



The Indian Chamber of Commerce Hong Kong

(A company limited by guarantee)

12 June 2008

The Hon Dr York YN Chow
Secretary for Food and Health
Food and Health Bureau
HKSAR Government, 19/F Murray Building
Garden Road, Central, Hong Kong

Dear Dr Chow

On behalf of the Indian Chamber, I commend the Government for initiating a discussion on the vital subject of reforming the Hong Kong health care system. The current situation and the future challenges are well presented in the document.

The Indian Chamber of Commerce Hong Kong, established in 1952, with its membership strength of 600 is known as the “voice of the successful Indian business community”. Its members are largely small and medium enterprises.

Preamble

The goals for health systems, according to the World Health Report 2000 – Health Systems: Improving performance (WHO, 2000) are good health, responsiveness to the expectations of the population, and fair financial contribution.

World over government-funded and government-led health care is rather demanded by citizens as a fundamental right, which is to a certain correct, due to high taxes paid which take care of the funding requirement. But private sector plays a very crucial role, bridging the gap in the available health care. Affordable and quality healthcare are the bedrock of any form of healthcare system. Countries adopt different models to achieve a holistic healthcare, but no model can be considered as a perfect one.

Purely private-funded healthcare or public-funded health care regime is not pursued anywhere nor it is practicable and only the combination of both could achieve the desired result to an extent. Preventive healthcare is a laudable objective, but achieving it universally is a difficult task.

Hong Kong situation

Hong Kong is in a unique situation. It has to balance its need to finance the health care requirements without compromising its status as a low and simple tax and business -friendly city.

Demographic disadvantage Hong Kong is expected to face in the future due to shrinking tax-paying working population further compounds the issue.

The Government's continued commitment to take a lead position in the healthcare has been demonstrated by the Financial Secretary in his budget proposals for the year 2008-09 pledging HK\$50 billion for implementing a financing proposal once the community reaches a consensus.

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Hong Kong's health care sector is driven by government-funded health facilities catering to over 90% of population. Private sector health care is yet to get fully developed. Further, the cost of health care is also quite high in Hong Kong.

Chamber's position

The Chamber's General Committee considered the six financing options proposed in the Consultation Document.

The General Committee feels fundamentally the cost of health care should be brought down. The health care sector requires a dose of competition. More private sector health care facilities could be encouraged to come up earmarking mandatory service to poor and low-income groups. In India the model has been successful with corporates establishing healthcare facilities. The Government-funded hospitals should largely cater to the segment of population that cannot afford high cost of treatment and to the elderly. Differential fee structure could be considered with well-off and tax-paying population paying substantially higher fees to subsidize the cost of treatment.

Another factor is the prohibitively high cost of medicine in Hong Kong and medical shops are very few possibly due to the practice of doctor himself dispensing the medicine. The Government could permit more medical shops to be established to bring in an element of competition. Hong Kong should move towards the medicine-prescription practice.

By lowering the cost of treatment the insurance will become affordable to a large extent. Of course insurance companies will have to work out models to insure patients with pre-existing conditions or who are chronically ill.


One of the options could be the Government insuring the children under 18 (like in Netherlands) and subsidising the premium paid for and by the citizens over the age of 65.

We feel a complete overhauling of the present health care system has to be undertaken. In healthcare financing is one part of the picture.

Considering the pros and cons of six options outlined in the Document, our General Committee feels the voluntary health insurance option is the most preferred route that would meet the future needs. With the introduction of aforesaid measures, Hong Kong health care will gradually become more affordable without compromising on quality

Thanking you

Yours sincerely



Raj Sital
Chairman