



醫院管理局

HOSPITAL
AUTHORITY

APPENDIX 33

群策群力為病人·優質醫護滿杏林

Quality Patient-Centred Care Through Teamwork

Our Ref: (90) in FP2/FC/HAHO/I
Yr Ref: CB(3)/PAC/R47

18 December 2006

Clerk
Public Accounts Committee
Legislative Council Building
8 Jackson Road
Central, Hong Kong

(Attn: Ms Dora Wai)

Dear Ms Wai

Public Accounts Committee's Public hearing on
"Hospital Authority: Management of Outstanding Medical Fees"
(Chapter 5 of the Director of Audit's Report No. 47)

I refer to your letter of 12 December 2006 to Mr Solomon. I would like to enclose the English version of our responses to the information requested by the Public Accounts Committee at the public hearing on 7 December 2006. The Chinese version will be sent shortly under separate cover.

Yours sincerely

(Nancy Tse)
for Chief Executive
Hospital Authority

cc: Secretary for Health, Welfare and Food (Attn: Mr Patrick Nip)
Secretary for Financial Services and the Treasury (Attn: Miss Amy Tse)
Director of Audit (Attn: Mr Andrew Chiang)

en: Audit Report - HA Response.doc (10/7)

Question (a)

Regarding Table 1 in paragraph 1.9 of the Director of Audit's Report (Audit Report), whether the situation has improved since 31 March 2006.

Reply:

Table 1 in paragraph 1.9 of the report refers to the Aging Analysis of fees owed by patients as at 31 March 2006. Same analysis as at 30 November 2006 is attached below. Compared to 31 March 2006, the aging situation of fees owed as at 30 November 2006 remained quite similar. The portion of debts aged below 6 months improved slightly from 72% to 73% in terms of number of bills while declining from 74% to 71% in terms of amount. The increase in level of fees owed from \$130.4M to \$152M (+16.6%) was in line with the 20% increase in the corresponding fee income during the period from \$1,607.7M to \$1,929.3M (annualized).

**Aging analysis of fees owed by patients
(30 November 2006)**

Overdue period	Outstanding bills			Amount		
	30-Nov-06		31-Mar-06	30-Nov-06		31-Mar-06
(Number of months)	(Number)	(Percentage)	(Percentage)	(\$ million)	(Percentage)	(Percentage)
< or = 3	45,310	52%	53%	74.1	49%	52%
> 3 to 6	17,889	21%	19%	33.8	22%	22%
> 6 to 9	9,871	11%	12%	17.1	12%	11%
> 9 to 12	5,420	6%	7%	12.6	8%	6%
> 12 to 24	6,054	7%	6%	9.4	6%	6%
> 24 to 36	1,421	2%	2%	3.2	2%	2%
> 36	1,116	1%	1%	1.8	1%	1%
Total	87,081	100%	100%	152.0	100%	100%

Question (b)

A copy of the guidelines regarding the specific number of telephone calls to be made to patients after discharge within specific time-frame, as referred to in paragraph 2.19(a) of the Audit Report.

Reply:

The following is the HA's prevailing guidelines on making telephone calls to patients after discharged from hospital, extracted from the Hospital Authority Head Office Accounting Circular No. 13/2006 "Guidelines on Debt Recovery and Write-off Procedures".

(i) Follow-up calls after issuance of final bill

Office	Responsible Staff	Procedure
Shroff / Accounts Office	Shroff staff	4. Follow up with patient or next of kin by making at least 1 phone call for the following cases before issuance of final notice: (a) outstanding bill amount over the Category II ^(Note 1) debt limit, or (b) with undelivered mail, or (c) identified as problem case by hospital. Preferable if the patient or next of kin can commit a specific payment date. Monitor settlement status closely.

(ii) Follow-up calls after issuance of final notice

Office	Responsible Staff	Procedure
Shroff / Accounts Office	Shroff staff	10. If bills remain outstanding after 14 days from issuance of final notice, contact patient or next of kin by phone for reminder and update PBRC ^(Note 2) on the details of follow-up call(s). If the outstanding bill amount is: (a) \$150 or below - optional base on availability of resource; (b) over \$150 but not exceeding the Category I ^(Note 1) debt limit - at least 1 phone call within 90 days from date of final notice; (c) over the Category I ^(Note 1) debt limit - at least 1 phone call within 60 days from date of final notice.

Note 1: The HA has internal guidelines which define the range of outstanding amounts of medical fees that constitutes Category I debts. Outstanding fees exceeding the maximum amount of Category I debt are considered Category II debts. For confidentiality reasons, these amounts are not disclosed in this reply.

Note 2: PBRC - The Patient Billing/Revenue Collection System

The HA is to further tighten the above guidelines, including

- (1) For (i) 4(a) above - lowering the outstanding bill amount for which follow-up call is required after issuance of final bill, and
- (2) For (ii) 10(b) above - shortening the time limit of making all follow-up calls to within 60 days from the issuance of final notice.

Question (c)

Regarding Table 17 in paragraph 4.3 of the Audit Report:

- (i) a breakdown of the amount and percentage of fees owed by non-eligible persons (NEPs) from the Mainland as at 31 March 2004, 31 March 2005 and 31 March 2006 and, among such Mainlanders, the amount and percentage of fees owed by pregnant women who had used obstetric services in Hong Kong; and
- (ii) the number of cases and patients involved in the fees owed by eligible persons (EPs) as at 31 March 2004, 31 March 2005 and 31 March 2006.

Reply to (c) (i):

The breakdown of fees owed by all NEPs into obstetrics and other specialties as at 31 March of 2004, 2005 and 2006 are summarized below:

For the year ended	Obstetrics		Non-Obstetrics		Total NEPs	
	\$M	%	\$M	%	\$M	%
31 March 2004	15.4	19%	64.9	81%	80.3	100%
31 March 2005	16.6	27%	44.7	73%	61.3	100%
31 March 2006	32.9	44%	41.2	56%	74.1	100%
Average for the 3 years	21.6	30%	50.3	70%	71.9	100%

Further breakdown by NEPs from Mainland China is not readily available.

Reply to (c) (ii):

The number of cases and patients involved in the fees owed by eligible persons (EPs) as at 31 March 2004, 31 March 2005 and 31 March 2006 are as follows:

As at	No. of cases	No. of patients	Total for EPs (\$M)
31 March 2004	61,829	46,426	45.8
31 March 2005	58,721	44,025	48.5
31 March 2006	50,579	37,594	39.0

Question (d)

The number of in-patient cases involving NEPs from the Mainland who had accidents during their stay in Hong Kong as against the total number of in-patient cases of NEPs from the Mainland in the years 2003-2004 to 2005-2006.

Reply:

The number of NEPs admitted to public hospitals through the Accident and Emergency Departments (A&EDs) in the years of 2003-04, 2004-05 and 2005-06 are given in the table below. The Hospital Authority (HA) does not have readily available information on the proportion of cases involving NEPs from the Mainland who had accidents during their stay in Hong Kong.

	<u>No. of NEP Inpatients Admitted via A&E</u>	<u>Total no. of NEP Inpatients</u>	<u>%</u>
2003/04	7,953	14,342	55%
2004/05	11,643	17,994	65%
2005/06	13,417	18,839	71%

Question (e)

According to paragraph 4.7 of the Audit Report, since 1 September 2005, the Hospital Authority (HA) has implemented a package fee of \$20,000 for NEPs using obstetric service. One of the objectives of the package is to deter the use of public medical services by NEPs. Table 17 in paragraph 4.3 of the Audit Report, however, revealed that the fees owed by NEPs had increased from \$61.3 million as at 31 March 2005 to \$74.1 million as at 31 March 2006. Please provide detailed information to demonstrate that the obstetric package is effective in deterring the use of public medical services by NEPs.

Reply:

The NEP obstetric package is effective in reducing the use of Obstetrics services in public hospitals by NEPs. With the introduction of this package charge in September 2005, the number of delivery cases for NEPs utilizing public obstetrics services dropped by 15% from 13,699 to 11,673 between the 12-month period immediately preceding and after the implementation of the package fee, i.e. September 2004 to August 2005 versus September 2005 to August 2006.

Question (f)

According to Table 19 in paragraph 5.3 of the Audit Report, there are 3,884 patients with six to 10 cases of defaulted payment, 846 patients with 11 to 15 such cases, 305 patients with 16 to 20 such cases and 340 patients with over 20 such cases. Please provide details of these cases, such as the background of the patients, the type of medical treatment sought and the length of time involved.

Reply:

The defaulted payments of Eligible Persons for the 4 selected categories, namely 6 to 10 cases, 11 to 15 cases, 16 to 20 cases and over 20 cases as disclosed in Table 19 in paragraph 5.3 of the Audit Report is composed of cases with fees written off during the 5 years ended 31 August 2006 (\$4.9M) and those with fees owed to HA as at 31 August 2006 (\$8M). Of the cases with fees owed to HA, 82% have been settled up to 10 December 2006 (i.e. within 3.5 months). In particular, over 94% of ambulatory service cases have been settled.

An analysis of the cases of defaulted payment for the 4 selected categories is at the Annex. The analysis indicated that more than 50% of the patients are over 50 years old. For the cases that remained unsettled as at 10 December 2006, Accident & Emergency (A&E) service accounted for 40% and inpatients accounts for 35%. A large group of the patients are elderly patients suffering from chronic illnesses which require frequent visits to HA clinics and emergency admission to HA hospitals.

Defaulted payments for five years ended 31 August 2006

Annex to (f)

No. of Default	No. of Patients	No. of Patient in each Age Group					Inpatient					Ambulatory *				Accident & Emergency			
		0-11	12-40	41-50	51-60	>60	No. of outstanding cases	No. of cases written off	Total no. of cases	Average no. of case per patient	Average Length of Stay (days)	No. of outstanding attendances	No. of attendances written off	Total no. of attendances	Average no. of attendance per patient	No. of outstanding attendances	No. of attendances written off	Total no. of attendances	Average no. of attendance per patient
6 to 10	3,884	109	1,140	480	605	1,550	2,502	3,813	6,315	2	18	14,468	838	15,306	4	2,266	4,485	6,761	2
11 to 15	846	17	286	135	139	259	948	1,540	2,488	3	26	5,244	314	5,558	7	797	1,781	2,578	3
16 to 20	305	7	121	48	47	82	482	752	1,234	4	36	2,310	125	2,435	8	581	1,134	1,715	6
over 20	340	5	123	63	72	77	1,099	1,980	3,079	9	31	4,525	250	4,775	14	1,046	2,600	3,646	11
Total	5,375	138	1,680	726	863	1,968	5,031	8,085	13,116	2	19	26,547	1,527	28,074	5	4,690	10,010	14,700	3
Total no. of cases/attendances settled as at 10 Dec 2008							2,762					24,925				2,089			
% settled							55%					94%				45%			

* Ambulatory services include outpatients, community services and day hospital services.

Question (g)

It was mentioned by the Secretary for Health, Welfare and Food and the Chief Executive of HA at the hearing that EPs using medical services provided by HA should have the ability to pay the medical fees, as patients with financial difficulties should have applied for a fee waiver. The Committee would like to know the basis of this statement.

Reply:

Under the current Government's policy, no one will be denied adequate medical care due to lack of means. To ensure that this policy is followed, patients who are recipients of Comprehensive Social Security Assistance (CSSA) are eligible to obtain full waiver of public medical fees or charges upon presentation of a valid medical waiver issued specifically for CSSA recipients. Patients, who are not CSSA recipients but have financial difficulties in paying the medical fees and charges, can apply for fee waiving with Medical Social Workers (MSWs) of Social Welfare Department and HA. MSWs would assess the applications with due consideration given to the financial, social and medical condition of the applicants in accordance to the guidelines.

Information leaflet on the waiving mechanism is available for the public at all Medical Social Services Units of HA hospitals, as well as on the HA's internet. In addition, HA's debt collection guidelines requires hospital staff, including staff of Accounts Office and shroff, to advise public ward patients who indicate financial difficulties to approach MSWs for assistance.

Question (h)

It was mentioned at the hearing that HA was considering engaging international debt collection agencies to pursue the collection of bad debts from high risk NEPs. The Committee would like to know HA's decision on whether any debt collection agency will be engaged and, if so, the cost of engaging the agencies as well as the success rate in collecting the debts by the agencies in future.

Reply:

The proposed measure to engage international debt collection agencies to pursue the collection of bad debts from high risk NEPs would be considered by the HA Board at its meeting on 21 December 2006. Following the support by the Board, HA will conduct a detailed assessment of the proposed measure taking into account costs, benefits and risk factors. The engagement of international debt collection agency will be conducted through open tender. Key criteria for tender evaluation will include history of the Company, its background, reputation, business strategies, management team, operation mode, staff profile, information security, technology employed and clientele etc. as well as costs of providing the service.