



中華人民共和國香港特別行政區政府總部食物及衛生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

Our Ref. : FHB/H/1/5/4 Pt. 2
Your Ref. :

Tel No. : (852) 3509 8929
Fax No. : (852) 2840 0467

21 February 2017

Ms Maisie LAM
Clerk to Panel
Panel on Health Services
Legislative Council Secretariat
Legislative Council Complex
1, Legislative Council Road
Central

Dear Ms LAM,

Panel on Health Services
Consultation Report on Voluntary Health Insurance Scheme

I refer to your letter dated 13 January 2017 enclosing a letter from Dr Hon Pierre CHAN dated 12 January 2017. In the letter, Hon Chan raised, amongst others, enquiries on "Consultation Report on Voluntary Health Insurance Scheme (VHIS)". Further to our verbal response during the meeting on 16 January 2017, a written response is set out in ensuing paragraphs.

By encouraging those who are able and willing to make use of private healthcare services, the VHIS would help alleviate pressure on the public healthcare system and contribute to enhancing the long-term sustainability of the healthcare system as a whole.

The Government conducted a Public Consultation on the VHIS from 15 December 2014 to 16 April 2015. It was proposed that insurers selling and/or effecting individual hospital insurance would be

required to comply with a set of minimum requirements (“Minimum Requirements”) prescribed by the Government. The proposed Minimum Requirements, including “guaranteed renewal” and “no lifetime benefit limit”, are introduced to improve the accessibility and continuity of individual hospital insurance, enhance the quality and promote the transparency and certainty of insurance protection. In the Public Consultation, it was also proposed that a High Risk Pool (HRP) could be set up for implementing two Minimum Requirements namely “guaranteed acceptance with premium loading cap” and “portable insurance policy”.

We received 600 written submissions in total, including 478 from individuals and 122 from organisations. There was broad support for the concept and policy objectives of the VHIS in general. Many considered it a positive step for enhancing the sustainability of the healthcare system, along with other initiatives such as promoting public-private partnerships, enhancing primary care, strengthening the regulation of private healthcare facilities and managing the supply of public and private healthcare manpower.

There was strong support for most of the Minimum Requirements, including “guaranteed renewal”. As regards the proposal of “guaranteed acceptance with premium loading cap”, some respondents noted that it would have to be underpinned by the HRP to be established with injection of public funding to enable high-risk individuals to purchase private hospital insurance.

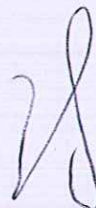
There were divergent views over the proposed establishment of the HRP. On one hand, many supported the policy objective of establishing the HRP. They agreed that the HRP is essential for implementing the requirement of guaranteed acceptance with premium loading cap, especially for high-risk individuals who often encounter difficulties in obtaining Hospital Insurance under existing market practice. On the other hand, a number of submissions expressed concern on the long-term sustainability of the HRP. Some questioned whether the amount of public funding reserved for maintaining the operation of the HRP is sufficient. Some also remarked that the HRP would be a drain on public finance, and objected to spending public money on those who can afford private health insurance and private healthcare services.

Given the public’s diverse views on the proposed establishment of the HRP, we consider that a more prudent and pragmatic approach is to separate the consideration of them from the other proposed Minimum Requirements which have received broad support in the public

consultation exercise. In order not to delay the implementation of the VHIS, we adopt a phased approach by launching a VHIS with ten Minimum Requirements and re-examine the HRP proposal, related Minimum Requirements and the need of legislation, at a later stage, taking into account, among others, the experience of actual implementation of the VHIS.

The public views collected and the way forward of VHIS are set out in the Consultation Report on VHIS, which has been distributed to Members of the Panel on Health Services. The Consultation Report is also uploaded at the VHIS website (http://www.vhis.gov.hk/en/consultation_report/full_consultation_report.html)

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Bill Li', consisting of a large, stylized 'L' and 'I'.

(Bill LI)

for Secretary for Food and Health