



27 June 2018

The Hon Kenneth Leung
Chairman, Bills Committee
Legislative Council

Inland Revenue (Amendment) (no.4) Bill 2018

Dear Mr Leung,

Thank you for the opportunity to make a submission on this Bill.

BPF has long been a supporter of VHIS as a stepping stone towards a more coordinated total healthcare strategy encompassing both public and private healthcare. Specifically, if successful it will reduce pressure on public healthcare while encouraging access to and the use of more affordable and transparent private care.

The proposed tax allowance deduction is an important incentive supporting the migration to or take up of VHIS and as such has our full support. We consider that the Bill, as drafted, provides for this.

Reference is made in the Legislative Council Brief to the issue of Guaranteed Acceptance. It is our view that VHIS in its current form, while representing a practical compromise of interests involved, is a beginning. In the medium to longer term, for it to be fully successful and meet its purpose we submit that it will be necessary to revisit the issue of the High Risk Pool (HRP) and guaranteed acceptance as well as healthcare cost inflation through package pricing and other measures such as collaboration between hospitals and doctors.

In short, we see the introduction of VHIS and the passing of this Bill as part of a process and as a platform for implementing wider healthcare strategies going forward.

Yours sincerely,

Michael Somerville
Convenor
Standing Committee on Health Care