立法會
Legislative Council

LC Paper No. CB(2)2799/07-08
Ref : CB2/PL/HS (These minutes have been seen by the Administration)

Panel on Health Services

Minutes of special meeting
held on Saturday, 10 May 2008, at 9:00 am
in the Chamber of the Legislative Council Building

Members present	:	Hon LI Kwok-ying, MH, JP (Chairman) Dr Hon Joseph LEE Kok-long, JP (Deputy Chairman) Hon CHAN Yuen-han, SBS, JP Dr Hon YEUNG Sum, JP Hon Andrew CHENG Kar-foo Hon Audrey EU Yuet-mee, SC, JP Hon Vincent FANG Kang, JP Dr Hon KWOK Ka-ki Dr Hon Fernando CHEUNG Chiu-hung
Member attending	:	Hon Emily LAU Wai-hing, JP
Members absent	:	Hon Fred LI Wah-ming, JP Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP Hon LEUNG Kwok-hung
Public Officers attending	:	Item I Mrs Ingrid YEUNG Deputy Secretary for Food and Health (Health)2

Attendance by invitation :

Hong Kong Familylink Mental Health Advocacy Association

Mr CHOW Man-cheung
Executive Committee member

College of Nursing, Hong Kong

Ms June LUI
President

School of Pharmacy, The Chinese University of Hong Kong

Professor Vincent LEE
Director and Professor of Pharmacy

Dr LAM Kai-cheong
Private practitioner

Hong Kong Public Hospital Cardiologists Association

Dr LAU Yuk-kong
Chairman

Ms LEUNG Ngar-ling
Practitioner from insurance industry

The Hong Kong Association of the Pharmaceutical Industry

Mr Steven E. Hardacre
President

Dr Anthony CHAN
Vice-President

Alliance for Patients' Mutual Help Organizations

Mr CHEUNG Tak-hei
Chairman

Hong Kong Adult Blood Cancer Group Ltd.

Mr TAM Wing-keung
Vice-Chairman (External Affairs)

Hong Kong Medical Association

Dr CHOI Kin
President

Action Group on Medical Policy

Mr TSE Hung-hing
Spokesperson

Dr CHAN Yee-shing

Business and Professionals Federation of Hong Kong

Mr Michael Somerville
Chairman, Health Care Committee

Amity Mutual Support Society

Mr LEUNG Kim-pong
Chairperson

Circle of Friends

Ms CHAN Suk-yin
Chairman

Mr YEUNG Yik-chung
Representative

Concord Mutual Aid Club Alliance

Miss CHAN Wai-ching
Chairman

Mr HUI Wai-chun
Executive Officer

Hong Kong Radiographers' Association

Mr Kane CHEK
External Secretary

Consumer Council

Ms Connie LAU
Chief Executive

Ms Vera TAM
Chief Research & Trade Practices Officer

Mr YEUNG Hing-choi
Insurance Agent

Practising Estate Doctors' Association

Dr SIU Che-hung
Association's Member

The Hong Kong Society of Professional Optometrists

Ms May WU
Councillor

School of Optometry, The Hong Kong Polytechnic University

Professor Maurice YAP
Chair Professor of School of Optometry

The Hong Kong Association of Private Practice Optometrists

Ms Elke WU
Chairperson, Professional Affairs Committee

Society for Community Organization

Mr PANG Hung-cheong
Community Organizer

Mutual Aid Association (Hong Kong) Ltd. (NPC Self-help Group)

Ms Amy LEE Hung-ying
Vice-Chairman (External Affairs)

Healthcare Policy Forum

Mr George Cautherley
Convenor

Hong Kong Doctors' Union

Dr YEUNG Chiu-fat
President

SynergyNet

Dr Louis SHIH Tai-cho
Chairman

Hong Kong Chiropractor Association

Mr Henry CHAN
President

Clerk in attendance	:	Miss Mary SO Chief Council Secretary (2) 5
Staff in attendance	:	Ms Amy YU Senior Council Secretary (2) 3 Ms Sandy HAU Legislative Assistant (2) 5 Ms Camy YOONG Clerical Assistant (2)1

Action

I. Healthcare Reform Consultation Document

(Healthcare Reform Consultation Document entitled "Your Health, Your Life" published on 13 March 2008

Submissions - LC Paper Nos. CB(2) 1843/07-08(01) to (04), CB(2)1894/07-08(01) to (03) and CB(2) 1917/07-08(01) to (06))

Views of deputations/individuals

At the invitation of the Chairman, the deputations and individuals presented their views on the Healthcare Reform Consultation Document entitled "Your Health, Your Life" (Consultation Document). A summary of the views is in **Appendix**.

Administration's response to views of deputations/individuals

2. Deputy Secretary for Food and Health (Health)2 (DSFH(H)2) said that, as pointed out by Mr PANG Hung-cheong of the Society for Community Organization (SOCO), the form of supplementary financing to be adopted was ultimately a decision based on societal values. As mentioned in Chapter 6 of the Consultation Document, each financing option had its own pros and cons and the choice between the options was very much a choice of the community reflecting its values. Some deputations were of the view that the supplementary financing option to be adopted should further reinforce the principle of wealth re-distribution

Action

underlying the current taxation system, whilst some others considered that it should bring about more quality choice of healthcare services. All these views would be taken into account by the Administration in formulating detailed proposals for the second stage of the consultation.

3. DSFH(H)2 further said that there was a misconception that mandatory private health insurance was the healthcare financing arrangement implemented in the United States (US) and hence the root of the problems in the US healthcare system. This was not the case. In fact, voluntary private health insurance was the predominant means of healthcare financing in US. Compared to voluntary private health insurance, mandatory private health insurance offered better overall protection to the insured. With mandatory participation and a much larger insured base, mandatory private health insurance allowed the risks to be effectively shared out among the insured population, thereby lowering the average premium. In addition, the mandatory health insurance scheme would be required to accept all insurees and could be designed to charge the same premium for all participants regardless of their age, health conditions and medical history. Referring to the comment made by some deputations that it was doubtful whether the Government could effectively regulate mandatory private health insurance, DSFH(H)2 said that the Administration believed that it could be done, having regard to the successful experience of Switzerland and Netherlands in regulating their mandatory private health insurance. In Switzerland, insurance companies were not allowed to make profits from their compulsory health insurance activities.

4. In respect of the concern raised by some deputations about the coverage of mandatory private health insurance, DSFH(H)2 said that for illustrative purpose, the Administration had worked out the design of a sample mandatory basic health insurance scheme covering in-patient services, specialist out-patient services and long-term western medications that provided benefits at around 80th percentile of current private hospital charges at the general ward level, details of which were set out in a paper tabled at the meeting (LC Paper No. CB(2)1917/07-08(08)). DSFH(H)2 assured that the terms of mandatory basic health insurance, if such option was adopted, would be regulated to ensure that they provided meaningful coverage and continued protection. For instance, under the sample mandatory basic insurance scheme, the benefit limits for in-patient ward charges would be $600 per day for a maximum of 100 days per illness.

5. In response to the enquiries raised by the Mutual Aid Association on healthcare services for the uninsured under mandatory private health insurance, and what would happen if a participant of mandatory private health insurance had exhausted the benefit limits of his/her insurance, DSFH(H)2 said that under whatever circumstances, the Government would uphold its long-established public healthcare policy that no one would be denied adequate healthcare through a lack

Action

of means, and the public healthcare safety net would always be available for those who had not joined mandatory private health insurance, such as the low-income groups and the retired. Participants of mandatory private health insurance who had exhausted the benefit limits of their insurance could also revert to the basic safety net offered by the public healthcare system. In addition, consideration might also be given to introducing a second safety net for participants under the Personal Healthcare Reserve (PHR) scheme, by allowing an individual participant who had used healthcare services beyond his/her insurance benefit limit to access private services in the public sector at a lower rate. This second safety net provided those participants in the PHR scheme who had taken a greater share of responsibility for their own healthcare needs through supplementary financing, but who had unfortunately exhausted their insurance (e.g. due to catastrophic or complex illnesses requiring costly treatment) an extra option to access private services provided by the public sector at lower fees than normally charged, apart from reverting to the basic safety net of general class public services.

6. Responding to the question posed by a number of deputations as to where funding generated through supplementary financing would go, DSFH(H)2 said that it would depend on the supplementary financing option being adopted. For instance, under the social health insurance model, all the contributions would be paid into a social health insurance fund to provide subsidies to the whole population for the use of public and private healthcare services covered by social health insurance. Under the medical savings option, a specified group of the population would be required to deposit part of their income into a personal medical savings account to meet their own future healthcare expenses individually.

Discussion

7. Dr KWOK Ka-ki was not convinced about the need for supplementary healthcare financing. He said that Hong Kong was in possession of a huge fiscal reserve and the budget surplus in the last financial year alone amounted to some $125 billion. Given the strong financial position of the Government, he queried the need for asking the public to fork out more money to finance public healthcare. Dr KWOK was also skeptical about the Administration's claim that its commitment to public healthcare would only be increased and not reduced. He pointed out that the proportion of public expenditure on healthcare to the total recurrent public expenditure had actually been dropping since 2000-2001. The proportion for 2008-2009 was estimated to be 14.3%, which was lower than the actual proportion of 15.4% in 2000-2001.

8. Regarding the proportion of government expenditure on healthcare, DSFH(H)2 responded that the funding needs of various policy areas were subject to variation each year to cater for specific circumstances and the implementation of new policy initiatives. There existed a host of factors that could cause the

Action

proportion of expenditure of various policy areas to the overall expenditure to vary with respect to each other. It was thus not very meaningful to make a year-by-year comparison of the proportion of a certain expenditure group alone. In fact, in terms of actual dollar amount, government expenditure on healthcare had been increasing over the years, except the time when Hong Kong was experiencing an economic downturn a few years ago and the consequent downward adjustment in civil service pay had resulted in a decline in public health expenditure.

9. As regards the query raised by Dr KWOK Ka-ki on the need for supplementary healthcare financing, DSFH(H)2 said that a large budget surplus did not happen every year, and there was no guarantee that the surplus situation would continue. Past experience had shown that the financial situation of the Government changed according to the economy. A one-off budget surplus was not something that could be relied on to meet recurrent healthcare expenses. It was necessary to introduce supplementary healthcare financing to ensure a stable and sustainable financing source in order to fully carry out and sustain the service reform initiatives and to enhance the health of the community for the long term. DSFH(H)2 further pointed out that public health expenditure accounted for about 23.6% of Hong Kong's total tax revenue, which was already at quite a high level compared to other advanced economies. If the existing financing model whereby public healthcare was financed solely through government revenue remained unchanged, total public expenditure would have to be expanded to 22% of Gross Domestic Product by 2033. This could mean rising tax bills eroding Hong Kong's competitiveness or reducing funding for other areas of public services.

10. Mr PANG Hung-cheong of SOCO remained unconvinced that it would be unsustainable to rely solely on government funding to meet public healthcare expenditure. Mr PANG said that while there had been a few economic downturns, overall, Hong Kong's economy had been growing steadily over the past decades and a large fiscal reserve had been built up. In his view, the Government should meet the increasing public health expenditure by setting up a healthcare reserve fund and adjusting the tax rates and tax bands with a view to seeking a greater proportion of financing from those with higher-income to subsidize the healthcare of the lower-income, thereby achieving wealth re-distribution and ensuring equitable access to quality healthcare for all. Mr PANG further opined that it would not be appropriate to compare Hong Kong's public health expenditure as a percentage of total tax revenue with that of other countries, because unlike other countries, Hong Kong did not have to spend any of its tax revenue on military expenditure.

11. Dr LAU Yuk-kong said that due to inadequate government funding for public healthcare, the public were not able to receive quality healthcare in the public sector, as evidenced by the long waiting time for specialist services and the

Action

unavailability of many new drugs for first-line treatment. Dr LAU urged the Administration to increase its funding on healthcare and not to cap its healthcare budget at 17% of recurrent government expenditure. Dr LAU further queried the basis of the projection on future healthcare expenditure set out in the Consultation Document. He pointed out that using year 2004 as the basis for projecting Hong Kong's future healthcare expenses in 2033, as what the Administration had done, would have the effect of overstating the future healthcare expenditure, as 2004 was the post-SARS (Severe Acute Respiratory Syndrome) year during which the Government's expenditure on healthcare had surged due to increased expenditure relating to prevention and control of communicable diseases. This would mislead the public on the magnitude of the funding gap. Mr CHEUNG Tak-hei of the Alliance for Patients' Mutual Help Organizations (APMHO) also expressed similar doubt on the projection on future healthcare expenditure given in the Consultation Document, and queried whether such projection had taken into account the fact that the enhancement of primary care would help to reduce healthcare costs in the long run.

12. DSFH(H)2 responded that the Administration had commissioned the University of Hong Kong to conduct a study on the health expenditure projection in Hong Kong up to year 2033. The projection was based on an adaptation of the United Kingdom Treasury's Wanless projection method. DSFH(H)2 further said that in examining the results of the projection, it was more important to look at the general trend, rather than the dollar amount, of future healthcare expenditure. While the projected amount of future healthcare expenditure would inevitably be subject to some degree of deviation, the upward trend in future healthcare expenditure was indisputable.

13. Dr KWOK Ka-ki expressed concerned that mandatory private health insurance would create an inequitable two-tier healthcare system, whereby those who were insured would become a preferred class of customers enjoying more choices and better quality healthcare services in both the public and private sectors than the uninsured. Dr Fernando CHEUNG raised similar concern, saying that mandatory private health insurance would result in a three-tier system: the top tier comprising those who could afford to purchase top-up insurance in addition to the mandatory basic insurance, the second tier were those who had taken out the mandatory basic insurance, while the third tier were the uninsured who were essentially the low-income and underprivileged groups. Dr CHEUNG was concerned that under such a system, only those with means would have quality choice in healthcare services. Mr PANG Hung-cheong of SOCO and Mr CHEUNG Tak-hei of APHMO shared Dr KWOK and Dr CHEUNG's concern on the lower quality of healthcare services received by the uninsured under mandatory private health insurance. Mr PANG considered that a healthcare system which provided equitable access to quality care for all should be preferred to one which provided more choices for only a certain sector of the community.

Action

Dr LAU Yuk-kong also expressed objection to mandatory private health insurance as it might create incentives for healthcare providers to provide excessive healthcare and for individuals to overuse healthcare services.

14. DSFH(H)2 assured that the public healthcare system would continue to provide quality healthcare services to all its patients, irrespective of the financing option to be adopted.

15. Ms Emily LAU said that she was a member of the Healthcare Policy Forum and shared the view of Mr George Cautherley of the Healthcare Policy Forum that the Administration should not wait for the introduction of supplementary financing arrangements in taking forward the service reforms proposed in the Consultation Document, as it would likely take a long time to reach consensus on supplementary financing arrangements. Ms Audrey EU echoed similar views.

16. Noting the view of the Consumer Council (CC) that the Administration should have regard to the affordability of the working population, who were already subject to Mandatory Provident Fund contributions and salary tax, in contributing to supplementary healthcare financing, Ms Emily LAU asked whether CC had conducted any study on the public's affordability. She further enquired whether CC had taken any position on the financing options set out in the Consultation Document.

17. Ms Connie LAU of CC responded that there was not sufficient information about the six financing options for a detailed analysis on the public's affordability under the various options. She further said that at this stage CC did not have a view as to which option was to be preferred. As a consumer advocate, CC considered it important at the present juncture to alert the Government on the major issues to be taken into account in considering supplementary financing, such as the public's affordability and effective monitoring of health insurance schemes.

18. Ms Audrey EU invited the deputations to give their views on whether they supported mandatory private health insurance, assuming that it was applicable to those in the working population with income at or above $10,000, at a contribution rate of 3% to 5%.

19. Dr Louis SHIH Tai-cho of SynergyNet said that in principle he was supportive of mandatory private health insurance as it enabled participants to access wider choices of healthcare services in both the private and public sectors and at the same time helped to free up some public hospital resources for those who had to rely on the public healthcare safety net. He further said that a lower contribution rate should be set for those with relatively lower income to make the scheme more affordable to them and the role of employers in making contributions to the financing option should be discussed.

Action

20. Ms CHAN Suk-yin of Circle of Friends expressed objection to mandatory private health insurance. She was skeptical as to whether such a scheme could offer adequate protection to chronic patients, who were heavy users of medical services. Mr Michael Somerville of the Business and Professionals Federation of Hong Kong also objected to mandatory private health insurance. In principle, he did not support any financing system requiring the participation of only a certain sector of the community who would consequently be given more choices and better quality services, as this would run counter to the principle that the same quality of basic healthcare should be available to all in the community regardless of their means.

21. Dr YEUNG SUM also expressed objection to mandatory private health insurance. Dr YEUNG said that as private insurers operated for profit, it was difficult for the high-risk groups to get or stay insured. Moreover, making claims on insurance was often fraught with difficulties. Dr YEUNG further voiced opposition to the option of out-of-pocket payments (i.e. to increase user fees for public healthcare services) because it might render medical fees unaffordable for those with income above the safety net level and would also place a disproportionate burden on heavy users of healthcare services such as chronic patients and the elderly. Neither did Dr YEUNG support mandatory medical savings, as only those with means could afford to save. In his view, general taxation should remain the primary financing source for healthcare, with social health insurance as the secondary source. He favoured the social health insurance model as it could provide every member of the public, irrespective of their financial circumstances, with equitable access to the same level and standard of healthcare services, as well as some choices of healthcare services in the public and private sectors. Dr YEUNG further said that as the main funding source for healthcare services, the Administration should not cap its healthcare budget at 17% of the recurrent government expenditure. In addition to the $50 billion from the fiscal reserve committed by the Financial Secretary to assist the implementation of healthcare reform, consideration should also be given to setting aside a certain percentage of the investment income from the Exchange Fund for healthcare expenditure.

22. DSFH(H)2 said that it was not the Administration's intention to cap healthcare expenditure. In planning for Hong Kong's budget, the Administration reckoned that it could spend up to 17% of the government's recurrent expenditure on medical and health services in the next few years up to 2011-2012, having regard to the needs of other public service areas. As for the proportion of total expenditure to be spent on healthcare after 2011-2012, it would depend on the financial situation then as well as the needs of different public service areas.

Action

23. Dr Joseph LEE said that some healthcare professionals had expressed dissatisfaction that the Administration, in its proposal on enhancing primary care, had only laid emphasis on promoting the family doctor concept and had ignored the vital part played by other primary healthcare providers such as optometrists, chiropractors, nurses and pharmacists. Dr LEE invited the primary healthcare professionals present at the meeting to give views on their role in enhancing primary care.

24. Professor Maurice YAP of the Hong Kong Polytechnic University said that primary healthcare was usually taken to mean the first point of contact individuals had with a continuing healthcare process, and primary care providers included not only family doctors but also many other healthcare professionals such as optometrists, pharmacists and nurses. Ms May WU of the Hong Kong Society of Professional Optometrists criticized the Administration for its failure to make full use of the services offered by different primary healthcare practitioners. Take optometrists as an example, apart from providing sight-testing service, they could also play a vital part in detecting eye diseases and visual problems of patients. Ms Elke WU of the Hong Kong Association of Private Practice Optometrists considered it most unfair and unacceptable that general practitioners could refer patients to HA to receive opthalmological services while optometrists, who had received years of formal training in optometry, could not. Ms Elke WU further opined that there was a lack of emphasis on preventive care in the Administration's proposal on strengthening primary care, a view echoed by Mr Henry CHAN of the Hong Kong Chiropractor Association.

25. DSFH(H)2 did not agree that there was a lack of emphasis on preventive care in the Administration's proposal on reforming primary care. As stated in Chapter 2 of the Consultation Document, the Administration was well aware that primary care was not just about the curing of episodic illnesses, but should put emphasis on preventive care and the promotion and protection of individual well-being through lifelong comprehensive and holistic care. To strengthen preventive care, the Administration had proposed to develop service models with emphasis on preventive care as the basic standard for comprehensive primary care services for different age/gender groups, and to subsidize individuals of different target age/gender groups to undertake preventive care with reference to the basic models.

26. Mr YEUNG Hing-choi said that there was a lack of details about the six supplementary financing options to facilitate in-depth discussion. For instance, regarding the PHR or mandatory private health insurance options, it was unclear whether those who participated in those schemes on a voluntary basis could leave or rejoin the schemes, and whether those participants who had exhausted the benefit limits of their insurance were still obliged to continue to subscribe to the mandatory insurance scheme.

Action

27. DSFH(H)2 said that the Administration had given thoughts to the detailed design of the six supplementary financing options, albeit they had not been set out in the Consultation Document in view of the voluminousness of such details. In the first stage of the consultation, the Administration aimed to consult the public on the pros and cons of possible supplementary financing options. On the basis of views received, the Administration would narrow down the options and formulate more detailed proposals to further consult the public during the second stage of the consultation aimed to take place in the first half of 2009.

28. There being no other business, the meeting ended at 12:45 pm.

Council Business Division 2
Legislative Council Secretariat
22 September 2008

Appendix

Panel on Health Services

Summary of views given by deputations/individuals on the Healthcare Reform Consultation Document entitled "Your Health, Your Life" at the special meeting on 10 May 2008

Organisation/individual [LC Paper No. of submission]	Views
Hong Kong Familylink Mental Health Advocacy Association LC Paper No. CB(2)1894/07-08(01)	• Supports the service reform proposals in the Consultation Document, viz. enhancing primary care, promoting public-private partnership in healthcare, developing electronic health record sharing and strengthening public healthcare safety net. • Rising public health expenditure should be met by general taxation and re-distribution of share of government funding among various public services. • Objects to mandatory private health insurance as it will commercialise the provision of healthcare and rising insurance premium will impose a heavy financial burden on chronic patients. • The Administration should enhance consultation with patients in making decisions on healthcare policies and increase transparency in the operation of the Hospital Authority (HA).
College of Nursing, Hong Kong	• No mention is made in the Consultation Document on (a) the role of nurses and other allied health professionals in enhancing primary care; and (b) how the Government would allocate the increased resources to enhance primary care. • Expresses concern that administration costs will erode the savings/contributions made by participants under contributory financing options such as mandatory savings accounts and mandatory private health insurance.

Organisation/individual [LC Paper No. of submission]	Views
	• Pending decision to be made on the kind of supplementary financing arrangements to be adopted, consideration should be given to putting in place a mechanism under which public healthcare services are charged according to the means of the users.
School of Pharmacy, The Chinese University of Hong Kong	• Enhancement of primary care is pivotal to enhancing the health of the community and ensuring the sustainability of the healthcare system in the long term. • An integrated team approach is the key to achieving the objective of providing quality care to patients. To this end, the role of different allied health professionals in the management of patients should be enhanced. • Strongly supports the development of a territory-wide electronic health record sharing system, which can facilitate communication among healthcare professionals, thereby improving continuity and integration of care to patients.
Dr LAM Kai-cheong	• Hospital services in the private sector are already operating at nearly full capacity. To enable the private healthcare sector to play a greater role in relieving the heavy pressure on the public healthcare system, the Government should come up with measures to assist the development of private healthcare services, for instance, by providing land concessions for the construction of private hospitals.
Dr LAU Yuk-kong	• Queries the basis for the projection on future healthcare expenditure set out in the Consultation Document. The projection of healthcare expenses in 2033 is based on that in 2004, the post-SARS (Severe Acute Respiratory Syndrome) year during which the Government's healthcare expenditure had surged due to increased expenses on prevention and control of communicable diseases. Using 2004 as a basis will have the effect of overstating the future healthcare expenditure.

Organisation/individual [LC Paper No. of submission]	Views
	• The Consultation Document is silent on the role of employers in making contributions to supplementary financing. • Objects to mandatory private health insurance as it may encourage overuse of healthcare services and will incur additional administration costs.
Ms LEUNG Ngar-ling	• Supports the financing options of voluntary private health insurance and medical savings accounts. • Expresses concern about the likely high level of premium under regulated mandatory private health insurance, given that high-risk groups such as chronic patients and the elderly will also be covered under the scheme.
The Hong Kong Association of the Pharmaceutical Industry LC Paper No. CB(2)1917/07-08(01)	• The Consultation Document lacks details on what kind of services would be provided under the six supplementary financing options and how such services would be delivered. Without such information, it would be difficult to comment on the level of contributions required under the financing options and which options are more preferable. • The reform of healthcare services and supplementary financing arrangements should be guided by the following four basic principles - (a) Peace of mind: Providing patients, including those who need special healthcare services, with accessible healthcare and peace of mind. (b) Choices: Patients should have multiple choices on services providers, services and method of treatment. The Association supports the principle of "money follows the patient" which enhances patient choice.

Organisation/individual [LC Paper No. of submission]	Views
	(c) Transparency: Patients should be provided sufficient information on available treatment methods so that they can make informed choices. (d) Innovation: There should be broad patient access to innovative drugs to continuously improve health and quality of life of patients. HA's expenditure on pharmaceutical products only accounts for some 6% of its total expenditure, or about HK$2 billion per year. HA is urged to increase its budget for new and innovative drugs to improve access to such drugs.
Alliance for Patients' Mutual Help Organizations	• Suggests earmarking a certain portion of the Mandatory Provident Fund contributions for healthcare services, which will obviate the need for employees to contribute another sum of money for healthcare and for a separate mechanism to manage healthcare contributions. • Suggests increasing the tobacco tax to fund healthcare expenditure. • Consideration can be given to introducing co-payment in the user fees and charges for certain public health services to instil a sense of responsibility for one's own health and encourage judicious use of services. • Supports the proposal of introducing a limit on medical expenses for individual patients to offer financial protection to families with patients struck by catastrophic illnesses. • The Administration has not engaged the participation of patients in preparing the Consultation Document.
Hong Kong Adult Blood Cancer Group Ltd. LC Paper No. CB(2)1917/07-08(02)	• The Consultation Document lacks details on the six financing options, rendering it difficult to choose between them.

Organisation/individual [LC Paper No. of submission]	Views
	• The Consultation Document is silent on proposals to enhance the efficiency and effectiveness of the healthcare system, for instance, by better utilizing community resources in the provision of healthcare services. • There is inadequate public engagement in drawing up the Consultation Document. • Performance indicators should be drawn up to facilitate review of the effectiveness of the healthcare reform proposals.
Hong Kong Medical Association LC Paper No. CB(2)1917/07-08(03)	• Hong Kong's public healthcare spending as a percentage of Gross Domestic Product (GDP) (2.9% in 2004) is way behind the Organization for Economic Cooperation and Development countries' average of 8.1%. The Government is exaggerating the problem of healthcare spending to scarce the public into considering options for supplementary financing. • The Association is not convinced that mandatory private health insurance will allow more patient choice in using private sector services. The proposed 3-5% contribution rate is grossly inadequate for the purpose. Alternatively, people will be paying more than the 5% initially suggested. • While putting emphasis on primary care is a right move, the Consultation Document is silent on whether the Administration will inject additional funding for enhancement of primary care.
Action Group on Medical Policy LC Paper No. CB(2)1917/07-08(04)	• The public is asked to contribute towards supplementary healthcare financing, but has not been told clearly how their money will be used or what kind of health protection they can get from their contribution.

Organisation/individual [LC Paper No. of submission]	Views
	• Expresses the following reservation about mandatory private health insurance - (a) it is doubtful whether the Administration can impose an effective regulatory framework on private insurers; (b) it may encourage the tendency to overuse healthcare; and (c) the low-income and underprivileged groups who cannot afford to take out private health insurance will only be able to obtain "second-class" service in public hospitals.
Dr CHAN Yee-shing	• The Government's expenditure on healthcare as a percentage of GDP is low compared to many developed economies. The Government should increase its financial commitment for healthcare services. • The middle class has reservations about mandatory private health insurance and the Personal Healthcare Reserve scheme. Apart from high administration costs, they are also concerned about escalation in premium. • There is no mentioning of the role of employers in making contributions to supplementary financing. • The Administration should encourage people to take out private health insurance on a voluntary basis by providing incentives such as tax deduction.
Business and Professionals Federation of Hong Kong LC Paper No. CB(2)1843/07-08(01)	• Healthcare reform, which has been discussed for more than twenty years, should not be further delayed by the debate on supplementary financing, as the current healthcare system urgently needs fixing.

Organisation/individual [LC Paper No. of submission]	Views
	• Primary care, which is the key to containing health costs and enhancing the health of the community, should be the foundation of the health system. There is an urgent need to shift the focus of the present system from curative and hospital care to primary and preventive care, and to reform the current primary care structure which is disjointed and lacks coordination. • The development of the electronic health record sharing system is an excellent initiative which can enhance co-ordination between the private and public healthcare systems and among primary, secondary and tertiary care sectors. • Supplementary financing is necessary for implementing the healthcare reform. The supplementary financing arrangement to be adopted should ensure availability of healthcare to all regardless of their financial circumstances, foster self-responsibility for one' own health and help to pool risk.
Amity Mutual Support Society LC Paper No. CB(2)1894/07-08(02)	• Ageing population does not necessarily lead to enormous increase in public healthcare expenditure. According to overseas experience and research, ageing population would only cause 0.6% increase in healthcare expenditure each year. The key to containing healthcare expenses is to strengthen primary and preventive care. • The Administration should immediately implement the proposed service reforms to address the shortcomings of the present healthcare system. • Objects to increasing user fees and charges for public healthcare services as it will impose heavy financial burden on chronic patients. • Expresses concern about the administration costs incurred in contributory financing schemes.

Organisation/individual [LC Paper No. of submission]	Views
	• Rising healthcare expenditure should be met by general taxation, for instance through raising tax rates and bands to achieve wealth-redistribution. • The Administration should enhance the participation of patients in the consultation machinery for healthcare services.
Circle of Friends LC Paper No. CB(2)1894/07-08(03)	• The Administration should implement the proposed service reforms immediately, in particular the development of the electronic health record sharing system and enhancement of the public healthcare safety net, and release the $50 billion pledged by the Financial Secretary (FS) to carry out the services reforms. • Objects to the six supplementary financing options. The Government is trying to shift the burden of resolving the healthcare financing problem to the public through supplementary financing. • If mandatory private health insurance is adopted, those who cannot afford to take up insurance, such as the low-income and underprivileged groups, will be labelled as second-class citizens. • Requiring the working population to contribute a certain percentage of their salaries for healthcare services on top of the existing 5% Mandatory Provident Fund contributions will further add to their financial burden. • The association recommends the following - (a) as public healthcare services are accessible to all, its expenditure should continue to be funded by the general tax revenue. To meet the increasing public healthcare expenditure, consideration could be given to raising the profit tax and salary tax;

Organisation/individual [LC Paper No. of submission]	Views
	(b) the Administration should further increase its funding for public healthcare services. Increasing the government expenditure on public healthcare from 15% to 17% of total government expenditure is insufficient for improving the quality of public healthcare services; (c) consideration should be given to setting up a centrally administered healthcare fund. Investment return from the healthcare fund, together with regular government injection thereinto, will be used to fund public healthcare expenses without requiring contributions from the public; and (d) the Administration should provide incentives to encourage people to use private health services (e.g. by providing tax deduction for private health insurance premium) to relieve the heavy pressure on the public healthcare system.
Concord Mutual Aid Club Alliance LC Paper No. CB(2)1917/07-08(05)	• Supports the four major service reform proposals put forth in the Consultation Document. • The Consultation Document fails to portray a vision of the future healthcare system. It lacks details on (a) what types and quality of services the public can obtain in contributing to supplementary financing; (b) how the money generated through supplementary financing will be used; and (c) the role of private service providers in the healthcare reform, i.e. what services will be provided by the private sector and the quality of such services. • Objects to the six financing options as they are not progressive in nature and do not have the effect of wealth-redistribution. • Recommends the Administration to – (a) fund the increasing health expenditure through the general tax revenue as it can achieve wealth-redistribution resulting a more equitable society and prevent the

Organisation/individual [LC Paper No. of submission]	Views
	contributions made by the public from being eaten up by private insurers, fund managers and private service providers; and (b) charge fees for public healthcare services according to the means of users, which can help channel some service demand to the private sector.
Hong Kong Radiographers' Association	• The Consultation Document does not mention how money collected from supplementary financing will be used. • There is abuse in the use of certain public healthcare services such as X-ray and MRI scan. HA should review and improve the use of resources to achieve greater efficiency and value-for-money.
Consumer Council LC Paper No. CB(2)1917/07-08(06)	• Healthcare policy should centre on the principles of affordability, fairness, choice, quality, and access. • Should the Administration decide to adopt supplementary financing arrangements which include the element of mandatory private health insurance, it should - (a) consider the affordability of the working population who are already subject to Mandatory Provident Fund contributions and income tax; (b) ensure that there is effective monitoring of the operation of health insurance schemes and the service levels of relevant healthcare service providers; (c) regulate the insurance premiums, e.g. by setting up price monitoring regimes or publication of premiums of each scheme to place downward pressure on premiums and to assist consumers in making informed choices;

Organisation/individual [LC Paper No. of submission]	Views
	(d) require insurance companies not to cherry-pick with respect to basic health insurance policies so that no one will be excluded from cover because of age, gender and health conditions; and (e) consider setting up a designated body to handle healthcare insurance complaints. ● Regarding the supplementary financing option of maintaining a personal healthcare reserve, the Consumer Council is concerned whether participants would be able to accrue sufficient deposits in their healthcare reserve without creating too much impact on their present financial conditions. In considering this option, the public will need to know more about (a) where their savings will be held (e.g. whether the money will be in the hands of a trusted government authority); (b) whether there will be a cap on contribution rate; and (c) what will be the costs involved to ensure that their savings will not be eroded. ● With regard to the proposal of introducing a personal limit on healthcare expenses for chronic patients or patients struck by catastrophic illnesses requiring costly treatments, the Consumer Council suggests that if such a policy is introduced, consideration should be given for the application of this limit to be extended from a personal to a family basis, since the financial impact on these patients will also directly affect their families. ● Supports the development of an electronic health record sharing system to allow individuals' health records to follow them wherever they go. However, the Consumer Council is concerned about the potential threats to patients in respect of information security and privacy, and stresses that appropriate amendments should be made to the legislation and regulations administered by the Office of the Privacy Commissioner for Personal Data to suit the manner in which data will be collated, handled and disseminated under the electronic health record sharing system. ● Supports the Government's proposal to subsidize individuals for preventive care as a means for the detection of disease at an early stage. However, the Consumer Council has concerns about the quality of health assessment and screening services available in the

Organisation/individual [LC Paper No. of submission]	Views
	market and urges the Government to consider means to ensure that consumers will benefit from appropriate and good quality medical check-up packages.
Mr YEUNG Hing-choi LC Paper No. CB(2)1843/07-08(02)	• Supports the reform proposals of enhancing primary care and strengthening public safety net. • While supporting in principle the proposal of promoting public-private collaboration in the provision of healthcare, Mr YEUNG is concerned that it may weaken market competition. • The development of the electronic health record sharing system is worthy of support. However, under no circumstances should information in the system be accessed by insurers, even if patient's consent has been obtained. • Objects to mandatory private health insurance because it will create incentives for healthcare providers to provide excessive healthcare and for individuals to overuse healthcare services, resulting in escalation of healthcare costs and in turn insurance premium. • Objects to the Personal Healthcare Reserve scheme
Practising Estate Doctors' Association LC Paper No. CB(2)1843/07-08(03)	• The Association supports the proposed service reforms of enhancing primary care, promoting greater public-private collaboration in the provision of health services and development of a territory-wide electronic health record sharing system. • Given the low drug cost charged by HA, private practitioners have a limited role in treatment of chronic illnesses. To enhance the role of private practitioners in this regard, the Association proposes allowing private practitioners to (a) provide prescriptions to chronic patients to collect their drugs at the dispensaries of public general out-patient

Organisation/individual [LC Paper No. of submission]	Views
	clinics, or (b) purchase drugs from HA for chronic patients at cost. ● Each of the six supplementary financing options has its pros and cons. The supplementary financing arrangements to be adopted should involve a mix of the good elements of the various options.
The Hong Kong Society of Professional Optometrists School of Optometry, The Hong Kong Polytechnic University The Hong Kong Association of Private Practice Optometrists	● In reforming the primary care sector, a multidisciplinary approach involving different healthcare professionals should be adopted. ● Expresses strong dissatisfaction that the Administration have neglected the role of optometrists in enhancing primary care. Optometrists have been trained to provide a wide range of professional eye care services. Apart from sight testing, they can play a vital part in detecting eye diseases and visual problems. ● Optometrists face legislative, administrative and structural barriers in contributing their specialist skills to enhance the health of the community. It is unfair that private optometrists are not allowed to refer patients to HA to receive ophthalmological services.
Society for Community Organization	● The type of supplementary healthcare financing option to be adopted is ultimately the community's choice based on the values and expectations of its members. ● The supplementary financing arrangements to be adopted should reflect the following values – (a) in view of the huge gap between the rich and the poor, the supplementary financing arrangements should be progressive in nature and realize the principle of wealth-redistribution, i.e. those with higher income should pay more for healthcare subsidizing those with lower income. Of the six financing options, only social health insurance has the effect of wealth-redistribution; and

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	(b) the whole community should be able to enjoy equitable access to healthcare services. Equitable access refers to the quality and choice of medical treatment received by patients rather than healthcare amenities (such as different classes of in-patient wards). ● The Administration should not cap healthcare expenditure at 17% of recurrent government expenditure. Public funding on healthcare should be increased as and when necessary.
Mutual Aid Association (Hong Kong) Ltd. (NPC Self-help Group)	● Should mandatory private health insurance be adopted, the Administration should regulate the terms of such insurance to ensure that the insurance companies must accept any application regardless of the applicants' medical history. ● The Administration should provide more details on the supplementary financing options, such as the types of protection to be offered under the options and the amount of contributions required. ● The Administration should also lay out their plans for training of healthcare professionals to meet the rising service demands.
Healthcare Policy Forum LC Paper No. CB(2)1843/07-08(04)	● Supports the proposals on enhancing primary care, developing the electronic health record sharing system and promoting the collaboration of public and private sectors in provision of healthcare services. The first two of these proposals will have a significant impact on containing growth in healthcare costs. ● A robust management structure is the key to success in implementing the healthcare reform. Proposes to institute a two-tier organizational structure comprising (a) a health commission responsible for, among other things, macro planning, advising the Food and Health Bureau on issues relating to healthcare, allocating public funding to service providers, as well as setting and monitoring standards; and (b) a health service authority (in effect an extended HA) responsible for managing the provision of all public health

Organisation/individual [LC Paper No. of submission]	Views
	services and public health programmes. • The six supplementary financing options are supported by little details, making it difficult for the public to make informed choices. • Expresses concern that all the six supplementary financing options, to a greater or lesser extent, will have the effect of shifting the burden of providing supplementary funding on the middle class, which is inequitable. • The Government should allow the public to come to its own view on whether it wants the provision of healthcare services to continue to be funded along the present lines (i.e. with hospital services almost entirely funded by government resources, whereas primary care services are mainly funded by non-government resources). The Government is urged to include this as one of the financing options in the next round of consultation. • Urges the Government to proceed with the service reform first and allow more time for the community to come to a consensus on the long-term financing arrangements in view of the moderating effects of the service reforms on the future growth in healthcare costs.
Hong Kong Doctors' Union	• Supports the following supplementary financing options : (a) Out-pocket payments (those who have the means will be required to pay higher fees and receive lower subsidies); and (b) voluntary private health insurance (the Administration should provide incentives, e.g. tax incentives, to encourage people to take out private insurance). • Objects to mandatory private health insurance.
SynergyNet	• Supports the proposal on enhancement of primary care.

Organisation/individual [LC Paper No. of submission]	Views
	• Supports mandatory private health insurance provided that it is regulated by the Government, transparent in its operation, and can bring about more quality choice and better health protection at an affordable contribution rate.
Hong Kong Chiropractor Association	• As primary care providers, chiropractors hope to play a greater role in primary care and have opportunities to collaborate with HA in the provision of spinal care in public healthcare system.

Council Business Division 2
Legislative Council Secretariat
22 September 2008