## 立法會 Legislative Council

LC Paper No. CB(2)1225/16-17 (These minutes have been seen by the Administration)

Ref: CB2/PL/HS

#### **Panel on Health Services**

## Minutes of meeting held on Monday, 21 November 2016, at 4:30 pm in Conference Room 3 of the Legislative Council Complex

Members : Prof Hon Joseph LEE Kok-long, SBS, JP (Chairman)

**present** Dr Hon Pierre CHAN (Deputy Chairman)

Hon James TO Kun-sun

Hon Tommy CHEUNG Yu-yan, GBS, JP

Hon CHAN Kin-por, BBS, JP Hon Paul TSE Wai-chun, JP

Hon WU Chi-wai, MH Hon YIU Si-wing, BBS

Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen Hon CHAN Han-pan, JP

Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki

Hon Dennis KWOK Wing-hang

Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan Dr Hon Elizabeth QUAT, JP Hon POON Siu-ping, BBS, MH

Hon Alvin YEUNG Hon CHU Hoi-dick

Dr Hon Junius HO Kwan-yiu, JP

Hon SHIU Ka-fai

Hon Wilson OR Chong-shing, MH

Hon YUNG Hoi-yan Hon Tanya CHAN Hon KWONG Chun-yu Hon Jeremy TAM Man-ho Dr Hon YIU Chung-yim **Members**: Hon WONG Ting-kwong, SBS, JP

absent Hon LEUNG Kwok-hung

Hon SHIU Ka-chun Hon HUI Chi-fung

Hon Nathan LAW Kwun-chung

**Public Officers:** <u>Item III</u>

attending

Professor Sophia CHAN Siu-chee, JP Under Secretary for Food and Health

Miss Linda LEUNG

Principal Assistant Secretary for Food and Health (Health) 2

Dr CHEUNG Wai-lun

Director (Cluster Services)

**Hospital Authority** 

Dr Ian CHEUNG

Chief Manager (Cluster Performance)

**Hospital Authority** 

Dr WONG Ka-hing

Controller, Centre for Health Protection

Department of Health

Dr Henry NG

Head, Programme Management and Professional

Development Branch

Department of Health

Item IV

Professor Sophia CHAN Siu-chee, JP Under Secretary for Food and Health

Mr Chris SUN Yuk-han, JP

Head, Healthcare Planning and Development Office

Food and Health Bureau

Dr Amy CHIU Pui-yin, JP

Head, Office for Regulation of Private Healthcare Facilities

Department of Health

Dr FUNG Ying

Principal Medical and Health Officer (Private Healthcare

Facilities) 2

Department of Health

**Clerk in** : Ms Maisie LAM

attendance Chief Council Secretary (2) 5

**Staff in** : Ms Janet SHUM

**attendance** Senior Council Secretary (2) 5

Ms Priscilla LAU

Council Secretary (2) 5

Miss Maggie CHIU

Legislative Assistant (2) 5

Action

## I. Information paper(s) issued since the last meeting [LC Paper Nos. CB(2)223/16-17(01) and CB(2)235/16-17(01)]

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<u>Members</u> noted the following papers issued since the last meeting:

- (a) Letter dated 18 November 2016 from Mr SHIU Ka-fai concerning the Administration's legislative proposals on health warnings on packets and retail containers of tobacco product; and
- (b) Letter dated 21 November 2016 from Dr Fernando CHEUNG concerning the review of the charges of the Accident and Emergency ("A&E") services of the Hospital Authority ("HA").

## II. Items for discussion at the next meeting

[LC Paper Nos. CB(2)184/16-17(01) and (02)]

Items for discussion at the next meeting

2. <u>Mr SHIU Ka-fai</u> requested the Administration to revert to the Panel on its legislative proposal of increasing the size of the prescribed health warnings on packets and retail containers of tobacco products to covering

at least 85% of the two largest surfaces of the packets or retail containers concerned. He remarked that such a requirement was not widely adopted in overseas countries. In the tobacco trade's view, the legislative proposal would aggravate the problem of illicit tobacco products. Ms Alice MAK urged the Administration to revert to the Panel on the matter prior to introducing the relevant legislative proposal into the Legislative Council ("LegCo"). Dr Pierre CHAN and Dr KWOK Ka-ki enquired when the Administration would be in a position to revert to the Panel on the progress of taking forward the legislative proposal.

- 3. Under Secretary for Food and Health ("USFH") advised that the Administration had given due regard to the various views expressed during the discussion on the subject at the relevant meetings of the Panel held in May and July 2015. It had, vide a letter dated 31 May 2016, invited the views of the tobacco trade on the legislative proposal. It would further explain to the trade the proposal as well as the technical issues related to the implementation of the proposed requirements at a briefing to be held on The Administration's plan was to introduce the 23 November 2016. relevant subsidiary legislation into LegCo in the fourth quarter of 2016 or the first quarter of 2017 under the negative vetting procedures. It could brief the Panel on the subsidiary legislation before its introduction into LegCo if members so wished. Mr SHIU Ka-fai urged the Administration to have interactive discussions with the tobacco trade on 23 November 2016.
- 4. <u>The Chairman</u> suggested and <u>members</u> agreed that subject to the outcome of the forthcoming meeting between the Administration and the tobacco trade on 23 November 2016, the Panel would discuss the following items as proposed by the Administration at the next regular meeting scheduled for 19 December 2016 at 4:30 pm:
  - (a) Proposed regulatory framework for medical devices; and
  - (b) Development of the stage two Electronic Health Record Programme.

(*Post-meeting note*: With the concurrence of the Administration, the item "Proposal to amend the health warnings on packets and retail containers of tobacco products" and a new discussion item on "Drug management of the HA" as proposed by the Chairman after the meeting have been added to the agenda for the December regular meeting, and the discussion on item (a) above has been deferred to a future meeting.)

## Items for discussion at future meetings

- 5. In response to Dr KWOK Ka-ki's enquiry about whether the current term Government would introduce any legislative proposals into LegCo to regulate electronic cigarettes (item 9 on the Panel's list of outstanding items for discussion referred) so as to prevent the use of them by the youth, <a href="USFH">USFH</a> advised that the current term Government would endeavour to do so. <a href="USFH">USFH</a> added that representatives of the Department of Health ("DH") had recently attended a World Health Organization's conference on tobacco control. The Administration needed time to consider the way forward with regard to the conference's decision on electronic nicotine and non-nicotine delivery systems and would revert to the Panel in due course.
- 6. <u>Dr Helena WONG</u> noted the Administration's plan to brief the Panel on its legislative proposal to amend the Chinese Medicine Ordinance (Cap. 549) at the Panel's regular meeting in January 2017 (item 3 on the Panel's list of outstanding items for discussion referred). She requested the Administration to provide at the same meeting information on the safety standard and surveillance of pesticide residues and heavy metal in Chinese herbal medicine (item 30 on the Panel's list of outstanding items for discussion referred). <u>USFH</u> agreed.

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7. <u>Dr Pierre CHAN</u> enquired when the Administration would be in a position to brief the Panel on the review of the charges of the A&E services of HA as suggested by Dr Fernando CHEUNG in his letter dated 21 November 2016 (LC Paper No. CB(2)235/16-17(01)). <u>USFH</u> advised that since the issue had yet been discussed by the HA Board, no proposals had been put up for the Administration's consideration for the time being. <u>Members</u> agreed that the subject be included in the Panel's list of outstanding items for discussion.

## Proposal to set up a subcommittee under the Panel

8. The Chairman informed members that since the Administration had undertaken to report to the Panel on the discussion of the Tripartite Platform on Amendments to the Medical Registration Ordinance (item 8 on the Panel's list of outstanding items for discussion referred), Ms Alice MAK had decided to shelve at this stage her suggestion made at the meeting on 18 October 2016 on setting up under the Panel a subcommittee to study the mechanism on the handling of complaints arising from medical incidents.

## III. Preparation for winter surge

[LC Paper Nos. CB(2)184/16-17(03) and (04)]

- 9. <u>USFH</u> briefed members on the preparatory work carried out by the Government to tackle influenza winter surge, details of which were set out in the Administration's paper (LC Paper No. CB(2)184/16-17(03)).
- 10. <u>Members</u> noted the updated background brief entitled "Measures for the prevention and control of seasonal influenza" prepared by the LegCo Secretariat (LC Paper No. CB(2)184/16-17(04)).

## Surge capacity of HA

- 11. Dr KWOK Ka-ki sought information about the distribution of the 500-odd temporary beds to be opened in public hospitals in the 2016-2017 Mr POON Siu-ping raised a similar question. winter surge period. Director (Cluster Services), HA ("D(CS), HA") advised that some 100 out of the 500-odd temporary beds would be opened in the New Territories West ("NTW") Cluster. More than 100 temporary beds would be opened in each of the Kowloon Central ("KC"), Kowloon West and New Territories East ("NTE") Clusters, and the remaining beds would mainly be provided in the Kowloon East Cluster. Dr KWOK Ka-ki requested HA to provide the above information in writing. In his view, the opening of 500-odd temporary beds was far from adequate to meet the upsurge in service demand. He called on the Administration and HA to increase the number of public hospital beds across the territory, particularly in the NTW Cluster, in the longer term.
- 12. <u>USFH</u> responded that an increase in public hospital beds would need to take into account the current medical manpower constraint of HA and the space constraint of existing facilities. It should be noted that some new public hospitals under construction, such as the Tin Shui Wai Hospital, would soon commence services. In the longer term, an additional 5 000 public hospital beds would be provided under the 10-year hospital development plan to meet the service demand growth. <u>D(CS), HA</u> supplemented that HA would open 231 new beds in 2016-2017 to enhance its service capacity. Subject to the availability of resources, HA planned to regularize some of the 500-odd temporary beds opened during the winter surge period to address the shortfall of hospital beds in some Clusters.
- 13. In response to Mr POON Siu-ping's enquiry, <u>D(CS)</u>, <u>HA</u> advised that senior doctors would conduct one more ward round during evenings in the winter surge period to ascertain whether patients could be discharged on the day or the next day so as to improve patient flow.

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- 14. <u>Dr YIU Chung-yim</u> noted that the peak influenza associated admission rates among children aged below six years and six to 11 years in the last winter influenza season exceeded those recorded in the same age groups in previous influenza seasons from 2010 to 2015. He asked whether this would become a trend or was a phenomenon of the last winter influenza season alone. In case of the former, more measures should be put in place to protect children against influenza and accommodate the increase in admission.
- USFH advised that the 2016-2017 Vaccination Subsidy Scheme 15. ("VSS") had expanded to cover, among others, children aged six to under 12 years or attending a primary school in Hong Kong. D(CS), HA added that the pressure of paediatrics departments of HA was high in the last winter influenza season. This was particular so in the NTW Cluster where there were no private hospitals. However, most of the inpatient cases did not develop severe influenza-associated complications and could be discharged within two days. In response to the Chairman's enquiry, D(CS), HA advised that the 500-odd temporary beds to be opened in public hospitals during 2016-2017 winter surge would be largely for adult and elderly patients. Controller, Centre for Health Protection, DH ("C(CHP), DH") supplemented that the Centre for Health Protection ("CHP") had been closely monitoring influenza activity in the community through a series of surveillance systems. It had also conducted routine surveillance of influenza-associated cases with severe complications or death among paediatric patients below the age of 18. While children were particularly affected in the last winter influenza season due to the predominance of influenza A(H1), most cases did not develop severe influenza-associated complications. At the request of Dr YIU Chung-yim, USFH agreed to provide after the meeting a breakdown of the number of influenzaassociated admissions by age groups in the past five winter surge periods.

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- 16. <u>Ms Alice MAK</u> was concerned about how HA would deploy its frontline healthcare staff, in particular the health care assistants and ward attendants, in order to address the problem of heavy workload during the winter surge period.
- 17. <u>D(CS), HA</u> advised that there would be a projected annual increase of 158 (i.e. 2.8%) doctors, 372 (i.e. 1.5%) nurses and 216 (i.e. 3.0%) allied health professionals in 2016-2017 as compared with 2015-2016. The supply of nursing graduates was lower due to the effect of the double cohort year of 2012 under the new senior secondary academic structure. In addition, there were 352 part-time doctors and some 2 000 part-time nurses working in HA. Given the high attrition rate of care-related supporting staff which stood at over 10%, HA had implemented various measures to

Admin/HA

retain and attract staff. These included, among others, enhancement of career advancement opportunities, offering short-term employment contract with better terms and conditions and provision of special honorarium for staff who were willing to work extra hours on a voluntary basis.

- 18. Dr Pierre CHAN called on HA to address the problem of long waiting time for admission to inpatient wards via the A&E departments as set out in the report of the Steering Committee on Review of HA. Holding the view that the crux of the problem of HA was an uneven distribution of resources among specialty services, he was concerned that the additional hospital beds and healthcare personnel might not be allocated to the most pressurized areas of HA during the winter surge period. He requested HA to provide in writing a breakdown, by the departments of A&E, Medicine, Paediatrics and Pathology, of the existing number of hospital beds and healthcare personnel (i.e. doctors, nurses and allied health professionals) in HA and the increasing number of hospital beds and the above healthcare personnel in 2016-2017.
- 19. D(CS), HA advised that HA would closely monitor the number of inpatient admissions to medical wards via the A&E departments and the inpatient bed occupancy rate starting from December 2016. In particular, the HA Head Office was working jointly with the cluster-based task forces in the KC and NTE Clusters which had particularly serious access block problem in A&E departments during the past winter surge periods. On the service capacity of HA, it should be noted that there was currently a lack of space at public hospitals as well as a shortfall of around 300 doctors and 700 nurses in HA. Dr Pierre CHAN considered that HA should not arrange its frontline healthcare personnel to take part in internal administrative meetings during winter surge. He requested HA to provide in writing information on the number of internal administrative meetings held by the HA Head Office and individual public hospitals during the last winter surge period from January to March 2016 and the total number of attendance of the healthcare personnel at these meetings. The Chairman urged HA to consider temporarily suspending the administrative work required of healthcare personnel in hospital accreditation during winter surge. D(CS), HA took note of the suggestion.

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#### Urgent test for influenza cases

20. Noting that HA had designated the two laboratories with 24 hours service in the Prince of Wales Hospital and the Queen Mary Hospital to handle urgent test for severe influenza cases outside office hours since June 2016, Mr POON Siu-ping and Mr CHAN Han-pan expressed concern about the capacity of the two laboratories during the winter surge period.

- 21. <u>D(CS)</u>, <u>HA</u> advised that given that pneumonia, which could be caused by viruses or bacteria, was one of the major influenza complications, polymerase chain reaction ("PCR") testing for rapid diagnosis of influenza infections would be conducted during winter surge for all patients with community acquired pneumonia in all seven clusters. The test results would be available within 24 hours to facilitate early clinical treatment and timely admission of influenza cases with complications.
- 22. Mr CHAN Han-pan noted that the turn-around-time of some rapid influenza diagnostic tests conducted by private clinics was approximately 15 minutes only. He asked whether HA would consider conducting these tests in tandem with the PCR tests such that suspected influenza cases could be provided with early antiviral treatment. Replying in the negative, D(CS), HA explained that the sensitivity and reliability of these rapid tests were not as high as that of the PCR tests. At present, decisions about starting antiviral treatment such as prescription of Tamiflu for those patients with suspected influenza meeting the prescribed clinical conditions would not wait for laboratory confirmation of influenza.

## Influenza vaccination

Coverage of Government Vaccination Programme ("GVP") and VSS

- 23. <u>Dr Helena WONG</u> noted that the Scientific Committee on Vaccine Preventable Diseases ("SCVPD") had recommended that the priority groups for the 2016-2017 seasonal influenza vaccination should include, among others, persons aged 50 or above and persons with chronic medical problems. However, the Administration had only included persons aged 50 or above who were recipients of Comprehensive Social Security Assistance Scheme or holders of valid Certificate for Waiver of Medical Charges, and persons aged 65 or above in GVP. This apart, not all persons with chronic medical problems were covered under GVP and VSS.
- a need for the Administration to accord priority to the population groups recommended by SCVPD for free or subsidized seasonal influenza vaccination. In response to Mr SHIU Ka-fai's enquiry, <u>USFH</u> advised that the focus of the recommendations of SCVPD was on the target population groups that should had higher priority for seasonal influenza vaccination but not subsidized vaccination. At the request of Dr Helena WONG, <u>USFH</u> undertook to provide after the meeting information on the financial implications of extending the 2016-2017 free or subsidized seasonal influenza vaccination schemes to cover the above two population groups

C(CHP), DH responded that given finite public resources, there was

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recommended by SCVPD, and separate figures concerning extending the coverage to all persons aged 50 or above, 55 or above, and 60 or above.

25. Mr YIU Si-wing sought clarification as to whether persons eligible for receiving free seasonal influenza vaccination at public clinics and/or public hospitals under GVP could choose to receive the vaccination at clinics of those private doctors who enrolled in VSS. C(CHP), DH advised that those persons who also belonged to the eligible groups of VSS, such as pregnant women and elders aged 65 or above, could do so. It should however be noted that under VSS, the enrolled private doctors might charge the eligible person a service fee after deducting the Government subsidy of \$190 per dose of seasonal influenza vaccine.

#### Vaccination rate

- 26. Pointing out that the seasonal influenza vaccination rates among children and the total population in Hong Kong were low when compared with that of the developed countries, <u>Dr KWOK Ka-ki</u> considered that the Government should set a target vaccination rate. He sought information about the number of doses of seasonal influenza vaccines administered in the 2015-2016 winter influenza season. <u>Dr Helena WONG</u> was of a similar view. She asked about the number of doses of seasonal influenza vaccines procured under GVP in the previous and current winter seasons. <u>Ms Alice MAK</u> asked, on behalf of Dr Junius HO, about the expected number of vaccine recipients under VSS and GVP.
- 27. <u>C(CHP), DH</u> advised that in the previous winter influenza season, about 390 000 out of the 400 000 doses of seasonal influenza vaccines procured under GVP were administered. Separately, 200 000-odd doses of seasonal influenza vaccines were administered under VSS in 2015-2016. DH would assess the quantity of seasonal influenza vaccines required under GVP each year and the number of doses of vaccines procured in the current winter season was similar to that of last winter season. As at 17 November 2016, 270 000 doses had been administered under VSS and GVP, which represented an increase of 70% compared to the number of 114 000 doses administered in the same period last year. That said, results of previous surveys showed that the overall vaccination rate of the total population stood at less than 20%, which was considered not high.
- 28. <u>Dr KWOK Ka-ki</u> remarked that there was room for improvement on the arrangement of outreach vaccination activities under VSS for primary school students to receive seasonal influenza vaccination in schools by the enrolled private doctors. Dr Helena WONG sought information about the

proportion of primary schools and residential care homes to be covered in the outreach vaccination activities.

- 29. <u>USFH</u> and <u>C(CHP)</u>, <u>DH</u> advised that the scopes of VSS and GVP had been expanded in 2016-2017 to cover, among others, children aged six to under 12 or attending a primary school in Hong Kong. CHP had been notified of outreach vaccination activities carried out in 49 primary schools since the launch of VSS in October 2016. As a new initiative, no target coverage rate had been set for the outreach vaccination activities under VSS for primary school students. As an alternative, parents could bring their children to receive the vaccination at clinics of the enrolled private doctors. <u>C(CHP)</u>, <u>DH</u> added that about 90% of residential care homes would be covered under the Residential Care Home Vaccination Programme. The past vaccination rate of elderly residents was about 80%.
- 30. <u>C(CHP)</u>, <u>DH</u> advised that as a reference, 26 000 children between six months and less than six years old had been administered seasonal influenza vaccine since the launch of the 2016-2017 VSS and GVP, which represented an increase by two-third compared to the same period in the 2015-2016 winter season. Among the 50 000-odd doses administered for children between six months to under 12 years old, over 20 000 doses were for those from age six to under 12 and about 10 000 doses were administered through outreach vaccination activities.

#### **Publicity**

31. Pointing out that it was not uncommon that people who experienced side effects or still infected with influenza virus after vaccination would encourage others not to receive vaccination, <u>Mr YIU Si-wing</u> remarked that the Administration should step up publicity on safety and effectiveness of seasonal influenza vaccine. <u>USFH</u> took note of the suggestion.

# IV. Pilot programme for enhancing price transparency for private hospitals

[LC Paper Nos. CB(2)184/16-17(05) and (06)]

[At this juncture, the Chairman informed members of his decision to extend the meeting for 15 minutes beyond its appointed time to allow more time for discussion.]

32. <u>USFH</u> briefed members on the pilot programme for enhancing price transparency for private hospitals ("the pilot programme"), details of which were set out in the Administration's paper (LC Paper No. CB(2)184/16-17(05)).

33. <u>Members</u> noted the background brief entitled "Price transparency of private hospitals" prepared by the LegCo Secretariat (LC Paper No. CB(2)184/16-17(06)).

## Provision of budget estimates

- Mr CHAN Kin-por welcomed the implementation of the pilot 34. programme which would enable consumers to make informed choices. On the requirement of providing, before hospital admission, budget estimates for patients receiving non-emergency operations or procedures at private hospitals, he was concerned that some doctors only provided patients with a total estimated amount without a breakdown of the items concerned, in particular that of the hospital charges. Such practice could not enable patients to make informed choices and offer better budget certainty to patients covered by private hospital insurance. Dr Pierre CHAN remarked that many doctors were concerned about the requirement to provide patients with estimates on hospital charges. To facilitate the filling out of the respective forms by doctors, he suggested that private hospitals should set up an electronic platform with pricing information on the major chargeable items to facilitate doctors to provide the relevant budget estimates to patients.
- 35. <u>USFH</u> advised that an aim of the pilot programme was for the private hospitals to try out the price transparency measures before they were implemented under the revamped regulatory regime for private healthcare facilities. The Administration would assess the feedback received and the experience gained from the pilot programme in ironing out details of the new regulatory regime in respect of price transparency. She understood that some private hospitals had already developed computer programmes in this regard for use by doctors. <u>The Chairman</u> called on the Administration to collect feedback from patients and private hospitals on the pilot programme prior to taking forward the relevant legislative proposals. In response to Mr POON Siu-ping's enquiry, <u>USFH</u> advised that the plan of the Administration was to introduce the bill on the new regulatory regime for private healthcare facilities into LegCo in the first half of 2017.
- 36. <u>Head (Healthcare Planning and Development Office)</u>, FHB ("H(HPDO)") supplemented that the difficulty encountered by doctors mainly rested with the provision of the estimated hospital charges. The smooth implementation of this measure would require collaborative efforts of hospitals which had to provide the doctors concerned with information on the various hospital charges, and doctors who had to estimate the items to be used in each case. <u>H(HPDO)</u> added that a meeting with the stakeholders of private hospitals and the insurance industry had been held

to explore the scope of the charging information that could be provided by doctors and private hospitals as far as practicable under the pilot programme.

37. The Chairman asked whether under the pilot programme, doctors and private hospitals had to respectively provide the applicable budget estimates and fee schedules of major chargeable items under different ward types. H(HPDO) advised that it was not required for the time being. It was hoped that under the new regulatory regime for private healthcare facilities, private hospitals could provide more information on the historical bill size statistics of the prescribed operations or procedures for different types of wards.

#### Publication of historical bill sizes statistics

- 38. Mr CHAN Kin-por expressed concern about the difference in the comprehensiveness of the information provided by each private hospital in the historical bill sizes statistics of the 12 common operations or procedures published on their websites. While expressing support to the pilot scheme, Dr Helena WONG sought explanation on the reason why 24 common and non-emergency operations or procedures were recommended for the provision of budget estimates whereas only 12 common and non-emergency operations or procedures were recommended for the publication of historical bill sizes statistics on private hospitals' websites. She considered that the coverage of these two measures should be the same.
- 39. Head (Office for Regulation of Private Healthcare Facilities), DH ("H(ORPHF), DH") advised that DH would follow up with private hospitals with a view to unifying the publication of information regarding historical bill sizes statistics on their websites. Taking into account that it took time for the private hospitals to compile the relevant information for the publication of their historical bill sizes statistics, the current requirement only covered 12 common and non-emergency operations or procedures. Where necessary, the coverage of budget estimates and historical bill sizes statistics requirements could be reviewed in the future.
- 40. <u>Dr Helena WONG</u> suggested that DH should set up a webpage to provide, in the form of a consolidated table, the fee schedules of each private hospital for the common operations or procedures, as well as enabling patients to have convenient access to the up-to-date fee schedules, recognized service packages and historical bill sizes statistics released by private hospitals on their websites. <u>H(ORPHF)</u>, <u>DH</u> responded that DH was in the course of developing a webpage in this regard. It was expected that the initial version of the webpage would be ready for launching in

2017. <u>The Chairman</u> remarked that the Administration could inform members of the Panel when the webpage was launched.

## Profit and price levels of private hospitals

- 41. <u>Dr KWOK Ka-ki</u> noted that according to media report, the newly developed Gleneagles Hong Kong Hospital would provide only single wards and semi-private wards. He expressed concern that it would become a private hospital catered for the well-off rather than the middle class. He considered that apart from introducing regulatory measures to enhance price transparency of private hospitals, mechanisms should be put in place to regulate the profit level of private hospitals, in particular those private hospitals which were granted tax exemption status in accordance with section 88 of the Inland Revenue Ordinance (Cap. 112) but were making hefty profits. <u>Dr Pierre CHAN</u> concurred that a mechanism should be put in place to contain the profit margin of private hospitals so as to forestall excessive pricing of private hospital service. <u>Mr POON Siu-ping</u> asked about the feasibility to subject private hospitals to a prescribed level of profit margin through legislation.
- 42. <u>USFH</u> advised that under a free economy, the Administration would not exercise control on profit margin and price setting of private hospitals but would ensure price transparency and encourage provision of service packages to enable consumers to make informed choices on the one hand, and enhance market competition on the other hand. Under the dual-track healthcare system, the public healthcare system was the safety net for all. In response to Dr Pierre CHAN's enquiry about the timetable for inviting private hospitals to provide recognized service packages as proposed in the Consultation Document on Regulation of Private Healthcare Facilities ("the Consultation Document"), <u>H(ORPHF)</u>, <u>DH</u> advised that the Administration would work out the details in this regard with the private hospitals.
- 43. Mr SHIU Ka-fai said that the Liberal Party was supportive to the pilot programme. In his view, it was reasonable for individual private hospitals to charge different room charges and consultation fees according to the types of ward and ranks of doctor. However, the charges for investigations and medicines should not vary across different types of ward. He asked whether the Administration would consider separating prescribing from dispensing of medicines. USFH advised that the subject had been considered by the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development. It was noted that the current manpower supply of registered pharmacists had made it infeasible to require registered pharmacist employed by an authorized

seller of poisons to be present whenever the premises was opened for business.

- 44. <u>Dr YIU Chung-yim</u> considered that upon the implementation of the new regulatory regime for private healthcare facilities, the Administration should conduct a value for money analysis to assess whether a higher level of charges by the private hospitals would imply better performance in the regulatory areas of corporate governance, standard of facilities and clinical quality. <u>USFH</u> advised that under the new regulatory regime, DH would be empowered to require private healthcare facilities to submit information in relation to the operation of the facility.
- 45. Mr POON Siu-ping sought information about the sanctions against non-compliance with the requirements to be provided for under the new regulatory regime for private healthcare facilities. H(HPDO) advised that during the public consultation exercise for the Consultation Document, it was generally agreed that the existing sanctions under the legislation were not commensurate with the scale of operation of and level of risks involved in the private healthcare facilities. The Administration was currently reviewing the scope of sanctions and the level of the maximum penalties in the form of fines and imprisonment. Other measures such as suspension of service or cancellation of licence would also be stipulated in the legislation to tackle with breaches of the regulatory requirements.

#### Other issue of concern

- 46. Mr CHAN Chi-chuen noted that two private hospitals were required to provide free or low-charge beds according to the land grant conditions. He was concerned about the utilization of these beds which was not high. In his view, the private hospitals concerned should enhance publicity on the availability of such beds. H(ORPHF), DH advised that service targets of these beds were customers with lesser means or patients referred by HA. The two hospitals would display information on and inform patients at the time of admission of the availability of free or low-charge beds. In the past year, the utilisation rates of low-charge beds of these two private hospitals were around 80% and 50% respectively. DH would continue to monitor the provision of free and low-charge bed services of the two private hospitals concerned.
- 47. There being no other business, the meeting ended at 6:39 pm.

Council Business Division 2
<a href="Legislative Council Secretariat"><u>Legislative Council Secretariat</u></a>
20 April 2017