

Legislative Council Panel on Health Services

Pilot Programme for Enhancing Price Transparency for Private Hospitals

PURPOSE

This paper briefs Members of the pilot programme for enhancing price transparency for private hospitals.

BACKGROUND

(i) Review on Regulation of Private Healthcare Facilities

2. Private healthcare facilities (PHFs) in Hong Kong comprise a wide range of privately-owned facilities providing medical diagnosis and treatment. With a view to better regulating private healthcare services amid the evolving landscape of healthcare services, we are embarking on a root-and-branch review of the regulatory regime for PHFs. We rolled out in December 2014 a three-month public consultation on the proposal to revamp the existing regulatory regime for PHFs.

3. In the public consultation, we adopted a risk-based approach and identified three categories of PHFs (i.e. private hospitals, day procedure centres and clinics under the management of incorporated bodies) to be regulated. We also proposed 19 regulatory aspects, grouped under five broad categories of control¹, as the essential regulatory requirements under our proposed regulatory regime.

¹ The five broad categories of control included corporate governance, standard of facilities, clinical quality, price transparency and sanctions.

4. The community expressed broad support for the proposals in general. We thus published the consultation report in April 2016, and are taking steps to iron out details of the new regulatory regime in collaboration with various Government departments and stakeholders.

(ii) Support for Enhancing Price Transparency

5. Price transparency is one of the key elements in our revamped regulatory regime for PHFs. In the public consultation, we consulted the public on four regulatory aspects for enhancing price transparency of services provided by PHFs, namely, (a) provision of fee schedules, (b) provision of budget estimates, (c) provision of recognised service packages and (d) disclosure of historical bill sizes statistics.

6. There was strong public support for enhancing price transparency of PHFs to enable consumers to make informed choices, which would in turn strengthen consumers' confidence in utilising private healthcare services. On the other hand, some expressed concerns on the operational constraints of these regulatory aspects.

THE PILOT PROGRAMME

7. The Government has been liaising with the Hong Kong Private Hospitals Association (HKPHA) to try out the price transparency measures before they are implemented under the revamped regulatory regime for PHFs. As from 1 October 2016, the Government together with HKPHA rolled out a pilot programme for enhancing price transparency for private hospitals.

8. Members of HKPHA, including all the 11 private hospitals in Hong Kong, have participated in the pilot programme on a voluntary basis in respect of the following three price transparency measures -

- (a) **budget estimates:** hospitals and doctors are encouraged to provide budget estimates for patients receiving non-emergency operations/procedures at the hospitals, as a reference for the overall costs involved. The Department of Health (DH) has recommended a list of 24 common and non-emergency

operations/procedures (at **Annex A**) for which budget estimates can be provided to patients or their next-of-kin before hospital admission;

- (b) **fee schedules:** hospitals will publicise on their websites the fee schedules of major chargeable items (categories of items recommended by DH at **Annex B**). Private hospitals should also remind the public that they can enquire directly with the hospitals about any other charges that are not published on the website; and
- (c) **historical bill sizes statistics:** hospitals will publicise on their websites the historical bill sizes of 12 common operations/procedures (at **Annex C**) recommended by DH for public's reference. The statistics should include the annual number of discharges and the actual billing data for the 50th percentile and 90th percentile of each operation/procedure.

9. The Government will closely monitor the feedback of the pilot programme and assess the experience thus gained. We will also continue to iron out details of the new regulatory regime in collaboration with various Government departments and stakeholders, with a view to introducing the relevant Bill to the Legislative Council in the first half of 2017.

ADVICE SOUGHT

10. Members are invited to note the content of this paper.

**Food and Health Bureau
Department of Health
November 2016**

**List of Operations/Procedures Recommended for
the Provision of Budget Estimates**

1. Hernia repair
2. Herniotomy
3. Thyroidectomy
4. Haemorrhoidectomy
5. Cholecystectomy
6. Colectomy
7. Breast lump excision
8. Colposcopy
9. Hysterectomy
10. Dilation and curettage
11. Ovarian cystectomy
12. Gastroscopy and colonoscopy with or without polypectomy
13. Cystoscopy with or without biopsy
14. Bronchoscopy with or without biopsy
15. Tonsillectomy
16. Direct laryngoscopy with or without vocal cord polyp biopsy
17. Micro-laryngoscopy
18. LASIK
19. Knee arthroscopy
20. Laminectomy
21. Spine fusion
22. Open reduction and internal fixation of various fractures
23. Carpal tunnel release
24. Trigger finger release

Note: In addition to the above operations/procedures, private hospitals and doctors are encouraged to provide budget estimates for other operations/procedures as they see fit.

**Categories of Chargeable Items Recommended for
the Publication of Fee Schedules**

1. Charges on ward accommodation
2. Operating theatre charges
3. Charges for common nursing procedures
4. Charges for out-patient and/or specialist clinics consultations
5. Charges for investigative and treatment procedures
 - a. Radiological and imaging services
 - b. Pathology services
 - c. Physiotherapy
 - d. Other allied health services
6. Charges for medical reports and photocopies of medical records

Note: In addition to the above chargeable items, private hospitals are encouraged to publicise on their websites the fee schedules of other chargeable items as they see fit. They should also remind service users that detailed charges are available upon enquiry.

**List of Operations/Procedures Recommended for
the Publication of Historical Bill Sizes Statistics**

1. Circumcision
2. Hernia repair
3. Vaginal delivery
4. Caesarean section
5. Colposcopy
6. Gastroscopy with or without polypectomy
7. Colonoscopy with or without polypectomy
8. Gastroscopy and colonoscopy with or without polypectomy
9. Tonsillectomy
10. Phacoemulsification and intraocular lens implantation
11. LASIK
12. Knee arthroscopy

Note: In addition to the above operations/procedures, private hospitals are encouraged to publish historical bill sizes statistics for other operations/procedures as they see fit.