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Panel on Health Services

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 20 October 2014**

Healthcare Planning and Development Office

Purpose

This paper summarizes the concerns of the members of the Panel on Health Services ("the Panel") on the Healthcare Planning and Development Office¹ ("HPDO") set up under the Health Branch of the Food and Health Bureau ("FHB").

Background

2. Further to the first stage public consultation on healthcare reform in 2008, the Government put forth a voluntary and government-regulated Health Protection Scheme ("HPS") for public consultation in the Second Stage Healthcare Reform Consultation Document entitled "My Health My Choice" in 2010. It was proposed that HPS aimed to complement public healthcare by providing more choices with better protection to those who were willing and able to afford private healthcare services. It would also better enable the public healthcare system to focus on target service areas and population groups.

3. Based on the outcome of the second stage public consultation, the Administration briefed the Panel in November 2011 on its staffing proposal for a dedicated and time-limited office to be set up in early 2012 to perform the following major roles and functions -

- (a) to spearhead and coordinate the planning, development and implementation of the proposed HPS under the direction of the

¹ The office was originally proposed to be named as the Health Protection Scheme Office. In response to members' suggestion at the meeting of the Panel on 24 November 2011, the Administration has renamed the proposed office as the Healthcare Planning and Development Office in the staffing proposal submitted to the Establishment Subcommittee in December 2011.

Working Group on Health Protection Scheme, including the formulation of legislative and institutional proposals for establishing a feasible supervisory framework for health insurance and healthcare services under HPS as well as the provision of public subsidy making use of the \$50 billion fiscal reserve earmarked to support healthcare reform;

- (b) to review and assess manpower requirements for healthcare professionals and to formulate options for strengthening healthcare manpower supply to meet service demands and facilitating professional development and regulation under the direction of the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development;
- (c) to facilitate healthcare services development, including enhancing transparency in private health insurance and healthcare services as well as promoting packaged services for common procedures in the private healthcare sector; and
- (d) to oversee the regulation of private hospitals and healthcare professions, accreditation of hospital services and the development of clinical trial centres.

Deliberations of the Panel

4. The Panel discussed the proposed establishment of a dedicated and time-limited office to take forward the healthcare reform initiatives, including HPS, at a special meeting held in November 2011. The deliberations and concerns of members are summarized below.

5. Members had diverse views on the proposal to set up a dedicated office to take forward HPS and other healthcare reform initiatives. Some members considered that there was no clear consensus amongst Members of the Legislative Council and members of the public on the introduction of HPS, in particular on the proposal of using the \$50 billion fiscal reserve earmarked for healthcare reform to provide financial incentives to encourage the public to participate in the proposed HPS on a sustained basis. As such, they did not support the proposal of setting up a dedicated office involving large scale manpower (i.e. three directorate officers and a team of 15 non-directorate staff) to take forward HPS. Other members held a contrary view that the setting up of a dedicated office was necessary as the design and financial viability of HPS required further study by the Administration. Some of these members, however, expressed concern about the feasibility for the office to complete all the tasks entrusted to it in the first half of 2013 as proposed by the Administration.

6. The Administration stressed that dedicated and extensive efforts were required to formulate detailed proposals for implementing HPS, alongside other healthcare reform initiatives viz. conducting a strategic review on healthcare manpower planning and professional development, and facilitating healthcare service development. Given the need to take forward the proposal of HPS without delay to avoid further aggravating the problems confronting the healthcare system, the target of the Administration was to complete the three tasks in the first half of 2013 and then proceed with the necessary legislative process. Given the complex, multi-faceted and inter-woven nature of the tasks, there was a need to establish a dedicated office in early 2012 on a time-limited basis for three years.

7. Question was raised as to whether the review of manpower requirements and professional development for healthcare professionals, and the review of regulation of private healthcare facilities, which were two of the major roles and functions of the proposed office, had to be tied with the implementation of HPS.

8. The Administration advised that there was broad support for the introduction of HPS as a means to strengthen regulation over the private healthcare market to enhance transparency, competition and efficiency. While the Government would continue to expand the health budget for improving public healthcare services, it should be noted that a sustained healthcare system required not only a strengthened public system as its core, but also a complementary private system providing more value-for-money choices for members of the public. The Administration further advised that to achieve the stated objectives of HPS, especially in relieving pressure on public system, it was important for the Government to formulate a healthcare manpower strategy to ensure an adequate supply of healthcare professionals to meet future demands and support the development of the public and private healthcare sectors, and to develop the necessary infrastructure for facilitating the development of healthcare services. These tasks were interdependent and equally important for the purpose of enhancing the long-term sustainability of the healthcare system.

9. Some members considered that there were no convincing justifications for the directorate staffing proposal of creating two supernumerary directorate posts for leading and overseeing the proposed office. The Administration explained that it was operationally not feasible to redeploy the existing directorate officers in the Health Branch of FHB to take on the work of the proposed directorate posts as all the directorate officers did not have any spare capacity take up the wide array of tasks related to the proposed office. In the Administration's view, it was necessary to create two dedicated directorate posts on a time-limited basis for the proposed office.

10. On the question of whether the office had to be retained after the lapse of the three-year period to provide continuous support for the implementation of HPS, the Administration advised that it would take account of the development and implementation progress of HPS when reviewing the continued need of the office in the long run.

Recent developments

11. The Finance Committee ("FC") approved at its meeting on 6 January 2012 the creation of a supernumerary directorate post (Administrative Officer Staff Grade B) designated as Head (Healthcare Planning and Development Office) ("H(HPDO)") for three years to provide strategic leadership and steer for taking forward the various policy initiatives entrusted to HPDO; and a supernumerary directorate post (Administrative Officer Staff Grade C) designated as Deputy Head (Healthcare Planning and Development Office) for three years to underpin and support H(HPDO). The time-limited HPDO was set up in January 2012.

12. According to the Administration, HPDO has taken up an additional portfolio of reviewing the mental health policy due to an increase in workload in FHB. The estimated annual expenditure of HPDO in 2013-2014 is \$27.33 million, which covers staff costs for three directorate Administrative Officer posts, three non-directorate Administrative Officer posts, one Medical and Health Officer, six Executive Officers and six secretarial and clerical staff; and other expenses such as the payment of fees for a consultancy study commissioned by HPDO to study HPS.

13. The Administration proposes to retain the two supernumerary directorate posts for HPDO for a period of five years. Subject to members' views, the Administration plans to submit the staffing proposal to the Establishment Subcommittee in November 2014, for recommendation to FC for approval in December 2014.

Relevant papers

14. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Relevant papers on the Healthcare Planning and Development Office

Committee	Date of meeting	Paper
Panel on Health Services	24.11.2011 (Item I)	Agenda Minutes

Council Business Division 2
Legislative Council Secretariat
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