Chinese Government Further Encourages, Regulates Multi-Site Practice by Physicians

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The Opinions on Encouragement and Regulation of Multi-Sited Practices of Physicians demonstrate the Chinese government’s continued efforts to develop Chinese physicians’ ability to practise at multiple sites, and will provide more opportunities for private hospitals (including foreign-invested hospitals) to access valuable local physician resources.

On 5 November 2014, the National Health and Family Planning Commission (NHFPC), along with the National Development and Reform Commission and three additional ministries, jointly promulgated the Opinions on Encouragement and Regulation of Multi-Sited Practices of Physicians. The Opinions demonstrate the Chinese government’s continued efforts to develop and oversee Chinese physicians’ ability to practise at multiple sites.

Because public hospitals traditionally have dominated the Chinese health care sector, most experienced and talented physicians are employed by large-scale public hospitals. The current physician practice registration policy requires physicians to practise only through the registered employer stated in their practice certificate. As a result, it is very difficult for other medical institutions, such as private hospitals or small-scale public medical institutes, to hire high-quality physicians.

As part of its efforts to encourage private investment in China’s health care sector and development of public primary care institutes at a grass-roots level, the Chinese government has issued various policies to gradually allow Chinese physicians to practise at multiple sites.

- The “Twelfth Five-Year Plan” targeted multi-site physician practice as an area to encourage and develop in China’s health care sector.
- The Ministry of Health, NHFPC’s predecessor, released several notices between 2009 and 2011 to regulate physician practice at multiple sites.
- In a number of newly issued circulars focusing on other topics (e.g., general medical practitioners, development of health care services), physician practice at multiple sites has been a critical topic.
- The State Council’s 2014 Reform Plan of Health Care and Pharmacy Sectors included accelerated development of multi-site physician practice as a key task.

The Opinions demonstrate China’s continued effort to regulate and encourage physicians to practise in multiple sites, in furtherance of the aforementioned policies. The Opinions bring about a few key changes, outlined below.

Widened Definition of Multi-Site Practice

The Opinions define a multi-site practice as a physician providing medical services in two or more medical institutions within his or her practising period. The Opinions eliminate the previous policies’ limitation on the number and geographic location of sites at which a physician is permitted to practise (formerly no more than three, all within one province). In addition, provision of charitable circuit medical services, gratuitous medical services, medical service in response to accident or disaster, and fundamental public health care services will not
The qualifications for physicians who are allowed to practise at multiple sites are becoming more stringent, however. Additional requirements now include the following:

- A physician must have practised in one specialised area for at least five years.
- A physician must have no disqualification record for the two most recent consecutive assessment periods.
- Only physicians specialising in clinical, dental and traditional Chinese medicine are allowed to practise at multiple sites.

**Simplified Administrative Procedures for Multi-Site Practice**

The Opinions simplify the administrative procedures for multi-site practice. Previous circulars required physicians to obtain the consent of their primary employer and to register their multi-site practice with the competent health authorities before starting to practise at each site. Although the Opinions do not remove the employer consent requirement, they expressly require health authorities to simplify the registration procedures. They also explore the use of filing procedures in place of the registration system on a pilot basis in certain areas. Under the filing procedures, physicians will enjoy real freedom to practise at multiple sites, because no further consent from their primary employers or prior registration with the local health authority will be necessary.

In addition, physicians’ practice in certain medical institutions in addition to their primary employers for specified purposes will no longer be required to go through the aforementioned registration procedures. Such circumstances include practising in suburban hospitals under relevant aid programs, and in medical institutions that have an entrustment or assistance agreement with a physician’s primary hospital, or that are under the same medical group as a physician’s primary hospital. These provisions will facilitate intra-group sharing of physician resources and encourage cooperation among hospitals at different levels.

**Regulation of Relationships and Liability Allocation Among Physicians and Multiple Medical Institutes**

The Opinions clarify the employment relationship between physicians and their second or third practice site: physicians must sign a labour contract with their primary practice sites and enter into service contracts with their secondary practice sites. Service contracts should clearly indicate practice terms, work hours, workloads, medical liability, compensation and relevant insurance.

In accordance with the policies prior to the Opinions, physicians still must sign contracts regarding how to allocate medical liability with every medical institution at which they are registered to practise. The previous policies were not clear on whether medical institutions were jointly liable for any medical liability arising from a physician’s multi-site practice. The Opinions clarify that only the medical institution at which the medical liability arises and the practicing physician whose malpractice results in such liability are jointly liable under the law; other medical institutions where the physician is allowed to practise are not responsible for such liability. This provision not only clarifies the allocation of medical liability for both physicians and medical institutions, but also addresses primary practice sites’ concern about multi-site practices.

**Conclusion**

The Opinions are expected to play a significant role in regulating and encouraging multi-site physician practice in China. Once they are duly implemented—in particular the filing regime in certain regions—the Opinions will provide more opportunities for private hospitals (including foreign-invested hospitals) to access valuable local physician resources.

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