

Chapter 6

Public Views on Proposed Requirements on Price Transparency

What We Consulted the Public on

6.1 In Chapter 8 of the Consultation Document, we consulted the public on four regulatory aspects for enhancing price transparency of services provided by PHFs, namely (D15) Provision of Fee Schedule, (D16) Provision of Quotation, (D17) Provision of Recognized Service Packages (RSPs) and (D18) Disclosure of Historical Bill Sizes Statistics. By promoting price transparency, the public could be better informed of price information before making decisions in meeting their medical needs and making necessary financial arrangements in advance.

How the Public Responded

Support for Enhancing Price Transparency

6.2 The views received reflected strong public support for regulating PHFs from the perspective of enhancing price transparency to enable consumers to be better informed, which would in turn strengthen consumers' confidence in utilizing private healthcare services. Most stakeholders supported the spirit of price transparency as an essential element in the revamped regulatory regime.

6.3 There were views expressing concerns over the existing inadequacy in price transparency in PHFs. Such lack of transparency deterred consumers/ patients from utilizing private healthcare services even if they could afford it or their medical expenses were already covered by medical insurance.

6.4 Nevertheless, there were concerns that no measure had been proposed under the new regulatory regime to regulate/ control price levels of private healthcare services. There were also views that the regulatory authority should make reference to pricing data of healthcare services provided by HA, the medical industry as well as the insurance industry, and publish a fee schedule (especially for common medical procedures) for consumers' reference, or even for PHFs to follow.

(D15) Provision of Fee Schedule

6.5 In the Consultation Document, we proposed that fee schedules, covering all chargeable items, should be made publicly available at all regulated PHFs. Specifically, the fee schedule should set out any charges that would be levied, and any change in chargeable items and/ or price levels could only take effect after the fee schedule had been updated to reflect the changes.

6.6 There was solid support for requiring PHFs to make available fee schedules to the public, which was echoed by the results of the telephone survey. The telephone survey showed that a clear majority of respondents (92.7%) strongly agreed or agreed with providing the public and patients with the details of fees by all regulated PHFs, with a very small minority (1.5%) strongly disagreeing or disagreeing.

6.7 While there was strong support for this regulatory aspect, we received views pointing out that a list of chargeable items for a PHF could include a large number of items, and significant resources might be required for publishing and updating the list on a regular basis. There was a suggestion that PHFs should only be required to publish a selected list of common items under their fee schedules.

6.8 Separately, it was suggested that measures should be put in place to monitor the changes in service fees of PHFs in order to prevent a drastic increase of private healthcare service fees upon the implementation of the VHIS or any other new policies that would have significant impact on price.

(D16) Provision of Quotation

6.9 In the Consultation Document, we proposed that hospitals should ensure that, on or before admission, quotations were provided to patients for the whole course of investigative procedures or elective, non-emergency therapeutic operations/ procedures for known diseases.

6.10 There was clear support for this regulatory aspect. The telephone survey revealed that a vast majority of respondents (89.9%) strongly agreed or agreed with providing the public and patients with the clear estimate of charges for treatment, with only a very small percentage (1.5%) strongly disagreeing or disagreeing. It was also suggested that in addition to hospitals, the other two categories of PHFs should provide quotations to customers/ patients.

6.11 While supportive of the proposal, there were some concerns expressed on the operational constraints of meeting this requirement, in that hospitals might have little control or prior knowledge over the doctors' decision on medical treatments/ procedures to be carried out, which would in turn affect the patient's length of stay, duration of operations and procedures, number and type of investigations to be conducted, and use of consumables, etc. Therefore, unlike the unit cost of chargeable items (e.g. daily room charge) that could be accurately quoted, it was suggested that any estimate of the total charge likely to be incurred should be called "estimate" rather than "quotation" in view of the uncertainties that could arise during the whole medical journey from admission to discharge.

(D17) Provision of Recognized Service Packages

6.12 We suggested in the Consultation Document that RSPs should be provided voluntarily by PHFs. Some respondents supported the idea of package pricing such that consumers/ patients could have better financial planning before engaging private healthcare services. Packages covering surgeries were particularly helpful.

6.13 It was generally agreed that the provision of RSPs was an effective way to enhance price transparency of private healthcare services. Several views considered that the regulatory aspect should be made compulsory, otherwise its effectiveness would be significantly hindered in providing sufficient protection to patients/ consumers.

6.14 It was suggested that there should be an implementation timetable for rolling out a specific number of RSPs to be provided by PHFs. It was also pointed out that PHFs should be required to notify the regulatory authority and make the information available at the common electronic platform provided by the regulatory authority whenever there was any update on the provision of RSPs and their prices.

(D18) Disclosure of Historical Bill Sizes Statistics

6.15 In the Consultation Document, we proposed requiring hospitals to publish key historical statistics on their actual bill sizes for common treatments/ procedures as prescribed by the regulatory authority.

6.16 There was strong support for the proposal. The telephone survey revealed that a majority of respondents (70.5%) strongly agreed or agreed with providing the public and patients with the statistics on historical bill sizes of patients, with only a small percentage (5.7%) strongly disagreeing or disagreeing. One respondent suggested that all three categories of PHFs under regulation should provide historical bill sizes statistics. Another respondent pointed out that while some private hospitals had already published such statistics on their websites, some other hospitals might not have the necessary computer system/ platform and might take time and resources to implement this aspect.