

A photograph showing an elderly person sitting in a chair, holding a yellow and blue ball. A caregiver's hands are visible near the elderly person's hands, suggesting assistance or care. The background is slightly blurred, focusing on the interaction.

China Launches Pilot Scheme Paving the Way for In-Home Nursing Care Services

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As of the introduction of “9073” policy by the Chinese government, the aging-in-place retirement living model is set to be catered to most of the elderly, which means that home care services will be in great demand. One of the biggest challenges senior care providers are facing when providing in-home care services is the legitimacy of rendering skilled nursing care services on a home visiting basis, as some of these nursing services, such as injection, infusion and catheterization, are regarded as medical services which are supposed to be provided in a clinical environment by qualified nurses.

Statistics by the end of 2017 shows that among 240 million elderly people, around 150 million have certain kind of chronic diseases, of which 40 million are either disabled or semi-disabled. Rapid increasing of disabled, high-age and empty-nest elderly indicates that in-home nursing care services are highly in demand. Since 2016, there has been some local practices where general practice doctors in community medical service institutions can provide round visit and in-home family bed services for those suffering common and chronic diseases. However, the viable and legitimate route for most of the senior care operators and private-owned hospitals to provide accessible home nursing care services still looks remoteⁱ.

In response to such market needs, the National Health Commission (“NHC”) recently launches a pilot scheme called the Experimental Work Plan for “Internet + Nursing Care Service” (《 “互联网 + 护理服务” 试点工作方案》 , hereinafter referred to as the “Pilot Plan”) to test the service and supervisory model

for home nursing care in a one-year term. During the experimental term, municipalities and provinces of Beijing, Tianjin, Shanghai, Jiangsu, Zhejiang and Guangdong are primarily selected as pilot areas with the aim to contribute enough experience for other cities to follow suit once the Pilot Plan is finalized and ready for a nation-wide implementation.



ⁱ For more details of medical solutions to senior living community, please refer to our previous article: <http://www.lawviewer.com/uploads/20180801/5b6115142459e.pdf>

Legislation Background

The Pilot Plan is seemingly introduced in a less formal way, but if we look at recent legislations relevant to this subject, it is easy to find that the relaxation of home-based nursing care services is an inevitable move:

- On June 21, 2018, 11 Ministries issued the Guidelines on Promoting the Reform and Development of Nursing Services (Guo Wei Yi Fa [2018] No. 20, 《关于促进护理服务业改革与发展的指导意见》), aiming to establish a nursing service system based on institutions, communities and home, covering acute stage diagnosis and treatment, chronic stage rehabilitation, post-acute and hospice care. The policy encourages nursing homes, nursing centers, rehabilitation medical centers and grass-roots medical institutions to provide day care, home care and family bed services;
- On April 25, 2018, the General Office of the State Council promulgated the Opinions on Promoting the Development of "Internet + Medical Health" (Guo Ban Fa [2018] No. 26, 《关于促进“互联网+医疗健康”发展的意见》), encouraging medical institutions to apply information technologies, such as the Internet, to expand the space and content of medical services, and build online and offline integrated medical service models covering the whole process of diagnosis and treatment;
- On September 11, 2018, the National Health Commission issued three documents, i.e. the Administrative Measures for Internet Diagnosis and Treatment (Trial), the Administrative Measures for Digital Hospitals (Trial) and the Administrative Regulations for Telemedicine Services (Trial), (《互联网诊疗管理办法(试行)》、《互联网医院管理办法(试行)》和《远程医疗服务管理规范(试行)》), aiming to promote and regulate the development of "Internet + Medical Care" industry which has seen itself ups and downs over the last couple of years.

With the above legislation framework in place, the legislator now intends to discipline the in-home nursing care industry in an "encouraging innovation with prudent tolerance" attitude—the Pilot Plan is therefore introduced to realize that mission.

Breakthrough of the Pilot Plan

The Pilot Plan sets out multiple tasks for the experiment of home nursing care services. Our summary as below:

1. define the criteria for service provider: only medical institutions with correspondent capacity and treatment department are permitted to extend service from institution to community and home; and services should be provided by nurses designated by such medical institution who possess 5 year plus experience in clinical nursing practice and have a senior level nurse technical title. The Pilot Plan also requires local counterpart of NHC to publicize the list of service providers for public supervision;
2. define the services: services are primely placed to the high-age elderly or disabled, convalescent patients and end-stage patients in absence of mobility capacity and should be focused on less risky and practical areas such as chronic disease management, rehabilitation care, special care, health education, palliative care and other nursing services. Final legislation is expected to be introduced in a way defining both positive and negative list of the service contents;
3. behave the service activities: service providers shall pay first visit to assess the health condition of clients; where the assessment result indicates in-home service is feasible, the same should be provided in a searchable and traceable manner by utilizing Internet technologies;
4. relevant standards and code of conduct: to be formed by the local counterpart of NHC in terms of nursing management system, medical quality and safety management system, medical risk prevention system, personal privacy protection and information security management system, medical waste disposal process, home care service process, dispute complaint handling process, adverse event prevention and disposal process, relevant service standards and technical guidelines, etc.;
5. enhance the management of Internet technology: medical institutions can independently develop Internet information technology platforms or establish cooperation mechanisms with qualified third-party information technology platforms. In both circumstances, technical and procedural standards need to be established to regulate the parties involved;
6. mitigate and handle operational risks: explore the ways to manage risks by virtue of the Internet, for example, uploading and verifying data and information online, providing mobile APP positioning and tracking system for nurses, and configuring nursing work recorder to trace the whole process of service activities, etc.;
7. explore pricing and payment mechanism: to be established majorly by the market itself by putting into consideration the transportation cost, information technology cost, nurse' s technical value and labor remuneration, among other factors.

Outlooks into the Market

The merit for a pilot policy has always been unleashing a strong signal before certain practice is set to be spread over the country whilst allowing for implementation details to be further explored. It is interesting to see how the market responses and evolves over the one year' s term until this December and what finalized legislation will be held. For now, we' d like to share some of our observations:

- Private-owned nursing care facilities, which are either established as medical institutions or set up with medical component, may benefit the most from the Pilot Plan. Rationale for senior care operators to tap into the home care business is apparent: it may better utilize the human resource on operational wise on the one hand, and on the other hand expand the service radius from spots to the community range so to generate more income, and more importantly, attract a big slice of prospects to their facility once the in-home service environment cannot meet the needs of these customers.
- Senior care facility operators without medical component, on the other hand, may seek cooperation with medical institutions through the approaches provided in the Pilot Plan. Under such circumstance, written documents should be well prepared to clearly define the responsibilities among facility operator, medical institution and clients.
- Until a market-proven price system is validated, enthusiasm for medical operators to tap into the home care business will not be great. For hospitals, works for nurses are usually overloaded and in-home services are regarded as a risky practice area. Tapping into the home service arena requires a different mentality for the management and practitioners; therefore, until an obvious synergy with the existing business appears, medical operators may not want to rush into the water. Whether insurance reimbursement is applicable to the home nursing service is also a big factor that will influence the pricing mechanism and the enthusiasm of market players.
- It should not be overlooked that the Pilot Plan is introduced in the backdrop that telemedicine practice starts to be encouraged and regulated after years of experiment. Internet and innovative technology are designed to play a big role in the whole process of the service chain. With the development of Virtual Reality, Blockchain, AI and Robotic science, many of the clinical activities which are supposed to be conducted in the hospital environment may be easily handled outside of the hospital by a layman; and more importantly, the process can be guided and monitored at real time—and traceable as well. Technology may also help to address the risk and liability concern due to which many operators have shied away from engaging in the home care business.
- The home nursing care requires more expertise which can only be fostered by the market itself. Oftentimes, senior care operators find themselves competing with massive household providers in the marketplace of home care services where nursing specialty is barely rewarded. To our observation, experienced operators either have specialties in certain areas, e.g. Alzheimer' s disease, rehabilitation or palliative care, or are distinguished themselves from others in operational or managerial skillset, e.g. training for nurses, optimized standards and procedures or advanced technologies, will have better chance to capture their slice of market.

The Pilot Plan bodes well for private operators in the senior care industry—it not only provides medical solutions to both institutional and home care providers, but also creates an innovative channel for players in the service chain to collaborate with each other and eventually benefit the whole industry.

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