

30 July 2007

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

By Post

Dear Dr. Lee,

Re: Letter from Dr. Ho Ock Ling Thomas, Hon. Secretary of the Hong Kong Doctors Union

We refer to the letter dated 2 June 2007 from Dr. Ho Ock Ling Thomas, Hon. Secretary of the Hong Kong Doctors Union (“Dr. Ho”) addressed to your Panel.

We note that Dr. Ho in his said letter has urged a minimum of 90% ownership by doctors in a Health Maintenance Organization (HMO) and he claimed that such proposal is in line with the Australia Medical Practice Act 2004 which has satisfactorily regulated HMOs. We do not believe that Dr. Ho’s proposal incorporates a sound basis for the protection of the public interest but is more directed towards furtherance of doctors’ individual interests. We would like to point out that:

1. HMOs and the United States managed care system do not currently operate in Australia and there are no specialized regulatory requirements for HMOs in Australia.
2. There is no such legislation as “Australia Medical Practice Act 2004” in Australia. We believe that the correct reference to the Australian Act mentioned by Dr. Ho might be the “South Australia Medical Practice Act 2004” (“SAMPA”), which only operates in the State of South Australia. Nevertheless, there is no requirement under the SAMPA that HMOs be at least 90% owned by doctors. SAMPA does not regulate HMOs or private health insurers. Rather, it regulates the practice of medicine and the professional registration and discipline of medical practitioners in the State of South Australia and only requires a corporate or trustee medical services provider to notify the Medical Board of South Australia regarding certain corporate information such as the name and business or registered address of the corporate or trustee medical services provider and the full names and addresses of all persons who occupy a position of authority in it and does not impose any restrictions on ownership. Hence, it does not appear to have any direct application to the issues regarding HMOs raised by Dr. Ho.

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3. In fact, there is no legal requirement in Australia that any type of private health insurer, HMO or otherwise, be owned in any proportion by doctors.

In general, corporate medicine is well established in Australia. Many private corporate healthcare services providers, such as Symbion Health Limited and Healthscope Limited (which are both companies listed in the Australian Stock Exchange), have proven success in delivering high quality healthcare services to the community in Australia, even though they are not predominantly owned by doctors.

In our view, any proposal on the regulation of so called HMOs in Hong Kong should focus on the interests of the community at large. It is indisputable that patients' welfare should come first, be it in the public or private healthcare sectors. Doctors should service the public and not just pursue their sectional interests, although these should also be properly protected.

Yours sincerely,



Dr. Lincoln Chee MBBS, FRCS, FAMS, FAAO-HNS
Chief Executive Officer, Quality HealthCare Medical Services Limited
Member of BPF Healthcare Committee

- c.c. Mr. Patrick Nip, JP, Health, Welfare and Food Bureau
Dr. Gloria Tam, Department of Health
Dr. Monica Wong, Department of Health