

10th April 2008

Food and Health Bureau,
19th Floor, Murray Building,
Garden Road, Central, Hong Kong.

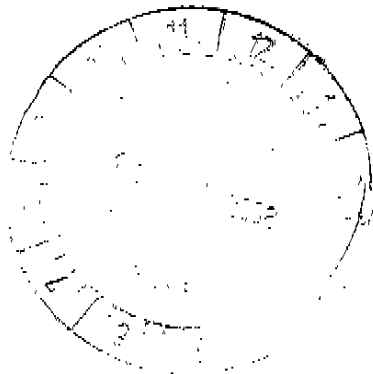
Dear Sir / Madam

Suggestions on Healthcare Reform Consultation Document:

Six financing options:

My name is Mr. Leung Kwok On, one of Hong Kong citizen. Among all the six financing option, I only support supplementary finance option 4 (Voluntary Private Health Insurance) because of the following reasons:

1. Based on the experience of Mandatory Provident Fund Scheme,
 - (a) High administrative cost erodes the provident fund for every citizen. The same problem also happened in the supplementary financing option 1 (Social Health Insurance) and the supplementary financing option 5 (Mandatory Private Health Insurance).
 - (b) No matter Hong Kong citizen contribute part of their income to mandatory health fund, the fund is still cannot support health expense in the future. In other words, the problem of insufficient fund for medicine service is still unsolved.
2. For the Hong Kong citizen who had already purchased private life and health insurance, it is unfair for them to pay more money for extra health insurance.



Other suggestions:

Except 6 supplementary finance options offered by the consultation document, I suggest another option:

1. Hong Kong government should set aside HK\$100 million to healthcare reserve fund annually. Through investing the reserve, the interest earned on the reserve can finance the annual health cost in Hong Kong.

How to finance HK\$100 million annually? Hong Kong government should increase tax on the commodities that causes health problems including tax on cigarette and motor vehicle import tax.

What organization is responsible for the investment of the fund? Hong Kong Monetary Authority should be responsible for investing the healthcare reserve fund because they have rich experience for investment.

In the 2008 / 2009 budget, Hong Kong government had already set aside HK\$500 million for healthcare reserve. Through the annual contribution to the fund, the interest earned on the reserve fund in the future can continually support the health expenditure of Hong Kong government.

2. To encourage the purchase of private health insurance, Hong Kong government should provide tax allowance for health insurance (about HK\$2,000 per year) for the Hong Kong citizen who purchased private life and health insurance.

Weaknesses of the consultation document

After reading the consultation document, I find that the document does not focus on the core health problems of Hong Kong:

1. Hong Kong Hospital Authority does not allocate the resource effectively and efficiently.
2. The high cost of health in Hong Kong.

To improve the resource allocation of Hong Kong Hospital Authority, I suggest the following measures:

1. Hong Kong Hospital Authority reorganizes the health network into 3 areas only: Hong Kong, Kowloon, and New Territories. The above measure can bring the following benefits:
 - (a) It reduces the number of administrative staff and hereby reduces the extra administrative cost.
 - (b) It can improve the efficiency of the authority through allocating more resources to front-end medicine service.
2. You should use more advance technologies (such as Lean sigma) to provide more efficient service to the patient.

To reduce the cost of health in Hong Kong,

1. The Hong Kong government should recognize "Degree qualification of Medicine" from advanced countries (such as United Kingdom, United State, and so on). Based on the law of demand and supply, the increase in the supply of both doctor and nurse will reduce the wage of both the doctor and nurse.
2. The Hong Kong Housing Authority should implement internal controls to eliminate waste and hereby reduce the operating cost of health.

My attitude about health service in Hong Kong:

1. The greatest barrier for the healthcare consultation is that some citizens are unwilling to contribute more resources to Hong Kong Hospital Authority because Hong Kong Hospital Authority does not allocate the resources efficiently and effectively. If Mandatory Private health Insurance is implemented, it only delegates the inefficiency of Hong Kong Hospital Authority to the every citizen.
2. In fact, a part of the citizens accept that if they are forced to contribute some portion of their income to the Mandatory healthcare reserve fund, they prefer maintenance of current salaries tax mechanism to a cut in salary tax rate.
3. Moreover, some citizen are willing to accept the increase in cigarette and motor vehicle import tax than the contribution to Mandatory healthcare reserve fund because the above commodities (motor vehicle and cigarette) is not necessary goods and the reduction in the number smoker and the number motor vehicles can also reduce the pollution problem in Hong Kong.

Conclusion:

Unless the Hong Kong Government takes measures to improve the resources allocation in Hong Kong Hospital Authority, I prefer voluntary private health insurance to any extra contribution to Mandatory healthcare reserve fund.

Yours faithfully,



Leung Kwok On
Hong Kong citizen.

