

立法會
Legislative Council

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seen by the Administration)

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Panel on Health Services

Subcommittee on Health Protection Scheme

Minutes of the fifteenth meeting
held on Tuesday, 19 April 2016, at 2:30 pm
in Conference Room 2 of the Legislative Council Complex

- Members present** : Dr Hon LEUNG Ka-lau (Chairman)
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon CHAN Kin-por, BBS, JP
Dr Hon KWOK Ka-ki
Hon POON Siu-ping, BBS, MH
- Members absent** : Hon Vincent FANG Kang, SBS, JP
Hon CHEUNG Kwok-che
Hon YIU Si-wing, BBS
Hon CHAN Han-pan, 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
- Mr Bill LI Chi-pang
Deputy Head, Healthcare Planning and Development Office
Food and Health Bureau

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

Mr FONG Ngai
Principal Assistant Secretary for Food & Health (Health) 3
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

Miss LEE Wai-yan
Clerical Assistant (2) 5

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I. Latest progress of the proposed Voluntary Health Insurance Scheme
[LC Paper Nos. CB(2)1314/15-16(01) and (02)]

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

2. At the invitation of the Chairman, the Administration briefed the Subcommittee on the latest progress in taking forward the Voluntary Health Insurance Scheme ("VHIS") (LC Paper No. CB(2)1314/15-16(01)).

3. Members noted the updated background brief entitled "Voluntary Health Insurance Scheme" prepared by the Legislative Council ("LegCo") Secretariat (LC Paper No. CB(2)1314/15-16(02)).

4. Members noted that the Administration was in discussion with the insurance industry on refining the details of the proposed VHIS. Given that the insurance industry expressed concerns over the long-term sustainability of the

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proposed High Risk Pool and the related Minimum Requirement of guaranteed acceptance with premium loading cap put forth in the Consultation Document on VHIS, the Administration planned to first implement certain Minimum Requirements on which there were broad consensus, either through inviting the Office of the Commissioner of Insurance (or the future Independent Insurance Authority) to promulgate relevant guidance notes, or through enacting a new legislation.

5. Members also noted the Administration's plan to iron out the way forward and release the Consultation Report on VHIS in around mid-2016.

II. Latest progress of the strategic review on healthcare manpower planning and professional development
[LC Paper Nos. CB(2)1314/15-16(03) and (04)]

6. At the invitation of the Chairman, the Administration briefed the Subcommittee on the strategic review on healthcare manpower planning and professional development (LC Paper No. CB(2)1314/15-16(03)).

7. Members noted the background brief entitled "Strategic review on healthcare manpower planning and professional development" prepared by the LegCo Secretariat (LC Paper No. CB(2)1314/15-16(04)).

Admin 8. The Administration was requested to arrange a real-time demonstration to illustrate the running of the generic forecasting model developed by the University of Hong Kong for projecting the manpower demand and supply of the 13 statutory-regulated healthcare professions ("the generic model"); and provide in writing its outstanding response to the issues concerning the generic model as raised at the meeting of the Subcommittee on 14 December 2015.

9. Members noted that it was expected that the strategic review would be completed in around mid-2016. The Administration would publish the report of the strategic review and take steps to implement the recommendations. For those recommendations concerning the regulatory regimes for, and professional development of, the healthcare professions concerned, the Administration would consult the relevant stakeholders as appropriate.

III. The way forward for the Subcommittee

10. Members agreed that subject to the arrangement of the real-time demonstration to illustrate the running of the generic model and the availability

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of the Administration's outstanding response to matters arising from the meeting on 14 December 2015, the Subcommittee would conclude its work. A report on the deliberations of the Subcommittee would then be prepared and circulated to members for comments before its submission to the Panel on Health Services ("the Panel").

11. Members noted that in the light of the above, the Administration would brief members on the Consultation Report on VHIS and the report on the strategic review for manpower planning and professional development through the platform of the Panel.

IV. Any other business

12. There being no other business, the meeting ended at 3:43 pm.

Council Business Division 2
Legislative Council Secretariat
27 September 2016

**Proceedings of the fifteenth meeting of the
Subcommittee on Health Protection Scheme
on Tuesday, 19 April 2016, 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: Latest progress of the proposed Voluntary Health Insurance Scheme</i>			
000244 - 000354	Chairman	Opening remarks	
000355 - 000803	Chairman Admin	Briefing by the Administration on the latest progress in taking forward the proposed Voluntary Health Insurance Scheme ("VHIS") [LC Paper No. CB(2)1314/15-16(01)].	
000804 - 000949	Chairman Mr CHAN Kin-por	<p>Mr CHAN Kin-por's remark that it was the view of the insurance industry that:</p> <p>(a) the Administration should further study issues relating to the establishment of the high risk pool ("HRP"). Against the above, certain Minimum Requirements of VHIS could be implemented through guidelines promulgated by the Office of the Commissioner of Insurance ("OCI"). This option would enable consumers to benefit from an earlier availability of individual indemnity hospital insurance ("hospital insurance") products of enhanced quality on the one hand, and on the other hand avoid the issue of possible contravention of the Competition Ordinance (Cap. 619) if the implementation of these Minimum Requirements was in the form of industry agreement; and</p> <p>(b) instead of setting up a new claims dispute resolution mechanism, the existing Insurance Claims Complaints Bureau should continue with its role in handling insurance claims disputes.</p>	
000950 - 001920	Chairman Mr POON Siu-ping Admin	<p>Mr POON Siu-ping's enquiry on whether the Administration would still pursue the proposed HRP which, according to the Administration, was supported by many respondents during the public consultation exercise on VHIS; and whether the Administration had explored the feasibility of implementing VHIS through self-regulating industry agreement.</p> <p>The Administration's advice that:</p> <p>(a) HRP was the key enabler of the Minimum Requirement of guaranteed acceptance with premium loading cap, without which the premiums for non-high-risk policyholders would increase as they had to bear part of the risks of high-risk individuals. Given the insurance industry's concern about the long-term sustainability of HRP, the plan of the Administration was to first implement those Minimum Requirements on which there were broad consensus and further study the feasibility of establishing HRP; and</p>	

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		<p>(b) the Food and Health Bureau was in discussion with the Financial Services and the Treasury Bureau and OCI on the feasibility of the insurance industry's proposed option of implementing certain Minimum Requirements through guidelines promulgated by the existing OCI (or the future Independent Insurance Authority). The Administration would decide on whether VHIS would be implemented through legislation or other means in one to two months' time. It would then revert to the Panel on Health Services ("the Panel") on the way forward for VHIS.</p> <p>On Mr POON Siu-ping's concern about whether implementing only certain but not full set of the Minimum Requirements could still achieve the VHIS's objective of indirectly alleviating the pressure on the public healthcare system, the Administration's response that the aim of establishing an HRP was to ensure that high-risk individuals could also buy hospital insurance. The implementation of the other Minimum Requirements could still enhance the quality of hospital insurance products in the market and hence, facilitate a greater use of private healthcare services by the insured as an alternative to public services.</p>	
001921 - 003001	Chairman Admin	<p>The Chairman's view that given that the Administration had already worked out the expected costs of operating HRP and the required injection from the Government for financing HRP in order to enable those high-risk individuals who were willing to contribute to their own healthcare costs through paying premium to obtain health insurance coverage, there was no need for the Administration to further study the issue. If the Administration considered that it needed more time to work out the details of HRP with the insurance industry, an option was to commission a consultant to verify the respective estimation made by the Administration and the insurance industry. The Administration should also set a timetable for completion of the study.</p> <p>The Administration's advice that:</p> <p>(a) given that some members remained against the use of public money to subsidize individuals to take out VHIS plans (which in this case was through injection into HRP), and the insurance industry remained concern about the sustainability of HRP, the Administration considered it prudent to first implement VHIS with those Minimum Requirements on which there were broad consensus. Such an arrangement might not significantly improve the accessibility of hospital insurance products to the high-risk individuals. However, it could still enhance the quality of hospital insurance products in the market in many aspects and hence, provide better protection to consumers. At present, no timetable had been set regarding whether, and if so, how the issue of HRP should be taken forward; and</p> <p>(b) the Administration would decide on whether VHIS would be implemented through guidelines promulgated by the existing OCI or legislation in one to two months' time. It would then revert to the Panel on the way forward for</p>	

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		<p>VHIS. If it was found that VHIS should be implemented through enacting a new legislation, it was expected that the relevant bill and its subsidiary legislation would be introduced into the Legislative Council ("LegCo") in 2017.</p>	
003002 - 003218	Chairman Mr POON Siu-ping Admin	<p>In response to Mr POON Siu-ping's enquiry about the implementation of the proposal of providing tax concession for premiums paid for VHIS-compliant policies owned by taxpayers, the Administration advised that the proposal received broad support during the public consultation exercise on VHIS.</p>	
003219 - 004039	Chairman Dr KWOK Ka-ki Admin	<p>On Dr KWOK Ka-ki's view that tax concession should only be provided for premiums paid for VHIS-compliant policies owned by taxpayers if the Minimum Requirements were to be implemented through legislation, the Administration's advice that the proposed option of implementing certain Minimum Requirements through guidelines promulgated by OCI would enable consumers to benefit from an earlier availability of hospital insurance products of enhanced quality. If the option was found not feasible, the Administration would consider introducing the relevant bill and its subsidiary legislation into LegCo in 2017.</p> <p>Dr KWOK Ka-ki's remark that he would not object to the shelving of the proposed HRP as he was concerned that insurers might mark up the premium loading rate in order to pass on all higher-risk subscribers to HRP. He considered that the \$50 billion fiscal reserve earmarked to support healthcare reform should be used for enhancing public healthcare services.</p>	
004040 - 004337	Chairman Admin	<p>The Chairman sought clarification as to whether tax incentive would still be provided for eligible taxpayers even if the initial implementation of VHIS would only cover certain Minimum Requirements but not the Minimum Requirement of guaranteed acceptance. The Administration replied in the affirmative.</p>	
<i>Agenda item II: Latest progress of the strategic review on healthcare manpower planning and professional development</i>			
004338 - 004442	Chairman Admin	<p>Briefing by the Administration on the latest progress on the strategic review on healthcare manpower planning and professional development ("the strategic review"); and its advice that it planned to complete the strategic review in mid-June 2016 and thereafter brief the Panel on the outcome of the review [LC Paper No. CB(2)1314/15-16(03)].</p>	
004443 - 005205	Chairman Admin	<p>In response to the Chairman's enquiry about whether the decision to increase the number of publicly-funded degree places in medicine to 470 in the 2016-2017 to 2018-2019 triennium was based on the preliminary findings of the strategic review, the Administration replied in the positive.</p> <p>The Chairman requested the Administration to arrange a real-time demonstration to illustrate the running of the generic forecasting model developed by the University of Hong Kong ("HKU") for projecting the healthcare manpower ("the generic model"); and provide in writing its outstanding response to the</p>	

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		<p>following issues raised at the meeting on 14 December 2015:</p> <p>(a) by making reference to the information on neural model and network structure as provided by him in LC Paper No. CB(2)467/15-16(01), provide, preferably in the format of spreadsheet, the neural network architecture (with the elements of inputs, weights, biases and transfer function) for forecasting the long-term manpower requirements of the relevant healthcare professions; and</p> <p>(b) to explain how future actual adjustments of the variables, say, there was an oversupply of medical graduates in a certain year, would feed back into the generic model for a corresponding adjustment in the projection of the relevant healthcare manpower requirements.</p> <p>The Administration's advice that it would relay the Chairman's requests to HKU for consideration.</p>	<p>Admin</p>
005206 - 010429	<p>Chairman Prof Joseph LEE Admin</p>	<p>Prof Joseph LEE's view that in addition to historical service utilization data, the nursing and allied healthcare manpower projections should take into account the problem of HA of having inadequate nursing and allied health manpower to support its services in the past years so as to project more accurately the manpower demand for these professions in the light of the rising public aspiration for high-quality hospital care. In addition, the parameters for projecting the demand for these professions should include the utilization of care services provided in the welfare setting.</p> <p>The Administration's advice that the generic model had taken into account a range of factors, such as the current manpower shortfall; the service demand arising from a growing and ageing population, the new hospital development plan and the provision of new services; the utilization of care services provided in the welfare setting (e.g. the residential care homes for the elderly), in projecting the demand for healthcare manpower.</p> <p>On Prof Joseph LEE's view that the Administration had to make a commitment to provide adequate subvention to HA and the welfare sector to augment the supply of healthcare professionals according to the manpower projections, the Administration advised that the projections would provide a basis for the Administration to consider the introduction of appropriate long-term policies and measures to better enable the society to meet the projected demand. This would enable the Administration to plan ahead the training places and financial resources required to ensure healthy and sustainable development of the healthcare system and provision of quality healthcare services to the public.</p>	
010430 - 010927	<p>Chairman Mr POON Siu-ping Admin</p>	<p>Noting that the Administration planned to take forward the recommendations of the strategic review in consultation with the relevant stakeholders, Mr POON Siu-ping enquired about the timetable for implementing the recommendations.</p>	

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		The Administration's advice that it would, based on the findings of the healthcare manpower projection, take steps to adjust the training capacity for the healthcare professions concerned. The Administration would review the projections from time to time, say, every three years. As regards the review on the regulatory regimes for healthcare professionals, the Administration would consult the relevant stakeholders on how to take forward the recommendations such as increasing lay participation in the relevant regulatory bodies and introducing mandatory continuous professional education and development.	
010928 - 011225	Chairman Admin	The Chairman urged the Administration to arrange with HKU a real-time demonstration to illustrate the running of the generic model as early as practicable.	Admin
<i>Agenda item III: The way forward for the Subcommittee</i>			
011226 - 011406	Chairman Admin	Members agreed that subject to the arrangement of the real-time demonstration to illustrate the running of the generic model and the availability of the Administration's outstanding response, the Subcommittee would conclude its work. A report on the deliberations of the Subcommittee would then be prepared and circulated to members for comments before its submission to the Panel.	
<i>Agenda item IV: Any other business</i>			
011407 - 011414	Chairman	Closing remarks	