Medical Security Law of the PRC

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Adopted at the 24th Session of the Standing Committee of the 14th National People's Congress on August 28, 2026
Effective: January 1, 2027

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Chapter I — General Provisions

Article 1 — This Law is enacted in accordance with the Constitution for the purposes of safeguarding citizens' lawful rights and interests in medical security, standardizing medical security relations, optimizing medical security services, improving the multi-tiered universal medical security system, promoting high-quality development of medical security work, implementing the health-first development strategy, and advancing the Healthy China initiative.

Article 2 — This Law applies to financing and operation, benefit payment, public services, use of funds, supervision and administration, and other activities relating to medical security within the territory of the People's Republic of China. Matters not provided for in this Law shall be governed by the Social Insurance Law of the People's Republic of China and other relevant laws and administrative regulations.

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Article 3 — Medical security work shall uphold the leadership of the Communist Party of China, adhere to the people-centered approach, and follow the principles of universal coverage, integrated urban-rural planning, fairness and uniformity, safety and standardization, multi-tiered structure, and sustainability. The level of medical security shall be commensurate with the level of economic and social development.

Article 4 — Citizens have the right and the obligation to participate in basic medical insurance in accordance with the law and are entitled to corresponding medical security benefits in accordance with regulations.

Article 5 — People's governments at or above the county level shall strengthen their leadership over medical security work, enhance the building of medical security capacity, promote the coordinated development and governance of medical care, medical security, and pharmaceuticals, and coordinate, study, and resolve major issues in medical security work.

Article 6 — The medical security administrative department of the State Council is responsible for the nationwide administration of medical security work within the scope of its duties. Other relevant departments of the State Council are responsible for the medical security work concerned within the scope of their respective duties.

The medical security administrative departments of local people's governments at or above the county level are responsible for the administration of medical security work within their respective administrative regions within the scope of their duties. Other relevant departments of local people's governments at or above the county level are responsible for the medical security work concerned within the scope of their respective duties.

Article 7 — The state shall strengthen publicity and education on medical security laws, regulations, and knowledge, guiding citizens to establish and practice the concept of health management and enhancing health literacy, awareness of the rule of law in medical security, and awareness of insurance participation.

Chapter II — Medical Security System

Article 8 — The state shall establish and improve a multi-tiered universal medical security system with basic medical insurance as the mainstay.

Article 9 — Basic medical insurance includes basic medical insurance for employees and basic medical insurance for urban and rural residents. The state shall gradually improve the basic medical insurance system, strengthen overall coordination, and promote fairness and uniformity.

Article 10 — Employees shall participate in basic medical insurance for employees. The premiums for basic medical insurance for employees shall be paid jointly by employers and employees.

Self-employed individuals without employees, part-time workers who are not covered by basic medical insurance for employees through their employers, and other workers in flexible employment are encouraged to participate in basic medical insurance for employees. The specific measures shall be formulated by the medical security administrative department of the State Council together with other relevant departments of the State Council.

The payment standards for basic medical insurance for employees shall be determined by the people's governments of the pooling areas in accordance with the payment bases and the range of benchmark premium rates prescribed by the state.

Article 11 — Citizens who do not participate in basic medical insurance for employees and do not enjoy other state medical security shall participate in basic medical insurance for urban and rural residents.

Basic medical insurance for urban and rural residents shall be financed through a combination of individual contributions and government subsidies. The payment standards shall be aligned with the level of economic and social development and the level of per capita disposable income of residents, with the financing

responsibilities of individuals and the government reasonably divided.

The individual payment and government subsidy standards for basic medical insurance for urban and rural residents shall be determined by the medical security administrative departments and finance departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government in accordance with state regulations, or such departments may guide the medical security administrative departments and finance departments of the people's governments of the pooling areas to determine them in accordance with state regulations.

For persons living in extreme poverty, members of households receiving minimum living allowances, eligible persons at risk of falling back into poverty, and others who participate in basic medical insurance for urban and rural residents, their individual contributions shall be subsidized in accordance with regulations.

Article 12 — The state shall establish and improve a long-term mechanism for insurance participation, optimize insurance participation services, improve incentive and restraint measures, and promote continuous participation by insured persons.

Article 13 — Basic medical insurance provides fair and appropriate benefits to insured persons. Benefit standards shall be determined by the medical security administrative departments and finance departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government in accordance with state regulations, or such departments may guide the medical security administrative departments and finance departments of the people's governments of the pooling areas to determine them in accordance with state regulations. The benefit standards of basic medical insurance shall be conducive to the development of the tiered diagnosis and treatment system.

Medical expenses incurred by insured persons of basic medical insurance that conform to the catalogues of medicines, medical consumables, and medical service items under basic medical insurance, as well as other expenses prescribed by law or determined by the State Council, shall be paid from the basic medical insurance funds in accordance with state regulations.

The starting time for insured persons of basic medical insurance to enjoy benefits shall be determined by provinces, autonomous regions, and municipalities directly under the Central Government in accordance with state regulations.

Insured persons shall not participate in basic medical insurance duplicatively or enjoy basic medical insurance benefits duplicatively.

Article 14 — Employees shall participate in maternity insurance. Maternity insurance premiums shall be paid by employers, and employees shall not pay them. Maternity insurance premiums shall be collected together with premiums for basic medical insurance for employees. The maternity insurance fund and the basic medical insurance fund for employees shall be maintained with combined accounts.

The state shall improve the maternity insurance system and promote the expansion of maternity insurance coverage.

Article 15 — Insured persons of maternity insurance shall enjoy maternity medical expense and maternity allowance benefits in accordance with state regulations, and their unemployed spouses shall enjoy maternity medical expense benefits in accordance with state regulations. The funds required shall be paid from the basic medical insurance fund for employees.

Article 16 — Subsidies for large medical expenses of employees provide further protection for high medical expenses incurred by insured persons of basic medical insurance for employees. Critical illness insurance for residents provides further protection for high medical expenses incurred by insured persons of basic medical insurance for urban and rural residents.

The specific financing methods, scope of protection, and benefit standards of subsidies for large medical expenses of employees and critical illness insurance for residents shall be determined by the medical security administrative departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government, together with the finance departments at the same level, in accordance with state regulations.

Employers are encouraged to establish supplementary medical insurance for their employees.

Article 17 — Appropriate medical assistance shall be provided to persons in difficulty who meet the conditions for medical assistance. The objects, methods, and standards of medical assistance shall be implemented in accordance with the provisions of the laws and regulations on medical assistance.

Article 18 — The state shall encourage the development of commercial health insurance, charitable donations related to medical security, medical mutual aid, and other forms, to meet diversified health protection needs.

Chapter III — Medical Security Funds

Article 19 — Medical security funds include basic medical insurance funds, medical assistance funds, and others.

Medical security funds shall be subject to the uniform national financial and accounting systems and used exclusively for their designated purposes. No entity or individual may conceal, transfer, misappropriate, or embezzle such funds.

Article 20 — Tax authorities shall collect basic medical insurance premiums (including maternity insurance premiums) in accordance with regulations. Basic medical insurance funds shall be managed in the special financial accounts of social security funds.

Article 21 — Medical assistance funds shall be raised through multiple channels such as fiscal budgets and social donations, and shall be managed with dedicated administration and separate accounting, incorporated into the special financial account management of social security funds.

Local people's governments at or above the county level shall reasonably arrange medical assistance subsidy funds in light of the level of economic and social development and their financial capacity.

Article 22 — The management of basic medical insurance funds shall follow the principles of spending within means and balancing revenue and expenditure, to ensure the stable and sustainable operation of the funds.

People's governments of the pooling areas shall establish risk management and control mechanisms for basic medical insurance funds, strengthen actuarial analysis of the funds, and build medium- and long-term revenue-expenditure balancing mechanisms and emergency response mechanisms to ensure that basic medical insurance funds are paid in accordance with regulations.

The budgets of basic medical insurance funds shall be prepared in accordance with the principle of balancing revenue and expenditure. Finance departments shall, together with medical security administrative departments, strengthen supervision over the implementation of basic medical insurance fund budgets and enhance budget performance management.

The state shall promote provincial-level pooling of basic medical insurance.

Article 23 — The scope of payment of basic medical insurance funds shall be formulated by the medical security administrative department of the State Council.

The determination of the scope of payment of basic medical insurance funds shall be based on the affordability of basic medical insurance funds, meet the reasonable medical needs of insured persons, attach equal importance to traditional Chinese medicine and Western medicine, and promote the rational use of

medicines and medical devices and the improvement of the quality of medical services.

The people's governments of provinces, autonomous regions, and municipalities directly under the Central Government may, in accordance with the relevant state regulations, supplementarily determine the specific items and standards of payment of basic medical insurance funds within their respective administrative regions and report them to the medical security administrative department of the State Council for the record.

Article 24 — The medical security administrative department of the State Council shall organize evidence-based medical and cost-effectiveness evaluation of the catalogues of medicines, medical consumables, and medical service items under basic medical insurance that are included in the scope of payment. The evaluation results shall serve as the basis for determining and adjusting the scope of payment of basic medical insurance funds.

Article 25 — When formulating the scope of payment of basic medical insurance funds and organizing evidence-based medical and cost-effectiveness evaluation, the medical security administrative department of the State Council shall hear the opinions of the departments of health, traditional Chinese medicine, disease prevention and control, drug administration, development and reform, civil affairs, human resources and social security, industry and information technology, finance, and market regulation of the State Council, and shall, in appropriate ways, hear the opinions of medical institutions, pharmaceutical businesses, relevant enterprises, experts, and insured persons.

Article 26 — The state shall establish and improve the centralized procurement system for medicines and medical consumables.

The state shall improve the payment mechanism of basic medical insurance funds and, in light of the characteristics of different medical services, implement diversified compound payment methods for medical insurance, and implement and improve payment methods that suit the characteristics of traditional Chinese medicine services.

Article 27 — In the event of a major infectious disease epidemic or other emergency, the medical security administrative department of the State Council, on the basis of hearing the opinions of the departments of health, traditional Chinese medicine, disease prevention and control, drug administration, and industry and information technology of the State Council, may, together with the finance department of the State Council, propose a temporary adjustment plan for the scope of payment of basic medical insurance funds, to be implemented after approval by the State Council.

Article 28 — Basic medical insurance shall adopt designated-point administration over medical institutions and pharmaceutical businesses.

Medical institutions and pharmaceutical businesses under designated-point administration (hereinafter collectively referred to as designated medical and pharmaceutical institutions) shall establish and implement internal control systems for the use of medical security funds, designate dedicated institutions or personnel to be responsible for the administration of the use of medical security funds, organize training on the systems and policies relating to the use of medical security funds, and regularly inspect the use of medical security funds by their own institutions.

Designated medical and pharmaceutical institutions shall properly keep the materials relating to the use of medical security funds, promptly submit data relating to the use of medical security funds to medical security agencies, and report the necessary information for the supervision and administration of the use of medical security funds to medical security administrative departments.

Chapter IV — Medical Security Services

Article 29 — The state shall establish and improve the public service system for medical security, standardize and unify the list of public service items for medical security, improve the level of

standardization, normalization, and convenience of services, and achieve full urban-rural coverage of public medical security services.

Article 30 — Medical security agencies shall carry out the work of insurance registration, relationship transfer, personal rights records, benefit determination and payment, inquiry and consultation services, administration of medical security service agreements, and determination of amounts payable in circumstances prescribed by the state.

Medical security agencies shall establish and implement internal control systems for business, finance, security, and risk management.

Article 31 — Medical security agencies shall establish and improve collective consultation and negotiation mechanisms, conclude medical security service agreements with eligible medical institutions and pharmaceutical businesses, standardize medical and pharmaceutical service behavior, reasonably determine the budget amounts and disbursement timelines of medical security funds for designated medical and pharmaceutical institutions, and specify the acts of both parties that violate the service agreements and their respective liabilities. Medical security administrative departments shall strengthen supervision over the conclusion and performance of service agreements.

Article 32 — Medical security administrative departments and medical security agencies shall establish and improve direct settlement mechanisms for medical expenses that link basic medical insurance, subsidies for large medical expenses of employees, critical illness insurance for residents, and medical assistance, promote networked settlement, and improve settlement efficiency.

For the portion of medical expenses incurred by insured persons at designated medical and pharmaceutical institutions that shall be paid by medical security funds, medical security agencies shall, after examination, promptly settle and disburse such portion in full and in a timely manner in accordance with the agreements; where direct settlement and disbursement cannot be made due to special circumstances, insured persons may apply to medical security agencies for reimbursement.

Medical security administrative departments and medical security agencies shall improve the direct settlement system for medical expenses incurred for medical treatment away from the insured persons' home regions and optimize direct settlement services for such treatment. For the portion of medical expenses incurred at designated medical and pharmaceutical institutions by insured persons receiving medical treatment away from home that shall be paid by medical security funds, medical security agencies shall, in accordance with regulations, promptly settle and disburse such portion in full and in a timely manner after examination.

Article 33 — Medical security agencies shall strengthen training and guidance for designated medical and pharmaceutical institutions on the systems and policies relating to the use of medical security funds.

Where a designated medical or pharmaceutical institution violates a medical security service agreement, the medical security agency shall deal with it in accordance with the service agreement, and the designated medical or pharmaceutical institution and its responsible personnel concerned have the right to make statements and defenses.

Where a medical security agency violates a medical security service agreement, the designated medical or pharmaceutical institution has the right to demand correction or request the medical security administrative department to coordinate the handling and urge rectification.

Article 34 — Designated medical and pharmaceutical institutions shall, in accordance with the requirements for the administration of the use of medical security funds, strictly implement the administration rules for real-name medical treatment and medicine purchase, provide reasonable and necessary medical and pharmaceutical services in accordance with diagnostic and treatment standards, and comply with the informatization traceability system for medicines and medical devices.

Designated medical and pharmaceutical institutions may, in accordance with the relevant state regulations and medical security service agreements, provide internet medical services such as remote diagnosis and treatment and online follow-up consultations.

Article 35 — Insured persons shall present their own social security cards or electronic medical insurance vouchers when receiving medical treatment or purchasing medicines. Insured persons have the right to require designated medical and pharmaceutical institutions to truthfully issue expense documents and materials relating to diagnosis and treatment in accordance with the law.

Insured persons shall properly keep their social security cards and electronic medical insurance vouchers to prevent others from using them under false names. Where it is necessary to entrust another person to purchase medicines on their behalf for special reasons, the identity certificates of both the principal and the entrusted person shall be provided.

Article 36 — Medical security administrative departments shall achieve effective and orderly sharing and use of data through the medical security information platform.

Medical security administrative departments shall strengthen the management of the entire data processing process on the medical security information platform, standardize data management and usage permissions, and safeguard data security and network security.

Chapter V — Supervision and Administration

Article 37 — People's governments at or above the county level shall report to the standing committees of the people's congresses at the corresponding levels on the revenue, expenditure, management, supervision, and inspection of medical security funds, and accept supervision in accordance with the law.

Article 38 — Medical security administrative departments shall strengthen supervision and inspection of the compliance of medical security agencies, employers, designated medical and pharmaceutical institutions, and other entities, as well as insured persons and other individuals, with medical security laws and regulations.

Finance departments and audit authorities shall supervise the revenue, expenditure, and management of medical security funds in accordance with their respective duties.

Medical security agencies shall regularly publish to the public the status of participation in basic medical insurance and the revenue, expenditure, and balance of medical security funds, and accept public supervision.

Article 39 — Medical security administrative departments shall strengthen information sharing and division of labor with health, drug administration, and other relevant departments, and establish mechanisms for communication and coordination, joint inspection, joint notification, and case transfer.

Article 40 — Medical security administrative departments performing their duties in accordance with the law and conducting supervision and inspection have the right to take the following measures:

(1) conducting on-site inspections;

(2) consulting, recording, and copying materials relating to supervision and inspection, and sealing up or seizing materials that may be transferred, concealed, or destroyed;

(3) questioning entities and individuals related to the matters under inspection, and requiring them to explain issues related to the matters under inspection and provide evidentiary materials;

(4) stopping acts of concealing, transferring, misappropriating, or embezzling medical security funds and ordering rectification;

(5) other measures prescribed by laws and administrative regulations.

When medical security administrative departments conduct supervision and inspection, the entities and individuals under inspection shall cooperate and shall not refuse or obstruct the inspection or make false or concealed reports.

Article 41 — Medical security administrative departments shall establish intelligent supervision and administration systems to exercise dynamic and intelligent monitoring over the use of medical security funds.

Article 42 — The state shall encourage citizens, legal persons, and other organizations to supervise medical security work.

Any entity or individual has the right to report or complain about acts that violate medical security laws and regulations. Medical security administrative departments, tax authorities, medical security agencies, and others shall keep reporting and complaint channels open. Reports and complaints falling within the scope of their duties shall be handled in accordance with the law; reports and complaints falling outside the scope of their duties shall be notified to the reporters and complainants in writing and transferred to the departments or institutions with authority to handle them. The departments or institutions with authority shall handle them in a timely manner and shall not shirk responsibility.

Medical security administrative departments, tax authorities, medical security agencies, and others shall keep the information of reporters confidential and, in accordance with state regulations, reward reporters whose reports are verified to be true. The funds required for reporting rewards shall be arranged in accordance with state regulations.

Article 43 — Medical security administrative departments, tax authorities, medical security agencies, designated medical and pharmaceutical institutions, and other entities and their staff members have a duty of confidentiality in accordance with the law with respect to state secrets, work secrets, trade secrets, personal privacy, and personal information learned in the course of medical security-related work.

Article 44 — Medical security administrative departments shall establish credit administration systems for designated medical and pharmaceutical institutions and their staff members, employers, insured persons, and others.

Chapter VI — Legal Liability

Article 45 — State functionaries who abuse their powers, neglect their duties, or practice favoritism or fraud in medical security work shall be subject to sanctions in accordance with the law.

Article 46 — Where a medical security agency or any of its staff members commits any of the following acts, the medical security administrative department shall order rectification; where losses are caused to medical security funds, compensation shall be borne in accordance with the law; and the responsible leaders and directly responsible persons shall be subject to sanctions in accordance with the law:

(1) failing to settle and disburse expenses payable by medical security funds in accordance with regulations and the medical security service agreements;

(2) withholding or refusing to pay medical security benefits on time;

(3) losing or tampering with medical security data such as payment records and records of enjoyment of medical security benefits, or personal rights records;

(4) failing to establish and implement internal control systems for medical security operations;

(5) failing to regularly publish to the public the status of participation in basic medical insurance or the revenue, expenditure, and balance of medical security funds; or

(6) other circumstances in violation of medical security laws and regulations.

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Article 47 — Where a designated medical or pharmaceutical institution fails to establish and implement an internal control system for the use of medical security funds, or where entities and individuals under inspection refuse or obstruct inspection or make false or concealed reports, the medical security administrative department shall order rectification and may interview the responsible persons; where rectification is refused, a fine of not less than 10,000 yuan and not more than 50,000 yuan shall be imposed.

Article 48 — Where a designated medical or pharmaceutical institution uses medical security funds in violation of the law, the medical security administrative department shall order rectification and may interview the responsible persons; where losses are caused to medical security funds, it shall be ordered to return the funds, and a fine of not less than one time and not more than two times the amount of losses shall be imposed; where rectification is refused or serious consequences are caused, the relevant responsible departments or personnel shall be ordered to suspend medical and pharmaceutical services involving the use of medical security funds for not less than six months and not more than one year.

Where an individual uses medical security funds in violation of the law, the medical security administrative department shall order rectification; where losses are caused to medical security funds, the individual shall be ordered to return the funds; where the individual is an insured person, administrative restraint measures suspending the networked settlement of his or her medical expenses for three to twelve months shall also be taken.

Article 49 — Where medical security fund expenditures are fraudulently obtained by fraud, forging certifying materials, or other means, the medical security administrative department shall order the return of the funds, and a fine of not less than two times and not more than five times the amount fraudulently obtained shall be imposed; where the offender is a medical security agency, the responsible leaders and directly responsible persons shall also be subject to sanctions in accordance with the law; where the offender is a designated medical or pharmaceutical institution, the relevant responsible departments or personnel shall also be ordered to suspend medical and pharmaceutical services involving the use of medical security funds for not less than six months and not more than one year, up to termination of the medical security service agreement by the medical security agency; where the offender is an insured person, administrative restraint measures such as suspending the networked settlement of his or her medical expenses for three to twelve months and restricting the scope of designated medical and pharmaceutical institutions from which he or she may receive services shall also be taken.

Where the person responsible for the illegal acts prescribed in the preceding paragraph is a physician, he or she shall also be punished in accordance with the Physicians Law of the People's Republic of China.

Article 50 — Where a designated medical or pharmaceutical institution violates the provisions of this Law, causing major losses to medical security funds or serious adverse social impact, its legal representative or principal person in charge shall be subject to sanctions in accordance with the law and shall be prohibited from engaging in management activities of designated medical or pharmaceutical institutions for five years.

Article 51 — Where medical security funds are concealed, transferred, misappropriated, or embezzled, the medical security administrative departments, finance departments, and audit authorities shall, in accordance with their respective duties, order recovery of the funds; where there are illegal gains, the illegal gains shall be confiscated; and the responsible leaders and directly responsible persons shall be subject to sanctions in accordance with the law.

Article 52 — Where medical security administrative departments, tax authorities, medical security agencies, designated medical and pharmaceutical institutions, or other entities or their staff members violate the duty of confidentiality prescribed by this Law, the responsible leaders and directly responsible persons shall be subject to sanctions in accordance with the law.

Article 53 — Whoever violates the provisions of this Law, causing damage to relevant entities or individuals, shall bear civil liability in accordance with the law.

Whoever violates the provisions of this Law, constituting a violation of public security administration, shall be subject to public security administrative penalties in accordance with the law; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Chapter VII — Supplementary Provisions

Article 54 — Commercial health insurance, charitable donations related to medical security, medical mutual aid, and others shall be implemented in accordance with the provisions of relevant laws and regulations.

Article 55 — The state shall establish and improve the long-term care insurance system. The specific measures for the financing and operation, benefit protection, fund use, supervision and administration, and other aspects of long-term care insurance shall be formulated by the medical security administrative department of the State Council, together with other relevant departments of the State Council, by reference to the provisions of this Law on basic medical insurance.

Article 56 — This Law shall take effect on January 1, 2027.

Disclaimer: This is an unofficial translation of the Medical Security Law of the People's Republic of China, provided for reference only. In the event of any discrepancy, the official Chinese text shall prevail. This translation is provided for informational purposes only and does not constitute legal advice.