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By Post & Email (sfhoffice@fhb.gov.hk)

Dr the Honourable Ko Wing Man, BBS, JP
Secretary for Food & Health
Food and Health Bureau
18/F, East Wing, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Dr Ko

**Consultation on Voluntary Health Insurance Scheme (VHIS) and
Regulation of Private Healthcare Facilities**

The Hong Kong Federation of Insurers (HKFI) is the representative body of 130 insurance companies in Hong Kong. Together they contribute more than 90% of the gross premiums written in the Hong Kong insurance market.

After studying the proposed VHIS in detail, consulting our members and discussing with various stakeholders, we are pleased to present our views in the attached paper.

We look forward to further discussion with your Bureau on our proposed VHIS 2 and working out a viable and sustainable solution for the Hong Kong community.

Coincidentally, we are also enclosing our response to the consultation on Regulation of Private Healthcare Facilities.

Yours sincerely

David Alexander
Chairman
Task Force on Health Care Reform

c.c. HKFI Governing Committee
HKFI Member Companies
The Hon K P Chan
The Hon Bernard Chan
Commissioner of Insurance
Legco's Subcommittee on HPS

Hong Kong Federation of Insurers' Position Paper on Consultation on Voluntary Health Insurance Scheme (VHIS)

The Hong Kong Federation of Insurers (HKFI) is the representative body of insurers in Hong Kong with 130 insurance companies. Together they contribute more than 90% of the gross premiums written in the Hong Kong insurance market.

The HKFI and the insurance industry fully support the Government's initiative to reform our health care system to enhance the role of the private health care sector, release more resources for other priority areas, contribute to a balanced development of our dual-track health care system and make it more sustainable in the long term. We appreciate the commitment of the Government in taking this forward.

As one of the key stakeholders of this important subject, we have set up a Task Force to provide professional advice, relevant market data and information to help the Food and Health Bureau to formulate a commercially viable private health insurance scheme for the benefit of consumers and the community.

However, we have some major concerns about a number of fundamental operating principles relevant to the proposed scheme, which have been expressed to the FHB through various channel and at different occasions. Without resolving these issues, we have serious doubt on the sustainability of the scheme and how it is going to achieve its stated objectives.

HKFI has a duty to our members and the customers they serve to make our concerns and stance known to the public during the consultation exercise. We believe that the people of Hong Kong should be made aware of the potential shortcomings of the proposed VHIS and the impact it might have on their medical insurance protection should it be implemented in the format as currently proposed.

What is happening now?

- Hong Kong's private group and individual indemnity medical insurance plans are providing various forms of protection to around 3.8 million people in Hong Kong;
- Hong Kong citizens appreciate the value of insurance as evidenced by the increasing number of policyholders by 180,000 per annum over each of the past four years;
- The majority of policyholders used private medical services and directly benefited from private insurance coverage -- about 88% of reimbursed claim cases took place in private hospitals or private day case centres. This shows clearly that the majority of the medical insurance policyholders actually used private medical services, contrary to the perception of certain quarters that policyholders rely on the public system for medical services.
- Policyholders are adequately protected by private medical insurance albeit medical inflation. Insurance paid an average \$80 for every \$100 incurred for hospital admission expenses, and more than \$83 for every \$100 of day surgery costs.

- According to the 2013 statistics, for every \$100 premium paid by a policyholder (both individual and group indemnity plans), \$75 was used to settle medical bills. However, when FHB provided this figure, they have included the hospital cash allowance plans which drastically distorted the average.

What are the missing links of VHIS?

1. Premium

- ♦ The suggested standard premium level at \$3,600 is outdated (in 2012), unrealistic (without regard to medical inflation) and could well be misleading.
- ♦ It does not consider the effect of medical inflation. Based on the historical figures compiled by the Medical Insurance Association, it is estimated that medical cost inflation will be in the range of 8 to 10%.
- ♦ FHB has the obligation to highlight three significant points to the public - (a) the premiums vary significantly by age from \$1,250 to \$9,950; (b) the possible range of uncertainty of -8% to +45% change in standard premium; and (c) such range is just one possible variance which may happen on the average premium rate and the range to individual rates may be even wider and the increment higher.
- ♦ Only by having such details will the public be able to make an informed decision, based on a more realistic, individual case based scenario, about their support for HPS. Otherwise, they will be attracted to support a plan which is "too good to be true" and there will be no turning back after VHIS is launched.

2. Transparency

- ♦ The success of a VHIS depends very much on proper transparency of both insurance premiums and fees charged by doctors and hospitals. Withholding the implementation of a Diagnostic-related Groups (DRG)/Packaged Price (PP) specific to VHIS would go against the objective of empowering consumers to make an informed choice and keeping provision of healthcare more affordable. In the absence of this critical feature, the VHIS project could become nothing more than an attempt to introduce a new insurance product.
- ♦ The proposed "informed financial consent" involving a quote and a pre-authorisation process under the "no gap//known gap" arrangement does not provide any additional certainty or transparency over the current practice of many insurers. What patients are missing is a clear understanding of what the doctor and hospital might charge in terms of the end to end cost of their care. In the absence of pricing transparency, medical inflation will become more acute given the short supply of private hospitals and doctors in Hong Kong.
- ♦ The movement towards greater standardisation of coding and charging is common throughout many developed healthcare systems, including the Australia, France, Germany, Ireland, Japan, Netherlands, Switzerland, UK and the USA. Even Singapore and Taiwan have adopted such model while the Mainland has introduced a voluntary system. We cannot understand why Hong Kong is not able to do it?

3. **Lack of choice**

- It is of paramount importance that customers do have choices. Currently, policyholders take out different form of private health insurance plans to suit their needs. For instance, (i) some may choose a lower benefit level according to their affordability; (ii) some may take out such plans as the top up of the group medical plans provided by their employers; (iii) some may have bought a coverage decades ago which are no longer sufficient to cover the medical bill so they choose to get an additional cover. If VHIS with a much higher entry threshold is launched, these policyholders will be forced out of the system and end up with no or very limited private health insurance.
- The lack of choice is even more obvious for the unhealthy individuals. Under the VHIS, they will have no option but to join the High Risk Pool (HRP) and pay 3 times premium or remain in the public system. Whereas in the current situation, they can choose to buy a policy without loading but an exclusion of particular illness for which they could seek treatment in the public system. They can go to private hospital for majority of the illnesses and the cost is covered by insurance except for those conditions being excluded.
- Under the current proposal, these consumers can only join HRP during the first year notwithstanding the fact that they are not familiar with the HPS and probably have lots of questions/ uncertainties. Should they miss this window of opportunity, they will be barred from joining any private insurance plans at all forever. Is this a fair system expected by the people of Hong Kong? What can these people do when they are denied of any form of private medical insurance cover?
- On the other hand, owing to the limited financial means or concern about subsidising the high risk group, the young and healthy ones would prefer not to join the VHIS until they have reached the deadline of 40-year-old.
- Given the fundamental weaknesses of the VHIS, we strongly believe that a range of private health insurance products should be allowed in the market along side with VHIS. Let people choose by their own money.

4. **Sustainability of HRP**

- We are doubtful of the sustainable operation of the HRP. There is no guideline on how to define high risk. The only indicator is that if an insurer charges a customer 300% of the standard rate after underwriting, that customer will then be referred to the HRP. Nevertheless, each insurer has individual underwriting standards, portfolio and experience. The lack of objective and transparent guidelines (for common illnesses at the least) will likely give rise to unnecessary confusion among consumers and complaints from potential policyholders.
- From the consumers' perspective, without proper guidelines on the definition of high risk, it will be hard for them to accept the 300% loading. However, these group of consumers might actually be able to get a cover in the current private medical insurance scheme with exclusions at more affordable levels.
- The VHIS and its HRP may attract those with severe impairment and willing to pay the loading for the VHIS cover. However, the sustainability of the HRP will be exceedingly doubtful because HRP by definition will incur more claim costs than the premium it receives. In addition, we are concerned that private hospital beds are insufficient to meet the surging demand.

- ♦ We are also gravely concerned about the assumptions made in the proposal, i.e. the estimated cost to run the HRP would be \$4.3 billion. What will happen when this \$4.3 bn exhausts? Will the Government commit to inject more public funding to ensure its sustainability? If yes, tax payers are footing the bill at the end of the day. If no, what will happen to those who have joined the HRP?
- ♦ Ultimately, the Government needs to guarantee funding for the High Risk Pool for the lifetime of those customers allocated to that pool.

5. Sustainability of VHIS

- ♦ With a tax reduction at around \$450 per year, VHIS offers very limited attraction to the young and healthy.
- ♦ The consultation paper projected an additional 223,000 policyholders will join VHIS after its launch. And in more than one public occasions, the Secretary for Food and Health has admitted that the VHIS is mainly catered for those middle-class who are not able to get a private health insurance cover due to pre-existing conditions.
- ♦ Insurance is a science of risk pooling. With the limited number of policyholders, in particular those with relatively high risk and in middle-aged, the sustainability of VHIS is highly questionable.
- ♦ For the senior citizens with high risk, they will have to pay an annual premium of \$20,000 - \$30,000. And Hong Kong people are well known for their longevity. How many of them are able to afford such a level of premium for 20 to 30 years? When they used up their savings, they are bound to go back to the public system.
- ♦ One must also ask while the existing private health insurance market is attracting 180,000 new policyholders a year without any intervention from the Government, why do we need to spend at least \$4.3 billion of public funding to attract a mere 223,000 population? Will the money be better spent elsewhere?
- ♦ Currently, there are close to 1.9 million policyholders and a vast majority of them may choose to stay put instead of switching to VHIS due to various reasons. When VHIS were launched, all these existing plans would be barred from the market. Without any new policyholders joining the pool and sharing the risk, these existing plans would receive more claims as the policyholders aged and their health deteriorated in the years to come. The premium would go up due to the high level of risk. At the end of the day, these 1.9 million of policyholders will suffer from the launch of VHIS. We cannot help but ask why sacrifice the benefit/well being of 1.9 million of people for 223,000 new policyholder?

What should be done instead? - The introduction of "VHIS 2"

- At the invitation of the Food and Health Bureau (FHB), the HKFI has submitted a proposal to professionally tackle the issues listed above and improve the viability and sustainability of the proposed VHIS. We called it "VHIS 2" (see enclosed).
- We strongly believe that consumer choice must be maintained to suit different consumers' needs, affordability and preferences. To achieve this, existing medical insurance products must be allowed to be sold along side VHIS 2. Consumers will benefit more from having a range of choices that provide a broader scale of benefits and services across a spectrum of price levels.

- VHIS 2 embraces the fundamental core values of VHIS, i.e. guaranteed acceptance, guaranteed renewal, portability, premium transparency, standardised policy terms and conditions, no lifetime limit and coverage of ambulatory services, advanced diagnostic imaging tests and cancer treatments. On top of all these, VHIS 2 also introduces choice and flexibility to help maintain premium rate at reasonable level through containing risk exposure.
- Through signing of a market agreement among all medical insurance providers in the territory, each company must provide at least one VHIS 2 product in addition to other medical insurance products. Consumers will have an option between a Government-approved VHIS 2 plan and other medical insurance products and make an informed decision accordingly.
- At the same time, medical insurance providers undertake to improve our existing products in phases to meet consumers' expectations.

VHIS 2 offers the Hong Kong Government a once in a generation opportunity to complete this aspect of the Health Care Reform which has been in process for decades. With the enhanced features to improve consumer choices and higher sustainability, we are confident that VHIS 2 is a win-win proposal benefitting all parties concerned. With the support of the industry, the implementation of this reform would be relatively swift. The HKFI and the medical insurance industry are willing and stand ready to discuss the contents of the market agreement and set an appropriate date for implementation.

The Hong Kong Federation of Insurers
March 2015

香港保險業聯會對「自願醫保計劃」的立場書

香港保險業聯會（保聯）是香港政府認可的保險公司代表機構，現時有 130 家會員公司，合共承保超過全港九成的保費。

我們一向全力支持政府推行醫療改革，以強化私營醫療系統的角色，令公私營醫療服務得以雙軌平衡發展、整個體制可長遠持續運作。

保聯特別成立了專責小組，向食物及衛生局（食衛局）提供專業意見和市場數據及資料，期望當局能夠最終制訂實際可行，並能惠及市民的醫保方案。

儘管我們多年來不斷向政府陳述建議方案的弊端，但食衛局卻一意孤行，對保險業界的意見卻充耳不聞，剛推出的自願醫保計劃，不只迴避根本性的原則問題，亦沒有顧及絕大部分市民的需要和負擔能力，更阻礙自由市場的健康發展。我們認為自願醫保計劃在現時的建議框架下，成功推行的機會極微，亦無法達致原定的目標。

保聯有責任向所有消費者交代我們對自願醫保計劃的憂慮和立場，因為全港市民都有權知道建議中的自願醫保計劃存在甚麼問題，計劃又會對投保人現時的醫療保障有甚麼負面影響。

醫保市場現況

- 團體及個人醫療保險計劃為全港約 380 萬名市民提供不同類型的醫療保險保障；
- 過去四年，受保人數目平均每年增加 180,000，足見香港市民認同醫療保險的價值；
- 根據香港保險業聯會醫療保險協會 2012 的統計數字，醫療保險賠償的住院及手術個案中，88% 受保人是在私家醫院接受治療，由此可見絕大部分備有醫療保險的市民，都選擇在私營機構求醫，而非坊間部分人以為投保人仍然依賴公營系統的服務；
- 根據 2012 的統計數字，平均來說，在住院個案中，受保人繳付每\$100 的醫療費用，就有\$80 是由保險公司賠償的；至於日間診所小手術，每\$100 的醫療開支，保險公司賠償的金額為\$83。這正好印證縱使醫療費用不斷上升，醫療保險仍然能夠為市民提供足夠的保障；
- 根據 2013 的統計數字，購買個人實報實銷形醫保的市民每付出\$100 保費，有\$69 用以賠償給投保人，如合併團體保單一併計算，每百港元保費的賠償額更高達\$75（即 75%）。但當局計算這個數字時，卻將住院入息保障包括在內，而非單純計劃現時針對的實報實銷形保險，以至賠償比例偏低，當局將不同的險種混為一談，更以此大造文章，有混淆視聽之嫌。

自願醫保計劃的不足之處

1. 保費

- ◆ 當局現時建議的標準平均保費為\$3,600，這是以三年前（即 2012 年）的數據為估算基礎，和 2015 年的現況有很大的距離，也沒有將醫療費用通脹計算在內，可以說是脫離現實，更有誤導市民之嫌。
- ◆ 食物及衛生局有責任向公眾闡述以下兩大重點：(a) 標準保費的調整幅度可以是減少 8%，亦可以是增加高達 45%；(b) -8% 至 +45% 這調整幅度只是平均值，個別人士可能需要面對比 45% 還要高的增幅。
- ◆ 醫療費用通脹對保費的影響絕對不可忽視，根據醫療保險協會的統計數字，預計醫療費用通脹率每年高達 8% 至 10%。
- ◆ 市民必須清楚了解這兩大重點，才可以按照自己的實況，決定是否支持自願醫保計劃。假如市民以為用\$3,600 便可以購買自願醫保計劃，但最後發現保費可能比當局假設的水平高出逾倍，他們買的是一個「貨不對辦」的計劃，到時自願醫保計劃卻已經落實推行，無法挽回。

2. 透明度

- ◆ 如要成功推行自願醫保計劃，必須同時提高保費和私家醫院／醫生收費的透明度。但是，諮詢文件完全不談套餐收費／Diagnosis-related group (DRG)，形成了計劃中的「黑洞」，在這種收費極度欠缺透明度、毫無參考指標的情況下，加上私家醫院病床短缺，恐怕費用只會越升越急、越升越烈。
- ◆ 當局後來建議推出「服務預算同意書」，要求保險公司事先按照「免繳付套餐／定額套餐」的安排，為投保人提供報價。然而這舉措與保險公司現時提供的報價服務，並無多大分別，沒有為病人帶來額外資訊，或提高收費的透明度。
- ◆ 政府必須一視同仁，同時要求醫院及醫生推行具透明度、高效率、又貫徹統一的收費及編碼系統。而事實上這類系統並不新奇，在澳洲、法國、德國、愛爾蘭、日本、荷蘭、瑞士、英國及美國等醫療體系發達的國家，根本十分普遍。單看亞太區，星加坡和台灣已在推行 DRG，內地也正在自願性推行，既然這些區內的市場也可以推行 DRG，香港為甚麼不可以？

3. 消費者沒有選擇權

- ◆ 消費者必須有權選擇，這點不容置疑。在現時的自由市場機制下，消費者有權因應自己的需要選擇不同的醫保產品：(i) 有些人可能因為經濟能力有限，只能購買自己可以負擔的醫療保障；(ii) 有些人因為自己的僱主已提供團體醫療保險，他們只需另外購買保額較少的計劃，彌補團體保單不足之處，從而得到全面的保障；(iii) 又有些人可能在十多年前已購買了醫療保險，但因為醫療費用上升，故有的保單保額不足以應付開支，故此再買一份保障較低的保單作補足之用。自願醫保計劃一旦實行，因為設有最低賠償額的門檻，市民必須支付較高昂的「入場費」，那麼，上文提及的

投保人，都會被拒諸門外，部分人更會因為不能負擔這麼高的「入場費」，而沒有任何保險保障。

- ◆ 健康欠佳的市民更是別無他選，一是支付三倍保費，加入自願醫保計劃，或是被迫留到公立醫院求醫。但是，在現時的市場機制下，市民有權選擇購買加入不保事項的保單，而不需額外支付保費；假如出現保單豁免保障的病患，他們可以到公立醫院求醫，至於其他大部分病患，因為有保單保障，他們可到私家醫院就診，由保險公司支付相關的醫療費用。
- ◆ 在自願醫保計劃下，年過四十而身體狀況欠佳的市民只可以在計劃推行第一年加入，換言之，即使他們在不了解計劃的詳情、茫無頭緒或充滿疑問的情況下，都必須倉促加入自願醫保計劃。否則，如果他們錯過這個時機，就終身也無法再購買任何醫療保險。對香港市民來說，這是個公平的制度嗎？
- ◆ 另一邊廂，年輕又相對健康的市民卻因為不願分攤高危人士的風險，或因為負擔能力有限，而不會加入自願醫保計劃，寧可等到四十歲這最後限期前才作決定，這無疑是個推高整體風險程度的惡性循環。
- ◆ 在這樣弊多於利的情況下，為何不讓自願醫保計劃與市場上其他醫療保險產品並存？政府大可推銷和宣傳自願醫保計劃，甚至可以標籤這些產品得到政府認可，讓市民用自己的金錢去選擇合適的產品，當局絕對不應剝奪他們選擇的權利。

4. 高風險池的可持續性

- ◆ 我們對高風險池能否持續運作，實在存疑。首先，當局並沒有指引清楚界定何謂高風險，唯一的指示是當某家保險公司將個別投保人的保費定於標準保費三倍以上，這個投保人就會被轉介至高風險池。可是，每家保險公司都會根據自己的核保原則、客戶組合和營運經驗，來決定收取多少保費。在沒有客觀和清晰的指引下，只會令消費者感到混亂無助。
- ◆ 一旦墮入高風險池，就需要支付三倍的保費，作為客戶，這實在難以接受。而這些顧客在現時的自由市場中，是可以以實惠的保費，在豁免保障某些疾病的情況下，購買醫療保險。
- ◆ 對於曾患嚴重疾病、又願意支付高昂保費的客戶來說，自願醫保計劃和高風險池的確有點吸引力。可是，高風險池的風險既高，收取的保費未必能夠應付索償的金額。另一方面，高風險客戶會因為參加了自願醫保計劃，而轉到私營市場就醫；可是現時私家醫院的床位供不應求，假如有大批病人轉入私營體系，私家醫院又能否應付急增的需求呢？在供求失衡的情況下，醫療收費只會進一步增加，保費也會連帶上升，受最大影響的最終也是消費者。
- ◆ 更教人擔心的是政府認為需要為高風險池承擔的經費，估計是 43 億元，但這只是個粗略估計，而非預算金額。這 43 億元一旦耗盡，政府會否再次撥款以確保高風險池能夠持續運作？假如繼續撥款，變相最後由納稅人補貼支付高風險池的賠償。相反，倘若政府不再撥款，屆時參加了自願醫保計劃的高風險客戶又會怎樣呢？

5. 自願醫保計劃的可持續性

- ◆ 自願醫保計劃只提供每年大約\$450 的稅務減免，對年輕及健康的消費者來說，可謂全無吸引力。
- ◆ 諮詢文件中預計將有 223,000 市民參加自願醫保計劃，食物及衛生局局長在多個公開場合裡承認自願醫保計劃主要為那些由於投保前已存在的疾病而未能受市場上的醫保產品保障的中產人士而設。
- ◆ 保險是一門分攤風險的學問，假如投保人數有限，加上大部分為中年和風險較高的人士，自願醫保計劃的風險只會隨著時間越來越高，計劃將來能否持續推行實在是個大疑問。
- ◆ 年長或高風險人士的保費可能高達 20,000 至 30,000 一年，而香港人的平均壽命又是世界之冠，試問有多少長者可以持續二、三十年支付每年幾萬元的保費？那些不能負擔的投保人，最終仍是被迫回到公營系統去。
- ◆ 在沒在政府的干預下，現時的醫保產品市場每年已能吸引 180,000 名新客戶投保，為何政府還要大費周章，動用 43 億公帑來吸引區區 223,000 名市民投保？這\$43 億公帑是否用在其他更有需要的地方？
- ◆ 更嚴重的問題是，現時市場上有近 190 萬名市民擁有個人醫療保險，他們大可能因為不同原因，決定保留現有計劃，而不會轉買自願醫保；可是，當局又禁止保險公司日後繼續銷售自由市場上的個人醫保，在缺乏新投保人加入分攤風險的情況下，現有醫保的風險會隨著投保人年齡漸長、健康情況漸差而不斷提高，保費也會因此而被推高，令投保人受到莫大影響。據此，我們不禁要再問一次：為何為了吸引 223,000 名新投保人，而影響原來的 1,900,000 名市民的福祉呢？

如何改善現有計劃——『自願醫保 2』

- 應食物及衛生局之邀，保聯以專業的角度，提出改善上述問題的方案，確保醫保計劃實際可行，並得以為繼，我們稱這個方案為『自願醫保 2』，並已於日前提交與食衛局考慮（見附表）。
- 我們認為消費者有權按照自己的需要、負擔能力和喜好選擇保險產品，故此，當局必須容許『自願醫保 2』以外的醫保產品繼續銷售，讓消費者從不同保費水平、不同賠償金額的計劃中，挑選適合自己的產品及服務，這才能惠及顧客。
- 『自願醫保 2』保留了自願醫保計劃的重要元素，即：保證承保、保證續保、保單「自由行」、保費透明度、標準保單條款及條件、不設「終身可獲保障總額上限」，以及承保日間非住院服務、先進診斷成像檢測及癌症治療。除此之外，『自願醫保 2』提供更多選擇和更大彈性，有效地控制風險，從而控制保費在合理水平。
- 透過簽署市場協議，規定所有經營醫保的承保商在其他醫保產品以外，必須提供最少一款『自願醫保 2』產品，消費者可以選擇購買得到政府認可的『自願醫保 2』，亦可以按照自己的需要和能力，選購其他醫保計劃。
- 與此同時，所有經營醫保的承保商都會分階段改善現時的產品，配合消費者的需要和期望。

香港政府花了數十年時間研究醫療改革，現在，『自願醫保 2』提供了最佳的契機，讓當局實現多年來的宏圖。『自願醫保 2』包含的優化方案，能帶給消費者更多選擇，亦可確保計劃得以為繼。我們深信，『自願醫保 2』是個多贏方案，能惠及各方，在保險界的支持下，可以順利推行。香港保險業聯會和醫療保險界都已作好準備，並十分樂意與當局磋商市場協議的內容，並訂定計劃實施的日子。

香港保險業聯會
2015 年 3 月

VOLUNTARY HEALTH INSURANCE SCHEME VERSION 2 (VHIS 2) – A Proposal from the Hong Kong Federation of Insurers

PREAMBLE - CO-EXISTENCE OF VHIS 2 AND NON-VHIS PRODUCTS WITH ENHANCED FEATURES

EXECUTION - By signing of market agreement among all medical insurance providers with pre-agreed guidelines issued by the industry, including mandatory provision of at least one VHIS 2 product by each company. A thorough review will be conducted after 3 years of launching.

THE PROPOSED VHIS 2

VHIS	VHIS 2	Objectives
1. No consumer choice	Consumers must have the right to choose any products to suit their needs	♦ Different form of private health insurance plans to suit consumers' needs, affordability and preferences.
2. Guaranteed renewal	✓	
3. No lifetime limit	✓	
4. Coverage of ambulatory services	✓	
5. Coverage of advanced diagnostic imaging tests and cancer treatments	✓	
6. Premium transparency	✓	♦ For consistency and ease of comparison among VHIS 2 products
7. Standardised policy terms and conditions	✓	

VHIS	VHIS 2	Objectives
8. Guaranteed acceptance	<p>Alongside the guaranteed acceptance rules we propose two options for substandard cases:</p> <p>i) No exclusion with loading;</p> <p>ii) No/less loading with exclusion(s).</p> <p>(Note: Government should guarantee the required funding for the policyholder joining the HRP upfront for life.)</p>	<ul style="list-style-type: none"> ♦ Allows everyone to join the scheme irrespective of health status. ♦ Offer consumers more choices to suit their needs and affordability. ♦ Make VHIS more affordable and attract more people to join. ♦ Relieve the burden on the HRP and ensure its sustainability. ♦ Ensure the sustainability of the pool by containing the risk exposure while guarantee renewal of policy.
9. Coverage of pre-existing conditions; partial payment for first 3 years (standard waiting period)		
10. Portable insurance policy with re-underwriting waived if no claim made within 3 years before transfer	<ul style="list-style-type: none"> ♦ Portability without re-underwriting for customers already in the High Risk Pool ♦ For the standard risk pool, re-assessment of risk is performed and insurers can either accept the case or refer that case to the HRP. In this way the customer benefits from portability without the need to pay additional premiums. 	<ul style="list-style-type: none"> ♦ Ensure the sustainability of the standard risk pools by containing the risk exposure. ♦ The concession of portability has a cost and that cost should be borne by the HRP (if insurer does not feel that customer is a standard risk).

VHIS	VHIS 2	Objectives
11. Minimum benefit limits	Two options for consumers: i) Standard premium level for full standard minimum benefits (as specified by the Government); ii) Discount premium rate for full standard minimum benefits with standard deductible p.a. (amount to be determined) upon entry.	<ul style="list-style-type: none"> ♦ The minimum benefits provide a baseline supported by the Government. ♦ Allows customers to compare potential insurers' offerings and price on a like for like basis ♦ Offer consumers more options to suit their needs and affordability (top up for existing plan/group plan).
12. Cost-sharing restriction – no coinsurance, except 30% co-insurance for prescribed advanced diagnostic imaging tests capped at \$30,000 p.a.	Applies to all treatments with two options: i) No co-payment at standard premium level; ii) Discount premium rate (amount to be determined) for co-payment option (e.g. 20%).	<ul style="list-style-type: none"> ♦ Make VHIS more affordable and attract more people to join.
13. Budget Certainty – no gap/known gap arrangement & informed financial consent	<ul style="list-style-type: none"> ♦ Informed Financial Consent - can be achieved provided that the patient is able to obtain a quote from the hospital/doctor. In such case the insurer will commit to provide information on the coverage available for that specific treatment and cost under the customer's particular coverage. ♦ No gap/known gap arrangement - can be achieved under the coordination of the Government. 	<ul style="list-style-type: none"> ♦ Budget certainty from key parties involved.

COMMENTARY

- We strongly believe that this proposal offers the Hong Kong Government a once in a generation opportunity to complete this aspect of the Health Care Reform which has been in process for decades. Such an opportunity should, in our view, be enthusiastically grasped and implemented so as to avoid further delay.
- We are in partial agreement with all 12 VHIS requirements in VHIS 2 with full agreement in the case of 10 out of the 12. In addition we have proposed enhancements to several of the requirements in order to improve choice for customers. Recall that the above proposals come as a package to operate the VHIS 2 alongside existing products.
- By implementing such a market agreement we can show that the Government and the Industry are working together to uplift standards for customers.
- We believe that tax relief is not essential to the above proposal. Hence, we regard the offer of tax relief as a matter for the Government to decide and we will follow your lead.
- The industry agrees to bear all costs of such a fundamental change (including changing product designs, marketing materials, administrative and information systems, control processes, reporting procedures, etc). The exceptions are the cost of tax relief (if included by Government) and the cost of the High Risk Pool (HRP) both of which should be funded in perpetuity by the Government. For the latter, the Government should assume the entire liability and commit the required funding for the policyholder joining the HRP upfront for life and review the reserve periodically. [If the Government is not prepared to fund these costs in full then VHIS 2 would not attract tax relief and would need to revert to current underwriting methods.]
- With such a market agreement, we believe that the oversight of such an arrangement could be handed efficiently to the Office of the Commissioner of Insurance (or the new Independent Insurance Authority) who will already be monitoring the solvency of those companies offering such products.
- For customers, we believe that the market agreement would have the following advantages:
 - A wide choice of products including VHIS 2 which would be actively promoted by the Government;
 - For the VHIS 2, enhanced product features and comparability;
 - Guaranteed acceptance;
 - Portability;
 - Guaranteed Renewal, i.e., the certainty that an individual customer can be sure that he/she will pay the same premium as others in the same underwriting class and he/she can insist on perpetual renewal provided that class of business is maintained by the insurer.
- With the support of the industry, we believe that the implementation of this reform would be relatively swift.
- Further reforms can be discussed in the future, however, the industry would insist on 3 years before any further reforms in order to be able to complete all the administrative requirements and then to be able to recoup some of the investment before any future round of changes.
- Should the Government agree with the Industry that this is a good proposal, the Industry would seek to discuss with insurers the contents and signing of the market agreement and an appropriate date for implementation.

自願醫保計劃 2 - 香港保險業聯會的建議

首要重點 - 自願醫保計劃 2 與其他優化醫保產品並存

執行 — 所有提供醫保產品的保險公司必須簽署有關銷售醫保產品的市場協議書，包括：每家公司必須同意提供最少一種自願醫保計劃 2 的產品。方案推出 3 年後，再作全面檢討。

建議的自願醫保計劃 2

自願醫保計劃	自願醫保計劃 2	目的
1. 消費者沒有選擇權	消費者必須有權因應自己的需要， 選擇不同的醫保產品	◆ 提供各式各樣的醫保產品，配合消費者的不同需要、負擔能力和喜好。
2. 保證續保	✓	
3. 不設「終身可獲保障總額上限」	✓	
4. 承保日間非住院服務	✓	
5. 承保先進診斷成像檢測及癌症治療	✓	
6. 保費透明度	✓	◆ 方便市民比較自願醫保計劃 2 的產品
7. 符合標準保單條款及條件	✓	

自願醫保計劃	自願醫保計劃 2	目的
8. 必定承保	在必定承保的同時，給與風險較高的消費者兩個選擇：	<ul style="list-style-type: none"> ◆ 不論健康情況，任何人均可參與計劃
9. 承保投保前已有病症；首 3 年分批部份付款（設有標準等候期）	i) 不設不保事項，但需繳付額外保費； ii) 保留不保事項，毋須繳付額外保費／繳付較低額外保費。 （註：政府應保證有足夠資金終生承保加入高風險池的保單持有人）	<ul style="list-style-type: none"> ◆ 提供更多選擇，配合消費者的不同需要及負擔能力 ◆ 降低自願醫保計劃的保費，令更多消費者有經濟能力加入計劃 ◆ 減輕高風險池的負荷，確保其可持續發展 ◆ 在終身續保的大前提下，將所承保的風險控制在一定水平之內，確保同一風險池得以續性運作
10. 保單「自由行」，如在轉換保單前三年內沒有提出任何索償，在轉換承保機構時毋須重新核保	<ul style="list-style-type: none"> ◆ 高風險池客戶可轉換承保商，毋須重新核保 ◆ 至於一般客戶，保險公司可再進行核保，以決定接受投保或將其轉介至高風險池。換言之，客戶在毋須繳付額外保費的情況下，仍能轉換承保商 	<ul style="list-style-type: none"> ◆ 將所承保的風險控制在一定水平之內，確保標準風險池得以續性運作 ◆ 容許保單「自由行」必定牽涉費用，有關費用應由高風險池承擔（如保險公司認為該客戶的風險較標準為高）

自願醫保計劃	自願醫保計劃 2	目的
11. 最低保障限額	<p>消費者有兩個選擇：</p> <p>i) 繳付標準保費購買符合政府列明的最低保障；</p> <p>ii) 繳付低於標準的保費，購買最低保障計劃，但需要先扣除每年定額的墊底費（金額待定）</p>	<ul style="list-style-type: none"> ◆ 最低保障限額符合政府的要求 ◆ 消費者得以比較不同保險公司提供的產品及價格 ◆ 提供更多選擇，配合消費者的不同需要及負擔能力（補足現有保單／團體保單的保障水平） ◆ 降低自願醫保計劃的保費，吸引更多消費者參加
12. 不設費用分擔限制或共同保險，但指定的先進診斷成像檢測的固定30%共同保險除外（上限為每年30,000元）	<p>適用於所有治療的選項：</p> <p>i) 繳付標準保費，毋須分擔醫療費用</p> <p>ii) 繳付低於標準保費的計劃（金額待定），但須繳付部分醫療費用（例如20%）</p>	
13. 提供明確的支出預算—「免繳付套餐／定額套餐」安排及「服務預算同意書」	<ul style="list-style-type: none"> ◆ 要實行「服務預算同意書」，病人必須先向醫院／醫生索取報價，保險公司才能根據報價確認相關治療是否受到保障，以及消費需要繳付的費用 ◆ 「免繳付套餐／定額套餐」的安排—由政府統籌主導 	<ul style="list-style-type: none"> ◆ 由相關的服務供應商提供明確的支出預算

註釋

- 我們深信保聯提出的『自願醫保計劃 2』提供了難能可貴的機會，讓當局得以推出較完整的醫療改革。希望局方能夠把握機會，積極採納我們的建議，並予以盡速落實，結束長達數十載的漫長醫療改革討論。
- 透過『自願醫保計劃 2』，業界某程度上同意自願醫保計劃的 12 項要求，並完全贊同其中 10 項。為了進一步改善自願醫保計，我們更提出修訂方案，務求讓消費者有更多選擇權。我們必須強調，『自願醫保計劃 2』必須全盤推行，不可選擇性接受若干元素。與此同時，『自願醫保計劃 2』必須必須與現有醫保產品在市場上同時並存，供市民選購。
- 通過簽署市場協議推行『自願醫保計劃 2』，顯示當局與業界同心為客戶提供優質的服務和產品。
- 我們認為稅務優惠可有可無，但支持當局在稅務方面的決定。
- 『自願醫保計劃 2』是全新的概念和產品，業界同意承擔推出此計劃的所有費用，包括：重新設計產品、營銷材料、行政和電腦系統、監控措施、報告程序等等。然而，假如當局最終決定提供稅務優惠，相關的費用必須由政府承擔；至於高風險池，政府更必須永久資助，承諾注入足夠資金，確保加入高風險池的投保人得到終生保障，並定期檢討有關撥款是否足夠。假如當局不打算承擔所有相關費用，則『自願醫保計劃 2』便不會享有稅務減免；沒有高風險池的話，業界亦必須沿用目前的既定方式進行核保。
- 用市場協議推行『自願醫保計劃 2』，監管的工作應交由保險業監理處（或未來的獨立保監局）處理，因為保監需要監管相關保險公司的償付能力，若能將其他監管工作集於同一機構，定能事半功倍。
- 對客戶而言，透過市場協議推行的『自願醫保計劃 2』有以下優點：
 - 給予消費者更廣泛的產品選擇，包括政府將大力宣傳的『自願醫保計劃 2』；
 - 『自願醫保計劃 2』的產品更加完善，亦方便市民作出比較；
 - 必定承保
 - 容許轉換保單
 - 保證續保，即個人客戶可以肯定自己繳付的保費，與同一風險組別的客户相同，只要保險公司繼續承保該組別，客戶可以得到終身續保。
- 在業界的支持下，相信『自願醫保計劃 2』可以相對地順利推出。
- 任何進一步改革可容後再議，然而，必須在『自願醫保計劃 2』推行 3 年後，方可展開下一輪討論，讓業界先完成是次改革的程序要求，並取回投放在推出『自願醫保計劃 2』的成本。
- 政府如認同業界此建議可取，我們將與各家保險公司商討市場協議的內容和實施日期，並簽訂協議書。