

To: Food and Health Bureau, HKSAR Government

From: Dr. WONG Pik-wan Helena (Lecturer, General Education Centre, Hong Kong Polytechnic University)

Date: 13 June 2008

My Response to the 'Healthcare Reform Consultation Document'

I have the following responses and suggestions to the HKSAR government's proposals in its recently released Healthcare Reform Consultation:

1. **The establishment of a Family Doctor Register:** This move is certainly in the right direction, but it does not seem to be enough. An adequate model of primary care service must move from the current 'fee-for-service' model in the private sector to a 'capitation model' where family doctors are paid at a fix rate per patient. For apart from encouraging 'doctor shopping' behaviour, the 'fee-for-service' model is notorious for causing poor follow-up treatment, medical negligence and mal-practice.
2. **Promoting public-private partnership:** While there is certainly room for development in this area; as the current compartmentalization of service delivery has led to duplication of services, unnecessary repeated tests, and discontinuity of care; it is equally important to put the so-called private-public imbalance in a proper perspective. Hong Kong already has a low public-private ratio of healthcare spending vis-à-vis that of OECD countries (it is 5.5:4.5 versus that of 7:3 in OECD countries). According to OECD data, the lower the public-private ratio (i.e., the larger role the private sector plays), the less cost-effective the country's health spending will be. Nor is this surprising, for it is in the interest of private health providers to regard profit-making as their first priority, rather than simply delivering services for the sake of improving our health. Thus all the Document's suggested possible "public-private partnership models" for Hong Kong are at best short-term solutions only. In the long run, they are likely to further drive up healthcare costs.

3. **Objection to the proposed healthcare financing options:**
Without changing the ‘fee-for-service’ model in the private sector, without a more effective containment of salaries in the public health sector, and without a better coordination between the services provided by these two sectors, neither the options of ‘mandatory private health insurance’ and ‘medical savings accounts’ nor their combination in the name of ‘personal healthcare reserve’ can succeed in lowering our healthcare costs. Indeed they would certainly result in the further escalation of healthcare costs.

In short, it is my view that at this stage the government should refrain from changing our current healthcare financial system. Both ‘mandatory private health insurance’ and ‘medical savings accounts’ will generate huge profits for health service providers, insurance companies and fund managers; but it is unclear how the public’s purse can be protected in the long term.

Helena WONG Pik-wan