

立法會
Legislative Council

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Paper for the House Committee meeting on 4 June 2010

Proposed overseas duty visit to Japan by the Panel on Health Services

Purpose

This paper seeks the permission of the House Committee for the Panel on Health Services ("the Panel") to conduct an overseas duty visit to Japan in early September 2010 to study the country's financing models for healthcare services.

Background

2. The Government published the Healthcare Reform Consultation Document "Your Health, Your Life" ("the Consultation Document") on 13 March 2008 to initiate the public consultation on healthcare reform. The healthcare reform aims to address the challenges to Hong Kong healthcare system brought about by the rapidly ageing population and rising medical costs, and to ensure the future sustainability of the system in delivering healthcare protection and quality services to the community. The first stage public consultation conducted from March to June 2008 aimed at consulting the public on four service reform proposals and the pros and cons of reforming the current healthcare financing arrangements through six possible supplementary financing proposals -

- (a) social health insurance (mandatory contribution by workforce);
- (b) out-of-pocket payments (increase user fees);
- (c) medical savings accounts (mandatory savings for future use);
- (d) voluntary private health insurance;
- (e) mandatory private health insurance; and

(f) personal healthcare reserve (mandatory savings and insurance).

3. The Government released the report on the first stage public consultation on healthcare reform on 19 December 2008. The results of the consultation reflected a broad recognition among the public that Hong Kong ageing population will incur significantly increased healthcare expenditure, and hence the need to address the issue of healthcare financing. The public, however, have expressed reservations on various mandatory options of supplementary healthcare financing proposed in the Consultation Document. Moreover, many members of the public favour voluntary medical insurance and consider that it could have a bigger role to play with enhanced government regulation and supervision. Taking into account the views collected in the first-stage public consultation, the Government is working on a supplementary financing option based on voluntary participation, comprising insurance and savings components, and plans to launch the second stage public consultation on healthcare financing later in 2010.

4. To enable members to grasp the latest development on healthcare financing and facilitate their deliberations on the issues concerned, the Panel found it worthwhile to make reference to overseas experience. The Panel had asked the Research and Library Services Division ("RLSD") of the Legislative Council Secretariat to gather information on the healthcare system in Japan, which has been highly rated by the Organisation for Economic Co-operation and Development ("OECD") as one of the best in the world in terms of access, effectiveness and efficiency. According to the OECD, the system provides health insurance coverage to all citizens, allowing them universal access to medical care services from any institution at any time, subject to a co-payment at the time of services. Regarding effectiveness, the health status of the Japanese people ranked at the top of the OECD countries in a number of categories in 2007. The healthcare system in Japan features the presence of about 3 560 health insurers at end-March 2008. In 2006-2007, insurance payment accounted for 49% of Japan's total health expenditure, followed by government subsidies to various health insurance schemes of 36.6% and co-payments by the insured of 14.4%.

5. Having regard to the research findings of RLSD, members consider it useful to visit Japan in early September 2010 to learn about the operation of the country's healthcare financing arrangements, visit some public and private hospitals and hold discussions with the relevant organisations.

Details of the proposed visit

6. The Panel is seeking the assistance of the Consulate General of Japan in Hong Kong and the Hong Kong Economic and Trade Office in Tokyo in drawing up the visit programme.

Membership of delegation

7. The Panel has agreed that the proposed visit will be open to non-Panel members. A list of Members (including three Panel members and one non-Panel member) who have indicated interest in participating in the visit is in the **Appendix**. As the Panel on Food Safety and Environmental Hygiene has also proposed to conduct a duty visit to Japan at about the same time, the four Members have also indicated interest in joining the study on columbarium facilities in Tokyo and the fisheries industry in Hokkaido.

Funding arrangements

8. As approved by The Legislative Council Commission, each Member is provided with an overseas duty visit account of \$55,000 for the purpose of duty visits outside Hong Kong organised by committees of the Council. The fund in the account is for use by the Member in a four-year term. Any expenditure incurred in excess of the available balance in a four-year term has to be paid by the Member personally.

9. A preliminary estimate of the expenditure (including airfare, hotel accommodation, meals, in-town travelling and miscellaneous expenses etc.) to be incurred by each participating Member for the proposed duty visit lasting about four days is about HK\$14,559 (for economy class air passage) or HK\$27,639 (for business class air passage). If a participating Member chooses to join the duty visit of the Panel on Food Safety and Environmental Hygiene, the additional expenditure is about HK\$14,440 (for economy class air passage) or about HK\$16,420 (for business class air passage).

Advice sought

10. Rule 22(v) of the House Rules ("HR") provides that should any Panel consider it necessary to undertake any activities outside Hong Kong under the name of the Panel of the Council, the prior permission of the House Committee shall be sought. According to HR 26(f), this Rule applies, where appropriate, to subcommittees of House Committee, Bills Committees and Panels.

11. The House Committee's permission is sought for the Panel to conduct the overseas duty visit as proposed.

Panel on Health Services

**List of members who have indicated interest in taking part in
the visit to Japan in early September 2010**

(Position as at 1 June 2010)

Dr Hon Joseph LEE Kok-long, SBS, JP (Chairman)

Dr Hon LEUNG Ka-lau (Deputy Chairman)

Hon Fred LI Wah-ming, SBS, JP

Non-Panel Member

Hon LAU Kong-wah, JP

(Total : 4 members)