

Our Ref: HKDU/093/2007

2<sup>nd</sup> June 2007

By fax & mail

Dr. the Hon. Joseph LEE Kok-long, JP  
Chairman  
Panel on Health Services  
Legislative Council, Legislative Council Building  
8 Jackson Road, Central, Hong Kong

Dear Dr. Lee,

**Re: Ineffective and misleading measures by the Authority on regulating HMOs**

Hong Kong Doctors Union is established under the Ordinance of Trade Union in Hong Kong and looks after the employer-employee relationship of both public and private medical practitioners.

True Health Maintenance Organisations (HMOs) as practiced in their birth place USA with emphasis on health maintenance and disease prevention have been, as reported in the Health, Welfare & Food Bureau's previous Report, to be non existent in Hong Kong. In it's place, a more profiteering set up is established here. Irregularities of HMOs have attracted such concern from the public and so much attention in the Media that the Department of Health has established a special working group to address the issue. However, we are all surprised by the authorities' attitude to be in favour of allowing HMOs to prosper instead of putting them under control.

Previously we urged the Government to regulate the HMOs, which provide any form of medical treatment to patients, through legislative proposal in our two submissions to your esteemed Committee in 2006.

To show our concern, we have met with the special working group from the Department of Health on two occasions to discuss in details what we think was essential to control the HMOs effectively. But the present proposals on 12<sup>th</sup> March 2007 by the Department presented to your esteemed Panel are totally disappointing in the following manners:-

1. Medical Director (MD) for **Group practices** alone is not comprehensive enough to cover the health service market

The appointment of registered medical practitioner as MD applies only to group practices and does not cover those bodies influencing service providers' behavior such as insurance agencies, Medical Service Agencies, middlemen companies etc. There should be at least establishment of medical departments in these health care companies which should appoint MDs to look after the panel doctor contract terms in finance and medical service delivery matters. However, it is still unfair that these MDs as employees could be made scapegoats for the wrong doings of HMOs which are not bound by advice of MDs.

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We ask the Authority to be sincere and to regulate HMOs by ensuring their ownership to be at least 90% by doctors so that they are accountable to the Medical Council of Hong Kong and in line with the Australia Medical Practice Act 2004 which have proven well to regulate those HMOs.

2. There is **no legal binding** in the present proposal

The appointment of MDs and the setting up a list of group practices that have appointed MDs are only voluntary. There is no punitive measure while those that do not comply may still continue to provide health services. This ineffective measure fails completely to respond to requests for more stringent control of HMOs from medical and dental professional bodies, patients' groups, Consumer Council, Legislative Council members and even certain HMOs in the year of 2006.

In response to the Authority's Proposals on HMOs' regulation in March 2007, our Union has promptly conducted a survey among our members. Until 21<sup>st</sup> of May we have received 286 replies with 96.50% (276/286) of the respondents being not satisfied with the Proposal of MD appointment in Group Practices only, and 97.55% (279/286) of the respondents demanding more stringent and formal legislative control. (Appendix I)

**Our Union would like to introduce a new HMO regulation system with legal binding power for your consideration.** For organizations providing health service either directly or indirectly, at least 90% of the company's shares must be owned by registered medical practitioners. The second requirement is a "**Medical Liaison License**" (MLL) (醫療合作執照) which is renewable annually and issued by the Medical Council of Hong Kong which will examine the applicant's contract terms with its panel doctors.

**We believe such system is effective and practical and will attract support from different bodies except Private Profiteering HMOs.**

Hong Kong Doctors Union calls on the Government to stop using false democracy by falsely claiming a division of opinion among various stake holders on the way to regulate HMOs when the most common demand we all made was to ensure at least 90% of HMOs' ownership to be by doctors so that they can be accountable to the Medical Council of Hong Kong. **Only by legislating this requirement together with the registration of HMOs by the licensing mechanism can the health of the public be safeguarded.**

Yours sincerely,

Dr. Ho Ock Ling Thomas  
Hon. Secretary  
Hong Kong Doctors Union

Encl.

Outgoing14

## **Appendix I**

21.5.2007

### **Results of Survey of Proposal on HMOs' Regulation**

In order to collect the views from members on Proposal on HMOs' Regulation, the Hong Kong Doctors Union sent a survey to 1,710 members on 12.4.2007.

As at 21.5.2007, 286 members (16.73%) returned the survey to HKDU. The results of the survey are:-

		Yes	No	Total
1.	Are you satisfied with the Government's proposal on the regulation of HMOs by setting up the post of <u>Medical Director in group practices only</u> ?	10 (3.50%)	276 (96.50%)	286 (100%)
2.	Do you agree that the Government should set up <u>formal legislation</u> on the control and regulation of the HMOs?	279 (97.55%)	7 (2.45%)	286 (100%)