



中華人民共和國香港特別行政區政府總部食物及衛生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

Our Ref. : L/M to FHB/H/1/26
Your Ref. : CB2/PL/HS

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12 April 2012

Ms Elyssa WONG
Clerk to Subcommittee
Subcommittee on Health Protection Scheme
Panel on Health Services
Legislative Council Complex
1, Legislative Council Road
Central

Dear Ms WONG,

**Panel on Health Services
Subcommittee on Health Protection Scheme**

Follow-up to the meeting on 19 March 2012

I refer to your letter of 21 March 2012 on the captioned. The requested supplementary information is provided at **Annex**.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Sheung-yuen LEE".

(Sheung-yuen LEE)
for Secretary for Food and Health

Administration's Response to
Follow-up to the meeting of Subcommittee on Health Protection
Scheme of the Panel on Health Services on 19 March 2012

Item (a) -

Findings for the reasons why people covered by private health insurance ("PHI") would still use public healthcare services instead of private healthcare services.

Administration's response

Generally speaking, there is a higher tendency for people covered by Private Health Insurance (PHI) to use private hospitals for inpatient care. It was estimated by the consultant commissioned by the Food and Health Bureau (FHB) in 2010 that for people covered by PHI, about 63% of the hospital admissions pertained to the private sector. For people without PHI cover, only 10% of the admissions pertained to the private sector¹.

2. As noted above, over one third of the admissions of people covered by PHI still pertained to the public sector. There are various reasons for this according to the findings of other studies commissioned by the FHB in 2010, including -

- (a) When the insured cannot ascertain the out-of-pocket payment in advance to receiving treatments, they may tend to fall back on public healthcare services due to budget uncertainty. Under the current itemized charging structure, policyholders are often not able to predict in advance the proportion requiring their out-of-pocket payment². This creates significant uncertainties for cases involving more complex and expensive treatments;
- (b) Patients may tend to use public healthcare services to avoid out-of-pocket payment if insurance protection is considered insufficient to cover all of their private hospital expenses. In

¹ "Assessment of the Long Term Implications of the Health Protection Scheme", Milliman Limited (2010), page B2 of Appendix B. Available online at <http://www.myhealthmychoice.gov.hk/en/studyReport.html>.

² "Local Market Situation and Overseas Experience of Private Health Insurance and Analyses of Stakeholders' Views", Milliman Limited (2010), p.33. Available online at <http://www.myhealthmychoice.gov.hk/en/studyReport.html>.

particular, some small employers with limited budget may purchase low-benefit-limit health insurance plans, which are generally inadequate to cover medical costs for general ward-class accommodation in private hospitals. For these cases, the employees would usually go to public hospitals for treatment³; and

- (c) Besides, patients might use the services of public hospitals even though they had health insurance coverage for the following reasons: (1) there was no choice in case of emergency; (2) some public hospitals are renowned for specific treatments; (3) public hospitals have better equipment for treating certain cases, particularly those requiring inter-disciplinary care; and (4) cases requiring prolonged follow-up could be treated at public hospitals at a much lower cost⁴.

Item (b) -

Coverage of the health insurance plans provided to the 2.56 million people covered by PHI.

Administration's response

3. According to the Thematic Household Survey conducted by the Census and Statistics Department in 2009, there were around 2.56 million people covered by PHI (slightly more than one third of Hong Kong's population). Out of this total, about 1.16 million were covered by individually-purchased PHI only, about 0.88 million by employer-provided PHI only, and about 0.52 million by both. The following table sets out the number of people covered by PHI by type of medical services entitled.

³ "Local Market Situation and Overseas Experience of Private Health Insurance and Analyses of Stakeholders' Views", Milliman Limited (2010), pp.13 and 23.

⁴ "Studies on Voluntary Supplementary Financing Scheme – Consumer Market Research – Report of Focus Group Study", Consumer Search (2010), p.30. Available online at <http://www.myhealthmychoice.gov.hk/en/studyReport.html>.

**People covered by private health insurance (PHI)^{Note 1}
by type of medical services entitled**

Type of medical services entitled ^{Note 2}	PHI						Total	
	Individually purchased PHI only		Employer-provided PHI only		Both individually purchased PHI & employer-provided PHI			
	Number of persons	%	Number of persons	%	Number of persons	%	Number of persons	%
Hospitalization only	1 021 033	88.2%	21 742	2.5%	21 992	4.2%	1 064 767	41.5%
Outpatient Services only ^{Note 3}	7 959	0.7%	295 351	33.5%	2 633	0.5%	305 943	11.9%
Both hospitalization and outpatient services	125 935	10.9%	530 325	60.1%	499 765	95.3%	1 156 025	45.1%
Total number of persons	1 157 497		882 666		524 593		2 564 756	

- Notes: 1. Persons entitled to medical benefits provided by Civil Service / Hospital Authority only were not included.
2. Only hospitalization and outpatient service are included. The table does not include a small percentage of respondents (1.5%) who reported that they were entitled **only** to medical services other than hospitalization and outpatient services (e.g. medical check up, consultation with practitioner of Chinese medicine, dental consultation, etc.).
3. Refer to services provided by western medicine practitioners.

Source: Thematic Household Survey on health-related issues conducted during November 2009 to February 2010.

Item (c) -

Measures taken by the Administration to assess the efficiency and effectiveness of the Hospital Authority, and the international standards to evaluate the performance of hospitals.

Administrations' response

4. Hospital Authority (HA) is a statutory body established on 1 December 1990 under the Hospital Authority Ordinance (Cap. 113) to manage all public hospitals in Hong Kong. One of the aims of HA is to provide adequate, efficient and effective public hospital services of the highest standard recognised internationally within the resources available. With over 60 000 staff (full time equivalents as at 31 December 2011), HA manages 41 public hospitals and institutions, 49 specialist outpatient

clinics and 74 general outpatient clinics. The services of HA are accountable to its Board, all members of which are appointed by the Government.

5. To ensure accountability to the public for the provision and management of public medical service, the Government sets out HA's service targets in the Controlling Officer's Report under Head 140 of the annual Estimates. These service targets cover various aspects including access to services, delivery of services, quality of services, cost of services, manpower, etc. HA's performance against targets is monitored by the Board and the Government through regular reports. The Government also reports HA's performance against targets in the Controlling Officer's Report every year.

6. To sustain and improve the quality of healthcare services, the performance of HA hospitals is under close monitoring on an independent and professional basis. This includes self-assessment and external peer review, under which the performance of hospitals is assessed in relation to established international standards. Measures of continuous improvement are also developed and implemented to enhance the service quality of hospitals, based on international best practices, standards and principles.

7. In addition, a Pilot Scheme of Hospital Accreditation was launched in 2009 in partnership with the Australian Council of Health Standards. Five HA hospitals participated in the Pilot Scheme and were all awarded full accreditation status for a period of four years. HA is also extending the hospital accreditation scheme to another 15 public hospitals in the coming five years.

Food and Health Bureau
April 2012