

**For discussion on  
14 January 2013**

**Legislative Council Panel on Health Services  
Subcommittee on Health Protection Scheme**

**Role and Development of Public and Private Healthcare Services**

**PURPOSE**

This paper gives an overview of the role of public and private healthcare sectors in Hong Kong and updates Members on the Administration's latest progress in facilitating the development of healthcare services.

**THE EXISTING HEALTHCARE SYSTEM**

**Public Healthcare Sector**

2. Hong Kong's healthcare delivery system is characterized by its dual public and private healthcare sectors. Both sectors cover the various levels of care from primary to the more specialised secondary and tertiary care. The public sector is the predominant provider of secondary and tertiary healthcare services. Around 90% of in-patient services (in terms of number of bed days) are provided by public hospitals. There are around 27 000 hospital beds in public hospitals, accounting for about 87% of total hospital beds in Hong Kong. The private sector is the major provider of primary healthcare services, with about 70% of out-patient consultations are provided by private medical practitioners.

3. The public healthcare system is the cornerstone of our healthcare system, acting as the safety net for all so that no one should be denied healthcare service due to lack of means. Over the years, the Government has made substantial and sustained investment to improve our public healthcare services. We have progressively achieved a substantial increase in recurrent health expenditure to almost \$45 billion in the 2012-13 Estimates, amounting to 17% of total government recurrent expenditure.

4. The Government's commitment to public healthcare remains strong and unchanged, and will be strengthened on a continuous basis while taking forward healthcare reform. Apart from increasing recurrent government expenditure on health, we have made continuous efforts to deploy resources to expand our public healthcare infrastructure, building new hospitals and improving existing hospital facilities. The construction of the North Lantau Hospital Phase One was completed in end-December 2012. Projects currently underway include expansion works for Tseung Kwan O Hospital, Yan Chai Hospital and the Caritas Medical Centre. We have also reserved funding for the construction of Tin Shui Wai Hospital, expansion of United Christian Hospital and redevelopment of Kwong Wah Hospital. A total of around 900 additional beds could be provided upon completion of these projects. Besides, we are finalizing the redevelopment plan of Queen Mary Hospital. We have also planned to renovate Kwai Chung Hospital and Hong Kong Buddhist Hospital.

5. In addition to capital works projects on hospitals, in the past few years, the Government has continued to provide Hospital Authority with around \$500 million each year for procurement of additional and replacement medical and information technology equipment.

### **Private Healthcare Sector**

6. Alongside with a robust and strengthened public healthcare system, the private healthcare sector plays a complementary role to public healthcare services by offering an alternative to those who could afford and are willing to seek private services for a variety of reasons, including choices over doctors and amenities, immediate access to treatment, shorter waiting time in particular for elective procedures, and personalised service and arrangement that suits different needs and preferences.

7. At present, there are 11 private hospitals providing in total around 4 000 private hospital beds. The total number of private hospital inpatients treated in 2011 was about 401 500 (including those of Hong Kong Central Hospital which ceased operation on 2 September 2012). In the coming years, three existing private hospitals, namely Hong Kong Baptist Hospital, Tsuen Wan Adventist Hospital, and Hong Kong Sanatorium & Hospital, will be undergoing various expansion or redevelopment projects. It is expected that a total of additional 910 beds could be provided upon completion of these projects.

## **HEALTHCARE REFORM INITIATIVES**

8. We are taking forward various healthcare reform initiatives based on the outcome of the Second Stage Public Consultation on Healthcare Reform, including reviewing the strategy on healthcare manpower planning, formulating detailed proposals for the Health Protection Scheme (HPS) and facilitating healthcare service development. We are aware that it is important for the Government to develop the necessary infrastructure for facilitating the development of healthcare services for meeting future demands, including those arising from the implementation of the HPS. This includes ensuring an adequate supply of healthcare professionals to meet future demands and support the development of the public and private healthcare sectors; enhancing the regulatory regime for private healthcare facilities; and the disposal of land for private hospital development.

## **MANPOWER PLANNING AND PROFESSIONAL DEVELOPMENT**

9. On manpower planning and professional development, the Government has set up a high-level steering committee to conduct a strategic review on healthcare manpower planning and professional development in Hong Kong. The review covers healthcare professionals from 13 disciplines which are subject to statutory regulation, including doctors, dentists, Chinese medicine practitioners, nurses, midwives and allied health professionals covered under the Supplementary Medical Professions Ordinance.

10. Chaired by the Secretary for Food and Health, the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development will assess manpower needs of various healthcare professions and put forward recommendations on how to cope with anticipated demand for healthcare manpower, strengthen professional training and facilitate professional development having regard to the findings of the strategic review, with a view to ensuring the healthy and sustainable development of Hong Kong's healthcare system. To assist the Steering Committee in making informed recommendations on the means and measures to ensure an adequate supply of healthcare professionals and strengthen professional development of the healthcare professions concerned, we have commissioned the University of Hong Kong and the Chinese University of Hong Kong to provide professional

input and technical support to the strategic review. We aim to complete the review in 2013.

## **REGULATION AND DEVELOPMENT OF PRIVATE HOSPITALS AND HEALTHCARE FACILITIES**

### **Regulation of Private Hospitals and Healthcare Facilities**

11. To further enhance the quality and transparency of services provided by private healthcare facilities, we established a Steering Committee on Review of the Regulation of Private Healthcare Facilities in October 2012 to conduct a review on the regulatory regimes for private healthcare facilities which cover private hospitals, nursing homes, non-profit-making clinics, ambulatory medical centres and others. The review aims at strengthening the regulatory control over private healthcare facilities so as to safeguard peoples' health and consumer rights.

12. In conducting the review, reference will be made to regulatory frameworks in overseas jurisdictions and the international trend for safeguarding patient interests, while taking into account the local circumstances of private healthcare services and the demands and expectations of the public at large. The review is expected to complete within a year, after which we would consult the public on the proposals put forward by the Steering Committee. We would then proceed to conduct necessary legislative process.

### **Private Hospital Development**

13. With a view to increasing the overall capacity of the healthcare system in Hong Kong to cope with the increasing service demand and addressing the imbalance between the public and private sectors in hospital services, it is the Government's policy to promote and facilitate private hospital development. The Government has reserved four sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau for private hospital development. Details of the reserved sites are set out in **Annex**.

14. Further to an Expression of Interest exercise launched in December 2009 to solicit market interest in the four reserved hospital sites, we formulated the detailed land disposal arrangement and put out the two sites at Wong Chuk Hang and Tai Po for tender on 13 April 2012.

15. In promoting the development of private hospital, we seek to ensure that the services of the new private hospitals are of good quality, and can cater for the needs of the general public and enhance the medical professional standards. We have therefore included a set of special requirements for the new private hospitals to be developed at the two reserved sites, covering the following aspects -

- (a) **land use:** restriction on land use primarily for hospital services (including clinical and clinical supporting services/facilities), while allowing provision of non-clinical supporting facilities and accommodation services for families and carers of patients;
- (b) **date of commencement of operation:** to require the new hospitals to commence operation within 60 months from the date of execution of the agreement between the successful tenderer and the Government to ensure timely development of the hospital to meet public needs;
- (c) **bed capacity:** to require the new hospitals to provide no less than 300 beds to ensure optimal use of the land;
- (d) **scope of service:** to ensure the services of the new hospitals can cater for the community's need, the new hospitals will be required to provide a mix of services to avoid the possibility of slanting towards a particular type of service. Specifically, the hospitals will be required to provide services of general medicine, general surgery, orthopaedics & traumatology and gynaecology, and to cap the number of obstetric beds at no more than 20% of the total number of beds in the hospital;
- (e) **packaged charge and price transparency:** provision of at least 30% of in-patient bed days taken up in a year for services provided at packaged charge through standard beds, and to make available comprehensive charging information of its services (covering room charges, diagnostic procedures, therapeutic services/procedures, nursing care, medication, consumables and equipment, and other miscellaneous items) for easy reference by patients and the public;
- (f) **service target:** the new hospitals will be required to provide at least 50% of in-patient bed days taken up in a year for services to local residents with additional score given for a

higher percentage commitment up to 70% to ensure that the priority of the hospital is to meet local demand;

- (g) **service standard:** the new hospitals will be required to attain hospital accreditation on a continuous basis to ensure service standards and quality; and
- (h) **reporting:** the new hospitals will be require to regularly report to the Government on its compliance with the obligations as set out in the tender documents, including those summarised above.

16. The two tenders for the Wong Chuk Hang and Tai Po sites were closed on 27 July 2012. We are now assessing the tender submissions received and expect to announce the tender results within the first quarter of 2013.

#### **ADVICE SOUGHT**

17. Members are invited to note the contents of the paper.

**Food and Health Bureau  
January 2013**

### Details of the Reserved Sites for Private Hospital Development

	<b>Wong Chuk Hang</b>	<b>Tseung Kwan O</b>	<b>Tai Po</b>	<b>Lantau</b>
<b>Location</b>	At Nam Fung Path, Wong Chuk Hang, adjacent to the Wong Chuk Hang Hospital	At the western part of the lower platform in Tseung Kwan O Area 78 at Pak Shing Kok	At Tai Po Area 9 behind Tai Po Hospital	At Yu Tung Road, Tung Chung, adjacent to the Lantau District Police Headquarters and the North Lantau Hospital (NLH) Phase One
<b>Gross Site Area</b>	About 2.8 ha (subject to survey)	About 3.5 ha (subject to survey)	About 4.8 ha (subject to survey)	About 1.65 ha (subject to survey)
<b>Site Level</b>	Two platforms at about 11 mPD and 21 mPD respectively	About 67 mPD	Two platforms at about 51.9 mPD and 32.6 mPD respectively	About 12.2 mPD on average
<b>Building Height Restriction</b>	50 mPD	106 mPD	90 mPD	65 mPD