



Legco Panel on Health Services
Special Meeting on 11 December 2010
BPF Submission

In general, the BPF supports introduction of a voluntary Health Protection Scheme. There is no perfect solution but we believe the proposed Scheme is a positive step forward, its benefits far outweighing any problems.

A solely tax based health care system is unsustainable and the last public consultation showed that people do not prefer anything mandatory. Also, the idea of a social security scheme is not acceptable for the public at this stage. A voluntary insurance scheme is therefore the best option left, and will help reduce the current over reliance on out of pocket payment for health services.

The proposed Health Protection Scheme not only has the benefits of portability, coverage for pre-existing conditions and for the elderly, it also has the following advantages:

- Provides a third pillar to health care financing and it is less affected by fluctuations in the economy
- Relieves pressure on the public sector, which can then improve its service in its main areas of focus
- Provides a tool to enhance governance of the private health care sector.
- Facilitates a manageable rebalancing between public/ private hospital sectors.

To make the Health Protection Scheme work, we recommend provision of the following fiscal reserve incentives:

- Full or partial subsidy of the premium for children to encourage young families to join.
- An initial discount.
- Preventive and primary care subsidy or discount for those who undertake screening, health course, healthy lifestyles etc.
- A discount for old people who have stayed in the HPS for a certain period of time.
- A subsidy for high risk patients and specified high cost/chronic conditions.

The success of the Health Protection Scheme and indeed the whole health care reform, and our ambitions as a medical hub and cooperation with the Pearl River Delta will be heavily



dependent on the availability of human resources. We therefore urge the government to adopt a high level and more coordinated approach to this issue. Protectionist closed shops are totally contrary to the interests of the community as a whole.

We must also stress that in the long run, the issue of price differentiation between the public and private sectors needs to be addressed to create a level playing field.

As to the savings option proposed in the consultation document, the BPF believes that savings should not be made part of the basic package, otherwise it will contradict the idea of a voluntary option and will make it more difficult to market the scheme. We do not oppose any voluntary top up savings, but believe that any support from the fiscal reserve should be aimed at discounting premiums for maintaining insurance post retirement rather than supporting one form of retirement saving to the exclusion of others.

Finally, the BPF calls for the government and the insurance sector to work together and compromise to make the Health Protection Scheme work. Its success will benefit the community, enhance governance and transparency of the private sector and foster a better regulated, more trusted insurance market capable of playing a bigger role in future health care financing while leaving other financing options open.
