



Hong Kong General Chamber of Commerce
香港總商會 1861



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29 July 2011

Dr Hon Leung Ka-lau
Chairman
Legco Panel on Health Services

Dear Dr Leung,

Healthcare Reform Second Stage Consultation

The Hong Kong General Chamber of Commerce supports the broad conclusions reached in the 2nd Stage Healthcare Reform Consultation. We believe that the longer term interests of society will be served by more closely linking the cost and provision of public services.

In the field of healthcare, our primary principle is that good quality service should be readily available to all Hong Kong residents, regardless of ability to pay. This remains our most basic concern, and we are pleased the consultation document clearly states this principle.

A second concern we have often raised is that the cost of providing care must be better controlled. Here, we are disappointed that this consultation does not predominately feature improved economy as a core principle. We find this omission disturbing.

We do not know by which economic cost-benefit analysis model the sum of \$50 billion was calculated. Therefore, we can only make suggestions on how cost savings can be achieved within the framework of providing high quality care. Among these are *opening the "closed shop"* of the medical profession to qualified individuals from abroad, as a means of liberalising the medical services market and ensuring we get the services we need at a price we can afford. Further, we have argued that a *community clinic-based approach* is one that is more cost-effective than hospital-based care. Both of these options remain our preferred choices.

It is only with those very important caveats firmly in mind that the Chamber broadly supports the main features of this consultation document. But we should all remind ourselves that the devils always lie in the detail. Stakeholders must examine the detailed proposals when they are published.

On specific points, we recognize that voluntary measures are a necessary first step before considerations are given to the question of whether the programme should be rolled out on a mandatory basis. To encourage take-up under a voluntary model, tax incentives should be considered for premiums paid into the standardized HPS packages.

On the matter of insurance regulation, we believe this is a fit and proper role for government to play, but would not wish to see a new bureaucracy created for this one purpose. We do not object to the proposal of introducing standardized packages being designed and priced by the Government, provided that private sector insurance companies may freely decline to participate in the programme.

Regarding the no-claims premium discount, we believe this entire concept is misplaced. Maintaining good health, thereby reducing the cost of care, requires regular check-ups and early detection. Perhaps the best example is regular examinations for possible skin cancer. Any no-claims scheme would actively discourage participants from seeking necessary care in sufficient time to provide any real savings to the individual patient or the public purse.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Fong', with a stylized flourish at the end.

Alex Fong
CEO