

## **Healthcare Reform Consultation Document “Your Health, Your Life”**

I have heard the discussion on health care financing for many years. In the recent consultation, there have been numerous observations being discussed. I personally find that most observations are valid from the perspective of the addressees. Having worked in the paramedical sector in overseas and having worked for various insurance companies/healthcare management companies in Hong Kong, I personally vote for **Mandatory Insurance in the combination of Saving Account, at the same time raising the service fees charged by the Public Facilities** ie increasing the responsibility of the general public to avoid abusive utilization. As this is an initial consultation and I am sure there will be more studies and discussions to be happened, I believe the Government will be able to balance the interests of all stakeholders and come up with few find-tuned options in the second phase consultation.

I would like to summarize my observations below:

### **1. A Financing Issue: No standard/reference fees schedule for medical services**

- This is the primary cause of medical inflation
- Charges can be varied substantially among doctors and among patients, that is, different doctors may charge the same operation at different prices or a doctor may charge different patients at different prices depending on their financial status and their insurance coverage
- Patients are uncertain about the outcome and unexpected cost to be charged by private doctor especially when complication arises.
- Patients with insurance when come to major illnesses would go to public because most insured members have limited coverage.
- Patients without insurance would likely go to public as the cost is fixed even though they have to pay for expensive drugs (cost of drugs is comparatively higher when it is administered by private doctors anyway.)
- Patients do not know if a private doctor’s charge is reasonable or customary. They always need to search around and ask for referral to ensure the doctor they find is reasonable or ethical. At the end, if all private doctors are charging out of their budget, they would opt to go to public.
- This puts burden to the public system further. As a result, it would have increase its services fees or tradeoff its quality by increasing the queuing time etc or put pressure to its medical staff to work longer hours.
- This is a vicious cycle because medical staff in public system would shift to

private because they can set how much they charge. If the public system increases its fees, the private sectors will do so.

- Therefore, whether or not there will be a mandatory insurance or hybrid of insurance and saving account, having a publicized fees structure in private sector can definitely control medical inflation, and enhance efficiency and quality.
- Fees schedules have been well-established in the insurance market in HK. There requires some administrative works such as formulating/adopting/maintaining a “national-wide” coding system/rating structure, constantly review the coding etc.

## **2. Inefficiency in the Current Delivery Model**

### **a) Dispensary functions in private sector**

- Since private doctors administer drugs in a smaller scale as compared to public sector or private pharmacy, the administrative cost is likely higher. They would not gain bulk discount from pharmaceutical companies. This leads to higher administrative cost borne by private doctors
- In terms of quality, there may be a situation where doctor will dispense drugs as according to its’ stocking in the clinics, not for the benefit to the patients’ condition.
- From time to time, we heard from patients that doctors prescribed 2 days of medications and asked their patients to come back for a re-visit. Of course, for pediatric cases, re-visits are necessary. But to patients, it seems that re-visiting is just for getting the medications.
- Occasionally, there are incidences that clinics have dispensed wrong medications to patients. For solo-clinics (ie one doctor with non-medical clinical staff), dispensary function is quite risky.

### **b) Lack of Clinical Protocol / Credentialing / Clinical Audit**

- Are medical records, dispensary history properly documented?
- Are doctors prescribing the appropriate treatment regime to their patients?
- One of the consequences is over-prescription of investigations and referral to specialists and allied medical services.
- The concept of family medicine is good. However, people like to shop for their doctors around. Maybe they have no confidence sticking to one doctor. They have no confidence seeing a general practitioner or family medicine practitioner when they have specific medical conditions related to their eyes, skins, respiratory system, and they would directly seek specialists’ advice even the problems can possibly be treated by a GP.
- The clinical protocols and guidelines used in Hospital Authority should be

developed in private sector.

**c) Preventive/Wellness Concept in the Public**

- The general public does not have adequate medical knowledge. They are not aware of the importance of preventive care. They should take own responsibilities to have regular screening test, proper lifestyle to reduce risks of becoming ill, understand their bodies etc.
- Because they do not take their own responsibility, when they become unwell, more examination, investigation tests are needed either bared by the Government or insurance companies.

**d) Misconceptions of Insurance Terms and Conditions and HMOs**

- The General Publics are quite biased by the complaints. The latest statistics from Insurance Complaint Bureau has reported that most cases are related to the insured members not being understood their coverage and policy.
- The General Publics are quite biased by the term HMO, Health Maintenance Organization. There may be rooms for HMOs to improve and there should be some regulations to be set. However, their arrangements with doctors can leverage the cost and utilization.

Should there is any question regarding my comments, please feel free to contact me via email: [\\_\\_\\_\\_\\_](#)

Thank you for your attention.

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