立法會
Legislative Council

LC Paper No. CB(2)2816/07-08
(These minutes have been seen by the Administration)

Ref : CB2/PL/HS

Panel on Health Services

Minutes of special meeting
held on Saturday, 17 May 2008, at 9:00 am
in the Chamber of the Legislative Council Building

Members present	:	Hon LI Kwok-ying, MH, JP (Chairman) Dr Hon Joseph LEE Kok-long, JP (Deputy Chairman) Hon Fred LI Wah-ming, JP Hon CHAN Yuen-han, SBS, JP Dr Hon YEUNG Sum, JP Hon Andrew CHENG Kar-foo Hon Audrey EU Yuet-mee, SC, JP Hon LEUNG Kwok-hung Dr Hon KWOK Ka-ki Dr Hon Fernando CHEUNG Chiu-hung
Members attending	:	Hon LEUNG Yiu-chung Hon Emily LAU Wai-hing, JP Hon Alan LEONG Kah-kit, SC
Members absent	:	Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP Hon Vincent FANG Kang, JP
Public Officers attending	:	Item I Mr Thomas CHAN Deputy Secretary for Food and Health (Health) Projects

Attendance by invitation :

Association of Hong Kong Nursing Staff

Mr CHENG Yat-loong
Education Officer

Democratic Party

Mr WU Chi-wai
Wong Tai Sin District Council member

Hong Kong Private Hospitals Association

Dr Alan LAU
Chairman

Hong Kong Public Hospitals, Department of Health and University Doctors' Association

Dr Ben FONG
Vice-Chairman

Hong Kong Society for Nursing Education

Dr Sally CHAN
Vice-Chairperson

西貢將軍澳長者醫療關注聯盟

Ms CHEUNG Ngan-yip
Representative

Patients' Alliance on Healthcare Reform

Mr HO Yin-ming
Spokesperson

Civic Party

Mr WONG Hok-ming
District Developer

Bauhinia Foundation Research Centre

Dr Donald LI
Director

Momentum 107

Mr Raymond HO Man-kit

Justice & Peace Commission of Hong Kong Catholic Diocese

Mr CHOY Man-kit
Project Officer

Labour Right Commune

Miss Joan LEE Tsui-king
Organizer

Ms WONG Lai-fun
Member

Chinese Grey Power

Mr CHANG Biu
Committee Member

Hong Kong Christian Institute

Mr TOO Kin-wai
Acting Director

The Pharmaceutical Society of Hong Kong

Mr KWONG Yiu-sum, Benjamin
President

eHealth Consortium

Dr Winnie TANG
Chairman, Steering Committee

United Social Service Centre

Ms CHENG Lai-king
Center-in-charge

Association for the Promotion of Family Harmony

Miss Lilian YUE
Committee Member

Central and Western Democratic Power

Mr YIM Ka-wing
Member

Sham Shui Po Community Association

Mr HUI Yat-hau
Member

Hong Kong Women Workers Association

Miss WU Mei-lin
Co-ordinator

Mr MAK Kwok-fung, Michael

Hong Kong Nutrition Association

Mr TING Ho-yan
President

Hong Kong Practising Dietitians Union

Mr Darwin CHU Kwok-ho
Vice-Chairman

The Hong Kong College of Family Physicians

Dr IP Kit-kuen
College President

Hong Kong Catholic Commission for Labour Affairs

Ms LAW Pui-shan
Policy Research Officer

The Frontier

Mr Ricky OR Yiu-lam
Secretary General

Doctors' Union of United Christian Hospital

Dr James CHENG
Chairman

葵芳邨居民協會

Mr LAU Yuk-nam
Spokesperson

Neighbourhood and Worker's Service Centre

Mr WONG Yun-tat
Spokesperson

葵涌邨醫療融資關注組

Mr KEUNG Chi-fai
Spokesperson

環境衞生康樂文化人員協會

Mr WONG Wah-hing
Spokesperson

關注醫療融資行動組

Mr WONG Chun-tat
Spokesperson

香港中藥師權益總公會

Ms LI Kam-fung
Spokesperson

The Society of Hospital Pharmacists of Hong Kong

Mr SO Yiu-wah
President

Clerk in attendance : Miss Mary SO
Chief Council Secretary (2) 5

Staff in attendance : Ms Amy YU
Senior Council Secretary (2) 3

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Ms Sandy HAU
Legislative Assistant (2) 5

Ms Camy YOONG
Clerical Assistant (2)1

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I. Healthcare Reform Consultation Document

(Healthcare Reform Consultation Document entitled "Your Health, Your Life" released on 13 March 2008

Submissions - LC Paper Nos. CB(2) 1922/07-08(01), CB(2)1966/07-08(01) to (07) and CB(2)1982/07-08(01) to (06))

Views of deputations/individuals

At the invitation of the Chairman, the deputations and individuals presented their views on the Healthcare Reform Consultation Document entitled "Your Health, Your Life" (Consultation Document). A summary of the views is in **Appendix**.

Discussion

2. Ms Emily LAU invited Dr Alan LAU of the Hong Kong Private Hospitals Association to elaborate on his view on how the development and expansion of private hospital services would bring about more choices and better quality healthcare services to the community.

3. Dr Alan LAU responded that at present the public relied predominantly on the heavily subsidized public hospital system, which accounted for more than 90% of all the hospital beds and in-patient services in Hong Kong. Due to the heavy demand on public hospital services, the waiting time for such services was getting longer and longer. The public-private imbalance in the healthcare system, coupled with the lack of adequate healthy competition, also resulted in limited choice for patients. The introduction of supplementary financing arrangements such as mandatory health insurance, in tandem with measures to facilitate the expansion and development of private hospitals, would render private hospital services, which offered wider choice of services, accessible to more people. At the same time, people using public healthcare services would also benefit from the reduced service demand on the public sector. Mr LAU further said that in view of the shortcomings of private health insurance, such as inadequate coverage and exclusion of pre-existing medical conditions, mandatory private health insurance, if adopted, should be regulated to ensure that they provided adequate protection to the insured. Alternatively, consideration could be given to introducing a

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Government-run mandatory health insurance scheme.

4. Dr KWOK Ka-ki said that, as pointed out by some deputations, it was doubtful whether an ageing population was such a major cause of the rise in healthcare spending as claimed by the Administration. According to the report of the European Commission, ageing would increase healthcare spending at an average annual rate of only 0.7%, in stark contrast with the Administration's projection that public health expenditure would increase by 3.9 times between 2004 and 2033. Dr KWOK further cast doubt on the Administration's claim that its commitment to public healthcare would only be increased but not reduced. He pointed out that the proportion of expenditure on health to the total recurrent public expenditure had been dropping in the past decade. The proportion for 2008-2009 was estimated to be 14.3%, which was lower than the actual proportion of 15.3% 10 years ago. Dr KWOK further pointed out that despite the huge budget surplus in 2007-2008, the Government's funding allocation for the Hospital Authority (HA) in 2008-2009 had increased by merely $785 million, or 0.6% of the total budget surplus of 2007-2008. On the other hand, HA was facing various problems such as shortage of manpower and resources, and some hospital clusters such as the Kowloon East (KE) Cluster were particularly hard hit. Dr KWOK asked Dr James CHENG of the Doctors' Union of United Christian Hospital for an estimate of the amount of additional funding required by the KE Cluster for improving the acute shortage of public hospital services in the Cluster.

5. Dr James CHENG said that the KE Cluster was one of the clusters with the highest concentration of low-income population; yet it was one of the most seriously undersupplied clusters in terms of resources. By way of illustration, in 2006-2007, the KE Cluster, serving a population of around one million, received an allocation of some $2.7 billion. Compared with the KE Cluster, the total population of the Hong Kong West and the Hong Kong East Clusters was about 34% more (1.34 million), but their total funding allocation was about 230% more ($6.2 billion). Dr CHENG estimated that the KE Cluster needed an additional funding of some $800 million each year in order to meet its increasing service needs.

6. Dr KWOK Ka-ki expressed concern that mandatory private health insurance would create an inequitable two-tier healthcare system, whereby those who were insured would become a preferred class of customers who enjoyed more choices and better quality healthcare services in both the public and private sectors than the uninsured. Dr Fernando CHEUNG raised similar concern, saying that mandatory private health insurance would in effect end up with a three-tier system: the top tier comprising those who could afford to purchase top-up insurance in addition to the mandatory basic insurance; the second tier were those who had taken out the mandatory basic insurance, and the third tier were the uninsured who were essentially the low-income and underprivileged groups such as the elderly

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and the disabled. Dr CHEUNG was concerned that under such a system, only those with means would have quality choice in healthcare services and the standard of public healthcare would also deteriorate. Mr HO Yin-ming of the Patients' Alliance on Healthcare Reform and Miss WU Mei-lin of the Hong Kong Women Workers Association echoed similar concern. Mr HO Yin-ming further said that service users had not been adequately consulted in the formulation of healthcare policies, and urged the Administration to enhance the participation of service users in the next stage of the consultation on healthcare reform.

7. Miss CHAN Yuen-han shared the view expressed by many deputations on the importance of primary and preventive care in enhancing the health of the community and reducing healthcare costs in the long run. Miss CHAN also agreed with the view that the Administration should undertake the proposed service reforms and enhance the efficiency of the public healthcare system before introducing any supplementary healthcare financing arrangements. As regards the supplementary financing options set out in the Consultation Document, Miss CHAN was of the view that the Administration should encourage the public to take up private health insurance or open medical savings accounts on a voluntary basis by providing incentives such as tax deduction. Miss CHAN did not support mandatory schemes such as mandatory private health insurance as they would add to the financial burden of the public and in light of the fact many employees were already provided with employer-purchased medical benefits.

8. Dr Ben FONG of the Hong Kong Public Hospitals, Department of Health and University Doctors' Association concurred with Miss CHAN Yuen-han on the pivotal role of primary care, and urged the Administration to allocate more resources for improving primary care services in the local community.

9. Mr LEUNG Kwok-hung expressed objection to the supplementary financing options as he considered them to be regressive in nature, imposing proportionally a greater burden on the middle- and low-income groups than the high-income group. Mr LEUNG shared the view that the Administration should immediately release the $50 billion committed by the Financial Secretary (FS) to be drawn from the fiscal reserve to implement the proposed service reforms to improve the existing healthcare system. Mr LEUNG pointed out that the Administration was in possession of enormous fiscal reserves and had the responsibility to provide the community with equitable access to quality healthcare. Supplementary healthcare financing arrangements, if indeed needed, should target at the rich, and not the working population.

10. Dr YEUNG Sum did not support the Personal Healthcare Reserve (PHR) Scheme, which appeared to be the preferred option of the Administration, as it did not have the effect of wealth re-distribution and would create an inequitable two-tier system of healthcare services. Neither did he favour mandatory medical

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savings which did not pool health risks among the population nor voluntary private health insurance in view of its many shortcomings such as difficulty for the high-risk groups to get insured and huge increase in premium after a large claim payout. In his view, supplementary financing should be based on the following fundamental principles: (i) providing equitable access to quality healthcare to all; (ii) pooling and sharing of risks; and (iii) providing greater choice of services that tailored to the needs and preferences of individuals, irrespective of their financial circumstances. Guided by the above overriding principles, Dr YEUNG was of the view that general taxation should remain the primary funding source for healthcare services and social health insurance the secondary source. To avoid the shortcomings of private health insurance, the social health insurance scheme should be administered by the Government. Apart from injecting the $50 billion pledged by FS into the social health insurance fund as a start-up capital, a certain percentage of the investment income from the Exchange Fund should also be apportioned to the fund on a regular basis to ensure that the contribution rate under the scheme was kept at an affordable level.

11. Mr WU Chi-wai of the Democratic Party criticized the supplementary financing options as imposing the main thrust of the financial burden on the middle class. Mr WU shared Dr YEUNG Sum's views that healthcare reforms should be in line with the fundamental principles of wealth re-distribution and enhancing patients' choice. Mr WU further said that private health insurance was not the only way to channel service demand to the private sector. The Administration could also achieve such by purchasing services from the private sector and subsidizing primary care services through vouchers.

12. Ms Audrey EU said that the proposed service reforms should be implemented expeditiously in the light of the general consensus in the community on the need to take them forward. Ms EU further pointed out that healthcare service reform was nothing new. It had been discussed for more than 10 years, and yet it seemed that nothing much had been achieved so far. She sought the deputations' views on the reasons for such.

13. Dr James CHENG of the Doctors' Union of United Christian Hospital said that the main reason for the deteriorating quality and level of public healthcare services was the lack of funding of HA.

14. Dr Ben FONG said that HA had been expanding rapidly since it was established in 1991. The number of HA staff had grown from some 30 000 to over 50 000, and the number of management positions had also increased significantly. Dr FONG considered that there was an urgent need to review the management structure and operation of HA to ensure that public funding on healthcare was being utilized efficiently and cost-effectively.

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15. Mr Benjamin KWONG of the Pharmaceutical Society of Hong Kong stressed that the Administration should legislate to tighten regulation on the private healthcare sector to enhance the quality of private healthcare services. Mr KWONG further said that to enhance the efficiency of the public healthcare system, the Administration should tackle the problem of uneven allocation of resources among hospital clusters and ensure that practices proven to be efficient and cost-effective were being adopted across-the-board by all hospital clusters.

16. Dr Joseph LEE said that all the past consultation papers on healthcare reform issued by the Administration had stressed the importance of preventive care in enhancing the health of the population and lowering the overall disease burden of the community. However, the fact remained that in terms of funding allocation, only about 15% of the total government funding on healthcare was allocated for disease prevention and preventive healthcare services, while the remaining 85% for curative care. For the current consultation exercise, enhancement of primary and preventive care was once again on the reform agenda, but emphasis was laid on family doctors and no mention was made on the role of different allied health professionals in strengthening primary and preventive care. Dr LEE invited the deputations' views on the proposal of enhancing primary care set out in the Consultation Document.

17. Dr Sally CHAN of the Hong Kong Society for Nursing Education said that injecting more resources and increasing the supply of healthcare professionals were key to the successful implementation of the proposal on strengthening primary care. Dr CHAN further said that the Administration should formulate a comprehensive health policy encompassing not only primary and preventive health services, but also other areas vital for the health and well being of the community such as work-life balance, food safety, environmental hygiene and air quality.

18. Mr Benjamin KWONG echoed the view that primary healthcare was only one of the key elements in enhancing the health of the community. More importantly, the Administration should formulate an all-encompassing health policy and incorporate health education into the core school curriculum. Mr KWONG further said that to enhance primary healthcare services, the Administration should strengthen the training of medical graduates on family medicine and legislate to provide for the professional recognition of allied health professionals.

19. Ms LI Kam-fung of 香港中藥師權益總公會 said that the Administration had been discriminatory to the development of Chinese medicine, as reflected in its unfair resources allocation. Little resources had been allocated for the Chinese medicine sector, and there was no Chinese medicine hospital. Ms LI stressed that any healthcare reform proposals, including those on supplementary financing, must give due recognition to the role of Chinese medicine practitioners

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in the healthcare system.

20. Mr Alan LEONG said that currently for every $100 spent on healthcare, $55 came from the public coffers while $45 the private purse. Given the high share paid by private finance, the Administration must make out a strong case to require the public to fork out even more. The public was told by the Administration that they need to contribute more to sustain the healthcare system, but they were not told to where their contributions would go. Neither had the public been given any details on how the annual allocation of some $30 billion to HA was spent. The lack of such vital information in the Consultation Document made it difficult for in-depth discussions to be conducted on healthcare reform and supplementary financing. Mr LEONG further said that it would be an oversimplification to say that when the population aged, money spent on healthcare would increase substantially. Both the Organisation for Economic Co-operation and Development (OECD) and the European Commission had statistics and projections which showed that increase in public healthcare expenditure due to ageing was only in the region of 0.4% to 0.7% per annum. Moreover, advancement in technology could reduce cost of treatment, thus cutting back on overall medical expenditure. In order to demonstrate its vision and conviction to deliver better healthcare services for the people, the Administration should be prepared to immediately implement the service reforms without supplementary financing. The Administration should also provide enough information to convince the public that the current funding allocation on public healthcare was spent efficiently without any wastage to facilitate meaningful discussion in the next stage of the consultation.

Administration's response

21. Deputy Secretary for Food and Health (Health) Projects (DSFH(H)Projects) thanked the deputations and members for their views. In response to the comment made by some deputations and members on the lack of details in the Consultation Document, DSFH(H)Projects explained that as healthcare reform was a highly complex issue involving many different aspirations, values and decisions of society, a two-stage consultation approach was adopted to engage the public in taking forward the reform. In the first stage, the Administration intended to kick-start discussions by consulting the public on the concepts of the healthcare service reforms as well as the pros and cons of the various supplementary options. The Administration had so far already attended more than 100 forums organized by different sectors, and would attend some forty more such forums to listen to the views of the public on the Consultation Document. On the basis of the views received during the first-stage consultation, the Administration would formulate detailed proposals, including those on supplementary financing arrangements, to further seek the views of the public in the second stage of the consultation.

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22. In respect of the proposals on service reforms, DSFH(H)Projects said that the Administration noted that the community was generally supportive of the initiatives and would actively take them forward. In fact, preparation work for some of the service reform proposals had already started. For instance, various pilot projects for enhancing primary care and promoting public-private partnership in healthcare, such as purchase of primary care services from the private sector in Tin Shui Wai, introduction of primary care vouchers for the elderly, and subsidizing patients to receive cataract surgeries in the private sector were underway. Subject to the effectiveness of these pilot programmes, consideration would be given to extending their scope. DSFH(H)Projects further said that the Chief Executive (CE) had pledged to increase government expenditure on healthcare from 15% to 17% of recurrent expenditure. It was estimated that by 2011-2012, the actual amount of annual recurrent health expenditure would increase by about $10 billion. These additional resources would be used to conduct preparatory work for healthcare service reforms as well as to cope with the growth in service needs in the coming few years. Notwithstanding the increase, the issue of the long-term sustainability of financing for healthcare would still need to be addressed due to the ageing population and rising medical costs.

23. Responding to the view raised by some members and deputations that the Administration's proposal on enhancing primary care had not laid sufficient emphasis on preventive care, DSFH(H)Projects said that this was not the case. As stated in the Consultation Document, the Administration was well aware that primary care was not just about the curing of episodic illnesses and greater emphasis should be put on preventive care and the promotion and protection of health through life-long, comprehensive and holistic healthcare. To this end, various proposals had been put forward to promote comprehensive primary care especially preventive care. First, it was proposed that basic models of primary care services, with emphasis on preventive care, for different age/gender groups would be developed to provide the public as well as the healthcare professions with a reference on what a comprehensive range of primary care services should cover. The Administration fully appreciated the important role of different healthcare professions in enhancing primary care, which would be taken into account when formulating the basic models for primary care services. Through developing and promoting basic models among the public and healthcare providers, coupled with other reforms to the service delivery model for primary care, the Administration hoped to bring about a paradigm shift that would put a much greater emphasis on preventive care. Second, given that family doctors were usually the first point of contact of individuals within the primary care system, the Administration had proposed to establish a family doctor register to facilitate individuals in choosing their primary care providers. Third, the Government was prepared to consider providing subsidies for individuals to receive preventive care to encourage the provision and uptake of preventive care.

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DSFH(H)Projects further said to take forward implementation of the proposals on enhancing primary care, a working group would be set up after the first-stage consultation to further develop and map out details of the relevant proposals with the involvement of the medical professions in the public and private sectors as well as other relevant professions and stakeholders.

24. In response to the query raised by some members and deputations on the accuracy of the projections on future healthcare expenditure contained in the Consultation Document, DSFH(H)Projects said that ageing population and rising medical costs were major challenges faced by all economically advanced countries, and Hong Kong was no exception. It was projected that over the period of 2004 to 2033, ageing population and rising medical costs would rise on an average of 1.2% and 1.0% respectively per year faster than the real growth of the economy, meaning that in aggregate public health expenditure would increase at an annualized rate of 2.2% over and above real GDP. DSFH(H)Projects further pointed out that such a trend was evident both locally and in many other advanced economies. A 2006 review showed that public health expenditures of OECD countries generally grew 1% per annum faster than income over the past two decades. In Hong Kong, the average annual real growth in public healthcare expenditure (8.9%) had outstripped that of economic growth (4.2%) by 4.7% during the period between 1990 and 2004. DSFH(H)Projects further said that while it was recognized that enhancement in primary care should go some way towards dampening the growth rate of healthcare expenditure, the trend remained that healthcare expenditure would grow faster than the economy and there was a need to embark on fundamental reforms to both service delivery and financing arrangements of the healthcare system in a comprehensive manner to ensure the long term sustainability of the healthcare system.

25. DSFH(H)Projects stressed that the Administration was open-minded on the supplementary financing arrangements to be adopted and was willing to consider other supplementary financing options, in addition to those set out in the Consultation Document. DSFH(H)Projects further said that irrespective of the supplementary financing arrangements to be introduced, the Government would continue to be the major financing source for healthcare and would uphold its long-established public healthcare policy that no one would be denied adequate healthcare through lack of means.

26. There being no other business, the meeting ended at 12:55 pm.

Council Business Division 2
Legislative Council Secretariat
25 September 2008

Appendix

Panel on Health Services

Summary of views given by deputations/individuals on the Healthcare Reform Consultation Document entitled "Your Health, Your Life" at the special meeting on 17 May 2008

Organization/individual [LC Paper No. of submission]	Views
Association of Hong Kong Nursing Staff LC Paper No. CB(2)1966/07-08(01)	• In its proposal on enhancing primary care, the Administration lays emphasis only on family doctors and has failed to mention the important role of other primary healthcare professionals, such as nurses, physiotherapists, chiropractors and pharmacists, in improving primary care services. • Expresses concern that the Personal Healthcare Reserve (PHR) option will create a two-tier system under which the insured and the uninsured patients will receive different quality of healthcare services.
Democratic Party LC Paper No. CB(2)1982/07-08(01)	• General taxation should remain as the primary funding source for public healthcare services. The supplementary financing option to be adopted should be in line with the following principles - (a) providing the community with equitable access to the same standard of healthcare services; (b) pooling and sharing of risk; (c) the rich pays more, and the poor pays less; and (d) providing all patients, irrespective of their means, with wider choice of healthcare services.

Organization/individual [LC Paper No. of submission]	Views
	• No matter which supplementary financing option is to be adopted, the Administration should impose tighter regulation on private health insurers and service providers, and cap the total amount of supplementary financing to be contributed by the public each year. • Proposes using the $50 billion committed by the Financial Secretary (FS) to be drawn from the fiscal reserve to set up a healthcare reserve fund. Half of the annual investment income of the Exchange Fund should be injected into the reserve fund to provide a stable source of income for financing healthcare services. Such a fund will also provide a cushion against future increases in the amount of contribution required to be made by the public to supplementary financing. • The Administration should enhance the participation of representatives of patient organizations and elected representatives of the public in formulating proposals for the next stage of the consultation.
Hong Kong Private Hospitals Association	• With over 90% of the hospital services being provided by the public sector, resources in the public sector are stretched to the limit and cannot meet the demand in time. The private sector is eager to expand its hospital services to relieve the heavy demand on the public sector. The Administration should formulate concrete support measures to assist the expansion and development of private hospital services. • If mandatory health insurance is to be adopted as a source of supplementary financing, the insurance scheme should be run by the Government so as to allay the public's misgivings about private insurers.
Hong Kong Public Hospitals, Department of Health and University Doctors' Association	• Supports the proposal on enhancing primary care. • The Administration has not made out a strong case for the introduction of supplementary

Organization/individual [LC Paper No. of submission]	Views
	financing, considering that Hong Kong's public healthcare expenditure as a share of its Gross Domestic Product (GDP) is low compared to other developed countries, and that currently about half of the total healthcare expenses already come from the private purse. ● Supports the supplementary financing option of encouraging the public to take out private health insurance on a voluntary basis by offering incentives like tax deduction. ● Mandatory private health insurance has the tendency to encourage overuse of healthcare services.
Hong Kong Society for Nursing Education	● Supports the service reform proposals on enhancing primary care, developing a territory-wide electronic health record sharing system and strengthening public healthcare safety net. ● The Administration's proposal on enhancing primary care focuses on the role of family doctors and has not given due recognition to the important role played by other primary healthcare providers such as nurses. ● It is important to ensure that there is adequate supply of healthcare professionals to meet the increasing future demand. In view of the acute shortage of nurses, the Administration should increase the number of places in nursing programmes funded by the University Grants Committee.
西貢將軍澳長者醫療關注聯盟	● The Administration should not cap its healthcare expenditure. In formulating its healthcare reform proposals, the Administration should have regard to the needs of the underprivileged groups such as the elderly, and should not reduce its commitment to healthcare services for the underprivileged.

Organization/individual [LC Paper No. of submission]	Views
	• The Administration should expeditiously address the problem of long waiting time for public specialist services and improve dental services for the elderly.
Patients' Alliance on Healthcare Reform LC Paper No. CB(2)1966/07-08(02)	• The Consultation Document lacks information on how the Government will spend the funds generated from supplementary healthcare financing. There is also a lack of clear directions and concrete targets for the healthcare reform. • Recommends that - (a) the service reforms proposed in the Consultation Document should be implemented immediately to improve the shortcomings in the present healthcare system; (b) the increasing healthcare expenditure should be met by (a) adjusting tax rates and tax bands with a view to achieving wealth re-distribution and (b) setting up a healthcare reserve fund, with a certain portion of any annual budget surplus to be allocated to the reserve fund; (c) a personal limit on medical expenses for individual patients (10% of annual income) should be introduced as part of the safety net mechanism; and (d) the representation of patient organizations in the consultation machinery on healthcare reform should be enhanced.
Civic Party	• The Consultation Document lacks vital information for meaningful discussion. For instance, it does not have information on where the funds generated from any supplementary healthcare financing scheme will go, and whether the current funding on public healthcare has been spent in a cost-effective manner. The six supplementary financing options also lack details. The Administration has yet to make out a strong case on why supplementary financing is needed.

Organization/individual [LC Paper No. of submission]	Views
	• It is an oversimplification for the Administration to say that an ageing population will invariably bring about substantial increase in healthcare expenditure. Statistics from the Organisation for Economic Co-operation and Development and the European Commission show that increase in healthcare expenditure due to ageing is only in the region of 0.4% to 0.7% per annum. Also, advancement in medical technology can reduce cost of treatment, thus cutting back on overall healthcare expenditure.
Bauhinia Foundation Research Centre LC Paper No. CB(2)1966/07-08(03)	• The Consultation Document lacks specific health targets as well as clear directions and strategies on how to achieve such. Details on the six supplementary healthcare financing options are also missing. Further details are needed to facilitate informed deliberations at the community level. • Supports the need to strengthen primary care which should not be limited to the role of medical doctors, but should also involve other primary healthcare professionals. There seems to be a lack of plans in manpower planning for enhancing primary care. • Supports the proposals on promoting public-private partnership in healthcare and strengthening public healthcare safety net. • Strongly supports the proposal to develop the electronic health record sharing system to promote better integration of different healthcare services for the benefit of individual patients.
Momentum 107	• The need for supplementary healthcare financing is premised on the narrow assumption that the proportion of elders in the population will increase significantly by 2033 and that the elderly population will have much greater healthcare needs. However, this assumption may prove to be wrong as the demographic structure of a place can be changed through immigration policies and other means.

Organization/individual [LC Paper No. of submission]	Views
	• Objects to supplementary financing arrangements involving mandatory private health insurance as it provides incentives for overuse of healthcare services, and imposes an additional financial burden on the working population who are already required to contribute to the Mandatory Provident Fund Scheme. Concern is also raised about rising insurance premium.
Justice & Peace Commission of Hong Kong Catholic Diocese LC Paper No. CB(2)1966/07-08(04)	• Queries the need for supplementary financing for healthcare services. Hong Kong's public healthcare expenditure, either as a share of GDP or of total government expenditure, is low compared to other developed countries and the Government should be able to meet future healthcare expenditure without introducing supplementary financing. The accuracy of the Administration's projections on future healthcare expenditure is also doubtful. • Should supplementary financing arrangements be introduced, such arrangements should be in line with the principle of wealth-redistribution and ensure adequate protection for the underprivileged groups such as the low-income and chronic patients. • The Administration should immediately implement the service reform proposals irrespective of the outcome of the discussions on supplementary financing. • The consultation period should be extended for three months to allow more time for the public to obtain a better understanding of the service reform proposals and supplementary financing options set out in the Consultation Document.
Labour Right Commune LC Paper No. CB(2)1982/07-08(02) Chinese Grey Power	• It is incumbent upon the Administration to ensure equitable access to quality healthcare by all. The Government is trying to shift its responsibility for providing healthcare services by introducing supplementary healthcare financing.

Organization/individual [LC Paper No. of submission]	Views
LC Paper No. CB(2)1966/07-08(05)	• Transparency in the operation of HA should be enhanced by establishing a mechanism for the public to monitor the efficiency of HA in using its annual funding allocation. • Expresses concern that some of the supplementary financing options, such as mandatory private health insurance and PHR scheme, will create an unfair system whereby the uninsured, such as the low-income and the elderly, will get lower quality healthcare services than the insured.
Hong Kong Christian Institute LC Paper No. CB(2)1982/07-08(03)	• Instead of focusing on future increase in the costs for medical treatment and the need for supplementary financing, the Administration should critically review the cost-effectiveness and efficiency of HA, as well as the allocation of resources in the existing healthcare system with a view to laying more emphasis on primary and preventive care which can help reduce health cost in the long-term. • Criticizes the Administration for using a scare tactic to make the public contribute money to supplementary financing, by stressing in the Consultation Document that if nothing is done to the existing healthcare financing arrangements, the Government will have to raise tax substantially or reduce funding for other public services. • The Administration should withdraw the Consultation Document and further consult the public on the scope and mode of consultation before re-launching the consultation on healthcare reform.
The Pharmaceutical Society of Hong Kong LC Paper No. CB(2)1982/07-08(04)	• The public is asked to contribute to supplementary financing without knowing what they will get in return. The Consultation lacks information on future service delivery model, quality assurance mechanism and healthcare manpower planning.

Organization/individual [LC Paper No. of submission]	Views
	• The Consultation Document focuses on curative care and does not put sufficient emphasis on preventive care. The Administration should formulate a comprehensive health policy to guide the development of the healthcare system and the finance it incurs. • The middle class will be the biggest loser if supplementary financing is introduced.
eHealth Consortium	• The development of a territory-wide electronic health record sharing system is fundamental to the enhancement of primary care as well as development of public-private partnership in provision of healthcare services. • Urges the Government to promote and assist the development of electronic health record system in the private sector, for instance, by providing advice on information security, legal implications and technical standards, etc.
United Social Service Centre	• Expresses reservations about the supplementary financing options involving private health insurance, in view of the administrative costs involved and that underprivileged groups (such as the disabled and the low-income) and chronic patients may not be able to participate in such schemes. • General taxation should be the primary source for meeting healthcare expenses.
Association for the Promotion of Family Harmony	• Objects to the six supplementary financing options for the following reasons - (a) they fail to realize the principle of wealth-redistribution, i.e. requiring those with higher income to pay more for healthcare subsidizing those with lower income; (b) they impose a heavy financial burden on the middle class;

Organization/individual [LC Paper No. of submission]	Views
	(c) options such as voluntary and mandatory private health insurance and medical savings may encourage overuse of healthcare services; and (d) the out-of-pocket payments option will render medical fees unaffordable for those with income above the safety net level. ● Criticizes the Administration for waiving the hotel accommodation tax and the exemption of duties on wine, beer and all other alcoholic beverages in the 2008-2009 Budget on the one hand and asking the public to contribute to public financing on the other.
Central and Western Democratic Power	● The Administration should expeditiously implement the proposed service reforms to improve the shortcomings and efficiency of the present healthcare system before discussing supplementary financing. ● It is the responsibility of the Government to provide quality healthcare for the whole community, and the Administration should not shirk its responsibility for resolving the healthcare financing problem to the middle class. ● Does not favour any of the six supplementary financing options. Proposes to meet future healthcare expenditure by setting up a government-funded healthcare reserve fund (for instance, by injecting a certain portion of any budget surplus and investment income of the Exchange Fund into the reserve fund).
Sham Shui Po Community Association	● Objects to the six supplementary financing options, which are only means through which the Administration tries to shirk its responsibility for funding healthcare services. ● Expresses reservation about the shortcomings of private health insurance (e.g. exclusion of pre-existing medical conditions, difficulty for the elderly to get insured, and disputes between insurers and insurees over the exact coverage and the exclusion of the insurance).

Organization/individual [LC Paper No. of submission]	Views
	• The Administration should raise the profits tax rate to generate more revenue for healthcare expenditure.
Hong Kong Women Workers Association LC Paper No. CB(2)1982/07-08(05)	• The Consultation Document fails to address the problem of lack of community support for carers of patients, who are predominantly women, and to provide information on how HA spends its funding allocation, the latter of which is essential for monitoring the cost-effectiveness and efficiency of HA. There is also a lack of emphasis on the importance of wealth re-distribution which should be the overriding principle in considering the financing arrangements. • Does not favour any of the six supplementary financing options. Private insurers operate for profit and the public will not be provided with adequate healthcare protection under private health insurance. In addition, contributory financing schemes will increase the financial burden of the public. • Supports maintaining the current system whereby healthcare expenditure is funded by tax revenue, as it is the best means to achieve wealth re-distribution. Where necessary, the Administration should increase funding allocation for healthcare services. • The Administration should immediately release the $50 billion committed by FS to implement the proposed service reforms.
Mr MAK Kwok-fung, Michael LC Paper No. CB(2)1922/07-08(01)	• Instead of expending its efforts on supplementary financing, the Administration should focus on enhancing primary care which can reduce the need for expensive, specialist-led hospital care, thereby reducing health cost, increasing efficiency of the healthcare system, and enhancing the health and well-being of the community. The $50 billion committed by FS should be used for strengthening primary care.

Organization/individual [LC Paper No. of submission]	Views
	• Objects to the six supplementary financing options. Social health insurance will add to the financial burden of the working population. Out-of-pocket payments may make medical fees unaffordable for those with income above the safety net level. The medical savings account, mandatory private health insurance and the PHR options may encourage tendency to overuse healthcare. Under a voluntary private insurance scheme, if the insured pool is small, the coverage of the insurance scheme will be reduced and it will be difficult for high-risk groups to get insured.
Hong Kong Nutrition Association	• Expresses preference for the PHR option among the six options. • Irrespective of the financing option to be adopted, the Administration must ensure that the grassroots have equitable access to quality healthcare services. • Enhancing the provision of preventive care, which is an essential gateway for healthcare, involves the participation of different healthcare professionals, dietitians being one of them. In reforming the healthcare system, the Administration should ensure a reasonable and equitable allocation of resources to different healthcare professionals. • Urges the Administration to legislate on the registration of dietitians.
Hong Kong Practising Dietitians Union LC Paper No. CB(2)1966/07-08(06)	• The Consultation Document focuses on supplementary financing and there is insufficient emphasis on primary care. • Primary care involves not only family doctors, but also other allied health professionals such as dietitians. There is a need to strengthen the role of other health professionals in the provision of primary care.

Organization/individual [LC Paper No. of submission]	Views
	• The Administration should establish a registration system for allied health professionals such as dietitians and clinical psychologists to safeguard consumers and enhance the public's confidence on services provided by allied health professionals.
The Hong Kong College of Family Physicians	• Welcomes the proposals on enhancement of primary care and promotion of the family doctor concept. • A family doctor-led primary care system can only be developed and enhanced through stringent assessments and regular audits of clinical practice, and adequate training to new medical graduate as well as primary care doctors serving in the community. • A primary care policy should be developed to provide an appropriate framework for primary care development.
Hong Kong Catholic Commission for Labour Affairs LC Paper No. CB(2)1966/07-08(07)	• The pressing task of the moment is to reform the deficiencies of the current healthcare system, such as the inefficient cost structure of HA, high costs of new innovative drugs and the lack of emphasis on primary and preventive care, which are major factors for the escalation of healthcare costs, rather than introducing supplementary healthcare financing arrangements. • The Administration should formulate comprehensive measures to enhance the health of the community, e.g. enhancing primary care education, strengthening enforcement against smoking offences and legislating on maximum working hours to foster work-life balance, etc. • Public healthcare should continue to be funded primarily by tax revenue, which is an administratively simple and efficient arrangement. The Administration should meet the rising healthcare costs by reforming the tax system on a progressive basis, for instance by

Organization/individual [LC Paper No. of submission]	Views
	increasing the profit tax rate. ● Any supplementary financing arrangements, if indeed necessary, should be based on the principles of "the rich pays more and the poor pays less" and wealth re-distribution. Moreover, the Government and employers should also play a part in making contributions to supplementary financing.
The Frontier	● There is a pressing need to review the present healthcare system to improve its shortcomings and efficiency in order to prevent the further deterioration of the quality of public healthcare services. The Administration should not bundle the proposals on service reforms with those on supplementary financing. ● The Consultation Document fails to provide details on the objectives of and vision for the long-term development of healthcare services in Hong Kong. ● The projections on future healthcare expenditure set out in the Consultation Document appear too pessimistic and biased.
Doctors' Union of United Christian Hospital	● Some hospital clusters, such as the Kowloon East Cluster, are suffering from an acute shortage of resources and the Administration should tackle the problem expeditiously. ● The $50 billion pledged by FS should be used for setting up a healthcare reserve fund, the investment return on which can provide a stable and sustainable funding source for healthcare services.
葵芳邨居民協會	● Does not favour any of the six supplementary financing options. The current system whereby public healthcare is funded by tax revenue should be maintained.

Organization/individual [LC Paper No. of submission]	Views
	• The contributory supplementary financing schemes will create a two-tier system under which the insured will get better quality services than the uninsured, who will essentially be the non-working population, such as housewives and the elderly, and the low-income groups. This will adversely affect the harmony of the society. • A review should be conducted on the operation of HA to increase its cost-effectiveness and efficiency.
Neighbourhood and Worker's Service Centre	• It is the responsibility of the Administration to improve the present healthcare system, for instance, by increasing the supply of healthcare professionals and the allocation of resources to regions with rapidly growing population. The Administration should not shift the burden of resolving the financing of healthcare to the public through the introduction of supplementary financing. • Considers that the Administration has grossly overstated the projections on future healthcare expenditure and strongly objects to the six supplementary financing options. • The Administration should introduce minimum wage and maximum working hours to enhance the health and well being of the working population.
葵涌邨醫療融資關注組	• Supports maintaining the current system under which public healthcare is funded solely by the Government as it is a well-tried, and efficient system. • To augment the current healthcare financing system by setting up a healthcare reserve fund with the $50 billion committed by FS. A portion of the annual budget surplus, if any, should be injected into the reserve fund. • The cost-effectiveness and efficiency of HA should be reviewed.

Organization/individual [LC Paper No. of submission]	Views
環境衞生康樂文化人員協會	● While the Consultation Document is entitled "Your Health, Your Life", it does not contain any comprehensive policy or proposals on enhancing the health of the community. The Government should put more emphasis on preventive care and cultivate a culture of physical fitness, good nutrition, and healthy lifestyle, for instance, by legislating on maximum working hours and minimum wage to improve the quality of life of the working population.
關注醫療融資行動組	● The crux of the problems with the existing healthcare system lies in the allocation of resources in the public sector, under which a considerable portion of the allocation to HA is spent on remuneration to HA management and senior doctors, whereas only a small percentage is used in areas that directly benefit patients such as medicines and medical supplies and equipment. The priority task should be to review and improve the existing healthcare system, rather than asking the public to contribute more money to supplementary financing. Strongly objects to the supplementary financing options set out in the Consultation Document.
香港中藥師權益總公會 LC Paper No. CB(2)1982/07-08(06)	● The Department of Health has all along adopted a discriminatory policy against Chinese medicine practitioners (CMPs), as evidenced by the following, among others: (a) almost all of the annual government funding for healthcare is allocated to the western medicine sector; (b) there is no Chinese medicine hospital in Hong Kong; (c) private health insurance schemes normally cover more claims for visits to western medicine doctors than CMPs; (d) there is a huge disparity in pay between graduates in western medicine and Chinese medicine; (e) CMPs are not represented in the Legislative Council; (f) CMPs cannot refer patients to the specialist outpatient/hospital services under HA; and (g) the registration system for CMPs makes it difficult for listed CMPs to become registered CMPs. ● In the light of the above, the union considers it unfair and premature to take forward the healthcare reforms including those on supplementary financing at the present stage, as to do so will impair the right of the public to consult CMPs.

Organization/individual [LC Paper No. of submission]	Views
The Society of Hospital Pharmacists of Hong Kong	• Primary care should not and cannot be limited to the participation of family doctors as set out in the Consultation Document. Adopting a multidisciplinary approach involving the participation of other allied health professionals such as nurses, pharmacists and dietitians is crucial to enhancing the quality and cost-effectiveness of primary care. • Community pharmacists can play a significant role in enhancing primary care. For instance, they can help to follow-up on stable chronic patients, thus relieving the pressure on specialist outpatient clinics. They can also play a vital role in monitoring drug management in residential care homes for the elderly.

Council Business Division 2
Legislative Council Secretariat
25 September 2008