

**For Discussion
On 16 April 2007**

Legislative Council Panel on Health Services

**Effectiveness of Hospital Authority's
new Obstetric Service Arrangements and
the Obstetric Service Charge for Non-eligible Persons
whose Spouses are Hong Kong Residents**

Purpose

This paper briefs Members on –

- (a) the effectiveness of the new obstetric service arrangements of the Hospital Authority (HA) for Non-eligible Persons (NEPs)¹ implemented since 1 February 2007; and
- (b) the obstetric service charge in public hospitals for NEPs whose spouses are Hong Kong residents.

Background

2. At the meeting of the Panel on Health Services (the Panel) held on 8 January 2007, Members were briefed on the impact of the use of obstetric services by Mainland women on public hospital resources and the measures to be taken by the HA to address the situation. Members were informed that the HA was planning to implement a booking system whereby local expectant mothers would be given priority in accessing obstetric services in public hospitals and to increase the minimum amount of the Obstetric Package Charge for NEPs from \$20,000 to \$39,000 for those who make an advance booking with the HA and undergo antenatal examination, and to \$48,000 for those who seek hospital admission without prior arrangements. Members requested the Administration to report the effectiveness of these measures to the Panel in three months' time.

¹ "NEPs", for the purpose of subsidised public medical services, means persons who are not holders of Hong Kong Identity Card issued under the Registration of Persons Ordinance (Cap 177) or children under 11 years of age who are not Hong Kong residents.

3. On 16 January 2007, the Administration announced further details of the new measures for addressing the increased demand on obstetric services in Hong Kong by non-local (NEP) pregnant women. Apart from the setting up of a booking system in public hospitals and the revision of the NEP Obstetric Package Charge by the HA, the new measures also entail the setting up of booking systems in private hospitals and the implementation of complementary immigration measures by the Immigration Department (ImmD). In sum, subject to availability of beds, all non-local pregnant women who wish to give birth in Hong Kong with effect from 1 February 2007 are required to make prior arrangements with a private or public hospital in Hong Kong for the necessary inpatient obstetric service and obtain booking confirmation certificates from the hospitals concerned. Members were briefed on the full package of new measures vide LC Paper No. CB(2)1130/06-07(01).

4. At the Panel meeting held on 12 March 2007, Members considered the letter CB(2)1262/06-07(01) from a Member and agreed that the Panel should discuss the impact of the new NEP Obstetric Package Charge on those NEPs whose spouses are Hong Kong residents. The Administration attended a Case Conference held on 26 March 2007 to discuss the complaints raised by a concern group in respect of 20 individual cases.

Objectives of the new Obstetric Service Arrangements

5. The new obstetric service arrangements were introduced in response to the rapidly increasing number of non-local (including Mainland NEP) women giving birth in Hong Kong in recent years. According to the statistics collated by the ImmD, the number of births by Mainland women in Hong Kong increased by over one and half times in the past four years from 10 128 in 2003 to 26 132 in 2006. The total number of births in Hong Kong (i.e. the combined total of births by local and non-local women) reached 65 195 cases in 2006. The upsurge in the demand for obstetric services by non-local women had put both public and private hospitals under pressure.

6. In addition, we were also faced with the situation where quite a significant proportion of non-local women who gave birth in Hong Kong had little antenatal care or could not provide satisfactory evidence of such care, resulting in increased risks of difficult labour for the mothers, unrecognised congenital anomalies for the babies and infection for healthcare workers. In 2006, a total of 9 767 NEP pregnant women who gave birth in public hospitals

sought emergency admission through the Accident and Emergency Departments (A&EDs) without any prior arrangements, accounting for 81% of all public hospital admissions for NEP pregnant women last year.

7. Given the above concerns, it was, therefore, necessary for the Administration to put in place the new obstetric service arrangements, so as to –

- (a) ensure that local pregnant women are given proper obstetric services and priority to use such services;
- (b) limit the number of non-local pregnant women coming to Hong Kong to give births to a level that can be supported by our healthcare system; and
- (c) deter dangerous behaviour of non-local pregnant women in seeking emergency hospital admissions through A&EDs shortly before labour.

Effects of the New Obstetric Service Arrangements

Reduction in emergency hospital admissions

8. The booking systems for obstetric services in both public and private hospitals have been working smoothly so far. In the nine weeks since 1 February, a total of 10 170 non-local pregnant women have made bookings with hospitals in Hong Kong for the necessary inpatient obstetric services and obtained booking confirmation certificates. The number of non-booked obstetric cases by NEPs in public hospitals dropped significantly. In the nine weeks since 1 February, a total of 371 non-local pregnant women sought emergency hospital admission through A&EDs, which was 75.5% lower on average than the same period in 2006 and 67.0% lower than January 2007.

Limiting the number of births by non-local pregnant women to a level that can be supported by Hong Kong's healthcare system

9. Judging from the statistics for February and March 2007, the new obstetric service arrangements have been effective in establishing a control mechanism on the number of non-local women coming to Hong Kong to give birth. In the first nine weeks since the implementation of the new arrangements (i.e. between 1 February and 4 April 2007), the total number of births by non-local women in Hong Kong was 3 825, which on average was about 4.1% lower

than the same period in 2006 and 28.0% lower than January 2007. More importantly, the booking systems coupled with the immigration control measures are giving hospitals the necessary means to control the total number of their obstetric patients to a capacity that they can support. In the nine weeks since 1 February, public hospitals and private hospitals handled 5 952 and 4 547 deliveries (i.e. total by local and non-local women) respectively.

Ensuring local pregnant women would be provided with proper obstetric services and priority to use such services in public hospitals

10. The new booking system at public hospitals and the new NEP Obstetric Package Charge so far have been effective in discouraging non-local pregnant women from accessing the obstetric services of public hospitals, thus allowing the HA to focus more of its resources to the needs of local pregnant women. In the nine weeks since 1 February, the number of births by non-local women in public hospitals dropped on average by 35.9% as compared with the same period in 2006 and by 33.0% as compared with January 2007; whereas the number of births by local women in public hospitals increased on average by 4.1% as compared with the same period in 2006 but decreased by 7.2% as compared with January 2007. In order to ensure local women will have adequate access to the necessary obstetric services in public hospitals, the HA will continue to closely monitor the booking situation and stand ready to adjusting the quota for booking by NEPs accordingly and, if necessary, opening new obstetric units in public hospitals to meet increased demand by local pregnant women. The HA will also continue to ensure that local expectant mothers would be given access to the necessary obstetric service within their own hospital cluster.

Default payment by NEP pregnant women

11. In respect of settlement of medical charges at public hospitals after implementation of the booking system and new NEP Obstetric Package Charge, the overall settlement rate (in dollar terms) by NEP pregnant women in the first two months since 1 February 2007 was 85.4%, which was slightly lower than the settlement rate of 87.2% for the first ten months in 2006-07. As the full amount of the NEP Obstetric Package Charge is required to be paid at the time of booking, the settlement rate for booked cases was at 99.2%. However, the settlement rate for non-booked cases was only at 59.7%. The HA will step up debt recovery efforts to improve the settlement rate by NEPs.

Summary of statistics

12. The key statistics for the first nine weeks since 1 February 2007 are summarised in the tables in the Annex for Members' reference.

The NEP Obstetric Package Charge for NEPs whose spouses are Hong Kong residents

Population policy

13. In accordance with the HA's existing fee charging policy, the NEP Obstetric Package Charge is applicable equally to all NEP pregnant women who give birth in public hospitals. Our public hospital system is established primarily for the benefits of Hong Kong residents. Following the recommendation of the Report of the Task Force on Population Policy released in 2003, eligibility for heavily subsidised medical services is restricted to holders of Hong Kong Identity Card or children under 11 years of age who are Hong Kong residents. Persons not holding a Hong Kong Identity Card (i.e. NEPs), including Two-way Permit holders who are the spouses of Hong Kong residents, may access public medical services in Hong Kong by paying the specified charges applicable to them (NEP charges).

14. We appreciate that some Hong Kong residents with non-local wives may wish their pregnant wives to be able to enjoy the high quality obstetric services available in Hong Kong. The new obstetric service arrangements have already allowed for flexibility in this regard. The main rationale for restricting the eligibility for heavily subsidized public medical services to holders of Hong Kong Identity Card and children under 11 years of age who are Hong Kong residents is the rational use of public resources. As large amount of public resources are involved in the provision of medical services which are over 95% subsidised, there is a need to impose appropriate requirements on the eligibility for such services so as to ensure the long-term sustainability of our public healthcare system. As a matter of fact, some other heavily subsidised social services such as public housing and social security are also subject to eligibility requirements to protect the interest of the local public.

15. The new obstetric service arrangements aim to limit the number of births by non-local women to a level that can be supported by our healthcare system. We believe that it is in the public interest to do so. Irrespective of the new measures, there will continue to be cases where children of Hong Kong residents are to be born in the Mainland. There are established procedures for

these children to apply to the relevant Mainland authorities for permission to move to Hong Kong permanently for family reunion in an orderly fashion under the One Way Permit Scheme.

16. We understand that marriages between residents of Hong Kong and the Mainland may become more prevalent given the increasing exchanges between the two places. This however does not constitute any reason to go against our well-established policy that heavily subsidised medical services should only be made available to local residents but not their non-local spouses. The onus should be on those couples who engage in cross-boundary marriages to make appropriate plans to meet their medical needs.

Issues Relating to the Implementation of the NEP Obstetric Package Charge

Whether NEPs whose spouses are Hong Kong residents should be allowed to pay the old rate of the NEP Obstetric Package Charge at \$20,000

17. One of the suggestions made at the Case Conference held on 26 March 2007 was for the HA to adopt a two-tier structure for its NEP Obstetric Package Charge by applying the revised rate of \$39,000 / \$48,000 to NEPs with no marital ties in Hong Kong while allowing NEPs whose spouses are Hong Kong residents to pay the old rate of \$20,000.

18. We have no intention to make a distinction amongst NEP pregnant women between those who are spouses of Hong Kong residents and those who are not, and introduce an extra tier in the NEP Obstetric Package Charge for the former group. The revised rates of \$39,000 / \$48,000 were introduced to remove the financial incentive for non-local pregnant women from accessing the obstetric service at public hospitals. The old rate of \$20,000 was much lower than what most private hospitals charged for similar services at the relevant time. It was, therefore, necessary for the HA to revise its obstetric service charge for NEPs so that public hospitals are less attractive to the non-local pregnant women.

Date of commencement of the new Obstetric Package Charge

19. Another issue was whether implementation of the new NEP Obstetric Package Charge should be deferred by ten months for the reason that the immediate implementation of the revised rate apparently has a “retrospective” effect on those NEP pregnant women who are already pregnant.

20. We do not consider it justified in deferring implementation of the revised NEP Obstetric Package Charge. Both in the overall medical fee revision in 2003 and the first time introduction of a NEP Obstetric Package Charge in 2005, the revised new medical fees were implemented with immediate effect after completion of the necessary legal procedures, including the publication of the new fees in the gazette. Implementation of the new package charge this time is no different from the last exercises.

Possibility of refund of the NEP Obstetric Package Charge

21. A third issue was the possibility of refund of fees paid at the time of booking, if the delivery does not take place eventually.

22. The rationale of making the fees paid for the NEP Obstetric Package Charge non-refundable is to make it a serious commitment for the person making the booking, which by itself, has incurred certain necessary costs (e.g. reservation of beds and delivery suites etc), not to mention the opportunity costs involved in case the limited resources were not utilized fully. This no-refund policy, which has been published in the relevant Gazette Notice and widely publicized by the HA, also helps to deter double booking which was not uncommon before the introduction of the revised NEP Obstetric Package Charge. The HA therefore has no intention of offering refunds.

23. We understand that there may be a limited number of booked cases in public hospitals where the delivery does not take place in unfortunate circumstances such as a miscarriage. If the patients in such cases make use of associated obstetric and gynaecology services in the public hospitals, the HA will offset their medical fees so incurred against the amount already paid for under the NEP Obstetric Package Charge.

Advice Sought

24. Members are invited to note the content of this paper.

**Health, Welfare and Food Bureau
Hospital Authority
April 2007**

Key Statistics since Implementation of new Obstetric Service

Arrangements on 1 February 2007

(covering the nine week period between 1 February and 4 April 2007)

Public Hospitals

	Total by end of Week Nine on 4 April 2007	Daily average for first nine weeks	Daily average in February and March 2006 (combined)	Daily average in January 2007
Number of births handled (i.e. total by local and non- local mothers)	5 952	94.5	102.1	109.7
Number of births by local women	4 762	75.6	72.6	81.5
Number of births by Non- eligible Persons (NEPs)	1 190	18.9	29.5	28.2
Number of births by NEPs who were admitted through A&EDs	371	5.9	24.3	17.8
Number of Booking Confirmation Certificates issued	3 756	59.6	N/A	N/A

Private Hospitals

	Total by end of Week Nine on 4 April 2007	Daily average for first nine weeks	Daily average in February and March 2006 (combined)	Daily average in January 2007
Number of births handled (i.e. total by local and non-local mothers)	4 547	72.2	69.8	94.8
Number of births by non-residents	2 635	41.8	33.8	56.1
Number of Booking Confirmation Certificates issued	6 414	101.8	N/A	N/A

Overall for all hospitals in Hong Kong

	Total by end of Week Nine on 4 April 2007	Daily average for first nine weeks	Daily average in February and March 2006 (combined)	Daily average in January 2007
Number of births handled (i.e. total by local and non-local mothers)	10 499	166.6	171.9	204.5
Number of births by non-residents	3 825	60.7	63.3	84.3
Number of Booking Confirmation Certificates issued	10 170	161.4	N/A	N/A