

LCQ4: Prices for private healthcare services

Following is a question by the Hon Tommy Cheung and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 8):

Question:

In 2016, the Government rolled out, in collaboration with the Hong Kong Private Hospitals Association, a pilot programme for enhancing price transparency of private hospitals through a number of measures (the pilot programme). In November last year, this Council enacted the Private Healthcare Facilities Ordinance (Cap. 633), which contains provisions for regulating price transparency of private healthcare facilities ("PHFs"), but the relevant subsidiary legislation has yet to be made. In this connection, will the Government inform this Council:

(1) whether it will, prior to the implementation of Cap. 633, enhance the pilot programme, such as requiring the various private hospitals to adopt a uniform format for publicising on their websites information on prices for healthcare services, so as to facilitate comparisons to be made by members of the public; if so, of the details; if not, the reasons for that;

(2) as it is stipulated in section 61 of Cap. 633 that the licensee of a PHF must make available to the public, in the way prescribed by regulations, information about the prices of chargeable items and services provided in the facility as prescribed by regulations, of the timetable for and progress of enacting the relevant regulations; whether it will expedite the implementation of the relevant provisions; if so, of the details; if not, the reasons for that;

(3) as some members of the public are worried that the Voluntary Health Insurance Scheme (VHIS) which has been implemented since last month will push up the prices for private healthcare services, whether the Government will (i) step up the regulation of the prices for private healthcare services, and (ii) require PHFs to provide healthcare services at packaged prices for members of the public who have joined VHIS to choose; if so, of the details; if not, the reasons for that; and

(4) whether it will consider enacting legislation to empower the Director of Health to vet and approve the prices for different classes of wards in private hospitals, so as to ensure that such prices are set at reasonable levels; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the questions raised by the Hon Tommy Cheung is as follows.

(1) and (2) In October 2016, the Government together with the Hong Kong Private Hospitals Association rolled out a Pilot Programme for Enhancing Price Transparency for Private Hospitals (the Pilot Programme). All private hospitals in Hong Kong have participated in the Pilot Programme and implemented three price transparency measures on a voluntary basis, namely publicising the fee schedules of major chargeable items, publicising the historical bill sizes statistics of 30 common treatments/procedures, and providing budget estimates for patients receiving 30 common and non-emergency treatments/procedures.

A number of improvements have been made to the Pilot Programme since introduction with a view to providing the public with more user-friendly price information. According to the current proposal under the Pilot Programme, private hospitals have to publish the price information of specified items with respect to all room classes and day/outpatient services. Private hospitals should also publish historical bill sizes statistics of 30 common treatments/procedures in a standardised format, which covers annual number of discharges, average length of stay, as well as the actual billing data for the 50th percentile and 90th percentile of each specified treatment/procedure. In addition, private hospitals have to provide budget estimate on a pilot basis according to the specified format recommended by the Department of Health. All private hospitals have uploaded relevant information to their dedicated webpages as requested under the Pilot Programme. The Department of Health has set up a dedicated website on the Pilot Programme (www.orphf.gov.hk/Public) to facilitate public access to relevant information.

The Private Healthcare Facilities Ordinance (Cap. 633) was gazetted on November 30, 2018. The Ordinance stipulates the price transparency measures which the licensees of private healthcare facilities (including private hospitals) have to comply with, and empowers the Secretary for Food and Health to make regulations to provide for relevant matters. The Government is now working on the details of the proposed regulations in consultation with stakeholders, taking into account the experience gained from the Pilot Programme. The Government's target is to submit the relevant regulations to the Legislative Council for scrutiny in late 2019/early 2020.

(3) and (4) The Government is committed to enhancing price transparency of private healthcare facilities, so that the public could be better informed of price information before making decisions in meeting their medical needs, and make necessary financial arrangements in advance. Nonetheless, as private medical service by its very nature is no different from other business transactions between consenting parties where prices are determined by market force, the Government will not regulate the price level or price structure of services provided by private healthcare facilities. Allowing the market to determine prices on its own also encourages competition in terms of service quality and efficiency among healthcare services providers.

In addition to enhancing the price transparency of private healthcare facilities, the Government will continue to encourage private hospitals to provide more services at packaged charges. The provision of services at packaged charges will enhance price certainty and facilitate patients to make financial arrangements in advance. The Gleneagles Hong Kong Hospital, as well as the CUHK Medical Centre which will soon commence service, provide a certain percentage of services at packaged charges according to the relevant Service Deeds. The Government also encourages existing private hospitals undergoing expansion/redevelopment projects and new private hospitals to be developed mainly on private land to consider accepting special requirements, such as provision of services at packaged charges, as a means to enhancing the quality of private healthcare services which cater for public needs.

The Voluntary Health Insurance Scheme (VHIS) aims to regulate indemnity hospital insurance plans offered to individuals and enhance the quality and transparency of such plans. Certified Plans must meet the minimum benefit standard prescribed by VHIS. For example, the basic protection of Certified Plans should adopt standardised policy terms and conditions, as well as basic benefit coverage and benefit amounts. VHIS does not mandate private healthcare facilities to provide consumers of Certified Plans with healthcare services at packaged charges. Nonetheless, in order to facilitate consumers to prepare for their budget, upon receipt of the estimated charges provided for non-emergency surgical procedures, the insurers should provide consumers with claimable amount estimates of the procedures concerned for consumers' reference.