

25 November 1999

The Hon. Ng Leung Sing
Chairman, Commercial Properties Committee
Hong Kong Housing Authority
c/o Housing Department
Podium Level 4, HKHA Customer Service Centre
3 Wang Tau Hom South Road
Kowloon

By mail & fax
Fax No. 2542 1606

Dear Mr. Ng,

We understand that the issue of allocation of clinics in housing estates is under consideration by the Hong Kong Housing Authority. The matter has received much attention and concern from the medical fraternity. We are well aware of the importance of safeguarding public interest and ensuring good quality of medical service in such exercise. Bearing those in mind, we would like to suggest that HKMA will offer its utmost assistance, if so required and requested, in the administration and monitoring of future exercises so that an open, fair and abuse-free system can be achieved. For that, we would stress, in principle and in practicality, that:

1. clinics in public housing estates should be allocated to practitioners personally who will be practising at the allocated site themselves;
2. any allocation exercise should be open to all registered medical practitioners in Hong Kong (except those already practising in previously allocated sites) with no requirement on affiliation to any organization; and
3. subletting or re-assignment by the tenant should not be allowed.

The rationale for such principles can be found elaborated in Appendix One.

We further understand that two modes of allocating clinics have been discussed: open ballot and open tender. To consider one against another as a method of choice, we submit that the Authority should consider the factors elaborated in Appendix Two.

We look forward to your comments to our views expressed above.

Yours sincerely,

(signed)

Dr. So Kai Ming
President, HKMA

c.c. The Hon. Wong Yick Ming, Chairperson, Hong Kong Housing Authority
c.c. Mr. Tony Miller, JP, Director of Housing, Hong Kong Housing Authority

Appendix One

1. Allocating clinic sites to individual or corporation other than medical practitioners themselves personally may instigate, cause or permit one to practise medicine in contravention of the Medical Clinics Ordinance Cap. 343. The Medical Clinics Ordinance, as we understand, would require any medical practice not under the practitioner's own name be registered with the Department of Health. Such registration, as we understand, would not normally be allowed if the profit gained from the practice may be distributed to shareholders of the corporation. In that circumstance, the Housing Authority will have difficulty in ensuring or ascertaining that such individual or corporation has been given the requisite registration or is able to obtain one. A public organization like the Housing Authority should obviously refrain from any process, which is conducive to activities that may lead to contravention of the law.
2. HKMA, joined with the Hospital Authority, is in the process of negotiating and arranging for the establishment of regional integrated health care services (RIHS). Such system, if established, may facilitate the integration of public and private health care services as well as primary, secondary and tertiary care. This will hopefully greatly improve the health care service quality and standard in Hong Kong. The inclusion and implementation of such integrated health care services system in public housing estates will be greatly facilitated if the clinic service providers are practising medical practitioners themselves other than any non-personal organizations. Allocation of clinics in housing estates to practising practitioners themselves will thus enhance the improvement of health care services in Hong Kong indirectly through this process.
3. In furtherance to the RIHS mentioned above, HKMA will be in a particularly good position to advise and assist the Housing Authority to the provision of more comprehensive services within the estates, e.g. provision of 24-hour services, complementary modes of services in the form of secondary and tertiary care.
4. Monitoring and maintenance of service quality and standard would be best done with the assistance of professional expertise, which HKMA can definitely offer. For example, HKMA shall be putting in place practitioners' performance pledge programs to facilitate such process.

Appendix Two

Factors to be considered in the choice of mode of clinic allocation

- a. The effect of commercial competition in rent on medical service expenditure being translated ultimately into charges to patients;
- b. That the above effect will be particularly prominent and undesirable if such competition occurred in a range of rental higher than the reasonable and market rental;
- c. That the patient will be involved in bearing the consequence of an unnecessary and artificial competition:
- d. That such competition is also a competition on irrelevant issues, i.e. a competition not on quality of service provided but on the tolerance level of bearing high expenditure;
- e. That open tender as against open ballot, it done in a manner observing the principles as set out above, offers no additional advantage except for the possibility of maximizing the rental return, but at the expense of the patient; and
- f. That balancing the consideration of obtaining proper and adequate rental return for a public asset, i.e. the clinic site, and ~~that of providing a reasonable requisite~~ service to the residents, it is submitted that open ballot is the better choice.