

Date: 8 February, 2006

To : Panel on Health Service, Legislative Council of Hong Kong

From : Hong Kong Dental Association

Subject: Regulation of Health Maintenance Organizations

In recent years, there has been a rapid increase of HMOs in Hong Kong. As HMOs are business entities operated by business people who hire dentists as employees, their sole purpose is to make money. The method they use to generate revenue is contrary to the way we professionals operate. In order to promulgate their service, the HMOs advertise heavily to solicit business.

The Hong Kong Dental Association is in a position of opposing the operation of Health Maintenance Organizations. The reasons we oppose HMOs are:

- 1 HMOs use discounts with minimal profit to get market share. They also spend excessively on advertisements and management. In so doing they have to provide inferior products and services to make the business viable. Also, they rob the employee dentists from their rightful reward, by paying them minimally.
- 2 In order to get more clients, the HMOs have to advertise heavily and make cold calls. These heavy advertisings are contradictory to our dental laws. It will implicate the innocent employee dentists and allow the owners uncensored.
- 3 In order for an incorporated HMO to open a dental office, the HMO must have sufficient dentists as majority Directors. However, in the event the HMO owner breaches the laws, often the Director Dentists will be charged, such as bankruptcy cases.
- 4 The HMOs usually buy substandard supplies to save cost. Any materials or drugs sourced will be the cheapest. These materials procured may not even be the products of choice, however, to save money, they will be deployed. For example, if a special antibiotic is needed for a treatment. In order to save cost, cheap substitute of similar or lower efficacy will be used. Moreover, in an HMO set up, the employer sets up all the equipments and purchases prior to employing dentists. These equipments and materials may not be the right kind used by the dentists. As a result, treatment results will be compromised.
5. In order to save money, the employers usually force the dentists to perform work that should be done by specialists. They will make the employee dentists attempt difficult root canal treatments, orthodontic treatments, implants, etc., which the dentists may not be qualified to do. Substandard results may ensue – which puts the dentists in good position to be sued and their reputation ruined.
6. It has been evident that HMOs work with capitation fees. They would force employee dentists to perform operations that would incur the least cost. For example, a decayed tooth can be saved by a root canal treatment; however, the dentist would be pressured to extract the tooth instead of saving it, as it is the cheapest way to stop a toothache
7. In order to generate more profit, employee dentists are forced to see as many patients as possible and do as much work as he is told to do in a prescribed time slot. With such a rushed schedule, good quality work cannot be produced.
8. Employee doctors are very transient. They change jobs often, and this imposes a problem of continuity in terms of treatment protocol and planning. Patients become just a set of teeth, and no close doctor-patient relationships can be established.
9. The continuation of patient care is a problem. Usually in an HMO, different doctors often treat the same patients. The patients are not able to choose their own doctor. This causes problems with consistency and continuity. Each doctor does things differently, undue stress may be laid on the patients.

10. The employee dentists are often coerced by their employers to 'sell' patients more expensive and unnecessary dental work for fee for service work. The dentist cannot work with his own free will; he has to fulfill a quota set up by the employer.

In conclusion, the Hong Kong Dental Association recommends the preclusion of HMO in dentistry. HMOs take all the rightful return from the dentists, provide poor quality services, and put the employee dentists in legal jeopardy.