



The Hong Kong Association of the Pharmaceutical Industry
香港科研製藥聯會

Position paper on the Healthcare Reform Consultation Document

“Your Health Your life”

The Hong Kong Association of the Pharmaceutical Industry (HKAPI), on behalf of its 42 member companies engaging in the research and development of novel pharmaceuticals, and providing 70% of treatment drugs in Hong Kong, puts forward the following suggestions for consideration.

Our expectations for the future Hong Kong healthcare system are much the same as those outlined by the Food & Health Bureau in its booklet entitled "Your Health, Your Life", namely to

1. provide patients with accessible healthcare and peace of mind,
2. improve health through better prevention, and
3. offer more choices of better services.

While we are fully aligned and support the realization of the above three expectations, we find that the current position paper on healthcare reform lacks of a clear proposal and direction forward on both healthcare services delivery, financing and timing. In short, we need to know in detail what kind of services would be offered under the six alternative proposals and how those services would be delivered before we can properly comment on possible modes of payment or whether the percentage of contribution from the government or public being considered provides good value for money. If the people of Hong Kong will be requested to contribute more for their own healthcare, what will be the concrete improvement metrics vs. the existing service level? How much better will patient satisfaction be with the new healthcare system vs. now, as measured by shorter waiting times for necessary surgeries, more healthcare options and choices, and more access to innovative drugs to be delivered by a more transparent and innovative healthcare delivery system? Without this kind of specific information, it is not easy for us to comment on which scenario format is better than others. We urge the government to drive the discussion by providing a much more thorough plan and direction forward.

On multiple occasions, the Pharmaceutical Association has shared its vision and suggested four general principles for developing a new healthcare financing system as well as delivery models.

1. Peace of mind: This principle goes far beyond talking about “no one should be denied adequate healthcare through lack of means”, but also that a reasonable quality of life is provided for people who become ill or need special healthcare services
2. Choices: patients should have multiple choices on services providers, services and method of treatment
3. Transparency: Patients must be provided sufficient information to make responsible and well informed choices
4. Innovation: Broad patient access to innovative medicines is an effective way to continuously improve health and quality of life.

Hong Kong's operating approach that “no one should be denied adequate healthcare through lack of means is something we can all be proud of. However, at the same time, we must also ask ourselves how far beyond the most basic of healthcare necessities does the current healthcare system deliver and, more importantly, how well will our desired future delivery system actually deliver? More specifically, with the official foreign currency reserve assets amounted to US\$160.7 billion at the end of March 2008, do the citizens of Hong Kong really get the healthcare delivery they need and deserve now and going forward.

The reality is that patients often get treated with older drugs developed more than 30 years ago with side-effects not seen in newer, but more expensive drugs that offer a better quality of life. Currently, patients are often not provided or even told about all available therapeutic choices, which are often not included or are severely restricted by indication in the HA Drug Formulary.

While the Hospital Authority frequently talks about its very limited resources, their expenditures for pharmaceutical products, in fact, only account for 6% of total

expenditures, or about HK\$2 billion per year. As a percentage of total expenditures, the total HA budget for new and innovative drugs is minimal. If the healthcare delivery system is not properly developed with greater transparency on treatment priorities and expenses allocation, no matter what the financing model, the supplemental funding will likely be allocated primarily to human resources or administrative costs, but not for drugs and diagnostic testing which benefit patients directly.

Concerning healthcare financing, the Association supports the principle of “money follows the patient”, by which patient choice will be enhanced. The Association objects, however, if supplemental public revenues go primarily to service providers. We support proposals which provide maximum choices for patients on how to use healthcare dollars, whether or not payments for services comes from a personal account, a family account or, alternatively from private insurance. Patients should be able to choose healthcare services and treatment most suitable to each individual.

In conclusion, the Hong Kong Pharmaceutical Association believes a more transparent public and private services system which builds on increasing patient knowledge and responsibility for healthcare information is the best to facilitate patient choice. We understand that there will likely be a second public consultation on healthcare reform following this current one. We trust that more specific information and data on healthcare services and delivery will be provided. We welcome this second step towards reforming our healthcare delivery system to better meet the needs and expectations of all of Hong Kong's people.