CHINA | HEALTHCARE AND MEDTECH

# How China's 15th Five-Year Plan Is Reshaping the Future of Medtech

Strategic priorities, emerging opportunities and the implications for medtech companies

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# China's 15th Five-Year Plan (FYP) sets the strategic agenda for the future of medtech

## Eight policy directions medtech companies should prepare for

### 1. Strategic positioning

Healthcare technology has been elevated to a national strategic priority: **Medtech explicitly included in 2 of the 10 emerging-industry development priorities and 3 of the 8 frontier-technology domains**

Key elevation vs. 14th FYP

### 2. AI and digitalization

Artificial intelligence (AI) adoption to be accelerated across assisted diagnosis, precision medicine, health management, elder care and primary care

### 3. Pricing and procurement

Expected further optimization of Volume-Based Procurement (VBP) and pricing mechanisms

### 4. Reimbursement and commercial insurance

Commercial health insurance expected to play a more critical role for innovative products beyond the public reimbursement system

### 5. Lower-tier market expansion

Healthcare resources to be further invested toward county- and community-level care settings, supported by AI-assisted capabilities

### 6. Localization and supply chain

Supply-chain resilience remains a core theme, with full value-chain support to accelerate technological breakthroughs

### 7. International collaboration

Continuously encourage international cooperation in healthcare and pilot programs for greater market openness

### 8. Demographic priorities

Policy support expected for key population groups: elder care, long-term care insurance, fertility and maternal health services

Source: 15th Five-Year Plan; L.E.K. analysis



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# China's 15th FYP outlines 10 emerging-industry development priorities

Brain-computer interface (BCI) and advanced medical devices are among the designated focus sectors

| | | | |
|---|---|---|---|
| Integrated circuits | 01 | Embodied intelligence | 02 |
| Biomanufacturing | 03 | Next-gen batteries | 04 |
| Commercial spaceflight | 05 | Domestic large aircraft | 06 |
| Low-altitude equipment | 07 | Green hydrogen | 08 |

## Brain-computer interface (BCI) 09

- **Next-generation electrode and chip hardware**, plus **signal-decoding algorithms** for improved brain-signal interpretation
- **Mandarin-language neurolinguistic databases** to enable Chinese-language clinical applications
- BCI applications across **disease treatment, motor rehabilitation and health monitoring**

## Advanced medical devices 10

**Advanced medical equipment, focus on tech breakthroughs and commercialization**

- Ultra-high-end computed tomography (CT)
- High-field magnetic resonance imaging (MRI)
- Precision radiotherapy
- Intelligent surgical robots
- Life-support equipment

**Innovative implantable devices development**

- Rehabilitation for critical chronic diseases
- Neuromodulation
- Cardiovascular intervention
- Orthopedic implants

Source: 15th Five-Year Plan; L.E.K. analysis



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# Three of the eight frontier-technology domains in China's 15th FYP are relevant to medtech

Life sciences, brain science and major-disease R&D are identified as strategic areas for future innovation

### 04 Life sciences and biotechnology

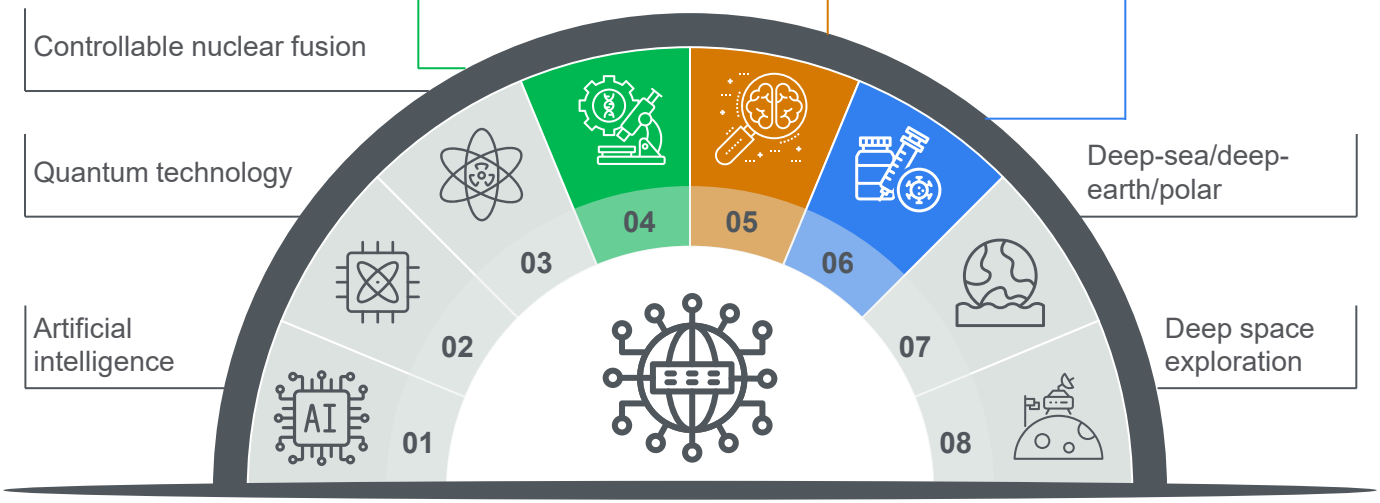
- Gene editing, molecular precision delivery, cell programming, etc.
- **Organoids and organ-on-chips, organ fabrication, structural and functional bioimaging**, etc.
- Bioengineering design software tools

### 05 Brain science and brain-like AI

- Neuroscience research for cognition and brain function
- **Innovation platforms for neural activity detection, monitoring and modulation**
- **Proactive brain-health technologies and new solutions for the prevention, diagnosis, intervention and treatment** of major brain diseases
- General-purpose neuromorphic AI

### 06 Critical disease prevention and treatment and innovative drugs R&D

- Prevention, diagnosis and treatment for major infectious diseases
- **Early screening, precision medicine** and biotherapies for cancer, cardiovascular, cerebrovascular, respiratory and metabolic diseases
- Innovative drugs for high-burden chronic diseases, major infectious diseases, rare diseases and pediatric patients




Source: 15th Five-Year Plan; L.E.K. analysis

# China is advancing rapidly in BCI, from noninvasive to clinical-grade invasive implants

Policy support is further pushing BCI from frontier research toward scalable applications across care settings

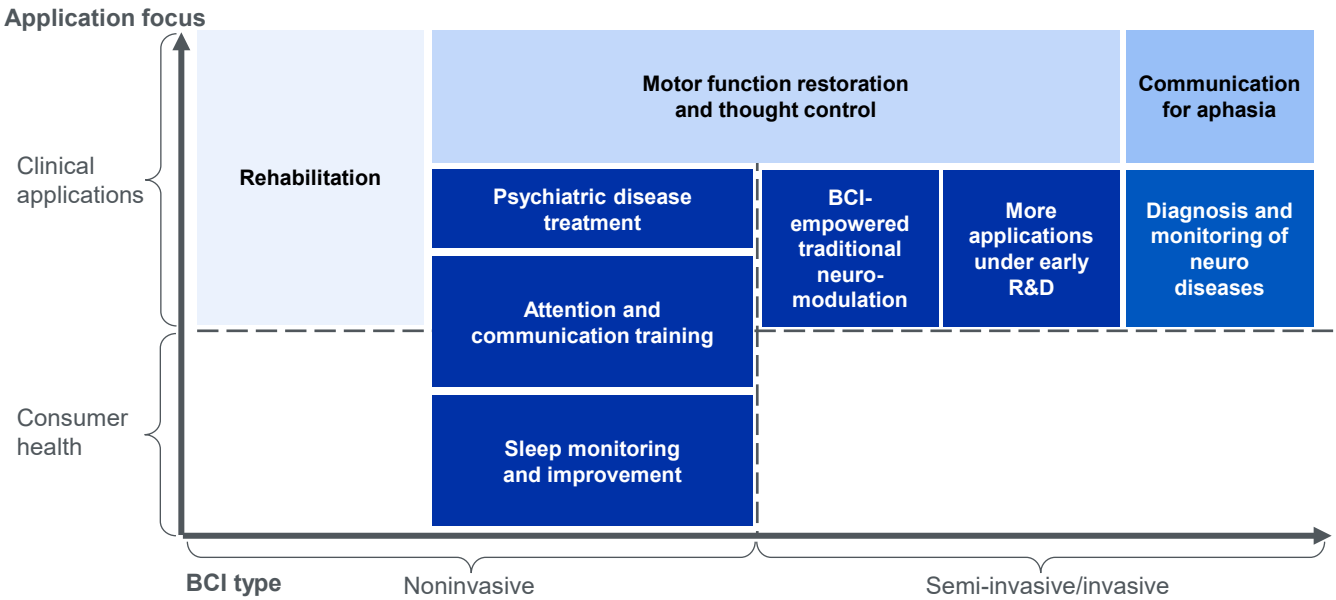
**1st** country in noninvasive BCI mass production globally

**2nd** country in number of human invasive BCI implants

**2nd** globally in BCI-related peer-reviewed publications

**~20** BCI funding events per year on average over the past four years

## How China's BCI ecosystem spans clinical care and consumer health




**Implications for medtech**

- BCI is no longer only a research topic in China; it is a policy-backed innovation platform spanning rehabilitation, neurological disease management, communication assistance and consumer health
- Medtech companies should assess where they can play across the BCI ecosystem and build partnerships early with hospitals, universities and domestic innovators

Source: L.E.K. analysis

# China's AI in medtech ecosystem is moving from policy support to real-world adoption

AI is now being deployed across diagnosis, imaging, decision support, treatment and rehabilitation

**Key national policy frameworks supporting AI in medtech**

| 01 Clinical adoption | 02 R&D and innovation enablement | 03 Manufacturing | 04 Governance and registration |
|---|---|---|---|
| The National Health Commission (NHC) (2024): AI Application Scenario in Healthcare | Ministry of Industry and Information Technology (MIIT) + National Medical Products Administration (NMPA) (2026): National Medical Device Innovation Taskforce | MIIT + 7 others (2026): AI + Manufacturing | NMPA + Center for Medical Device Evaluation (CMDE): AI Medical Device Regulatory Framework |

**AI is already embedded across the medtech applications to enhance clinical quality, efficiency and precision**

AI in medtech

| Screening and diagnosis | Imaging | Clinical decision support | Treatment | Monitoring and rehabilitation |
|---|---|---|---|---|
| • Early cancer detection<br>• Automated lesion and risk identification | • CT/MRI reconstruction and quality enhancement<br>• Automated image analysis and reporting integration | • AI-supported disease-specific decision support<br>• Diagnosis support for primary care | • Surgical planning and robotic control<br>• Precision interventional systems | • Continuous monitoring and early warning<br>• Rehabilitation and functional recovery |

**Implications for medtech**

- The priority is to identify where AI creates measurable clinical or operational value, build evidence that supports regulatory approval and reimbursement, and collaborate with ecosystem participants
- As policy support becomes more coordinated, companies with integrated capabilities across product, data, clinical validation and compliance would be better positioned to win

Source: NHC, MIIT, NMPA, CMDE; company websites; L.E.K. analysis



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# What the 15th FYP means for medtech: 10 questions executives should ask

**Strategic questions for medtech companies**

1. **Portfolio and innovation:** Is our portfolio aligned with China's priority innovation areas?
2. **Localization:** Which capabilities should be localized to compete effectively in China?
3. **Demand outlook:** Which market segments will grow faster?
4. **AI strategy:** Where can AI create sustainable competitive advantage?
5. **Market access:** How will reimbursement, insurance and procurement evolve? What does that mean for pricing and volume?
6. **Competition:** Which domestic challengers should be monitored closely?
7. **Capital allocation:** Are you investing in the right technologies and growth areas?
8. **Partnerships:** Which ecosystem partnerships matter most?
9. **M&A and alliances:** Where are the most attractive partnership and deal opportunities?
10. **Global strategy:** How should China fit into our global growth strategy?

## How L.E.K. can help

### Corporate and portfolio strategy

- Growth strategy under the 15th Five-Year Plan
- Portfolio prioritization and investment planning
- China market strategy and localization roadmap

### Innovation and new business opportunities

- AI and brain-computer interface opportunity assessment
- Emerging technology landscaping
- New product and business-model strategy

### Market access and commercial excellence

- Reimbursement and commercial insurance assessment
- VBP and pricing strategy
- Go-to-market optimization

### Partnerships and ecosystem development

- Partner identification and ecosystem mapping
- M&A and strategic alliance support
- Innovation and localization partnerships

Source: L.E.K. analysis

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