



SCA LEE

<
>

23/03/2008 18:21

To beStrong@fhb.gov.hk

cc

bcc

Subject The Healthcare Reform Consultation Document

Urgent Return receipt Sign Encrypt

Dear Sir

I enclose my comments on the subject for your information and records.

Kind regards

LEE Shu Chung



Never miss a thing. [Make Yahoo your homepage.](#) Food and Health Bureau.doc

22nd March 2008

Food and Health Bureau
19/F., Murray Building, Garden Road
Central, Hong Kong

Dear Sir

The Healthcare Reform Consultation Document

I refer to your subject document issued in March 2008 and would like to express my views as follow:-

1. Despite the fact that the headline of the consultation is calling for a reform on our healthcare system (from the covering letter of Secretary for Food and Health attached with the document), most of its content was on the financing of our future healthcare services in particular the public sector health care.
2. In my view, the document has not explored the following critical areas of our healthcare system that would bring in significant costs benefits to our systems and mitigate the perceived funding gap that the document mentioned.
 - 甲、(i) resources and investments on preventive measures such as more territory wide preventive care or medical checks system for aged citizens or even middle age citizens. This would help to early identify potential health problems and appropriate treatments could be taken earlier. Though the document, in particular the Executive Summary mentioned a lot about primary care, preventive care and family doctor register (nothing mention how to strengthen their role?), the document did not assess the costs and benefits of putting more funds to preventive measure. I believe that costs of preventive care or early medical treatment would be significantly lower than curative treatments under chronic conditions. It appeared that the review noted in the subject document did not take into account the huge potential costs saving and came up with the perceived funding gap.
 - 乙、(ii) the review did not examine in detail on how to promote greater public-private partnership apart from a territory-wide electronic health record system. I fully support with the proposal on the territory-wide health record system. More important, the Government should look at ways of further increasing the private sector participation in our future healthcare

system. It is no secret that private sector providers are far more efficient than the Government to provide the services. In fact, we have seen a few cases that Hospital Authority (“HA”) has started to “purchase” certain services from the private sector. Unfortunately, the present scope is too small and should be expanded significantly. The document did not assess the possible costs saving impact for such arrangement. This is another area that will mitigate your perceived funding gap in future;

丙、(iii) the document spent a lot of efforts to illustrate the pros and cons of “supplementary financing” without spending similar efforts to look at costs saving and efficiency drivers. Paragraph 10 of the Executive Summary noted that the current review is based on “sustained efficiency gain of around 1% per year on average”. I am very surprised with such negligible improvement by HA per annum. Recent complaints from HA contractors’ workers showed that there were significant pay differential between a person performing similar duties under direct HA employment and HA contractors. Workers from HA contractors were not even looking for a par treatment with their counterparts in HA, they simply looked for 10% increase of their present wages which would still far below what the HA paid. This may be the tip of an iceberg for HA for further efficiency review. Without such review, how could our Government ask the citizens to fund these inefficiencies?

3. As regards to the various supplementary financing options noted in paragraph 25 in the Executive summary, I only support the user fees and voluntary private health insurance options. The former would minimize the chance of abuses (which unfortunately a normal human behavior). To make the latter more appealing, the Government should provide tax incentives as it would technically reduce the Government’s obligations on public health..
4. Our experiences from Mandatory Provident Fund have pointed out various major weaknesses on social health insurance, medical savings accounts, mandatory private health insurance or personal healthcare reserve. Major weakness of our MPF – high administration fees (via the compounding effect, it could wipe off 40% of the contribution), unstable returns which would erode the funding base; another form of tax (tax is preferred at least the ways of spending are more transparent!)and cutting the disposable income of individuals.

As our present review does not address the issues on (i) greater private sector participation; (ii) significant potential cost savings from greater investments in

primary and preventive care; (iii) efficiency improvements in our present public health system – mainly Hospital Authority, I do not support any form of mandatory contributions as suggested in your subject document.

Yours faithfully

LEE Shu Chung, Adolf