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For discussion on 17 December 2012

Legislative Council Panel on Health Services

Review of Fees and Charges for Non-eligible Persons and Private Patients in the Hospital Authority

Purpose

This paper briefs Members on the review of the fees and charges for non-eligible persons (NEP) and private patients in the Hospital Authority (HA).

Overall Principle – Public Healthcare Services for Eligible Persons

2. Public healthcare services have been and will continue to be the cornerstone of our healthcare system, acting as the healthcare safety net for all local residents and remaining strong and robust through continued investment and commitment from the Government. To this end, the Government has been according priority for public healthcare services, and providing such at highly subsidized rates, to local residents, or referred to as Eligible Persons (EP)[1] in the context of fee-charging by HA. The fee for EP for general bed, for example, is only $100 per day, representing some 98% subsidy rate by the Government[2].

Charging Principle for Non-Eligible Persons and Private Patients

3. While the priority for public healthcare services is for EP, there are cases, notably under a life or limb threatening situation, where NEP also need such services. HA has been providing healthcare services to NEP when capacity permits and NEP are charged on a cost-recovery basis.

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[1] At present, local residents, or EP in this context, is defined as patients falling into the following categories:
(a) a holder of Hong Kong Identity Card issued under the Registration of Persons Ordinance;
(b) children who are Hong Kong resident and under 11 years of age; or
(c) other persons approved by the Chief Executive of HA.

[2] The cost of a general bed is $4,682/day.

4. HA has also been providing private services as a means for the public to access specialized expertise and facilities in the public medical sector, notably in the two teaching hospitals of Queen Mary Hospital and Prince of Wales Hospital, which are not generally available in the private sector. The fees for private services are set on the higher of cost or market price for the respective services. They are applicable to all patients (i.e. both EP and NEP) who opt for private services at HA.

5. In other words, while the Government is heavily subsidizing the public healthcare services for local residents, healthcare services for NEP and private patients should not be subsidized. The charging principle is that NEP and private patients should be charged according to the cost, or the higher of the cost or the market price of the healthcare services respectively.

Proposed Revision of Fees and Charges for NEP and Private Patients

6. Apart from obstetric services for NEP[3] and consultation fees for private patients[4], HA's last major revision on the fees and charges for NEP and private patients was conducted in 2003. Noting the increase in medical costs and market price for the case of private patients since 2003, HA has undertaken a review on fees and charges for these two categories of patients.

7. The principle of setting charges for NEP is on a cost recovery and all inclusive basis. Pursuant to this established principle, the charges are determined based on the overall average cost of a bed day of all specialties in all hospitals. Having estimated the cost level of hospital services of 2013-14, it is found that on average there have been under recovery of cost of 44.5% for NEP. To achieve an overall recovery of costs, the fees and charges for NEP inpatient and outpatient services are

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[3] Since 2003, the obstetric charges for NEP have been revised in 2005, 2007 and 2012. In the latest revision in May 2012, the fee for non-booked delivery through accident and emergency departments by NEP was raised from $48,000 to $90,000. Fees for obstetric services for NEP are not included in the review this time.

[4] HA revised in 2005 the consultation fees for private patients from fixed standard charges to pre-set ranges as follows to allow for flexibility to accurately reflect variations in the complexity of the patients' clinical conditions –

Doctor Fee	Original fixed standard charges (HK$)	Revised pre-set ranges (introduced in 2005) (HK$)
(a) Inpatient	1,500	550 – 2,250
(b) Outpatient		
- First Consultation	1,500	550 – 1,750
- Subsequent Follow-up Consultation	1,000	450 – 1,150

proposed to be increased to the cost level of 2013-14 at an average rate of 44.5%. The proposed fees are shown in **Annex 1**.

8. As for private charges, unlike the all inclusive public charges for NEP, private services are charged on a maintenance fee and itemised charge basis. The daily inpatient maintenance fee does not cover doctor fees and other services such as non-core pathology investigations, radiology, diagnostic and therapeutic procedures, operations, rehabilitation and outreach services, etc. Similarly, the private outpatient consultation fee does not include the supply of medicines, prostheses, diagnostic services or therapeutic treatments. All these itemised services are charged separately.

9. HA proposed to bring the private charges up to the higher of cost or market price for the respective services. The review of the costs of private services showed that the costs had increased since the last fee revision. For example, while the cost for a second class bed in an acute hospital is $3,760/day, a private patient is only charged $2,600/day. Where the cost of the existing services is not readily available, the private charges are determined by inflationary adjustment. Based on HA's costing analysis, inflation of 43.3% (or 3.3% per annum on average from 2002-03 to 2013-14) is adopted to uplift the fee level from the 2003 fee level to that of 2013-14. Based on the above principle, HA proposed to increase the fees and charges for private patients at an average rate of 45.0%. The details of the revision are at **Annex 2**.

10. The current review has not covered the fees for public healthcare services for EP as it is noted that the subsidy level remains largely the same since the last fee revision in 2003. Local residents will continue to enjoy quality public healthcare services at highly subsidized rates.

11. HA plans to implement the revised fees and charges on 1 April 2013, following the necessary resolution from Hospitals Governing Committees of public hospitals on the determination of revised fees. In promulgating the new fees and charges, HA will continue to list the ranges of charges for various items of medical services for private patients through a gazette notice in accordance with the current practice. On the other hand, taking into account the anticipated need to update the numerous sub-items of private service charges due to medical technology advancement, HA will publish these sub-items in HA's website to facilitate updating and at the same maintain the list current, transparent and easily

accessible by the public.

Refining the Formulation of the Definition of EP

12. As mentioned in paragraph 2 above, it has been the Government's policy to provide public healthcare services to local residents at highly subsidized rates. As Hong Kong residents are qualified to obtain Hong Kong Identity Card (HKIC), the Government (through HA and Department of Health (DH)) have been accepting all holders of HKIC as EP (please see footnote 1 for the current formulation of the definition of EP).

13. There was no problem with accepting all HKIC holders as EP before 1987. By way of background, HKIC is an identity document rather than a travel document showing the immigration status of the holder. Prior to July 1987, persons who left Hong Kong for good had to notify the registration officer before their departure and to surrender their identity cards, if so required under the then regulation 17 of the Registration of Persons Regulations. With the introduction of the Hong Kong permanent resident status through the Immigration (Amendment) Ordinance in 1987, the above regulation was repealed. Consequently, there are overstayers and former non-permanent Hong Kong residents (e.g. those who previously worked or studied in Hong Kong) who return to Hong Kong as visitors and use their "un-returned" non-permanent HKIC to access our healthcare services at subsidized rates as EP when they are actually NEP. This has resulted in revenue loss to the Government and need to be rectified.

14. We last reported this issue to the Panel in January 2011. With the Panel's support, we obtained funding from the Finance Committee on 28 January 2011 to implement the project of "Online Checking of the Eligibility of Non-permanent Hong Kong Identity Card Holders for Subsidised Public Healthcare Services" to plug the loophole and avoid possible revenue loss to the Government. The online checking system is now being developed and is expected to be ready for launching in late 2013. With its launch, the current formulation of the definition of EP, which still makes reference to holder of HKIC (please see footnote 1), will need to be revised. Dovetailing the launching of the online checking system, we will refine the formulation of the definition of EP to align with the policy intention of providing subsidized public healthcare services to Hong Kong residents, along the line that –

Patients falling into the following categories are eligible for the rates of charges applicable to EP –

(a) Hong Kong residents according to the Basic Law; and
(b) other persons approved by the Chief Executive of the Hospital Authority[5].

We will publish the refined formulation in the Gazette in due course after finalising the legal wording with relevant departments so that it will come into effect upon the launching of the online checking system.

Advice Sought

15. Members are invited to note the content of this paper.

Food and Health Bureau
December 2012

[5] For services provided by DH, this shall refer to "other persons approved by the Director of Health".

Annex 1

Public Charges of Non-Obstetrics Services for Non-Eligible Persons (NEP)

Non-Obstetrics Service	Current Public Charges for NEP (HK$)	Cost (at 2013-14 Cost Level) (HK$)	Cost Higher than Charges by (%)	Proposed Charges
Daily Inpatient Maintenance[1]				
➢ General Ward	3,300	4,682	42%	4,680
➢ Special Intensive Care Unit[2]	18,100	-	-	-
➢ Intensive Care Unit	13,900	23,006	65%	23,000
➢ High Dependency Unit	9,800	11,983	22%	12,000
➢ Nursery	640	1,108	73%	1,110
➢ Psychiatric Hospital	1,200	1,944	62%	1,940
➢ Persons accompanying a patient and occupying a bed	515	738	44%	740
➢ Diets – Special Asian diet	68	103	54%	105
– European diet	136	206	54%	210
Outpatient Attendance[3]				
➢ A&E	570	991	74%	990
➢ General Clinic	215	383	79%	385

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1 It represents the average bed day cost for acute or psychiatric hospitals.

2 There is no longer separate charge for Special Intensive Care Unit (Special ICU) as the Special ICU previously provided by Grantham Hospital has already been moved to Queen Mary Hospital and the service is charged as ICU.

3 It represents the average attendance cost for all hospitals.

➢ Specialist Clinic	700	1,106	59%	1,110
➢ Attendance for injection or dressing	70	100	43%	100
➢ Clinical oncology clinic	600	802	33%	800
➢ Ophthalmic clinic	460	659	43%	660
Haemodialysis Treatment Session [4] (Renal Centre/Clinic Attendance)				
➢ Chronic	3,000	3,000	0%	3,000
➢ Acute		6,000	N/A	6,000
Day Hospital Attendance				
➢ Psychiatric Day Hospital	880	1,154	31%	1,150
➢ Geriatric Day Hospital	1,400	1,852	32%	1,850
➢ Rehabilitation Day Hospital	1,400	1,246	-11%	1,250
➢ Diets – Special Asian diet	55	83	51%	83
– European diet	110	165	50%	165
Community Service Visit				
➢ Community Nursing Service	340	431	26%	430
➢ Community Psychiatric Nursing Service	1,050	1,382	31%	1,380
➢ Community Allied Health Service	1,050	1,729	65%	1,730

[4] Treatment for chronic and acute conditions were not separately charged in the past and they are proposed to be classified separately under the fee revision to better reflect the cost of service.

Annex 2

Summary of Proposed Revisions on Private Charges

Service	Current Charges (HK$)	Proposed Charges (HK$)	Basis
Private Wards			
(a) Acute Hospitals			
- 1st Class	3,900	5,640	150% of 2nd Class
- 2nd Class	2,600	3,760	At cost
(b) Other Hospitals			
- 1st Class	3,300	5,610	150% of 2nd Class
- 2nd Class	2,200	3,740	At cost
(c) Persons accompanying a patient and occupying a bed (all hospitals)			
- 1st Class	820	1,180	Inflationary adjustment
- 2nd Class	555	795	
Critical Care Units			
(a) Special ICU[1]	12,700	N/A	At cost
(b) ICU	9,900	14,600	
(c) High Dependency Unit	7,000	9,500	
(d) Nursery	640	925	
Doctor Fee			
(a) Inpatient	550 – 2,250	680 - 2,780	At cost
(b) Outpatient			
- First Consultation	550 – 1,750	680 - 2,160	
- Subsequent Follow - Up Consultation	450 – 1,150	555 - 1,420	
Nursing Procedures	250	360	Inflationary adjustment
Pathology			
(a) Anatomical Pathology	470 – 8,100	530 – 12,450	At cost with reference to market if readily available
(b) Microbiology	110 – 1,500	125 – 1,580	
(c) Chemical Pathology	100 – 500	115 – 12,600	
(d) Haematology and	60 – 7,500	68 – 8,480	

[1] There is no longer separate charge for Special Intensive Care Unit (Special ICU) as the Special ICU previously provided by Grantham Hospital has already been moved to Queen Mary Hospital and the service is charged as ICU.

Service	Current Charges (HK$)	Proposed Charges (HK$)	Basis
Serology (e) Immunology (f) Special Pathology[2] (g) Minor Tests[3]	 100 – 400 N/A 60 – 100	 115 – 1,700 565 – 42,400 N/A	
Radiology (a) Radiography (b) Conventional Special Radiology (c) Vascular Radiology (d) Ultrasonography (e) Special Studies of Skeletal System (f) Nuclear Medicine (g) Interventional Radiology Procedure (h) Computed Tomography (i) Magnetic Resonance Imaging (j) Interpretation of films referred by a private medical practitioner	 190 – 1,600 450 – 3,200 5,100 – 7,600 1,000 – 3,300 350 – 1,000 2,100 – 16,000 2,300 – 15,000 950 – 5,600 3,100 – 9,000 800 – 1,800	 190 – 6,860 755 – 6,040 2,690 – 22,600 1,000 – 5,660 350 – 3,110 2,560 – 18,100 2,450 – 51,900 950 – 4,500 3,000 – 20,000 1,150 – 4,200	At cost with reference to market if readily available
Diagnostic / Therapeutic Procedures **Operations[4]**	Various ranges by specialties	Increase by 43.3%	Inflationary adjustment with reference to market if readily available
Rehabilitation & Outreach Services (a) Allied Health[5] (b) Day Rehabilitation Program (c) Community Outreach	 200 – 20,000 900 – 1,400 450 – 3,000	 280 – 11,200 1,130 – 1,670 670 – 5,600	At cost with reference to market if readily available

[2] "Special Pathology" is newly added to cover new pathology investigations on Molecular Cancer Testing, Molecular Genetics, Molecular Microbiology and Infection, Transplantation and Immunogenetics and Miscellaneous Special Tests.

[3] "Minor Tests", which were separately set out previously, have are regrouped and subsumed within the respective disciplines under Pathology

[4] The Operation charge is based on the Surgical Relative Weight (SRW) which reflects the workload involved in conducting the operations

[5] Material costs or consumables used by individual patient will be charged separately