government also plans to use competitive bidding for large-scale purchases of certain drugs, as a way to guide market pricing. For long, Chinese consumers have complained of high costs of essential drugs. In the last couple of years, the Chinese government cracked down on rampant bribery by pharmaceutical companies that inflated drug prices.