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Our ref: HKDU/251/2010

By fax and email

3rd December 2010

Members of Panel on Health Services
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Attention: Ms. Sandy Hau

Dear All,

Re: Healthcare Reform Second Stage Consultation Paper

Hong Kong Doctors Union (HKDU) is a registered trade union of private and public doctors with emphasis on quality assurance and promotion of health in the community.

We refer to your Consultation Paper on Voluntary Health Insurance. In general we agree with the principles behind your proposals though there are many areas that need to be discussed and deficiencies that need to be corrected.

HKDU has all along, in our previous submissions, been asking the Government to promote voluntary self insurance for health and thus the Government finally stepped in to do so is what we have wanted. But since this is not compulsory an incentive must be introduced such as to allow for a certain amount of tax deduction for premiums paid in order to reward those who show they are responsible people by buying insurance. This is an important measure and we do not agree with the Government's excuse for denying our request. She said in the paper that this will be unfair to those who do not buy insurance. Why then allow donations to be tax deductible? Is this not unfair to those who do not donate?

Premiums paid are never recoverable. Why then the paper still ask about health savings account and money following patients without going deeper into these old proposals to investigate their relationship to insurance. Does the Government think for those not buying insurance they should pay into a savings account to be overseen by her? These were previously turned down in past consultations.

The introduction of an overseeing body to ensure fairness and quality control of medical services rendered by insurance firms and for example hospitals is good. This is important as overseas experience where private insurance is common have not necessarily showed an improvement of healthcare standards. However doctors are governed by the Medical Council and they should not be further intruded upon by such overseeing body unnecessarily.

As been pointed out package offers by insurance firms have their credit in limiting the expected payment incurred by the patients. However specialists and hospitals differ in their approach and, after all, package deals are really promotional items in the commercial world. They cannot be imposed upon insurers or providers, and should not be used to force doctors' fees down artificially.

We welcome the Government's proposed plan to allow for existing conditions probably with a loading but of course it is a commercial deal and we suppose if the insurers are willing to offer we do not know if a maximum of three times the normal premium will be adequate for the insurers though apparently the figures



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arrived at by the Consultation Paper have been worked out by actuaries. We noticed a threatening statement in the paper to the effect that should there be no acceptable deals or the premiums or the quality of service be not acceptable, the Government would step in to form and run their own insurance schemes. This was hinted as using existing public hospital facilities to cater for the buyers of the new private insurance scheme. We are worried that this will be at the expense of public hospital patients when public doctors need to attend to two waiting lists one public and one private. We insist that the public service be devoted to and be restricted to the previously agreed four pillars of 1) catering for the needy; 2) provide training; 3) provide for sophisticated and costly procedures; and 4) emergency care. For the public hospitals to digress into the private market is dangerous.

We disagree with the suggestion by the Secretary for Food and Health in hinting a need for increasing the number of practicing doctors and therefore increasing the number of medical students and allowing registration for those presently not registrable as doctors. The health indices in Hong Kong presently are world acclaimed and that is contributed by both private and public doctors. However even the Government in this paper acknowledge the abnormal reliance on public hospital service now. When the effects of the proposed Health Protection Scheme come into force the workload in public hospitals will be significantly reduced and the existing slack private sector will have more clients so that there will not be a need to urgently increase public doctors while the private sector is already oversupplied with doctors. Along this line we do not agree with the hurried manner to introduce further nurses to take up roles presently played by doctors suggested in the paper.

We welcome the deduction in premiums and increased coverage as stated in the proposals. We however are not happy with the lack of details of the amount of contribution that comes from the Government. It appears to us the Government only acts as a middleman in asking the insurance firms to come forth with their counter proposals and then iron out their differences. It seems she is quite vague in her promise of injecting 50 billion when that amount may mainly account for setting up overseeing bodies or the like.

In conclusion HKDU welcomes the intention to promote and supervise private medical insurance. We warn of the risk of over interfering with private practice and the risk of misusing public service to compete with the private market. We urge the use of incentives such as tax exemption to encourage the joining of Health Insurance Schemes. We disapprove of any unwarranted interference with the working of private medical service under the excuse of quality control or price control. We reiterate our objection to further aggravate the oversupply of medical manpower. Finally we ask the Government to lead the uninformed public away from the huge amount of wasted resources by the public in pursuit of many unproven ineffective treatment offered by health foods and other alternative medicines which have become rife in recent years.

Yours sincerely,

Dr. Ho Oak Ling
Hon. Secretary
Hong Kong Doctors Union

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