

立法會
Legislative Council

LC Paper No. CB(2)53/15-16
(These minutes have been
seen by the Administration)

Ref : CB2/PS/2/12

Panel on Health Services

Subcommittee on Health Protection Scheme

**Minutes of the thirteenth meeting
held on Monday, 4 May 2015, at 2:30 pm
in Conference Room 2 of the Legislative Council Complex**

- Members present** : Dr Hon LEUNG Ka-lau (Chairman)
Hon Vincent FANG Kang, SBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon CHAN Kin-por, BBS, JP
Hon YIU Si-wing
Hon Charles Peter MOK, JP
Dr Hon KWOK Ka-ki
Hon POON Siu-ping, BBS, MH
- Member attending** : Hon WU Chi-wai, MH
- Members absent** : Hon CHEUNG Kwok-che
Hon CHAN Han-pan, JP
Hon Alice MAK Mei-kuen, JP
- Public Officers attending** : Item I

Mr Richard YUEN Ming-fai, JP
Permanent Secretary for Food and Health (Health)
Food and Health Bureau

Mr Chris SUN Yuk-han, JP
Head, Healthcare Planning and Development Office
Food and Health Bureau

Dr W L CHEUNG
Director (Cluster Services)
Hospital Authority

Item II

Mr Richard YUEN Ming-fai, JP
Permanent Secretary for Food and Health (Health)
Food and Health Bureau

Mr Chris SUN Yuk-han, JP
Head, Healthcare Planning and Development Office
Food and Health Bureau

Clerk in attendance : Ms Maisie LAM
Chief Council Secretary (2) 5

Staff in attendance : Ms Janet SHUM
Senior Council Secretary (2) 5

Ms Michelle LEE
Legislative Assistant (2) 5

Action

I. Manpower projection for doctors, nurses and dentists
[LC Paper Nos. CB(2)978/14-15(03) and (04)]

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. At the invitation of the Chairman, the Administration briefed the Subcommittee on the progress of the study on the long-term projection of healthcare professionals in Hong Kong (LC Paper No. CB(2)978/14-15(03)).

3. Members noted the background brief entitled "Commissioned study on projecting demand and supply for healthcare professionals" (LC Paper No. CB(2)978/14-15(04)) prepared by the Legislative Council Secretariat.

Admin/HA 4. The Subcommittee requested the Administration and the Hospital

Action

Authority ("HA") to provide, in the form of a table, the estimated medical and nursing establishment of HA; the estimated number of doctors and nurses who would cease service due to retirement, contract termination and resignation; and the estimated supply of doctors and nurses (including the number of local graduates and the inflow of qualified overseas-trained personnel) from 2015 to 2041 to assess if there would be a manpower shortage in HA.

5. The Chairman suggested that to enable members to have a better understanding of the generic healthcare manpower forecasting model developed by the University of Hong Kong, the Administration should provide a demonstration on the running of the model with sample data to illustrate how it could respond to changes in service demand, service enhancement initiatives, adoption of a higher retirement age in HA and reduction in Government subvention to HA. The Administration took note of the Chairman's suggestion.

II. Matters arising from the meeting on 11 March 2015

[LC Paper No. CB(2)1357/14-15(01)]

6. Members noted the Administration's response to issues raised at the meeting on 11 March 2015 (LC Paper No. CB(2)1357/14-15(01)).

Admin

7. The Administration was requested to -

- (a) in respect of the price impact to be brought about by the requirement of covering pre-existing medical conditions on the premiums to be paid by insured persons with standard-risk, engage the insurance sector to analyze the market data and provide information on the respective percentages of policyholders who were of standard-risk and were charged the "normal" premium, and policyholders who were of higher-risk and were charged (i) the "normal" premium yet with reduced coverage due to exclusion of pre-existing medical conditions; and (ii) premium loadings over and above the "normal" premium due to their pre-existing medical conditions; and
- (b) work out a formula for calculating the excess medical inflation rate for the purpose of projecting the impact of the Voluntary Health Insurance Scheme ("VHIS") on the average annual premium; and verify, on the basis of historical data of the parameters involved, whether the projected premium growth rate of individual indemnity hospital insurance products (ward level) would average at 3.5% per annum (in excess of the general inflation rate) during the projection horizon of 2016 to 2040 with the implementation of VHIS as

Action

estimated by the Consultant.

III. Any other business

Date of next meeting

8. Members noted that the Administration was in the progress of analyzing the views received during the public consultation exercise on VHIS. It was also in discussion with the insurance sector on their major issues of concern, with a view to building towards a consensus in the coming few months.

9. The Chairman said that depending on the progress of the above work, the Clerk would follow up with the Administration on the arrangement for the next meeting and members would be informed of the details in due course.

10. There being no other business, the meeting ended at 4:24 pm.

Council Business Division 2
Legislative Council Secretariat
15 October 2015

**Proceedings of the thirteenth meeting of the
Subcommittee on Health Protection Scheme
on Monday, 4 May 2015, at 2:30 pm
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)/Discussion	Action required
<i>Agenda item I: Manpower projection for doctors, nurses and dentists</i>			
000105 - 000210	Chairman	Opening remarks	
000211 - 000427	Chairman Admin	Briefing by the Administration on the progress of the study on the long-term projection of healthcare professionals in Hong Kong [LC Paper No. CB(2)978/14-15(03)].	
000428 - 001359	Chairman Admin	<p>The Chairman's concern as to whether using historical service utilization data of HA with adjustments for population growth and demographic changes as the parameter to forecast HA's healthcare manpower demand would fail to take into account the problem of HA of having inadequate healthcare manpower to support its services in the past years.</p> <p>The Administration and HA's advice that -</p> <p>(a) when translating the time requirement (man-hours) of the healthcare professionals of HA in carrying out each unit of the projected service workloads, there would be a +5% to +10% adjustment with a view to improving the services provided; and</p> <p>(b) the generic healthcare manpower forecasting model developed by the University of Hong Kong ("the generic model") could be adopted to adjust for factors such as the implementation of service enhancement measures.</p> <p>The Chairman's request for the Administration and HA to provide, in the form of a table, the estimated medical and nursing establishment of HA; the estimated number of doctors and nurses who would cease service due to retirement, contract termination and resignation; and the estimated supply of doctors and nurses (including the number of local graduates and the inflow of qualified overseas-trained personnel) from 2015 to 2041 to assess if there would be a manpower shortage in HA.</p>	Admin/ HA
001400 - 002304	Chairman Mr POON Siu-ping Admin	<p>Mr POON Siu-ping's enquiries about the commencement of the measure to extend the retirement age of doctors of HA from 60 to 65, the arrangement to re-employ locally retired doctors on contract terms, and the number of overseas-trained doctors employed by HA.</p> <p>The Administration and HA's advice that -</p> <p>(a) the retirement age of HA new recruits with employment commencement date on or after 1 June 2015 would be 65. HA was also reviewing the mode of re-employment of locally retired doctors to address the doctor shortage. At</p>	

Time marker	Speaker	Subject(s)/Discussion	Action required
		<p>present, the number of non-local doctors employed by HA under limited registration was around 10 each year. These apart, HA was exploring the possibility to roll out more public-private partnership ("PPP") initiatives to alleviate the pressure of the public healthcare sector; and</p> <p>(b) efforts had been and would continuously be made by the Administration to explore with the Medical Council of Hong Kong on ways to facilitate more overseas-trained doctors, particularly those who were Hong Kong residents, to return to practise in Hong Kong. For instance, the frequency of the Licensing Examination had since 2014 been increased from once to twice a year. With such measures, the number of candidates passing Part III Clinical Examination of the Licensing Examination had increased from about 20 candidates in the past to more than 60 candidates in 2014. Given that the local medical schools of the two universities were reviewing their mode of examination, it was expected that the number of candidate passing the Licensing Examination would further rise after the completion of the review exercise.</p>	
002305 - 003318	Chairman Mr YIU Si-wing Admin	<p>Mr YIU Si-wing's enquiry as to whether HA had made reference to international standard to set a standard service workload of a doctor, nurse and allied healthcare professional; and HA's response that to estimate the healthcare manpower required by HA, it would identify the time required for the healthcare professional concerned in carrying out the tasks for each type of workload and estimate the total man-hours required for carrying out the projected service workload across all types of activities after having taken into account factors such as population growth and ageing.</p> <p>In response to Mr YIU Si-wing's enquiry about how far the implementation of HA's PPP initiatives and the proposed Voluntary Health Insurance Scheme ("VHIS") could help to relieve the service workload of HA's healthcare professionals, the Administration's advice that the PPP projects of HA could help to shorten the waiting time for various services during the period of healthcare manpower shortage in the public sector. It was projected that with the implementation of VHIS, the public to private ratio in terms of inpatient (overnight and day cases) discharge in 2040 would change from a baseline (i.e. without VHIS) of 86:14 to 81:19.</p>	
003319 - 004736	Chairman Prof Joseph LEE Admin	<p>Casting doubt about the forecast as set out in paragraph 8 of the Administration's paper that while HA recorded a shortage of 500 general nurses as at end of December 2014, there would be no substantial shortfall of general nurses in HA in 2020, Prof Joseph LEE enquired about the ward workload standards adopted by HA in forecasting the nursing manpower demand. According to the findings of the Association of Hong Kong Nursing Staff, the existing nursing manpower ratio in HA was one nurse to about 11 patients, which was far below the common international standard of one nurse to six patients.</p>	

Time marker	Speaker	Subject(s)/Discussion	Action required
		<p>The Administration and HA's response that -</p> <p>(a) the manpower forecast for general nurses in HA was worked out on the basis of the existing service workloads with a +5% to +10% adjustment, as any higher service standards (including a higher nurse-to-patient ratio) could only be introduced after the current manpower shortage problem had been resolved; and</p> <p>(b) the total number of new nurse graduates in the past few years was about 2 000 each year, which comprised graduates from local universities, nursing schools of HA and other higher education institutions, and the attrition number of nurses in HA was about 1 000 each year. About half of the newly recruited nurses would support the new services provided by HA and the remaining would be deployed to support the existing services.</p> <p>In response to Prof Joseph LEE's enquiry about the nursing manpower situation in the private sector, the Administration's advice that it was estimated that there would be no shortfall of nursing manpower in private hospitals. It was, however, noted that the number of nurses willing to work in the welfare sector was not high.</p>	
004737 - 005728	Chairman Dr KWOK Ka-ki Admin	<p>Dr KWOK Ka-ki's view that the unwillingness of nurses and allied healthcare professionals to work in the subvented and private residential care homes for the elderly was largely due to the lack of resources of these residential care homes and, hence, promotion prospect for these healthcare professionals; and the Administration's response that the parameters of the generic model for projecting the demand for nurses and allied healthcare professionals would cover service utilization data of the welfare setting.</p> <p>On Dr KWOK Ka-ki's question as to whether the Administration would enhance the manpower supply of dentists by 2020 with a view to strengthening the primary dental care services for the elderly in the public sector, the Administration's advice that -</p> <p>(a) the Community Care Fund Elderly Dental Assistance Programme, which provided free dentures and related dental services for elders on low income who were users of the home care service or home help service schemes subvented by the Social Welfare Department, would be expanded progressively to cover elders who were Old Age Living Allowance recipients by phases, starting with those aged 80 or above in the first phase; and</p> <p>(b) there would be an increase in the annual intake of dental students for the 2016-2017 triennium. Subject to the progress of discussion with the Education Bureau and the University Grants Committee ("UGC"), it was expected that details of additional intake for dentists, as well as doctors and other allied healthcare professionals would be available in two to three months' time. Separately, the</p>	

Time marker	Speaker	Subject(s)/Discussion	Action required
		<p>Dental Council of Hong Kong was planning to increase the licensing examination for overseas-trained dentists from one sitting to two sittings a year so as to attract more qualified dentists to practise in Hong Kong.</p>	
005729 - 010833	Chairman Mr WU Chi-wai Admin	<p>Mr WU Chi-wai's enquiry about -</p> <p>(a) how a +5% to +10% adjustment to the existing service workloads of the healthcare professionals in HA could help enhancing HA's services; and</p> <p>(b) given the pressure exerted by the ageing population on healthcare demand as detailed in paragraph 3 of the Administration's paper, (i) whether HA was required to subject to the "0-1-1" envelope savings programme launched by the Financial Secretary aiming at reducing the operating expenditure by a total of 2% over the next three financial years; and (ii) whether the proportion of public health expenditure in the total recurrent expenditure of the Government would continue be maintained at about 17%.</p> <p>HA's reiteration of the service demand projection approach it adopted in projecting its healthcare workforce requirements; and the Administration's advice that -</p> <p>(a) HA was required to reduce its operating expenditure by using its resources more efficiently through re-engineering and re-prioritizing. That said, given the increasing demand for public healthcare services by a growing and ageing population, it was expected that the resources so saved might be re-allocated for other new and improved healthcare services; and</p> <p>(b) given the growing healthcare needs in the past years, the recurrent public health expenditure had reached 17% of the total Government recurrent expenditure. The recurrent public health expenditure would be reviewed from time to time having regard to various factors. In this relation, the Working Group on Long-Term Fiscal Planning issued a report in 2014. The report provided a projection of the Government's long-term fiscal position from 2014-2015 up to around 2041-2042, having regard to forecasts of demographic trends, aging population and other factors with a view to ascertaining, among others, the Government's future fiscal capability for enhancing public healthcare services.</p>	
010834 - 011519	Chairman Mr YIU Si-wing Admin	<p>Mr YIU Si-wing's suggestion that in view of the increasing number of retirees who chose to reside on the Mainland, the Administration should explore the feasibility of extending the benefits of VHIS to cover the private healthcare services provided on the Mainland. In so doing, the pressure on both the public healthcare system and the healthcare manpower requirements of Hong Kong could be indirectly relieved.</p> <p>The Administration's response that the VHIS Consultant's model</p>	

Time marker	Speaker	Subject(s)/Discussion	Action required
		<p>had factored in the healthcare service demand of all Hong Kong residents. The question as to whether the benefits of VHIS should be enhanced to cover private healthcare services provided on the Mainland should be left to the market to decide at this stage through the offering of a Flexi Plan or a Top-up Plan to suit the specific needs of consumers.</p>	
011520 - 012011	Chairman Admin	<p>In response to the Chairman's enquiry, the Administration's advice that the number of UGC-funded medical places could only be adjusted in the next triennial planning exercise even when there was an economic downturn and, hence, a reduced demand for doctors. Where necessary, HA could mobilize its internal resources for recruiting the resident trainees in case there was a reduction in Government subvention to HA.</p> <p>The Chairman's suggestion that to enable members to have a better understanding of the generic model, the Administration should provide a demonstration on the running of the generic model with sample data to illustrate how it could respond to changes in service demand, service enhancement initiatives, adoption of a higher retirement age in HA and reduction in Government subvention to HA. The Administration took note of the Chairman's suggestion.</p>	
<i>Agenda item II: Matters arising from the meeting on 11 March 2015</i>			
012012 - 012224	Chairman Admin	<p>Members noted the Administration's response to issues raised at the meeting on 11 March 2015 [LC Paper No. CB(2)1357/14-15(01)].</p> <p>The Administration's advice that it was in the process of analyzing the some 600 written submissions received during the public consultation period for VHIS from 15 December 2014 to 16 April 2015. It would continue to discuss with the insurance industry on the detailed product design under VHIS, with a view to building towards a consensus.</p>	
012225 - 013234	Chairman Mr YIU Si-wing Admin	<p>Mr YIU Si-wing's view that to enhance the attractiveness of VHIS for the young and healthy, the Standard Plan should be so designed to enable those policyholders who, for various reasons, became unable to afford the premium after continuously staying insured under VHIS for years to stay insured for a certain period of time. Otherwise, only the unhealthy population who needed health protection the most would be attracted to join VHIS. This might affect the long-term sustainability of VHIS.</p> <p>The Administration's response that -</p> <p>(a) the young and healthy would have greater incentive to join VHIS early given that the premium would be age-banded and that the premium loading rate would be calculated on the basis of the health conditions of the insured at the time he or she join the health insurance. The requirement of guaranteed renewal for life would enable early entrants to enjoy life-long protection without having to undergo re-underwriting even if they suffered from catastrophic</p>	

Time marker	Speaker	Subject(s)/Discussion	Action required
		<p>illnesses after purchasing their VHIS plans. The market could decide whether to provide an option for the insured to pay higher premium at a younger age to offset the premium at older age; and</p> <p>(b) the major concern of the insurance sector was the price impact brought about by the proposed feature of covering pre-existing medical conditions (subject to a standard waiting period) on standard premium. The Administration would further discuss with the insurance industry in this regard, with a view to reaching a consensus in the coming few months.</p>	
013235 - 015442	Chairman Mr CHAN Kin-por Admin	<p>Mr CHAN Kin-por's relayed the view of the members of the insurance industry that they did not agree with the following estimations of the Consultant as set out under item (a) and items (b) and (c) in LC Paper No. CB(2)1357/14-15(01) -</p> <p>(a) the price impact to be brought about by the requirement of covering pre-existing medical conditions on the premiums to be paid by insured persons with standard-risk would only be 5%; and</p> <p>(b) the projected premium growth rate of individual indemnity hospital insurance products (ward level) would average at only 3.5% per annum (in excess of medical inflation over general inflation) during the projection horizon from 2016 to 2040 with the implementation of VHIS (i.e. the VHIS scenario), vis-à-vis the corresponding figure of 4.3% per annum under the baseline scenario without VHIS.</p> <p>At the request of the Chairman, the Administration agreed to -</p> <p>(a) in respect of the price impact to be brought about by the requirement of covering pre-existing medical conditions on the premiums to be paid by insured persons with standard-risk, engage the insurance sector to analyze the market data and provide information on the respective percentages of policyholders who were of standard-risk and were charged the "normal" premium, and policyholders who were of higher-risk and were charged (i) the "normal" premium yet with reduced coverage due to exclusion of pre-existing medical conditions; and (ii) premium loadings over and above the "normal" premium due to their pre-existing medical conditions; and</p> <p>(b) work out a formula for calculating the excess medical inflation rate for the purpose of projecting the impact of VHIS on the average annual premium; and verify, on the basis of historical data of the parameters involved, whether the projected premium growth rate of individual indemnity hospital insurance products (ward level) would average at only 3.5% per annum during the projection horizon under the VHIS scenario.</p>	Admin

Time marker	Speaker	Subject(s)/Discussion	Action required
<i>Agenda item III: Any other business</i>			
015443 - 015530	Chairman Admin	In response to the Chairman's enquiry, the Administration's advice that it was expected that a consensus with the insurance sector on issues of concern could be reached in the coming few months. Date of next meeting to be scheduled.	

Council Business Division 2
Legislative Council Secretariat
15 October 2015