



Sanny Chung

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26/04/2008 23:50

To bestrong@fhb.gov.hk

cc

bcc

Subject Express opinion on Financing options for healthcare services in HK

Urgent Return receipt Sign Encrypt

Dear Sirs/Madam,

I'd like to submit my opinion letter regarding the "Financing options for healthcare services in HK".

Pls handle.

Thank you.
Sanny Chung

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opinion-on-finance-options-healthcare_yychung.doc

Re: Expressing Opinion On Financing Options of Healthcare Services

Dear Sirs/Madam,

As a middle-class tax payer, I'd like to express my opinion on your financing options for the healthcare services in HK.

1. Tax-Like model

I objected this option as it does not solve the issue of our long waiting queue problem. We should not rely so much on public health care. We should increase the private health service capacity and encourage people who can afford to pay for the private health service. In this way, we can leave the public health services to those people who can't afford to go to private services.

As reported in the news, our private hospital or services is on high demand and Government should provide the land for these private hospital to expand.

2. Users-Pay

2.1 Out of Pocket payment

This option again does not help to shift people who can afford to pay to use private services and on the other hand, Govt. has to identify the poor or the under privilege group of people and allows them to pay less.

I objected this option as it does not help to ease the demand of public healthcare services.

2.2 Medical saving

This option is like the MPF, it creates a lot of administration on monitoring this fund. In fact, if we are forced to reserve medical saving, why don't I just use the money to pay for my monthly medical insurance directly. The medical saving is an in-efficient mean of insurance operations.

I strongly objected this option as the money is basically locked up and can't be used according to own personal needs. The savings will be diminishing in face value after many years and at the end the money is not sufficient for paying the private health care services.

If someone is in good health for many years, this money will just be locked up till that person passed away. I'd rather used up all my usable wealth rather than leaving this savings as part of my estate to the next generation. For those singles who never got

married, the estate will leave to no one. Unless the Government allows me to withdraw the money any time. So before I die, I take all my money back.

3. Health Insurance

3.1 Voluntary Health Insurance

My company has medical insurance for employees but I found that it is insufficient to cover all medical expenses. I had purchased also my own medical insurance in addition to the company's insurance. The company insurance is a kind of "group insurance policy".

I think the Govt. should enforce companies of a certain size to provide medical insurance coverage to their employees and treat this as part of the remuneration package. If the individual would like to have more protection, they can buy additional insurance to have more protection and the money used for medical insurance should be tax deductible. In this way, the middle class will be encourage to use more of private healthcare services rather than public services.

3.2 Mandatory Health Insurance

Mandatory health insurance should be provided by the employers or jointly contributed by both employers and employees. However, in this case, the employees may receive a lower net monthly income as the employer might deduct the charges from their salary package. With this option, most working class can be covered by a basic insurance plan.

3.3 Personal Health Care Reserve

This option means everyone's insurance plan or coverage is the same. I doubt if any one single insurance firm will be willing to operate such a kind of public health insurance. From the economic point of view, this incur a lot of administration costs on putting in the money and withdrawing the money. Also, it will encourage abuse use of medical services.

I also objected such option.

Regards,
Chung Yuk Yi