



中華人民共和國香港特別行政區政府總部食物及衛生局

Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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12 April 2011

Ms Elyssa WONG
Clerk to Panel on Health Services
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms WONG,

**Legislative Council Panel on Health Services
Interim Review of Elderly Health Care Voucher Pilot Scheme**

At the meeting of the LegCo Panel on Health Services held on 14 March 2011, Members, in the context of discussing the interim review of Elderly Health Care Voucher Pilot Scheme (the Pilot Scheme), requested the Administration to provide supplementary information on the following –

- (i) a breakdown by quarter of the number of new enrolments since January 2009;
- (ii) the considerations for deciding the subsidy level of the Pilot Scheme;
- (iii) the yearly expenditure earmarked for the three-year Pilot Scheme and the actual expenditures incurred in 2009 and 2010 respectively; and
- (iv) financial implications of lowering the age eligibility to 60 or 65

and increasing the amount of vouchers for each elderly person to \$1,000 in the next three-year pilot period.

Enrolment of healthcare service providers

A total of 2 780 healthcare professionals were enrolled in the Pilot Scheme as at end February 2011. Between 1 January 2009 and 28 February 2011, 1 214 providers have newly enrolled (576 medical practitioners, 364 Chinese medicine practitioners, 131 dentists, 77 physiotherapists, 28 nurses, 11 chiropractors, 10 occupational therapists, 9 medical laboratory technologists and 8 radiographers), 3 disqualified (2 medical practitioners and 1 Chinese medicine practitioner) and 214 withdrawn from the Pilot Scheme (131 medical practitioners, 35 Chinese medicine practitioners, 30 dentists, 10 physiotherapists, 4 chiropractors and 4 nurses). A breakdown by quarter of the number of enrolments, withdrawals and registered healthcare service providers since inception of the Pilot Scheme in January 2009 up to end February 2011 is at *Appendix A*.

Subsidy level of the Pilot Scheme

The Elderly Health Care Voucher Scheme was launched on 1 January 2009 as a three-year pilot scheme, under which elderly people aged 70 or above are given five health care vouchers of \$50 each annually. The vouchers are intended as a *partial* subsidy to encourage the elderly to seek private primary healthcare services in the community that suit their needs, thereby enhancing the primary care for the elderly. By providing partial subsidies, the Pilot Scheme offers additional choices for the elderly on top of the existing public healthcare services available to them. There is no reduction in public healthcare services as a result of the implementation of the Pilot Scheme.

As set out in FCR(2008-09)33 when Finance Committee's approval was sought on the funding for the Pilot Scheme, we consider it prudent to start with a lower voucher value (i.e. \$50 x 5) when the Pilot Scheme was launched on 1 January 2009. We need to review carefully the effectiveness of subsidizing privately-provided primary health care in the form of health care vouchers, and ensure that a smooth and efficient system can be put in place for operating the Pilot Scheme and launching similar schemes in future. The interim review conducted in the second half of 2010 was aimed at assessing the effectiveness of the Pilot Scheme in enhancing primary care services for the elderly as well as its implementation details and operational arrangements, including participation rate, voucher utilization, service coverage, operational arrangements, stakeholder feedback and healthcare seeking patterns.

Having regard to the findings of the interim review, we recommend, among other things, increasing the voucher amount per year for the next three-year pilot period (from 1 January 2012 to 31 December 2014) from \$250 to \$500. This takes into account that there are demands for increasing the voucher amount from the elderly and different quarters of the community to cater for the needs of the elderly, and that an increase in voucher amount would help better assess the effectiveness of the Pilot Scheme in achieving its policy objectives. On the other hand, we need to carefully consider whether and, if so, to what extent an increase in voucher amount would affect the healthcare seeking behaviour among the elderly, the prices to be charged by healthcare service providers, the amount elderly people are willing to co-pay and the emphasis elderly people put on preventive services. We propose increasing the voucher amount per year to \$500 as a prudent recommendation taking into account these considerations. More detailed examination of these factors, including willingness-to-pay and impact on medical fees, can be found in the interim review report (www.hcv.gov.hk/eng/resources_corner.htm).

Expenditure for the Pilot Scheme

The Government has earmarked a total of \$573.2 million for the three-year Pilot Scheme, of which \$505.3 million is budgeted for reimbursing vouchers, \$30 million for the electronic platform development and maintenance, and \$37.9 million for staff and administrative cost. The actual expenditures incurred since launch of the Pilot Scheme are set out at *Appendix B*.

Financial implications of lowering age eligibility and increasing the voucher amount

The estimated financial implications of the hypothetical scenarios of lowering the age eligibility to 60 or 65 and increasing the amount of vouchers for each elderly person from \$250 to \$500 or to \$1,000 over the next three-year pilot period are set out at *Appendix C*.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Chris Sun', enclosed within a large, loopy oval shape.

(Chris SUN)

for Secretary for Food and Health

Appendix A

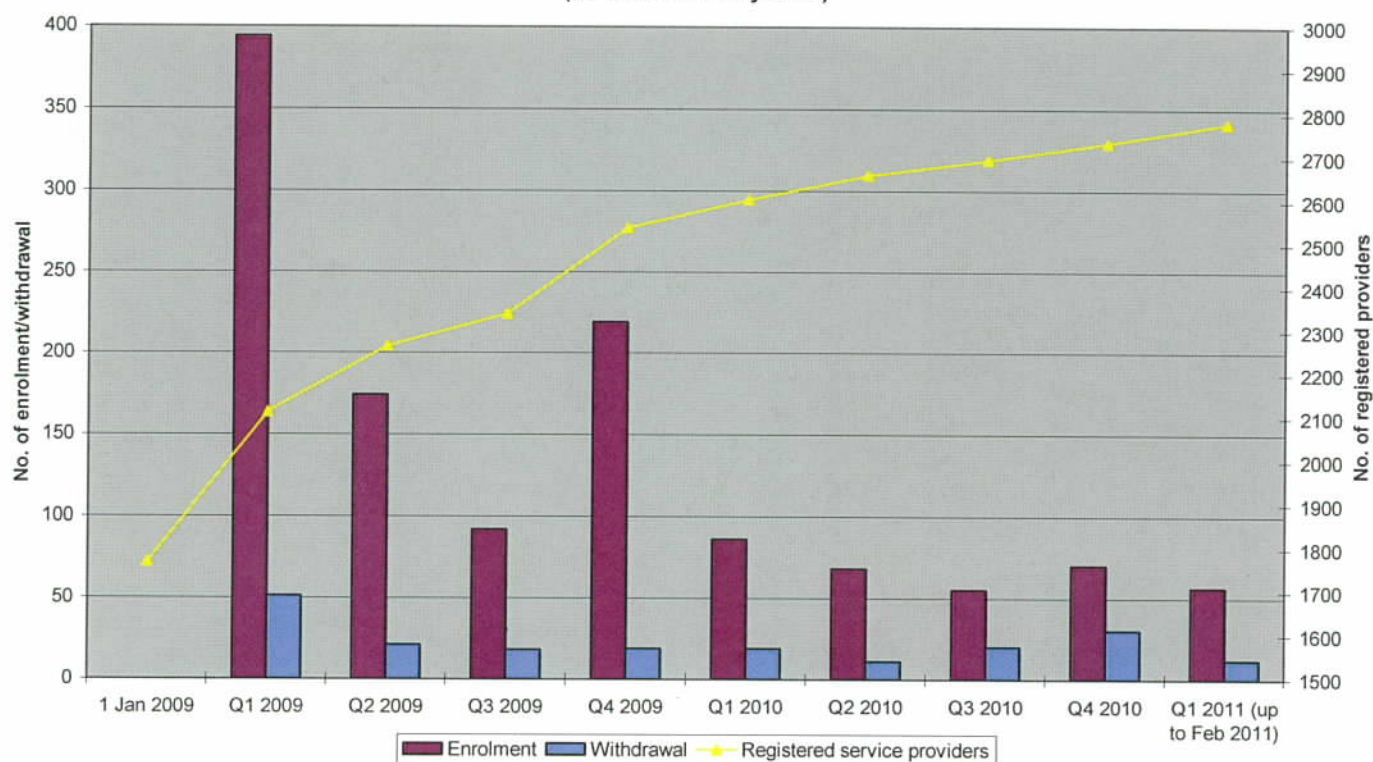
Number of Registered Healthcare Service Providers in the Elderly Health Care Voucher Pilot Scheme (as at 28 February 2011)

Quarter	Enrolment	Withdrawal	No. of registered service providers as at end of quarter
Number of healthcare service providers enrolled when the Pilot Scheme was launched on 1 January 2009			1 770
Q1 2009	394	51	2 113
Q2 2009	174	21	2 266
Q3 2009	92	18	2 340
Q4 2009	219	19	2 539 (Note 1)
Q1 2010	86	19	2 604 (Note 2)
Q2 2010	68	11	2 661
Q3 2010	55	20	2 696
Q4 2010	70	30	2 736
Q1 2011 (up to end February 2011)	56	12	2 780

Note 1 : One medical practitioner was removed from the Pilot Scheme.

Note 2 : One medical practitioner and one Chinese medicine practitioner were removed from the Pilot Scheme.

**Number of Registered Healthcare Service Providers in the Elderly Health Care Voucher Pilot Scheme
(as at 28 February 2011)**



Appendix B

The actual expenditures incurred since Scheme launch (as at 28 February 2011)

	2008-09 (in \$ million)	2009-10 (in \$ million)	2010-11 (in \$ million) (up to 28 Feb 2011)	Total (in \$ million)
Expenditure on voucher claims reimbursement	6.6	49.0	62.9	118.5*
Administrative expenses on				
(i) IT System	11.3	6.3	3.5	21.1
(ii) One-off expenditure including publicity and office set-up	3.3	-	-	3.3
(iii) Operating expenditure including staffing and administrative costs	5.8	7.8	8.1	21.7
Total	27.0	63.1	74.5	164.6

Note:

- * The expenditure for reimbursement of vouchers is less than the amount of vouchers claimed because vouchers are reimbursed monthly in arrears.

Appendix C

Financial implications of lowering age eligibility and increasing voucher amount

If hypothetically the eligible age of 70 were to be lowered to 65 or 60 and the amount of vouchers for each elderly person were to be increased to \$500 or \$1,000, the financial implications would increase due to the increase in the number of eligible elderly people and increase in voucher reimbursement. The hypothetical annual commitment for providing vouchers at different age limit and different voucher amount taking the year 2012 as an illustrative example is as follows:

Eligible Age	Annual commitment at voucher amount of \$250 per elderly person per year (\$ million)	Annual commitment at voucher amount of \$500 per elderly person per year (\$ million)	Annual commitment at voucher amount of \$1,000 per elderly person per year (\$ million)
70 or above	172.1	344.2	688.4
65 or above	238.1	476.1	952.2
60 or above	346.2	692.3	1,384.6

Note: Calculations have made with reference to the projected elderly population of the year 2012 (688 400 for elderly people aged 70 or above; 952 200 for elderly people aged 65 or above; and 1 384 600 for elderly people aged 60 or above).