

**For discussion
on 13 December 2004**

Legislative Council Panel on Health Services

Measures to address the increasing use of public medical services by non-residents of Hong Kong

PURPOSE

The purpose of this paper is to seek Members' views on the possible measures under consideration by the Administration for addressing the increasing use of public medical services by non-residents of Hong Kong.

BACKGROUND

2. The Government subsidises public medical services heavily. To ensure that there is a rational basis for the allocation of our social resources, it is a well established principle that these heavily subsidised services should not be diverted to non-residents and visitors at the expense of local residents. Under the existing system of medical charges, only Eligible Persons (EPs) are entitled to enjoy public medical services at heavily subsidised rates. EPs are currently defined as a holder of Hong Kong Identity Card (HKID Card) and children who are Hong Kong residents and under 11 years of age. Non-eligible Persons (NEPs) are allowed to access public medical services in Hong Kong, but they are required to pay higher fees, which are set on a cost recovery basis. The definition of EPs was revised in 2003. Before the revision, EPs were defined as a holder of HKID Card and the spouse and children under the age of 11 of a holder of HKID Card.

RECENT TRENDS AND ANALYSIS

3. Over the past few months, we have observed a significant increase in the number of non-Hong Kong residents accessing public medical services in Hong Kong. For example, the average monthly number of NEP inpatients in public hospitals within the six month period from April to September 2004 was

1 385, which is 24.5% higher than the number in the same period last year at 1 112. The uptrend in the number of attendances by NEPs at the Accident and Emergency Departments (A&ED) of public hospitals is even more prominent. The monthly average of such attendances by NEPs from April to September 2004 was 2 548, which is 42% higher than the number in the same period last year at 1 794. Attached at Annexes A and B are the charts of the monthly number of NEP inpatients and A&ED attendances in public hospitals between April 2003 and September 2004.

4. An analysis of the data on the use of public medical services by NEPs reveals a number of major patterns and trends. These include -

- (a) About 95% of such patients are visitors from the Mainland.
- (b) NEPs patients in public hospitals are predominantly female and in increasing proportion. In 2002, female accounted for about 67% of all NEP inpatients in public hospitals. That percentage increased to 85% in the six month period between April and September 2004. About three-quarters of these women are of child-bearing age. The same pattern is observed for A&ED and specialist outpatient attendances.
- (c) For NEPs who require specialist care, over half of them are users of obstetric services (67% for inpatients and 58% for specialist outpatients). In the six month period from April to September 2004, there were a total of 5 283 babies born from NEP mothers, which was 29% higher than the number within the same period in 2003 at 4 092. In the first nine months of 2004, babies born from NEP mothers accounted for 29% of the total number of babies delivered in public hospitals. Nevertheless, around 70% of NEP mothers who gave birth in public hospitals did not receive any antenatal care in Hong Kong and many NEPs mothers discharge themselves from hospitals shortly after giving birth. This increased the risk of complications for both the mothers and the new borns.
- (d) There are an increasing number of NEP mothers, whose husband is not a Hong Kong resident, giving birth here. According to the information provide by the Immigration Department, in the year 2002, these women accounted for around 10.7% of all Mainland women giving birth in Hong Kong. However, that percentage

increased to 17.9% in 2003 and 27.4% for the first nine months in 2004.

- (e) An increasing number of NEPs, who are not the spouse or children of Hong Kong residents, are using non-emergency services (e.g. specialist outpatient services) in Hong Kong. For example, we are seeing more and more parents and siblings of HKID Card holders accessing public medical services during visits to Hong Kong.

5. As the fee level for NEPs is much higher, the amount of bad debts arising from cases of NEPs defaulting payment is also higher. The amount of NEPs fees outstanding and written off by the HA in 2002-03 and 2003-04 were \$21.9 million and \$59.5 million respectively, representing a default rate between 25% and 35%.

POSSIBLE MEASURES

6. In view of the above problems, the Administration is considering a number of possible measures to address the increasing use of public medical services by non-Hong Kong residents. In evaluating these measures, it remains a guiding principle for the Administration that public subsidy should be targeted at local residents only. In addition, we believe that public hospitals and clinics have a basic obligation on humanitarian grounds to render medical assistance to anyone in acute conditions who present themselves at their door. This should be the case regardless of whether a decision is made to limit the types of services to be made available to non-residents, or whether the patients have the means to pay for the relevant charges.

7. The possible measures under consideration by the Administration for addressing the increasing use of public medical services by NEPs are as follows –

- (a) Increase medical fees – at present, NEPs charges are set on the basis of cost recovery. To encourage non-residents to make greater use of medical services provided by the private sector, we suggest that consideration be made to raise NEP charges at public hospitals and clinics above costs, which can be close to or even higher than charges by the private sector. We may also consider introducing minimum charges (e.g. a minimum package charge for obstetric

admissions) to discourage premature discharge against medical advice.

- (b) Increase deposit for hospital admission – at present, NEPs presenting themselves for admission at a public hospital are required to pay a deposit of \$33,000. We believe the requirement for a deposit is an effective tool for reducing the use of public medical services by NEPs, especially those who have a tendency to default payment. We therefore suggest that consideration be given to further increase the amount of this deposit, in particular for procedures that are complicated and expensive. Nevertheless, in cases of emergency, public hospitals have all along not insisted on the payment of the deposit before rendering medical assistance and would continue to do so.
- (c) Introduce advance deposit for non-emergency services – at present, EPs and NEPs alike are not required to pay any deposit when making an appointment for non-emergency services. Payment of the consultation fee or deposit is only required before the consultation takes place or before the admission to a public hospital. From the perspective of the Hospital Authority (HA), the hospital/clinic has to commit the necessary resources to the patient once an appointment is made. If a patient misses an appointment, there is usually not enough time for the HA to make adjustments to make use of the committed resources on other patients. As a result, missed appointments increase the unit costs at public hospitals and clinics. Therefore, to avoid unnecessary wastage caused by NEPs, a possible measure is to require them to pay a deposit at the time when they make an appointment for a consultation at a specialist outpatient clinic or elective admission at a public hospital. Advancing the payment of deposit would also cause the NEP patient to consider, at an earlier stage, whether he/she would like to use the service of the public sector or rather turn to the private sector, or seek medical service outside Hong Kong.
- (d) Impose a surcharge on outstanding fees – at present, the HA does not impose any surcharge on late payments. As the imposition of a surcharge on late payments is a common practice in both the public and private sectors, we suggest that the HA should examine the

merit of this idea both as a deterrent against default and for recovering part of the collection costs.

- (e) Stop providing non-emergency services before settlement of outstanding fees – at present, the HA continues to provide medical services to patients who have yet to settle an outstanding fee. In order to avoid increasing the amount of bad debts from NEPs unnecessarily and in line with the principle that public subsidies should be targeted to local residents, the HA may consider refusing to provide further non-emergency services before the settlement of outstanding fees. Nevertheless, on humanitarian grounds, this measure would not apply if the patient is in acute medical conditions.

- (f) Stop providing non-emergency medical services to NEPs who are not (i) the spouses or (ii) children under 18 years of age of holders of HKID Card – we propose to make a distinction between NEPs who are
 - (i) spouses; or
 - (ii) children under 18 years of ageof holders of HKID Card and others who do not belong to this group because most of them are eligible for One-way Permits to settle in Hong Kong and would become Hong Kong residents in the near future. It is in the community's overall and long-term interest to provide medical services to the former group, otherwise the healthcare expenditure on them could be even larger when they become Hong Kong residents with poor health. Furthermore, visiting spouses from the Mainland are able to stay in Hong Kong virtually year-round on the strength of the multiple visit endorsement while they are waiting for their turn for One-way Permits. Providing medical services to those who would like to receive such services in Hong Kong would cause less distress to their family members resident in Hong Kong, e.g. the father in the family would not be required to stay home to look after the children whenever the mother has to return to the Mainland to seek medical treatment, hence is in a better position to join the workforce. However, for NEPs without any such close connection in Hong Kong, we doubt if there is any strong reason for public medical services to be provided to them even if a profit can be made from such services, bearing in mind that –

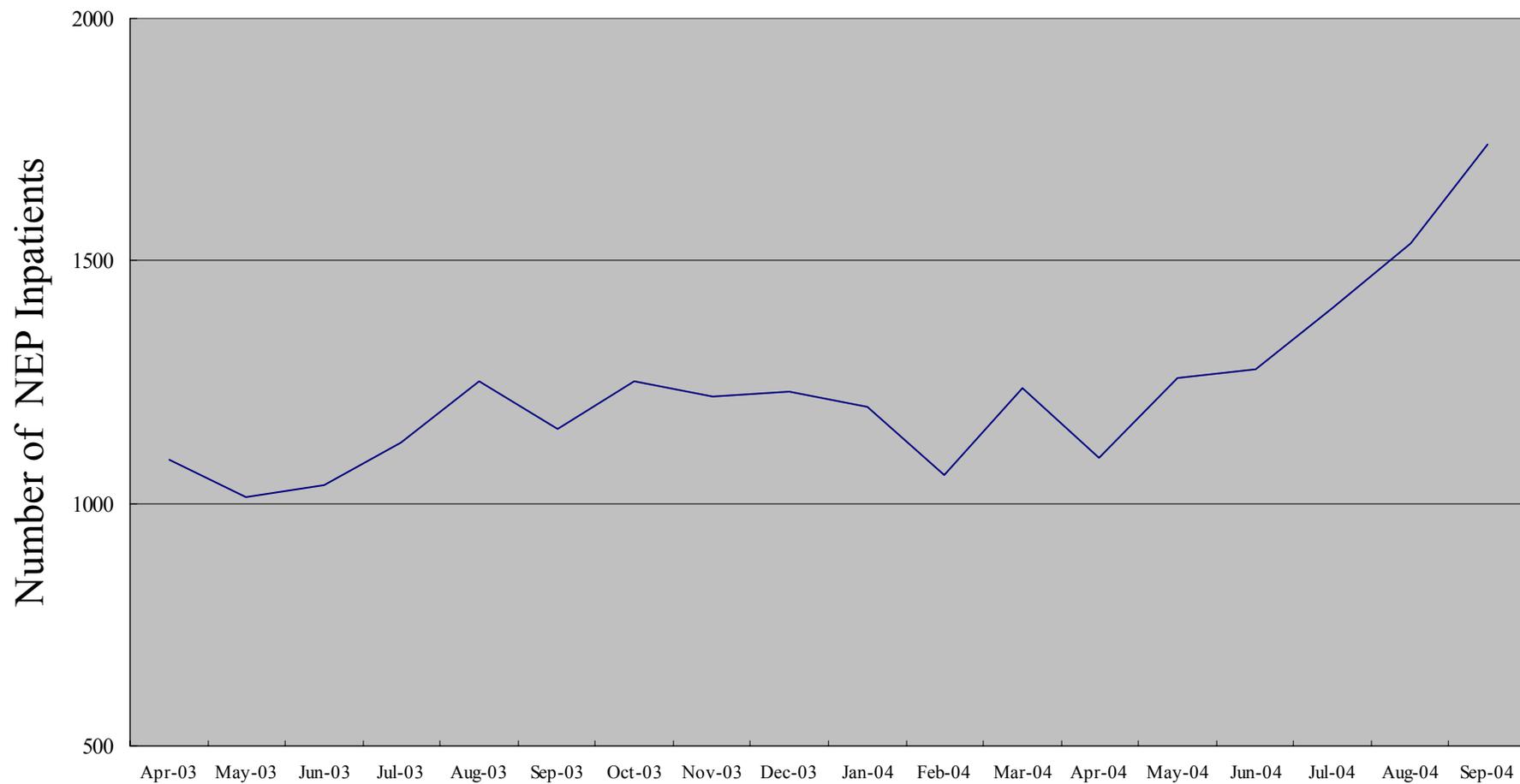
- more patients would mean a dilution of attention doctors, nurses and other healthcare workers can devote to each patient;
- Hong Kong has a strong private medical sector which are ready to offer medical services to them; and
- few jurisdictions elsewhere in the world would provide such non-emergency services to visitors.

ADVICE SOUGHT

8. Members are invited to comment on the possible measures outline in this paper.

Health, Welfare and Food Bureau
December 2004

Use of Inpatient Services in Public Hospitals by NEP (April 2003 to September 2004)



Use of A&E Services in Public Hospitals by NEP
(April 2003 to September 2004)

