

Regulation of “Health Maintenance Organizations” (“HMOs”)

Submission from the Hong Kong Medical Association in response to LC Paper No. CB(2)1238/06-07(04)

The Government’s Proposal

1. The Hong Kong Medical Association considered that the proposal from the Administration on regulation of HMOs as stipulated in the captioned LC paper cannot achieve the purpose of regulating these organizations as the proposal is just a voluntary scheme of listing and there is no plan for legislation and no timetable for legislation.
2. Paragraph 9 of the paper proposed “*to request group practices that employ frontline doctors to appoint medically-qualified personnel as medical director (MD) of the group*”. Groups or schemes administrators that do not “employ” frontline doctors are not included.
3. The proposed responsibilities of the MD listed in paragraph 10 are inadequate if the goal is to achieve a level playing field between solo practitioners and group practices. The responsibilities should at least include marketing strategies or any other promotional practices which are regulated by the Code of Practices for Registered Medical Practitioners.
4. The proposal in paragraph 11 “*approach and work with the Medical Council to see how such could be incorporated into the Council’s existing Professional Code and Conduct*” will be impossible to implement if it is just a voluntary scheme because the Medical Council could not have any jurisdiction power to take any disciplinary action without legislation.
5. The only “punishment” proposed for the groups if the MD had indeed infringed the relevant codes would merely be “*removal from the list*”. In that situation, the convicted MD would just be a scapegoat of the acts of the HMO and the HMO would simply hire another MD to take up the post and continue business or would simply ignore the list altogether.

Our Proposal

1. Legislation is the only effective way to regulate HMOs
2. There should be a licensing procedure with a governing body stated in the legislature for incorporated companies to provide or claim to provide medical services either by direct employment of medical practitioners or indirectly through contractual agreement or through medical schemes with medical practitioners. The licensees of these incorporated companies would be the MD, who must be a registered medical practitioner.
3. The legislation should also explicitly prohibit any individual or company to perform the functions as described above without licensing. Violation of which would be an offence.
4. With proper legislation and licensing, the Medical Council can then draft appropriate Codes of Conduct governing the MDs.
5. The MD, if found guilty of professional misconduct by the Medical Council, could be removed from holding the licence. And the company concerned had to re-apply for the licence. This is to ensure that the HMO could not abuse the system and use the MD as a scapegoat for the misconduct of the company.

The whole purpose of our proposal is to protect the interest and benefit of the public, as this is the motto of the Hong Kong Medical Association.