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Panel on Health Services

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 14 March 2011**

Elderly Health Care Voucher Pilot Scheme

Purpose

This paper gives an account of the past discussions by the Panel on Health Services ("the Panel") on the Elderly Health Care Voucher Pilot Scheme ("the Scheme").

Background

2. The Government launched the Scheme in January 2009 for three years up to December 2011. The Scheme provides five health care vouchers of \$50 each to senior citizens aged 70 or above annually to partially subsidize their use of private primary care services.

3. The Scheme, costing a total of \$535 million, implements the "money follows patient" concept on a trial basis. It enables senior citizens to choose primary health care services in their own communities that suit their needs most, thereby piloting a new model for subsidized primary care services in the future.

4. Health care vouchers are valid within the three-year trial period of the Scheme, and vouchers unused each year may be retained for use in the second or the third year of the Scheme, but no advance of vouchers which are yet to be issued is allowed. Vouchers are issued and used through an electronic health care voucher system for preventive care and curative services only. They cannot be used for the purchase of drugs at pharmacies or other medical items, nor can they be used for the payment of subsidized public health care services.

Eligible elders can use the vouchers by showing their Hong Kong identity cards ("HKIDs") and undergoing a simple registration process at the practices of the participating health care providers.

Past discussions

5. The Panel held three meetings in 2007 and 2008 to discuss the scope and implementation of the Scheme. The deliberations and concerns of members are summarized below.

Eligible age for receiving health care vouchers

6. Members considered that the scope of the Scheme should be extended to elders aged 65 or above, having regard to the fact that the eligible age for receiving Old Age Allowance was 65 or above. There was also a suggestion that the eligible age should be lowered to 60 which was the retirement age in Hong Kong in general.

7. The Administration advised that as the implementation of the "money follows patient" concept through the Scheme was new, it was necessary to proceed with caution by confining the Scheme to a smaller scale and a smaller population group as a start. Overseas experience also showed that private health care providers might increase their fees and charges if the government provided substantial subsidies for private health care services on a large scale.

Value and use of the health care vouchers

8. Members were generally of the view that providing each senior citizen with five health care vouchers valued at \$250 annually was far from adequate to enable the elderly to use primary care services provided by the private sector. Many members held the view that the elderly might not have the incentive to switch to private health care services or they would return to use public health care services after using up their five vouchers. Members urged the Administration to increase the value of each voucher to \$120-\$150, which was the average consultation and medication fee charged by doctors in the private sector. The number of vouchers provided each year should also be increased to 10.

9. The Administration explained that the health care vouchers were not meant to provide full subsidy for seeking private health care services, but to provide partial subsidy with a view to promoting the concept of shared responsibility for health care amongst patients and especially the concept of

co-payment to ensure appropriate use of health care. The Scheme also sought to encourage the elderly to establish a long term health care relationship with family doctors to better safeguard their health.

10. Some members were of the view that the health care vouchers should at least afford each senior citizen to undergo annual physical and dental checkups. The elderly should be allowed to use vouchers to purchase physical checkup services provided by health centres run by non-governmental organizations and dental checkup services provided by Government dental clinics.

11. The Administration advised that it attached great importance to strengthening preventive care for the elderly. Options on how best to take this forward should be discussed in the territory-wide consultation on health care reform and supplementary financing arrangements. It further advised that as the Scheme was new, decision was made not to attach too many conditions on the usage of the vouchers during the three-year pilot period to make the Scheme more convenient for the elderly. Although the Scheme would be subject to a full review after the three-year pilot period, periodic reviews would be conducted every six months to fine-tune the Scheme in light of operational experience.

12. The Panel passed a motion at its meeting on 14 April 2008, urging the Administration to provide health care vouchers to elders aged 65 or above, to increase the value of each voucher to at least \$100, to expedite the launching of the Scheme within 2008, to provide each senior citizen with at least 10 health care vouchers a year, and to adopt measures to prevent service providers from raising their fees opportunistically which would erode the subsidies provided to the elderly.

Health care providers eligible to participate in the Scheme

13. Members were concerned about the number of private health care providers who would be eligible to participate in the Scheme. They suggested that the Administration should draw up a list of participating health care providers and their fee schedules to enable the elderly to identify the participating health care providers. The Administration advised that about 35 000 Western practitioners, Chinese medicine practitioners, dentists, chiropractors, nurses and enrolled nurses, physiotherapists, occupational therapists, radiographers and medical laboratory technologists who were registered in Hong Kong and practised in the private sector were eligible to participate in the Scheme. Among them, some 20 000 were well poised to participate in the Scheme and the remaining 15 000 were registered and enrolled nurses, most of whom did not practise independently.

14. On the suggestion of providing a list of participating health care providers and their fee schedules, the Administration advised that it was not possible for some participating providers to publicise their names as this might be in breach of their code of practice. Providers would be issued the Scheme logo to be displayed outside their practices for identification and they would be encouraged to increase the transparency of their fees and charges.

Service monitoring of the Scheme

15. Members were advised that an electronic platform for storing the accounts of the eligible elders would be set up to obviate the needs of the elderly to keep their health care vouchers on the one hand and to enable the collection of utilization data for analysis purpose on the other.

16. Member expressed concern on the measures taken to protect the privacy of the personal data stored in the electronic health care voucher system. The Administration advised that views had been exchanged with the Privacy Commissioner for Personal Data and an external consultant would be engaged to conduct an assessment on the privacy impact and security of the electronic health care voucher system.

17. Members sought information on the measures taken to prevent participating health care providers from charging users of vouchers a fee higher than that paid by patients who did not use the vouchers. The Administration advised that participating health care providers were not required to inform the Department of Health ("DH") of the fees they charged. A review would be conducted to see if such situation occurred, and if so, appropriate follow-up action would be taken.

18. In response to members' concern on the possible misuse of the Scheme, the Administration advised that participating health care providers were required to check the HKIDs of the elderly for their eligibility to use the vouchers and obtain the consent forms signed by them before deducting vouchers from their accounts. DH would conduct random inspections on the health care providers and carry out investigations on complaints and suspected cases as and when necessary.

Financial implication

19. Members noted that a sum of \$30 million would be provided to the Hospital Authority for the development and maintenance of the electronic health care voucher system during the pilot period. An amount of \$38 million had also been earmarked by the Food and Health Bureau and DH to cover the

additional non-recurrent staff cost and operational expenditure arising from the implementation of the Scheme. Some members were of the view that such money should be better spent on extending the scope of the Scheme to benefit more elderly people and increasing the value of the vouchers.

20. The Administration advised that \$20 million out of the \$30 million earmarked for the electronic health care voucher system was the capital cost for developing the IT system which could be used to support similar initiatives in the future. Regarding the staff cost and operational expenditure, they would be strictly controlled and kept within 10% of the total expenditure of the Scheme.

21. The Finance Committee approved on 20 June 2008 a new commitment of \$535.33 million in total for the implementation of the Scheme and developing and installing the electronic health care voucher system and for its operation and maintenance during the three-year pilot period.

Latest development

22. Hon CHEUNG Kwok-che raised a question at the Council meeting on 16 December 2009 on the usage of the vouchers and the number of private medical practitioners who participated in and withdrew from the Scheme. According to the Administration, as at 5 December 2009, over 260 000 elders, constituting over 40% of eligible elders, had opened health care voucher accounts and made more than 321 000 voucher claims. Over 70% of the elders used one to two vouchers per visit. More than 2 500 health care service providers had enrolled in the Scheme with over 3 100 practices located in all districts. While 113 service providers had withdrawn their enrolment from the Scheme, over 700 new applications for enrolment were received during the same period.

23. At the special meeting of the Panel on 15 October 2010 to receive a briefing from the Secretary for Food and Health on the 2010-2011 Policy Agenda, members were advised that some 280 000 eligible elders had used about 1.9 million vouchers involving a total of \$94 million subsidies as at October 2010. The Administration would consider extending and enhancing the Scheme subject to the outcome of the interim review.

24. On 23 February 2011, the Financial Secretary announced in his 2011-2012 Budget Speech the proposal to extend the Scheme for another three years, with the value of health care vouchers being doubled to \$500 per person per year. The Administration would allocate \$1 billion to implement the proposal. The Secretary for Food and Health would announce the interim

review report of the Scheme and detailed proposal in due course.

Relevant papers

25. Members are invited to access the Legislative Council website (<http://www.legco.gov.hk>) for details of the relevant paper and minutes of the meetings of the Panel held on 12 October 2007, 12 November 2007 and 14 April 2008.

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