

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2485/05-06  
(These minutes have been  
seen by the Administration)

Ref : CB2/PL/HS

**Panel on Health Services**

**Minutes of special meeting  
held on Thursday, 30 March 2006 at 8:30 am  
in Conference Room A of the Legislative Council Building**

**Members present** : Dr Hon KWOK Ka-ki (Chairman)  
Hon Albert HO Chun-yan  
Hon Fred LI Wah-ming, JP  
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon CHAN Yuen-han, JP  
Hon Andrew CHENG Kar-foo  
Hon LI Fung-ying, BBS, JP  
Hon Vincent FANG Kang, JP

**Members absent** : Dr Hon Joseph LEE Kok-long (Deputy Chairman)  
Hon Bernard CHAN, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Dr Hon YEUNG Sum  
Hon LI Kwok-ying, MH

**Public Officers attending** : Item I  
Miss Susie HO, JP  
Deputy Secretary for Health, Welfare and Food (Health)  
  
Mr Jeff LEUNG  
Principal Assistant Secretary for Health, Welfare and Food  
(Health)

Dr LEUNG Ting-hung, JP  
Deputy Director of Health

Dr WONG Man-ha, Monica  
Principal Medical & Health Officer  
Department of Health

**Deputations  
by invitation** : Item I

The Medical Council of Hong Kong

Professor Felice LIEH-MAK, CBE, JP  
Chairman

The Hong Kong Medical Association

Dr CHOI Kin  
President

Dr LAM Tzit-yuen  
Council Member

Dr TSE Hung-hing  
Council Member

Dr CHAN Yee-shing  
Council Member

Hong Kong Doctors Union

Dr YEUNG Chiu-fat  
President

Dr LEE Chok-huen, Alex  
Council Member

Dr CHEUNG Wan-kit  
Council Member

Action Group on Medical Policy

Dr SHIH Tai-cho  
Representative

Practising Estate Doctors' Association

Dr Paul SIU Che-hung

The Association of Licentiates of Medical Council of Hong Kong

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Dr LI Sum-wo  
President

Hong Kong Dental Association

Dr Vincent LEUNG Fun-shing  
President

Dr YAP Tuan-gee

Quality Healthcare Medical Services Ltd

Dr Lincoln Chee  
Managing Director

Consumer Council

Ms Connie LAU Yin-hing  
Acting Chief Executive

Ms Rosa WONG Wan-ming  
Head, Research & Trade Practices Division

Society for Community Organization

Mr PANG Hung-cheong  
Patients' Rights Advocate

**Clerk in attendance** : Ms Doris CHAN  
Chief Council Secretary (2) 4

**Staff in attendance** : Miss Mary SO  
Senior Council Secretary (2) 8

Miss Maggie CHIU  
Legislative Assistant (2) 4

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**I. Further discussion on regulation of health maintenance organisations**  
(LC Paper Nos. CB(2)1026/05-06(05), CB(2)1123/05-06(02),  
CB(2)1344/05-06(01) to (02), CB(2)1530/05-06(01) to (09),  
CB(2)1562/05-06(01) and CB(2)1576/05-06(01))

At the invitation of the Chairman, Deputy Secretary for Health, Welfare and Food (Health) (DSHWF(H)) introduced the Administration's paper (LC Paper No. CB(2)1530/05-06(01)) outlining the regulation of health maintenance organisations (HMOs) in the United Kingdom, Singapore, Canada (Ontario), Australia (New South Wales) and the United States. DSHWF(H) pointed out that while US had an elaborate regulatory system specific to HMOs owing to its unique healthcare system, the United Kingdom, Canada (Ontario), Singapore and Australia (New South Wales) did not have regulatory regimes specifically targeting at HMOs. DSHWF(H) then briefed members, with the aid of a power point, on the definition of HMOs and the two types of relationships, namely, doctor-patient relationship and business administration relationship, in the provision of health care services. DSHWF(H) said that doctor-patient relationship was regulated by the Medical Council of Hong Kong (HKMC) and that this regulatory regime protected public health. DSHWF(H) further said that business administration relationship existed regardless of the mode of operation and was not unique to HMOs.

*Deputations' views*

2. The Chairman then invited deputations to give their views on the regulation of HMOs in Hong Kong, details of which were set out in their respective submissions -

- (a) HKMC (LC Paper No. CB(2)1344/05-06(01));
- (b) Action Group on Medical Policy (LC Paper No. CB(2)1530/05-06(02));
- (c) Hong Kong Medical Association (HKMA) (LC Paper No. CB(2)1571/05-06 (01));
- (d) Hong Kong Doctors Union (LC Paper No. CB(2)1530/05-06(03));
- (e) Practising Estate Doctors' Association Limited (LC Paper No. CB(2)1530/05-06(04));

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- (f) Hong Kong Dental Association (LC Paper No. CB(2)1530/05-06(06));
- (g) Quality Healthcare Medical Services Limited (LC Paper No. CB(2)1562/05-06(01));
- (h) Consumer Council (LC Paper No. CB(2)1530/05-06(08); and
- (i) Society for Community Organization (LC Paper No. CB(2)1123/05-06(02)).

3. Dr LI Sum-wo of the Association of Licentiates Council of Hong Kong urged the Administration to expeditiously enact legislation to regulate profit-making HMOs to safeguard patients' interests and prevent employee doctors from saving costs and generating the most profits for their employers at the expense of compromising their professional judgement.

*Discussion*

4. Ms LI Fung-ying asked the Administration why it still considered not necessary to regulate HMOs when people's lives were at stake, and when other commercial operations, such as travel and estate agencies, were already regulated by law.

5. DSHWF(H) responded that the Administration considered that the provision of medical services, through any organisations or business operators, was primarily a professional relationship between medical practitioners and their patients. Hence, the mainstay of regulation should be on regulating the professional practice of individual doctors. Nevertheless, the Administration was open-minded on regulating the business operation of HMOs. Action would be taken to examine how this should be taken forward.

6. Mrs Selina CHOW was of the view that in regulating HMOs, say, through a licensing scheme as proposed by the Consumer Council, due regard should be given to not making the provisions overly stringent. The provisions should be enforceable, easily understood by the trade and provide a level playing field for HMOs and medical practitioners in solo practice.

7. Dr CHOI Kin of HKMA remarked that the fact that HMOs were currently not regulated was exactly why the playing field for medical practitioners was not level. Dr CHOI pointed out that contrary to medical practitioners in solo practice, HMOs could advertise their medical services and their practice was not subject to regulation by HKMC. Dr CHOI urged the Administration not to dither on issues,

such as the definition of HMOs, and expeditiously examine the introduction of a licensing scheme to regulate HMOs and stamp out the selling of medical discount cards which was invariably connected with HMOs. Dr CHOI said that the regulation of HMOs was long overdue, as the HKMA had raised the need to regulate HMOs to safeguard patients' interests with the Director of Health some 10 years ago.

8. Mr Andrew CHENG said that the need to regulate HMOs was imminent. The Administration should expeditiously consult, apart from the trade, other stakeholders, such as the medical and patients' groups, to come up with a view on the scope of the regulation.

9. DSHWF(H) responded that the Administration would ensure that the trade and other stakeholders would be consulted in the development process on the regulation of HMOs. DSHWF(H) however advised that it would not be possible for the Administration to complete the consultation exercise within two to three months' time because of complexity of the issue.

10. The Chairman said that the HKMA had raised the need to regulate HMOs to safeguard patients' interests first in 1998 and again in 2005 with the Secretary for Health, Welfare and Food (SHWF) but to no avail. The Chairman urged the Administration not to evade the urgency of the matter by arguing which types of managed care organisations were HMOs, as the definitions of HMOs were varied in different places. In his view, all medical practices should be regulated regardless of whether they were incorporated or otherwise. The Chairman further said that he could not see the hesitation for regulating HMOs, as the HKMC had indicated that it was willing and had the capacity to regulate HMOs if given the legal backing to do so. The Chairman suggested writing to SHWF requesting him to provide a written response to the Panel in three months' time on the measures which the Administration intended to take to regulate HMOs. Members agreed. Members further agreed that SHWF should come before members to answer questions on the matter at a future meeting.

11. Ms LI Fung-ying said that SHWF's reply should provide how it intended to take the regulation of HMOs forward and the implementation timetable. In the meantime, Ms LI urged the Administration to take actions to address the problems of HMOs making use of the existing legal vacuum to purchase unregistered drugs and shifting the legal liability on their employee doctors when caught for dispensing such drugs to their clients and hiring unregistered doctors to provide medical services during night time.

12. Mr Albert HO said that merely relying on the HKMC to ensure the quality of medical services provided by HMOs was far from adequate, as evidenced by the rise in the number of complaints against HMOs in recent years. Not only

might patients' health and interests risked being compromised by the drive for profits by HMOs, professional autonomy of doctors and dentists working for HMOs might also risk being compromised by business and financial considerations. As human lives were involved, legislation should be put in place to require that the owners of HMOs, or a majority of the owners, must be doctors. This was nothing new, as all law firms were required by law to be owned 100% by lawyers. In the light of this, Mr HO urged the Administration to act promptly to regulate HMOs, although he agreed with Mrs Selina CHOW that the details needed to be carefully hammered out. In so doing, due consideration could be given to the four suggestions made by the Consumer Council in its submission, namely, establishing a licensing system, requiring registered medical practitioners to be on the board of directors of HMOs, implementing a code of practice for HMOs and requiring HMOs to purchase indemnity insurance.

13. Miss CHAN Yuen-han expressed similar views that the Administration should expeditiously consult the trade and other stakeholders for the purpose of coming up with a workable proposal to regulate HMOs. Miss CHAN said that should the Administration continue to drag its feet on regulating HMOs, the Panel should set up a subcommittee to pursue the matter.

14. Dr Alex LEE of the Hong Kong Doctors Union and Dr CHAN Yee-shing of HKMA reiterated the need to expeditiously enact legislation to regulate HMOs to safeguard patients' interests. Dr LI Sum-wo said that the Administration should at least expeditiously come up with a stance on whether it intended to regulate HMOs, as the implementation details could be worked out later.

15. Mrs Selina CHOW clarified that she was not opposed to regulating HMOs, but hoped that the Administration could meet with the trade and other stakeholders to understand the problems involved so as to formulate appropriate measures to tackle the problems. Mrs CHOW said that she did not consider that all problems pertaining to the medical services provided by HMOs must be addressed by way of legislation, as they could be addressed by other means such as, formulating a code of practice for the trade to follow, as suggested by the Consumer Council.

16. Mr Vincent FANG hoped that the Administration, before coming up with its final position on the regulation of HMOs, should also have regard to the views and concerns of the operators of HMOs.

17. The Chairman said that the Secretariat had written to HMOs inviting them to give views on the regulation of HMOs at this meeting. However, only two HMOs had provided submissions, and only one of them was represented at the meeting.

18. DSHWF(H) reiterated that the Administration would seek the views of the

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trade and other stakeholders on the regulation of HMOs. She also advised that the Administration had previously provided the names of 10 medical groups to the Secretariat for inviting their views on the regulation of HMOs for this meeting.

*Conclusion*

Admin 19. In closing the Chairman hoped that the Administration would provide a response by June 2006 on how it intended to take forward the regulation of HMOs. Should the Panel find the response unsatisfactory, members could decide then whether a subcommittee should be set up under the Panel to pursue the matter with the Administration.

20. There being no other business, the meeting ended at 10:35 am.

Council Business Division 2  
Legislative Council Secretariat  
20 June 2006