

The Twelfth Five-Year Plan for Health Sector Development

In order to meet people's growing demand for health and adapt to the new requirements for health sector in light of socioeconomic development, this plan is formulated according to *The Twelfth Five-Year Plan for the National Economic and Social Development of the People's Republic of China*, *Opinions of the CPC Central Committee and the State Council on Deepening Health Care Reform*, and *Notice of the State Council on Printing and Distributing the Strategy and Implementation Plan of Deepening the Health Care Reform during the "Twelfth Five-Year Plan" Period*.

I. Background of the plan

1. Achievements of the health sector during the "Eleventh Five-Year Plan" period.

During the "Eleventh Five-Year Plan" period, great progress has been made on various health issues. The main targets and tasks identified in the "Eleventh Five-Year Plan" for health sector development have been thoroughly accomplished and people's health outcome improved significantly. In 2010, average life expectancy increased to 74.83 years; maternal mortality (MMR) reduced to 30.0/100,000; infant mortality (IMR) reduced to 13.1‰ and under-5 mortality (U5MR) reduced to 16.4%; China ranks front among developing countries on main health indicators.

The efforts of deepening the health care reform made a good start. The reform was launched on full scale in 2009 as the CPC Central Committee and the State Council issued *the Opinions on Deepening the Health Care Reform*, and the State Council issued *the Implementation Plan for the Recent Priorities of the Health Care Reform (2009-2011)*. In accordance with the requirement to "ensure basic medical and health care, strengthen the primary level and establish sound mechanisms", we pushed the five priorities of the reform as a whole and made gradual while important achievements, which provided strong institutional assurance for scientific development of the health sector.

Significant achievements have been made on disease prevention and control. The incidence of communicable diseases of Class A and B remained stable nationwide without large-scale transmission of severe communicable diseases. Reported cases of people living with HIV amounted to 379,348; 2.46 million infectious lung tuberculosis (TB) patients were treated; population HBsAg rate was kept below 7%; schistosomiasis prevention and treatment efforts reached control targets; 97.94% counties (cities, prefectures) met the targets of eliminating iodine deficiency disease. The progress of patriotic health campaign led to continuous improvement of environmental hygiene in rural and urban settings with sanitation latrine coverage in rural areas reaching 67.43%. Maternal and child health (MCH) kept improving as the main challenges being gradually addressed. Hospital delivery rate among rural women reached 97.8%; prevalence of under-5 medium and severe malnutrition reduced by 49.8% compared with year 2000; coverage of newborn diseases screening reached 57%.

Basic medical insurance system kept improving. By the end of 2010, 1.26 billion people joined basic urban or rural medical insurance schemes, including 237 million joining

basic medical insurance for urban employee and 195 million joining basic medical insurance for urban residents. New Rural Cooperative Medical Scheme (NCMS) achieved universal coverage and 96% people enrolled NCMS; benefits improved obviously with the per capita premium rising to RMB 156 yuan from RMB 30 yuan at the end of the “Tenth Five-Year Plan” period. The development of medical service system expedited distinctly: special fund worth RMB 60.37 billion yuan were allocated from the central budget to support about 50,000 health facility projects; the service capacity of primary health facilities improved significantly. The national basic public health service projects and mega public health service projects were fully implemented, and equal access to basic public health services was further improved. The essential medicine system was pushed forward in a stable manner and the reform of public hospitals made active progress. The utilization of health services improved obviously and the share of out-of-pocket expenditure out of national health expenditure reduced from 52.2% to 35.3%; the momentum of rapid increase of out-of-pocket expenditure was contained and the issue of difficult and expensive access to medical and health services was eased to some extent.

We made active progress on food safety and health inspection, and the food safety situation is generally stable. We further enhanced medical supervision, and regulated the medical services. We continuously strengthened health legislation, and related laws and regulations were further improved. We gradually improved our drug regulatory capacity, and drug safety has been significantly improved. We made significant progress in traditional Chinese medicines (TCM) and now TCM plays an active role in the development of basic medical and health system with continuously optimized service system and improved service capacity.

Health sector plays an important role in promoting social harmony and stability. We successfully fulfilled the task of providing medical and health services for the Beijing Olympic Games, celebration of the 60th Anniversary of the founding of New China, and the Shanghai Expo. We achieved the goal of "no major disease outbreak after a major disaster" after destructive natural disasters including the Wenchuan earthquake, Yushu earthquake and Zhouqu mudslide. We prevented and controlled Influenza A (H1N1) in a scientific manner and minimized the health hazard and socioeconomic impact of the outbreak.

2. The situation of health sector development during the “Twelfth Five-Year Plan” period.

(1) The role of health in national economic and social development is further demonstrated, and we are faced with important opportunities for development. Health plays an increasingly important role in expanding domestic demand, increasing employment opportunities, and promoting socioeconomic development. China makes ensuring and improving people's wellbeing as the guiding concept and expected objective for accelerating the change of growth pattern, and the ever-increasing comprehensive national strength lays a solid foundation for health sector development. Therefore the health sector is facing distinct opportunity for development as local governments investing more efforts to accelerate health sector development, all walks of life and the

international community giving great attention and support to health issues, and the public holding a higher demand for health services.

(2) The new stage of socioeconomic development brings about multiple health challenges, and the task of health sector becomes more formidable. China, at a time of rapid industrialization and urbanization as well as with accelerated aging, faces more complicated health issues. On the one hand, we face the ever-present severe communicable diseases, growing threat from non-communicable diseases and mental illnesses, and the potential threat from emerging diseases and traditional deadly infectious diseases. On the other hand, change in ecological environment and life style, and such issues as food and drug safety, occupational health, drinking water safety, as well as environmental issues pose more threats to the health of the public. The recurring natural disasters, accidents and social security incidents increased the demand for health assurance. The contradiction between supply and demand of medical and health services becomes more intense, and the ideology and model of service must be adjusted accordingly in a timely manner.

(3) The institutional issues that restrain the development of the health sector become more prominent and the health care reform comes into a critical stage. Unbalanced, uncoordinated and unsustainable issues remain in the development of the health sector. Big gaps exist between urban and rural, among regions and among populations in terms of health resource allocation, health service utilization and the health outcome of the people; people still bear heavy financial burden from catastrophic diseases. As the reform proceeds, some barriers become more evident including profound systematic conflicts and complicated interest adjustment; the reform has come into "deep water". The medical insurance system demands further development; essential medicine system shall be further improved; public hospital reform must be deepened and widened; more efforts shall be made to encourage non-government investment in hospitals; and the conflict between total number and structure of health human resource is still outstanding. We must continuously push the reform forward to solve such problems.

II. Guiding ideology, basic principles and main targets

1. Guiding ideology.

Follow the guidance of Deng Xiaoping Theory and the important thought of Three Represents, we will thoroughly apply the Scientific Outlook on Development. By taking protection of people's health as the central task, the health care reform as the drive, we will maintain the public service nature of the health sector. We will prioritize preventive medicine, rural and primary health care; put equal emphasis on Chinese and western medicines; and depend on science, technology and human resource. We will transform the pattern of health development by ensuring basic medical and health care, strengthening the primary level and establishing sound mechanisms. We will provide basic medical and health system to the entire population as public goods so as to promote the coordinated development between the health sector and other socioeconomic sector, and continuously improve the health standard of the people.

2. Basic principles.

-- We will take a holistic approach to our work. We will coordinate the four systems including public health, medical services, medical insurance, and drug supply; we will expedite the establishment of basic medical and health system; we will make overall plan for urban, rural and regional health development, and continuously narrow the gap among populations in terms of health service utilization and health outcome. We will place equal emphasis to TCM and Western medicine, and give full play to the advantages of TCM.

-- We will stick to the Scientific Outlook on Development. We will balance local interest with whole interest as well as immediate interest with long-term interest, and promote the transformation of health development model from disease treatment to health promotion, from individual service to family and community service; we will optimize resource allocation, prioritize vulnerable areas including public health and primary health as well as new areas that are requested by medical model transformation, and we will shift the focus to preventative care and primary healthcare.

-- We will stick to the leadership of the government and participation of the entire society. We will highlight the leading role of the government in ensuring basic medical and health services, and we will increase investment; we will motivate non-government sectors' investment in hospitals so as to speed up the creation of a pattern of hospitals with diversified ownership; we will motivate the health workers and bring into full play their role as the main force of the reform; we will encourage the people to adopt healthy lifestyle through health education and other efforts, and foster the development of the health industry.

-- We will intensify capacity building. We will take health human resource and information system development as the strategic priority, strengthen the idea that human resource is the first resource, accelerate implementation of the strategy that health system being strengthened through human resource development, reform the mechanism of human resource training and employment, prioritize training high-quality health workers. We will reinforce health information development, increase the medical and health service capacity and management capacity.

3. Targets of development.

By 2015, basic medical and health system that covers urban and rural residents will be established; basic medical insurance and basic public health services will be made universally available; the accessibility, quality and efficiency of medical and health services as well as patients' satisfaction will be improved evidently; out-of-pocket payment will be reduced significantly, the cross-regional gap for health resource allocation and gap of health status among population will continuously be narrowed; we will primarily achieve the goal that everyone has access to health care and average life expectancy increases by 1 year compared with 2010.

-- The public health service system will be primarily established with clear distribution of work, information exchange, resource sharing, coordination and interaction; it will promote equal access of urban and rural residents to basic public health services.

-- The medical service system covering both urban and rural residents will be primarily established with orderly and reasonable structure; it will provide the people with basic medical services that are safe, effective, convenient and affordable.

-- A multiple tiered medical insurance system that covers both urban and rural residents will be primarily established with the basic medical insurance as the main body, various additional medical insurance and commercial health insurance as supplement; out-of-pocket payment will be further reduced.

-- The supply assurance system for drugs and medical devices based on national essential medicine system will be further regulated to ensure that essential medicines are safe, effective, equally accessible and rationally used.

-- Various mechanisms and institutions that support the comprehensive, coordinated and sustainable development of the health sector will be sounder, which will effectively ensure the normative operation of the medical and health system.

Box 1. Indicators for health sector development during the “Twelfth Five-Year Plan” period		
Category	Indicators	Year 2015
Main indicators		
Health status	Average life expectancy (yr)	increase by 1 year compared with 2010
	IMR (‰)	≤12
	U5MR (‰)	≤14
	MMR (/100,000)	≤22
Working indicators		
Disease prevention and control	Reporting rate of notifiable diseases (%)	≥95
	Surviving HIV-positive persons and AIDS patients (person)	1.2 million or so
	Population HBsAg rate (%)	≤6.5
	Immunization rate among children of eligible age by town/township (%)	≥90
	Awareness of key information on prevention and control of major non-communicable diseases (NCDs) among the population (%)	≥50
	Standard management of hypertension and diabetes patients (%)	≥40
MCH	Systematic management of under-3 children (%)	≥80

	Systematic management of pregnant women (%)	≥85
	Hospital delivery (%)	≥98
Health inspection	Coverage of health inspection in entities of centralized water supply that is over 1000 m ³ per day (%)	≥90
Medical insurance	Enrolment rate for the three basic medical insurance schemes in rural and urban settings (%)	increase by 3% compared with 2010
	Proportion of eligible inpatient expenditure that is paid by medical insurance (%)	75 or so
Health resources	Registered (assistant) physicians per 1000 population (person)	1.88
	Registered nurses per 1000 population (person)	2.07
	Health facility beds per 1000 population (bed)	4
Medical services	Average length of stay for general hospitals at secondary and above levels (day)	≤9
	Consistent diagnosis at admission and discharge (%)	≥95
Health expenditure	Share of out-of-pocket expenditure out of national health expenditure (%)	≤30
	Average per capita fund for basic public health service (yuan)	≥40

III. Speed up the development of medical and health system

1. Strengthen public health service system.

(1) Strengthen prevention and control system for major diseases. We will conduct surveillance to major diseases, strengthen the web-based online reporting system of communicable diseases, and improve the disease surveillance system and information management system. We will build up NCD prevention and control system that covers both rural and urban settings. We will establish and strengthen a functional treatment and management network covering both rural and urban settings for severe mental illness. We will strengthen the lab test network for disease prevention and control. We will establish the lab quality management system for communicable diseases. We will reinforce the staffing level in disease prevention and control institutions; optimize human resources and equipment distribution; and give preferential support to capacity building in central and western China.

(2) Improve the health inspection system. We will strengthen the local health inspection network. We will strengthen the surveillance capacity of health inspection, and improve the online reporting of surveillance system. We will establish sound systems for food safety risk assessment and early warning, food safety standard, and emergency response and investigation. We will make full use of the available resources to establish a

comparatively all-round system for occupational health, and enhance our capacity of prevention and treatment. We will strengthen capacity building on health inspections in environmental health, radiation health, school health, communicable diseases, and health-related law enforcement.

(3) Strengthen capacity building for MCH and health education. We will enhance capacity building for MCH facilities at city and county levels. We will establish a sound three-tiered health education network at province, city and county level respectively. Emphasis will be put on strengthening capacity building at province and city level. By doing so, we will improve the health education capacity of township hospitals and community health service centers, and improve health literacy surveillance system.

(4) Expedite the establishment of health response system to public emergencies. We will improve the comprehensive surveillance and early-warning system for public health emergencies, and establish risk assessment mechanism. We will strengthen capacity building of emergency medical aid and emergency lab test at national and provincial levels, support central and western areas to building their health emergency response team. By 2015 we will establish a health response system to public emergencies with consistent command, reasonable structure, swift reaction, efficient operation and strong assurance capacity. We will strengthen the development of pre-hospital care system, and especially improve the first aid capacity in rural areas.

(5) Strengthen capacity building on blood collection and supply services. We will improve the non-remunerated blood donation service system, strengthen the capacity building of blood stations on blood safety assurance, actively push forward the nucleic acid test at blood stations, and improve the testing capacity of labs in the blood stations. By 2015, nucleic acid screening test will basically cover the whole country.

We will establish a working mechanism to enable cooperation among specialized public health facilities, urban-rural primary health facilities and hospitals with a clear distribution of tasks, so that we can combine prevention with treatment through information exchange and resource sharing. Specialized public health facilities will increase the guidance, training and supervision to hospitals and primary health facilities on how to provide public health service. We will use various measures to increase the capacity of hospitals on public health services and increase the capacity of public health facilities on medical treatment.

Box 2. Key projects for public health service system

Development of prevention and control system for major diseases: firstly, we will strengthen capacity building for prevention and control of severe diseases including endemic and communicable diseases that impose severe threat to people's health, and support the development of public health facilities of all levels that are responsible for prevention and control of major diseases; secondly, we will especially strengthen the development of national-level storage center for plague seed strains.

Development of health inspection system: we will support the construction of
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offices and procurement of basic equipment for health inspection institutions at primary level. We will improve the surveillance network for drinking water safety.

Development of emergency care system in rural area: we will renovate or expand the offices of county level emergency care facilities, and provide necessary emergency equipment and ambulance. We will further improve the response network to public health emergency.

Development of risk assessment system for food safety: we will provide lab test equipment to provincial and prefecture level disease prevention and control institutions.

2. Strengthen medical service system.

(1) Optimize allocation of medical resources. We will stick to a model with non-profit health facilities as the main body and for-profit health facilities as supplement, and public medical institutions being dominant and non-public medical institutions developing as well; we will develop demand-oriented regional health sector development plan and plan for establishing health facilities, adjust the layout and structure of medical resources based on population distribution and migration trend; we will determine the function, quantity, scale, structure and spread of public hospitals in a reasonable manner. We will keep down the irrational expansion of public hospitals, and in principle, public hospitals are not supposed to expand if 4 beds are already available for every 1000 regular residents. We will practically ensure the demand for medical resources by remote areas, new regions, suburb and urban satellite regions; we will especially build up medical services capacity in pediatric care, obstetric and gynecologic care, mental health, tumor, communicable diseases treatment, geriatric nursing, rehabilitation medicine, and TCM; we will prioritize rural and urban communities in allocation of new medical and health resources, and ensure accessibility of basic medical services. We will develop extended health facilities including rehabilitation hospitals and nursing homes (stations), and elevate capacity of rehabilitation services and nursing care; by 2015, we will primarily achieve differentiation of acute hospitals and long-term care facilities. We will strengthen MCH service system and improve the medical services provided to women and children. We will strictly control the possession of large medical equipment, encourage co-development and sharing, and improve the utilization efficiency of medical and health resources. We will guide patients to seek medical services in a rational manner, and ensure that the people can access high-quality medical services nearby.

(2) Fully develop non-public health facilities. We have left sufficient room for non-public health facilities in the regional health sector development plan and plan for establishing health facilities. When we need to adjust or increase medical and health resources, we will prioritize non-government investment given that entry criterion are met. We will relax the admission scope for non-government capital to invest in health facilities, encourage various stakeholders including capable enterprises, charity organizations, foundations, and commercial insurance companies, as well as overseas investors to run

health facilities, and encourage qualified individuals (including from Hong Kong, Macao and Taiwan) to run private clinics according to relevant laws. In cities where there is an abundant resource of public hospitals, we could guide non-government investment to, in many ways, join in the reform and re-organization of some public hospitals including hospitals run by state-owned enterprises, actively while prudently transform some public hospitals into non-public hospitals, appropriately reduce the proportion of public hospitals, promote the rational distribution of public hospitals and generate a pattern of hospitals of varied ownership. By 2015, both the number of beds and the service volume of non-public health facilities shall take about 20% of that provided by all health facilities.

(3) Strengthen the three-tiered health service network in rural areas. We will prioritize developing county hospitals; improve their service capacity and quality, so that the diagnosis, treatment and rehabilitation of 90% of the common diseases, frequently-occurring diseases, acute, critical and severe syndromes and some complicated diseases can be provided within the county. We will continue strengthening the development of township hospitals and village clinics. We will actively push forward the integrated management of township hospitals and village clinics. By 2015, we will basically realize that there is one government-run hospital in every town and there is a village clinic in every administrative village, and we will increase the equipment owned by health facilities at township and village levels.

(4) Improve the community-based urban medical and health service system. We will further improve the community health service system, make full use of the comprehensive service facilities at communities, continue building up the capacity of community health centers/stations, improve the community health service functions, and gradually achieve a healthcare model with the primary healthcare facilities as the entry point to medical care, diseases are categorized according to its severity and treated at the corresponding levels of hospitals, and two-way referrals can be made for the patients. By 2015, a community health service system shall be established with reasonable institutional setting, functional services, high quality personnel, scientific operation, up to standard supervision and administration. In principle, each sub-district community or 30,000-100,000 residents should be equipped with one community health center. A urban medical and health service system should be established in which community health institutions, big hospitals and public health institutions maintain close coordination and collaboration, and clear division of labor.

(5) Strengthen capacity of regional medical centers and key clinical specialty. We will make use of the available resources, and establish a few medical centers or regional medical care centers that can undertake medical research or education at central and provincial level. We will strengthen construction of prefecture/city level general hospitals that are in short of housing and with poor infrastructure. We will strengthen the development of key clinical specialty, support the development of vulnerable and most needed areas of medical sciences, and elevate the technical capacity of medical care and impact of clinic services.

(6) Strengthen the counterpart support between rural and urban hospitals. We will continue the counterpart support between urban and rural hospital mainly in the form of “Project of 10,000 physicians supporting rural health”. We will organize and coordinate the hospitals in western and eastern China for cross-provincial counterpart support. We will improve the counterpart support and cooperation between urban tertiary hospitals and county hospitals. We will make efforts for the health facilities of secondary level and above to support counterpart township hospitals, and establish a long-term mechanism for urban hospitals to support rural areas. We will implement the policy that doctors from urban hospitals must serve in rural area for at least one year before they are granted medium- or high-level technical title. We will strengthen the management and performance assessment of counterpart support, motivate both the supporting hospital and the supported hospital, and establish a win-win operation mechanism.

Box 3. Key projects in developing medical service system

Development of general hospitals at prefecture/city level: we will support construction of business-use houses and procurement of equipment by prefecture/city level general hospitals that are in short of housing and with poor infrastructure.

Development of key clinical specialty: we will support the development of key clinical specialty at national, provincial and prefecture level.

Development of child medical service system: we will strengthen development of provincial level MCH hospitals. We will support the development of pediatric department at provincial, prefecture and city level hospitals or special pediatric hospitals, as well as the development of MCH department of county hospitals.

Improve the primary health service system: we will on one hand support the county hospitals and township hospitals to improve their infrastructure, and on the other hand provide mobile medical service vehicles for remote and poor areas together with basic medical care and first aid equipment.

3. Improve medical insurance system.

We will accelerate the development and improvement of multiple tiered medical insurance systems that cover both rural and urban residents. We will gradually increase the government subsidy to NCMS and urban resident medical insurance, which will be over RMB 360 yuan per person per year by 2015, and the individual premium will increase accordingly. We will gradually increase the ceiling and proportion of payment by basic medical insurance. We will better coordinate the benefit standard of the three insurance systems namely the urban employee insurance, the urban residents insurance, and NCMS; the proportion of eligible inpatient expenditure that is paid by the three medical insurance systems will be about 75%, and we will obviously reduce its gap with

actual payment proportion. We will comprehensively carry out pooling of outpatient expenditure covered by urban resident insurance and NCMS, and increase the insured portion to over 50%, we will stably push forward the outpatient pooling of urban employee insurance. We will insist on urban-rural pooling, gradually increase pooling level, and narrow down the gap between rural and urban and across regions; we will carry out the policies on transfer between medical insurance scheme, and places of better conditions will explore establishing an urban-rural integrated resident insurance.

We will continue reinforce NCMS and maintain the enrollment rate above 95%; we will establish a long-term stable mechanism to increase funding, continuously improve the funding of NCMS, gradually reduce the gap between rural and urban insurance in terms of funding and benefit, to lay a foundation to achieve unified medical insurance system between urban and rural areas. We will gradually expand the scope of insurance and we will achieve universal coverage of ordinary outpatient expenditure pooling by 2015. We will enlarge the list of expensive outpatient NCDs and special disease that can be reimbursed. We will continue with medical insurance of catastrophic diseases, and will increase the benefit for those diseases including child leukemia, congenital heart disease and uremia in the whole country, and pilot incorporating lung cancer and other major diseases into insurance or medical aid, and appropriately enlarge the list of disease and increase benefit.

We will further improve the medical insurance system for urban employees and residents, expand their coverage and gradually increase their benefit. We will further improve the rural and urban medical aid system, comprehensively improve medical aid, provide subsidy to the target population to pay insurance premium and unaffordable medical expenditure, so as to build up a solid bottom line for medical insurance.

We will explore the insurance mechanism for severe and catastrophic diseases, and address the problem of devastating medical expenditure due to severe and catastrophic diseases. We will actively work on the insurance of major diseases for urban and rural residents, buy insurance for major diseases from commercial insurance companies with basic medical insurance fund, and reduce the high burden of medical expenditure of the insured. We will give full play to the cooperation and complementation among basic medical insurance, catastrophic disease insurance, medical aid, supplementary insurance and charity, plan as a whole and coordinate policies for basic medical insurance, major disease insurance and commercial health insurance, and effectively increase the benefit of the people.

We will strengthen regulation of medical insurance fund, and develop the managing and operating agencies. We will standardize fund management, control rate of total residual, increase the effect of fund use, and ensure safety of the fund. We will establish a nationwide mechanism for cross-regional cooperation and verification of medical expenditures, and fully achieve the real-time settlement of medical expenditure from a place other than where the insurance was bought within the same province or other scale of regions that medical insurance was planned as a whole; and primarily achieve the real-time settlement of medical expenditures across provinces. We will actively explore using

qualified commercial insurance companies to handle medical insurance management service.

We will comprehensively push forward the reform of payment method, and together with balance and budget management and clinical pathway management, we will actively push forward the payment methods including diagnosis-related group(DRG), capital and total prepayment in the entire country. We will encourage the use of essential medicines, and establish a mechanism that suppresses the increase of medical expenditure with medical insurance, to control the irrational growth of medical expenditures.

We will actively develop commercial medical insurance as a supplement to the medical insurance system. We will improve the policies for the commercial health insurance industry; encourage commercial insurance companies to develop health insurance products in addition to basic medical insurance, to meet the varied health demands. We will encourage enterprises and individuals to enroll in commercial health insurance and various supplementary insurances.

4. Develop a sound medicine supply system.

We will implement the *“Twelfth Five-Year Plan” for Drug Safety* and improve the safety of drugs. We will make relevant entities be fully accountable for drug safety according to the requirements that "local governments assume overall responsibility, regulatory authorities take respective responsibility, and the enterprises undertake the primary responsibility". We will strengthen the quality control during the entire process of drug research and development, production, distribution and use, and strictly crack down the production and sales of counterfeit and substandard drugs. We will implement the national action plan to improve the drug standard, comprehensively improve the quality of generic drugs. We will improve the drug inspection and testing system, and improve inspection and testing capacity. We will strengthen local surveillance of adverse effect of drugs, strengthen the evaluation of and pre-warning about adverse incidents of drugs and medical devices. We will improve drug safety emergency response system, and improve our capacity and quality of emergency response. We will strengthen infrastructures for technical evaluation, verification and certification, surveillance and early-warning, and allocate rapid test equipment, and accelerate the local application of the technology of rapid drug test at primary level. We will push forward the establishment of national electronic drug regulatory system which covers all types of medicines and whole link of drug and that is traceable. We will push forward the development of licensed pharmacists, and increase the use and allocation of licensed pharmacists, and by 2015 all the retail drug stores and pharmacy in hospitals must ensure there are licensed pharmacists there to guide rational use of drugs. We will regulate the order of medicine distribution, improve the government-led centralized online procurement of medicines at provincial level, strengthen the monitoring and management of centralized procurement and distribution, further standardize procurement behavior, and include high-value medical devices and materials into the list of centralized procurement.

We will establish and improve the matching policies to essential medicine system, and improve the supply and availability of essential medicines. We will enhance the

achievements made by government-owned local health facilities in implementing the essential medicine system, orderly push forward the essential medicine system implemented by village clinics, and we can involve the non-government-owned health facilities into implementation of essential medicine system in a way that the government buying services from them, and we will encourage public hospitals and other health facilities to prioritize using essential medicine. We will improve the selection and adjustment mechanism of national essential medicine list. We will standardize the procurement mechanism for essential medicines. We will strengthen the management of essential medicine use in health facilities, establish and improve the comprehensive clinical evaluation system of essential medicines. We will enhance training to health workers on clinical use of national essential medicines. We will improve the essential medicine pricing and adjustment mechanism. We will establish the monitoring and evaluation information system for the operation of the essential medicine system.

IV. Deliver quality work of the health priorities

1. Strengthen public health services.

We will implement the national basic public health service projects; expand the content and coverage of the project. We will implement the national health action plan, and prioritize food safety (including catering and drinking water safety), occupational health, mental health, blood safety, NCD prevention and control, and health emergency response.

Box 4. National health action plan

Prevention and control of major diseases: we will prevent and control major communicable diseases (HIV/AIDS, TB, Hepatitis B, schistosomiasis etc.), expand national immunization programs, and prevent and control zoonosis and priority endemic diseases, major NCDs and mental disorders.

Ensure the health of the priority population: maternal and infant safety (subsidizing hospital delivery for rural women, reducing MMR and eliminating newborn tetanus, comprehensively preventing and controlling birth defects); screening of cervical and breast cancer for rural women; improving health of rural children; health and care for migrant workers; occupational health; surgery for cataract sufferers; healthy schools.

Control of risk factors of health: health response to emergencies; drinking water safety and environmental health (sanitation latrine project in rural areas and drinking water monitoring); medical care quality and safety; food safety (standard formulation and follow-up evaluation; capacity building for risk monitoring and evaluation, accident investigation and response); healthy lifestyle and health literacy promotion; blood supply and safety.

(1) Deliver quality work in prevention and control of severe diseases. We will continue prevention and treatment of major communicable diseases, parasite diseases and endemic diseases. We will continue implementing the "Four frees and one care" policy for HIV/AIDS; expand the coverage of advocacy, education, monitoring and testing, mother-

to-child transmission prevention, comprehensive intervention, and anti-retroviral (ARV) therapy; enhance blood management, medical insurance, care and support, rights protection, organization and leadership, and human resources development. We will carry out the modern TB prevention and control strategy and measures, identify and treat 4 million patients with lung TB, scale up the standardized diagnosis and management of multi-drug resistant TB (MDR-TB), and the coverage of city/prefecture-based MDR-TB diagnosis and treatment will be over 50%. We will increase the coverage of routine immunization services and improve the management quality of vaccination of the mobile population. We will regain and maintain polio-free status, and try to achieve the goal of measles elimination. We will strengthen Hepatitis-B immunization among priority population. We will carry out the comprehensive prevention and control measures for schistosomiasis mainly by cutting off the transmission channel and controlling the source of transmission. All the schistosomiasis endemic county/city/prefecture shall meet the control standard, and those who have achieved the standard of transmission control shall try to achieve the standard of transmission interruption. We will enhance the prevention and control of malaria, kala-azar and other vector-borne diseases, carry out the comprehensive prevention and control measures for echinococcosis. We will improve the surveillance system for endemic diseases, enforce prevention and control measures, and primarily get rid of the hazard from endemic diseases. We will insist on the comprehensive prevention and control measures for iodine deficiency mainly with iodized salt. By 2015, 95% of the counties/cities/prefectures will be free of iodine deficiency disease. We will comprehensively carry out the latrine and kitchen upgrading project in endemic arseno-fluoride poisoning areas. We will carry out the comprehensive strategy to control rabies and brucellosis mainly by controlling the source of transmission, reduce the rabies mortality, and restrain the up-going momentum of brucellosis. We will strengthen the comprehensive prevention and control of hand-foot-mouth diseases. We will strengthen influenza surveillance and control.

We will strengthen our work on NCDs, mental health, dental hygiene and so on. We will fully carry out the comprehensive prevention and control strategy of NCDs, strengthen identification and preventive intervention of high-risk population, carry out the comprehensive prevention and control strategy for hypertension and diabetes at primary level; we will push forward the practice in health facilities that patients over 35 years old will be checked for their blood pressure at their first encounter with doctors, and provide blood sugar tests in over 80% of the communities and township health facilities. We will support patients with hypertension and diabetes in poverty-stricken areas to get free medication. We will make big efforts in "whole-population healthy life-style" action, establish demonstrative regions of NCD control, carry out health management, lifestyle guidance and interventions to high-risk population; and health management rate for senior residents will reach 60%. We will strengthen the screening, prevention and treatment of cardiovascular diseases including stroke and coronary heart disease. We will carry out screening, early diagnosis and treatment for major cancers in cancer high prevalence areas. We will strengthen injury surveillance and carry out injury interventions with children as the priority. We will establish a case reporting system for severe mental illnesses, strengthen management and treatment, and provide those patients in financial difficulties with medication and emergency aid. By 2015, among all the

severe cases identified, over 70% will be managed and 60% will be treated. We will gradually improve the socio-psychological support and mental health service system, and strengthen due standards and procedures. We will strengthen prevention and treatment of dental decay and periodontal diseases, and expand the coverage of child dental intervention. We will adopt effective measures to prevent common eye diseases that could lead to blindness, and will continue with the project which will help cataract sufferer to regain sight.

(2) Deepen the patriotic health campaign. We will comprehensively launch the healthy city and town initiative, and continue establishing national hygienic cities/towns. We will practically push forward the "national urban and rural environment health and hygiene action" and the rural environment health project that prioritize sanitation and water. We will strengthen monitoring drinking water quality in rural areas and establish an evaluation system for the risk factors for environment health in rural areas; by 2015, water quality monitoring service will cover 60% of the centralized water supply projects. We will strengthen the establishment of standards for vector control and the surveillance of vectors.

(3) Deliver quality work of maternal and child health. We will ensure quality work on prevention and control of common woman diseases especially the screening of cervical cancer and breast cancer, and by 2015, 70% of the rural women at eligible age would be checked for common women diseases. We will strengthen maternal healthcare and continue to implement hospital delivery subsidy programs to rural women. We will establish emergency centers and green channels for pregnant women and newborns in critical condition, and improve the service quality at pediatric and gynecologic departments. We will continue with the efforts to reduce MMR and eliminate neonatal tetanus. We will increase interventions for birth defects, carry out a three-tiered prevention and control of birth defects, strengthen the health education prior to marriage and pregnancy, antenatal screening and diagnosis, screening of newborn diseases, and to reduce the incidence of frequently-occurring and severe birth defects that could lead to disability. By 2015, the coverage of newborn inherited metabolic disorders screening shall be as high as 70%. We will strengthen prevention and control of Mediterranean anemia. We will strengthen child healthcare service and management, and make big efforts to improve the health of children. We will enhance management of baby-friendly hospitals, increase breast-feeding rate, and promote the scientific feeding to infants and young children. We will promote the appropriate technology of Integrated Management of Childhood Illness (IMCI), especially improve the capacity of rural health facilities in dealing with common child disease, first aid, treatment of critical children patients, as well as improve the referral capacity. We will reduce the prevalence of child malnutrition and anemia. By 2015, under-5 stunt rate shall be limited to under 10%, and anemia prevalence rate being under 20%.

(4) Carry out extensive health education. We will give full play to the role of health education system and health education base; carry out popular health education activities targeting major diseases, priority population, priority settings and major public health issues; continue to push forward the national health literacy promotion initiative, spread

basic health knowledge, and advocate for healthy lifestyle. By 2015, the health literacy of urban and rural residents will increase to 10%. We will strengthen advocacy on tobacco control; establish free quit-line; fully implement the policy of smoke-free public places; actively establish smoke-free health facilities, smoke-free schools, and smoke-free working places; establish complete surveillance for tobacco epidemic and implement WHO Framework Convention on Tobacco Control (FCTC). By 2015, smoking rate among people of 15 years and above shall be 2-3% lower than that of 2010.

(5) Deliver quality work on health emergency response. We will continue the preparedness and response to major public health emergencies including plague, pandemic flu, and major imported communicable diseases or emerging communicable diseases. We will improve the system of information reporting, risk assessment, surveillance and warning, and strengthen early warning, prevention and control of public health emergencies. With emphasis on the medical relief on the spot of disaster or accident, health response related to poison and radiation, mental assistance to emergencies, we will ensure high quality health response to public emergencies of various types, actively carry out medical rescue for major disaster or accidents, and provide health assurance to mass activities. We will strengthen plague tests, surveillance and warning, and improve the diagnosis and treatment capacity for plague in remote areas and grass-root health facilities.

(6) Deliver quality public health services to the floating population. We will improve access to medical and health services by migrant workers and their children, and make sure that the children of migrants enjoy the same basic medical and health services as enjoyed by the routine residents of the receiving place. We will strengthen the public health services and communicable disease prevention and control targeted at the migrants, and make migrant workers enjoy equal public health service as the urban residents.

2. Strengthen food safety and health inspection.

(1) Strengthen food safety. We will implement the *National "Twelfth Five-Year Plan" for Food Safety Regulatory System*, and further strengthen food safety regulation. We will push forward the establishment of supporting laws and regulations of the *Food Safety Law*, further improve the working mechanism in this area. We will strengthen building up the surveillance network of food safety risks, integrate surveillance resources, establish an integrated national surveillance system for food safety risks, and improve the communication mechanism for food safety risks. We will strengthen the food safety standards formulation and amendment, coordinate and integrate the current food safety standards; we will strengthen drafting and revising the standards of priority products and priority categories, and improve the national standard system of food safety. We will improve the information reporting and epidemiological investigation mechanism for food safety incidences; improve the capacity of the CDC system on surveillance of food-borne diseases as well as their response capacity. We will continue publicizing the "blacklist" of illegally added non-edible materials. We will strengthen advocacy and education on food safety laws, regulations, standards and other knowledge. We will strengthen food safety regulation in the catering industry.

(2) Strengthen prevention and treatment of occupational diseases. We will strengthen surveillance of dust lung, occupational poisoning, occupational tumor and other major occupational diseases. We will gradually expand the coverage of occupational health exam, and carry out occupational health risk assessment. We will continuously improve the laws and regulations as well as standard system of occupational health, and standardize the diagnosis and verification procedure of occupational diseases. We will strengthen health education on the prevention and control of occupational diseases and strengthen health promotion on occupational health, strengthen training of professionals, and improve capacity and quality of prevention and control of occupational diseases.

(3) Push forward health inspection. We will strengthen the health inspection of the rural and urban centralized water supply, secondary water supply and school drinking water, improve the capacity of monitoring water quality, and form the nationwide monitoring network for drinking water safety. We will push forward the tiered and quantified health inspection in public places. We will continue with the special sample inspection to the disinfection products and products concerning the health and safety of drinking water. With emphasis on the control of radiation hazard in health facilities, we will strengthen the radiation health inspection and management. We will push forward the monitoring and evaluation of the health impact of environmental pollution; improve the capacity of monitoring, diagnosis and treatment of the hazard from heavy metal pollution. With emphasis on the vulnerable areas including rural areas, we will comprehensively push forward school health inspection. We will strengthen supervision of communicable disease prevention and control. We will give more efforts cracking down the illegal medical practice and illegal blood collection and supply. We will strengthen the management of health inspection teams, intensify monitoring, and regulate the law enforcement behavior.

3. Comprehensively strengthen medical service management.

(1) Strengthen medical care quality management. We will further improve the quality management and control system for medical services at national and provincial levels, and carry out the campaigns of "good service, good quality, good ethic and patient satisfaction" and "ten thousand miles of medical care quality" in health facilities. We will improve the entry management system of elements to medical care services including health facilities, health workers and technologies, strengthen the entry and exit management of the medical service elements. We will comprehensively start clinical pathway management and disease-specific quality control in tertiary hospitals and 80% of the secondary hospitals. We will strengthen pharmaceutical management in health facilities, basically establish the clinical pharmacist system, and promote rational clinical use of drugs with emphasis on antibiotics. We will improve the capacity and quality of clinical nursing practice, comprehensively push forward the service model of accountable and integrated nursing, and scale up good nursing services. We will improve the hospital infection control system, and reduce the incidence of hospital infection. We will promote non-remunerated blood donation, and by 2015 the blood donors can reach 10 per 1000 population. We will regulate the clinical blood use, promote rational use of blood in

health facilities, and ensure blood safety. We will further strengthen medical services of drug rehabilitation.

(2) Strengthen supervision of medical service. We will establish and improve the monitoring system of medical services, improve the law and regulation on medical service monitoring, and strengthen the surveillance and monitoring of medical service behavior, quality and safety as well as the operation of health facilities. We will strengthen the development of safe hospitals, improve the complaint management system, facilitate resolving medical disputes, and improve the mechanism of reliability and risk sharing for medical care. We will improve the hospital grading system, establish a long-term mechanism for social monitoring and evaluation, and strengthen daily quality control and evaluation; by 2015, we will basically generate a sound evaluation system for hospitals. We will strengthen regulation of human organ transplant. We will be strict on approval and regulation of medical care related advertisement. We will comprehensively push forward the regular examination of physicians, and regulate the practice and behavior of medical care.

(3) Adopt measures that are beneficial and convenient to the people. We will improve the services and make it easier for the people to seek medical services; tertiary and good secondary hospitals shall provide medical appointment, volunteer and social worker services and "settle the payment after treatment", optimize the environment of outpatient and emergency departments in the health facilities; extensively provide convenient outpatient services. We will directly settle the payment with medical insurance suppliers, and exercise cost estimation and control. We will primarily make the examination results recognized across different health facilities of the same grade.

(4) Control the irrational increase of medical expenditure. We will enhance regulation of medical expenditure, list control indicators including the increase rate of expenditure per visit and of total expenditure, length of hospital stay, and proportion of medicine expenditure out of the total expenditure, into the management of public hospitals and as important indicators for performance assessment; we will timely investigate and punish the improper behaviors driven by financial interest including irrational use of medicine and equipment, and unnecessary and repeated examinations. We will strengthen monitoring and control of the medical services involving fast increasing expenditure, and control public hospitals to provide non-basic medical services.

(5) Push forward the reform of public hospitals. According to the requirement of "Four separations" (Separating the functions of government from those of institutions, separating management from operation, separating prescription from dispensing of drugs and separating for-profit and not-for-profit nature of hospitals), we will comprehensively push forward the reform of county level public hospitals and deepen reform of urban public hospitals. We will maintain the public service nature of public hospitals and reinforce the responsibility of the government in managing hospitals. We will improve the public hospitals compensation mechanism and implement the policy of government input. We will separate medical services from medicines and adjust the price of medical services with emphasis on eliminating the practice of "subsidizing the medical services

with income from medicine". Directors of health authorities shall not work at the same time as the director of public hospitals, and we shall gradually remove the administrative grade of public hospitals. We will establish a public hospital management system that is unified, highly efficient, and consistent between liability and rights; we will strengthen the function of health authorities on industry management including planning, entry and regulation; public hospitals will exercise independent management so as to promote separation of management from operation. We will optimize the governance of public hospitals, and explore various corporate governance structures including establishing a board of directors. We will strengthen the performance evaluation of public hospitals, and establish the motivation and constrain mechanism for the selection, appointment, appraisal and punishment of hospital directors. We will facilitate the management innovation in modern hospitals, make director teams more professional and public hospital management more precise, professional and scientific. We will reform the personnel management and adopt contracting system and post management system, and improve the evaluation and certification system for the technical title of health workers. We will develop a reasonable mechanism of income distribution as proper incentives, and improve the benefits of health workers. We will encourage licensed physicians to practice at multiple sites and fully motivate the health workers.

We will clarify the function of public hospitals and primary health facilities, deepen the comprehensive reform and prioritize the development of the latter. We will strengthen the support and guidance of public hospitals to primary care facilities, optimize distribution of tasks, and gradually achieve a healthcare model with the primary healthcare facilities as the entry point to medical care, diseases are categorized according to its severity and treated at the corresponding levels of hospitals; primary and higher healthcare facilities maintain sound coordination and two-way referrals can be made for the patients.

4. Actively develop traditional Chinese medicine.

We will further improve TCM service system and strengthen the development of county level TCM hospitals. We will push forward practice and research of preventing major diseases with TCM. We will actively develop TCM treatment and preventive care, and give full play to the advantage and function of TCM in basic public health services. We will improve the TCM service capacity at primary health facilities and promote appropriate TCM technology, encourage retail pharmacies to provide TCM diagnosis services. We will improve the protection, research, development and rational use of TCM resources, and elevate the development of TCM industry. We will train a team of high-quality TCM doctors and foster a team of TCM masters. We will primarily establish a TCM inheritance and innovation system by strengthening our work in this area. We will strengthen the inheritance and development of national medicines and promote integration of western medicine and TCM. We will actively push forward the development of TCM related legislation, information and standards. We will actively develop TCM culture and encourage TCM to go global. We will study and generate health insurance and essential medicine policies that encourage TCM services, and improve the mechanism that assures the development of TCM.

5. Strengthen health workforce and develop medical science and technology.

We will accelerate the implementation of the strategy that health sector being strengthened through human resource development, and actively improve the policies related to health human resource management. We will strengthen the health workforce at the primary level focusing on training general practitioners (GP). We will build up a training network composed mainly of clinical training base and practice base at primary level in order to standardize and improve clinical diagnosis capacity and public health service capacity. By 2015, we will have trained 150,000 GPs through trainings including post conversion training, on-the-job training and standardized training, so that every 10,000 urban residents will have over 2 GPs and every township hospital has its GP. We will accelerate the development of standard resident training programs. We will strengthen development of rural health teams; train medical students designated for rural areas free of tuition, train key doctors for county hospitals, and provide continuous education and practical skill training for primary health workers. We will draft favorable policies to encourage and guide health workers to work in primary level facilities. We will strengthen training of village health workers and gradually push forward the transformation of village doctors into licensed (assistant) physicians. We will research and implement the special posts plan for GPs in primary health facilities and most-needed high-quality health workers for county hospitals. We will strengthen the development of public health teams, improve the post management system for public health facilities, attract and encourage quality human resource to work for public health. We will establish and improve the standard training system for public health physicians. We will train urgently needed health workers specializing in such areas as nursing, pharmacy, health emergency response, health inspection, mental health and pediatrics. We will strengthen the development of the high-level health personnel, and draft training programs for outstanding health workers that target different types of specialties. We will establish the system for both health managers and health management to become more professional. We will innovate the training, evaluation, rotation and incentives models for health workers, and largely improve the policy environment for the development of health human resources.

We will accelerate the health-related scientific and technological progress, and push forward innovation in this area. Based on major scientific research programs, with national resources for health technology and medical sciences, we will explore a new system for innovation in medical sciences that is guided by the national demand and tasks and that features cooperation and openness and pooling of resources. We will strengthen the development of research base, further plan and construct priority labs of MOH. We will speed up the organization and implementation of big programs including "prevention and control of major communicable diseases including HIV/AIDS and viral hepatitis" and "critical innovation of new drugs" and give full play to their guiding role, and improve the comprehensive capacity on prevention and control of communicable diseases as well as new drug innovation capacity. We will give big efforts to the technical innovation on the prevention and control of major NCDs and critical public health issues, translate research and technology into practice; promote the development of health and biomedicine industry. We will establish and improve the mechanism that enables

appropriate technology being promoted to primary level, improve the system of evaluation and ethic review of health technology, and actively carry out educational activities of basic scientific knowledge. We will strengthen the capacity building of labs on bio-safety.

Box 5. Key projects on health human resource development and science & technology infrastructure construction

Major special projects: project to support health workforce development at primary health facilities; project to promote outstanding health professionals; project to develop the most-needed health human resources; project on human resources for TCM heritage and innovation; project on the standard training of physicians.

Priority project: development of the clinical GP training base.

Development of medical research base: strengthen the capacity building of key MOH labs.

6. Push forward the development of health information system.

We will strengthen the development of regional information platform, promote the medical and health information sharing, and gradually achieve the information sharing and communication among systems including medical services, public health, medical insurance, medicine supply and general management. We will increase the development of electronic health record for urban and rural residents, which will be above 75% in 2015. We will provide continuous services to the people from prevention, healthcare, medical treatment to rehabilitation, and make it convenient for the residents to participate in personal health management. We will accelerate the information system development in primary health facilities, and establish province-based primary medical and health information system that covers many functions including use and supply of essential medicines, residents' health management, basic medical services, and performance evaluation. We will strengthen the information system development in hospitals, establish information system for diagnosis and treatment behavior management and staff performance evaluation, so as to standardize medical service behavior and improve the efficiency of resources. We will develop the telemedicine system that target rural and remote areas, improve the quality and equity of medical and health services provided by primary health facilities especially remote areas. We will accelerate the establishment of medical and health information standard system that is consistent for the entire country. We will actively push forward the development of regional unified platform for reservation and registration, universally achieve consultation on appointment, and make it possible to share electronic medical record among health facilities across regions. We will have an integrated management of information on health statistics, case reporting, health inspection, medical care and medical practice regulation, and transfer our management from management of individual system to real-time monitoring and comprehensive management. We will guide and push forward the medical and health information services that are accessible to the public.

Box 6. Key projects on the development of medical and health information system

Push forward the development of information system in primary health facilities. Establish the telemedicine system between tertiary hospitals and county hospitals, and improve the information system in public hospitals.

7. Accelerate the development of health industry.

We will develop and improve the system and policies that would facilitate the development of health service industry. We will encourage non-government investment into health services, promote the services including geriatric nursing, mental counseling, nutrition counseling, dental health care, rehabilitation, terminal care, physical examination and health management, to meet the multiple demands of people. We will encourage the development of retail pharmacies, and let the drug industry play their role in drug supply and health of the people. We will strengthen health management education and training, and establish the research and development platform for medical techniques and products. We will develop standards and norms, and push forward the physical examination industry to develop in scale. We will develop TCM healthcare service.

We will improve the policies and measures that encourage and promote the development of non-public health facilities, further improve the practice environment, implement the policies on price, insurance, land, priority discipline development, technical title evaluation, big equipment procurement etc., and give priority support to the non-profit health facilities that are run by social capital. We will carry out the favorable taxation policies to the non-profit health facilities, and improve the taxation policies for profit-making health facilities. The government can encourage non-public health facilities to provide public health services and undertake tasks assigned by the government in the way of buying service. We will improve the categorized management of health facilities, and guide non-public hospitals to practice in a standard way. We will increase the technical and management capacity of non-public health facilities, and encourage non-public health facilities to develop towards a big scale, high quality medical group.

We will actively develop biomedicine, and improve and upgrade traditional medicine. We will improve the policies for medical industry, encourage medical companies to merge or reorganize, make the industry more focused, and support the enterprises to speed up technical renovation, improve the core competitiveness and sustainability of this industry. We will strengthen innovation, comprehensively improve the innovative capability and quality control capacity of the biomedical companies; we will promote the development, industrialization and use of bio-tech medicine, chemical medicine, Chinese medicines, biomedical engineering, and actively support biomedical industry to develop both in capacity and scale. We will give great efforts to the health industry that involves TCM, encourage and support the integration of production, education and research and establish technical alliance, and improve the global competitiveness of TCM.

V. Supporting measures

1. Strengthen organizational leadership.

Local governments shall include the main targets and indicators of this plan into their annual plan of local economic and social development, and they shall set up annual targets for major indicators, clearly define the roles and responsibilities, reasonably allocate public resources, fully implement the plan, and push forward priority tasks in an orderly manner. Authorities concerned shall take their respective responsibilities, cooperate closely and form joint efforts.

2. Improve institutional arrangements.

We will establish coordinated system for health and medical service management, integrate the roles in health management, improve coordination, and increase administrative efficiency. We will strengthen the leadership role of the government in providing public health and basic medical services. We will improve the government health input mechanism, the increase scale of government health input shall be higher than that of recurrent fiscal expenditure, and gradually increase the share of government health input in the recurrent fiscal expenditure. We will reasonably divide the responsibility on the government health input among central and local governments. We will improve the subsidy mechanism for health facilities, put equal emphasis on input and reform, and drastically push forward the comprehensive reform of health facilities.

3. Create supportive environment for development.

We will further improve the health law system and health standard system. We will continue run the government in accordance with the law, strictly regulate law enforcement, and practically improve the capacity of governments of different levels in developing and managing medical and health industry with laws. We will carry out the *6th 5-year Plan of Public Awareness of the Law in the health sector*, carry out advocacy and education on health legislation, improve the awareness of health laws among health workers and the community, and foster a favorable environment of governance. We will strengthen the development of the professionalism and ethic of physicians, carry out risk assessment for major policies, make government administration open and transparent, improve media advocacy, develop positive image of the health sector, and foster a favorable atmosphere for the health care reform.

4. Promote collaboration and communication.

We will take achieving MDG goals as the priority, strengthen collaboration on global health and medical research, and actively introduce the intellectual and technical resources that are highly relevant to health care reform and development. We will be innovative in work model, and improve the level and impact of health assistance overseas. We will continue deepening health and medical collaboration and communication with Hong Kong, Macao and Taiwan.

5. Strengthen planning, monitoring and evaluation.

We will develop the monitoring and evaluation mechanism for the plan implementation. We will strengthen the capacity for monitoring and evaluation, evaluate the implementation of this plan on a regular basis, and monitor the implementation of major projects. We will standardize the monitoring and evaluation process, improve the evaluation system and methodology, and make the monitoring and evaluation more scientific, open and transparent. We will assess the implementation on a yearly basis, establish the midterm and end term evaluation system, carry out comprehensive evaluation to the plan in terms of the progress and effect, timely identify problems and find solutions after consultation.