Submission To Legco Concerning Health Financing Consultation

1) Government Responsibility

The government should not back off from the responsibility in taking care of the 4 pillars of services in HA, so when the population is aging, HA should still be responsible for those elderlies who cannot afford the insurance program, e.g. they are unemployed. The emergency service, the expensive treatment of ultra-complicated illnesses, the safety net for poor people, and training of medical staff should be shouldered by the government, but the private service should not be developed in the HA. The amount of money rendered from medisafe and insurance with 5% premium could probably only allow citizens to enjoy the future HA services with increased fee but not the private medical service. Thus, eventually only the HA will again be inflated and patients encouraged to use HA services with their saving and minimal insurance.

2) Mandatory Insurance And Medisafe?

If there is mandatory medical insurance and mandatory medisafe, we are worried about the portion spent for the management and middleman fee. There had been complaints about the monitoring of the MPF, and expensive unchecked charge of management. More would be spent on the middleman, when there is mandatory insurance package.

If there is mandatory medical insurance we must know how the money should be used when so much money is collected from the citizens. Private family doctors charge far less than the government for consultation and the doctors' fees are still suppressed by the Bureau. And the insurance companies should help to compare with the charge of the government service which is the biggest HMO in Hong Kong, instead of controlling the doctors' fees in the private sectors which is already lower than that in the government.

3) Viability of Insurance Systems

It is not viable to have premium of 4.5% to sustain this program. Singapore: up to 32% (12% contributed by the employee, 20% contributed by employers) Switzerland: 11% (half contributed by employers) Germany 14% (also half by employers) Taiwan started 4 years ago; premium only 4.5% but then it almost

bankrupted because the expenditure far exceeded the income, and so lots of money need to be injected into the insurance authority to rescue it, and premiums soared to 7%, and the choice of medication and treatment options very often compromised due to limitation of doctors' orders to use cheaper treatment modules. This could be disastrous when mandatory insurance is established before realistic calculations sacrificing benefits of all patients.

4) Contribution by Employers is too conspicuous by its absence in this consultation paper. Bid profit tax has doubled, almost, last year. much more than salary tax. Voluntary schemes are now all contributed by employers, employees of some schemes need to have co-payments. When the mandatory insurance schemes are in place without legal obligatory contribution by employers there could be regressive trend in medical benefits for the employees.

5) Primary and Secondary Care

We need to have a board base for implementing primary care, with family doctors who constitute the units of primary care. We need more details about this. Primary care policy and also secondary care policy:
How many private beds should be our target? If the government is convinced now the 94:6 ratio of the public to private inpatient service is not good, and want more patients to use the private hospitals then there have to be more private beds and hosptials. Then how many? Any targets and time table? I have been asking these questions for years without answer. Even with health reform, HK still emphasizes the dual system of a balanced public and private medical sector. This depends on the positioning of the public sector especially Hospital Authority to serve in the 4 key areas for the poor, the severely ill, the emergency and the training, the private sector should be better utilized. More private hospital beds should be placed. Because only 1-2% efflux from the public secondary care to the private, the private hosptials are already saturated since the latter half of last year.

The government should allow charitable organizations with experience to bid for land for building hosptials on a charitable basis.

6) Preventive Care

The more resources a government put in preventive and primary health care, the more productive is that society. The government should have those budgets

for preventive community medicine, e.g. modernization of vaccination programs. However, vaccination need not be provided completely by the government, but can be provided by both private and public sectors. Issuing vaccine coupons is a way of promoting vaccines by both public and private sectors.

Other campaigns should emphasize preventive medicine for public awareness and empowerment to improve the healthy environments. Legislation of bills to promote and ensure healthy lifestyle, like anti-smoking and food nutritional labeling can decrease prevalence of many diseases and therefore medical expenses (especially the expensive secondary care) of an aging population.

7) Child Health

A lot of emphasis is put on elderly health care with an aging population. But this should not be an excuse for negligence in planning for child health and paediatric development. Though our infant mortality rate is very low, but this is nothing to boast of, there are still many areas that need improvement, such as prevention of illnesses, development of tertiary care and mental health and implementation of secondary care by a paediatric hospital, and recognizing and human resources planning to include community paediatricians in primary care manpower....

The definition of community paediatrician is the paediatrician working in community usually also engaged with primary care for children and their families. It is not sure they will be regarded as primary care doctors in this proposal.

8) Health Spending

We emphasize the foundation of good medical service in Hong Kong include a quality equitable service that can have the necessary safety net for the poor and at the same time the free choice for citizens in a free market-driven society, and control the expansion of medical expenditure. The system has not been too bad in the above areas, and the changes from the health reform could be dangerous based on unrealistic calculations and assumptions. In the past three years, the medical expenses did not follow the prediction set on 2005, and the 2008 medical and health expenditures are not as high as what the Shaw's report predicted 10 years ago. So are the predictions based on exaggerate figures to lure people into the new systems proposed. Yet which could be too dangerous for Hong Kong to try?

I call upon the government to increase government expenditure in primary care and preventive medicine which will in turn decrease spending in secondary care.

The health spending should be increased from the present less than 3% to about 6%; more money spent in preventive and primary care, for training of All family doctors (not just a small group of family medicine specialists), training to produce more nurses, and relevant paramedical personnels in the community. Money should follow patients/citizens so minimize any middleman and I suggest issuing more coupons, upgrade its utilization and spreading to other areas, like issuing vaccine coupons for children to have vaccination in both private and public services.

9) Voluntary Insurance

Tax reduction should be an incentive for those buying insurance and medical cover both personally or corporately, on a voluntary basis. The government should encourage development of good insurance schemes with the virtues of what the government and professionals (medical and insurance) prefer with accreditation, and even good labels be given to these plans.

In a nutshell, my opinion is that mandatory insurance is dangerous, and not viable in low premiums like 5%, and so is not advisable. Hong Kong will benefit from promoting voluntary insurance with incentives, and increasing government input and budget for preventive medicine plus utilizing the profit tax revenue, and upholding the 4 pillars of positioning of HA thus balancing the private and public sector to ensure free choices and equitable and accessible services to all citizens. Then we can sustain our good health system with the excellent infant morality rate, and admirable life expectancy.

10) Control Over Middleman Organisations

The government must exercise control over private companies running private hospitals, management organizations, commercial enterprises or insurance companies to uphold medical practice ethics and control medical expenses, otherwise the middleman fees will go out of hand. If the government cannot or does not want to control these commercial organizations manipulating medical service which then results in various medical ethical problems, how can we trust that the government will be able to or even willing to control

in the future? Eventually, commercial insurers, enterprises or organizations are only accountable to their shareholders and aim at profits, and only doctors and nurses are controlled by ethical codes, but the government will just fail flat in attempting to control these companies.

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