



醫院管理局
HOSPITAL
AUTHORITY

群策群力為病人 - 優質醫護滿杏林
Quality Patient-Centred Care Through Teamwork

Our Ref: (93) in FP2/FC/HAHO/I
Yr Ref: CB(3)/PAC/R47

3 January 2007

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

(Attn: Ms Dora Wai)

Dear Ms Wai

The Director of Audit's Report
on the results of value for money audits (Report No. 47)

Chapter 5 – Hospital Authority: management of outstanding medical fees

Further to our letter of 30 December 2006 (Ref: (92) in FP2/FC/HAHO/I), we would like to furnish supplementary information to the Committee on the proposed measures to enhance fee collection. The audit recommendations of the subject report together with the implemented measures and actions being considered were summarized in the HA Paper No. AOM-P472. These actions were presented, discussed and endorsed by the HA Board at the meeting held on 21 December 2006. The summary together with the target dates of implementation of these actions are included in the attached annex for your reference.

Yours sincerely

(Nancy Tse)
for Chief Executive
Hospital Authority

Enc.

c.c. 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)

Hospital Authority
Summary of Audit Recommendations and Actions Taken / Being Considered in response to
Director of Audit Report No. 47 Chapter 5: Management of Outstanding Medical Fees

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
2.10	<p>Audit notes the hospitals' initiatives to improve the collection of fees. In order to maximise the impact of these good initiatives in the HA, Audit has <i>recommended</i> that the Chief Executive, HA should:</p> <p>(a) further encourage hospitals to continue developing initiatives with a view to enhancing the efficiency of collection of fees;</p> <p>(b) evaluate the effectiveness of the hospitals' initiatives, taking into account different scales of operation and circumstances among hospitals; and</p> <p>(c) develop good practice guidelines from the hospitals' initiatives and help promote/disseminate such guidelines among all hospitals.</p>	<p>HA will continue to actively evaluate good initiatives identified and promote their implementation among clusters, taking into account individual hospital's situation. A number of hospitals' good practices/ initiatives have been adopted for HA-wide application:</p> <ul style="list-style-type: none"> • Distribute bills to patients in wards • Seek doctor's advice on patient condition and request discharge plan for the patient • Ward staff would remind patient to pay before leaving hospital • Outpatient registration staff would remind patient to settle previous outstanding fees at their next visit to hospital <p>These new initiatives and other enhanced debt collection measures adopted (discussed in the following sections) are promulgated in an accounting circular issued to hospitals.</p> <p>Tendering for payment at Automatic Teller Machines (ATM) and convenience stores and introduction of self-service payment kiosk is underway.</p> <p>Measure being considered: To utilise Accident & Emergency Department to collect an extended range of fees and deposits. Necessary system changes requirement are already being reviewed.</p>	<p>Already implemented</p> <p>Self-service payment kiosk will be installed at selected venues in 1Q 2007 and payment at ATM and convenience stores will be provided in 3Q 2007</p> <p>In 1Q 2007</p>

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
2.18	<p>Audit has <i>recommended</i> that the Chief Executive, HA should issue guidelines to hospitals on:</p> <p>(a) maintaining proper records of the details of telephone calls made to patients; and</p> <p>(b) the time-frame for hospitals to make telephone calls to patients.</p>	<p>Guidelines on the requirement to maintain details of telephone calls and specific timeframe for follow up calls have been established and issued to hospitals. The debt tracking function of the patient billing and collection system has also been enhanced to facilitate the recording of the details of telephone calls made to patients.</p>	<p>Already implemented</p>
2.24	<p>Audit has <i>recommended</i> that the Chief Executive, HA should take measures to ensure that hospitals forward unsettled cases to the HAHO in a timely manner. These may include, for example, the issue of circulars to hospitals reminding them of the requirement and importance of forwarding the unsettled cases promptly to the HAHO.</p>	<p>Specific time-frame and frequency required of hospitals to submit unsettled cases to HAHO has been established and hospitals have been reminded of such requirement.</p> <p>Furthermore, hospitals are required to report to HAHO major potential problem cases (over \$300,000) on monthly basis so that early actions could be taken by HAHO, where necessary.</p>	<p>Already implemented</p>
2.29	<p>Audit has <i>recommended</i> that the Chief Executive, HA should devise and promulgate formal guidelines and assessment procedures for payment of fees by instalments, taking into account the cost-effectiveness of such arrangement.</p>	<p>The circular on debt recovery specifies that payment by instalment would only be considered under exceptional circumstances and after all possible recovery actions has been taken in general. Specific criteria are also laid out in this circular.</p>	<p>Already implemented</p>

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
3.8	Audit has <i>recommended</i> that the Chief Executive, HA should issue guidelines to HAHO staff to ensure that unsettled fees are only written off from the accounting records after approval has been obtained.	The workflow has been revised to ensure that the write-off is recorded only after approval has been obtained.	Already implemented
3.18	Audit has <i>recommended</i> that the Chief Executive, HA should: (a) consider increasing the number of warning letters to be issued; (b) to show the HA's determination of recovering outstanding fees of small amounts, consider issuing more warning letters to patients whose amounts owed are less than Category I debts; and (c) take measures to aggregate the total amount of outstanding fees owed by an individual defaulter in the HA's fee recovery action.	The enhanced requirements on the issuance of more warning letters and to aggregate total outstanding amounts for individual defaulters have been incorporated in the circular on debt recovery. Hospitals have been reminded of the enhanced requirements.	Already implemented

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
3.26	<p>Audit has <i>recommended</i> that the Chief Executive, HA should:</p> <p>(a) take necessary measures to expedite the filing of claims with the SCT; and</p> <p>(b) in addition to applying for a writ of Fieri Facias, explore the feasibility and cost-effectiveness of using other methods to recover judgment debts.</p>	<p>Measures have been taken to expedite the filing of claims with SCT which include deployment of additional staff. Time-frame of filing with SCT has also been stipulated in the circular on debt recovery.</p> <p>Legal actions will be taken at appropriate court level and executed judgement if necessary, taking into account the chance of success and cost effectiveness.</p>	<p>Already implemented</p> <p>Already implemented</p>
3.38	<p>Audit <i>has recommended</i> that the Chief Executive, HA should:</p> <p>(a) take early action to finalise those cases where arrangements had been made with the patients to settle the outstanding fees;</p> <p>(b) consider setting a time-frame within which legal advice should be sought, if the unsettled cases cannot be satisfactorily dealt with by the HAHO; and</p> <p>(c) remind the HCEs to demand, if necessary, a higher amount of deposit from private patients in order to cover the estimated hospital fees.</p>	<p>Legal actions have been taken for the identified cases as appropriate, including issuance of demand letter and writ of summons.</p> <p>Specific time-frame of seeking legal advice on unsettled cases has been established.</p> <p>Deposit for private patients was increased from \$58,500 to \$60,000 and \$100,000 for major operations in Nov 2004, with discretion for HCE to charge higher deposit where necessary. HCEs have been reminded to demand a higher amount of deposit from private patients taking reference to the estimated hospital fee.</p>	<p>Already completed</p> <p>Already implemented</p> <p>Already implemented</p>

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
3.42	<p>Audit has <i>recommended</i> that the Chief Executive, HA should review the manpower requirement of the HAHO collection team, taking into account its workload and the need to maximise operational efficiency.</p>	<p>Individual hospitals are responsible for collecting medical fees and following up with patients with outstanding fees. Unsettled cases after final notice issued by hospitals will be forwarded to HAHO Finance for taking legal actions where appropriate. Manpower requirement at HAHO for follow up actions is being reviewed taking into account the tightened debt recovery procedures as well as the option of outsourcing the debt collection function.</p>	<p>Being considered</p>
3.46	<p>Audit has <i>recommended</i> that the Chief Executive, HA should:</p> <ul style="list-style-type: none"> (a) identify and develop more efficiency and effectiveness indicators to assess the performance of the HA's collection of outstanding fees; (b) set targets for the performance indicators developed; and (c) publish the result against the performance indicators and targets set. 	<p>Cluster performance on write offs and major problem cases are incorporated in monthly management reports.</p> <p>Measure being considered: Introduction of more KPIs and benchmarks is being studied.</p>	<p>Already implemented</p> <p>In 1Q 2007</p>
4.11	<p>Audit has <i>recommended</i> that the Chief Executive, HA should continue to monitor closely the effectiveness of the obstetric package, and modify it where appropriate.</p>	<p>Measure being considered: Revision to the obstetric package is being studied taking into account findings from the post implementation review of the Non-Eligible Person (NEP) Obstetrics Package implemented in September 2005.</p>	<p>In 1Q 2007</p>

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
4.12	<p>Audit has <i>recommended</i> that the Secretary for Health, Welfare and Food should:</p> <p>(a) expedite the review of the implementation of the proposed measure to deal with NEPs who have not yet paid their fees; and</p> <p>(b) report the decision on the proposed measure to the Legislative Council Panel on Health Services.</p>	<p>HA has reinforced the stringent monitoring for NEPs, including:</p> <ul style="list-style-type: none"> • identify NEPs at admission and collect deposit • closely monitor their payments of deposit and outstanding bills; and • when the patient's condition stabilises, provide the option to continue receiving treatment in HA as private patient or discharge to private hospitals • Increased deposit level from \$19,800 to \$33,000 • Bill NEPs more frequently than EPs <p>In addition, HA has been working with appropriate agencies to assist NEPs to return to their home countries.</p> <p>Measures being considered:</p> <ul style="list-style-type: none"> • Tender for reputable debt collection agency to pursue high risk NEP bad debts • Defer submitting information to the Birth Registry for NEP obstetrics patients until settlement of outstanding fees • Introduce case management system for "abandoned" cases who are often NEPs or potential EPs without identity proof 	<p>Already implemented</p> <p>Already implemented</p> <p>Explore the cost effectiveness and to report back to the HA Board by the end of 3Q 2007</p> <p>Sometime in 1Q 2007</p> <p>Being considered</p>
4.17	<p>Audit has <i>recommended</i> that the Secretary for Health, Welfare and Food should, in consultation with</p>	<p>The Health, Welfare and Food Bureau is in liaison with the Tourism Commission to follow up on this recommendation.</p>	<p>N.A.</p>

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
	the Commissioner for Tourism, consider taking measures to promote the idea that Mainland visitors should have travel insurance for their visit to Hong Kong.		
5.9	<p>Audit has <i>recommended</i> that the Chief Executive, HA should:</p> <p>(a) further enhance the HA system to help identify defaulters when they attend medical treatments or are admitted to hospitals; and</p> <p>(b) consider devising cost-effective measures, at an early date, to pursue settlement of outstanding fees from frequent defaulters.</p>	<p>Computer systems have been enhanced to prompt registration staff to remind defaulters/patients with outstanding bills for payment when the patients return for services.</p> <p>Outstanding bill amount would be printed on outpatient receipts to serve as further reminder to patients.</p> <p>Measures being considered:</p> <ul style="list-style-type: none"> • NEPs with outstanding bills will only be treated if a condition is life threatening and will be refused all other treatment until bills are paid. Application of this measure to EPs will be considered later • Consider deposit payment for EPs 	<p>Already implemented</p> <p>Already implemented</p> <p>By the end of 1Q 2007 and apply to both EPs and NEPs</p> <p>Will be considered at a later stage, depending on the effectiveness of other measures</p>
5.13	Audit has <i>recommended</i> that the Chief Executive, HA should, in consultation with the Secretary for Health, Welfare and Food, expedite the HA review of the imposition of a surcharge on overdue medical fees, including imposing a surcharge on fee settlement by instalments.	<p>Measure being considered:</p> <p>The legal implication of imposition of surcharge / administrative charge is being studied.</p>	Subject to clearance on legal implications and direction from HWFB, the administrative charge will be implemented sometime in 2Q 2007

Para.	Audit Recommendation	Actions taken or being considered	Target date of implementation
5.22	<p>Audit has <i>recommended</i> that the Chief Executive, HA should:</p> <p>(a) standardise hospitals' practices on address proof requirements by establishing a comprehensive set of guidelines for hospitals to follow;</p> <p>(b) ensure that hospitals follow the address proof guidelines established; and</p> <p>(c) work out how the verification of address records is to be implemented.</p>	<p>Request of address proof has been incorporated in the circular on debt recovery. The following actions would be taken:</p> <ul style="list-style-type: none"> • Request of address proof from inpatients upon admission • Registration staff to request outpatients with identified wrong address to provide address proof when the patients next visit HA hospitals or clinics <p>Measure being considered: Further strengthen the address proof requirement</p>	Already implemented