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### Health Maintenance Organizations ( HMO )

( Agenda item-V, Meeting of the Panel on Health Services )

According to our understanding,

1. In the current private medical market in Hong Kong, other than conventional solo medical practitioners, there are mainly two types of *organized* service providers of different natures :

(a) Organized doctors' group. They are several forms of group practice according to their level of organization. All of these are under regulation by Medical Council regarding individual doctor's conduct and ethics. The professional standard is further regulated by various professional bodies.

(b) Organized medical corporate operating medical schemes, hence various revenue models are created. HMOs are those sub-types using disputable revenue models like capitation or acting as risk-sharer / underwriting in nature. The statutory power of Medical Council does not include regulation of corporates.

2. Two sides of a coin. Some of the administrative techniques and strategy employed by HMO could indeed reduce abuses and increase cost-effectiveness in the broad scale. Thus they are welcomed by insurance companies and employers. But when these are carried too far individual patient's interest may be jeopardized. Thus some form of professional accountability and monitoring by independent party should be built into the structure as requirements.

3. In a free market system like Hong Kong it would difficult to restrict any lawful business and revenue model of any corporate. On the other hand, Medical Council could give explicit and comprehensive guide lines to restrict doctors to participate in any undesirable scheme or establishment.



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