

8 March 2000

The Honourable Mr. Michael Ho,
Chairman,
Panel on Health Services,
Legislative Council,
Hong Kong.

Dear Mr. Ho,

Long working hours of public hospital doctors
Meeting on 10 March 2000

1. In connection with the issue on "Two-tier" system, the Hong Kong Public Doctors' Association has conducted a survey on the workload of public doctors between December 1999 and February 2000. 4000 questionnaires were distributed to doctors of all ranks in public hospital and both universities working under the Hospital Authority. 1325 returns were received. A summary is given in the attached tables.
2. We found that the average working hours of public doctors was 68.8 hours which was 50% above contractual provision. Working continuously for up to 33 hours was not uncommon because 88% of us needed to be "on call" after office hour periodically after working in the day, and 79% would not be given "day off" after "the call". In addition, 75% of us did not get a compensatory leave after working on statutory holiday and Sunday. This is an obvious violation of the Employment Ordinance.
3. It is common sense, and supported by scientific evidence, that long working hour will affect performance. It is certainly undesirable in health care profession, as the patient's health may be jeopardized. The European parliament has voted to include doctors in the working time directive that limits employees to 48 hours of work each week.
4. According to information from both Universities, the Hong Kong Academy of Medicine and other responsible institutions, long working hours IS NOT a requirement for the training of intern and most specialist accreditation.
5. With the provided evidence and reasons, we hope that the Society will agree that more resources should be given to the Hospital Authority, so that the shortage of manpower can be alleviated. A directive should be initiated to limit the maximum working hour and on call frequency of doctors in defined stages. Compensatory leave after overnight duty should be granted and strictly abounded to. We suggest the following points could be implemented immediately in order to maintain good quality health care for our patients:
 - Compliance with the Labour Ordinance of Hong Kong
 - Limit the continuous working time to below 28 hours
 - Compensatory leave after on-call
 - Frequency of on-call should be kept to a maximum of 1 in every 3 days
 - A rest day of 24 hours every week
 - Compensatory leave after working on a statutory holiday

Further improvement should be expected. An independent committee consists of Hospital Authority Management, Public Doctors and members from the general public should be formed to investigate, to formulate future plans and to audit the progress.

6. We must emphasize that, shortening of working hours without providing extra manpower is extremely undesirable because the quality of health care provision would invariably deteriorate. According to our survey, doctors of all ranks are overworked, it is very unlikely that the problem is caused by inefficiency or maldistribution of workload between different ranks of doctors or different institutions.
7. It is also wrong to rest the responsibility on individual departmental Chief of Service (COS) if the Hospital Authority has not provided adequate manpower. The Hospital Authority Head Office and the Chief Executive shall bear the final responsibility if the COSs are unable to achieve the target of the proposed directive, irrespective of reason.
8. It is an undeniable fact that the Hospital Authority staffs are overworked to its limits. We fully appreciate the budget constraint of the Hong Kong government in the recent economic recession and on the other hand we can anticipated that there is a escalating health care demand due to an aging population, medical advancement and enhanced public expectation. It would be impossible for the government to spend less than 3% of GDP in health care to provide a comprehensive health care service for all its citizens. With the meagre budget, the government should seek priority and some patients of the Hospital Authority should be redirected to the primary care and the private sector. A viable health care finance system that would increase the overall health care provision should be introduced to cope with the future health care demands. We are looking forward to the health care finance report that would be released by Dr. E.K. Yeoh in the coming one month to address the above problem. Attached is our submission on the future health care reform in response to the Harvard report for your reference.
9. The Hong Kong Public Doctors' Association would like to appoint the following council members to be present at the Legco Health Panel.

Dr. Lai Kang Yiu	黎鏡堯醫生	President of HKPDA
Dr. Leung Ka Lau	梁家騶醫生	Vice-President of HKPDA
Dr. Yip Wai Chun	葉維晉醫生	Secretariat of HKPDA
Dr. Wong Tak Cheung	黃德祥醫生	Treasurer of HKPDA

Yours sincerely,

Dr. Lai Kang Yiu
 President
 Hong Kong Public Doctors' Association
 c/o Intensive Care Unit
 Queen Elizabeth Hospital
 Kowloon

Hong Kong Public Doctors' Association

Survey on the workload

Working hours per week

Intern	96.3
Medical Officer	70.7
Senior Medical Officer	64.6
Consultant	62.9
Chief of service	59.6
Hospital Chief Executive / General Manager	88.6
Lecturer	71.8
Senior lecturer	67.0
Reader	68.3
Professor	56.0
Total	68.8

Work schedule

Regular office hours Only	63	4.9%
Shift duty	87	6.7%
Regular office hours + call	1148	88.4%
Total	1298	

Workload when call

Wake up all night	288	25.2%
Intermittent work	538	47.2%
Occasional work	315	27.6%
Total	1141	

Stay in hospital when "on call"

Always	637	56.8%
Certain percentage	97	8.7%
No	387	34.5%
Total	1121	

Post "call" day off

No	879	79.3%
~ Half day	174	15.7%
Yes	50	5.0%
Total	1108	

Compensatory leave after on duty on Holiday

No	785	75.3%
Statutory holiday / or Partial	56	5.4%
Yes	201	19.3%
Total	1042	

從
真空妙有
妙手拈花
無住離相
雌雄之道
(香港四十年繁華皆從此出)
到
大禹治水：
香港醫療路向
公共醫療醫生協會

SUBMISSION
ON
HEALTHCARE REFORM
OF
HONG KONG
The
Hong Kong
Public Doctors'
Association

The report is divided into two parts. The first part explains the principles which are important in formulating a government policy in healthcare. This constitutes the theoretical basis of our submission. The second part is the report that is submitted to the Health and Welfare Bureau in response to the consultation on the future healthcare reform after the release of the Harvard report.

Part I:

- (A) 真空妙有
- (B) 妙手拈花
- (C) 無住離相
- (D) 雌雄之道

(I) Epilog "從革卦看儒家治港之困境：只分陰陽，不辨雌雄。"

(II) Principle

(III) Practical consideration

- (E) 大禹治水：香港醫療路向

Part II:

The Hong Kong Public Doctors' Association Submission On Healthcare Reform of Hong Kong

- (A) "真空妙有."

The first lesson that the government should learn in any privatisation process is "真空妙有." This is the policy that enables Hong Kong to become one of the most admirable free trade financial markets in the world. "真空" refers to the structure of the organization and "妙有" refers to the function of the organization. **Any policy that allows the government to function without incorporating its respective structure is the best policy.** This is the existing policy for electric supply and telecommunication. He has ensured that there is adequate and relatively cheap supply of electricity to its citizens (= its function) without building any government electricity plant (the structure). He only needs to contract out the electric supply service every 10 - 20 years, and lay down laws, standards, and

guidelines for its implementation. This is the policy that enables the government to become an efficient small government and the underlying reason for a balanced budget and low taxation. Some book worms (financial scholars) have misinterpreted that the success of Hong Kong is due to a balanced budget and low taxation. Sadly, this is written in the Basic Law (article 107 and 108)! This is the reason why Mr. Tsang Yam Kuen (Financial Secretary) has a hard time in balancing the Hong Kong financial budget without any increases in taxes.

The government had deviated from "真空妙有" once it is taken over by Mr. Chris Patten and with the introduction of direct election into the Legco. To make the situation worst, the government has indulged in the privatisation process which only results in "真空" but never "妙有." That means the privatisation process has castrated the essential functions of the government. He has learnt the famous "葵花寶典" of "金鏞." The terrible result is complete ruin of the future of Hong Kong. "= 絕子絕孫."

(B) "妙手拈花"

Not all government services should be privatised. Some services would have incomplete function in the private sector. In that situation the government has to learn "妙手拈花." **The government should use the least resources to amend those functions that cannot be performed in the private market.** Healthcare is a good example. This is the reason why the Hospital Authority should not be privatised. Rather the Hospital Authority should concentrate on its essential functions. This idea is in my response to the Harvard report.

The government should set priorities in its services. He should use the valuable budget in amending the services that the private sector cannot provide. This may include:

- (1) provision of emergency service
- (2) management of disaster
- (3) disease prevention and monitoring
- (4) training of medical personnel and public education
- (5) provision of some essential service which the private sector has no incentive to provide e.g. liver transplant
- (6) research
- (7) provision of a safety net for those who cannot afford to pay. There should also be objective measures to determine the eligibility for full subsidy in health care.

(C) "無住離相"
"無住"

This is one of the most important policies in health care. He should provide a **good health care policy to every citizen**. The government had to remedy the healthcare system but not patients per se. Hence, HA's essential target only on indigent people is a fallacy. *The health care policy should protect the population as a whole rather than just the indigent people.* Hence, my response to the Harvard report lists the prioritisation of the function of HA follows:

- (1) provision of emergency service
- (2) management of disaster
- (3) disease prevention and monitoring
- (4) training of medical personnel and public education
- (5) provision of some essential service which the private sector has no incentive to provide e.g. liver transplant
- (6) research
- (7) provision of a safety net for those who cannot afford to paid. There should also be objective measures to determine the eligibility for full subsidy in health care.

Both the rich and the indigent are included in items (1) - (6). The budget for item (7) comes from the remaining health care budget after provision of items (1) to (6). He should define the core services to all citizens.

"離相"

Actually, the best health care policy has nothing to do with health care. If its citizen is rich, even if the HA cannot provide adequate services, every citizen would still enjoy a good health care services via the private sector. If the people are indigent and even the government were to use 100% of the GDP in health care services, it would still not be enough to meet the needs of the indigent people. Hence, *an ideal health care service depends on a healthy overall governmental administrative policy that can lay a foundation for the prosperous development of the society.*

The existing Hong Kong health care crisis are caused by the government's deviation from:

- (1) "真空妙有"
 - (2) "妙手拈花"
 - (3) "無住離相"
- and most important of all,
(4) "雌雄之道"

"雌雄之道"

(D) "雌雄之道" epilog: "從革卦看儒家治港之困境：只分陰陽，不辨雌雄。"

Those who understand I Ching (易經), please do not argue with my own interpretation of I Ching (易經). Similarly, all our predecessors [King Wen (文王), 周公, and Confucius (孔子)] have contradicting and/or complementary views on the interpretation of I Ching .

Have you ever wondered why the Chinese word reform (改革) and revolution (革命) is equivalent to a leather jacket (皮革)? This reflects the traditional wisdom of reform in Chinese. The hexagram revolution (革) is made up of the multiplication of trigram dui (兌) over trigram Li (離) . The trigram dui means happiness, a swamp (澤) and belongs to metal (金) in five elements (五行) . the trigram li means light and knowledge (明) which refer to wisdom and civilization and belongs to fire in five elements . I would like to explain the hexagram revolution from Fu Xi "伏羲's" simple figures with some explanations from King Wen . I would only include minimal views from 周公 and Confucius because their personal life experiences were inadequate compared with King Wen but it is sufficient to reflect the defects of the followers of Confucius in the reform process.

- (1) Reform is a constructive transforming process rather than a destructive process.

The traditional way of tailoring a leather jacket is to put the raw leather over fire to burn away the superficial impurities or hair and then immerse it in water for softening. That means that it has to undergo two purifying treatments, which is not supposed to destroy the leather but prepares it for its designated use.

The spirit is also reflected by the five elements and is equivalent to the soldering of gold by means of fire "火練真金." The essential material (gold) is unchanged but it is transformed to another form that is suitable for its designated use. This is exactly the spirit of reform. It is not a destructive process but a constructive and transforming process. Any reform which destroys the essential material also destroys

the spirit of reform. Hence, the past communist reforms antagonise the principle of traditional Chinese reform.

In order to understand the existing hexagram, one has to understand the preceding and following hexagram. The hexagram following revolution is cauldron "鼎卦" which represents that the foundation and groundwork of a new empire has been laid down "帝業完成與鞏固." This carries the same meaning that it should be a constructive rather than a destructive process. It is a transforming rather a destructive process.

(2) The outcome is the key factor to determine the successfulness of the reform.

"革巳日有孚元亨利貞悔亡"

This is the interpretation of King Wen that the final judgment of any reform is whether it can win the acceptance and support of its citizens. The reform would be joyful and have no regret. If the reform can get the support of its people, then he should be the chosen one to be their future leader and hence it is followed by hexagram cauldron which presents that the foundation and groundwork of a new empire has been laid down.

(3) It is a dangerous business and should be handled with utmost care.

I have already told you that the hexagram revolution is made up of the multiplication of trigram dui over trigram li . Dui is the upper trigram "兌是上卦" while li is the lower trigram "離是下卦" The tendency of water is going down and if it is too strong, it has the tendency to extinguish the fire. The fire has the tendency of going up and if it is too strong, it has the tendency to evaporate the water. Hence it is labeled as a mutually extinguishing "水火相息 (熄)" process involving two opposing force ("二女同居其志不相得"). Hence it is a very dangerous situation because if the two forces are not regulated and kept in balance, the whole reform would fail. That means that if the interest of any one party is ignored, the reform would not succeed.

(4) The role of a leader is to balance the two contradictory forces.

If one wants to transform rice into cooked rice, one needs the help of water and fire. However, water and fire are opposing forces which according to Ying Yang is agonistic and antagonistic ("相生相剋"). One has to take advantage of the agonistic nature for use ("取其相生之特性") and avoid its antagonistic nature in destroying the reform ("防其相剋之特性").

That means a leader or cooking device is needed to balance the two opposing forces. Hexagram revolution is followed by hexagram cauldron . In the ancient times, a cauldron is the largest cooking device and also represents a leader. Mr. Tung being the leader of Hong Kong has the responsibility to "strike the balance." No wonder he is working all sweats because working as vigilant as a chef ("看爐透火") is a very difficult job.

My grandmother told me that, before the era of electronic rice cookers, one needs to plan well the amount of water and control of fire before cooking rice. Adding water and adjusting the fire control in the midst of cooking rice would end up in layers of rice cooked to different extend ("三及第"). This is the situation of Hong Kong as evidenced via the disapproval ratings from the rich, middle class, and indigent people. This is because the Hong Kong government manages Hong Kong according to Confucius' principles: "以儒家治港：只分陰陽，不辨雌雄。"

"雌雄之道" : Principle

I coined "雌雄之道" to summarise the spirit and application of the two chapters of Taoism by Lao Zi (老子之道德經)。 There is an adage:

- (1) 孔子取太極陰陽之剛柔而成易經
- (2) 老子取易經之陰柔而成道家"清靜無為"之學
- (3) 法家取老子之陰謀而成管治之道

However, I would revise it as

- (1) 孔子取太極陰陽之相生相剋之學而成易經
- (2) 老子取易經之相生之學而成道家"無為而無不為"之學 = 雌雄之道
- (3) 法家運用老子之雌雄之道而成管治之學 = the practical applications of 雌雄之道 in management and politics

In my preface, I have explained the agonistic and antagonistic nature ("相生相剋") of Ying Yang ("陰陽之道"). In order to take advantage of the agonistic nature ("相生之性"), we have to manage the antagonistic nature ("相剋之性") via balancing the two opposing forces. This is a difficult task which requires constant vigilance on the balance between the opposing forces (mind you the analogy of cooking rice above). Tremendous energy and effort ("勞心勞力") are constantly required to monitor every task as evidenced by our present governmental administration. Meticulous monitoring and adjustment are required on every governmental action.

However "雌雄之道" is different, it is always agonistic ("相生") but never antagonistic ("相剋"). Upon bringing a hen and cock together, the hen would naturally take up her responsibility to lay eggs and look after the chicken. Therefore minimal effort is required to harvest the eggs and chicken and this is "雌雄之道." Let me give you some illustrations.

This ("雌雄之道") is analogous to the laissez-faire ("積極不干預政策") of the British Government. The British Government identified the egg and chicken and then actively brought ("積極") the cock and hen together in a conducive environment to lay eggs and nurture the chicken in an interferenceless ("不干預") manner. The function of the hen in an economic sense is irreplaceable. The present government is too actively involved in its every endeavour ("積極"). However, the Legco is seeking for interferenceless ("不干預"). Both Hong Kong government and Legco do not understand and miss laissez-faire.

The British government established "真空妙有" via passively acquiring "雌雄之道." (without understanding "雌雄之道"). The entire British empire is not operated via "真空妙有" except Hong Kong. Hence, Hong Kong's economic growth far surpasses the economic growth of the United Kingdom. The Hong Kong government only passively moved into "真空妙有" after 1957. Up to 1957, the British government had to fund the operation of Hong Kong government. Due to the British economic downfall in 1957, United Kingdom's resources could no longer be spend on the Hong Kong government. Therefore, Hong Kong government needed to be self-sufficient but allowed some autonomy on its policy since 1957, i.e. it was passively moved into "真空". Hong Kong government had to make policies that enable itself to fulfill the function of the government yet in the presence of "真空". This marks the begining of "真空妙有". Many bookworms (financial scholars) use the world renowned term laissez-faire without fully understand the real meaning of laissez-faire. These scholars thought that the low taxation and balanced budget are the underpinnings of laissez-faire and have even stated as such in articles 107 and 108 of the Basic Law. These scholars reversed the concept of cause and effect ("倒果為因") because the low taxation rate and balanced budget are only the outcome of "真空妙有 + 妙手拈花."

- (1) Hong Kong government faced three problems concerning electric supply in the early 1960
 - (a) the electric supply was definitely inadequate to sustain the economic growth of Hong Kong due to the escalating population and industrialization.
 - (b) with electricity shortage, it was bound to be expensive
 - (c) the government could not afford to take up the responsibility of electricity supply of the colony

Hence, they introduced the concept of reasonable profit ("合理利潤")

- (a) the reasonable profit ("合理利潤") was linked to the capital investment, which provided incentives for companies to increase capital investment to resolve electricity shortage
- (b) the 15% maximum reasonable profit ("合理利潤") ensured relatively cheap electricity supply in the presence of shortage. Hence, I was surprised that many of the Legco members had alleged that the initial aim of the reasonable profit is the protection of the investors. In fact it was used to protect its citizens.

(c) the government did not need to be directly involved in the business of electricity supply and yet by contracting out the business of electricity supply via implementing rules, regulation, and laws every 10-20 years would well achieve the purpose of efficient electricity supply to the colony.

This is the beginning of "真空妙有."

(2) Achieving growth without nourishment ("又要馬兒好，又要馬兒不吃草")

Another problem surfaced in the midst of implementing the above electricity supply policy. The current "真空妙有" has a defect. The government lacks resources to employ experts for establishing rules, regulations, and laws. Internal recruitment within the government was not economical. Moreover, the government could not afford to pay fair market price for internal recruitment. Can Hong Kong government afford to pay Mr. Ricahrd Li Tzar Kai as a civil servant? However, Hong Kong government can fully utilize the talents of its citizens with minimal resources. This is another aspect of "雌雄之道."

For example, the government recruited experts into Legco and Exco to for the purpose of advising specific tasks in the colony via awarding nominal medals and honorary titles (minimal resources). Since the introduction of Direct Election, these advising experts were eliminated. Not only the government has to compensate Legco members now but also has to retrain Legco members. Many elected Legco members may not be experts in the respective elected seats. Therefore, the government has to incorporate experts from respective fields to supplement the inadequacy of Legco. Hence, the government operating budget is increased. The situation further deteriorated when the government uses administrative officers to function as departmental heads. Those actions further alienate the government from its professional expert advice panels. This has marked the downfall of Hong Kong government. I would say the cause of the downfall of Hong Kong government was implanted before the repatriation of Hong Kong. I think that it may be a conspiracy of the British government.

In short, "雌雄之道" takes advantage of the human weakness of pursuing fame and glory ("貪嗔愛慾") to generate an agonistic ("相生") situation/policy that enables the system to efficiently run by itself in order to reach the desired target/aim/purpose.

"雌雄之道" (epilogue) Practical consideration

Five important principles for the implementation of "雌雄之道."

- (1) Let the hen has the glory of laying eggs and nurishing chicken. She deserves this glory. Removing her glory will ensure the end of "雌雄之道."
- (2) Only those with both unconditional love and the ability to identify the feeling of human beings that can fully make use of "雌雄之道." Lacking any of the above components would transform into "葵花寶典" and result in wiping out all future generations "絕子絕孫."
- (3) "雌雄之道" is very difficult to apply and is more dangerous than cooking rice. At least with different layers of cooked rice ("三及第"), some rice is still available. However, matching a duck and hen together would end up "絕子絕孫." "雌雄之道" is not for simpletons.
- (4) The government cannot apply "雌雄之道" under the present political climate even if it knows the principle of "雌雄之道." "雌雄之道" does not have tangible measures to determine its productivity and yet the public uses this means to evaluate the effectiveness of the government. Those civil servants who mastered "雌雄之道" are not appreciated and may even be expelled. The public cannot tolerate the indifferent nature of 老子, who is the prototype of master "雌雄之道" applier. However, the public can appreciate the work of a chef "看爐透火." because the work of a chef "看爐透火" is much more obvious and intuitive to understand. Since the public does not have the wisdom to appreciate "雌雄之道.", but yet would challenging the superficial measures such as accountability and workload, do not overuse "雌雄之道."
- (5) Knowing the natural attractive behaviour of the hen and cock, it is not necessary to match them together. Naturally, a cock would seek out the hen or vice versa ("知其雄，守其雌"). Forgive me for deliberately misinterpreting the meaning of "知其雄，守其雌." I do that to clarify my point.

(E) 大禹治水

The Hospital Authority (HA) staffs are overworked to the limit! This is an undeniable fact. HA had increased its market share in hospital service from 85% to 93% with concomitant improvement in quality. HA has intended to take over the primary care service via expansion of the specialist outpatient department (SOPD). The government has 93% market share of hospital services and 15% market share of primary care. The private sector has 7% market share of hospital services and 85% market share of primary care. The government spends 2.6% of the GDP in health care whereas the private sector consumes 2.1% of the GDP in healthcare. Therefore, **it is impossible for the government to spend less than 3% of GDP in health care to further expand into the primary care market. With the meagre budget, the government should seek priority and some patients should be redirected to**

the private sector. The government should follow 大禹 who 決九河以分水勢疏江滙入海而得大治
In this particular case, the river is primary care and the sea is private market. Hence, on behalf of the HKPDA, my response to the Harvard report follows:

Before the discussion of the future health care financial system, the government must admit its limitation on health care. The government should clearly communicate to the public that there are limits on the health care services to its citizens because of the shrinkage in health care budget. Moreover, the aging population and ever improving medical advancement further burden the Hong Kong health care budget. Individual citizen should take the responsibility to plan for his/her future health care needs. However, the government should provide the legal framework and a safety net per available budget. The safety net should be acceptable to the public, affordable by the government, and manageable by the medical community.

Hence, HKPDA supports the guiding principle in the Harvard report that every resident should have access to reasonable quality and affordable health care. The government assures this access through a system of shared responsibility between the government and residents where those who can afford to pay for health care should pay.

However, reasonable quality and affordable health care should be explicitly defined by the government. The government should define what core service it should deliver to its citizens. For example, the Oregon Health Authority in the United States has prioritised a list of 743 items of medical services. Services up to item 574 are provided by the government to eligible Medicare and Medicaid citizens.

It would be impossible for the government with a less than 3% GDP budget in health care to provide comprehensive services to all citizens! The government should encourage and guide a balanced development for the public and private health care sectors. With its meagre budget (3% GDP), the government should prioritise its health care services and amend those services that the private sector cannot provide.

Another viable solution to the health care financing system Hong Kong is the combination of raising user fees and Medical Saving Account.

Raising User Fees

The current Accident and Emergency System is a free service for all patients who considered themselves to be emergency cases. This had led to wastage of valuable resources because of over utilization by non-emergency patients. The period of maximum utilization of the Accident and Emergency Department is 9:00am to 12:noon, 2:00pm to 4:00pm and 7:00pm to 11:00pm at which time the Government Out Patient Department is underutilized. Some of these patients should be redirected to the primary care or the private sector. If the Emergency Department charges around \$150 per visit (roughly the price of a routine visit to a general practitioner), those who are not real emergency cases would automatically be redirected to the private sector and primary care.

The concept of deductible and co-payment as described in the Harvard report is a viable option in charging inpatients. For example, as described in the Harvard report, a patient admitted to Hospital should pay a deductible of \$2,500 (approximately the cost of one day hospitalization) plus a 20% of the cost of each day of hospitalization. There should have a ceiling on the maximal payment of each patient utilizing public in patient service [e.g. a maximum of \$10,000 (about the median monthly earnings of an average employed person in Hong Kong.) per hospitalization and \$ 20,000 per year if patient required frequent hospitalization.]. This co-payment should only applied to patients deemed able to pay: a means-tested exemption system would protect poor and low-income patients. By capping the maximal expenditure per visit or per year, the proposal is more financially viable as compared with the HSP of the Harvard Report.

Medical Saving Accounts

We suggested that the 3% contribution (2% as MEDISAGE and 1% Health Security Plan) as suggested by the Harvard report should be simplified as a 3% tax exempted Medical Saving Account belonging to the employee. The employees are allowed to spend its account on medical grounds only. He can spend part of it in insurance scheme of his own choice for catastrophic event, he can save it to paid for the expenditure during serious illness or as saving for long term care after retirement. Medical Saving Accounts ensures money follows patient, has greater flexibility, can tailor to individual's need and increase patient's choice. With patient's money follows patient, this can avoid either the skyrocket expenditures of most third party payment scheme (such as the Health Insurance Plan outlined in the Harvard report) or castrated health care coverage in most HMOs.

By the introduction of the above two measures, part of the affordable patients is redirected to the primary care and private market and yet we can protect the safety net which should be available to the general public during emergency and major illness.

THE HONG KONG PUBLIC DOCTORS' ASSOCIATION SUBMISSION TO THE HEALTH AND WELFARE BUREAU ON THE FUTURE HEALTH CARE REFORM

Introduction

In November 1997, the Health and Welfare Bureau of the Government of Hong Kong SAR commissioned a team from Harvard University to conduct a study on Hong Kong's health care system. In April 1999, the SAR Government published for consultation the report of the Harvard Team. The team concluded that the Hong Kong's Health Care System is a relatively equitable and cost-effective system and there is steady improvement in quality and efficiency after establishment of the Hospital Authority. However, it also points out that the quality of health care is highly variable with marked compartmentalization of the health care provider and the long-term financial sustainability of the current health care system is highly questionable. Hence five options for the development of the future health care system are put forward for consultation.

Sustainability of the Current Health Care System

No healthcare system can deliver a free high quality caring medical service that allow universal access with zero waiting time and free choice. This has led to the call for health reform in every country. Every government has to devise health care plans according to local resource limitation and expertise to meet with the mounting demand for quality and affordable health care service in its own country. However, no country has ever delivered a satisfactory health care system for its people because health care resource is always limited. On the other hand, only in rare circumstances, the healthcare system in each country has failed to address the basic need of its citizens. The underlying reason is that although the system is imperfect, human can plan for his own future and shows great adaptability to each system.

The current public health care system in Hong Kong is facing an escalating demand because of an aging population and enhanced public expectation due to medical advancement and a limited budget constrained by the article 107 and 108 of the basic law.

In Hong Kong, the article 107 and article 108 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China have governed the future direction of the total expenditure and taxation of the government.

Article 107

The Hong Kong Special Administrative Region shall follow the principle of keeping expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and **keep the budget commensurate with the growth rate of its gross domestic product.**

Article 108

The Hong Kong Special Administrative Region shall practice an independent taxation system. The Hong Kong Special Administrative Region shall, taking the **low tax policy** previously pursued in Hong Kong as reference, enact laws on its own concerning types of taxes, tax rates, tax reductions, allowances and exemptions, and other matters of taxation.

During the drafting of the basic law, there is in-depth discussion on the expenditure of the government in relation to the GDP. In order to keep a small government, it is generally agreed that the yardstick of measurement is that the total government expenditure should be below 20% of the GDP. This is already considered to be a huge amount judging from the fact that the Hong Kong Government does not need to contribute for its own defense as opposed to other states of the world. (article 14 of the basic law). The public health expenditure over the past 10 years had increased from 8.9% to 14.6% of the total public expenditure of Hong Kong. It is obvious that due to the constraint of the article 107 of the basic law, the contribution of the public health expenditure cannot exceed 3% of the GDP. Any increase in overall healthcare expenditure above 3% can only be met with by individual contribution.

The diagram over the left is a schematic drawing of the population distribution curve of Hong Kong in 1997 and 2017. The present snake headed shaped population distribution curve has contributed to the high GDP of Hong Kong because over half of its population is the working population. The situation is totally different 20 years later because it would be transformed to a dumbbell shaped population distribution curve. The dumbbell shaped population distribution curve is the most unfavorable one due to rapid shrinkage of the working population. If the quality and productivity of the working class could not be upgraded, we would face dramatic slide in the GDP of the population.

With a sliding GDP, the overall government budget that can spend in health care would be contracted. This will be further shrunken because more money had to be redirected to education for the youth and welfare for the elderly. We would also expect that some of the existing health care budget

for acute hospital care would be redirected for the development of Chinese traditional medicine under the existing policy of the government.

Studies have shown that the elderly population over 65 consumes about three times the medical services as the general population. Hong Kong would then face the problem of an increasing demand with a shrinking health care budget. Hence, in order to solve the future health care crisis, a viable health care finance policy system that would increase the overall resource to the health care service should be formulated. Hence, it is a timely move of the SAR government to review Hong Kong's current health care system and to plan for the future.

Government's Role in a Health Care System

Before the discussion of the future health care finance system, the government must admit its constraint in health care. A clear message should be conveyed to the public that there are limits to the service that he can provide to its citizen because of the shrinkage in budget and an ever rising demand because of medical advancement and an increasing aging population. It should be the responsibility of the individual to plan for his future health care requirement. The government should provide the legal framework and a safety net according to the available budget. The safety net should be acceptable by the public, affordable by the government, and manageable by the medical community.

Hence, we support the guiding principle in the Harvard report that every resident should have access to reasonable quality and affordable health care. The government assures this access through a system of shared responsibility between the government and residents where those who can afford to pay for health care should pay.

However, reasonable quality and affordable health should be more explicitly defined by the government because the manipulation of one factor will definitely lead to the change in the other factor. The government should define what core service she should deliver to all citizens. One example is the prioritized list of health service introduced by the Oregon Health Authority in the United States. In Oregon, medical illness and treatment are prioritized to a list of 743 items. Medical service up to item 574 is provided by the government to citizen eligible to medicare and medicaid.

It would not be possible for the government with a less than 3% GDP budget in health care to provide comprehensive service to all its citizens. A balanced development of the public and private health sector should be encouraged. The government should set priority in its service. He should use the valuable budget in amending the service that the private sector cannot provide. This may include

- (1) provision of emergency service
- (2) management of disaster
- (3) disease preventive and monitoring
- (4) training of medical personnel and public education
- (5) provision of some essential service which the private sector has no incentive to provide e.g. liver transplant
- (6) research
- (7) provision of a safety net for those who cannot afford to pay. There should also have an objective means test to determine who should receive full subsidy in health care.

Options for Health Care Finance Reform

The Harvard report has put forward five options for health reform of Hong Kong: status quo, cap the government budget on health, raise user fees, health security plan and saving account for long term care and competitive integrated health care. Health security plan and saving account for long-term care and competitive integrated health care are highly praised in the report.

We have to point out that this should never be the only option for Hong Kong. The National Health Insurance that was established in Taiwan in 1995 is already facing a financial crisis and problem of sustainability after only several years of implementation. Public competitive integrated health organization is proven to be a failure in New Zealand. Looking back into the proposal of health reform of New Zealand in 1993, there is similarity in the Harvard proposal. They were concerned with the definition of the core service, the introduction of the purchaser-provider split and associated hospital and primary care reform, health care plans and greater competition and contestability in service delivery. New Zealand finally realized the most cost-effective public health system was a single integrated service rather than disintegration into small competing organizations as proposed in the Harvard report. The four Regional Health Authorities were integrated back into a single national purchaser, the Health Funding Authority. They found that this has allowed for greater integration of funding and purchasing of primary, hospital and disability support product. Private competitive integrated health organizations in the United States also create great discontent from both the purchasers and patients. The surest way for these organizations to thrive is to shift costs to one another by devising stratagems to avoid the most expensive patients – either those who are chronically ill, if payment is capitated, or those who are not insured for the service they need, if payment is on fee-for-

service basis. Third party payment through insurance has always been incriminated for uncontrolled escalation of the health care cost of the United States. The American health care system is described as the most expensive and the most inadequate system in the developing world, and it is uniquely complicated. In 1997, they spent about US\$ 4,000 per person on health care, as compared with the next most expensive country, Switzerland, which spent some US\$ 2,500. Yet 16% of their population has no health insurance at all, and many of the rest have only very limited coverage. After eight years of reform by President Bill Clinton, in July 1999, they finally obtained the right to go to the nearest Accident and Emergency Department, the right not to be discharged within 23 hours after mastectomy, the right to see a gynaecologist for routine care or an obstetrician during pregnancy without getting a referral from a primary care doctor, and the right of an internal or external appeal if medical care is denied. Many Americans still query how they can find adequate funding to implement the above rights. All the above rights are assumed in Hong Kong.

Another viable solution to the health care financing system Hong Kong is the combination of raising user fees and Medical Saving Account.

Raising User Fees

The current Accident and Emergency System is a free service for all patients who considered themselves to be emergency cases. This had led to wastage of valuable resources because of over utilization by non-emergency patients. The period of maximum utilization of the Accident and Emergency Department is 9:00am to 12:noon, 2:00pm to 4:00pm and 7:00pm to 11:00pm at which time the Government Out Patient Department is underutilized. Some of these patients should be redirected to the primary care or the private sector. If the Emergency Department charges around \$150 per visit (roughly the price of a routine visit to a general practitioner), those who are not real emergency cases would automatically be redirected to the private sector and primary care.

The concept of deductible and co-payment as described in the Harvard report is a viable option in charging inpatients. For example, as described in the Harvard report, a patient admitted to Hospital should pay a deductible of \$2,500 (approximately the cost of one day hospitalization) plus a 20% of the cost of each day of hospitalization. There should have a ceiling on the maximal payment of each patient utilizing public in patient service [e.g. a maximum of \$10,000 (about the median monthly earnings of an average employed person in Hong Kong.) per hospitalization and \$ 20,000 per year if patient required frequent hospitalization.]. This co-payment should only applied to patients deemed able to pay: a means-tested exemption system would protect poor and low-income patients. By capping the maximal expenditure per visit or per year, the proposal is more financially viable as compared with the HSP of the Harvard Report.

Medical Saving Accounts

We suggested that the 3% contribution (2% as MEDISAGE and 1% Health Security Plan) as suggested by the Harvard report should be simplified as a 3% tax exempted Medical Saving Account belonging to the employee. The employees are allowed to spend its account on medical grounds only. He can spend part of it in insurance scheme of his own choice for catastrophic event, he can save it to paid for the expenditure during serious illness or as saving for long term care after retirement. Medical Saving Accounts ensures money follows patient, has greater flexibility, can tailor to individual's need and increase patient's choice. With patient's money follows patient, this can avoid either the skyrocket expenditures of most third party payment scheme (such as the Health Insurance Plan outlined in the Harvard report) or castrated health care coverage in most HMOs.

The Health Security Plan of the Harvard report is just a health tax and this is against the article 108 of the basic law in spirit". The Health Security Plan also put patients at the mercy of big, monopolistic, bureaucracies either run by large Health Management Organizations (HMO) or competitive integrated Health Care Organizations as suggested in the Harvard report.

Compartmentalization of the Health Care Provision

Hong Kong's health care system is described as a highly compartmentalized system and they point out that this would threatened the organizational sustainability, quality and efficiency of the system. This also results in the duplication of services, discontinuity of health care and confusion of patients. We would also like to point out that there is also disintegration in western and traditional Chinese medicine because of the lack of a common language in describing a single disease process and wide diversification of treatment. We hope that this can be solved in the future if we can have more communication and understand the other profession better.

We suggest the introduction of smart card and the development of family medicine and the promotion of better patient education to solve the above problems.

Introduction of Smart Card

Smart card is a storage medium which has the capacity to store the medical information of the patients including X-ray, medical record and drug record of each patients in digital format. All doctors that are treating the patient can obtain the medical information of the patient from the smart card. This will allow adequate information flow between physician of the primary and secondary care and private and public sector. Duplication of service and discontinuity of health care and confusion can be solved. To safeguard the security of medical information, only or his physician patients with the relevant password can activate the smart card and extract relevant information.

Development of Family Medicine

The current problem in primary physician training is the lack of training post and limited number of trainers. Currently, over 70% of the newly graduated doctors undergo training as a hospital-based specialist. Some of these training post in the hospital should be redirected to the training of specialist in family medicine. Moreover, the General Outpatient Department of the Department of Health should not be privatized but rather should be converted into training post of family medicine.

Patient Education

The patient's behavior is also responsible for the compartmentalization of the health care system of Hong Kong. The choice of the patient in Hong Kong is much better than any other part of the world. In Hong Kong, 85% of the primary care service is run by private practitioner. Patients have their own choice in consulting either primary physician or specialist without restriction. In other part of the world, the primary care physicians are utilized as gate-keeper to prevent patients in utilizing expensive secondary or tertiary service. In most HMOs or insurance run healthcare service, both the primary care physician and specialist consultation are restricted. In fact many patients in Hong Kong are constantly shopping around doctors and seldom follow one single doctor for their illness. At the hospital level, although the Hospital Authority has 92% share, there is no restriction for the patient to receive specialist care in different hospitals. I have seen patient who was followed up in Medical Department of Queen Elizabeth Hospital for rheumatoid arthritis, the Orthopaedic Department of Queen Mary Hospital for joint replacement, and the Surgical Department of Prince of Wales Hospital for gastritis. The patient is living in Ma On Shan and just refuses to follow up in one single hospital for an integrated service.

We hope that through education and the development of family physician, the behavior of patients in shopping around doctors could be changed in the future.

The Variability of Health Care Standard

With the establishment of the Academy of Medicine in Hong Kong, CME (Continual Medical Education) is mandatory for registration as specialist. Clinical audit and CQI is a mandatory requirement in the Hospital Authority. The private market in Hong Kong is highly competitive since patient's money always follows patient. In order for survival, most doctors in Hong Kong are providing very high quality value for money service to the patients. Judging from the good health record of Hong Kong, we do not agree with the Harvard report that there is evidence of widespread sub-standard medical practice that adversely affects the quality of health care and even the health of Hong Kong's residents. In the Harvard report, the basic health indicators which is an international indicator of the health care system of that country showed that the life expectancy, infant mortality rate and maternal mortality rate are all better than that of the United States although we spend 4.6% GDP in health compared with 14% in the United States. However, we agree that as a medical profession there are still further grounds for improvement in terms of the introduction of CME and quality assurance program for private practitioner on a voluntary basis.