

Government has surplus, Why NOT benefit everybody's Health?

Coupon is NOT the only way to help the NEEDED.

It is also TIME for Health Reform

I am a health care provider and a Hong Kong citizen. I am concerned with the Health Care System. I understand the Government is willing, yet not ready to announce a long-term health policy in Hong Kong.

Let us brainstorm for the possibility of using part of the predicted surplus to establish a "Health Fund" which can benefit all (old and young, poor and rich) and also congruent with the concept of the Government to 回贈市民.

Health is the worth of the citizen, the Government and the Country.

This year, HK Government is predicted to gain about one hundred billion surplus. My proposal is as the following:

1. Part of the surplus is used as **seedling** fund to **establish a "Health Fund"** which is used as backup and to generate interest (5% of one hundred billion = 5 billion) to run the system and help those who cannot afford to pay the medical insurance.
2. **Legislation of 全民保險** "Health Fund" to maintain the system just like the Mandatory Provident Fund (MPF).(This will be fair to all citizens and all Insurance companies with the whole population as the Base). Therefore the risks are shared amongst the whole population.
3. Those who cannot afford the insurance payment (after appropriate scrutiny) could be paid by the interest generated from the fund temporarily e.g. for 公援 (repay when and if these people have earning capacity again) or exempted permanently for those permanently disabled and older than 65 years old (both with no other sources of support).
4. The **insurance should cover the family as a Unit and a ceiling of re-imburement applies**. There should also be a small user contribution for each claim or foot the bill when the ceiling is exceeded. On the other hand, if their medical expense is less than the amount assigned, they can save it for the future (say they left over HJ\$300, then next year they are entitled to use HK\$2300 for health expense, if the amount assigned is HK\$2000). Each family member has his/her own account. A registry will record and report the amount to the family

each year.

5. The Family Unit can **extend the coverage** to include their extended family members (such as a grandfather and a grandmother). Then the contributions of the above family unit will increase pro rater.
6. If the grandparents reach age 65 with family support, they can continue the same contribution scheme and enjoy the same privilege (using facilities of private sectors). Or they can join #3 and use facilities of public sector.
7. Newborn babies up to age 5 will be another category to cater for the special situation in Hong Kong. Both parents from China will have to pay the sum of 5 years insurance (say HK\$10,000) for the newborn baby in addition to the sum of HK\$ 39000 registration fee to be delivered in HK, (these newborn babies by birth will be HK citizens). To be treated equally, all babies born by Hong Kong citizens will do the same. The Premature babies, babies with Known congenital abnormalities/Family history will belong to a separated category for assessment before decision on the individual health plan and premium. The difference of rising subscription fee of insurance if present in these 5 years has to be debited.
8. The baby of HK citizen (one or both parents) will enjoy the privilege of family unit (one or both parent) while the baby of both parents who are not HK citizen will be considered as an individual.

How to prevent the HK citizen abusing the system?

1. Expense is capped.
2. There should be a small user contribution for each claim, co-payment for some items.
3. Insurance as a savings scheme
4. Proper receipts are required from registered health care provider (private and public) for reimbursement.
5. The scheme only provides the basic need and the safety nets. All people are encouraged to buy extra insurance to cover their needs if they can afford it.

How to prevent the Health Care provider (private & public) abusing the system?

1. Only for registered medical practitioners and hospitals with certain standards
2. Range of price of various medical services known to patients beforehand
3. Proper receipts for medical conditions only

How to prevent the Insurance Companies abusing the system?

1. Independent and legal entity.
2. Registered Insurance Companies with good track record and will be audited

3. Monitored as MPF
4. Basic Health Plan approved by the Board of the “Health Fund”
5. Insurance company has the responsibility to insure the individual **life long** if accepted to the basic health plan (Citizen has free choice of assigned Insurance companies. Once chosen, cannot be changed unless with special reasons)
6. Recommended range of price can be reimbursed to Health Care provider (private and Public) approved by the Board of the “Health Fund”, known to all HK people beforehand (this is to be set with the involvement of Government, Insurance companies, health care providers of private and public).
7. Luxury health plans are allowed with individual contribution out of own pocket and has to be recorded in each individual personal account. Tax exemption is allowed for subscription of these plans.

How to prevent the “Health Fund” abusing the system?

1. Monitor by a Board, including members from Government, Medical profession, Insurance profession and the public
2. Audit regularly by a separate body

Stages of Implementation

1. Health Fund – size can be gradually increased by accumulating of certain % of government surplus each year (Expenditure from Hospital Authority may be included in the future)
2. Legislation – start with the Newborns – gradually include all citizens with ID card
3. Insurance health plan – primary care includes all chronic illness, later may include cancer

Role of Government

1. Establish the “Health Fund” and to generate further growth in the interest by stable investment.
2. Invite Insurance companies to join in the scheme, set the basic health plans and the reimbursement price and to monitor their performance
3. Legislation, (first stage for the newborn as suggested), to make sure every citizen to be covered by insurance and to prevent abuse of system.
4. Ensure all eligible citizens contribute to their own insurance fee every year.
6. Review and audit periodically to ensure quality assurance and cost effectiveness of the fund usage

Advantages of the System:

1. Relieve government health finance burden into insurance coverage
2. Able to decrease government burden from public medical services
3. Able to decrease HA workload & utilize the private sector as primary care
4. Able to foster a regular attending family physician in primary care.
5. Collaboration of private and public medical sector with a consensus on price and treatment.

2 concerns:

1. Need to derive a code of conduct for medical insurance - what to cover what not to cover, e.g. Health assessment. ? Cover, no cover? Guidelines on what can be done according to age? Family History?
2. Determination of the fee amount for service. Can we add a "high rental surcharge" for those paying very high rents? Fee schedule? How to obtain consensus?

Q1: What to cover and not to cover - depends on evidence based, and cost-effectiveness of the Basic Health Plan approved by the Board of the "Health Fund". Initially, there must be stages of implementation. The Basic Health Plan scheme is supposed to provide the basic need and the safety nets. All people are encouraged to buy extra insurance to cover their needs if they can afford it.

Q2 : The recommended range of fees for various services are prefixed by the negotiation between the insurance companies and the health care providers, and are approved by the Health Fund Board and known to the public. Any health care provider can charge higher than the recommended price. The patient as a family unit has a fixed amount to spend each year. The patient has to pay out his pocket if the he has already spent the amount assigned to him