

Hospital Priorities 2025

China Edition: Key Findings for Medtech and Pharma Companies

June 2025

These materials are intended to supplement a discussion with L.E.K. Consulting. These perspectives will, therefore, only be meaningful to those in attendance. The contents of the materials are confidential and subject to obligations of non-disclosure. Your attention is drawn to the full disclaimer contained in this document.

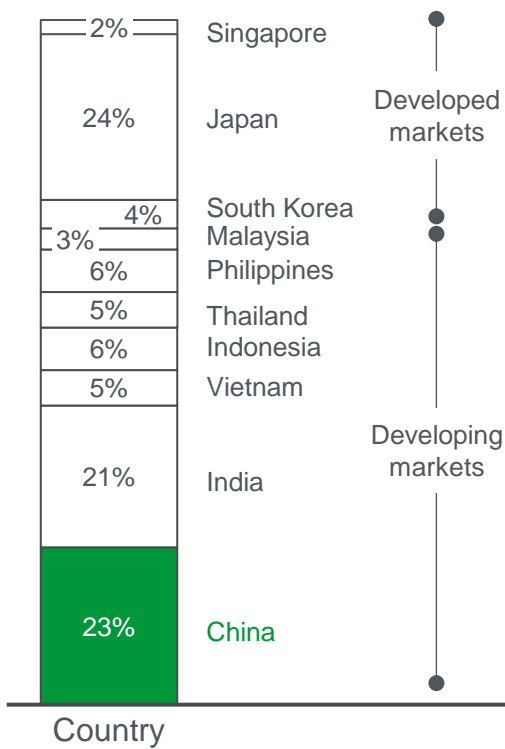


L.E.K. sponsors a unique analysis of hospital priorities in APAC; the 2025 study was executed during February and March, and engaged 111 hospital executives in China across public and private providers

L.E.K. APAC Hospital Priorities Survey respondent mix

L.E.K. 亚太地区医院调研参与者组成

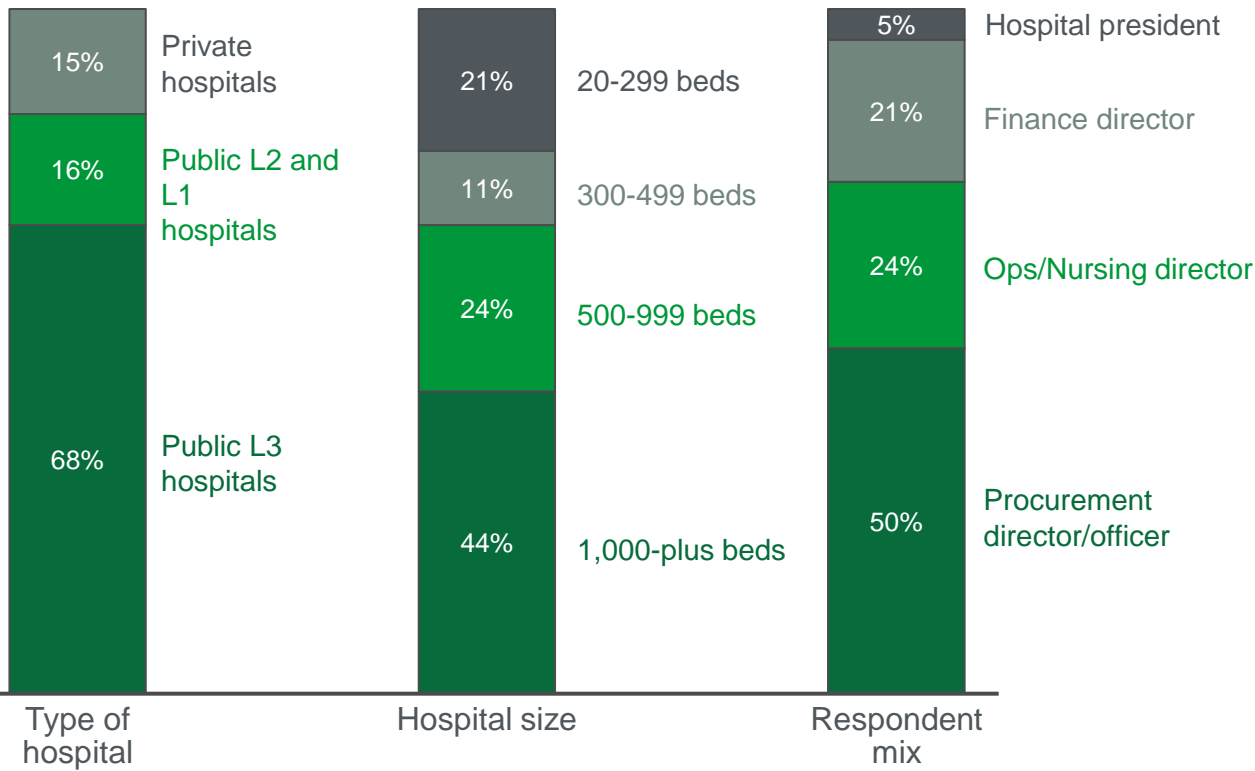
Percentage of respondents



China respondent mix

中国调研参与者组成

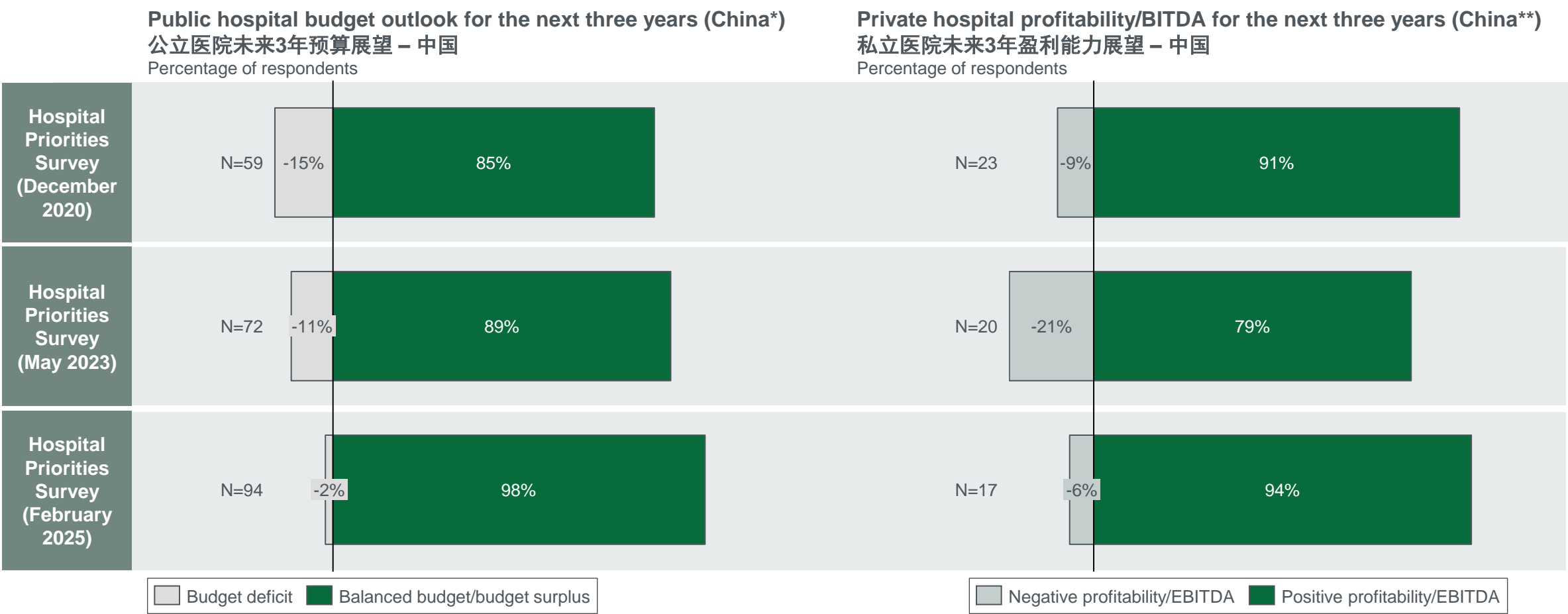
Percentage of respondents (N=111)



Highlights from the 2025 Hospital Priorities Survey

- Hospital executives report greater confidence in a positive budget outlook compared to previous surveys. Since the introduction of the medical insurance fund prepayment system in November 2024, 40% of surveyed hospitals claimed receipt of prepayments.
- The push to use local medtech products has been a persistent trend, though interpretations of “local” vary — some hospitals consider factors beyond product manufacturing location.
- Listing of National Reimbursement Drug List (NRDL)-negotiated drugs has been smoother, with approximately 50% of the public hospitals surveyed achieving automatic listing of NRDL-negotiated drugs. The prescription limit for NRDL drugs has also reduced meaningfully.
- While offline channels remain the preferred method for clinician engagement with pharmas and medtechs, online platforms such as virtual conferences and company and third-party medical websites/apps are gaining traction.
- Most of the public L3 hospitals surveyed plan to participate in or expand data transactions over the next one to three years — showing greater intent than public L2 and L1 and private hospitals.

Both public and private hospitals are more positive about the future budget/profitability outlook compared to what was observed in prior surveys



*Question: What do you expect the level of budget surplus/deficit incurred by your hospital to be over the next three years? 您预估未来3年您所在医院的预算盈余/赤字情况如何? Responses with "I do not know/prefer not to disclose" have been excluded; **Question: What is your expectation of the EBITDA margin/profitability level of your hospital over the next three years? 您预估您所在的医院未来3年息税前利润 (EBITDA) 水平 (不计利息、税项、折旧及摊销) 如何? Responses with "I do not know/prefer not to disclose" have been excluded
L.E.K. 2020, 2023 and 2025 APAC Hospital Priorities Survey

Forty percent of hospitals surveyed claimed receipt of medical insurance fund prepayment; the majority of the rest expect the prepayment to be one to two quarters earlier vs. prior medical insurance fund settlement time

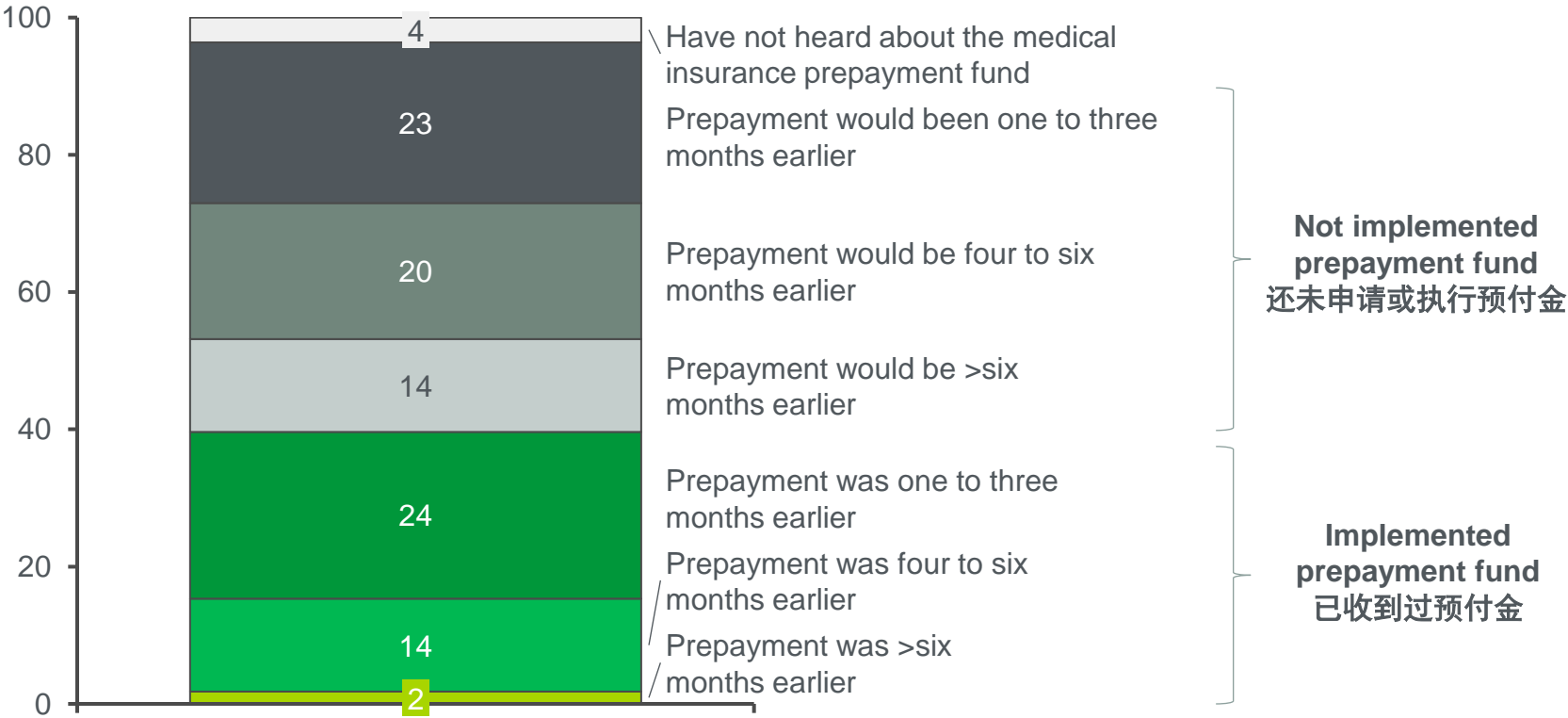
NHSA medical insurance prepayment fund

医保基金预付制度
(November 2024)

- The medical insurance prepayment fund is a policy under which a portion of medical insurance funds is advanced to hospitals to address their short-term capital needs and improve hospital service quality.
- In November 2024, the NHSA introduced a policy to formally establish a national medical insurance prepayment fund system. The prepayment fund is strictly designated for the procurement of pharmaceuticals and medical consumables.

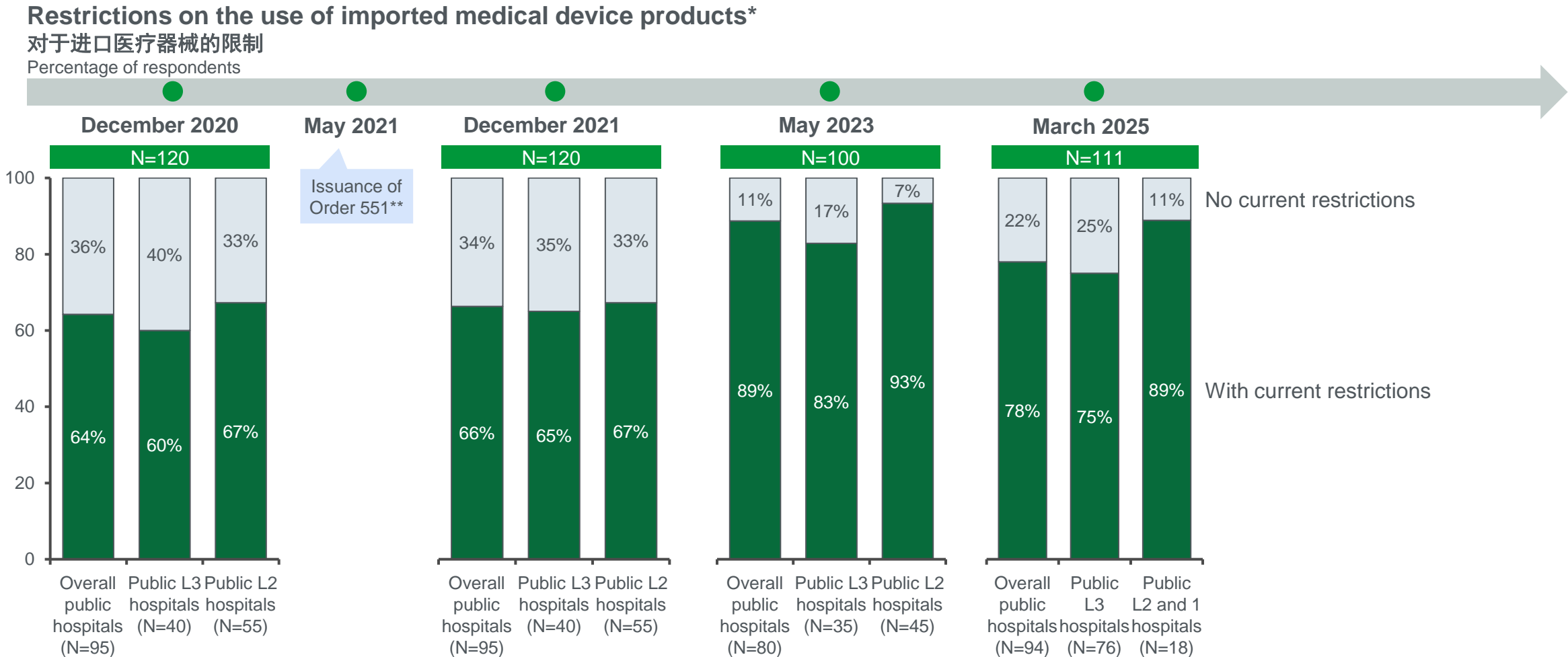


Implementation rate of the medical insurance prepayment fund*
医保基金预付工作执行情况
Percentage of respondents (N=111)



*Question: In November 2024, the NHSA issued a policy stating that, at the beginning of the year, a portion of medical insurance funds would be prepaid to support hospitals in covering short-term working capital needs, such as the procurement of drugs and consumables. Which of the following statements best reflects the hospital's implementation of this prepayment policy? 国家医保局于2024年11月颁布政策，医保部门年初将预付部分医保基金帮助医疗机构药品和耗材采购等医疗费用周转支出。以下哪种说法最能说明您医院医保基金预付工作的执行情况？
L.E.K. 2025 APAC Hospital Priorities Survey

The encouragement of local medtech products has been a persistent trend ...



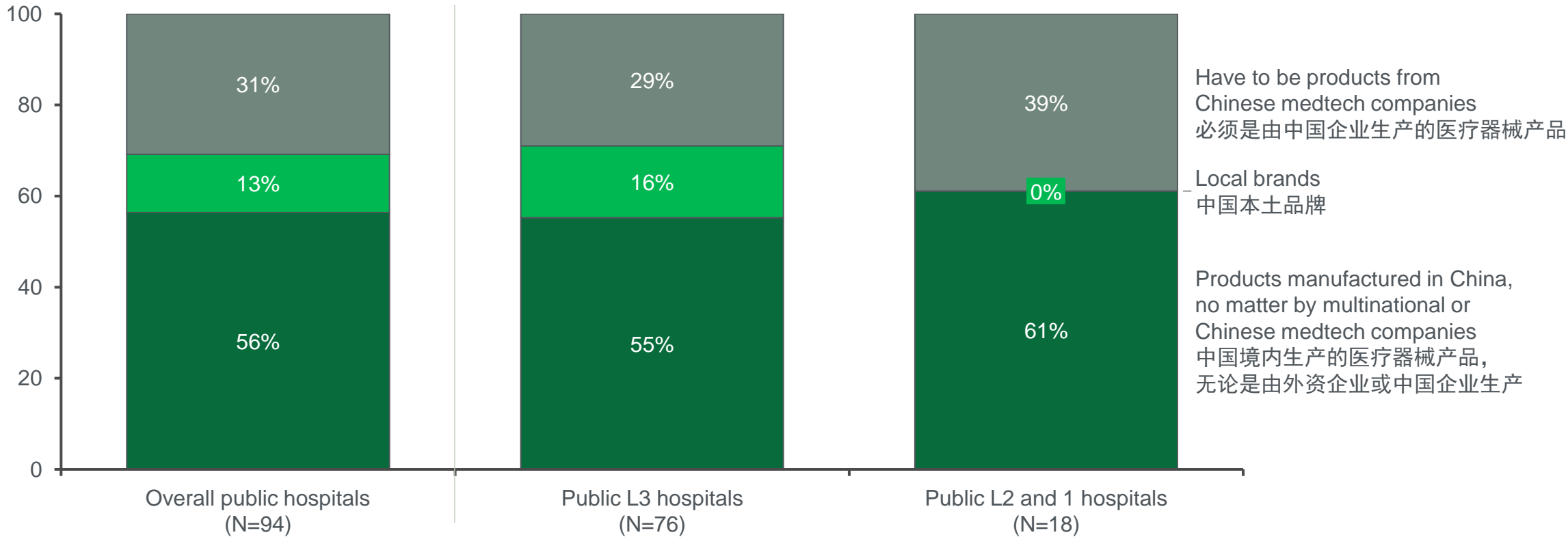
*Question: Which of the following statements best describes your hospital's attitude toward the use of imported medtech/medical device products? 以下哪项陈述最能说明您所在医院对于进口医疗器械产品的态度? **Order 551 refers to the Guidelines for the Review and Approval of Imported Products in Government Procurement 《政府采购进口产品审核指导标准》
L.E.K. 2020, 2021, 2023 and 2025 APAC Hospital Priorities Survey

... While hospitals' interpretation of 'local' varies; some can go beyond product manufacturing location

Definition of domestic product in medical device tendering*

招标采购中对“国产产品”的界定标准

Percentage of respondents



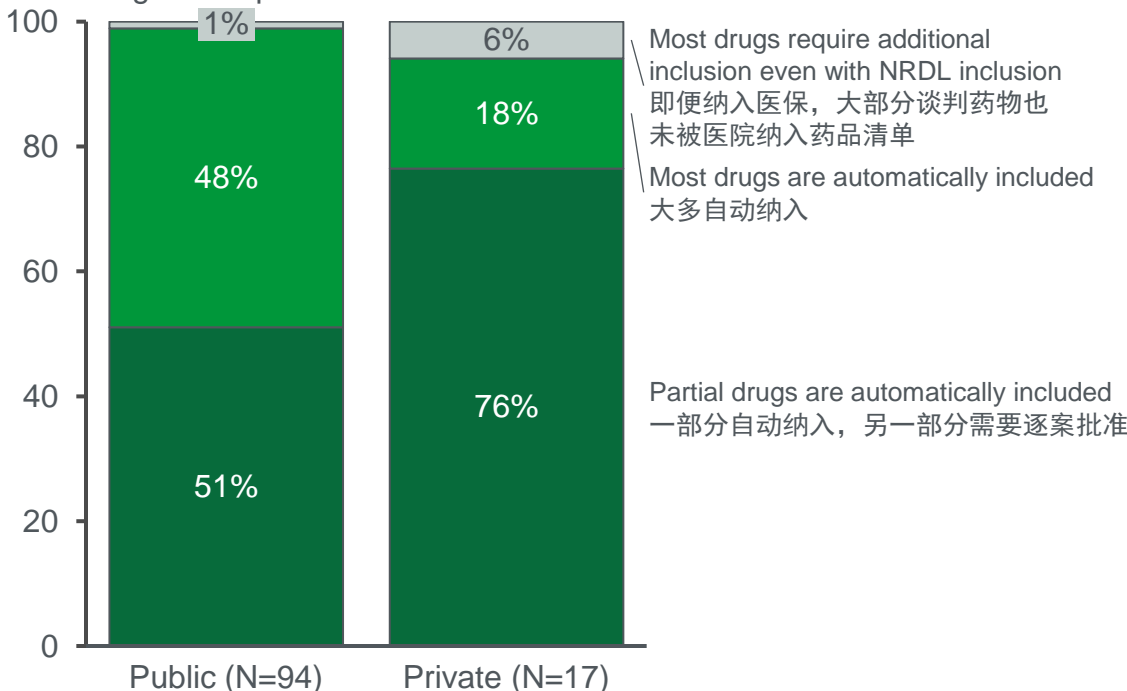
*Question: How does your hospital define "domestic product" in medical device tendering? 在医疗器械/医疗设备招标采购过程中，您医院对于“国产产品”的界定标准是什么？
L.E.K. 2025 APAC Hospital Priorities Survey

Approximately 50% of the public hospitals surveyed have achieved automatic listing of NRDL-negotiated drugs; prescription limit for NRDL drugs has reduced meaningfully

Considerations for drugs negotiated to get on the NRDL to get onto the hospital formulary*

谈判药品纳入医院药品清单的情况

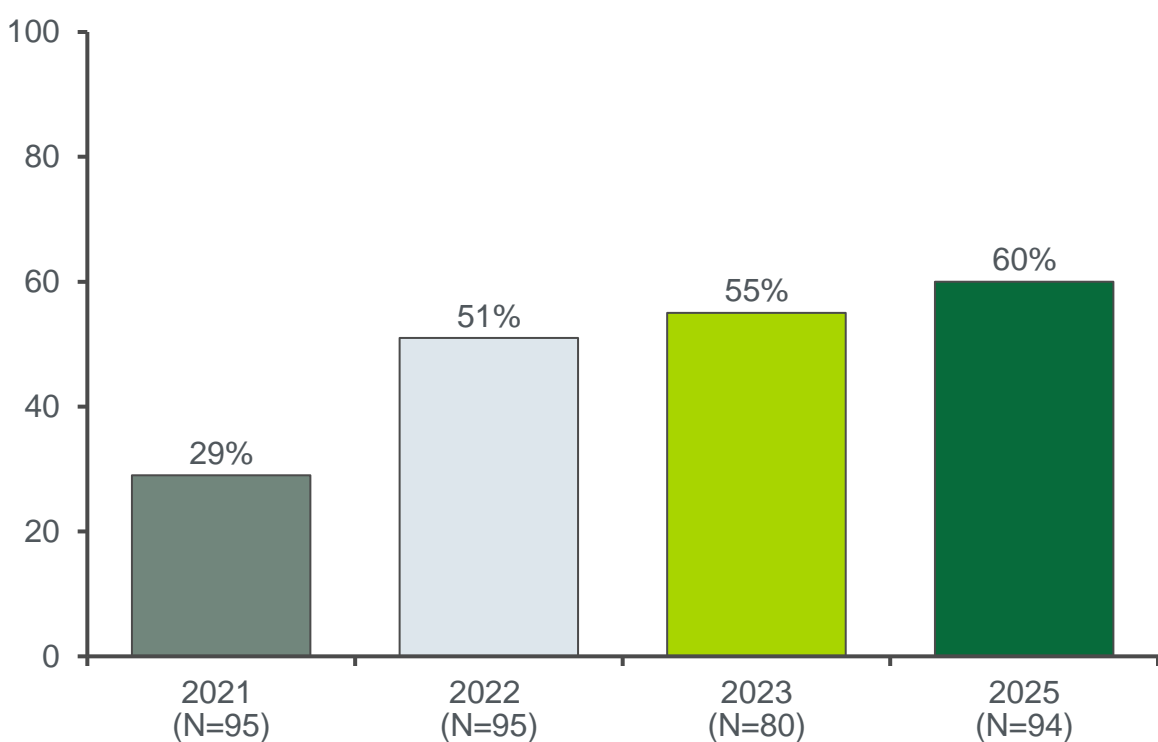
Percentage of respondents



Percentage of NRDL drugs (through negotiation) that face no prescription limit in public hospitals**

医保谈判药品无处方限制的公立医院占比

Percentage of respondents



*Question: What are the considerations for drugs negotiated to get on the National Reimbursement Drug List (NRDL) to get onto the hospital formulary if they are not on the formulary before negotiation? 对于通过谈判进入国家医保报销目录 (NRDL) 的药品, 若此前该药尚未被纳入医院药品清单, 医院一般会如何决定是否将其加入医院药品清单? ; ** Question: Once NRDL-negotiated drugs are on the hospital formulary, are there any barriers to prescribing the drug? 一旦国家医保谈判药品进入医院药品清单, 在处方该药品时是否有任何限制?

L.E.K. 2021, 2022, 2023 and 2025 APAC Hospital Priorities Survey

Although offline channels remain the most preferred clinician engagement methods with pharma and medtechs, certain online channels are gaining increasing acceptance

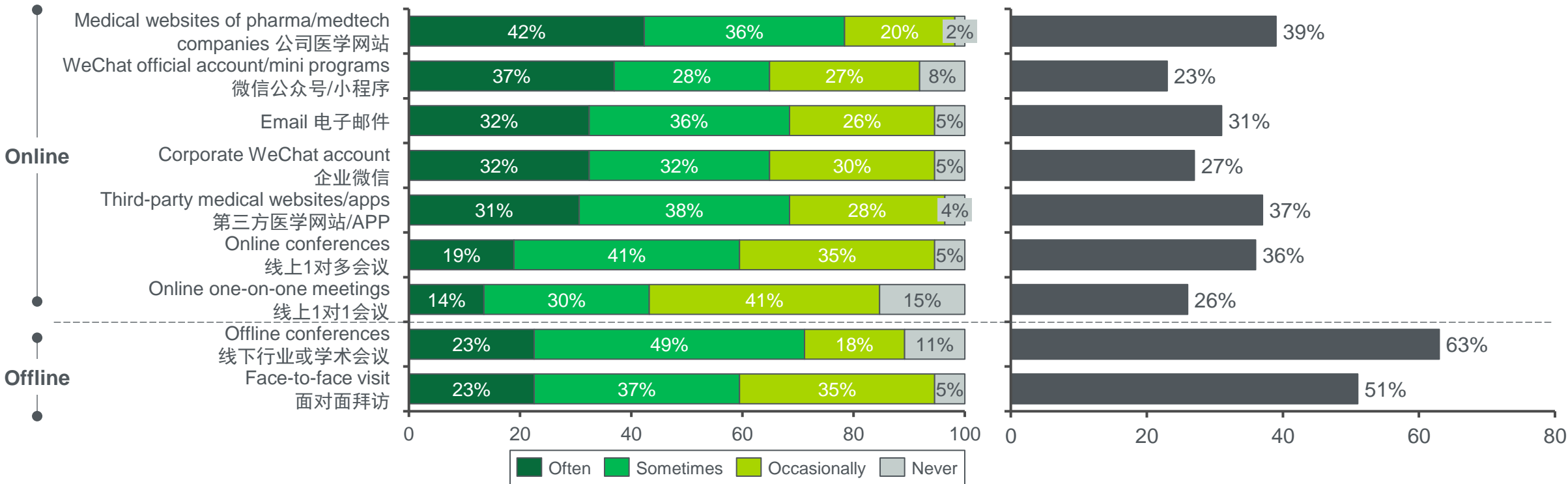
Preferred engagement methods by pharma and medtech*

同医药/医疗器械/医疗设备企业沟通的渠道或方式

Percentage of respondents (N= 111)

Current engagement frequency with pharma/medtechs
同医药/医疗器械/医疗设备企业沟通或者获取信息的频率

Preferred ways to engage with pharma/medtechs
您愿意通过哪些方式与企业沟通



*Question: What are your usual ways to engage with pharma/medical device/equipment companies? What are your preferred ways to engage with these companies in the future? 您通常通过哪些渠道或方式同医药/医疗器械/医疗设备企业沟通或获取信息? 您愿意通过哪些方式同医药/医疗器械/医疗设备企业沟通?

L.E.K. 2025 APAC Hospital Priorities Survey



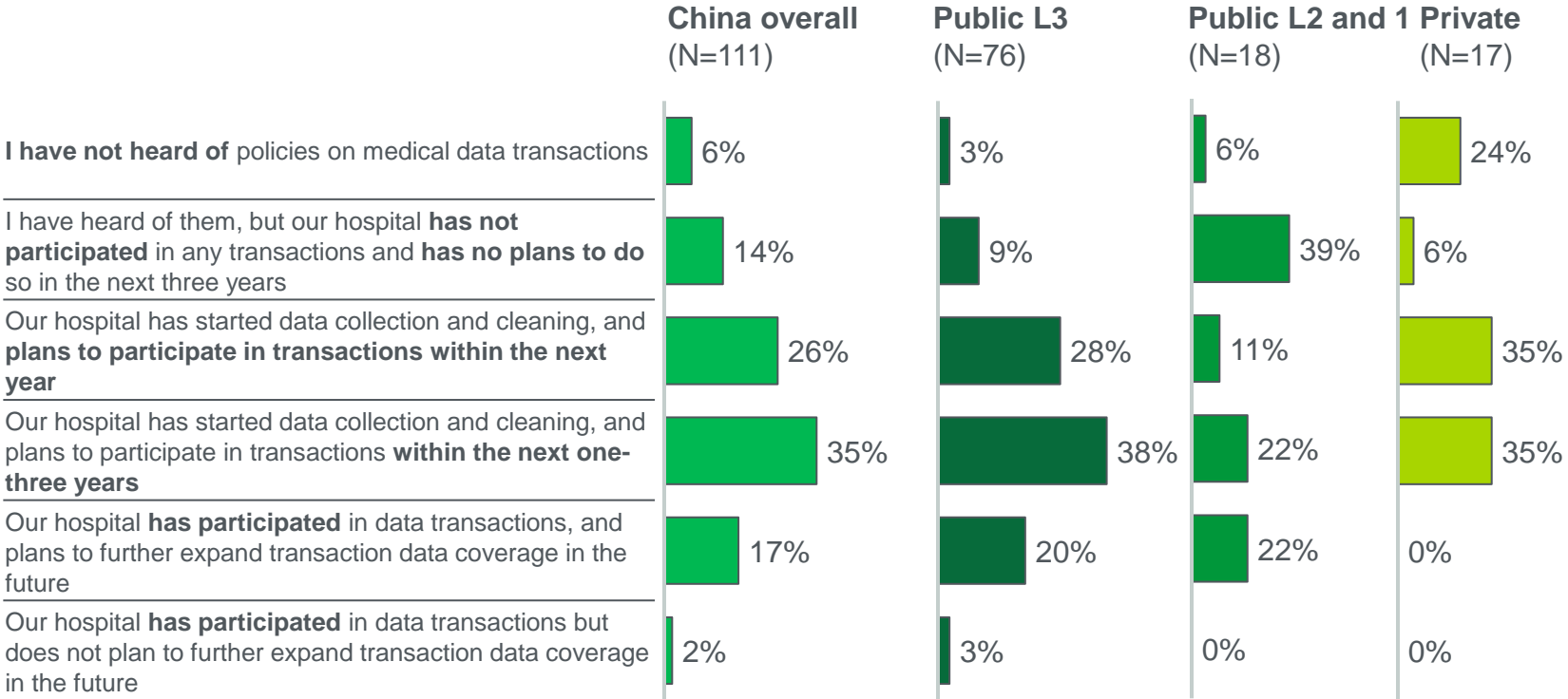
A majority of the public L3 hospitals surveyed indicated they plan to participate in/expand in data transaction over the next one to three years—more active than public L2 and private hospitals

National Data Administration—healthcare data transactions

《“数据要素×”三年行动计划 2024-26》
(January 2024)

- In January 2024, China released the “Three-Year Action Plan for Data Element X” to accelerate the development of a national data element market, promote compliant and efficient data circulation, and foster an ecosystem of data provider, platforms and service institutions.
- The plan highlights **healthcare data as a key category for pilot programs**, encouraging standardized data sharing across hospitals, public health institutions and third-party platforms, while strengthening privacy protection and regulatory oversight.

Status of hospitals’ data transaction experience*
Percentage of respondents



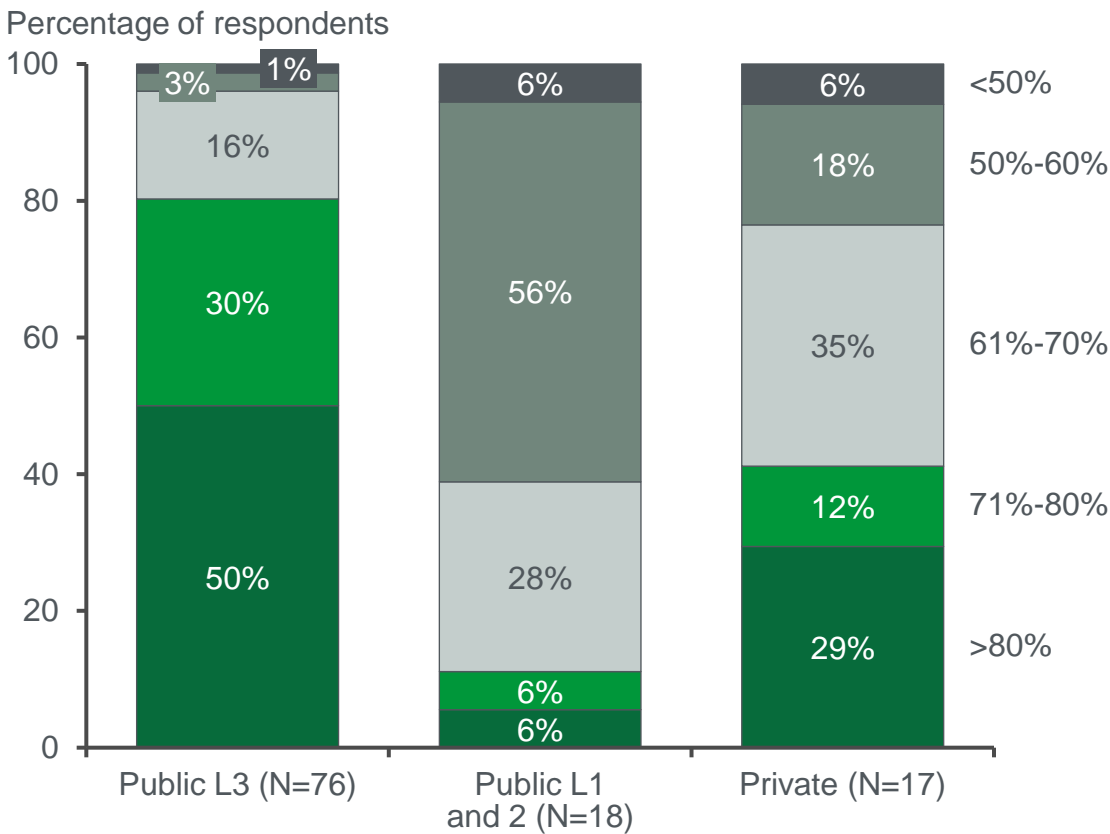
*Question: In January 2024, the National Data Administration issued the “Three-Year Action Plan for Data Element X” to promote the application of healthcare data, and some regional data centers have initiated medical data transactions. Which of the following statements best describes the status of your hospital’s data transaction experience? 国家数据局于2024年1月颁布《“数据要素×”三年行动计划》推动医疗数据应用，多地数据中心开始落地医疗数据交易。以下哪种说法最能说明您医院数据应用和交易情况？



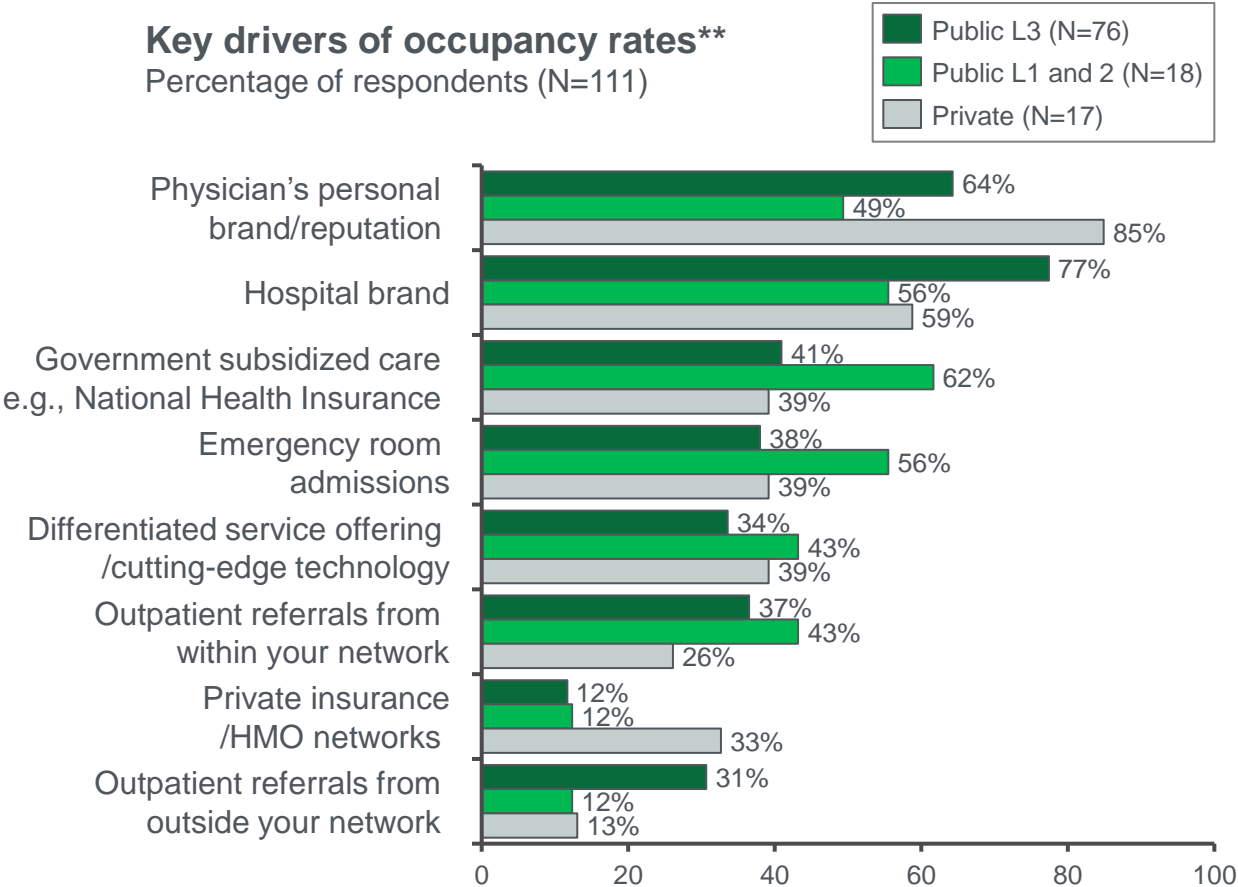
Appendix: Additional findings from the 2025 Hospital Priorities Survey

Public L3 hospitals continue to see much higher bed occupancy rates vs. lower-level public hospitals and private hospitals

Bed occupancy rate for public and private hospitals financial outlook*



Key drivers of occupancy rates**
Percentage of respondents (N=111)

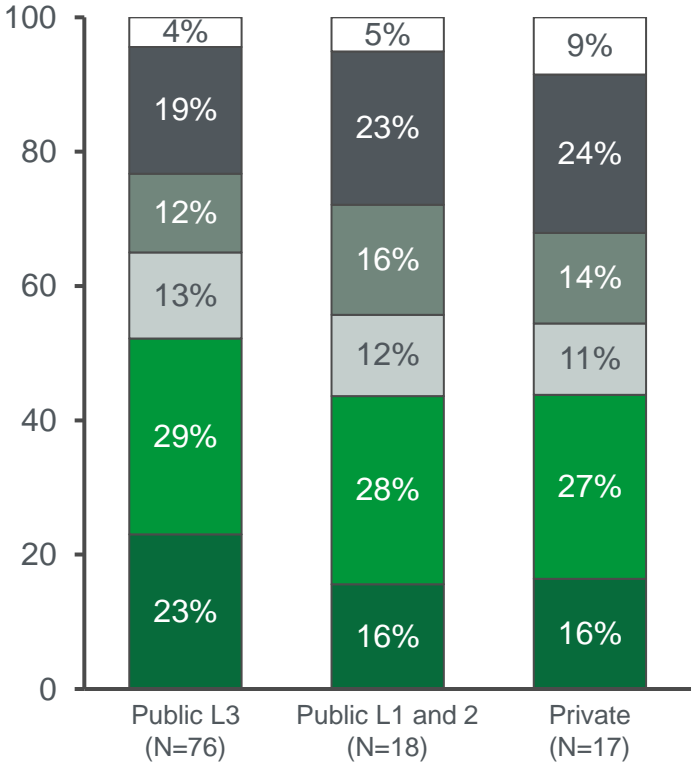


*Question: What was your hospital's average bed occupancy rate over the past 12 months? 贵院过去12个月的平均床位使用率是多少? **Question: What are your three largest drivers of inpatient admissions? (Please select two) 住院患者入院的主要驱动因素是什么?

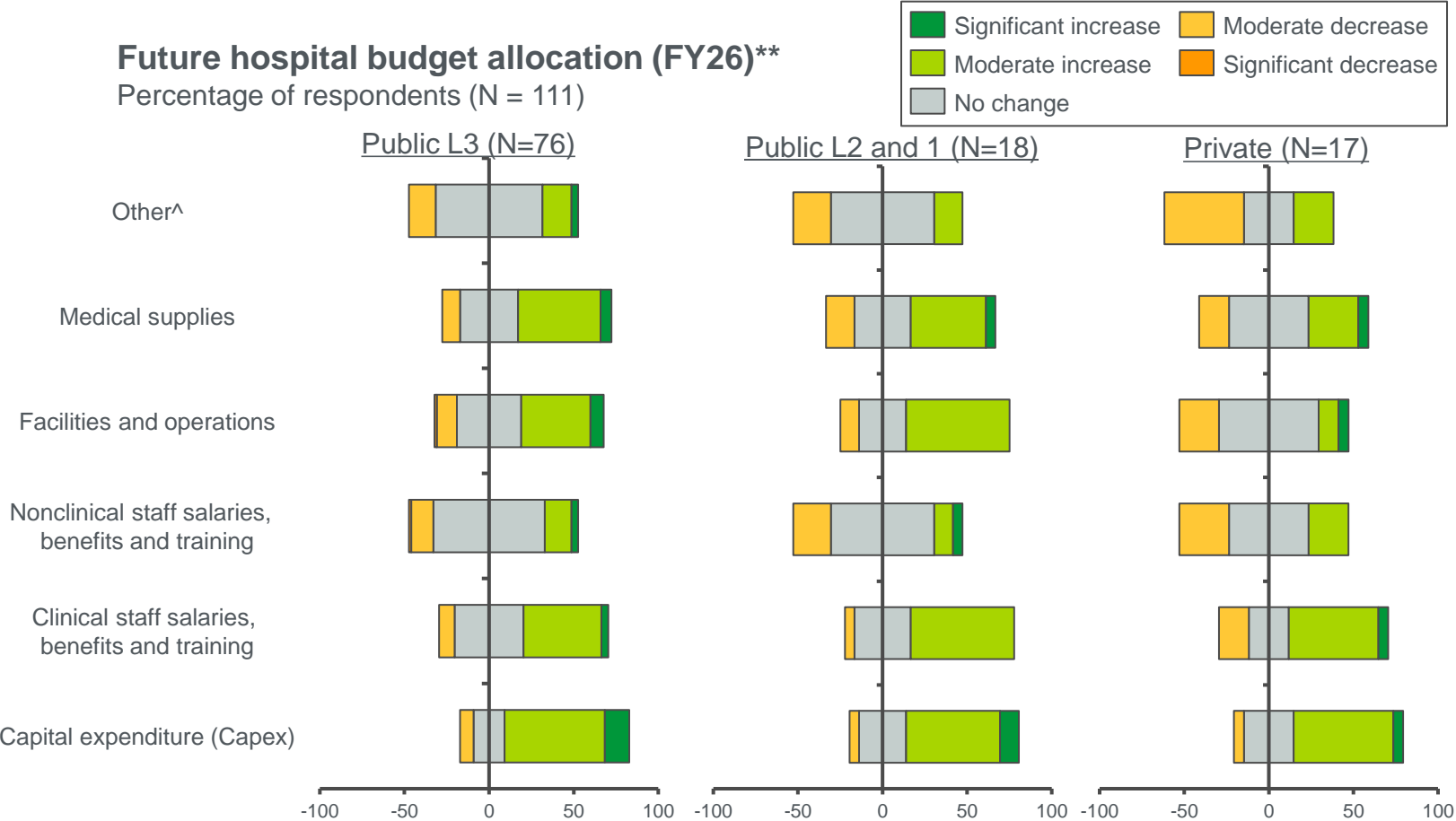
National Health Commission of the PRC, L.E.K. 2025 APAC Hospital Priorities Survey, L.E.K. research and analysis

Clinical staff account for the greatest spend across hospitals in China; Capex budget is expected to be the most rapidly growing category in coming years, especially in public L3 hospitals

Current hospital budget allocation (FY25)*
Percentage of respondents



Future hospital budget allocation (FY26)**
Percentage of respondents (N = 111)



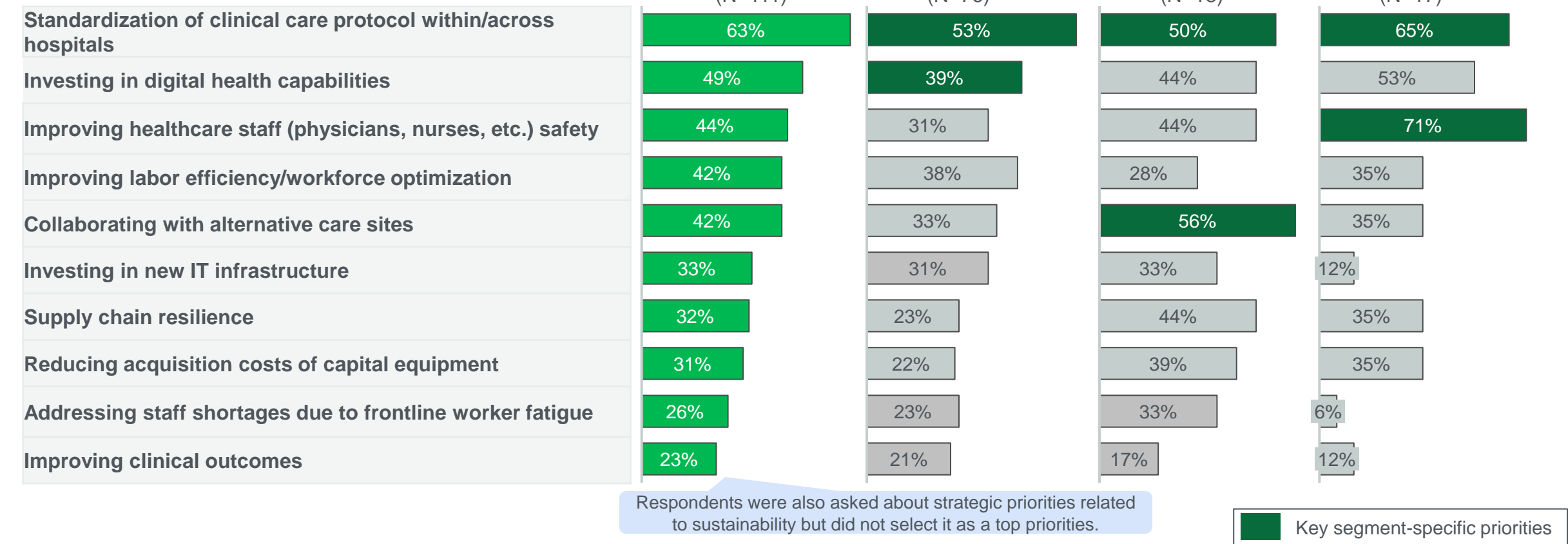
*Question: What percentage of your hospital's total budget is allocated to the following categories in the current fiscal year? 贵院在本财年中，各项预算类别分别占总预算的百分比是多少？ Includes both private and publicly-owned hospitals; **Question: How do you anticipate your hospital's expenditure to change in the next 12 months? 您预计贵院在未来12个月的支出将会如何变化？ Includes both private and publicly-owned hospitals; ^Includes marketing and community programs, among others
L.E.K. 2025 APAC Hospital Priorities Survey



Hospitals in China have a diverse set of priorities focused on care standardization, digitalization and staff safety

Top 10 strategic priorities over the next three years*

Percentage of respondents with “6” and “7” ratings

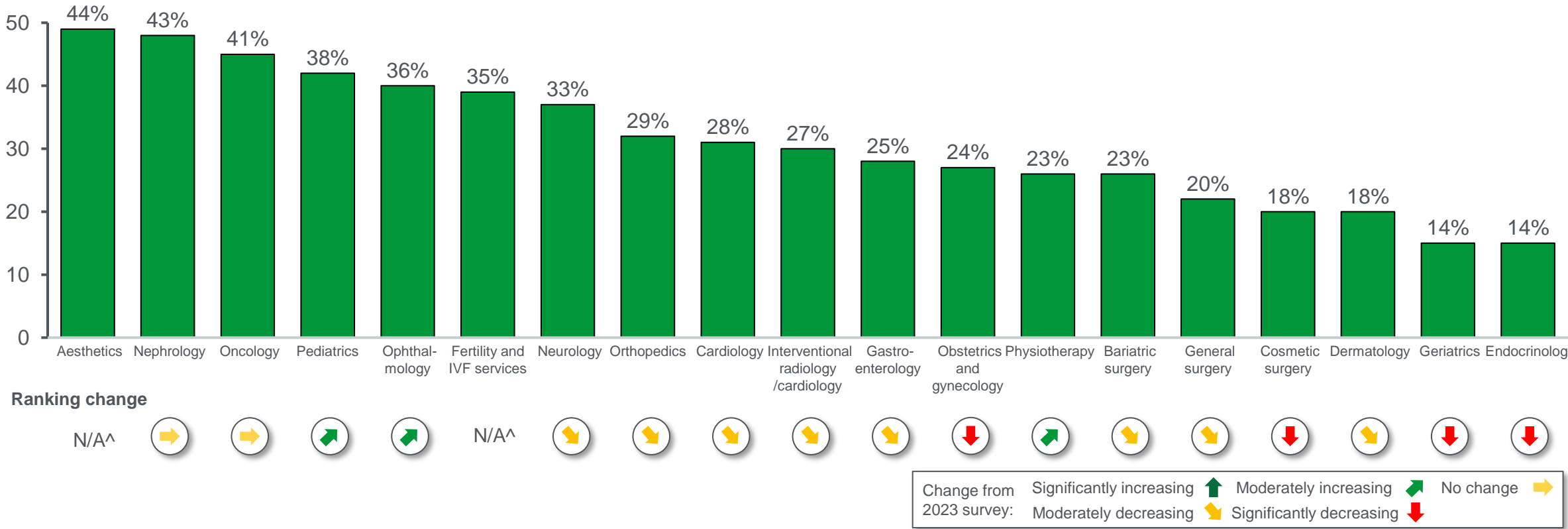


*Question: How important are the following strategic priorities for your hospital over the next three years? (Please select the top five) 在未来三年内，下列战略重点对您所在医院的重要性如何？（请选择五项最重要的）
L.E.K. 2025 APAC Hospital Priorities Survey

Aesthetics, nephrology and oncology are the top three specialties in which hospitals are looking to increase investment/capacity over the coming three years

Clinical specialty offering outlook*

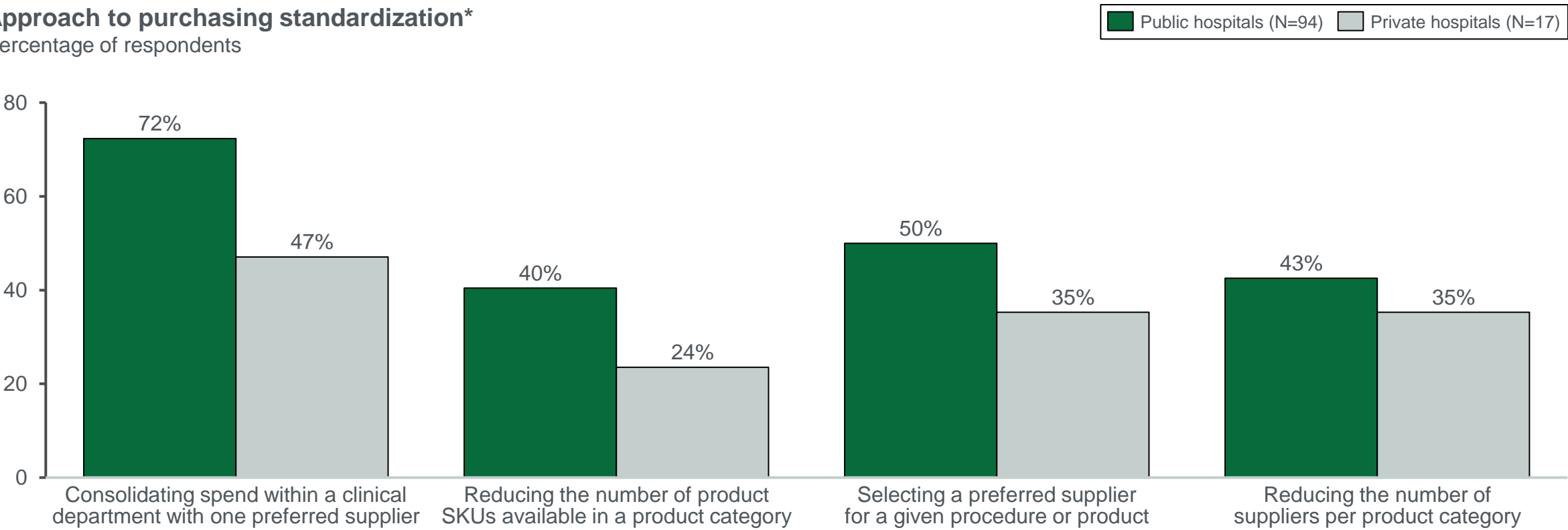
Percentage of respondents who said they were **planning to increase investment/capacity** over the coming three years (N=111)



*Question: Which clinical specialties are being offered in your hospital and what are the expected changes in offerings over the next three years?; 贵医院目前提供哪些临床专科服务（即设有专科床位、专科医生、专科诊所、亚专科及专科特定技术）? ; ^Category added for 2025 the survey
L.E.K. 2023 and 2025 APAC Hospital Priorities Survey

The main approach to purchasing standardization is through a consolidation with a preferred supplier at the department level

Approach to purchasing standardization*
Percentage of respondents

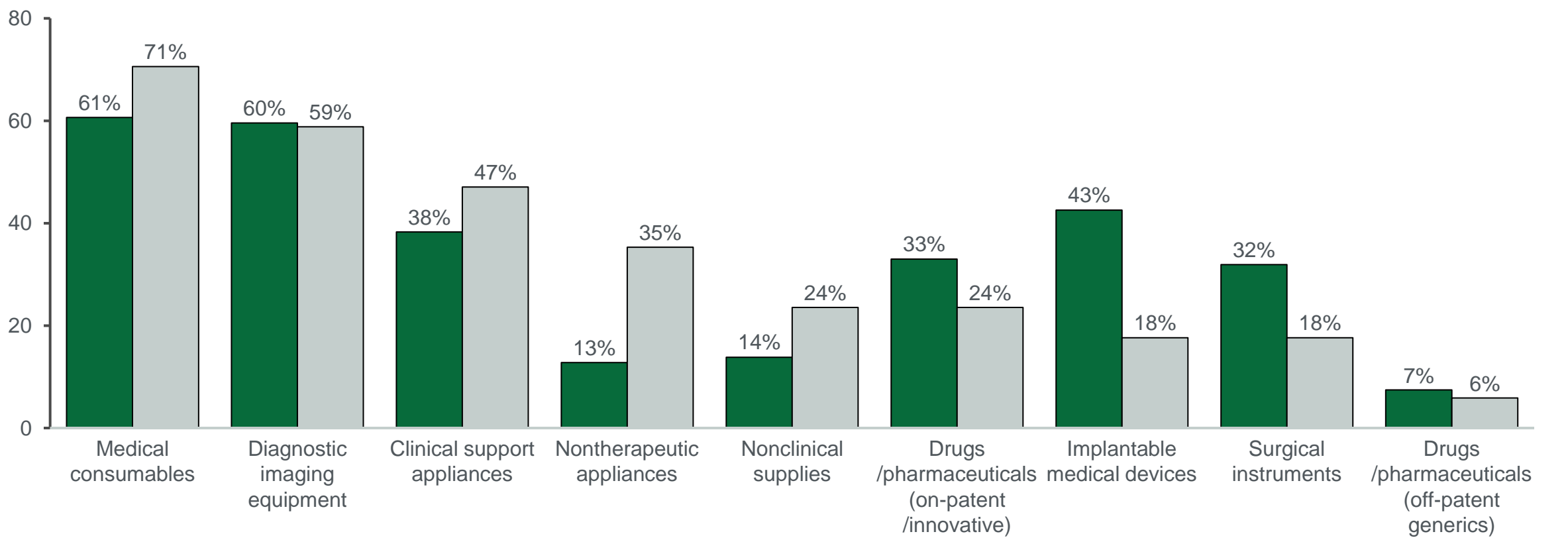


*Question: Please indicate which of the following approaches your hospital uses to standardize the purchasing of medical supplies/devices. 请说明您所在医院采用以下哪些方法来标准化医疗用品和器械的采购
L.E.K. 2025 APAC Hospital Priorities Survey

Purchase standardization is most anticipated for medical consumables and diagnostic equipment

Medical supplies/equipment hospital is looking to standardize purchasing*

Percentage of respondents

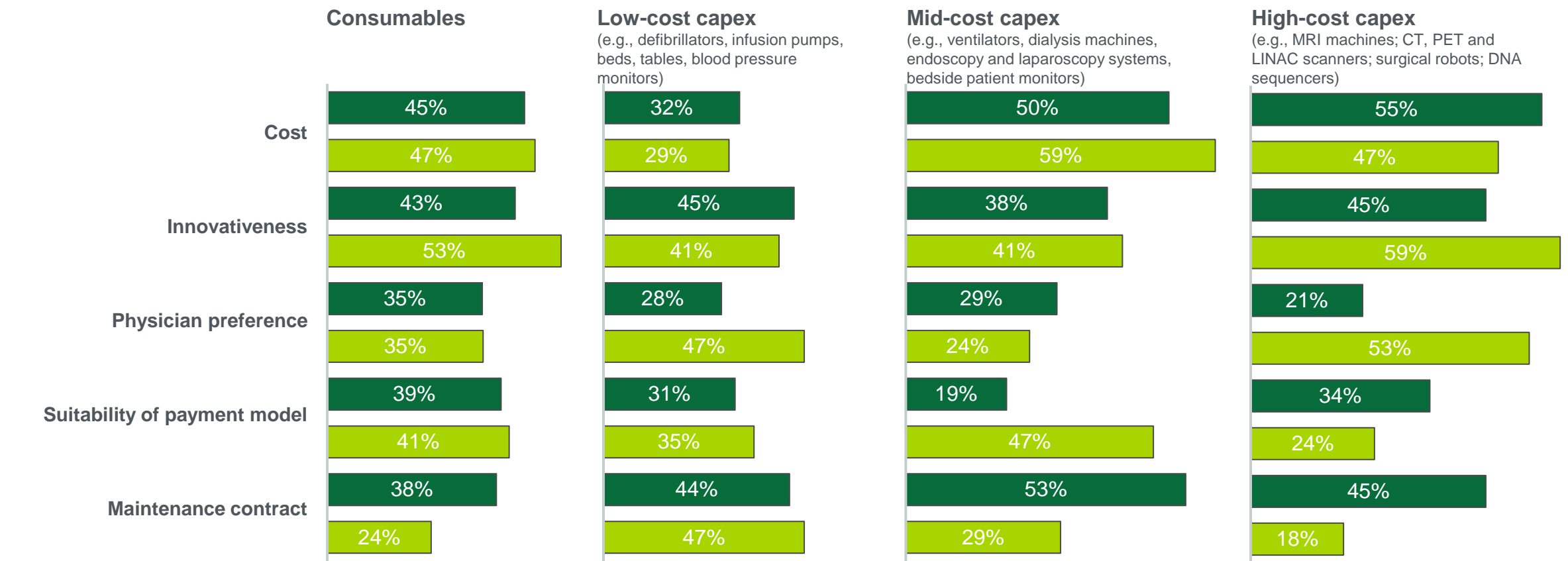


*Question: Please select the top three medical supplies/equipment for which your hospital is looking to standardize its purchasing. 请从以下选项中选择贵医院希望优先标准化采购的医疗用品、器械和设备
L.E.K. 2025 APAC Hospital Priorities Survey

For public hospitals, importance of cost increases with capex cost; importance of innovativeness is important across expenditure amounts

Most important criteria when purchasing from a medtech company*

Percentage of respondents who ranked each item in the top two



*Question: When purchasing, rank the following items in order of importance when choosing a manufacturer. 请根据重要性对以下选择制造商的考量因素进行排序
L.E.K. 2025 APAC Hospital Priorities Survey

For maintenance of capital equipment, in-house is common in low-cost capex, while outsourcing to manufacturers is preferred for higher-cost items

Hospital medical equipment maintenance strategy, by type of ownership and location*

大型设备维护

Percentage of respondents



High-cost capex

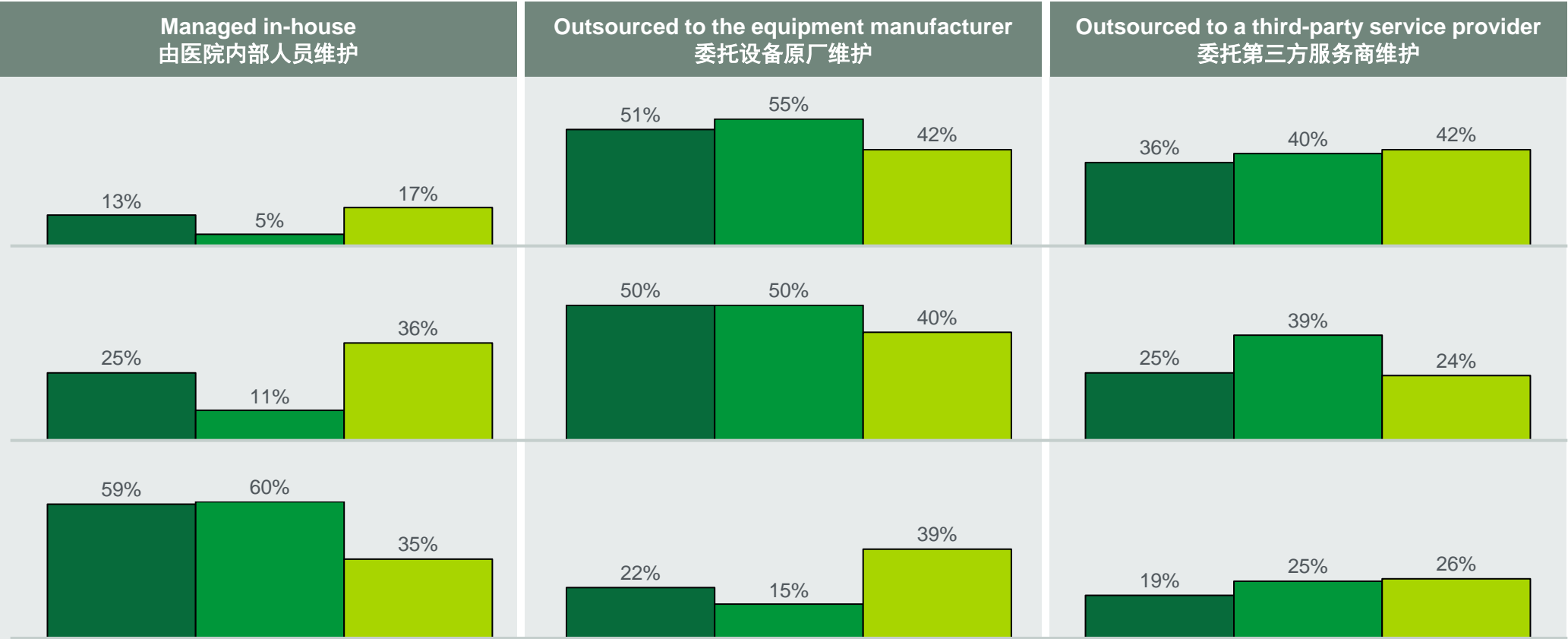
(e.g., MRI machines; CT, PET and LINAC scanners; surgical robots; DNA sequencers)

Mid-cost capex

(e.g., ventilators, dialysis machines, endoscopy and laparoscopy systems, bedside patient monitors)

Low-cost capex

(e.g., defibrillators, infusion pumps, beds, tables, blood pressure monitors)



*Question: How is the maintenance of capital equipment in your hospitals mainly managed? 您医院的大型设备主要由谁负责维护?
L.E.K. 2025 APAC Hospital Priorities Survey

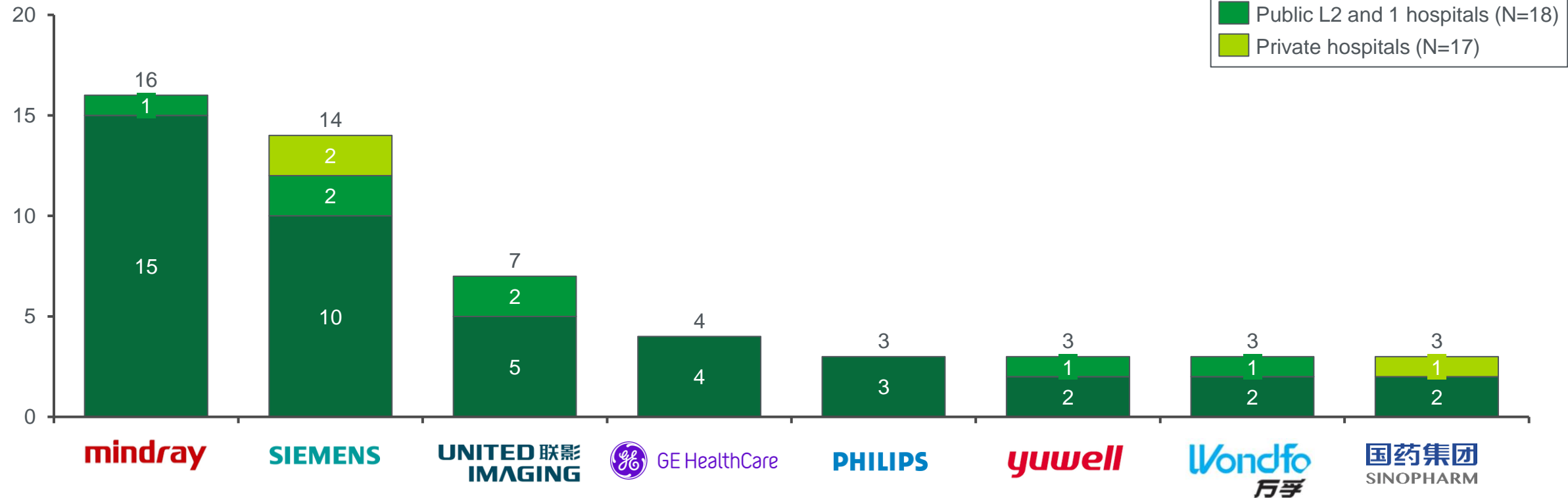
Mindray, Siemens and United Imaging are largely considered the best providers of maintenance and support services in China; other domestic and global distributors are evenly represented

Preferred medical device manufacturer for maintenance and support services*

首选的医疗设备制造商（维修与支持服务）

Number of mentions**

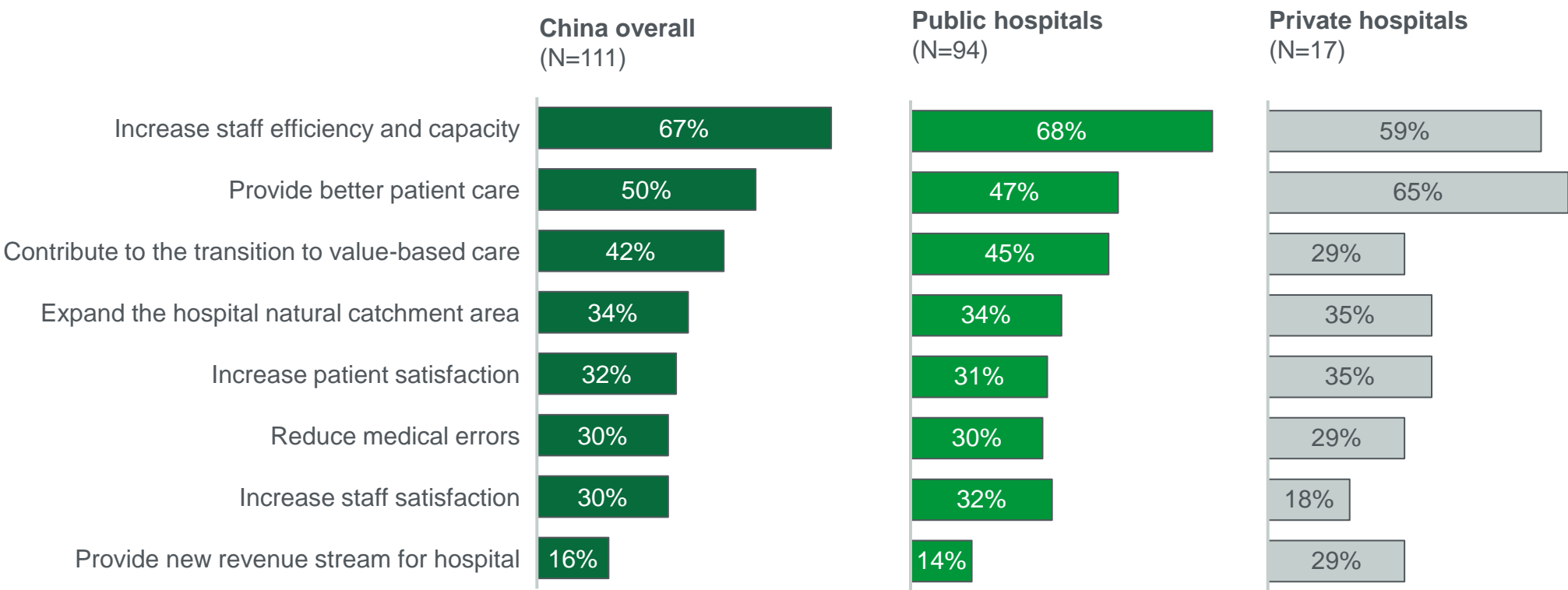
NOT EXHAUSTIVE



*Question: Which medical device manufacturer do you believe excels in providing timely maintenance and support services for its products in your market? 您认为哪一家医疗设备制造商在提供及时的维修与支持服务方面表现最为出色? ; **Fifty-three other companies mentioned fewer than three times are not shown in the chart
L.E.K. 2025 APAC Hospital Priorities Survey

Hospitals see staff efficiency and capacity and patient care as the most likely to be improved by digital/AI

Value from digital health solution adoption*
Percentage of respondents

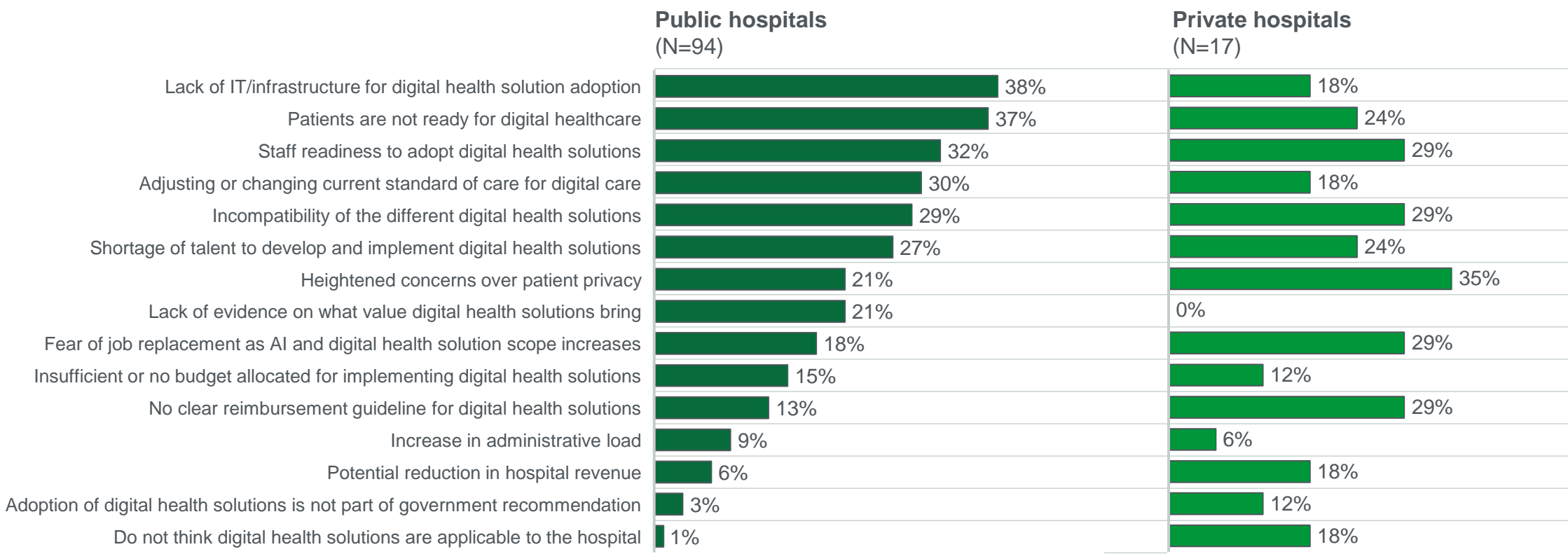


*Question: What do you think digital health solutions/AI will likely bring about for your hospital? (Please select the top three) 您认为数字化方案/人工智能将为贵院带来哪些价值？（最多选择三项）
L.E.K. 2025 APAC Hospital Priorities Survey

The lack of IT/infrastructure is the top concern for public hospitals, while private hospitals focus more on patient privacy

Top concerns for digital health adoption*

Percentage of respondents



*Question: What are your concerns for digital health adoption? (Please select the top three) 您对数字医疗解决方案有哪些顾虑?
L.E.K. 2025 APAC Hospital Priorities Survey

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