



Leslie Chen

11/06/2008 12:46

To beStrong@fhb.gov.hk

cc

bcc

Subject Medical Consultation

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Dear Sir/ Madam,

I am writing in reference to the recent medical consultation and would like to express my opinions on Health Care Financing.

I agree that due to the aging problem of the population, it is necessary to consider alternatives for financing our health care services. However, for certain suggested financing arrangements, I hold some reservation.

My major doubt places on the effectiveness of Social Healthcare Insurance. This is an arrangement adopted in the US. However, it has several major disadvantages in long term. From my personal opinion, it is human's nature that, once they paid for something that will cover all expenses, they tend to over-use it. For instance, in a buffet, it is very common that people will over-eat even though they may feel stomachache afterwards. Why are they doing that? Because people want to get most out of things they paid for even though it may do harm to them.

The same principle may apply to Social Healthcare Insurance perfectly. Just notice how differently people treat their medicines from different sources will give you a hint on the effectiveness of the arrangement. How many people, in your opinion, hold some extra medicines at home without using it until the expiry date? But when people get their medicines that they do not need to pay for (eg. insurance coverage, public clinic), they may not intake the medicines properly. However, if they have to pay for the expensive medicines, they will take them properly without any wastage. From the US experience, this "over-use" of medical insurance not only created great wastage, but also, considerably drove up the premium.

Besides over-use, this arrangement has another serious negative implication: instead of encouraging people to remain healthy by adopting appropriate diet, or exercises, it actually "motivates" people to visit hospital more often. Just imagine that, "I got a mild cold. I can take a rest and get recovered, but as I paid for the insurance, why don't I use the service and get some "free" medicines?". In fact, under this arrangement, the healthier get punishment because they have to finance the physically unfit. We want our people to be healthier, or we want our society to get more patients?

Thirdly, a side effect of the arrangement is that some companies with existing medical insurance may transfer the expenses to their employees. As a result, the middle-class, and working class are getting fewer benefits. Does the government want to re-distribute the wealth to the rich?

With these obvious and serious drawbacks, I seriously doubt that as a responsible

government, are these insurance proposals intended to develop the insurance industry by exploiting the grass-root and the middle class? I think it is time the government seriously considers other proposals without insurance elements.

In my point of view, the most reasonable healthcare arrangements is "medical savings account" (MSA) implemented in Singapore. This is the only arrangement that encourages citizens to be responsible of their own health. Instead of relying on other tax-payers' financing for medical care, people are getting money out of their own pocket for their health. This in fact motivates citizens to take care of themselves and discourages over-use. With government's promotion, citizens can learn to adopt a healthier lifestyle which not only save money and resources for the needy, but also improve the overall health level of Hong Kong citizens. However, I can imagine that these measures will encounter strong political oppositions and draw accusations like the government is irresponsible and do not take care of the poor. However, by injection of money into MSA, and subsidised public healthcare services, government still has the ability to re-distribute wealth and look after the poor.

In conclusion, I believe in the consideration of the medical financing arrangement, the principle, "users pay" is utmost important. It will prevent mis-use and wastage, and make sure resources are available to the needy. But I believe that if citizens have certain flexibility to choose which arrangement they want, it is easier to get accepted.

Thanks very much for listening to my opinion.

Regards,  
Leslie Chen

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