

My Health My choice**Health care reform second stage consultation document****Views of United Christian Nethersole Community Health Service (UCN) (17/12/2010)****Overall comments on the document:**

One of the objectives of the HPS is to provide more choice in health care for people of Hong Kong. But unless there is an incentive to join, and with the increasing gap between rich and poor, the voluntary nature of the scheme is likely to attract only the richer people, of whom a proportion already have either personal or employer sponsored health insurance coverage; and consequently, many of the needy poor will still continue to use the HA services which are considered already overwhelmed. So, the HPS will face the challenge of recruitment of subscribers. Government needs to give incentive for younger and currently healthy people to enrol. Although the paper mentioned a reluctance to change the HK tax structure, we do recommend tax deduction as an incentive to subscribe to the HPS.

We are concerned that the document proposal on voluntary health insurance scheme does not support the government policy on strengthening primary care. The proposed health insurance scheme does not include primary care. The scheme provides no incentive for the subscriber to make good use of primary care services, but is an incentive to bypass primary care and access private hospital and specialty care instead. This would eventually drive up the health care costs instead of containing them. Overseas experience has already demonstrated that the demand for tertiary care is insatiable, resulting in either the scheme going bankrupt or the waiting lists for specialist care becoming unreasonably long. Rationing in one form or another will eventually become necessary. It would be much more cost-effective for government to involve primary care doctors right from the start as gatekeepers to contain cost and to rationalise service use.

There are many health care services, including minor surgical office procedures and diagnostic items that can be readily provided at primary care outpatient level in a cost-effective manner without need for hospitalisation nor for attending a specialist. We recommend to government that these be included in the HPS so that the role of the primary care medical provider may be enhanced.

Good primary care is cost-effective quality health care that serves the majority of health needs for most people. It is not equivalent to cheap health care. It deserves equal attention as highly technical hospital based tertiary care. For Hong Kong to achieve good primary care for the community, it is not enough to only train up family physicians and allied health providers. The health system needs to have built-in incentives to enable these primary care providers to do the job properly and to avoid waste and overlap.

We recommend that government promote the role of the primary care physician as the coordinator of health care services and to have systems that encourage continuity of care and holistic care, which is missing in the document. Ideally, the HPS should cover primary care family physician services in private sector.

Part 1: General Views

- 1.1 Do you support introducing the voluntary HPS providing health insurance standardized and regulated by the Government?

Ans: Voluntary HPS is not the best choice as it does not spread risk. Only mandatory health insurance scheme can spread the risk. However, since the first stage consultation has already selected voluntary insurance, then UCN supports it with the following provisions:

- the voluntary HPS has to enrol a majority of the HK population in order to work
- to enrol the majority of the population, the scheme must be seen as value for money
- regulation by government is essential to avoid abuse and to arbitrate

- standardisation among the various insurance providers or government to provide the insurance
- trying this scheme is better than not trying anything at all

1.2 Do you support regulating health insurance plans under the HPS to provide protection and better choices to consumers?

Ans: Yes, we support regulating health insurance plans to protect the consumer; especially to protect the older clients, who are likely to use more services and have more claims.

1.3 Do you support increasing private healthcare sector capacity and strengthening quality assurance measures in support of the HPS?

Ans: Yes, we support increasing private healthcare sector capacity including private primary care sector, and strengthening quality assurance measures. We also suggest that the government create systems to enable more blending between public and private sectors.

Building private primary care capacity involves mechanisms and policies that place value and reward on the consultation interaction between provider and patient rather than merely on value of drugs, lab investigations and procedures or hospitalisation.

To prevent unnecessary use of specialist and hospital care, the system must strengthen the gatekeeper function of the primary care family physician. If the HPS does not cover primary care family physician consultation, then a family physician's referral is a needed pre-requisite before any reimbursement can be considered for specialist or hospital services.

Part 2: HPS Design

2.1 Do you agree with the proposals for allowing higher risk groups to access health insurance?

- HPS Plans should cover pre-existing medical conditions after 1-year and provide 25% / 50% partial reimbursement in 2nd/3rd year, and full reimbursement after 3 years.
- HPS Plans should accept high-risk individuals with premium plus high-risk premium loading not exceeding 300% of the published premium rate applicable.
- HPS Plans should accept those aged 65 or above during the first year of introduction, but without being subject to cap on high-risk premium loading.

Ans: Yes, agree to proposals for allowing higher risk groups to access health insurance, but with the provision that the scheme must enrol the majority of population including the young and healthy in order to sustain.

2.2 Which option to save for future premium do you prefer?

- I. Required to save as part of the health insurance policy to pay future premium
- II. Given an option to save to a medical savings account that can be used for any purpose; or
- III. Allowed to save on their own, with incentives provided for payment of premium from age 65.

Ans: Of the 3 options, the medical savings account (Option II) is preferred because it gives the insured some freedom in the use of the savings that would be more attractive to younger clients.

- 2.3 Do you agree with the proposals to introduce packaged charging for private healthcare services, to require insurers to facilitate migration of existing health insurance, and to establish a government –regulated claims arbitration mechanism?

Ans: Packaged charging can work in some conditions that are non-urgent, are well-defined and have established standardised treatment protocols. Eg. Hernia repair. But it may not work for all conditions.

Packaged charging should include private primary and specialist outpatient care and not only hospital based care. There are many health care services, including minor surgical office procedures and diagnostic items that can be readily provided at primary care outpatient level in a cost-effective manner without need for hospitalisation nor for attending a “specialist”. We recommend to government that these be included in the HPS so that the role of the primary care medical provider may be enhanced.

Part 3: Financial Incentive for HPS

- 3.1 Do you support government injection into the High-Risk Pool where necessary to protect high-risk individuals and avoid premium increases for the healthy under the HPS?

Ans: Yes, government injection into High-risk pool is necessary in a voluntary HPS to relieve the excess burden placed upon the healthy pool. However, if the HPS became mandatory, then the risk pooling among the large numbers of subscribers may make this unnecessary.

- 3.2 Do you support that there should be a no-claim premium discount up to 30% of premium for all new subscribers for a limited period after the introduction of the HPS?

Ans: Yes, support the No claim bonus of 30% premium discount for new subscribers including those existing policy-holders who migrate towards this scheme. To encourage more subscribers.

In addition, a “no claim bonus” rebate could be given to those subscribers who maintain good health habits such as not smoking and being normal weight.

- 3.3 Do you support that there should be rebate up to a certain percentage of savings used to pay Standard Plan premiums under the HPS on or after age 65?

Ans: To encourage the older age clients to continue subscribing, an incentive rebate as a means to lower the ongoing premium to be paid after age 65 years if the client has savings would be helpful.

Questions:

- a. if a subscriber drops out after a number of years, but has some savings, can he take out the savings?