U.S.-CHINA TRACK II DIALOGUE ON HEALTHCARE

CONSENSUS AGREEMENT

January 19-21, 2018
Beijing, China

The National Committee on U.S.-China Relations and the National School of Development at Peking University convened the second Track II Dialogue on Healthcare in Beijing on January 20 and 21, 2018. The dialogue brought together American and Chinese experts (attendee list attached) from academia, think tanks, and industry for off-the-record discussions on healthcare issues pertaining to both countries. Building on the recommendations of the first dialogue held in July 2017, the discussion focused on population health, payment and delivery reforms, big data and information technology, and encouraging innovation in medical products and services. This consensus document summarizes dialogue participants' views and recommendations for improving health in both countries and building greater collaboration between them.

POINTS DISCUSSED

1. **Population Health.** China and the United States have recognized the need to focus healthcare resources more heavily on population health. This is a key component of Healthy China 2030 and is a widely accepted need in the United States as well. Primary targets include addressing the social determinants of health, changing unhealthy behaviors, and responding to challenges related to aging populations. Areas where more work can be done include the following:

    a. Integrating medical care with "non-medical" services that improve outcomes and reduce medical costs.
    b. Educating and engaging the public. A better educated population can take greater responsibility for its own health and understand the need to constantly invest in good health.
    c. Strengthening primary care, notably regarding the management of chronic diseases.
    d. Reducing the use of tobacco products.
    e. Paying more attention to mental health.
    f. Improving vaccination programs. Finding ways to finance vaccines and to accelerate the development of innovative vaccines would protect more of the population against communicable diseases.

2. **Big data and information technology.** Recent developments in big data, artificial intelligence (AI) and information technology (IT) have the potential to greatly improve healthcare and healthcare delivery. New technologies could help improve early diagnosis of disease and target appropriate therapies, enhance self-care for many acute and chronic conditions, engender more efficient and accessible forms of care, provide more personalized care for specialized patients and those with complex conditions, and improve research for new drugs and trial tests. While investment in health IT and services have grown rapidly in both the United States and China, many opportunities remain to use these technologies to improve care. At the same time, there are several challenges to meet before big data can be properly utilized, including interoperability (exchanging data across platforms), standardizing complex health

data, protecting the privacy of individual patients, and understanding the representativeness and reliability of data. Addressing these challenges will benefit from a collaborative effort to develop data standards and incentives to encourage data development and sharing, and to promote joint learning to increase the impact of health information technology.

3. **Payment and delivery reforms.** China and the United States are seeking ways to improve the delivery of healthcare and health outcomes while controlling, or reducing, the costs of care. Both countries are promoting innovative care models, including the use of care teams, non-hospital sites of care, and more efficient coordination among all healthcare professionals including primary and specialized care. To support these care reforms, each nation has begun to implement alternatives to fee-for-service (FFS) reimbursement and seeks to provide more support for delivery reforms that increase the value of health care. In China, there are numerous provincial and local pilots with capitation, global budget, case-based diagnosis, diagnostic related groups (DRG), and compound payment methods. In the United States, alternative payment models have become more common, spurred in part through national legislation. However, there remain many difficulties in the two countries, including limited useful and clear evidence on-quality and cost of care, a lack of technical capabilities and capacities to implement patient-focused care models, and competing stakeholder interests. In both countries, income for primary care providers is often too low, and physician income is too dependent on volume-generating activity of low value, thus hampering the implementation of reforms that link payment more closely to value. The United States and China would benefit from sharing experiences and approaches to accelerate progress on alternative payment arrangements and innovative, patient-focused care models.

4. **Encouraging biopharmaceutical development.** Innovation of pharmaceuticals and medical devices is key to meeting future health challenges and concerns. Dialogue participants noted the rapid development by the China Food and Drug Administration (CFDA) in both regulatory processes and biomedical innovation capacity, particularly related to pharmaceuticals and conducting large-scale clinical trials. The United States Food and Drug Administration (USFDA) has also taken further recent steps to improve the relevance and efficiency of clinical trials by exploring the use of novel trial designs and analytical approaches, the potential role of real-world data and evidence to support regulatory decision-making, and the inclusion of patient perspectives in regulatory benefit-risk frameworks. However, there is more that both nations can do to accelerate and improve the drug review process. There are numerous areas where the CFDA, the USFDA, and other stakeholders can take further steps to enhance biomedical innovation globally.

RECOMMENDATIONS

Given the similarity of issues facing both nations, there are several areas where collaboration—either between governments or organizations—can yield great benefits to both countries. Some such areas were identified:

1. **Joint initiatives on new care/payment models.** Defined pilots of innovative care and payment models can determine how better outcomes and lower costs can be achieved, in particular, by models that shift care from secondary facilities to primary and community-based care, and care models that integrate social services and palliative care, particularly for vulnerable elderly and low-income populations. In conjunction with these initiatives, a "learning network" would enable U.S. and Chinese stakeholders to exchange ideas and experiences with care and payment innovations.

2. **Further the development and sharing of big data and tools that use big data.** Both countries should work together to develop standards and incentives that allow healthcare providers in each country to produce data that is accurate, consistent, and shareable to support better care for individual patients and develop better evidence to improve population health and healthcare policies. Advancing standardization and interoperability of key data from electronic health records (EHRs) and consumer-

generated data (including from non-healthcare institutions like social media) would be a good area to address. In addition, developing means for providers to share de-identified data or summary information would support better real-world evidence while protecting the privacy of individual patients.

3. **Regulatory harmonization.** The CFDA and USFDA should work together to adopt consistent best practices with regard to regulatory processes affecting product development and should strengthen existing efforts to assure the quality and reliability of product manufacturing and supply chains. The CFDA should also consider adopting user fee metrics, as the USFDA currently does, to support efficient and high-quality regulatory processes.

4. **Develop global clinical trial networks.** Both countries should build on current efforts to reduce the cost and increase the reach of clinical trials while protecting patients, including the conduct of clinical trials in routine care settings.

5. **Improve health technology assessments (HTAs).** Dialogue participants noted that the United States can work with Chinese organizations to improve the skills and capacity for developing HTAs in China. Accounting more effectively for all key dimensions of value (e.g., quality of life, caregivers, other stakeholders), while also recognizing the role that pricing and reimbursement systems play in creating and fostering an environment conducive to innovation, is important in both countries for improving care for patients both now and in the future.

In summary, there are many areas where the United States and China can work together to improve their respective healthcare systems. The participants will continue to review these, and other, issues in the next Dialogue, scheduled to take place in the United States in the Fall of 2018.

List of participants on the obverse

Chinese Participants

DING Lieming, M.D.	Chairman and CEO, Betta Pharmaceuticals Co., Ltd.
GAO Fu (George), DPhil.	Director-General, Chinese Center for Disease Control and Prevention
GU Dongfeng	Vice President, Fuwai Hospital, China Academy of Medical Science
HE Ruyi, M.D.	Chief Scientist, Center for Drug Evaluation, Chinese Food and Drug Administration
JIANG Jiandong, M.D.	Director, Institute of Materia Medica, Chinese Academy of Medical Science
LEI Xiaoyan, Ph.D.	Professor of Economics, National School of Development, Peking University; Director, The Center for Healthy Aging and Development of Peking University
Gordon G. LIU, Ph.D.	Yangtze River Scholar Professor of Economics, National School of Development, Peking University; Vice Dean, PKU Faculty of Economics and Management; Director, PKU China Center for Health Economic Research (Dialogue Co-organizer)
LIU Qian	Former Vice Minister, Ministry of Health (Leader of the Chinese Participants); Vice Chairman, the Education, Science, Culture and Health Committee of the 13th National People's Congress; President, China Hospital Association
QIN Xuezheng, Ph.D.	Professor and Deputy Dean, School of Economics, Peking University
ZHAN Qimin, Ph.D.	Academician, Chinese Academy of Engineering; Vice President, Peking University; President, Peking University Health Science Center; Director, State Key Laboratory of Molecular Oncology
ZHANG Ligang,	Chairman and CEO, iKang Healthcare Group, Inc.
ZHENG Xiaoying, Ph.D.	Professor and Director, Institute of Population Research/WHO Collaborating Center of Reproductive Health and Population Science; Dean, APEC Health Science Academy, Peking University

American Participants

Lawrence D. Brown, Ph.D.	Professor, Health Policy and Management, Mailman School of Public Health, Columbia University
Molly J. Coye, M.D., MPH	Executive-in-Residence, AVIA Health Innovation
Margaret Hamburg, M.D.	Foreign Secretary, National Academy of Medicine
Mark B. McClellan, M.D., Ph.D.	Director and Robert J. Margolis, M.D., Professor of Business, Medicine and Health Policy, Margolis Center for Health Policy, Duke University (Leader of the American Participants)
Samuel R. Nussbaum, M.D.	Strategic Consultant, EBG Advisors; Senior Fellow, University of Southern California Schaeffer Center for Health Policy & Economics
Stephen A. Orlins, J.D.	President, National Committee on U.S.-China Relations (NCUSCR) (Dialogue Co-organizer)
Kathleen Tregoning	Executive Vice President, External Affairs, Sanofi
Winnie Yip, Ph.D.	Professor of the Practice of International Health Policy and Economics, Harvard T.H. Chan School of Public Health, Harvard University
Lannette Zhang, Ph.D.	Director, Government Affairs & Policy, China Gilead Sciences