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CHINA ISSUES JOINT OPINION ON PEDIATRIC DRUGS

On May 21, 2014, six government ministries in China issued a joint opinion (Opinion) to provincial-level government authorities that set forth policy measures aimed at improving development, access to, and use of drugs formulated for pediatric use. The six agencies were the National Health and Family Planning Commission, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Human Resources and Social Security, the China Food and Drug Administration, and the State Administration of Traditional Chinese Medicine.

The Opinion identifies as major concerns the lack of suitable pediatric formulations and specifications for drugs, the weak clinical and scientific foundations for pediatric use of drugs not specifically formulated for children, the inconsistent prescribing behavior amongst hospitals and other medical institutions, and the unreasonable pediatric use of drugs by individuals. Some of these issues arise, in part, from the lack of incentives in China for developing drugs designed for pediatric use. For example, China does not provide marketing exclusivity in exchange for conducting pediatric clinical trials or require submission of such studies with marketing applications.

The Opinion, therefore, proposes six policy objectives to address these issues: (1) accelerate drug review and promote research and development; (2) strengthen policies on production and supply; (3) improve clinical use; (4) strengthen regulatory oversight of quality control and safety issues; (5) balance the development of Chinese and Western medicine; and (6) strengthen public awareness of "reasonable drug use."[1]

The concrete details of these policy objectives will not likely become clear until the relevant government agencies issue specific regulations or guidance to implement them. Nevertheless, drug manufacturers doing business in China should monitor this area. New regulatory proposals on these issues may emerge, such as new pediatric clinical trial requirements, a special approval pathway, special pricing policies, production quotas or reserve requirements to address drug shortages, and new labeling requirements.

Accelerate Drug Review and Promote Research and Development

The Opinion proposes three main policies to accelerate the drug review process for pediatric formulations and to promote industry research and development.

First, the Opinion proposes to establish a special approval pathway for pediatric drugs. The pathway would be available to pediatric formulations already approved and marketed in foreign jurisdictions and that meet an urgent medical need in China. Although the Opinion does not discuss a timeline or

[1] "Reasonable drug use," although not defined in the Opinion itself, has been defined in Ministry of Health policy documents as the "safe, effective, and economical use of drugs."

any truncated approval requirements, the pathway could potentially provide a faster path to approval.[2]

Second, the Opinion proposes to establish a mechanism to encourage industry research and development and innovation, including the creation of a catalogue of pediatric drugs. This catalogue would be included as a significant science and technology product in the plan for developing new protein-based biopharmaceuticals and vaccines under China's "Significant New Drug Innovation Project," one of the major projects of the National Twelfth Five-Year Plan. By doing this, China hopes to "guide and encourage enterprises to do cutting edge research and development and manufacturing."

Third, the Opinion proposes to encourage pediatric clinical trials by exploring requirements for inclusion of pediatric clinical trial data and information on pediatric use as part of new drug applications. The Opinion also notes a potential requirement for manufacturers of already approved drugs to promptly supplement their dossiers with pediatric clinical trial data.

Strengthen Policies on Production and Supply

The Opinion proposes four main policy improvements related to the production and supply of pediatric drugs. These proposals are meant to ensure affordable access to high quality medicines.

First, the Opinion proposes special pricing policies, such as special pricing for pediatric medicines. This reform would include establishing a negotiation mechanism to reduce prices of imported pediatric drugs that are within their patent period but meet a pressing clinical need. The Opinion also proposes to bring pediatric formulations into the public basic medical insurance system, which provides government reimbursement of drug costs.

Second, the Opinion proposes to prioritize improvements in manufacturing these products.

Third, the Opinion proposes to improve the monitoring of pediatric drug supply and to implement pricing and purchase controls to address drug shortages of pediatric drugs for which there is a pressing clinical need. The Opinion also proposes to explore the use of production quotas or reserves for certain pediatric drugs to assure supply.

Fourth, the Opinion requires each province and region to establish an early warning system against drug shortages and to coordinate with manufacturers to resolve any shortages.

Improve Clinical Use

The Opinion proposes to improve clinical use of pediatric drugs by requiring more information on labels and in labeling (including medication guides and package inserts). It also requires better training of pediatric medical staff and the establishment of better systems for clinical treatment and use of drugs throughout the nation. Specifically, the Opinion proposes to guide industry in revising package inserts to include pediatric use data for drugs that have been in clinical use for many years. The Opinion also proposes, as part of the clinical evaluation of pediatric medicine, to establish a pediatric clinical database with data on usage, dosage, efficacy, pharmacokinetics and drug interactions. The pediatric database will focus on essential drugs on the Essential Drug List (EDL),

[2] China offers an expedited approval process in the case of certain public health emergencies, but the process is not specific to pediatric drugs. CFDA has also issued other opinions proposing accelerated reviews in order to encourage the development of pediatric formulations and specifications for drugs, but has not issued a regulation or guidance formalizing the process for expediting pediatric reviews.

which is composed of generic drugs deemed "essential" by the government and fully reimbursable in any province.

Strengthen Regulatory Oversight of Quality Control and Safety Issues

The Opinion proposes to improve, among other things, the evaluation of the safety, efficacy, and quality control; and to strengthen technical requirements for pediatric drugs. It also calls for strict supervision of manufacturing, distribution, and use, including "cracking down" on counterfeit drugs and improving the mechanisms for monitoring and responding quickly to adverse drug reactions. The Opinion also proposes to standardize prescribing behavior by, for example, requiring medical institutions to follow the Chinese National Formulary, the EDL, and applicable medication guides. In 2013, the Ministry of Health issued a pediatric volume of the National Formulary, which includes summaries of pharmacological information about drugs on the EDL and the National Reimbursement Drug List (a list of drugs that are fully or partially reimbursable under government insurance schemes), and other common drugs.

Balance Development of Chinese and Western Medicine

The Opinion stresses the need to balance the development of pediatric formulations of traditional Chinese and Western medicine to harness the advantages of both. Specifically, the Opinion encourages the research and development of traditional Chinese medicines for pediatric use, including improving clinical evaluation standards, technical standards for review and evaluation of safety and efficacy, and the standardization of indications, dosage, and adverse reaction warnings.

Strengthen Public Awareness of Reasonable Use

The Opinion proposes to increase public awareness of "reasonable drug use" of pediatric drugs by encouraging various health education efforts and public awareness campaigns.

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