

**Submission of the HKPHA to the Panel on Health Services**

A quality healthcare service for the people of Hong Kong depends on good collaboration between the public and private sectors in a balanced equilibrium. Our government should have a long term vision and mission to accomplish this. Hence it should implement the voluntary Health Protection Scheme (HPS) to facilitate the provision of more private hospital beds. Thus the Government would be seen to have a long term health policy and is carrying it out.

**1. Preserve Current System Advantages**

Hong Kong people have enjoyed very satisfactory health indices with a low % GDP spending on health by international standards, to the envy of many other places in the world. Any proposed changes to the system should be incremental improvements rather than radical moves. The distinct advantages of the dual public-private system in Hong Kong should be preserved. In the current system, Government funds the public hospital services which provide close to free medical services to those who cannot afford private care, to medical emergencies and catastrophic illnesses such as those needing organ transplants. Public hospitals also provide training for health personnel. On the other hand, the private sector caters for the bulk of ambulatory services as they are generally affordable, as well as hospital services for patients who can afford. This is a good use of societal resources.

**2. Important Role of Private Hospitals**

Patients choose private hospital care for a number reasons, including confidence in the doctor and hospital of their choice, immediate access with no waiting time, better facilities and customer services, as well as certain services not provided in the public sector. Free market competition ensures that private hospitals have to constantly upgrade their equipment and services, to the ultimate benefit of patients. Private hospitals are also very willing to contribute towards shortening of patient queues in the public hospitals. Currently, many private hospitals offer discounts to public hospital patients in terms of radiological investigation services, renal dialysis services and under other Public Private Interface (PPI) initiatives. However, such PPI programs are very piecemeal and insignificant. While the Hospital Authority (HA) is still grappling with major issues of waiting time and overworked staff, we call upon the Government to take reference to overseas experience and examples in launching more effective PPI programs to achieve a win-win situation.

**3. Regulation of Private Hospitals**

The HKPHA does not object to a fair review of the outdated *Hospitals, Nursing Homes and Maternity Homes Ordinance* to better cater for the changing needs of society. We do however take exception to the saying that private hospitals in Hong Kong are under-regulated. Currently, the Department of Health (DH) regulates private hospitals, in addition to invoking provisions in the said Ordinance, also through a voluminous Code of Practice for Private Hospitals that runs into over 100 pages. The yearly submission of

private hospitals to the DH for license renewal runs into over 200 pages. The DH also carries out unannounced visits to any clinical or non-clinical areas of private hospitals, in addition to onsite investigations of all reported sentinel and other events. In some instances, there might be double standard regarding regulation of private and public hospitals. For example, when the DH finds out that the nursing manpower in a given clinical area of a private hospital falls below certain level, the private hospital may receive a warning or even asked to cut down patient admission into that unit. The same may not be true in public hospitals. We would like to see common standards being applied as far as quality and safety is concerned. In this regard, we welcome a consistent policy on incidents reporting across both sectors.

Recently, there has been intense discussion on fulfillment of land grant conditions in private hospitals. We would like to emphasize that private hospitals have every intention to fulfill such conditions as practicable and when directed by the regulatory authorities. In fact, failure to satisfy the latter risks the hospital's license being suspended. However, many conditions were laid down decades ago without consideration on how they might translate into in the changed environment of today. This requires some thoughtful discussions on the way forward rather than simple accusations.

Likewise, there are questions on the charitable status of many private hospitals in relation to surplus generated. While the authorities may further consider recommendations for the way forward, we would like to emphasize that all private hospitals have been operating with compliance to the laws of Hong Kong.

#### **4. Development of the Medical Services Industry**

Healthcare training and medical services in Hong Kong are internationally acclaimed. Currently, the high quality of medical services in private hospitals attracts clients from Mainland China and overseas, who are not confined to obstetric patients. The previous Administration had listed medical services as one of the six pillars of industry to be developed, but with little coordinated follow up action. By contrast, the proactive policy facilitation in countries like Singapore, Thailand and Malaysia has resulted in a booming medical tourism industry that creates jobs, attracts revenues and leads to even better facilities and quality of service. It would be short-sighted for our government to forego such golden opportunity.

The private hospitals have been supporting the present Administration's policy of stopping obstetric services for Non-entitled Persons couples, taking into consideration the pressure on public hospitals resulting from uncoordinated development in healthcare manpower planning particularly in neonatal intensive care. However, we do hope that once the political considerations on right of citizenship and population policy can be sorted out, Hong Kong should not turn its back on demands from the Mainland.

From a strategic standpoint, the Government should look at a number of hurdles that threaten the healthy development of the healthcare industry. First and foremost, the tight supply situation of healthcare professionals needs to be urgently looked into.

There is currently shortage of doctors, nurses and allied health professionals across the board both in the public and private sectors. We hope the Government's task forces on healthcare manpower can work out practicable short, medium and long term solutions.

Secondly, there is worrying trend in the quality of specialist training by virtue of the shortened work hours and other factors. It is worthwhile to look at practices in other countries like the United States where training and service provision are rather clearly separated. Trainees are thus given dedicated attention and every opportunity to expose to clinical materials without at the same time being bogged down to other routine work. If the Government lists professional training as one of the four priority tasks of the public hospital system, then the current effectiveness of specialist training should be seriously looked into, perhaps with the help from external consultancies.

Thirdly, we consider the previous Administration's approach to increase private hospitals inadequately thought through. There is valid societal concern on whether the huge leap forward in private beds will further aggravate the brain drain from public hospitals before a better manpower strategy is in sight. The complete absence of local bidders in the first phase tendering process speaks volumes about the practicability of the associated conditions. While some may consider it desirable to attract foreign capital, it remains the responsibility of Government to carefully weigh the possible impact on the ecology of health services once big overseas conglomerates are able to set foot in Hong Kong. Should there be more players in this field there are more urgent grounds for training more healthcare professionals to sustain this highly labour-intensive service industry.

## **5. Healthcare Financing**

It is unclear whether the present Administration will go ahead with the Health Protection Scheme proposed by the previous Administration. In general, the HKPHA welcomes the leveling of playing field between public and private hospitals, tax exemption for private insurance, and Government incentives to promote private health insurance products. A tax exemption/rebate scheme will attract more middle class to enroll into the HPS. This is probably the only means of some return by the Government to this category of taxpayers for their monetary contributions. With the HPS in place reimbursement by packaged price system on DRG's is best way for price transparency and budgeting for both consumers and providers. Benign competition amongst participating hospitals will drive down price and medical fees, including doctors' fee.