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22/03/2008 11:19

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Subject Suggestions on Medical Saving Account Policy

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It is indeed an urging problem to implement reform given that public hospital is already overloaded today. It is kind of hard to imagine what will happen thirty years later when the sole funding comes merely from taxes. Reading the newspaper and watching the television, we think that people are protesting because everyone wants free lunch. I am glad that the government has taken the initiative to start the conversation because if nothing is done soon, taxes will be raised, and those people protesting will be even unhappier. A reform is definitely needed, but the question is where the money should come from and how the reform 'sounds' okay to everyone.

Medical Saving Account certainly a good idea because it utilises money when the individual is young and healthy. It is much better than trying to come up with some money when being sick and old. I do agree that medical saving account do has its advantages, but there are problems that needed to be solved before it can be implemented. The problem is that our medical system need to take care of those with 1) Chronic illness. 2) Accidents 3) Insufficient funding in their medical saving account (such as housewife, the poor, the already retired).

We do not think that insurance is the answer to alleviate the short comings of medical saving account. Working experience in US hospital has allowed us to witness the awful inefficiency of health care in United States. The end result is that people who do not need health care pays for insurance and people who need health care are denied for health insurance. It really offers nothing other than benefiting the insurance industry. We strongly think that implementing insurance will do nothing other than reduce efficiency and increase unfairness.

To take care of the aforementioned population, we think that the government needs to provide some subsidies for them, given that money must be coming from somewhere for those people who cannot afford. After all, they are important fellow citizen that made up the population of Hong Kong today. However, if the government is too generous, then it will defeat the whole purpose of having a medical saving account in the beginning. Because knowing that the government will offer help at the very end, people may want to use up their saving account as quickly as possible for luxurious services. Therefore, policies must be implemented to minimize the dead weight loss due to abuse. And needless to say, for those who are jobless and those that are below poverty line, it is the government responsibility to give them a hand.

We think that subsidy should be based on financial need, but not on the health of an individual. We definitely do not think that people who are fully capable, wealthy enough to fully cover their expense should be offered subsidy, but on the other hand, to take care of those patient mentioned above, due to insufficient funding in their saving account, they can submit a financial aid application from the government, just like what the government did

for the housing. Rather than using a clean cut poverty line to defined the poor, we think that it is a gradual process where some people like those with chronic disease may need more help. Using a simple formula, such as $(\text{property} + \text{security} - \text{debt}) \times 5\% + \text{yearly income} - \text{\#dependent} \times \text{allowance}$, it calculates roughly how much extra money an individual may be able to spend in a year. The government then set a deductible (not copay) to the individual. If the individual spend more than his deductible, then the government will pay for everything beyond that deductible. People are also encouraged to utilise private services, but of course, only an agreed preset price can be used to reach that deductible. The reason for implementing a deductible policy because that will significantly reduce abuse. If a copay policy is implemented, then people will very likely to abuse, just like what happen in today public hospital where service is offered at a reduced cost. And perhaps, given the financial aid, public hospital may charge at market price and let competition increase its efficiency.

We also think that there should be a way to share their funding within their saving accounts, given that there may be housewife and bed bounded chronic ill that may not be able to contribute much to their own account. Perhaps the account should be family based or couple based. That may solve some of the problems.

It is true that that implementing such financial aid may increase administration cost, but as mentioned in the 'simulations' document on the government website, most people (based on "Synopsis of Health care Financing Studies Documents") are able to cover their medical expense, and therefore it is safe to speculate that only a small portion of the population will apply for the applications. Fraud may be a problem, but given the reputation of Hong Kong today, we are confident that implementing such policy is feasible.

In addition, we think that there are rooms for improvement in increasing our hospital efficiency. In United States, there are nurse practitioners, RN with a three year graduate degree. They can prescribe medicine and offer basic primary care to patients. There are also extensive network of paramedics to alleviate the work of doctors, as well as reduce cost of health care services.

Also, we think that there is a need to aggressively cut down smoking prevalence in the population, as smoking drastically increases the risk of colon cancer, lung cancer as well as cardiovascular disease, just to name a few. These diseases have significantly contributed to the burden of health care in Hong Kong.

We hope that our efforts as well as time spent into thinking this problem will be a great use to improve health care in Hong Kong. We are strongly against the use of insurance to fund our health care. We urge you seriously considering our suggestions.

Some Medical Students