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Asia Spotlight: WHO Official On 'Finding Your Own Place' In China

by **Brian Yang**

Despite widespread concern over China's economy and regulatory environment, WHO's top representative in Beijing is calling for deeper engagement with the country. The key is to understand how decisions are made and "to find your own place."

On the second Monday of each month, "The Pink Sheet" provides exclusive news and commentary on the Asia biopharma market from the editors of our affiliated publication [PharmAsia News](#).

BEIJING – First came an agreement with the China FDA to upgrade the agency's regulatory system, then a global health conference in Shanghai to unveil a "Healthy City" initiative. It is clear that the World Health Organization has been getting more deeply involved with China's health policy making processes within the last year or so.

"We work as a platform for exchange, and bring that best knowledge together," Bernhard Schwartländer, the WHO's representative to China, said in an interview at his office in Beijing.

Previously serving as the head of UNAIDS in China, Schwartländer spent three years in the country until 2010, then in 2013 when the WHO position opened up, he simply "couldn't resist" and once again came back to the country.



Source: WHO

The reasoning for the WHO's deep interest is that China's health care reform program, a massive undertaking, needs global expertise from such global agencies. "China is modernizing its health care system and the key pillar is that there is no functional tiered system, the kind of care that is delivered when and where it's needed," he said.

The current situation is both expensive and less effective. "Most patients don't need specialized care, they are better off [getting treated] at primary care, in which physicians spend more time and give better services."

But patients' flocking to large hospitals to seek care in China has led to "long queues, crowded conditions and expenses", and at the end of the day everybody is unhappy with the current situation.

The root cause lies in the compensation system for physicians, in which doctors get an important part of their income from hospital drug sales. As a result, in some extreme cases, physicians have invested in purchasing their own CT scanners and required patients to undergo scans, inevitably leading to overuse of checkups and subsequently prescribed drugs.

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Bernhard Schwartländer*

The solution to this "misused" system is a referral-based tiered arrangement in which patients are referred through proper tiers of care, something similar to the general physician system in Europe, the official proposed.

China's health authorities seem to be heeding such views, and the government has set a tiered system as a key measure to deepen the health care reforms enshrined in its new 13th Five-Year Plan.

Emerging County Hospital Market

The key battleground for China's next phase of health care reform is county hospitals, which numbered 6,850 Class AA hospitals and 7,009 for Class A hospitals, according to the *China Healthcare Yearbook* for

2014.

The challenges, analysts point out, are the vast size and lack of infrastructure in the country, along with widely varying stages of development.

"As vast as China is, WHO can help [the policy makers] think through with shared analysis at high level," Schwartländer said.

One outcome is various pilot schemes that are being implemented in various parts of the country, in an approach of finding "typical places and making it work." And that requires commitment and leadership.

"They [the pilots] are very good, providing a platform for exchange and bringing knowledge together," the WHO representative pointed out, adding that when WHO Secretary-General Margaret Chan visited China, she was always taken to see the schemes, highlighting the collaboration.

The risk for primary care to take hold at the local level is a lack of incentives and infrastructure, providing physicians with less motivation. But with the help of successful pilots and applying these models elsewhere, policy makers can create a "snowball effect" and scale up, enabling good policies to survive and thrive, he stressed.

Some emerging health care models from China can even be applied elsewhere in the world, the official suggested (Also see "[Looking To Grow In China's New Norm? Think Local](#)" - Scrip, 7 Apr, 2015.).

Schwartländer, however, cautioned against "telling [China] to do things in a particular way," calling it "arrogant" and said it is best not to lecture. Instead, "help [counterparts] to think things through, strengthen the law, and together we can do a lot."

Slow Regulatory Upgrade

When then CFDA Commissioner Yin Li signed up the WHO to help out in upgrading the agency's regulatory system, few expected it to be a slow-moving progress. Yin has since left the position to become deputy secretary-general for Sichuan province.

His successor, Bi Jinqun, has required the organization's assistance to become a world class regulatory agency, and his first international trip took him to the WHO's headquarters in Geneva, Switzerland.

But now the progress hasn't been fast as expected and is "frustrating", said Schwartländer. "China FDA must upgrade to international standards," although in vaccines China has gained prequalification for several products from the WHO.

While vaccines are comparatively straightforward, medicines are very different and complex in China and involve more provincial authorities, and the country has asked the WHO to help prepare the country to join PIC/S, international pharmaceutical inspection convention and co-operation scheme (Also see "[WHO Offers PIC/S, Other Regulatory Assistance To China](#)" - Scrip, 21 Oct, 2015.).

But PIC/S is a limited, manufacturing-focused end-user information sharing platform, and collaborative efforts ideally need to be broader, pointed out Schwartländer. Additionally, both Hong Kong and Taiwan are legal PIC/S members, posing political obstacles for China's joining.

Unlike other countries where one or two major agencies take charge of health care policies, China has eight or nine agencies, and the coordination has also been a challenge, he noted. The representative recommends the agencies be clear about who takes the overall leadership and accountability for making things happen.

‘Healthy China’ A Unique Opportunity

One signature plan in China's mid-term 13th Five-Year Plan is the "Healthy China" initiative.

The goal is to prioritize preventive care and focus on chronic diseases, meanwhile accelerating more private sector involvement in health care reforms, from commercial insurance to private hospitals (Also see "[What Lies Ahead For China's Newest Health Care Initiative?](#)" - Scrip, 10 Nov, 2015.).

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The plan provides a unique opportunity in Schwartländer's view, pointing to the commitment of the central government to move it forward. To make it effective, there should be concrete measures, especially at the local level, he added.

The WHO's Healthy City initiative also has prompted Chinese cities to start discussions on health issues, and despite them still eyeing mainly hardware investments, with checklist in hand, there is improvement over time.

He expects to see health care elements increasingly included as indicators of good local governance, and mayoral champions of reforms to become more visible.

In one move, China's National Health and Family Planning Commission will host the Ninth Global Health Conference in Shanghai next year, when mayors from around the world will meet local mayors to discuss ways forward, he said.

Finding Your Own Place

As China positions itself internationally, massive changes are taking place. Foreign entities must leverage their own strengths and find their own place, emphasized the WHO official.

"China is now third in submission of science papers to *The Lancet* ... and we must use our own strength, which is to bring all the people together, unleash [the potential] and bring China to a global level."

The fast-moving pace of change in the country also means that things can become irrelevant very quickly, so companies must be involved deeply and get fully on board, he urged.

"Listen and look around", he recommended, "Don't really understand the massive changes, but you need to understand how decisions are made," he stressed. "Only once you understand this can you find the place."

The WHO will continue to shift its focus to being more communications driven and bringing researchers and policy advocates together, and will become even more active in China, he said.