

**HONG KONG WOMEN PROFESSIONALS
AND ENTREPRENEURS ASSOCIATION**

Consultation Paper on Healthcare Reform

June 2008

The Hong Kong Women Professionals and Entrepreneurs Association (HKWPEA) respectfully submits our views in response to the consultation paper on Healthcare Reform. This paper is based on feedback and opinions gathered at a task meeting of members that consisted of representatives from different industries, businesses and professions. Given the wide distribution of significant positions throughout the public and private sectors that our members hold, we hope that our views will be considered and that the recommendations will be used. The HKWPEA is a non-profit organization with a mission to enhance professional standards, training and business opportunities, and provide mutual support for its members. Ranking high on the Association's agenda is to present opinions to the Government on various policy consultations and public issues.

Hong Kong has enjoyed a relatively high standard of healthcare and medical research in the past, but the burden on the healthcare system continues to grow as our population ages. Thus, over the past years, HKWPEA has time and again reiterated in our opinion papers to the Government that it was imperative to examine the healthcare system in order to ensure that it is sustainable going forward. Hence, we strongly support the Government on the initiative of healthcare reform and financial model consultation.

Of the changes proposed in the Healthcare Reform, we specifically support the following:

- to develop a workable model for primary care services including the establishment of a family doctor register, provision of subsidies for promoting preventive care and the strengthening of public health functions;
- the promotion of public-private partnership by way of, for example, contracting out some of the hospital services to the private sector and engaging private sector doctors in public hospitals. This will help relieve pressure on public

hospitals and facilitates the “money follows the patients’ concept”;

- the early establishment of a territory-wide electronic health record with common disease codes, treatment codes and drug codes with proper protection of privacy and accessible to all legitimate users including hospitals, doctors and insurance companies;

In the Healthcare Reform Consultation Document presented, we believe the criteria provided are not comprehensive and broad enough to address all major issues in the healthcare system and we find none of the six options meet the requirements. Having said that, of the six financial options: social health insurance, out-of-pocket payments, medical savings accounts, voluntary private health insurance, mandatory private health insurance and a personal health-care reserve, we believe the medical savings accounts combined with mandatory private health insurance will be the most appropriate solution, though major structural improvements need to be considered and made. We believe that the medical savings accounts should be optional rather than compulsory.

To pursue the Healthcare Reform, the Hong Kong Government is recommended to consider the following principles in mandatory private medical insurance:

- Health is one's own responsibility. It is therefore important that the healthcare system provides incentives to those insured to take responsibility for their own health.
- The reform shall include a strong element of primary and preventive healthcare with heavily subsidized annual medical checks. We recommend screenings for illnesses such as cancer, diabetes, heart disease, etc. It is therefore a sound initiative to promote the use of family doctors or primary care physicians in health promotion and disease prevention.
- The scheme should not be confined to employees but should instead be extended to all members of the community including the self-employed working class and spouses or other family members of the insured. Any member of the public who wants to join the scheme irrespective of their age, health situation or occupation should be given access to this mandatory private medical insurance.

- Any particular diseases which require life long care with very expensive treatments and drugs should be taken care of by the public hospitals e.g. HIV, cancer, etc.
- The scheme should have a built-in mechanism to allow the insured to upgrade specific health schemes with more comprehensive health care services or have an option to link with other private medical plans that provide extra benefits and possibly even medical savings. A wide range of choices in healthcare services would satisfy people with different needs. It is important that the current choices among the public and private healthcare systems be preserved/augmented rather than shrunk.
- Health insurance schemes with affordable insurance premiums should also be extended to members of society aged 65+ to provide coverage beyond retirement.
- Hospitalization fees for public hospitals should be increased to reflect the real value of public healthcare but should be affordable with satisfactory services and simple administration.
- To prevent moral hazard or abuse of healthcare service by the insured, some kind of disincentives can be built into the scheme, e.g. co-payment, excess payment etc.
- The insured should have a choice of doctors, choice of hospitals (private or public) and choice of drugs.

If the Hong Kong Government plans to launch healthcare reform, the new policies should serve the purpose of improving the system's sustainability for the long term. Based on Option (5) Mandatory Private Health Insurance, which offers a better approach with more advantages, the lower-salaried working population should be able to and encouraged to participate in the individual health insurance scheme regulated by the Government. This practice must incorporate a more comprehensive scheme suitable for people of all social classes. There should be more choices for better healthcare services provided to the middle class, who will contribute significantly to the Mandatory Private Health Insurance Scheme. With the new scheme, consideration should also be given to separate the role of doctors and pharmacists. It is also recommended to include non-medical professionals to participate in the Hong Kong Medical Council.

In addition, the initiative to set up a “territory-wide electronic health record infrastructure” for sharing health care information across the public and private healthcare sectors as well as with individual patients should also be included in the reform. With the introduction of family doctors, it should be possible to build up a health record system with birth information, immunization inoculations taken for different illnesses to medication received and even images from x-ray/MRT scans during the different stages of life. It is likely to involve issues such as scope of information collected, storage capacity, authority including patient’s content in the release of information, data security, cost relating to basic and add-on information to cater to more sophistication and so on. Opinions from the Data Privacy Commissioner and the public should be sought upfront as this is a positive initiative in sharing personal medical information for the well-being of individuals.

Mandatory private medical insurance has a strong element of risk pooling. The bigger and the healthier or younger the pool, the more affordable will be the insurance premium. We would welcome a scheme with the younger members subsidizing the elderly through the structure of premium rate. It is also essential that this scheme should be well regulated by the government with full transparency in the medical fee structure and best practices quality insurance services.

In an affluent society like Hong Kong, which has generated significant annual reserves, an appropriate new policy on healthcare such as the Mandatory Private Health Insurance Scheme should be beneficial to all social classes. To launch the new Scheme effectively, the Government may consider increasing their healthcare contribution and providing subsidies to insurers if necessary. The Government may need to assume the responsibility of subsidizing insurance for the lower income groups and those who fall out of the net to ensure better public health and further improvement in providing healthcare services to everyone in Hong Kong.

Hong Kong cannot afford to delay this reform any further. We urge the Government to make it a priority to pursue the next level of consultation and to provide a comprehensive healthcare scheme that assures the quality of service and health of Hong Kong people in the years to come.