

**Hearing of the Public Accounts Committee**

**Report No. 47 of the Director of Audit**

**Chapter Five – Hospital Authority :  
management of outstanding medical fees**

**Speaking Notes for the Secretary for Health, Welfare and Food**

Thank you, Chairman.

2. First of all, we appreciate that the Director of Audit notes and supports the Hospital Authority (HA)'s continuous action to improve the collection of outstanding medical fees.

3. Members could be reassured of the HA's commitment to improving continuously the management of outstanding medical fees and will consider further improvement measure as and when appropriate.

**The Healthcare Scene in Hong Kong**

4. While Mr Shane Solomon, Chief Executive of the Hospital Authority, will brief members on the measures that the HA has taken and will be taking, I would like to make a few points on policy issues.

5. Firstly, the Government's healthcare policy is to safeguard and promote the general public health of the community as a whole and to ensure the provision of medical and health services for the people of Hong Kong. No one will be denied adequate medical care due to lack of means.

6. Over the years, we have developed an enviable health care system. However, our public healthcare service is costly. In 2004-05, the expenditure on public health care services totaled \$30.2 billion and constituted 14.4% of the recurrent public expenditure. In terms of expenditure of the HA, it increased from \$14.5 billion in 1994-95 to \$27.8 billion in 2004-05.

7. Those receiving treatment in public hospitals should contribute their fare share of the services used by paying medical fees and charges. For Entitled Persons (EPs), that is, holders of the Hong Kong Identity Card; or children who are Hong Kong residents and under 11 years of age, they are required to pay nominal fees, for example, \$45 per attendance for general

out-patient services and \$100 per day for in-patient services. A fee waiver mechanism is in place to provide the needy patients with protection.

8. Against the above background, it is the onus of every Hong Kong residents to pay for the comparatively nominal fees for the very expensive medical services they have used, which are heavily subsidized at about 96% of the full cost.

### **Non-Entitled Persons**

9. Secondly, for Non Entitled Persons (NEPs), they could have access to public medical services. However, they have to pay fees set on a full-cost recovery basis.

10. As Chapter Five of the Report has noted, over the past few years, there has been a substantial increase in the number of NEPs using HA's services, in particular in-patient services. In line with the principle that government subsidy should be targeted at benefiting local residents only, the Government and the HA have been committed to addressing the issue of the surge in demand for hospital services by the NEPs. For example, since 1 September 2005, the HA has implemented a package fee of \$20,000 for NEPs using obstetrics services which is the first of its kind introduced in the HA.

11. Despite the measures taken, members may appreciate that there are inherent difficulties in collecting fees from NEPs. Fundamentally is the lack of a local residential address. Furthermore, most of the NEPs are acute cases admitted through accident and emergency (A&E) departments, hence hospitals are unable to collect deposits from them at the point of their admission. This has constituted indirectly the high proportion of bad debts from the NEPs. Nevertheless, the HA will continue to consider and introduce enhanced fee recovery measures.

### **Obstetrics Services**

12. Finally, I would like to say a few words about the obstetrics services in public hospitals which is a concern of members of the public recently. I wish to stress that our public hospitals will give priority to providing the necessary services to local expectant mothers. They should not worry about denial of access to such services in public hospitals at the time of delivery.

13. At the same time, in the light of the surge in demand for obstetrics services by the local public and NEPs, the HA has already taken a number of relief measures with a view to relieving the work pressure of frontline healthcare staff. The HA is also considering measures to strengthen support for obstetrics services, including dealing with midwives shortage. In this regard, I support the HA's appeal to those nurses with the necessary midwifery qualifications to help solve the surge in demand, in particular over the coming few months.

14. On a wider front, we are considering making it a requirement for all NEP pregnant women to receive antenatal checking and make necessary registration at Hong Kong public healthcare institutions within certain specified timeframe, otherwise, there is no guarantee that the HA will be able to provide them with the necessary services, including demand for obstetric services referred from the A&E departments. We will also liaise with Mainland authorities to see how the two places can complement each other in relieving pressure from the Mainland pregnant women on our healthcare services.

15. I now invite Mr Shane Solomon to brief members on relevant work of the HA.