

LC Paper No. CB(2)2717/05-06(02)

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8 July 2006

Dr. Hon. Kwok Ka Ki  
Chairman  
LegCo Panel on Health Services

Dear Dr. Kwok

**LegCo Panel on Health Services**  
**Regulation of Health Maintenance Organizations (HMOs)**

We write to respond to the discussion paper (LC Paper No. CB(2)2654/05-06(02)) prepared by the Administration for discussion on 10 July 2006.

We appreciate the efforts of the working group set up by the Department of Health in the last 2 months. They have indeed collected views from different stakeholders and have correctly recognized the concerns of the profession (paragraph 5).

In the section concerning “regulatory options”, the paper categorized the views from the various stakeholders into 3 possible options: (i) restricting ownership; (ii) registration regime for HMOs; and (iii) introducing medical directors to be held accountable. And in the subsequent section on the “proposed measures”, the paper suggested “*requiring the appointment of a medical director who would be held accountable for such matters should therefore be further pursued*”; which could mean that only option (iii) would be considered by the Administration. We must point out that these 3 options are by no means mutually exclusive. We must re-emphasize, as we had pointed out in our earlier submission to the Bureau, that both group medical practices and scheme administrators needed to be registered (option (ii)); in addition to the appointment of a medical director. Without a proper registration system, it would be impossible to implement any regulatory mechanism.

Furthermore, the paper did not indicate which statutory body would take up the role as a regulator. We insisted that the Medical Council/Dental Council is

in the best position to take up this role for the obvious reason of ensuring a level playing field between solo practitioners and HMOs. This paper also did not indicate clearly what kind of person could be appointed as a medical director of these HMOs. This in fact is the crucial point in the whole process of legislation for HMOs. We are of the view that this medical director must be a medical practitioner with a valid practising certificate, and not just anyone holding a HKID card. And this person must also be a director of the corporation.

In general, this paper points to the right direction of regulating the HMO by setting new requirements for them. Yet, there exist obvious inadequacies, probably not in the understanding of the situation, but in the willingness of the Administration to solve an old problem, which affects the healthcare of citizens.

Our Association is more than happy to assist both the Administration and the LegCo Panel on Health Services to pursue further into the matter. If we could be of further assistance, please don't hesitate to contact our secretariat at 2527 8585.

Yours sincerely

Dr. CHOI Kin  
President

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