

**For discussion  
on 8 November 2024**

**Legislative Council Panel on Health Services**

**Latest Progress on Implementing the Regulatory Regime  
under the Private Healthcare Facilities Ordinance (Cap. 633)**

**PURPOSE**

This paper briefs Members on the implementation of the regulatory regime under the Private Healthcare Facilities Ordinance (Cap. 633) and the way forward.

**BACKGROUND**

2. Hong Kong has a dual-track healthcare system comprising both the public and private sectors. To further protect patients' safety and interests, the Private Healthcare Facilities Ordinance (Cap. 633) ("PHFO") was gazetted in November 2018 to introduce a premises-based regulatory regime.

3. The PHFO regulates private healthcare facilities ("PHFs") where registered medical practitioners and/or registered dentists practise, including hospitals, day procedure centres ("DPCs"), clinics and health services establishments. Operators must hold a licence or a letter of exemption to operate premises of relevant PHFs, and PHF licensees must at all times comply with the PHFO, licence conditions and relevant codes of practice ("CoPs") issued by the Director of Health.

**CURRENT IMPLEMENTATION**

4. The Government has been implementing the regulatory regime under the PHFO in phases based on the types of PHFs and their risk levels.

Licences for hospitals and DPCs have been effective since 1 January 2021, with penalty provisions pertaining to the operation of a hospital and a DPC without a licence commencing on 1 January 2021 and 30 June 2022 respectively.

5. As of 1 October 2024, there were a total of 14 licensed private hospitals and 259 licensed DPCs. The Office for Regulation of Private Healthcare Facilities (“the Office”) under the Department of Health (“DH”) is responsible for the licensing and regulatory work. In addition to supporting the Advisory Committee for Regulatory Standards for Private Healthcare Facilities<sup>1</sup> (“Advisory Committee”) established under the PHFO in making recommendations on various standards for adoption in the CoPs, the Office also conducts regular and surprise inspections to ensure that PHFs comply with the requirements under the PHFO and in the CoPs. Upon detection of non-compliance, the DH will take corresponding regulatory actions, such as issuance of warning notices, amendment of licence conditions, suspension of facility services, as well as suspension or cancellation of licence, with announcements on its website. Operators concerned will also be required to take remedial actions with their implementation progress being closely monitored to protect patients’ safety.

6. As stipulated under the PHFO, the DH also provides secretarial and technical support to the Committee on Complaints against Private Healthcare Facilities (“Complaints Committee”) in receiving and handling public complaints against licensed PHFs. In addition to making recommendations to the Director of Health on matters including whether to take regulatory actions against PHFs, the Complaints Committee may also advise PHFs on improvement measures and refer appropriate cases to regulatory bodies (e.g. the Medical Council of Hong Kong / the Dental Council of Hong Kong) for follow-up.

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<sup>1</sup> Members of the Advisory Committee include representatives from the Hong Kong Academy of Medicine and its constituent colleges, the Hospital Authority, the academia as well as associations of private hospitals, registered medical practitioners and dentists.

## REGULATION OF CLINICS

7. The Government is now actively taking forward the regulatory work on clinics. Under the PHFO, clinics are premises where registered medical practitioners and/or registered dentists practise without lodging, and the continuous confinement of patients within the facility for private medical services should not exceed 12 hours. Different from hospitals and DPCs, clinics can only perform lower-risk medical procedures but not “scheduled medical procedures”<sup>2</sup> specified under the PHFO.

8. While a licence is required for operating a clinic, a person that operates a small practice clinic may ask the Director of Health for a letter of exemption from obtaining a licence. Pursuant to section 41 of the PHFO, a clinic is a small practice clinic if the following conditions are met –

- (a) the clinic is operated by:
  - (i) a registered medical practitioner or a registered dentist as a sole proprietor;
  - (ii) a partnership having not more than five partners, each of whom is a registered medical practitioner or a registered dentist; or
  - (iii) a company having not more than five directors, each of whom is a registered medical practitioner or a registered dentist;
- (b) the sole proprietor/partners/directors is/are the only medical practitioner(s) or dentist(s) serving the clinic, and the total number of locum days for which other registered medical practitioner(s) or registered dentist(s) take(s) up the duties must not exceed a specified number of days in a year; and
- (c) the sole proprietor/partners/directors or the company has/have the exclusive right to use the premises forming the clinic.

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<sup>2</sup> Schedule 3 to the PHFO specifies the “scheduled medical procedures” which are not to be performed in clinics, such as lumbar puncture and haemodialysis. These medical procedures carry higher risks, and can only be performed in hospitals or DPCs.

Pursuant to section 43 of the PHFO, each registered medical practitioner or registered dentist may at the same time operates not more than three small practice clinics for which an exemption is in force.

9. The original intent of the exemption arrangement is to focus on regulating clinics under the management of incorporated bodies. Small practice clinics are exclusively operated by registered medical practitioners and/or registered dentists, and thus are of relatively lower risk since the existing legislations governing the professional practice of medical practitioners and dentists can provide safeguards. Still, the PHFO empowers the Director of Health to revoke exemptions on specific grounds (e.g. an operator has contravened the PHFO, or a small practice clinic has been operated in a way contrary to the public interest etc.) to better uphold public safety.

10. In collaboration with the Advisory Committee, the DH has formulated detailed standards in respect of accommodation, staffing and equipment for operating a clinic in drawing up the CoP. Manpower for processing applications and inspections of relevant premises are being arranged. Based on the current plan, the Government intends to table the commencement notice of the PHFO at the Legislative Council (“LegCo”) in the first half of 2025 to specify the commencement date of relevant provisions on clinics, with a view to accepting applications for a clinic licence and a letter of exemption for small practice clinics starting from Q4 2025. In line with the established practice, the DH will announce the application procedures and specific arrangements with publicity after tabling the commencement notice to allow sufficient preparation time for the healthcare sector.

11. After relevant clinic licences come into force, the existing Medical Clinics Ordinance (Cap. 343) will be repealed and replaced by the regime established under the PHFO<sup>3</sup>. The provisions on “dental

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<sup>3</sup> The Medical Clinics Ordinance was enacted in 1963 which requires healthcare premises operating on a non-profit-sharing basis to register with the Director of Health. In future, operators of these premises will be required to apply for a clinic licence or a letter of exemption for a small practice clinic in accordance with the PHFO.

companies” in the Dentists Registration Ordinance (Cap. 156) will also be repealed, and by then dental clinics will be subject to the regulation of the PHFO as well<sup>4</sup>. Penalty provisions pertaining to the operation of a clinic without a licence will become effective subsequently. Furthermore, the Government will commence section 92 of the PHFO at an appropriate juncture to prohibit the use of titles or descriptions specified in Schedule 8 (see **Annex**), such as “medical”, “dental” or “treatment”, on any premises except as provided or permitted by law, thereby preventing lawbreakers from making false claims to mislead the public into believing that such premises can offer medical services.

## **ENHANCING PRICE TRANSPARENCY**

12. It is the Government’s long-standing policy to enhance price transparency of PHFs, so that members of the public can be better informed of the fees and charges for estimating the cost before making medical decisions. Currently, the PHFO empowers the Secretary for Health to make regulations on the following price transparency measures –

- (a) Section 61 stipulates that the licensee of a PHF must make available to the public information about the prices of chargeable items and services in a prescribed manner;
- (b) Section 62 stipulates that the licensee of a private hospital must provide each patient with a budget estimate for the treatments and procedures specified by the Government in a prescribed manner; and
- (c) Section 63 stipulates that the licensee of a private hospital must publish historical statistics on the fees and charges for the treatments and procedures specified by the Government.

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<sup>4</sup> As the Government previously explained to the LegCo, the Dentists Registration (Amendment) Ordinance 2024 will repeal the existing regulatory requirements on “dental companies” in the Dentists Registration Ordinance. The amendments will come into effect only after the licensing regime of dental clinics under the PHFO is in place to avoid legal vacuum.

13. Since 2016, the Government and the Hong Kong Private Hospitals Association have rolled out a pilot programme for enhancing price transparency for private hospitals. All 14 private hospitals in Hong Kong have participated voluntarily to implement three measures, namely publishing fee schedules of major chargeable items on their websites; providing patients with budget estimates for 30 treatments/procedures; and publishing historical statistics on bill sizes of the 30 treatments/procedures, including the respective annual number of discharges and average length of stay for these treatments/procedures, and the actual billing data for the 50th and 90th percentile of each treatment/procedure (such as doctor's fees, hospital charges and total charges). The Government has also set up a dedicated website on the pilot programme to publish the data of private hospitals<sup>5</sup>, so as to facilitate access and comparison by the public.

14. As announced in the Chief Executive's 2024 Policy Address, the Government will develop quality indicators for public and private healthcare systems and explore legislating for private healthcare price transparency to enhance service efficiency and address the issue of medical inflation, with the plan to consult the healthcare sector next year. We will take into account the operational experience of the above pilot programme and consider making regulations for the price transparency measures under the PHFO to better protect the interest of our citizens.

## **ADVICE SOUGHT**

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

**Health Bureau**  
**October 2024**

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<sup>5</sup> The relevant website is <https://apps.orphf.gov.hk/Public/en>.

**Schedule 8 to the Private Healthcare Facilities Ordinance**  
**Expressions Not to be Used in Titles or Descriptions of Premises**  
**(other than Permitted Facility)**  
**(Not yet in operation)**

**Part 1 Expressions Describing Private Healthcare Facility**

1. hospital
2. day procedure centre
3. clinic
4. health services establishment
5. 醫院
6. 日間醫療中心
7. 診所
8. 衛生服務機構

**Part 2 Other Expressions Relating to Private Healthcare Facility**

1. clinical
2. curative
3. dental
4. dentistry
5. diagnosis
6. diagnostic
7. health care
8. healthcare
9. medical
10. medicine
11. surgery
12. surgical
13. therapeutic
14. treatment
15. 手術
16. 牙科
17. 外科
18. 治療
19. 診療
20. 診斷
21. 醫科
22. 醫學
23. 醫療