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16/06/2008 00:40

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Subject Comments on Consultation Document on Health Care Reform

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Please find below my comments on the captioned with reference to the article "**Healthcare reform in HK**":

1. Allowing early withdrawal of the MPF contribution to pay for the increase in hospital bill in case the "staggered subsidy" approach is adopted

2. Also include recovering, from the insurance companies, the full cost (or the max claim of the insurance policy) for treatment of those patients with voluntary or company-paid medical insurance coverage

3. Set aside a certain percentage of the Exchange Fund, as suggested by Mr. LAM, Hang Zhi of the HK Econ Journal, for investing in the 30-year US treasury bond to cover certain percentage of the medical expenditure (for as long as the HKD-USD peg still in place)

4. Follow Singapore approach and convert the MPF to CPF (Central Provident Fund) style, i.e., each employee has a centralized gov't-run CPF account, contribution from employee & his/her employers will go directly into the employee's CPF account. The employee can invest a certain portion of the CPF contribution into self-own properties, approved stock shares & mutual funds, etc., or just leave aside in the CPF account and having a guaranteed return of 2.5%(for the investable portion) or 4% (for the non-investable portion) as stipulated by Singapore Law and invested directly by the CPF Board. This allows employee free choice of investment entity or getting satisfactory guaranteed return and minimize the administration cost on handling non-payment or non-enrolment in MPF and the MPF fund managment fee. Note: Capital-preseved MPF funds in HK only guarantees 0.x% return as compared to Singapore 2.5% & 4%.

5. The gov't should top-up the MPF account whenver there is a surplus on an per-citizen equal-basis (per ID no and not per MPF account basis, instead of tax rebate or new expenditures like those wasted in employing Assistant Secretaries and Assistants.

6. Only under point (4) & (5) above, i.e. Singapore-like CPF system, will some suggestions like the "stagger subsidy", "fee recovery". In addition, unneccessary tax increases (like those in a few years ago) and unneccessary new expenditures can be avoided.

Regards