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Legislative Council Panel on Health Services
Meeting on 17 July 2001

Report on Public Consultation on Health Care Reform

INTRODUCTION

This paper summarises the outcome of the consultation exercise on the health care reform, and set out our proposed way forward.

BACKGROUND

2. The consultation document, entitled "Lifelong Investment in Health", was released on 12 December 2000 for a 16-week public consultation period which ended on 31 March 2001. A summary of the key reform proposals is at Annex A. Thereafter, we have collated and analysed the feedback received and have contemplated on how to take forward individual reform proposals. A summary table setting out the key public comments on individual reform proposals and our proposed way forward for each of them is at Annex B.

PUBLIC CONSULTATION

Briefing sessions

3. During the consultation period, we have attended a total of 152 briefing sessions with different stakeholder groups. A summary table is as follows:

Category of Stakeholders	No. of Briefings Conducted
Political Parties/Politicians	27
Media/Columnists/Journalists	20
Health Care Professionals	24
Academics	11
Advisory Committees/Bodies	9
Patient Groups	4
Community Organisations/Social Workers	24
Insurance Industry/Private Sector	10
District Councils	20
Others	3
Total	**152**

4. We note that some of the views expressed at various forums arose from misunderstanding of our proposals, due mainly to the fact that the audience had yet to fully understand the substance of and the rationale behind our reform proposals. In addition, there were views which reflected a particular group's sectoral interests and concerns. Nevertheless, some observations can be made from attending these briefing sessions:

(a) There is an undisputed consensus on the need for reform among different sectors of the community.

(b) Proposals on reforming the system for delivering health care have received general support.

(c) Health care professionals are most concerned about the existing imbalance between the public and private sector. They also look to us for re-assurance that the proposed Complaint Office would be impartial and would not compromise the spirit of professional self-regulation.

(d) The public regard independence, transparency and accountability as the most valued attributes of our future redress mechanism.

(e) While strong reservations have been expressed on proposed Health Protection Account (HPA), there are no overwhelming objections to the proposal. Concerns have been raised on the timing, the likely burden on the community and the lack of details for a full

consideration. We however note that some have indeed voiced support for the concept of an individual medical savings account to cater for one's medical needs after retirement. The majority of the views expressed calls for a consultative and incremental approach in taking the financing reform measures forward.

Tracking Surveys

5. To gauge public views on various financing proposals, we commissioned three tracking surveys in May 2000 and January and May 2001 to assess the degree of public acceptance towards fees increase and different modes of financing, i.e., tax-revenue, social insurance, and medical savings account. The results revealed that about 80% of the respondents are prepared to accept a moderate increase in public fees for out-patient, in-patient, specialist out-patient and Accident and Emergency services. Furthermore, the latest survey conducted in May 2001 indicated that 44% of respondents preferred a compulsory medical savings scheme, as compared to 28% for a compulsory social security insurance scheme.

Written Submissions

6. We have received a total of 733 written submissions. A breakdown by the categories of key stakeholder groups are as follows:

Key Stakeholders	**No. of Submissions Received**
Members of the Public	500
Health Care Professionals and Organisations	118
Community Organisations & Private Companies	82
Academics	24
Political Parties and LegCo Members	9
Total	**733**

ANALYSIS OF COMMENTS

Reform proposals that received general support

7. Based on the written submissions received, the feedback collected from the District Councils and the briefing sessions we attended during the consultation period, we note that the following reform proposals have received wide support from different sectors of the community:

(a) The revamped role of the DH as health advocate and strengthening of prevention care

(b) Development of family medicine and community-based integrated services

(c) Introduction of Chinese medicine into the public sector

(d) Continuing medical education for all health care professionals

(e) Cost containment measures by the HA

(f) Revamping of fees structure (subject to safety net being available for the poor and the needy)

Reform proposals with mixed views

8. There are nevertheless a number of proposed reform measures that have received mixed response and generated substantial discussion. The proposals, along with the concerns expressed by different stakeholders, are highlighted in the ensuing paragraphs.

<u>Transfer of GOPC from DH to HA</u>

9. Sixty percent of the views submitted by health care professional groups objected to the proposed transfer of GOPC to HA. They were of the view that the transfer will not achieve the desired result of a better integration of primary and secondary care for the whole system of health care in Hong Kong, given the fact that GOP service currently provided by DH only represents one-tenth of the market share. Some also questioned whether HA has the necessary expertise, experience and resources to operate the GOPC effectively. However, in a survey of medical practitioners conducted by the Hong Kong Medical Association in February 2001, about half of the respondents supported the

transfer of GOPC to HA. The political parties were also generally supportive of the proposed measure.

Our response

10. To accumulate the necessary experience in providing GOPC services under the mode of family medicine practice, HA has started its family medicine training programme for its doctors since 1997/98. In addition, it has also set up family medicine-based clinics to assist its specialist out-patient clinics patients. Plan is in hand to conduct a pilot scheme for the transfer of five GOPC to HA in 2001/2002, and a total of $75 million has been allocated to undertake the tasks. The pilot scheme should serve as a useful reference for the transfer of the other GOPC in future.

Public/Private interface

11. While the community at large supported the notion of a better collaboration between the private and the public sector to rectify the current imbalance, many, including health care professionals, politicians and DC members, doubted the effectiveness of our proposed measures, given the significant price differentials between the two sectors. Many health care professionals opined that the Government must first delineate the scope of medical services provided by the public sector before the imbalance issue could be addressed. That said, the proposals of establishing a computer-based Health Information Infrastructure to bridge information gaps between the two sectors, and the adoption of common clinical protocols to minimise professional barriers, are widely supported.

Our response

12. We are about to set up two working groups to look into the interface issue in greater depth. One working group will involve private hospitals with a view to developing new joint health care services and products with their public counterparts. The second working group will comprise medical practitioners from both the public and private sector to explore scope for closer collaboration and cooperation. We expect the two working groups to come up with concrete proposals in 6 months' time after their first meeting.

Dental Care

13. Many DCs members expressed concerns over the lack of subsidised dental care service for the lower income group and the elders. Given the very limited curative dental care provided by DH's dental clinics, the poor and the

elders would have no choice but to either pay higher fees for private dental care, or leave their dental problems untreated due to lack of means. Some written submissions from the general public and from community organisations representing the interest of elderly voiced the same concern.

Our response

14. We remain of the view that on oral health, the limited public funds should be used in areas where the maximum benefit could be achieved. DH therefore should continue with the present educational and preventive efforts and confine their curative services to those with special needs. To assist the lower income groups and the elders to obtain quality dental care, we have suggested in the Consultation Document that we would take active step to encourage more non-governmental organisations to provide affordable dental care on a self-financing basis. We shall work with DH closely to take this matter forward.

Complaint Office

15. The submissions from the general public, community organisations, political parties and DCs are all skeptical about the role, function and power of the proposed Complaint Office under DH. Some voiced concern that the Complaint Office would duplicate the work of the Medical Council of Hong Kong (HKMC), thus causing confusion and wastage. Many preferred an independent authority to handle patient complaints, though they fell short of providing details on the envisaged functions and authority of such an entity.

16. As for health care professionals, two-thirds of their submissions accepted the setting up of a Complaint Office, provided that there is clear delineation of its duties and power, and that the spirit of professional self-regulation would not be jeopardised.

Our response

17. The Complaint Office is considered an integral part of a wider patient complaint mechanism. The Office is expected to work in tandem with the relevant parties, such as the HKMC, the Public Complaints Committee of HA and other regulatory agencies, to handle patient complaints in a transparent, user-friendly and accountable manner.

18. In the light of a recent medical incident, the HKMC has established a Working Group to explore ways and means to improve the credibility and functioning of the HKMC. Upon conclusion of its deliberation, the Working

Group is expected to propose a host of reform measures for consideration in the latter part of the year. Furthermore, a Subcommittee on Improvements to the Medical Complaints Mechanism under the LegCo Health Services Panel has been formed to discuss how to improve the mechanism for handling medical complaints. We are working closely with the Subcommittee and giving due consideration to its comments and suggestions. We are also conducting research on overseas models of redress mechanisms to assist us in considering a mechanism that best suits the needs and circumstances of Hong Kong. We shall communicate with the public again upon our discussion with the LegCo Subcommittee and receipt of the reform recommendations from the HKMC.

Health Protection Account (HPA)

19. Members of the public, community organisations, and DC members expressed strong reservation on the HPA proposal, commenting that it imposes additional financial burden on households on top of the Mandatory Provident Fund, lacks the details to facilitate an informed discussion, and generates insufficient savings to cater for medical needs after one's retirement. Many criticised the proposal on the misunderstanding that the Government is reducing its commitment on health care expenditures, and that the HPA is paving the way for an eventual "user-pay" financing system.

20. Many academics also questioned the effectiveness of the proposal to alleviate the financial burden on the Government and on the future retirees. They chose to reserve their position until there are substantive details for a fuller discussion and assessment. Nevertheless, there are a few submissions that supported the concept of individual medical savings account.

Our response

21. Notwithstanding the concerns expressed on the operational aspects of the HPA, we note that the concept of medical savings did receive a fair amount of support from DCs, health care professionals, academics, and even some members of the public. Our latest tracking survey conducted in May 2001 also revealed that more respondents in fact prefer compulsory medical savings scheme (44%) to compulsory social insurance scheme (28%).

22. Despite the absence of an open endorsement of the HPA, the insurance industry re-affirmed in their submission the willingness to work with the Government in developing new insurance products which could be purchased by individuals' HPA savings. To this end, a working group has been set up with insurance industry representatives to identify scope for closer collaboration and to devise new products and policies that would dovetail with the implementation of

the HPA. We hope that through intensive discussion among the parties concerned, the Working Group will be able to work out some feasible options so that the general public can have a clearer idea about the potential use and benefit of the HPA when we consult the public again.

23. Furthermore, we are planning to commission further in-depth studies to examine the feasibility of different structures for and the various operational aspects of the HPA for the purpose of further consulting the public. With more details in hand, we would be in a better position to address the public's common concerns, such as the actual rate of contribution, detailed reimbursement arrangement, restrictions on the use of HPA savings, and the implementation timetable, etc.

Other tasks in progress

24. We are proceeding in parallel with the following tasks to maintain momentum of our reform process :

Consultancy studies on fees and charges

25. We have commissioned a consultancy study, headed by a health care economist from the University of California, Berkeley, to assess the impact of fees restructuring on the utilisation of public and private health care services. The consultancy study is expected to complete by March 2002.

Devising of implementation plan for non-controversial proposals

26. For those reform proposals that have received general support, as per some of those indicated in paragraph 7, DH and HA have been asked to work out implementation plans for individual reform proposals so that the public can see for themselves quickly the tangible benefits of the reform.

Panel of overseas advisors

27. We are considering appointing a panel of overseas experts to advise HWB on health care reform matters and the related policy issues. There are similar health care reform being contemplated or implemented in other economies. An expert panel would serve as a useful focal point for sharing of insights and experience among knowledgeable experts. We are identifying suitable candidates and plan to hold the first panel meeting of the overseas experts in the latter half of the year.

WAY FORWARD

28. Subject to Members' views, we shall continue to pursue further our work on taking forward various reform proposals as in the proposed way forward in Annex B.

Health and Welfare Bureau
July 2001

Annex A

"Lifelong Investment in Health" - Consultation Document on Health Care Reform

Summary of Reform Proposals

Introduction

The consultation document on health care reform, entitled "Lifelong Investment in Health", was released for public consultation on 12 December 2000. It sets out 11 strategic reform proposals for the three main pillars of our health care system - the system of service delivery, quality assurance and the long-term financing arrangement.

Our Vision

2. Our vision is to re-create, through our proposed reforms, a health care system which will enhance the quality of life of the population and enable individuals to develop their full human potentials. To achieve this aim, the health care system must be able to protect and promote the health of the community, to provide comprehensive and lifelong holistic care to each individual, to offer accessible, equitable and quality services to each patient, and at the same time to remain cost effective, sustainable and affordable. We emphasise in the document that the pursuit for better health has to be a shared responsibility among the individual, the community and Government.

The proposals

(A) Reform to the Health Care Delivery System

3. We aim to provide a comprehensive and seamless health care service to the population. We propose to:

- strengthen preventive care through inter-sectoral co-operation and enhanced public participation. The Director of Health will take the lead

- enhance primary medical care through promotion of family medicine and development of other primary care models

- develop nurses, pharmacists and other allied health professionals as primary care practitioners to cater for a community-focused health care system

- transfer Department of Health's general out-patient service to the Hospital Authority to achieve integration of primary and specialists care in the public sector

- expand ambulatory care and outreach programmes to enable patients to continue to live at home while receiving care and treatment. The service should be patient-centred and comprehensive

- encourage better collaboration between the public and private sectors to ensure continuity of care. The two sectors can join hands to develop new health care products, thereby providing patients with more choices

- develop an electronic Health Information Infrastructure to link up the public and private health sectors, and also with the welfare and community groups, for sharing of information and to build up an electronic lifelong health record for each individual

- enhance preventive and promotional efforts on oral health, and encourage the provision of affordable dental care services by non-governmental organisations

- provide Chinese medicine in the public sector, starting with out-patient service, extending to public hospitals, with a view to promoting collaboration between western and Chinese medicines

(B) Improvements to the System of Quality Assurance

4. We aim to enhance the quality of our health care service. We propose to:

- require all health care professionals to undertake continuing professional education and development to update their knowledge and skill

- work with health care professionals to incorporate appropriate knowledge base of environmental, social, behavioural, management and communication sciences to their training to enable them to deliver holistic care to patients

- encourage all health care institutions to establish quality assurance

mechanisms, such as clinical audit and risk management, to ensure consistency of standards

- encourage private medical practitioners to make their pricing transparent and to advise their patients of their liberty not to purchase drugs from their clinics to allow consumers more choice

- review statutory regulations related to health care, such as licensing of private hospitals, sale of drugs and operation of managed care, to identify areas that need to be strengthened to ensure patients safety

- set up a Complaint Office in the Department of Health to investigate and mediate patient complaints

- establish a Research Office in the Health and Welfare Bureau to support the formulation of health care policies

(C) Options for Financing Health Care Service

5. We aim to ensure the long term financial sustainability of our public health care system. We propose to:

- enforce vigorously the cost containment measures in the public sector to slow down the overall increase in costs

- review how to prioritise public subsidies to areas of most needs, i.e. the lower income groups and the expensive services

- review how to restructure public fees to reduce inappropriate and misuse of services, thus helping to manage costs

- maintain a safety net to enable the financial vulnerable to continue to have equal access to quality medical care

- encourage the purchase of voluntary insurance to support patients seeking services in the private health care sector

- set up individual Health Protection Accounts to assist patients to pay for their own medical services after retirement

- study in detail the "Medisage" plan proposed by the Harvard consultants for financing long term care needs

6. We aim to ensure the long term financial sustainability of our public health care system through a mixed funding mode of risk pooling (allocation from public revenue), personal responsibility (payment of fees) and early planning for retirement health care needs (savings). In the process, the needs of the lower income groups are well protected as they will continue to have access to affordable and quality health care services, and no one will be denied adequate medical care because of insufficient means.

Health and Welfare Bureau
April 2001

Health Care Reform
Summary of public response and proposed way forward

Proposals in the Consultation Document		General Public Comments	Proposed Way Forward
Improve Service Delivery System	To strengthen preventive care through an intersectoral infrastructure with an enhanced role of the Department of Health (DH) as the Health Advocate	Wide support from the community.	DH to develop a long-term plan to strengthen preventive care for all ages by end-2002.
	To enhance primary medical care through promotion of family medicine. General out-patient service of the DH will be transferred to the Hospital Authority (HA).	Wide support from the general public and political parties; but reservations from health care professionals who were skeptical of the effectiveness in achieving the desired result of a better integration of primary and secondary care.	Plan is in hand to conduct a pilot scheme for the transfer of five GOPCs to HA in 2001/02 with an approved budget of $75 million. An inter-departmental working group has been set up to examine issues pertaining to the proposed transfer, such as staff transfer arrangement, quality control and level of services to be provided to patients.

Improve Service Delivery System	To develop a community-focused integrated health care service	Wide support from the community.	HA to take the lead in formulating the plan by end 2001.
	To improve public / private interface	Support from the community sustained but not from health care professionals who opined that the Government must delineate the scope of medical service provided by the public sector before the imbalance issue could be addressed.	Discussion with the private health care providers, including individual practitioners and hospitals, will commence to explore areas of possible collaboration. We expect proposals to be produced in six months' from the first meeting.
	To facilitate dental care programmes	Criticisms from the community on the lack of subsidised dental care service for the lower income group and the elders.	To encourage more non-governmental organisations (NGOs) to provide affordable dental care on a self-financing basis.
	To introduce Chinese medicine in the public health care system	Wide support from the community.	To examine how best out-patient Chinese medicine services may be provided in the public sector.

Improve Quality Assurance	To introduce continuous medical education and development of health care professionals	Wide support from the community.	To commence dialogues with various professional groups to discuss the mode and system of accreditation of continuing medical education (CME) courses and credits.
	To encourage all health care institutions to establish quality assurance mechanisms to ensure consistency of standards	Proposal generally supported by the community, though not widely discussed.	To review and expand the mechanisms already in place in public hospitals such as clinical protocols, clinical audit and risk management; and to encourage voluntary adoption in private hospitals.
	To carry out a comprehensive review of the present statutory regulations in relation to the operation of clinics, use of medical facilities/equipment, and provision of medical services in general	Proposal generally supported by the community, though not widely discussed.	To draw up a list of possible areas for improvement; and to introduce legislative changes where necessary.

Improve Quality Assurance	To set up a Complaint Office in the Department of Health to improve patient complaint mechanisms	General consensus on the need for improvement but skeptical of the role, function and power of a Complaint Office under DH. Subsequent to the recent incident of the Hong Kong Medical Council, the community at large, and the LegCo in particular, was concerned with the existing patient complaint mechanism. A sub-committee was set up under the LegCo Health Service Panel to look into the matter. The Sub-committee urged for the setting up of an independent Complaint Office.	HWB is currently following up on the work of the LegCo Sub-committee, while awaiting the recommendations from the Working Group on Reform of the Medical Council.
	To set up an in-house Research Office to enhance capability of quality policy making.	Wide support from the community.	An in-house Research Office, staffed initially by two medical officers, has been set up to develop our policy research capacity and recommend a research agenda for the Bureau.

Financing Options	To reduce cost by continuing the effective cost-containment measures already in practice	Wide support from the community.	Review of the effectiveness of the cost-containment measures in HA underway. To consider further cost-containment measures in 2002.
	To review the public fees structure to better target and prioritise subsidy	General support from the community (subject to a safety net being available for the poor and the needy).	A consultancy study, headed by a health care economist from the University of California, Berkeley, commissioned to assess the impact of fees restructuring on the utilisation of public and private health care services. Study expected to complete by March 2002.

	To introduce the Health Protection Account as a supplementary source of funding for the health care system in the long term; and to study the Medisage scheme for long-term care needs	Strong reservation from various sectors of the community. Some however supported the concept of a medical savings account. Wide support for further study.	A working group has been set up with representatives from the insurance industry to identify scope for collaboration and to devise new products and policies that dovetail with the implementation of the HPA. Before commissioning further in-depth studies involving actuarial and health care financing experts, an internal working group will be formed to examine the scope and issues of studies in greater detail. To consult the public further upon production of more concrete findings from the studies in 18 months.

Health and Welfare Bureau
July 2001