



"dennis lai"

03/05/2008 20:36

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cc

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Subject Views on healthcare reform

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Dear Sir/Mdm,

I would like to state some of my personal views regarding the reform paper:

a) High financial burden on Government?

There is no doubt that the financial expense to be incurred is growing up when we face an ageing population in Hong Kong. It over-emphasizes the upside of medical cost. However, the paper does not outline any measures about cost containment on medical services. Is there any wastage? Nor any control measures against any abuse of medical services. These two may reduce the public funding on medical expense in public hospitals.

b) No coherent roadmap to tackle medical services demand

The increasing demand for medical services not only relates to aging population, but also significantly correlates with many public/government policies, such as "tax incentive for number of new born in a family", "anti-smoking policy", "control environmental pollution" or recently "free vaccination against Flu pandemic". Any measure adopted under those policy areas certainly affects the services demanded. The paper does not spell out the overall health policy is to be developed with support from other policy bureau on this. The paper primarily focuses on monetary side only.

c) The lessons from MPF should be learnt

The MPF scheme, which has been in place for a couple of years, affects many employees' saving and their retirement plans. When profit motives of those MPF scheme providers kick in, the Society learns that the total saving of employees will drop significantly due to a few percentages of administrative fees either monthly or yearly by the scheme providers. We are unable to see if there is an efficient market mechanism to drive such charges down. As a matter of fact, it is not a good idea to slice part of our compulsory savings, either for retirement or medical insurance, to those profit-making insurance companies. A commercial company adopts a fundamental principle to survive with profits.

To sum, the existing paper does not address fully the problems leading to great financial burden on medical services. I believe only the Government is in better position to curb with those problems as well as putting coherent policies together. If the Government needs to pay, she can raise the money in the form of tax. If there is to be a compulsory medical insurance, it should be statutory non-profit making body to run.

Dennis LAI