

Hong Kong Women Professionals & Entrepreneurs Association (HKWPEA)

Response to Healthcare Reform Second Stage Consultation Document

January, 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 is now open for the Second Stage Public Consultation, the Public Affairs Committee has recently organized the Healthcare Reform 2nd Stage Consultation Dinner Sharing Forum which was successfully held on the 30th November. We were honored and delighted 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.

Our members do share the following values in terms of our response to the proposed Health Protection Scheme:

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.

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.
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.

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.

1. Tax incentive

We would 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.

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. 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. Would the government considering some private hospital service in public hospitals, until there is sufficient supply in the private sector? Any focused 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 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.

b) Equally speaking we would not support the idea of no capping for premium loading for people aged over 65. While the proposal suggests to subsidize 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.

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.

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.

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.

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.

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, 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.

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.

10. e-health record

Last but not least, 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.

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 current proposal 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 might be useful to cover the household needs where there are dependents of both the young and the old, thus helping to build a better and healthier well-rounded Hong Kong.