



**BRITISH MEDICAL ASSOCIATION
HONG KONG BRANCH**

12 June 2008

The Honourable Dr York YN Chow SBS JP
Secretary for Food and Health
Government Secretariat
19/F Murray Building
Garden Road
Hong Kong

Dear York

"Your Health, Your Life"

I enclose a submission prepared by the British Medical Association (Hong Kong Branch) on your healthcare reform consultation *"Your Health, Your Life"*.

May I take this opportunity to congratulate you and your team for the excellent work in *"Your Health, Your Life"*?

I hope you will find the many submissions helpful.

We look forward to part 2 of the consultation process.

Yours sincerely

A handwritten signature in black ink that reads "Jason Brockwell".

Jason Brockwell
President



British Medical Association – Hong Kong Branch

Response to 'Your Health, Your Life' June 2008

The British Medical Association – Hong Kong Branch (BMAHK) welcomes the Government's consultation on Healthcare reform, and commends the Secretary for Food & Health and his team for their analysis of the problems and possible solutions. The BMAHK believes health care is an important issue affecting Hong Kong, and that the aging population will increase the load on the healthcare system.

Political Challenge

The BMAHK believes that selling the message 'Pay now to avoid the possibility of trouble in the year 2030' will be a political challenge!

The BMAHK believes that the primary message in support of proposed reform should be the short and medium term improvements people can expect to enjoy in access to and quality of healthcare.

In particular, issues of access to care must be addressed – the middle classes especially are concerned they will be asked to pay more for the same service.

The BMAHK believes it is worth considering attaching proposals to tackle other issues affecting health, such as pollution and long-term care of the dependent elderly, which could be expected to have broad popular support.

Principles

An 'societally appropriate' level of health care should be available to all, regardless of means. Any publicly mandated health scheme should be inclusive of all in the community, and should not set up a two-tier system.

Cost-Effectiveness

The BMAHK believes the Government should fund research into the cost-effectiveness of medical interventions so they can be appropriately evaluated. All interventions, including Traditional Chinese Medicine, should be subjected to the same cost-benefit analysis as, say, breast cancer screening and childhood immunisation.

Prevention

The BMAHK agrees that prevention is better than cure, and supports the Government's proposals on screening and preventive efforts of proven cost-effectiveness.

Holistic Approach

The BMAHK believes the Government should take a holistic approach to the health of the people, involving many efforts beyond core health care; for example increasing taxes on tobacco and pollution generating industries, increasing fines for industrial safety violations and sending medical bills to responsible parties in industrial and road accidents, and a long list of other measures from air pollution to sex education.

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A particular concern to Hong Kong citizens is care arrangements (ie care at home, or in care homes) as they age. These have not been addressed in the proposals, presumably as they fall under the remit of the Social Welfare Department, however there is room to address these issues as part of a broad discussion in our society about health and wellness.

Primary Care

The BMAHK believes that enhanced primary care services, including those of doctors, nurses, pharmacists and others, have been proven to enhance health whilst helping to control costs by promoting and delivering preventive services whilst controlling access to secondary care. The BMAHK supports the Government's proposal to extend primary care and to encourage high professional standards in primary care.

Enhanced Professional Standards in Primary Care

The BMAHK believes in further enhancement of professional standards and that funding (whether public or private) should be directed to organisations and individuals meeting appropriate professional standards.

Primary care physicians should all be working towards achieving the appropriate professional qualification (Fellowship of the Hong Kong Academy of Medicine in the specialty of Family Medicine). There are presently only a little over 100 Specialists in Family Medicine. The Government will need to work closely with the College of Family Physicians to see that this goal is achievable for all primary care physicians – at present it is a major challenge for many primary care physicians who are in practice but were not eligible for 'grandfathering' of a Fellowship – this will require Government funding to support education, training, examinations and the administration of the College, to enhance the Departments of Family Medicine of the two Medical Schools (and possibly establish such departments in other Universities), and clarify the role of the Department of Health in providing primary care.

The BMAHK notes opposition to many of these proposals from a large and vocal section of the medical profession. The BMAHK believes that this group does not represent the best of the medical profession, and does not enjoy public support.

Enhanced Primary Care Services

The BMAHK believes that the British system of primary care provision is relatively effective in terms of medical care and cost, helping to deliver reasonably cost-effective primary care, whilst helping control the costs of secondary care.

The British system is dependent on the British Government funding the vast majority of primary care. This is not the present proposal, which is merely to purchase certain preventive medicine programmes from the private sector. The BMAHK believes it would be appropriate to extend Government funding of primary care, for instance by funding drug prescriptions for certain conditions

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(eg hypertension, hypercholesterolaemia, diabetes etc) the effective management of which would enhance the health of the population as a whole. One could go further and fund the entire primary care system as in Britain.

Medical Manpower

The BMAHK believes that additional medical manpower will be required to adequately serve the community.

The increase in undergraduate medical education should come from one or more new medical schools – there is slightly unhealthy competition between the two existing medical schools.

Nursing Manpower

The BMAHK believes that a shortage of nursing staff is a major issue. The BMAHK feels that the desire of the Nursing Council to convert nursing into a degree-holder-only profession is inappropriate, comparable to recruiting an army only composed of Staff Officers. The BMAHK believes the nursing shortage should be addressed by, among other things, funding places in nursing school for mature students, recognising a range of nursing qualifications from degree-holder to enrolled nurse, and simplifying local examination and licensing requirements for foreign-trained nurses, whilst maintaining appropriate standards. The BMAHK will support the Government in negotiations with the Nursing Council on these issues.

Public and Private Provision

The BMAHK agrees with the Government that a mixture of public and private provision is likely to offer the best healthcare, and that co-operation between the public and private systems should be encouraged by a variety of means including competitive tender for services, use of insurance etc. This will require the public system to work out its costs so that it can compete with the private sector on price as well as quality.

Efficiency and Institutional Arrangements

Market-driven efficiencies, including internal markets in the government system, should be encouraged.

In order to do this, institutional changes may be needed to separate the service provider from the service purchaser, roles that are now under the one roof in the Hospital Authority.

A new 'Health Authority' will be required, with a broad remit to extend market driven efficiencies, including tendering of services, to a progressively greater extent each year, as far as possible in the light of experience and of the private sector's ability to take on the work.

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This authority would purchase care from providers in a 'national insurance' funding model, and serve to regulate the insurers in a mandatory private insurance funding model.

Efficiencies may be further driven by transparency, on costs (public and private), standards and waiting lists.

Ultimately, the Hospital Authority should only provide directly such services as it needs to meet its four major ongoing obligations ie to respond to emergencies, catastrophic health conditions, chronic illness, and training.

Funding

The BMAHK recognises that additional funding sources will be required to pay for the improved and additional services in the new health care system.

Mandatory Contributions and Risk Pooling are Essential

The BMAHK believes that any funding scheme requires mandatory contributions from the entire working population, and that any voluntary scheme will not work.

The BMAHK believes any scheme must include risk pooling, and that individual savings accounts (essentially 'self-insurance') are not a good solution.

Reduce Funding Options to Two Choices

The BMAHK believes that of all the possible funding options, the two most appropriate for Hong Kong will be hypothecated public funding/national insurance or mandatory private insurance.

Hypothecated Public Funding or National Insurance Contribution

There are a variety of possible ways to structure this, but it offers an opportunity to broaden Hong Kong's narrow tax base whilst redistributing wealth. Since this is not a savings option, the capped Mandatory Provident Fund (MPF) contributions model may not be appropriate. The BMAHK believes that either a flat percentage contribution may be levied on all (with a possible exemption for the lowest wage earners) or a small percentage contribution should be collected from lower income individuals and a higher percentage from wealthier individuals with a relatively high, or preferably no, cap.

The BMAHK believes an employer based system of contributions, such as in the USA, is not a good option, but inevitably employers will shoulder the burden as they will have to pay their employees more to make up for the individual's personal contributions.

Mandatory Private Insurance

The BMAHK believes that there are sufficient skills and depth in the insurance industry to make a system of mandatory private insurance work. The insurers would purchase care from both the Hospital Authority and private providers.

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This may have the benefit of helping to build Hong Kong into a regional centre for the insurance industry.

Mandatory Provident Fund

The BMAHK notes public dissatisfaction with high management fees and poor returns from the MPF and expects that any Government effort to put more money under MPF management will encounter opposition.

User-Pays & Co-Payment

The BMAHK agrees with the 'user-pays' principle.

Charging a co-payment to encourage responsible use of services. Numerous studies have demonstrated that even a small co-payment significantly reduces waste without adversely affecting outcomes.

Encourage Use of Private Services by Those Who Can Afford Them

The BMAHK believes that those who can afford private services should be encouraged to use them, for instance by offering tax credits for purchase of enhanced private health insurance by individuals and companies, encouraging the development of private services by making land and office space available for private hospitals and medical/surgery centres, encourage medical tourism to broaden and deepen the services available in the private sector.

Vouchers could also be made available progressively for specified services, which could be used by any eligible person either for services in public hospitals, or as payment towards such services from private sector service providers. This may encourage individuals to move to the private sector, or the insurance industry to develop more competitive policies building on the voucher system.

Services provided by public hospitals should be priced appropriately to allow genuine competition between the public and private sector.

Centres of Excellence, Medical Training & Medical Tourism

The BMAHK believes there is significant expertise available in Hong Kong which would be attractive to patients from the region, and which can be provided for profit, thus bringing funding into the medical sector for the benefit of local people.

Hong Kong presently offers post-graduate medical training to a small number of doctors from China and overseas. The numbers could be increased, allowing these doctors to contribute to medical manpower by providing service under supervision, and taking skills home with them. In particular this could be used to enhance cooperation with China, and support the efforts of the Colleges of the Hong Kong Academy of Medicine to contribute to the establishment of national professional examinations in China.

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Medical Tourism should be supported, by encouraging the development of centres of excellence, making simple medical visa arrangements, providing land for appropriate development, facilitating appropriate advertising, support from the Trade Development Council and similar bodies etc

There is slightly unhealthy competition between the two medical schools in Hong Kong. This could be eased by creating one or two additional post-graduate (in addition to the under-graduate programmes mentioned above) medical schools, with the remit to tackle areas presently comparatively neglected, including primary care, public health and health economics / management / delivery.

In addition there are some highly specialised areas where we have too many 'Centres of Excellence'. Musculoskeletal tumour services and organ transplants are examples of areas where Hong Kong might best be served by a single high volume centre.

Free Flow of Information

The BMAHK believes that the Hong Kong Medical Council's restriction on advertising by doctors is more onerous than required to protect the public and uphold professional standards, and restricts the free flow of information essential to efficient markets. This not only penalises the people of Hong Kong, but makes it virtually impossible to position Hong Kong as a centre of medical excellence and to encourage medical tourism, as potential patients are unable to learn what medical services are available.

Medical Records

The BMAHK supports the Government's proposals to develop a system of patient-held medical records, building upon the excellent computer systems operated by the Hospital Authority and those in development locally by the insurance industry, perhaps linked to the technologies utilised by the Hong Kong Identity Cards, to allow true portability of medical records.