

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1488/12-13

(These minutes have been  
seen by the Administration)

Ref : CB2/PL/HS

**Panel on Health Services**

**Minutes of special meeting  
held on Tuesday, 18 December 2012, at 4:30 pm  
in Conference Room 2 of the Legislative Council Complex**

- Members present** : Dr Hon LEUNG Ka-lau (Chairman)  
Dr Hon Joseph LEE Kok-long, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon CHAN Kin-por, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, JP  
Hon CHEUNG Kwok-che  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Albert CHAN Wai-yip  
Hon Charles Peter MOK  
Hon CHAN Han-pan  
Hon Alice MAK Mei-kuen, JP  
Dr Hon KWOK Ka-ki  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Dr Hon Elizabeth QUAT, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP
- Public Officers Attending** : Dr KO Wing-man, BBS, JP  
Secretary for Food and Health
- Mr Richard YUEN Ming-fai, JP  
Permanent Secretary for Food and Health (Health)

Mr Chris SUN Yuk-han, JP  
Head, Healthcare Planning and Development Office  
Food and Health Bureau

Dr Cindy LAI Kit-lim, JP  
Deputy Director of Health

Dr Amy CHIU Pui-yin, JP  
Assistant Director of Health (Health Administration and  
Planning)

**Attendance** : Evangel Hospital  
**by invitation**

Dr Anne KWAN Siu-king  
Hospital Superintendent

Precious Blood Hospital (Caritas)

Dr WONG Pak-kwan  
Medical Superintendent

Union Hospital

Mr Ares LEUNG  
Deputy Medical Director

Matilda International Hospital

Mr Steve AU  
Executive Director - Finance & Administration

Canossa Hospital (Caritas)

Dr Thomas YUEN  
Director, Medical Services of Caritas - Hong Kong  
(management company of Canossa Hospital (Caritas))

Hong Kong Sanatorium & Hospital

Dr Raymond YUNG Wai-hung  
Assistant Medical Superintendent

Hong Kong Private Hospitals Association

Dr Anthony LEE  
Chairman

**Clerk in attendance** : Ms Elyssa WONG  
Chief Council Secretary (2) 5

**Staff in attendance** : Ms Maisie LAM  
Senior Council Secretary (2) 5

Ms Priscilla LAU  
Council Secretary (2) 5

Ms Michelle LEE  
Legislative Assistant (2) 5

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Action

- I. Issues relating to the development and operation of private hospitals**  
[LC Paper Nos. CB(2)334/12-13(01) to (04) and CB(2)383/12-13(01)]

Views of deputations

At the invitation of the Chairman, the following seven deputations presented their views on issues relating to the development and operation of private hospitals -

- (a) Evangel Hospital;
- (b) Precious Blood Hospital (Caritas);
- (c) Union Hospital;
- (d) Matilda International Hospital;
- (e) Canossa Hospital (Caritas);
- (f) Hong Kong Sanatorium & Hospital; and

Action

- (g) Hong Kong Private Hospitals Association.

A summary of the views of deputations is in the **Appendix**.

The Administration's response to the views expressed by deputations

2. Responding to the views expressed by the deputations, Secretary for Food and Health ("SFH") made the following points -

- (a) the Department of Health ("DH") was responsible for the registration and inspection of private hospitals in Hong Kong. The existing framework for monitoring the operation of private hospitals, including the requirements on the reporting of sentinel events; transparency of charges; and governance and drug procurement procedures, was set out in paragraphs 2 to 13 of the Administration's paper (LC Paper No. CB(2)334/12-13(01));
- (b) to further enhance the quality and transparency of services provided by private healthcare facilities (including private hospitals), a Steering Committee on Review of the Regulation of Private Healthcare Facilities ("the Steering Committee") was established to conduct a review on the regulatory regime for these facilities. The Steering Committee had convened its first meeting on 2 November 2012 and decided to set up four Working Groups at the meeting, one of them was tasked to review the scope of the existing legislation and the regulatory regime for private hospitals. The Working Group, to be chaired by the Permanent Secretary for Food and Health (Health), included representatives from private hospitals, academia, professional organizations, and patient and consumer groups. Details of the Working Group were set out in the Press Release entitled "Appointments to Working Group on Regulation of Private Hospitals" issued by the Administration on the day of, and tabled at, the meeting (LC Paper No. CB(2)383/12-13(01)). The Working Group would submit its findings to the Steering Committee for consideration in the second half of 2013. The Steering Committee would, after taking into account the recommendations of its Working Groups, put forward proposals on the regulatory approach for private healthcare facilities, after which the Administration would consult the public on the proposals; and

Action

- (c) the tenders for the private hospital development at the two reserved sites at Wong Chuk Hang and Tai Po were closed in late July 2012. The Administration was now undertaking tender evaluation and expected to announce the tender results in the first quarter of 2013. Having regard to the experience of these tender exercises, the responses of the market and the aspirations of the community, the Administration would consider the way forward for the future development of private hospitals and the disposal arrangement for the other two reserved sites at Tseung Kwan O and Lantau.

Discussion

*Regulatory regime of private hospitals*

3. Expressing concern over the view of some deputations that there was no need to tighten up the regulation of private hospitals, Dr KWOK Ka-ki sought the view of the Administration in this regard.

4. SFH responded that private hospitals were currently subject to the regulation of DH under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) ("the Ordinance"). Without prejudice to the prevailing stance of not to micro-manage private hospitals, DH would conduct inspections to assess, based on an inspection checklist, the private hospitals' suitability for registration under the Ordinance. Given that the Ordinance had undergone no substantive amendments since the 1960s and the regulatory conditions were confined to limited aspects, namely accommodation, staffing and equipment, the Steering Committee would review, among others, the scope of regulation along with the prevailing stance.

*Transparency of charges of private hospitals*

5. Noting the difficulty for new entrants to enter the market of private hospitals, and that a number of existing private hospitals were operating on lands granted at nil or nominal premium and were granted tax exemption status in accordance with section 88 of the Inland Revenue Ordinance (Cap. 112) ("IRO"), Dr KWOK Ka-ki expressed concern about the unreasonably high level of charges of the existing private hospitals which, in his view, ran contrary to the public interest. To his understanding, some private hospitals had derived hefty profits from their business, with a profit margin of 25%. In addition, the reserves kept by some private hospitals had amounted to about \$2 billion. Dr Fernando CHEUNG urged the

Action

Administration to enhance transparency of charges of private hospitals to safeguard patients' interests.

6. Dr Joseph LEE noted that according to the Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes, private hospitals were required to prepare a schedule of charges in respect of room charges, investigative and treatment procedures, medical supplies, medicines, medical reports, photocopy of medical records, and any charges that would be levied for reference by patients. While there had been no non-compliance cases over the provision of charging information by private hospitals from 2009 to November 2012, Dr LEE considered that the crux of the problem was the uncertainty of actual medical charges. He asked whether, and if so, what measures would be put in place by DH to address the issue.

7. SFH agreed that the requirement of listing out the charges for individual service items could not provide certainty and predictability in terms of the medical costs to be borne by the patients, as the need to utilize the services, and thereby the actual charges, depended on the outcomes of consultation and investigation. While the Administration understood the call of members of the public to enhance price transparency of private healthcare services, it noted the concern of some private hospitals that packaged pricing was not feasible for all hospital admissions or procedures and their difficulty to ensure the provision of a specific percentage of inpatient bed days taken up in a year for services provided at packaged charge. That said, the Administration would continue to discuss with the private hospitals to explore the introduction of packaged charging for specific treatments or procedures, thereby providing greater certainty and higher transparency in terms of medical costs.

8. Dr Anthony LEE of Hong Kong Private Hospital Association explained that while private hospitals would list out the charges for individual service items, the actual charge associated with an admission or operation would, in most cases, be beyond the hospitals' control. For instance, the cost of a surgical operation was tied to variable factors such as the medicines used and the length of the procedures, which in turn varied according to the practices of the doctors concerned, as well as the development of any complications during or after surgery. Dr Anthony LEE further said that packaged pricing was possible where a certain treatment or procedure was performed at a sufficiently high frequency allowing the variation in costs to be averaged out among different cases.

Action

9. The Chairman remarked that based on their surgical experience and the patients' conditions, doctors affiliating with various private hospitals would provide patients with the estimated costs associated with the admission and operation before procedures, so that patients could make an informed choice of the hospital to undergo the operation. Pointing out that the number of patients using private hospital services had recorded the highest in recent years, the Chairman urged the Administration to encourage doctors to reach an understanding with individual patients on the medical costs involved beforehand. SFH agreed that for specific diagnosed medical conditions requiring admission or procedures, patients could get an estimate on the medical costs involved, including room and board charges, surgeon's fees, anaesthetist's fees, operating theatre charges, doctor's visiting fees and other miscellaneous hospital expenses, from their attending doctors. Efforts would be made to encourage doctors to make known the estimated costs to their patients before procedures.

10. Pointing out the need to optimize the utilization of the scarce and precious land resources for the benefit of Hong Kong people, Mr CHAN Han-pan asked whether consideration could be given to requiring private hospitals operating on lands granted at nil or nominal premium to introduce separate pricing for Hong Kong residents and non-Hong Kong residents. Dr Elizabeth QUAT was of the view that different sets of land grant conditions should be imposed on profit-making and non-profit-making private hospitals. She urged the Administration to put in place a mechanism to ensure the provision of reasonably priced private hospital services to enable more people who could afford to use private hospital services on a sustained basis, so as to address the imbalance between the public and private healthcare sectors. Mrs Regina IP asked about the measures to be put in place by the Administration to encourage the utilization of private healthcare services, in particular when the world-acclaimed public healthcare services were highly subsidized.

11. SFH responded as follows -

- (a) the Administration had no intention of regulating the level of charges of private hospitals. In particular, for cases involving land acquired through land sale, it was not appropriate for the Administration to regulate the level of charges of the profit-making hospitals developed thereon under the free market principle;
- (b) for past cases involving direct land grants for private hospital development, it was expected that the foregoing of land premium, and hence the lower investment cost of the private

Action

hospitals concerned, in return for their agreement to provide low-charge beds and plough back profits or any surplus from hospital operation to improve and expand their facilities ("the profits/surplus plough-back requirement") could benefit a wider section of the public. For new private hospitals to be developed at the two reserved sites at Wong Chuk Hang and Tai Po, a set of special requirements covering various aspects, such as packaged charging, price transparency and service standard had been included in the tender documents; and

- (c) the Administration would endeavour to enhance price transparency to facilitate access to more personalized private healthcare services by those who were able and willing to use private healthcare services. The policy to facilitate private hospital development would also help enhance healthy competition in the provision of private healthcare services in terms of both quality and pricing in the long run. Upon completion of the tender exercise for the aforesaid two sites, the Administration would review the market response and assess the needs of the community in formulating specific arrangements for the future development of private hospitals for consideration of the Executive Council ("ExCo").

*Charitable bodies operating private hospitals*

12. Dr KWOK Ka-ki was of the view that for those private hospitals with tax exemption status under section 88 of IRO, their tax exemption status should be revoked if they had achieved significant surplus from their hospital operations and thereby, had apparently deviated from their charitable objects.

13. SFH advised that for revenue protection, the Inland Revenue Department ("IRD") had from time to time conducted reviews of tax-exempt charitable bodies, including those which operated private hospitals. If any such bodies were found to be carrying out activities incompatible with the charitable objects stated in their governing instruments, or if their income and assets were found not wholly used for the charitable purposes stated, IRD would require them to provide further information so as to decide whether their tax exemption status should be retained or revoked. Generally, IRD would allow the charitable bodies concerned to give an explanation and take appropriate remedial measures before revoking their tax exemption status. If they failed to comply on or before the deadline, IRD would revoke their tax exemption status. In the 10 financial years



Action

between March 2002 and December 2011, IRD revoked the tax exemption status of a total of 909 charitable bodies.

14. Dr KWOK Ka-ki requested the Administration to provide after the meeting information on whether charitable bodies that had been granted tax exemption status under section 88 of IRO as well as non-profit making organizations had to make public their annual financial statements, and if so, a list of those private hospitals which fell into these two categories, with a breakdown on whether they had met the disclosure requirement. SFH agreed.

Admin

*Monitoring and enforcement of land grant conditions for private hospitals*

15. Dr Joseph LEE called on DH to make public information on those private hospitals which were required to provide free or low-charge beds under their land grants for reference by the public and patients. Dr Fernando CHEUNG was concerned about the low utilization rates of the low-charge beds provided by these hospitals, which ranged from 1% to 45%. SFH responded that the Administration would liaise with the private hospitals concerned to enhance the awareness of both the patients and the doctors affiliated with the hospitals on the availability of these free or low-charge beds, as well as explore other ways to maximize the usage of these beds. For instance, consideration was being given to putting in place a mechanism to facilitate the referrals of patients in need by the Hospital Authority ("HA") to those private hospitals. SFH assured members that the utilization of free or low-charge beds would be enhanced in a year's time.

16. Dr KWOK Ka-ki expressed concern about the monitoring of the compliance with the land grant conditions of existing private hospitals, in particular the profits/surplus plough-back requirement. Dr Fernando CHEUNG raised a similar concern. SFH advised that based on the audited accounts submitted by the private hospitals, DH and the Lands Department ("LandsD") were following up the issue on whether certain private hospitals had fully complied with the relevant land grant conditions. The Chairman commented that it was unrealistic to require private hospitals, which obtained land grants from Government at nil or nominal premium, to operate on charitable or non-profit-making basis because the hospitals were in effect operating in a similar mode as any profit-making hospitals. He added that apparently the Government was not able to effectively prevent non-compliance and the Government should consider withdrawing the charitable status of the private hospitals and requiring these hospitals to start paying profit tax and land premium for using the sites for private hospital services. Dr KWOK Ka-ki enquired whether consideration could be given to requesting payment of liquidated

Action

damages from those private hospitals not meeting the financial-related requirements in the land grants. SFH advised that DH would liaise with LandsD to seek clarifications on whether the related party transactions as reported in the relevant private hospitals' accounts amounted to a breach of land grant conditions, and if so, the appropriate lease enforcement actions. He assured members that in future, a mechanism would be put in place to eradicate the risk of hospitals' surplus available for ploughing back for the hospitals' use being reduced through licence fees/donations paid to grantees.

Admin

17. The Chairman requested the Administration to provide after the meeting information on whether the land grant condition that there should be no distribution of profits/surplus, and profits/surplus derived from the hospital should be ploughed back for improving and expanding the hospital facilities had been properly complied with by the private hospitals concerned. SFH agreed.

18. In response to Dr Fernando CHEUNG's enquiry about the utilization of profits by the existing private hospitals, Dr Anthony LEE of Hong Kong Private Hospital Association stressed that private hospitals were operated on a commercial basis and their operation was totally dependent on market demand. They had faced both good and difficult operating environments, say, the SARS period in 2003, in the course of development. The keeping of reserves by the non-profit-making private hospitals was necessary in order to help them tide over difficult times. He then cited the Union Hospital as an example to illustrate the operation of the profit-making private hospitals, and said that since the Hospital commenced operation in 1994, it recorded an annual deficit of \$100 million from 1995 to 2001. Against this background, the operator of the Hospital had to apply to LandsD to change part of the undeveloped hospital site to residential development.

19. Dr KWOK Ka-ki asked whether consideration could be given to appointing Government officials or community members as members of the governance committees of those private hospitals which operated on private treaty grant sites or were granted tax exemption status under section 88 of IRO, so as to monitor their operation. SFH responded that the land grants for existing private hospitals did not provide the legal backing to do so. The Administration would, among others, review the market response to the open tender of the two sites at Wong Chuk Hang and Tai Po in formulating specific arrangements for the future development of private hospitals.

Action

20. Noting that the Administration had adopted a two-envelop approach in the tender exercises for the reserved sites at Wong Chuk Hang and Tai Po, with greater emphasis on the quality of the service provision than on land premium, Dr KWOK Ka-ki was concerned about the monitoring of the operations of the new private hospitals to be developed on these two sites in line with their service provision proposals. SFH advised that the successful tenderer would be required to enter into, in addition to the land lease, a service deed with the Government. The service deed, which would be co-terminus with the land lease, would incorporate the successful tenderer's service provision proposals.

*Development of medical services*

21. Holding the view that the operation of private hospitals was driven by revenue, Dr Fernando CHEUNG cast doubt on whether the development of private hospitals would benefit the wider section of the public. He asked whether the current term Government would follow the direction announced by the then Chief Executive ("CE") in the 2009-2010 Policy Address to promote the growth of medical services, which was identified as one of the six industries where Hong Kong enjoyed clear advantages, and continue to pursue the policy of granting land for private hospital development, introducing the Health Protection Scheme to enhance the utilization of private healthcare services and using the earmarked \$50 billion to support healthcare financing reform.

22. SFH advised that given that Hong Kong was renowned for the high standard of its medical services and the robust regulatory regime on healthcare professionals, the third term Government had identified medical services as an industry where Hong Kong enjoyed clear advantages. While the current term Government considered it important to maintain a dual-track healthcare system encompassing both public and private elements, the increasing use of obstetric services in Hong Kong by Mainland women in recent years had revealed that the manpower as well as the overall capacity of the healthcare system in Hong Kong were not ready to support the development of medical services to meet non-local demand at this stage. As mentioned earlier, the Administration would consider the way forward for private hospital development with due regard to the experience of and the market response to the tender exercises for the development of private hospitals at the reserved sites at Wong Chuk Hang and Tai Po. Miss Alice MAK hoped that the newly developed private hospitals would cater for the need of the middle class, and not just the rich and the affluent. SFH advised that CE had stated in his manifesto that the Administration would undertake a study on the allocation of land to encourage non-profit-making organizations to establish hospitals and operate them on a self-

Action

financing basis, so as to provide an alternative to the middle class who could afford and were willing to seek private services.

23. Mrs Regina IP opined that, apart from the quality of services, the appropriateness for a place to promote medical services hinged on various factors, including the level of service charges, capacity of the private sector and supply of manpower. In her view, Hong Kong did not have an edge over its close neighbours, such as Thailand, in these areas. Citing the recent upsurge in the number of Mainland pregnant women giving births in private hospitals in Hong Kong as an example, she considered that any effort to boost non-local demand for medical services without a concurrent increase in the overall capacity of the healthcare system would only make the private services less affordable to the middle class. Hence, the Administration's first and foremost task at present should be to address the local demand for private healthcare services. Ms Alice MAK shared Mrs Regina IP's views, adding that it was not opportune to promote medical services having regard to the current high bed occupancy rates of private hospitals.

24. The Chairman pointed out that with the exception of obstetric services, the usage of private hospital services by non-Hong Kong residents was low (i.e. below 5%). Holding the view that attempts to industrialize medical services would increase the capacity of the private sector to serve not only non-Hong Kong residents, but also Hong Kong residents, he called on the Administration to increase the number of private hospital beds and the supply of land for private hospital development. This in turn would lower the hospital charges to a more reasonable level as well as shorten the waiting time for surgeries, which at present could take weeks. Dr KWOK Ka-ki expressed a similar view, pointing out that private hospital beds accounted for about 25% of the total number of hospital beds in Singapore while that for Hong Kong was only about 11%. He urged the Administration to expeditiously draw up a plan to increase the supply of private hospital beds and put out the other reserved sites for private hospital development for open tender, so as to meet the service demand and enhance competition in private healthcare market.

25. SFH agreed with members' views. He stressed that the Administration would take extreme caution in determining the way forward for private hospital development. At present, the Administration would focus its effort on enhancing the overall service capacity of the healthcare system, increasing the healthcare manpower and meeting the local demand. Cases in point were the putting out of the two reserved sites at Wong Chuk Hang and Tai Po for tender, the increase in the supply of local medical graduates from 250 to 320 in 2015, and that private hospitals had stopped accepting

Action

delivery bookings from non-local pregnant women whose husbands were non-Hong Kong residents in 2013 in order to meet the increased local demand for obstetric services. That said, it was essential to promote the demand for private healthcare services from clientele outside Hong Kong in the longer term, so as to ensure the financial sustainability of these services and thereby, strengthen the role of the private sector under the twin-track system of public and private healthcare. Mrs Regina IP sought elaboration about the area that was considered suitable for Hong Kong to promote, having regard to its high business and labour costs. SFH advised that the high-end medical service was an area having potential for further development.

Admin

26. Dr Elizabeth QUAT requested the Administration to revert to the Panel on the blueprint to develop medical services, including the service capacity of public and private hospitals. SFH advised that he would endeavour to provide an account of the development of the overall healthcare system from a macro perspective in 2013.

*Land use for private hospital development*

27. Pointing out that in the cases of existing private hospitals, the site area used primarily for hospital service was less than 1 ha, the Chairman was of the view that there was an over-provision of land in the four reserved sites for private hospital development (i.e. at Wong Chuk Hang, Tai Po, Tseung Kwan O and Lantau) which might result in the surplus land being left idle for years. In the light of this, he asked about the measures to be put in place to ensure that the site sold for private hospital development would only be used for its intended purposes. Dr KWOK Ka-ki raised a similar concern. Citing the case of the Union Hospital as an example, he urged the Administration to take actions to prevent owners of profit-making private hospitals from applying for rezoning to change the use of the hospital site for residential development.

28. SFH advised that the Government had decided that in all future sale of land for development of new private hospitals, there would be a strict prohibition of change of land use. As regards the size of the sites for private hospital development, it should be noted that the developments on modern medical equipment, day surgery and day care all pointed to the need to increase the site area for the development of a modern hospital. That said, the Administration would be more precise in determining the size of hospital sites in the future.

Action

*Healthcare manpower*

29. Expressing concern that the development of private hospitals might lead to brain-drain from the public sector, Mr CHAN Han-pan urged the Administration to review healthcare manpower planning to ensure the healthy and sustainable development of the healthcare system. Dr Elizabeth QUAT made a similar point, adding that the high charges of private hospitals was partly induced by the high wages of healthcare professionals due to shortage of manpower. While agreeing that private hospital development could complement the public system and address the imbalance between the public and private sectors in hospital services, Dr Helena WONG was concerned that the expansion of private healthcare services would further strain the healthcare manpower and affect the service quality of the public healthcare system which, according to the Administration, was the cornerstone of Hong Kong's healthcare system and the safety net for all.

30. SFH advised that the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development established in January 2012 would conduct a strategic review on healthcare manpower planning and professional development in Hong Kong. The strategic review would assess manpower needs in the various healthcare professions, taking into account the healthcare needs of an ageing population, changes in the delivery models of healthcare services, new and additional demands brought about by service reforms in the healthcare sector, potential increase in demand for private healthcare services including those arising from known and planned private hospital developments and implementation of HPS, as well as potential increase in demand for private healthcare services from clienteles outside Hong Kong, etc. A model for estimating the healthcare manpower demand and supply of the different professionals would be developed to assist in the planning of services as well as training and development of healthcare professionals. In the meantime, the number of first-year first-degree places in medicine and nursing had been increased by 100 to 420 and by 40 to 630 respectively for the triennial cycle from 2012-2013.

31. SFH further said that many medical personnel of public hospitals were committed to serving the general public. It was not uncommon that many of them would remain in the public sector until retirement. In the past few years, HA had also made continuous efforts to enhance professional training, improve the working environment, promotion prospects and remuneration packages for staff in order to attract and retain talents. At the request of Dr Helena WONG, SFH undertook to provide after the meeting information on an assessment of the effectiveness of the

Admin

Action

measures implemented by HA to improve staff retention and the turnover rates of doctors and nurses in HA in the past five years.

32. The Chairman informed members of his decision to extend the meeting for 15 minutes beyond its appointed time to allow more time for discussion.

33. The Chairman requested the Administration to provide after the meeting information on the estimated healthcare manpower requirement for a private hospital with a capacity of 300 inpatient beds. SFH pointed out that the manpower requirements for a public hospital and a private hospital would be quite different, as a majority of the medical personnel of the former was full-time doctors and that of the latter was visiting doctors. Hence, it would be difficult to work out an objective doctor-to-bed ratio for estimating the medical manpower requirement in private hospitals. In addition, the manpower requirements for a hospital depended not only on the number of beds it provided, but also on other factors such as the types of specialties and services provided by the hospital. That said, SFH agreed to provide after the meeting information on the healthcare manpower requirement in a public major acute hospital with 300 inpatient beds as a reference.

Admin

*Sentinel event reporting system*

34. Dr Elizabeth QUAT expressed concern that the criteria for disclosing sentinel events and their details in private hospitals were different from those of public hospitals. She urged the Administration to remove such discrepancies. SFH advised that efforts had been made by DH to align the different descriptions of reported sentinel events between public and private hospitals. Frontline staff members of private hospitals were encouraged to report a medical incident in an open manner, so that lessons could be learnt from the events to prevent similar events from happening in the future.

**II. Any other business**

35. There being no other business, the meeting ended at 6:39 pm.

**Panel on Health Services**

**Special meeting on Tuesday, 18 December 2012  
on issues relating to the development and operations of private hospitals**

**Summary of views and concerns expressed by deputations**

<b>Organization</b>	<b>Major views and concerns</b>
<b>Role of private hospitals</b>	
<ul style="list-style-type: none"><li>• Evangel Hospital</li><li>• Hong Kong Sanatorium &amp; Hospital</li></ul>	1. The deputations consider that private hospitals provide more choices of healthcare services to the general public, such as services which might not be available in the public sector like elective surgeries or health check-ups, or those services delivered by public hospitals only after a long waiting time.
<b>Development of private hospitals</b>	
<ul style="list-style-type: none"><li>• Canossa Hospital (Caritas)</li><li>• Hong Kong Sanatorium &amp; Hospital</li><li>• Union Hospital</li></ul>	1. The deputations call on the Administration to further promote the public-private partnership in healthcare services which can bring together the resources and expertise from both the public and private healthcare sectors, improve the delivery of hospital services, facilitate the transfer of patients between the public and private sectors, as well as facilitate the training of medical and nursing professionals.
<ul style="list-style-type: none"><li>• Canossa Hospital (Caritas)</li></ul>	1. The deputation expresses concern about the set of special requirements for the private hospital development at the two reserved sites at Wong Chuk Hang and Tai Po. In particular, it has reservations about the provision of



<b>Organization</b>	<b>Major views and concerns</b>
	private hospital services based on packaged charging and the restriction on the service scope of private hospitals which might reduce the flexibility of private hospitals.
<b>Regulation of private hospitals</b>	
<ul style="list-style-type: none"> <li>• Precious Blood Hospital (Caritas)</li> </ul>	<ol style="list-style-type: none"> <li>1. The deputation welcomes the review on the regulatory regime for private healthcare facilities conducted by the Administration with a view to improving the service quality of private hospitals.</li> </ol>
<ul style="list-style-type: none"> <li>• Matilda International Hospital</li> <li>• Union Hospital</li> </ul>	<ol style="list-style-type: none"> <li>1. While supporting appropriate regulation on private hospitals, the deputations stress that the Administration should focus on improving the governance and monitoring systems of individual private hospitals. A single standard of performance assessment should be adopted across both public and private sectors.</li> </ol>
<ul style="list-style-type: none"> <li>• Matilda International Hospital</li> </ul>	<ol style="list-style-type: none"> <li>1. Pointing out that private hospitals are required to submit large volumes of paper documents each year to the Department of Health for licence renewal, the deputation calls on the Administration to consider introducing electronic application and extending the licence period from one to two or three years.</li> </ol>
<ul style="list-style-type: none"> <li>• Hong Kong Sanatorium &amp; Hospital</li> </ul>	<ol style="list-style-type: none"> <li>1. Considering that a sound regulatory mechanism has already been put in place to monitor private hospitals, the deputation considers it unnecessary to step up the regulation of private hospitals.</li> </ol>
<b>Others</b>	
<ul style="list-style-type: none"> <li>• Union Hospital</li> </ul>	<ol style="list-style-type: none"> <li>1. The deputation holds the view that the purpose of sentinel event reporting</li> </ol>

<b>Organization</b>	<b>Major views and concerns</b>
	<p>system for private hospitals is to encourage private hospitals to report sentinel events so that lessons learnt could be shared among hospitals and healthcare workers.</p>
<ul style="list-style-type: none"> <li>• Canossa Hospital (Caritas)</li> <li>• Hong Kong Private Hospitals Association</li> </ul>	<ol style="list-style-type: none"> <li>1. The deputations express concern over the long term planning of healthcare manpower. They consider that the Administration should ensure adequate supply of medical and nursing professionals to meet the manpower needs in both public and private hospitals. There is also a view that apart from public hospitals, private hospitals could also serve as the training ground for medical professionals.</li> </ol>
<ul style="list-style-type: none"> <li>• Matilda International Hospital</li> </ul>	<ol style="list-style-type: none"> <li>1. Pointing out the difficulty in recruiting nurses in Hong Kong and the long time required (ranging from 12 to 18 months) for recruiting overseas nurses, the deputation calls on the Nursing Council of Hong Kong to consider introducing online examination in order to speed up the recruiting process.</li> </ol>
<ul style="list-style-type: none"> <li>• Hong Kong Private Hospitals Association</li> </ul>	<ol style="list-style-type: none"> <li>1. The deputation expresses support for the implementation of the Health Protection Scheme which encourages more people who are able to afford to use private healthcare services, and hence ease the pressure on the public healthcare system.</li> </ol>
<ul style="list-style-type: none"> <li>• Precious Blood Hospital (Caritas)</li> </ul>	<ol style="list-style-type: none"> <li>1. The deputation points out that private hospitals would usually make known the estimated costs of more expensive medications or procedures to their patients before utilization or procedures. In its view, efforts have been made by the private hospitals to enhance price transparency.</li> </ol>

**Name of Organization**

Hong Kong Private Hospitals Association

Union Hospital

**Submission [LC Paper No.]**

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