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Panel on Health Services

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 16 March 2015**

General Outpatient Clinic Public-Private Partnership Programme and Tin Shui Wai General Outpatient Clinic Public-Private Partnership Programme

Purpose

This paper summarizes the concerns of the members of the Panel on Health Services ("the Panel") on the General Outpatient Clinic Public-Private Partnership Programme ("GOPC PPP") and another public-private partnership ("PPP") initiative on chronic disease management viz. the Tin Shui Wai General Outpatient Clinic Public-Private Partnership Programme ("TSW PPP") (also known as "Tin Shui Wai Primary Care Partnership Project").

Background

2. The first stage public consultation on healthcare reform conducted in 2008 revealed, among others, broad support from the community to take forward the healthcare service reforms of enhancing primary care and promoting PPP. The Hospital Authority ("HA") has implemented TSW PPP since 2008 to test the use of PPP model and supplement the provision of public general outpatient services in Tin Shui Wai ("TSW") for chronic patients, under which patients suffering from specific chronic diseases (i.e. hypertension ("HT") and diabetes mellitus ("DM")) with stable medical conditions and in need of long-term follow-up treatment at public general outpatient clinics ("GOPCs") in TSW can opt to receive outpatient services from private doctors in the district. Patients participated in TSW PPP can select a participating private doctor to receive (a) a maximum of 10 consultations each year, including at least six consultations for follow-up of chronic conditions which are scheduled about once every two months and additional consultations for episodic disease

treatment; (b) drugs for chronic illnesses provided by HA based on its Drug Formulary and the established guidelines for GOPCs, and drugs for episodic illnesses provided by the private doctors; and (c) general pathological tests and diagnostic radiological services provided by HA upon referral by the private doctors. Participating patient should pay the private doctor the same fee as charged by the public GOPCs (i.e. \$45 per consultation inclusive of drugs), whereas HA pays the participating private doctors a fixed fee of \$125 per consultation.

3. In view of the increasing demand for public general outpatient services due to an aging population and epidemiological shift to chronic diseases, and taking into account the experience of other similar initiatives like TSW PPP, the Chief Executive announced in the 2014 Policy Address the launch of GOPC PPP in three districts, namely Kwun Tong, Wong Tai Sin and Tuen Mun. Clinically stable patients having HT with or without hyperlipidemia currently taken care of by public GOPCs are invited to participate in the Programme. Each patient will receive (a) up to 10 subsidized consultations each year, including four follow-up consultations for chronic conditions and six consultations for episodic illness treatment; (b) drugs for treating their chronic conditions and episodic illnesses from the private doctors at their clinics immediately after each consultation; and (c) relevant laboratory and x-ray services provided by HA upon referral by the participating private doctors. Participating doctors will receive a service fee of \$320 for each chronic consultation and a service fee of \$238 for each episodic consultation (both including the HA GOPC service fee of \$45 which will be paid by the patients).

Deliberations of the Panel

4. The Panel discussed TSW PPP and GOPC PPP at its meeting on 14 April 2008 and 17 February 2014 respectively. The deliberations and concerns of members are summarized in the following paragraphs.

Effectiveness of PPP initiatives

5. Some members had strong reservation about the implementation of PPP programmes. In their views, there was a lack of direction in the development of PPP in healthcare. Given that the PPP programmes on chronic disease rolled out by HA in recent years were implemented in a piecemeal manner, they were concerned about whether they were conducive to the provision of holistic care to patients, in particular those suffering from more than one type of chronic diseases. The Administration advised that HA was facing considerable difficulties in service expansion to meet the ever-growing outpatient service demand from an ageing population due to the current healthcare manpower constraint and physical space limitations. Apart from providing some relief to

the public GOPCs, the PPP programmes could help foster long-term patient-doctor relationship under the family doctor concept and in the longer term, share out the pressure on the public healthcare system by tapping resources in the private sector.

6. Given that many patients with non-urgent medical needs would seek public Accident and Emergency ("A&E") services when public GOPC services was not available, there was a view that HA should encourage more doctors participated in the PPP programmes to provide round-the-clock services such that participating patients could be managed by private family doctors, and hence relieve the heavy burden of public A&E services.

Participation rates

7. There was a view that the response to TSW PPP was not so encouraging. Question was raised as to whether patients attending GOPCs, and private doctors practising, in the three piloting districts would be attracted to join GOPC PPP. According to the Administration, the participation rate of patients in TSW PPP was more than expected. As at December 2013, more than 1 600 patients and 11 out of 32 private doctors practising in TSW had participated in TSW PPP. Making reference to the more than 30% take-up rate of TSW PPP, a more conservative estimation was that 6 000 out of the some 60 000 eligible GOPC patients (i.e. 10%) would enroll in GOPC PPP. It was hoped that at least 60 private doctors practising in the three piloting districts would join GOPC PPP. In the longer term, it would be more desirable that each participating private doctor could take care of dozens to 150 participating patients in order to make GOPC PPP more attractive to private doctors. There would be no limit on the number of patients and private doctors participating in GOPC PPP.

8. Noting that the administrative cost of certain PPP programmes on chronic disease management was on the high side, some members were concerned about the cost-effectiveness of GOPC PPP. The Administration advised that it was expected that the administrative cost of GOPC PPP would not be high, as it was estimated that about 6 000 patients would enroll in the programme.

Prescription of drugs under GOPC PPP

9. Members noted that participating private doctors were required to bear the drug costs as they had to use their own drugs or purchase the drugs listed for GOPC PPP from HA's drug suppliers at specified prices ("Programme Drugs"). They considered that such arrangement was not to the best interests of patients as the drug costs might be the prime consideration of some participating private doctors in prescribing drugs for the participating patients. There was also a view that drugs dispensed by public GOPCs were of lower costs and had more

side effects than those dispensed by public specialist outpatient clinics ("SOPCs"). Members urged HA to allow patients to collect the medications recommended by the participating doctors, regardless of whether the drugs were on the list of Programme Drugs, from HA's pharmacy.

10. HA stressed that drugs dispensed by both public GOPCs and SOPCs were of well-established efficacy. It was incumbent on all medical practitioners to act in the best interest of their patients. The arrangement to allow participating doctors to use their own drugs or the Programme Drugs for treating the participating patients would facilitate continuity of treatment and medication whilst providing flexibility for private doctors to adopt personalized care and treatment for individual patients.

Service monitoring

11. Concern was raised over the quality of services provided by participating private doctors. According to the Administration, participating private doctors were required to input the clinical diagnosis, drugs prescribed and other information related to the management of the chronic diseases through the Public-Private Interface – Electronic Patient Record system developed to support the various PPP initiatives under HA. This would enable HA to monitor the progress of individual participating patients and take appropriate follow-up actions where necessary. It should be noted that participating patients with good cause could ask for transferring to another participating private doctor. They were also allowed to withdraw from TSW PPP and GOPC PPP and revert to HA's GOPCs for chronic disease follow-up.

Service fees to participating doctors

12. Members noted that under GOPC PPP, HA proposed to pay a service fee of \$320 and \$238 to participating private doctors for each chronic consultation (covering costs for consultations, Programme Drugs and clinic administration) and each episodic consultation (including three days' episodic illness drugs and antibiotics within the list of Programme Drugs) respectively. The proposed service fee included the HA GOPC service fee of \$45 paid by patients to the doctors direct after each consultation. As regards TSW PPP, participating private doctors would receive a total of \$170 (including a fixed fee of \$125 paid by HA and an HA GOPC service fee of \$45 paid by patient) for each consultation. Members queried the reason why the service fees of both programmes were lower than HA's average cost per GOPC attendance, which stood at around \$380 in 2013-2014.

13. HA advised that it was not appropriate to directly compare the services provided by public GOPCs and that by private doctors participating in the PPP programmes. For GOPC PPP and TSW PPP, the target patients were HA's

existing GOPC patients who suffered from specific chronic disease and were in stable condition, whereas patients of public GOPCs were with various chronic diseases and acute medical conditions. In addition, participating patients of both TSW PPP and GOPC PPP could continue to receive investigation services provided by HA as specified through referral by the participating private doctors. It should be noted that under TSW PPP, drugs for chronic diseases for participating patients were provided by HA and they were delivered to clinics of participating private doctors in advance for doctors' direct prescription.

14. Some members maintained the view that the maximum total annual service fee of \$2,708 (on a reimbursement basis), covering a maximum of 10 consultations, to the private doctors participated in GOPC PPP was too low. They considered that a mechanism should be put in place to review and adjust the level of service fee.

Evaluation of GOPC PPP

15. Members noted that an interim review would be conducted in six to 12 months after the launch of GOPC PPP while a full review was planned after two years of its implementation. There was a view that apart from collecting feedback on the satisfactory level of participating patients, the Administration and HA should also examine the impact of GOPC PPP on the healthcare seeking behaviour and health conditions of the participating patients, and compare the cost-effectiveness of providing the relevant treatment at public GOPCs against partnering with the private healthcare providers. At members' request, the Administration undertook to revert to the Panel on the progress of GOPC PPP one year after its implementation.

Recent developments

16. The Chief Executive announced in his 2015 Policy Address that HA planned to extend GOPC PPP to the remaining 15 districts in phases. At the Panel meeting on 19 January 2015 to receive a briefing from the Secretary for Food and Health on the 2015 Policy Address in relation to health matters, members were advised, among others, that HA would conduct an interim review of GOPC PPP, and consider expanding its scope to include other chronic diseases and increase the number of patients. In addition, HA would extend the duration of TSW PPP for two years and consolidate the long-term arrangement in the light of the outcome of the interim review of GOPC PPP.

17. On 25 February 2015, the Financial Secretary announced in the Budget Speech 2015-2016 that the Government would use part of the \$50 billion earmarked to support healthcare reform to set up a fund for HA to make use of investment returns for PPP initiatives, including, among others, the expansion of GOPC PPP to all 18 districts.

Relevant papers

18. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
13 March 2015

Relevant papers on the General Outpatient Clinic Public-Private Partnership Programme and Tin Shui Wai General Outpatient Clinic Public-Private Partnership Programme

Committee	Date of meeting	Paper
Panel on Health Services	14.4.2008 (Item V)	Agenda Minutes CB(2)2695/07-08(01)
	17.2.2014 (Item IV)	Agenda Minutes CB(2)2015/13-14(01)

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