

Financial Times China Consultation

September 2020

Participants:

Attendee name	Company	Designation
Lan Xue	Commissioner/Tsinghua Univ	Dean
George Gao	CCDCP	Director General
Hann Yew	McKinsey Singapore	Associate Partner
Christian Besler	Vigos Health	CEO for Vigos Health (digital portfolio of AC Health)
Cathy Fang	Yitu Healthcare	VP
Stanley Li	DXY	Founder
Junling Liu	111.com	Co-Founder, Chairman, and Chief Executive Officer
Alex Ng	Tencent	vice president of Tencent Healthcare
Carl Ng	Lifetrack Medical Systems	COO and Co-Founder
Melvin Vu	Good Doctor Technology	Regional CEO
Danny Yeung	Prenetics	CEO/Co-founder
Zoe Zhu	PingAn Voyager Fund	VP of HealthTech
Jody Tian	McKinsey Hong Kong	associate partner

This summary was prepared by the Commission Secretariat based on notes offered by Mr Andrew Jack. Comments from the discussion have been anonymised.

Key Takeaways

- Technology is not a panacea: it still requires an underlying medical infrastructure, including physical doctors.
- In China, Tier 3+ cities face particular problems with lack of access to medical infrastructure, funding, training and expertise. There can be long waits and short consultation times. Groups that are particularly neglected include the “left-over children” as parents leave to work in larger cities leaving their children in the care of grandparents or other family members.
- Similar problems of very low levels of quality medical coverage and a concentration of limited expertise, hospitals and associated medical equipment characterise Indonesia and the Philippines.
- There is a lack of longevity in China in the relationships between patients and doctors, so standardised medical data in digital form could play an important role in boosting efficiency.
- Digital applications in health remain limited given their potential, despite the importance accorded to health by populations and by technology’s broader uptake in other fields.
- Many start-up healthcare companies in Asia struggle to generate profits and attract funders/investors.
- Barriers to growth include a reluctance to engage with technology by doctors, who often require hand holding and training; and with older patients.

- Much of the current focus in the absence of reimbursement is consumer healthcare and out of pocket funding, combined with digital health businesses deriving income from providers such as pharmaceutical companies and pharmacies and B2B services such as stock control.
- Telemedicine has potential to share medical expertise concentrated in large cities into more remote areas, and to boost productivity with triaging and support telemedicine for remote consulting, which has grown during Covid as patients are reluctant to visit clinics.
- Teliagnosis can help limit the brain drain of scarce medical specialists by supplementing the income of doctors to allow them to remain in countries such as between Nigeria and India through “offshoring corridors”.
- Portable scanners and diagnostic equipment decentralised from large hospitals to areas of under-served need can help expand access.
- Digital tools have promise in improving prevention through fun and engagement, such as Indonesian programmes to introduce tests and quizzes to promote healthier eating.
- AI has promise in helping to improve interpretation of imaging and work tackling emerging pathogens, but needs careful scrutiny of algorithms and the quality of data. It was viewed by many as still a poor substitute for medical consultations.
- Laws are being increasingly passed to require medical data to stay within national borders, often using the EU’s GDPR as a framework and permitting sharing with trusted other governments (eg Singapore). But having multiple data centres adds to cost.
- Greater underlying investment in training is needed to growth the number and quality of doctors.
- Growth could come through tackling the complexity of healthcare systems; and introducing a clearer “line of sight” with more reimbursement from healthcare systems to incentivise and leverage online as well as offline improvements.
- Data safeguarding, sovereignty and privacy is very important. Many healthcare providers and companies retain data and seek to monetise it rather than share it.
- There is a need for systems to standardise, share and anonymise electronic medical records and other data in order to permit authorised use by third parties within clear “guardrails” to preserve confidentiality.
- Medical data should be considered the property of patients - who provide the information and fund the providers that collate it whether through taxes, insurance premiums or out of pocket.
- Partnerships are required between government (heavily downstream with a focus on hospitals) and upstream, working with the private sector and NGOs (often more present in rural areas of China).
- There is a need for “regulatory sandboxes” in health technology to promote engagement by providers and allow experimentation and validation without punitive measures or exposure to civil liabilities.

- State support could help promote a more developed system of funding to foster the creation and growth of healthcare start-ups and technologies