

Interim Measures for the Administration of Foreign-Invested Medical Institutions

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Articles 1 — 8

Article 1 — These Measures are formulated in accordance with the Law of the PRC on Chinese-Foreign Equity Joint Ventures, the Law of the PRC on Chinese-Foreign Contractual Joint Ventures, the Law of the PRC on Wholly Foreign-Owned Enterprises, the Regulations on the Administration of Medical Institutions and other relevant laws and regulations for the purposes of further opening up to the outside world, standardizing the establishment of foreign-invested medical institutions, and promoting the healthy development of the medical and health sector.

Article 2 — For the purposes of these Measures, "foreign-invested medical institution" means a medical institution established within the territory of China by foreign medical institutions, enterprises or other economic organizations (hereinafter referred to as "foreign investors") and Chinese medical institutions, enterprises or other economic organizations (hereinafter referred to as "Chinese investors") in the form of a joint venture or cooperative enterprise.

Article 3 — Applications for the establishment of foreign-invested medical institutions shall not be approved under any of the following circumstances:

- (1) where the application does not comply with the requirements of the regional health plans and medical institution establishment plans;
- (2) where the establishment of a wholly foreign-owned medical institution is applied for;
- (3) where the investors are not independent legal persons; or
- (4) other circumstances stipulated by the state.

Article 4 — Foreign-invested medical institutions shall be established in the form of Sino-foreign joint ventures or Sino-foreign cooperative enterprises. The total investment of a foreign-invested medical institution shall not be less than RMB 20 million. The proportion of shares or equity of the Chinese joint venturer or cooperator in the foreign-invested medical institution shall not be less than 30 percent.

Article 5 — The term of operation of a foreign-invested medical institution shall not exceed 20 years. Upon the expiry of the term of operation, an application for extension may be filed.

Article 6 — A foreign-invested medical institution shall comply with the relevant state provisions on the administration of medical institutions and shall implement the technical standards for medical institutions and the practice standards for medical personnel.

Article 7 — Foreign medical personnel may be employed by foreign-invested medical institutions, provided that they shall obtain short-term practice permits for foreign physicians coming to China in accordance with law.

Article 8 — Foreign-invested medical institutions shall implement the medical fee charging standards and policies of the state and local governments and shall comply with the relevant state provisions on the pricing of medical services.

Articles 9 — 16

Article 9 — The establishment of a foreign-invested medical institution shall be subject to the examination and approval of the health administrative department and the foreign trade and economic cooperation administrative department.

Article 10 — The following documents shall be submitted when applying for the establishment of a foreign-invested medical institution:

- (1) a project proposal and feasibility study report for the establishment of the foreign-invested medical institution;
- (2) the credit certificates of the Chinese and foreign investors and their legal representative identity certificates and qualification certificates for registered practicing physicians;
- (3) the articles of association of the foreign-invested medical institution; and
- (4) other documents required by laws and regulations.

Article 11 — The foreign-invested medical institution shall, within one year from the date of obtaining the approval for establishment of the medical institution, complete the preparatory work and apply for practice registration. Where the preparatory work is not completed within the prescribed time limit, the approval document for establishment shall become invalid.

Article 12 — A foreign-invested medical institution shall apply to the health administrative department for practice registration before commencing practice. A Medical Institution Practice License shall only be issued after passing the examination, and the medical institution may only commence practice after registration.

Article 13 — Where a foreign-invested medical institution changes its name, location, scale, main person in charge, diagnosis and treatment subjects, or other matters, it shall apply for a change of registration in accordance with the relevant provisions.

Article 14 — A foreign-invested medical institution shall comply with the relevant state provisions on medical quality management and medical safety management, establish and improve rules and regulations, and ensure medical quality and medical safety.

Article 15 — Foreign-invested medical institutions shall comply with the relevant state provisions on the administration of medical wastes, prevention and control of hospital infections, and prevention and control of

infectious diseases.

Article 16 — Foreign-invested medical institutions shall purchase medical liability insurance in accordance with the relevant state provisions.

Articles 17 — 25

Article 17 — Foreign-invested medical institutions shall accept the supervision and administration of the health administrative department and the foreign trade and economic cooperation administrative department.

Article 18 — Foreign-invested medical institutions shall submit annual reports to the health administrative department and the foreign trade and economic cooperation administrative department, and shall accept the annual inspection.

Article 19 — Foreign-invested medical institutions shall conduct independent accounting and shall be responsible for their own profits and losses. The after-tax profits distributed to foreign investors may be remitted abroad in accordance with law.

Article 20 — Where a foreign-invested medical institution violates the relevant provisions on the administration of medical institutions, the health administrative department shall impose sanctions in accordance with the relevant provisions.

Article 21 — Where a foreign-invested medical institution engages in practice without a Medical Institution Practice License, the health administrative department shall ban it, confiscate its illegal gains and impose a fine in accordance with law.

Article 22 — Matters not covered by these Measures shall be governed by the relevant laws and regulations on the administration of medical institutions.

Article 23 — The establishment of foreign-invested medical institutions by investors from Hong Kong, Macao and Taiwan regions in the mainland of China shall be governed by reference to these Measures.

Article 24 — The Ministry of Health and the Ministry of Foreign Trade and Economic Cooperation shall be responsible for the interpretation of these Measures.

Article 25 — These Measures shall come into force on July 1, 2001.

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