

# Lifelong Investment in Health

## Why do we need reforms ?

- Our health care delivery system is overly hospital-focused and compartmentalised and will not be able to manage effectively the impact of an aging population with prevalence of chronic illness.
- The confidence of the community in our health care service is being eroded by allegations of variable quality and accusations of a biased patient complaint mechanism.
- The rapidly rising health costs undermine the financial sustainability of our public health care system, on which our population, the lower income groups in particular, rely for care and treatment.

We must take active steps to reform our health care system to enable it to meet our future health needs.

## **Our Vision**

We want to achieve in Hong Kong a world-class health care system which :-

- enhances the quality of life of the population;
- enables individuals to develop their full human potentials.

To achieve this vision, the health care system should :-

- protect and promote the health of the population;
- provide lifelong holistic and quality care to individuals;
- be affordable and remain financially sustainable.

## **Underlying Principles**

- Any reform measures must maintain our existing strengths of accessible and equitable service, affordable prices and good quality.
- Government will continue to bear a major part of the public health care costs, but with public subsidies targeted at areas of greatest needs.
- There must be sufficient safeguards to ensure that no one is denied adequate medical care because of insufficient means.
- The existing dual public and private systems, serving complementary roles, should be maintained, but with better collaboration between them.
- the new health care system should be developed in collaboration with the community and changes must be gradual and evolutionary.

## **Reforms to the Health Care Delivery System**

To provide a comprehensive and seamless health care service to the population, we propose to :

- strengthen preventive care through inter-sectoral co-operation and enhanced public participation. The Director of Health will take the lead;
- enhance primary medical care through promotion of family medicine and development of other primary care models;
- develop nurses, pharmacists and other allied health professionals as primary care practitioners to cater for a community-focused health care system.
- transfer Department of Health's general out-patient service to the Hospital Authority to achieve integration of primary and specialists care in the public sector;
- expand ambulatory care and outreach programmes to enable patients to continue to live at home while receiving care and treatment. The service should be patient-centred and comprehensive;
- encourage better collaboration between the public and private sectors to ensure continuity of care.

The two sectors can join hands to develop new health care products;

- develop an electronic Health Information Infrastructure to link up the public and private health sectors, and also with the welfare and community groups, for sharing of information and to build up an electronic lifelong health record for each individual.
- enhance preventive and promotional efforts on oral health, and encourage the provision of affordable dental care services by non-governmental organisations (NGOs);
- provide Chinese medicine in the public sector, starting with outpatient service, extending to public hospitals, with a view to promoting collaboration between western and Chinese medicines.

**How would I as an individual benefit from these proposals ?**

- The strengthened preventive and primary medical care will enable the individual to maintain health, minimise diseases and prevent disability.
- The expanded ambulatory and community care will enable the individual to avoid institutional care and stay at home with families while receiving care and treatment.
- The closer collaboration between the public and private sectors will offer the individual choice of providers, without concern about discontinuity of care.
- The collaboration between western and Chinese medicines may, in the long term, offer better health options hitherto not available.
- The expansion in affordable dental care services will allow the individual better access to oral health care.

Collectively, these benefits will enhance the individual's quality of life and potential to succeed in work.

## **Improvements to the System of Quality Assurance**

To strengthen public confidence in the quality of our health care service, we propose to :-

- require all health care professionals to undertake continuing professional education and development to update their knowledge and skill;
- work with health care professionals to incorporate appropriate knowledge base of environmental, social, behavioural, management and communication sciences to their training to enable them to deliver holistic care to patients;
- encourage all health care institutions to establish quality assurance mechanisms, such as clinical audit and risk management, to ensure consistency of standards;
- encourage private medical practitioners to make their pricing transparent and to advise their patients of their liberty not to purchase drugs from their clinics to allow consumers more choice;
- review statutory regulations related to health care, such as licensing of private hospital, sale of drugs and operation of managed care, to identify where regulatory measures need to be strengthened to

ensure patient safety;

- set up a Complaint Office in the Department of Health to investigate patient complaints. Where mediation fails, the findings will be referred to the regulatory bodies for consideration of disciplinary action;
- establish a Research Office in the Health and Welfare Bureau to support the formulation of health care policies.

**How would I as an individual benefit from these proposals ?**

- The continuing education, expanded fields of knowledge and quality assurance mechanisms will improve patient safety and assure the individual a high quality of service.
- The Complaint Office will offer the individual assistance in lodging complaints and the benefit of a third party independent investigation, supported by professional experts.



- The emerging role of the Department of Health as a coordinator and regulator for health care standards assure the individual that there will be a monitoring process over quality.

Collectively, these improvement measures will enable the individuals to enjoy a high standard of health care service at all times.

### **Options for Financing Health Care Service**

To ensure the long term financial sustainability of our public health care system, we propose to :

- enforce vigorously the cost containment measures in the public sector to slow down the overall increase in costs;
- review how to prioritize public subsidies to areas of most needs i.e. to assist the lower income groups and to support the expensive services;
- review how to restructure our public fees to reduce inappropriate and misuse of our services, helping to manage costs;

- set up a safety net to enable the financial vulnerable to continue to have equal access to quality medical care;
- encourage the purchase of voluntary insurance to support patients seeking services in the private health care sector;
- set up individual Health Protection Accounts to assist patients to pay for their own medical services after retirement;
- study in detail the “Medisage” plan proposed by the Harvard consultants for financing long term care needs.

### **What is a Health Protection Account ?**

- This will be a personal account for the individual and the spouse, with mandatory contribution by the individual of 1-2% of the earnings from age 40 to 64. The savings will attract investment returns.
- The savings cannot normally be withdrawn until the person reaches 65, and upon withdrawal, the savings can only be used for medical and dental care of the person and the spouse, based on public sector rates.

- Unspent savings will be passed on to the surviving family.

### **What is the “Medisage” Scheme?**

This is a mandatory contributory scheme, requiring each individual to put aside 1% of the earnings during working life for purchase of long term care insurance upon retirement. We need to study the scheme in greater detail before making recommendations on the way forward.

### **How would I as an individual benefit from these proposals ?**

A sustainable public health care service will ensure an individual, irrespective of means, continued access to quality health care services.

**Who will suffer if the public health care system becomes unsustainable ?**

The lower income groups, who have to depend on public health care services, will suffer most.

**Will Government make use of these proposed measures to reduce commitment to public health care ?**

No. Government's commitment to the financing of public health care will not be reduced. We expect the public health care services to continue to be financed primarily by general revenue.

**Why can't the Government spend more on public health care ?**

The Government is already spending 15% of its total recurrent expenditure on health care. Any major increases will reduce funds available for other important public programmes, such as education and welfare.

**Will the public fees in future be linked to the cost of the services?**

No. We fully appreciate that certain much needed services are very costly. The public fees will always remain affordable by the individual.

**Will there be a safety net for the lower income groups ?**

Yes. The financial vulnerable, as at present, may have their fees waived. “Sandwiched” classes can apply for assistance when in difficulty. No one will be denied adequate medical care because of insufficient means.

**Why is the “Health Security Plan” proposed by the Harvard Consultants not adopted ?**

The Plan pools the mandatory contributions from the working population for payment of large medical expenses. In practice, this means requiring the younger population to contribute to assist the older population. Given the aging population and declining percentage of young people in Hong Kong, this approach will put undue pressure on our children and future generations and will not be sustainable.

## **Timetable**

Subject to your comments, we shall implement these proposals incrementally over the next 10 years.

We shall start with the improvements to the delivery system, consulting concerned parties in the process :-

- establishing inter-sectoral co-operation on preventive care;
- promoting family medicine practice;
- transferring the general outpatient service to Hospital Authority;
- liaising with the dental profession and NGOs to provide affordable dental services;
- piloting the provision of Chinese medicine in the public sector.

For the medium term :

- setting up a Complaint Office to investigate patient complaints;
- developing collaboration plans with the private sector;

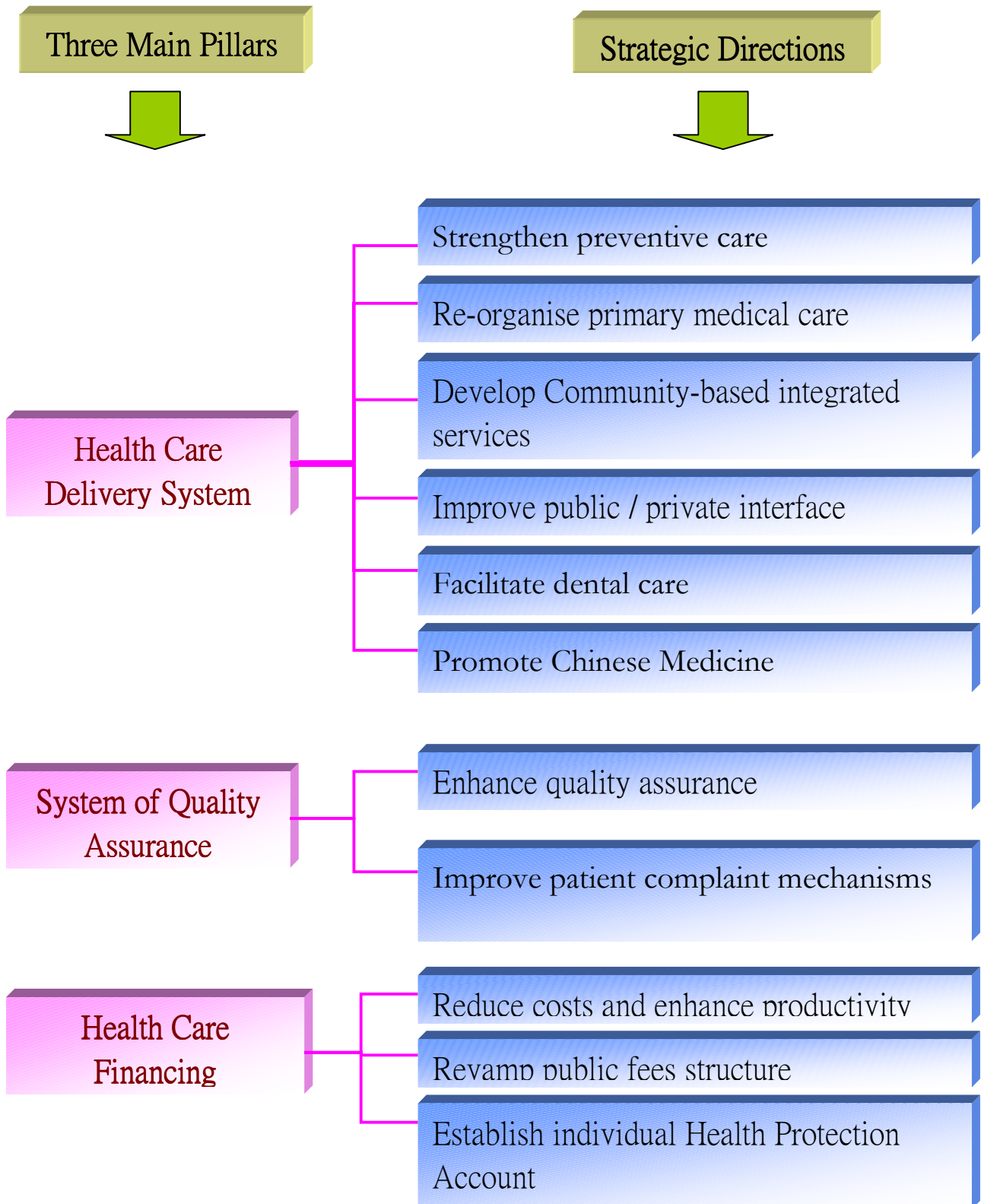
- establishing an electronic Health Information Infrastructure to facilitate sharing of information and to develop a lifelong electronic health record for each individual;
- implementing the package of quality assurance proposals to enhance standard.
- setting up a network of community care programmes to support patients in the community

For the longer term :

- restructuring the public fees to target subsidies at areas of needs;
- proposals for individual Health Protection Accounts to save for future medical needs;
- studying the “Medisage” Plan for financing long term care needs.

Reviews and studies will be conducted on the long term proposals. We shall consult you again before taking the developments further.

# An Overview of Key Health Care Reform Proposals





This Pamphlet contains only the main points and recommendations set out in the Consultation Document on Health Care Reform – Lifelong Investment in Health. You are requested to read the Document for details of the proposed reform directions. Your comments and suggestions are most welcome.

The Consultation Document is available from the Public Enquiry Service Centres of the District Offices, the Health InfoWorld in the Hospital Authority Building, the Patient Resource Centres in public hospitals, and the General Out-patient Clinics of the Department of Health. It is also available for public inspection in major public libraries, and can be accessed via the Health and Welfare Bureau website: <http://www.info.gov.hk/hwb/>.

Please send your comments **before 15 March 2001**  
to :-

Health Care Reform Unit  
Health and Welfare Bureau  
19-20/F, Murray Building  
Garden Road  
Central, Hong Kong

Or by fax to : (852) 2840 0467

Or e-mail to : [hcr@hwb.gcn.gov.hk](mailto:hcr@hwb.gcn.gov.hk)