

**For discussion on
21 December 2015**

Legislative Council Panel on Health Services

**Creation of Two Supernumerary Directorate Posts
in the Department of Health
for the Review of Regulation of Private Healthcare Facilities**

PURPOSE

This paper seeks Members' views on the proposal to create two supernumerary directorate posts in the Department of Health (DH) for three years with immediate effect upon approval of the Finance Committee (FC) to cope with operational requirements, as detailed below –

- (a) one Consultant (D4/D3/D2) post to head a new Office for Regulation of Private Healthcare Facilities (ORPHF) to enhance the capacity of the Department to provide dedicated support to the legislative review on regulation of private healthcare facilities (PHFs); and
- (b) one Principal Medical and Health Officer (PMO) (D1) post to head a new Planning and Development Section (PDS) under the ORPHF to assist in the legislative exercise, implement interim measures and undertake preparatory work for the new regulatory regime of PHFs.

BACKGROUND

2. To meet the public demand and better safeguard public health, the Government has conducted a root-and-branch review of the regulatory regime for PHFs with a view to strengthening regulation and enhancing standards. A public consultation was conducted between 15 December 2014 and 16 March 2015 regarding the proposed regulatory regime for three types of PHFs, namely private hospitals, ambulatory facilities providing high-risk medical procedures (day procedure centres) and medical clinics operated by incorporated

bodies, in order to strengthen the oversight of the operation and management of the PHFs, to introduce measures to enhance consumers' confidence in using private healthcare services, and to institute a modernised and articulated regulatory framework for effective regulatory control. There was solid support for our proposals of revamping the regulatory control for different types of PHFs in Hong Kong. The Government is taking steps to iron out the details with a view to introducing the relevant Bill to the Legislative Council in the 2016/17 legislative session.

3. At present, the registration and regulation of private hospitals and nursing homes under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) and certain medical clinics under the Medical Clinics Ordinance (Cap. 343) fall under the purview of the Office for Registration of Healthcare Institutions (ORHI) in DH. The current capacity of ORHI in terms of manpower and expertise is falling far short of what is required for the expanded licensing and registration work of PHFs and for the legislative review. DH needs to build up the capacity for ORHI temporarily to take up the additional tasks by strengthening the manpower resources and by revamping the ORHI into the new ORPHF with two Sections headed by a dedicated Consultant.

JUSTIFICATIONS

Existing regulatory office

4. Apart from new registrations and annual re-registration of healthcare institutions registered under Cap. 165 and Cap. 343, ORHI also handles applications for new service, expansion, alteration, etc. from registered healthcare institutions. In addition, ORHI assists the Hong Kong Police Force (HKPF) in investigation of illegal medical practices and the Education Bureau (EDB) in undertaking school health inspections under the Education Ordinance (Cap. 279). ORHI is headed by a PMO supported by some 40 professional and supporting staff for licensing, regulation and monitoring of private hospitals, satellite clinics of private hospitals, nursing homes and medical clinics.

New “Office for Regulation of Private Healthcare Facilities”

5. In view of the wide spectrum of professional responsibilities relating to the regulation of PHFs and the complexity and sensitivity of the legislative exercise to revamp the regulatory framework, we propose to set up a new office in DH on a time-limited basis for three years, and the existing ORHI will subsume under the new office. The ORPHF

will consist of two Sections, namely the PDS to support the legislative exercise, implement interim measures and undertake preparatory work for the new regime; and the Licensing Section (LS), which is in essence the existing ORHI, to oversee the existing licensing and inspection functions. The ORPHF needs to be operative the soonest possible in view of the tight legislative schedule for the new regulatory regime for PHFs, the implementation of interim measures and to strengthen the support in DH in respect of health regulatory functions. We will review the workload and consider the manpower needs and the future mode of operation of the ORPHF in 2018-19 in accordance with the established procedures. The proposed organisation chart of the new ORPHF is at **Annex A**. The organisation chart of DH after the establishment of the proposed ORPHF is at **Annex B**.

(I) Planning and Development Section

6. The PDS is a new Section under ORPHF to provide dedicated support to the legislative review exercise. PDS mainly provides Food and Health Bureau (FHB) with professional and research inputs to the law drafting and the legislative review exercise to regulate PHFs. It liaises with relevant stakeholders including the Hong Kong Academy of Medicine (HKAM), medical faculties of local universities and practitioners' associations such as the Hong Kong Medical Association and the Hong Kong Dental Association for developing the enhanced regulatory standards on regulation of private hospitals, day procedure centres providing high-risk medical procedures in ambulatory setting, and medical clinics operated by incorporated bodies.

Private Hospitals

7. The new regulatory regime comprises a host of requirements pertaining to corporate governance, clinical quality, price transparency, etc. On corporate governance, PHFs should operate in accordance with a comprehensive set of rules, supported by an effective and accountable organisation, in its day-to-day operation, management, service delivery and quality improvement. And the new regulatory regime requires price transparency from private hospitals which shall publish, on a common electronic platform, comprehensive fee schedule and provide recognised service packages. In keeping with the enhanced regulation of private hospitals, PDS will review the existing Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes. PDS will also assist in the implementation of price transparency measures including devising recognised services packages and developing an electronic platform for public to have access to historical bill data of common procedures of private hospitals.

8. PDS also monitors the compliance with Service Deeds and conditions of sale for new private hospitals, and the compliance of health services-related conditions of Private Treaty Grants by existing hospitals. The execution of Service Deeds of new hospitals has been a new task to DH since 2013. The Service Deed covers, in addition to compliance with regulatory requirements, provision of prescribed scale and scope of services (e.g. agreed number of hospital beds, specified essential services and other specialised services); standard of services (e.g. attainment of hospital accreditation within prescribed timeframe); specified service target (e.g. specified minimum proportion of users being local residents) and specified charging policy and mechanism (e.g. standard package), and other requirements. This new role of supporting FHB in promoting private hospital development is distinct from, and in addition to, ORHI's existing licensing functions under Cap. 165. To clearly delineate the two functional roles played by the DH, the new duties relating to the execution of Service Deed is recommended to be overseen by the PDS, thus separated from the existing licensing and inspection work of the LS.

Ambulatory Facilities (including day procedure centres and medical clinics operated by incorporated bodies)

9. Under the proposed regulatory regime, ambulatory facilities which include day procedure centres providing high-risk medical procedures and medical clinics operated by incorporated bodies should be regulated by a statutory registration system. The new legislation will also cover premises providing dental procedures. Currently, there is no single comprehensive database capturing premises-based information of ambulatory facilities in Hong Kong. From existing databases established for various purposes, it is estimated that about 5 500 premises with private medical and/or dental practices may be covered by the scope of regulation under the new legislation, and the number of licences to be issued may exceed this number depending on the modes of business operation in these premises. PDS will conduct a territory-wide survey to assess the number and type of ambulatory facilities and their scope of services that may fall under the recommended regulatory measures. Substantial manpower efforts are required for survey planning and design, data collection and analysis, and preparation of survey report, which will take place over a period of around one year.

10. In addition to the registration system, the regulatory authority should establish a mechanism to devise core regulatory standards for the said day procedure centres and medical clinics with expert inputs from the HKAM. The regulatory standards cover management and governance, physical conditions, service delivery and care process, infection control, and resuscitation and contingency of day procedure centres. PDS will

also work in parallel with the HKAM to formulate procedure-specific facility standards for day procedure centres with a view to providing guidance to the profession and facility operators for protection of public safety. The standards will become mandatory when the new legislation comes into effect.

11. PDS will introduce an administrative listing system for ambulatory facilities before the enactment of new legislation. PDS will also prepare for the future registration system and liaise with medical and dental sectors for the new system.

Need for a PMO post

12. The above work calls for the steer and strategic planning of a directorate officer to ensure that the legislative review exercise and the associated preparatory work could be completed smoothly. The relevant Bill is planned to be introduced to the Legislative Council (LegCo) in the 2016/17 legislative session. In addition to the time required for scrutiny of this important Bill by the LegCo, ample time should also be allowed to (i) research and develop the facility standards and regulatory measures under the proposed new regulatory regime; (ii) conduct a territory-wide survey to assess the number and type of ambulatory medical facilities, and their scale and scope of services, that may fall under the recommended regulatory measures; (iii) plan and prepare for the implementation of administrative listing system for ambulatory facilities; (iv) promulgate the facility standards; and (v) assist the PHFs previously not under regulation in getting ready for the new regulatory requirements in order to ensure smooth transition from the existing regulatory regime to the revamped regime. As such, we propose that a new PMO post (designated as PMO(Private Healthcare Facilities)² [PMO(PHF)²]) be created to head the PDS of the ORPHF for three years till 2018/19. The job description of PMO(PHF)² is set out at **Annex C**.

(II) Licensing Section

13. The LS is in essence the existing ORHI overseeing the licensing matters of private hospitals, nursing homes and medical clinics and promoting quality and patient safety in private hospitals.

14. As at 30 September 2015, there are 11 private hospitals (with 15 satellite clinics) and 58 nursing homes registered under Cap. 165, and 106 medical clinics registered under Cap. 343. The scale and scope of services of PHFs have been increasing over the past years, in terms of complexity and range of clinical services provided.

15. LS is responsible for the registration of PHFs. Other than applications from new PHFs and annual re-registration, LS will conduct in-depth assessments for applications for change in services from registered PHFs involving expansion or alteration of clinical services, such as neonatal intensive care unit, cardiac catheterisation laboratory, renal centre, oncology centre, advanced imaging facilities and nuclear medicine unit, etc. Four existing hospitals have either new hospital blocks, with hundreds of new beds each, commencing service in 2016 to 2017 or major expansion projects under planning. Moreover, for development of new blocks of existing private hospitals and new private hospitals, LS will assess, from the licensing perspective, readiness of new clinical service facilities and other supporting facilities (e.g. operating theatres and laboratories). LS will also provide professional support to HKPF in the investigation of suspected illegal medical practice, and assist EDB in enforcing the school health provisions under the Education Ordinance (Cap. 279).

16. The existing PMO, PMO(1), who is now heading the ORHI, and existing professional and supporting staff involved in licensing work will form the new LS of the ORPHF and continue to carry out work related to licensing, regulation and monitoring of private hospitals, satellite clinics of private hospitals, nursing homes and medical clinics. PMO(1) will be retitled as PMO(PHF)1 upon setting up of ORPHF.

Need for a Consultant post

17. Operation of the existing ORHI is currently overseen by the Assistant Director (Health Administration and Planning) [AD(HA&P)] (D2) established under Headquarters of DH. In addition to looking after the regulation and registration functions of the ORHI, AD(HA&P)'s portfolio is overstretched with various matters including (i) performing grade management functions of medical and health officer grade and eight allied health grades involving some 600 staff; (ii) planning and monitoring all capital works projects, minor building works projects, redevelopment and refurbishment works of DH premises, and handling office accommodation requirements raised by Services units and acquisition of space in DH premises raised by the Hospital Authority; (iii) providing professional input from health services perspective in relation to land sale, urban renewal, rezoning and land use review; (iv) performing health administration duties such as serving as a Chairperson of the Department Tender Committee/Departmental Consultants Selection Committee, and serving as an approving officer for application of permission to publish or to undertake outside activities; (v) representing DH on several statutory bodies; (vi) serving as contact points for matters related to the Legislative Council and international health authorities such as World Health Organization on health related matters; (vii) supporting the Deputy

Director to oversee training activities in the Department; and (viii) supervising the work of four D1 Officers including three PMOs and one Principal Nursing Officer (PNO). Duties of this post have been expanding over the years and the new role of the ORHI is beyond the limit of the post.

18. Currently, private hospitals and non-profit-sharing medical clinics are regulated under Cap. 165 and Cap. 343 with conditions relating to accommodation, staffing or equipment being imposed with their registration. The registration could be cancelled if the conditions imposed have been contravened. Under the proposed regulatory regime, the depth and scope of regulation would be enhanced, covering other facets essential to PHFs regulation such as corporate governance, clinical governance and price transparency. Professional input from a public health consultant is required to effectively institute the new comprehensive regulatory regime amid evolving medical technology and practices. With the setting up of the much expanded ORPHF, we propose that a Consultant (designated as Head, ORPHF) be created to head the new Office, while relieving AD(HA&P) to focus on other matters. Head, ORPHF will provide an overall strategic leadership to the ORPHF, head the PDS and LS, and oversee all aspects of work in the next three years including (i) providing professional support to the drafting of the new legislation; (ii) overseeing research and development of regulatory standards and measures to institute new regulatory regime with enhanced depth and scope; (iii) steering quality assurance activities including surveillance and risk communication strategy for promoting service quality and safety in private sector; (iv) providing professional support to FHB on private healthcare development from public health perspectives, and (v) implementing relevant policies.

19. Head, ORPHF will also work with HKAM and its constituent specialty Colleges to review the scope of high-risk procedures in ambulatory settings and the regulatory standards for PHFs (including private hospitals). To discharge the duties effectively, Head, ORPHF has to possess profound knowledge, skills and experience in healthcare research and health facility set-up and service delivery, in addition to public health administration and statutory functions. Head, ORPHF is also expected to keep abreast of international development in the relevant specialised field and to consolidate network with external counterparts, local and overseas professional organizations and stakeholders to support departmental mission and to review the regulatory regime from time to time. In-depth knowledge and experience on the subject of an expert in the field is required in order to provide sound professional advice to the government and the different stakeholders on the development and regulation of private healthcare services. Head, ORPHF will be heavily involved in engaging and consulting stakeholders concerned, which requires sufficient stature, strategic perspective and consensus-building capability. The

post will also be created for three years. During which, Head, ORPHF will complete most of the legislative work when the Bill is passed by the LegCo and, in the latter part of the tenure, will focus on the smooth transition from the existing regulatory regime to the revamped regime. The job description of Head, ORPHF is set out at **Annex D**.

Non-directorate Support

20. To cope with the workload of the dedicated new ORPHF, we propose to create 20 additional non-directorate civil service posts of various disciplines for three years. Together with some 40 existing non-directorate staff from the ORHI, they will form the backbone of the ORPHF providing necessary professional and administrative support.

ALTERNATIVES CONSIDERED

21. We have carefully considered whether there is scope for internal redeployment for discharging the tasks of Head, ORPHF and PMO(PHF)². As mentioned in paragraph 17, AD(HA&P) is supported by three PMOs and one PNO (D1) officers to oversee ORHI, Health Manpower Unit, Public Health Nursing Section, Service Development & Planning Unit and Staff Training Unit. Having regard to the portfolio and workload of AD(HA&P) and other directorate officers under AD(HA&P), we consider it not operationally feasible without affecting the quality of their work as all of these officers are fully engaged in their respective duties. The existing portfolios of AD(HA&P) and the PMOs and PNO under AD(HA&P) are at **Annex E**.

FINANCIAL IMPLICATIONS

22. The proposed creation of the two supernumerary directorate posts will require an additional notional annual mid-point salary of \$3,823,964. The full annual average staff cost of the proposal, including salaries and staff on-cost, is \$5,412,764.

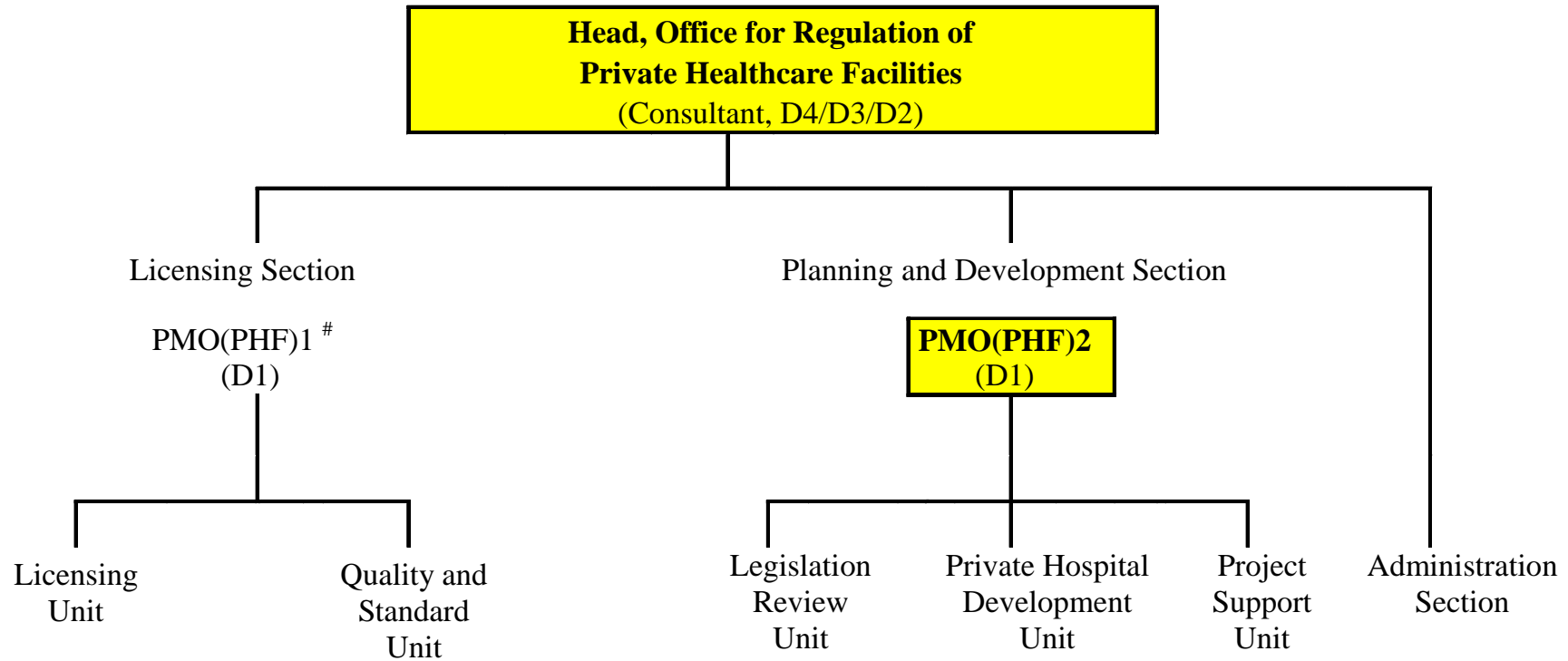
23. The notional annual salary cost at mid-point for the 20 non-directorate civil service posts is \$14,282,280 in a full year and the full annual average staff cost, including salaries and on-costs, is to be \$19,034,652. We will reflect the necessary provision in the 2016-17 Estimates to meet the cost of this proposal.

ADVICE SOUGHT

24. Members are invited to comment on the proposal. Subject to Members' support, we plan to submit the proposal to the Establishment Subcommittee on 6 January 2016, for recommendation to the FC for approval on 5 February 2016.

Food and Health Bureau
December 2015

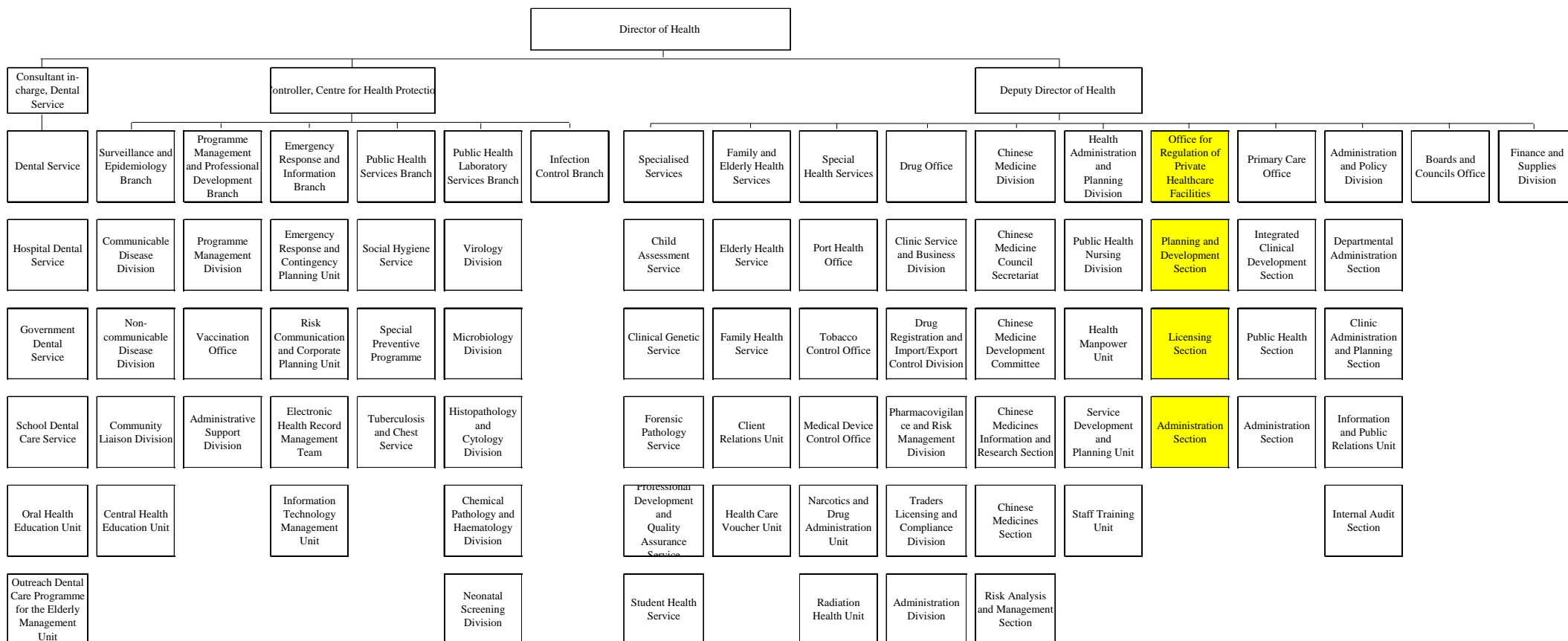
Organizational Chart of the Proposed Office for Regulation of Private Healthcare Facilities



■ Posts to be created

Post to be redeployed from Health Administration and Planning Division

The organisation chart of DH after the establishment of the proposed ORPHF



Job Description
Principal Medical and Health Officer (Private Healthcare Facilities)²

Rank : Principal Medical and Health Officer (D1)

Responsible to : Head, Office for Regulation of Private Healthcare Facilities

Main Duties and Responsibilities:

1. To provide professional support to the Food and Health Bureau on the legislative review exercise;
2. To oversee the provision of professional and secretariat support to the Project Steering Committee on Standards for Ambulatory Facilities and its Task Forces;
3. To coordinate activities relating to the development and promulgation of facility standards;
4. To oversee the planning and conduct of the territory-wide survey on ambulatory facilities;
5. To prepare for the launch of the administrative listing system for ambulatory facilities;
6. To plan for the implementation of the new legislation and the review of the existing Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes;
7. To oversee the monitoring and enforcement actions for health services-related land grant conditions and Service Deeds; and
8. To liaise with relevant bureaux and departments at senior level, and with external parties, for matters relating to development projects and proposals of private healthcare institutions.

Job Description
Head, Office for Regulation of Private Healthcare Facilities

Rank : Consultant (D4/D3/D2)

Responsible to : Deputy Director of Health

Main Duties and Responsibilities:

1. To oversee the regulation of private healthcare institutions under Hospital, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) and Medical Clinics Ordinance (Cap. 343);
2. To provide professional support to the Food and Health Bureau on private healthcare development from public health perspectives and on the legislative review for private healthcare facilities;
3. To steer the research and development of regulatory standards and measures for the legislative review;
4. To engage and consult with relevant stakeholders concerned for the development of regulatory standards;
5. To steer the planning of the impact assessment survey on ambulatory facilities;
6. To steer the preparatory work for implementation of the interim administrative listing system for ambulatory facilities and for enactment of new legislation;
7. To steer the collection and analysis of data for surveillance and risk communication on safety and quality of private healthcare facility services and to oversee the implementation of strategies on hospital accreditation; and
8. To oversee the implementation of policy initiative in promoting new private hospital development.

**Existing Portfolios of AD(HA&P) and
PMOs and PNO under AD(HA&P)**

AD(HA&P)

- (1) To perform the grade management function of medical and health officer and allied health grades;
- (2) To plan and monitor all capital works projects, minor building works projects, redevelopment and refurbishment works of DH premises, and handling office accommodation requirements raised by Services units and acquisition of space in DH premises raised by the Hospital Authority;
- (3) To provide professional input from health services perspective in relation to land sale, urban renewal, rezoning and land use review;
- (4) To perform health administration duties such as serving as a Chairperson of the Department Tender Committee / Departmental Consultants Selection Committee, and serving as an approving officer for application of permission to publish or to undertake outside activities and to represent DH on several statutory bodies;
- (5) To serve as contact points for matters related to the Legislative Council and international health authorities such as World Health Organization;
- (6) To support the Deputy Director to oversee training activities in the Department;
- (7) To oversee the operation of the Office for Registration of Private Healthcare Institutions (ORHI); and
- (8) To supervise the work of four D1 Officers including PMO(1), two other PMOs and one Principal Nursing Officer (PNO).

PMO(1)

(to be redeployed to the Office for Regulation of Private Healthcare Facilities and renamed as PMO(Private Healthcare Facilities)1)

- (1) To oversee the enforcement of Cap. 165 and Cap. 343 including registration, inspection and investigation of sentinel events, medical incidents and complaints in relation to private hospitals, nursing homes, maternity homes and medical clinics;
- (2) To lead the review of protocols and guidelines in relation to enforcement of Cap. 165 or Cap. 343;
- (3) To promote patient safety activities in private healthcare institutions including supporting the coordination of territory-wide hospital accreditation scheme and the development of local hospital accreditation standards;
- (4) To provide professional support to Food and Health Bureau (FHB) on reviewing the regulatory control of private healthcare facilities;
- (5) To oversee the monitoring and enforcement actions for health services-land grant conditions and Service Deeds;
- (6) To provide support to FHB in the development of private hospital services; and
- (7) To oversee the provision of support to Education Bureau in respect of school health, including inspection to all schools in Hong Kong and new schools under application for registration.

PMO(2)

- (1) To assist in performing grade management functions for Medical and Health Officer grade and eight allied health grades and planning / monitoring of various health development projects and office accommodation;
- (2) To coordinate invitations to the Director of Health and other projects / events / visits at Headquarters;
- (3) To coordinate various medical and health related subjects, including Supplementary Medical Professions Ordinance (Cap. 359), Chiropractors Registration Ordinance (Cap. 428), Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), etc; and
- (4) To oversee Health Manpower Surveys and coordinate replies / inputs for Special Finance Committee and DH Annual Report.

PMO(4)

- (1) To coordinate matters in relation to medico-legal issues and proposed law amendments from other departments / bureaux / organisations;
- (2) To coordinate replies in relation to complaints relayed through Chief Executive's Office, Bureaux, Legislative Council, Ombudsman, Equal Opportunity Commission, etc. and oversee Clients Relations Unit;
- (3) To coordinate matters on medical benefits for Civil Services Eligible Persons and pre-employment / pre-overseas training medical examination for civil servants; and
- (4) To coordinate matters related to DH's Specialised Services.

PNO

- (1) To perform grade management functions for the nursing and nursing allied grades, supervise the overall personnel management of the nursing and nursing allied grades and review nursing manpower, resource requirement and utilisation in individual services;
- (2) To formulate training and development plan for nursing and nursing allied grades in meeting service needs, maintaining quality practice and facilitating career and staff development;
- (3) To conduct reviews on nursing procedures and management systems to meet new trends in public health nursing management and practice;
- (4) To participate in the Nursing Council and the Midwives Council in her capacity as the head of nursing service in Government; and
- (5) To represent the Department in liaison with local and overseas professional groups on nursing matters.