

Hong Kong Women Professionals & Entrepreneurs Association (HKWPEA)

Follow-up Response to Healthcare Reform Second Stage Public Consultation Report

29th July, 2011

The Hong Kong Women Professionals & Entrepreneurs Association (HKWPEA) was established as a non-profit organization in September 1996 by a group of local women professionals and entrepreneurs. These include women professionals, business executives and entrepreneurs who have come together with the following objectives, namely: 1) developing a strong supportive network; 2) creating practical and innovative learning and business opportunities for themselves and for others and 3) promoting high professional standards within the community. Based in Hong Kong, the HKWPEA reaches out and establishes relationship with counterparts in Mainland China and abroad. Ranking high on the Association's agenda is timely response to the consultation papers of the HKSAR Government on various policy issues through the support of the Public Affairs Committee.

The HKWPEA has been taking a proactive role in responding, studying and stating our suggestions on any current public issues that will have major impact on the well-rounded well-being of the Hong Kong community. With the introduction of the 2010 Voluntary Health Protection Scheme which was opened for the Second Stage Public Consultation during October, 2010 – January, 2011, the Public Affairs Committee has organized the Healthcare Reform 2nd Stage Consultation Dinner Sharing Forum which was successfully held on the 30th November. We were honored to have Ms Sandra Lee, JP, Permanent Secretary of Food & Health (Health) from the Food & Health Bureau, Government of the HKSAR, as our guest of honour to share with us the proposal of the 2010 Voluntary Health Protection Scheme (HPS). Ms Lee has given us a detailed discussion on various aspects of the HPS including the introduction of the e-health record. There was fruitful interaction and discussion at the meeting among all the participants. Many issues were clarified and we have a better understanding of the HPS as presented in the Second Stage Consultation Paper. During January, 2011, we submitted our response paper to share some of our views and suggestions with regard to this issue.

Further to the recent publication of the Healthcare Reform Second Stage Public Consultation Report in July, 2011 by the Food and Health Bureau, Hong Kong SAR, our members met again with review of the full report and have discussed about some of the follow-up issues, to be summarized as below so as to be considered for further open discussion at the upcoming Health Services Panel Meeting to be held on 8th August, 2011 at the Legislative Council:

Our members do share the following values in terms of our further response to the Healthcare Reform Second Stage Public Consultation Report:

1. Health is each individual's asset and an individual's own responsibility. Maintaining good health is a life-long process for everyone.
2. Disease prevention and public health education for primary prevention is of paramount importance and should receive the same attention as disease treatment by the government, the healthcare administrators and providers, and the general public. It seems that since the First Stage Public Consultation, little is mentioned or planned with regard to primary health care services.
3. There should always be fairness with regard to one's contribution and service received. Those who have contributed more to the HPS should be able to enjoy more choices in terms of healthcare services to be received. There should be choices for everyone to subscribe to the HPS.
4. Overall, we do support introducing the voluntary HPS, providing standardized health insurance with regulation by the Government but there are some concerns and comments as follow to be further discussed and reviewed.

Our comments below represent views that are being held from a cross-section of HKWPEA members who are holding significant positions in both the public and private sectors in Hong Kong including experts and leaders in various fields of the community. We have met further recently in response to the latest publication of the Second Stage Public Consultation Report in July, 2011 with further comments as below:

1. Tax incentive

We would further urge the government to consider tax incentives to engage the working and younger population to subscribe to the HPS. Tax incentive, if allowed, should be provided to all working population who pay for their individual medical insurance in order to maintain fairness to all and not just for those who subscribe to HPS. It seems that the consideration or actual implementation of boosting the tax incentives among those who are going to subscribe to HPS is not mentioned in the report. This should be reconsidered and be introduced to everyone who contributes to all the available approved health protection scheme or healthcare insurance programme in the community.

2. Diagnosis-related group (DRG)

The concept of DRG or package charge is a good approach to introduce competition, contain medical inflation and more transparency in healthcare service provider as mentioned in our response paper. We would commend the Government for leading the industry of introducing DRG. After one or two generations, all doctors will conform to the same system of DRG. However due to cost risks borne by doctors and private hospitals on cases of medical complication, there may not be sufficient supply of private hospitals joining HPS based on DRG. There is no actual plan with regard to how the government is introducing any private hospital service in public hospitals. It is understood that four pieces of land had been earmarked for private hospital development. It would be nice to have a more solid plan with regard to any specific strategies to engage the private physicians, healthcare providers in the private sector including the private hospitals for standardized transparent economic regulation.

3. Citizen over age 65

- a) We do not agree that those who are aged 65 or above can only join the HPS just within the first year of the launch of HPS. A lot of people not joining in the beginning years are waiting to see how effective and workable the HPS is. This may not be due to any negative reasons but simply that this group of population prefer to adopt a “wait and see” decision until all teething problem of HPS are resolved before joining. Some may still be enjoying a better private medical cover under their employers’ group medical service and hence not joining in the first few years. In all fairness, they are the people who have paid salary tax in their working ages and they should not be excluded from joining the proposed scheme. The government could consider in this respect about a “ladder system” where more tax incentives or allowance is supported for those who subscribe to any HPS within the first year at the age of 65 with this incentive or allowance decrease with time, i.e. less support when the senior citizen joins the HPS at a later time beyond 1 year, but at least, there should not be any restriction on joining the HPS just within the first year after their 65th birthday.
- b) Equally speaking we would not support the idea of no capping for premium loading for people aged over 65. While the proposal suggests subsidizing the High Risk Group, we propose it should also subsidize the elderly. Without such subsidy to the Elderly, the current proposal will end up inducing elderly going back to the public healthcare system, leading to overloading the current public healthcare system. We agree that basic health maintenance support should be included in the subsidy to our elderly citizen, i.e. to extend the core benefit coverage to provide full protection for the whole range of healthcare for the elderly.

4. Medical inflation – revision on limits of cover

A lifelong HPS should have hold sustainability with an in-built element of medical inflation. The limits of coverage provided in HPS should be adjustable to go in line with medical inflation. Otherwise after 10 years, the limits subscribed today will be very insufficient for any of the standard treatment as the cost of healthcare delivery is anticipated to increase further with time.

Furthermore, among those who could pay or contribute to the HPS, we propose the consideration of a two-tier system, i.e. giving the population a choice to subscribe to an average plan versus a more comprehensive plan. This is based on the initial proposal from the Second Stage Consultation that the proposed HPS could probably be able to cover the stay in the private hospitals in the public wards, but for those who could afford to pay more and would like to have more quality healthcare and privacy, an alternative enhanced scheme might be considered to be open to the general population. This will engage further contribution by the general public when they are given more choices and autonomy with regard to their health.

5. Current HPS limits are too small for most of our members

We are concerned that most of the working population will prefer their current medical cover provided by their employers as these packages are usually of much higher protection in term of limits compared with the proposed HPS and usually no deductible. On the other hand, most middle class who are buying private insurance out of their pockets would prefer not to stay in the general ward of HK\$500 to HK\$600 per day for daily hospital room charge. This people will probably not be attracted to subscribe to the HPS. And again, the introduction of the two-tier system as mentioned above would help increase the incentive for the HPS among a bigger population.

6. High Risk Group – selection by High Risk Group (HRG)

The current proposal seems tend to attract those who have difficulties in getting private insurance i.e. the High Risk Group or people who have retired. We support that high risk groups should have easy access to health insurance and be subsidized by the government. We also support the government to subsidize the HRG with a cap of premium loading e.g. 3 times of standard. However, we also consider that elderly should equally be subsidized in the HPS. In this case, with the aging population of the Hong Kong community, there will still be a large number of elderly senior citizens who do not have any serious or chronic illness, and yet still requiring the support of an easily accessible healthcare system, and their use of the healthcare system will definitely increase with natural degenerative process of the body.

7. Matching science with affordability

The question of sustainability of the proposed insurance scheme for the high-risk group or the chronically ill patients – again, is medical inflation taken into account? Will the proposed HPS or coverage be able to match the ever-improving medical advances and the issue of matching science with the affordability? There should also be fairness in contributions versus service received. Those who have contributed more to the funding of healthcare should enjoy more choices when they use the healthcare service e.g. choice of doctors, treatment, hospitals, even choice of Western Medicine versus Traditional Chinese Medicine. The coverage of anti-cancer therapy, such as the ever-increasing list of targeted therapy, new advances of chronic illness such as cardiovascular diseases and rehabilitation is not mentioned or planned within the scheme. Again, the two-tier system should be reconsidered with the same reason as mentioned above as people may want to have a choice to opt for any quality of healthcare services depending on their own affordability.

8. More promotion and funding to Primary Care

We consider that the government should allocate at least equal or even more funding in primary care including disease prevention such as cancer prevention, chronic disease management e.g. hypertension and diabetes mellitus, primary health promotion, i.e. primary care should receive the same attention as disease treatment by the government, the general public and healthcare providers. As “Prevention is Always Better than Cure”, the importance of primary care should be further consolidated at this stage of the consultation as it seems that the proposal of primary prevention has not been mentioned since its first mentioning at the first stage public consultation.

9. Support voluntary HPS with regulation

In principle, we do support the proposed voluntary Health Protection Scheme (HPS). It will give citizens one standardized insurance solution which is regulated by the government with no exclusion on pre-existing illness, full transparency and on an affordability basis. But choices such as a two-tier system rather than just one single proposal to the public should be opened for their informed decision and choices.

10. e-health record

Last but not least, as our response paper in January, 2011, we highly support the introduction of e-health record of patients from public system to private system to ensure continuity of care. If there are information of treatment code, disease code and drug code in each claims processing, it will help eliminating some potential conflicts and abuses and hence claim leakage by patients.

More information in statistics will help to contain claims cost, thus stabilizing premium pricing.

By-laws should be added to meet the demand of the public-private interface especially with the shared electronic medical record system between the private and public systems. At the moment, the patients' private doctors could read the clinical notes of any clinic visits or admissions to the Hospital Authority but the public doctors could never read any electronic record from the private sector, though a lot of the senior private practitioners are still using hand-written record. To make this completely possible with continuity of care and full access to patient's medical history with patient's informed consent, by-laws should be considered to facilitate the protection of the privacy ordinance while enabling private-public interface.

Overall, we do support the proposed voluntary Health Protection Scheme provided the above fine prints are taken into account so as to ensure a sustainable and robust healthcare system to meet the demand of our ever increasing and aging population. Furthermore, any supplementary healthcare finance must be injected in the right places for the right target group within the community. The latest Healthcare Reform Second Public Consultation Report has not provided sufficient details of medical saving or financing to be commented. Unmet needs of particular target groups such as healthcare benefits of children and our teens, and the consideration of selected family packages which might be useful to cover the household needs was not mentioned still in the latest report.

Anyway, we do look forward to the upcoming Health Services Panel Special Meeting to be held on 8th August, 2011 for further open and fruitful discussion, to help building a better and healthier well-rounded Hong Kong with sustainability and long-lasting energy.