

**For information  
on 14 April 2008**

**Legislative Council Panel on Health Services  
Elderly Health Care Voucher Pilot Scheme**

**PURPOSE**

This paper briefs Members on the arrangements for implementing the Elderly Health Care Voucher Pilot Scheme (the Scheme).

**BACKGROUND**

2. As announced by the Chief Executive in the 2007-08 Policy Address, the Administration will launch the Scheme in the 2008-09 financial year for three years to provide five health care vouchers of \$50 each to elders aged 70 or above annually to partially subsidise their use of private primary care services.

3. The Scheme aims at providing additional choices for elders on top of the existing public primary care services with a view to enhancing the primary care services for the elders. The Scheme would implement the “money follows patient” concept on a trial basis, enabling elders to choose their own private primary care services in their local communities that suit their needs most, thereby piloting a new model for subsidised primary care services in the future. By providing partial subsidy, the Scheme serves to promote the concept of shared responsibility for health care among patients and ensure appropriate use of healthcare services through co-payment.

4. The existing public healthcare services available to the elders will not be reduced as a result of the introduction of the Scheme. Elders may still access public healthcare services as necessary. However, we expect that with the implementation of the Scheme, some elders will choose their own private primary care services close to their homes. As a result, they can have better access to care and a continuity of care from their chosen providers, thus reducing their reliance on public healthcare services and other members of the public who are in need of public primary care services will be benefited indirectly.

5. Subject to the approval of funding for the Scheme by the Legislative Council Finance Committee in June this year, we plan to implement the Scheme for three years, starting from the first quarter of 2009 to the fourth quarter of 2011.

## **Scheme Details**

### **Elders eligible to participate in the Scheme**

6. All elders who aged 70 or above and hold a Hong Kong Identity Card (HKID) during the implementation period of the Scheme will be provided with five health care vouchers of \$50 each annually for using services provided by healthcare providers participating in the Scheme. Those who reach the age of 70 during the implementation period of the Scheme will also be provided with health care vouchers from the year in which they have reached the age of 70. (For example, if an elder has his birthday in December 2009, he will be provided with health care vouchers in January 2009.)

### **Healthcare providers eligible to participate in the Scheme**

7. The following healthcare professionals who are registered in Hong Kong are eligible to participate in the Scheme: Western medical practitioners, Chinese medicine practitioners, dentists, chiropractors, nurses and enrolled nurses, physiotherapists, occupational therapists, radiographers and medical laboratory technologists. Healthcare providers who wish to participate in the Scheme should register with the Department of Health (DH) in advance. DH will issue them with the Scheme logo to be displayed outside their practices for identification. They will also be issued with a username, a personal password and a security token for accessing the electronic health care voucher system (the System) (see paragraphs 10 to 12 below).

### **Restrictions on the use of health care vouchers by elders**

8. Health care vouchers can be used for services provided by Western medical practitioners, Chinese medicine practitioners, dentists, chiropractors, and allied health professionals and for laboratory test services in the private sector (the use of services provided by allied health professionals and laboratory test services is subject to the current referral arrangement). They can also be

used for preventive care and curative services. However, they cannot be used for the purchase of drugs at pharmacies or other medical items. Neither can they be used to pay for subsidised public healthcare services, including those publicly subsidized healthcare services purchased from the private sector (such as the primary care services proposed to be purchased by the Hospital Authority (HA) from the private sector in Tin Shui Wai under a pilot scheme).

9. Health care vouchers are valid within the three-year implementation period of the Scheme, and vouchers unused each year may be retained for use in the following year or the third year of the Scheme, but no advance of vouchers which are yet to be issued is allowed. Since vouchers are meant to provide partial subsidy with a view to encouraging appropriate use of primary care services by elders, and in general elders need such services a few times a year, we therefore encourage them to use one voucher each time as far as possible, so that they can receive services several times a year and establish a long-term healthcare relationship with healthcare personnel for better health protection. At this stage, the Administration has no plan to impose a limit on the number of vouchers that can be used each time, but will further review the matter in the light of actual operation.

#### **Methods to issue and use health care vouchers**

10. Health care vouchers will be issued and used through the System. They will not be issued in paper form separately. Elders do not have to pre-register or collect the vouchers. When elders want to use the vouchers, they just need to show their HKIDs and undergo a simple registration process at the practices of any participating healthcare providers. Elders will then be provided with and can use the vouchers through the providers. Participating providers will input the personal particulars of the elders (such as name, HKID number and date of birth) into the System for registering and opening personal health care voucher accounts for those who use their vouchers for the first time. The vouchers for which the elders are eligible during the implementation period of the Scheme will be issued and deposited in their personal health care voucher accounts.

11. Elders can use the health care vouchers in their accounts through any participating providers after their voucher accounts have been opened. Before providers are allowed to deduct vouchers from the elders' accounts, the System

will make sure that there is sufficient voucher balance in the accounts. Prior to any voucher deduction, providers have to obtain consent forms signed by the elders on the number of vouchers to be deducted. Providers are required to keep the consent forms for random checking and verification by the Administration. Upon deduction of vouchers from the elders' accounts, providers need to input some basic information (e.g. the reasons for the elders to seek consultation and the healthcare services they have received) into the System for random checking and verification and for conducting of reviews of the Scheme in future by the Administration.

12. The Administration will provide participating providers with support, including the provision of different means for accessing the System, such as the use of computers, personal digital assistants, mobile phones, fixed-line telephones, etc. (Owing to technical constraints, phones without the function to access the internet can only be used for lodging a claim for using health care vouchers for elders who already have voucher accounts).

#### **Arrangement for reimbursement for health care vouchers**

13. After the end of each month, participating providers can access the System for their monthly statements which contain details of the amount of reimbursement for health care vouchers payable to them. The reimbursement will be paid directly into the accounts designated by the providers each month.

#### **Publicity on how to use health care vouchers**

14. We will widely publicise the details of the Scheme and how to use the vouchers prior to the launching of the Scheme. We will set up a website, and will produce television announcements of public interest, VCDs, posters, pamphlets, etc. We will also proactively liaise with organisations providing elderly services and District Councils to brief them on the arrangements, including information on how to use the vouchers, and to enquire about the utilisation of vouchers. We propose that a standardised logo be designed and displayed outside the practices to enable elders to identify the participating providers.

15. We also plan to register healthcare providers who wish to participate in the Scheme starting from the third quarter of this year and hold briefing sessions on the detailed arrangements of the Scheme.

## SERVICE MONITORING

16. As the Scheme involves the use of public funds, we will take measures to ensure that the health care vouchers are used by eligible elders only and are actually used for healthcare services in compliance with the requirements. Participating providers have to check the HKID of elders who request to use the vouchers for the purpose of identity verification and eligibility confirmation. With the information of elders inputted by providers into the System, voucher accounts will be opened in the System for the elders concerned and vouchers used will be deducted from the accounts. DH will also validate the information of elders inputted into the System by providers with the Registration of Persons records kept by the Immigration Department<sup>1</sup> where necessary to further ensure that only eligible elders are entitled to have health care voucher accounts and to prevent fraud.

17. As mentioned in paragraph 10 above, providers also have to obtain consent forms signed by the elders before deducting vouchers from their accounts. Upon deduction of vouchers, providers also need to input some basic information on the healthcare services provided. DH will conduct random inspections on the providers and conduct investigations on complaints or suspected cases, such as checking the consent forms signed by the elders concerned and relevant information. This is to ensure that consent of the elders concerned have been obtained when providers lodge a claim for the vouchers; and investigate whether the providers concerned have provided the elders concerned with healthcare services and complied with the requirements for the use of the vouchers. The System will also be designed with corresponding functions to prompt alert messages when any individual irregularity in the use of vouchers is detected to facilitate the carrying out of follow-up actions and random checks.

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<sup>1</sup> The Administration will consult the Privacy Commissioner for Personal Data on the proposed validation procedure, and will obtain the consent of the elders concerned before conducting the validation.

18. We will conduct a review of the Scheme upon completion of the three-year pilot period. The review will cover the utilisation rate of health care vouchers, the types of healthcare services used by elders with the subsidy of vouchers, the operational cost and arrangements of the Scheme, and the use of public healthcare services by the elders after the implementation of the Scheme. We will also review the Scheme in the interim to fine-tune the Scheme in light of operational experience.

## THE SYSTEM

19. As mentioned in paragraphs 10 to 12 above, health care vouchers will be issued and used through the System. The functions of the System include –

(a) Managing information on healthcare providers

The System will establish a database of participating healthcare providers. Healthcare providers who wish to participate in the Scheme can provide part of the information required for registration through the template forms available on the internet, amend the information after registration, access monthly statements, etc. through the System.

(b) Managing health care voucher accounts

The System will open personal health care voucher accounts for all elders who come forth to participating providers' practices to use vouchers for the first time. The System will issue and deposit the vouchers for which the elders are eligible during the implementation period of the Scheme in their health care voucher accounts. It will also process the claims for the use of vouchers and record the utilization of vouchers.

(c) Managing the reimbursement for health care vouchers

The System will compile the information on the amount of reimbursement for health care vouchers payable to each participating provider each month. This will facilitate DH to pay the reimbursement directly into the accounts designated by the providers.

#### (d) Monitoring the Scheme

The System will generate routine statistical reports to facilitate the planning and management of the operation of the Scheme. Moreover, the System will also generate alert messages when any individual irregularity in the use of vouchers is detected to facilitate DH to carry out follow-up actions and random checks.

20. The issue and use of health care vouchers through the System and participating service providers can help simplify procedures, afford convenience to the elders and reduce administrative cost. Elders are not required to make any prior registration, collect the physical health care vouchers or bring along the vouchers every time they seek services. Eligible elders are only required to approach a participating provider at their choice and use their vouchers by producing their HKIDs. This can avoid such problems as loss of vouchers, failure to bring along the vouchers, etc. Elders can also check the voucher balance in their accounts through the providers. We will explore allowing the elders to check the utilization of their vouchers through the System or via telephone. We are also exploring the feasibility of making use of the “card face data”<sup>2</sup> function in the chip of the smart HKID for registration and claiming for the use of vouchers in order to further simplify the procedures and afford greater convenience to elders.

## **FINANCIAL IMPLICATIONS**

21. According to the projection of the Hong Kong elders population by the Census and Statistics Department, the number of elders aged 70 or above in Hong Kong in 2009, 2010 and 2011 will be about 660 000, 670 000 and 680 000 respectively. Based on this elders population projection, the estimated expenditure for reimbursement for health care vouchers during the implementation of this three-year Scheme will be about \$505 million<sup>3</sup>. We also have to provide a sum of \$30 million to HA for developing the System and maintaining it in operation during the pilot period. In addition, the Food and

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<sup>2</sup> “Card face data” refer to the data of the card holders as printed on the face of the smart HKID cards, i.e. the Chinese and English names, date of birth, HKID number and the date of issue of the HKID of the card holders.

<sup>3</sup> The eventual number of elders claiming for use of health care vouchers may differ from the above population statistics. This is because some eligible elders may choose not to use the health care vouchers on the one hand, and some eligible elders who are not ordinarily residing in Hong Kong may use the vouchers on the other hand.

Health Bureau and DH have earmarked \$38 million to cover the additional non-recurrent staff cost and operational expenditure arising from the implementation of the Scheme. A breakdown is at **Annex**.

## **CONSULTATION WITH THE TRADE**

22. We have consulted the private healthcare sector on the Scheme. They welcome the Scheme, and in general support issuing and using the health care vouchers through the System. We will continue to consult the trade on the Scheme details.

## **IMPLEMENTATION TIMETABLE**

23. We plan to seek funding approval from the Legislative Council Finance Committee in June this year for reimbursing health care vouchers, developing the System and maintaining it in operation during the pilot period. Subject to funding approval, we plan to launch the Scheme in the first quarter of 2009. The development plan of the System will tie in with the implementation plan of the Scheme.

## **ADVICE SOUGHT**

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

Food and Health Bureau  
April 2008

## Annex

### **Expenditure Breakdown of the Elderly Health Care Voucher Pilot Scheme**

#### **(I) Reimbursement for Health Care Vouchers**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Accumulated Total</b>
<b>Number of Elders Aged 70 or above</b>	663 200	674 300	683 800	2 021 300
<b>Expenditure for Redemption of Health Care Vouchers (\$ Million)</b>	165.8	168.6	171.0	505.3

#### **(II) Electronic Health Care Voucher System**

<b>Item</b>	<b>2008-09 (\$ Million)</b>	<b>2009-10 (\$ Million)</b>	<b>2010-11 (\$ Million)</b>	<b>2011-12 (\$ Million)</b>	<b>Total (\$ Million)</b>
<b>Project Management, System Design and Application Development</b>	7.3	3.7	-	-	11
<b>Server Infrastructure</b>	1.6	-	-	-	1.6
<b>Interactive Voice Response System</b>	1	0.5	-	-	1.5
<b>Network and Security Infrastructure</b>	2.8	0.1	-	-	2.9

<b>Item</b>	<b>2008-09 (\$ Million)</b>	<b>2009-10 (\$ Million)</b>	<b>2010-11 (\$ Million)</b>	<b>2011-12 (\$ Million)</b>	<b>Total (\$ Million)</b>
<b>Miscellaneous</b>	0.5	0.5	-	-	1
<b>Contingency</b>	0.6	0.4	-	-	1
<b>Sub-total:</b>	13.8	5.2	-	-	19
<b>Maintaining the Electronic Health Care Voucher System in Operation during the Pilot Period</b>	-	3	4	4	11
<b>Total:</b>					30

### **(III) Non-recurrent Staff Cost and Operational Expenditure**

<b>2008-09 (\$ Million)</b>	<b>2009-10 (\$ Million)</b>	<b>2010-11 (\$ Million)</b>	<b>2011-12 (\$ Million)</b>	<b>Total (\$ Million)</b>
10.6	9.1	9.1	9.1	37.9