

LCQ4: Public healthcare services and their fees and charges

Following is a question by Dr the Hon David Lam and a reply by the Secretary for Health, Professor Lo Chung-mau, in the Legislative Council today (March 26):

Question:

The Government has just announced a comprehensive reform on the fees and charges for public healthcare services. It is learnt that while the principle of Hong Kong's public healthcare policy is that no citizen is denied appropriate healthcare service due to financial difficulty, concerns about the sustainability of healthcare expenditure have been raised in previous reviews of the fees and charges for healthcare services. In this connection, will the Government inform this Council:

(1) whether it will promote the extensive use of the reference frameworks or clinical pathways developed by the Health Bureau, which serve as a guide for medical procedures such as laboratory tests, imaging, medication, radiotherapy and surgeries, so as to ensure the safety and enhance the effectiveness of diagnoses and treatments; and

(2) whether it has considered setting up individual or family healthcare accounts for members of the public to settle the co-payment fees, and introducing in public healthcare institutions preferential inpatient and outpatient paid services which are pegged to the amounts of compensation under the Voluntary Health Insurance Scheme as an additional option for members of the public and, in parallel, capping the fees and charges for expensive treatments, so as to prevent members of the public from falling into poverty because of illness; if so, of the details; if not, the reasons for that?

Reply:

President,

Hong Kong has an efficient healthcare system with high quality, and the public healthcare system is the cornerstone of our healthcare system and the safety net for all. Nevertheless, in view of challenges such as an ageing population, rising service demand and healthcare costs, Hong Kong's healthcare system needs to be reformed in order to achieve sustainable development. Healthcare reform efforts are closely intertwined, and fees and charges reform for public healthcare is an indispensable part thereof. The fees and charges reform for public healthcare just announced is premised on five principles.

(1) Commitment will not be lessened: All the gains from the reform will be wholly utilised for public healthcare services;

- (2) "Co-payment by those who can afford and co-payment by those with mild conditions": We need to expand and enhance the co-payment mechanism;
- (3) Enhancement and reduction: To enhance the protection for "poor, acute, serious, critical" patients and to reduce in wastage;
- (4) High subsidisation: To maintain 90 per cent overall public subsidisation rate; and
- (5) Gradual and orderly manner: Aim to achieve the objective in five years.

Through the fees and charges reform, we can guide the public to make optimal use of healthcare resources, reduce wastage and abuse, and enhance the healthcare protection for "poor, acute, serious, critical" patients on all fronts, with a view to ensuring the public healthcare system can provide subsidies in a more precise and targeted manner, and better serving as a safety net for all.

There are three areas in enhancing healthcare protection:

- (1) Enhancing the medical fee waiver mechanism by raising the income and asset eligibility limits to largely enhance the support for low-income families and the underprivileged group;
- (2) Introducing an annual cap of \$10,000 on public healthcare service items (except self-financed drugs and medical devices) to take better care of patients with serious illnesses and providing protection to all seven million people in Hong Kong; and
- (3) Expediting the introduction of more effective and innovative drugs and medical devices, and relaxing the eligibility criteria for the safety net of self-financed drugs and medical devices, so that more patients with critical conditions, in particular middle-income persons, can receive subsidies for self-financed drugs and medical devices.

In consultation with the HA, the reply to the question raised by the Hon David Lam is as follows:

(1) Hong Kong's dual-track healthcare system comprises both public and private sectors. The private healthcare sector provides a wide range of services, including but not limited to general, specialist and in-patient services, that complement the public healthcare system. To achieve meaningful reform on healthcare system in Hong Kong, it is imperative to enhance private healthcare price transparency alongside with the reforms on the public sector, whilst promoting the adoption of quality and outcome indicators across healthcare services. We plan to launch the consultation exercise on legislating for enhancing private healthcare price transparency later this year.

In promoting the continuous improvement of Hong Kong's healthcare standards including its quality and efficiency, "The Chief Executive's 2024 Policy Address" announced that the Government would establish a professional platform to develop evidence-based clinical protocols and explore the feasibility of devising service quality and efficiency standards for public and private healthcare services. To this end, the Health Bureau has taken

forward the establishment of the Institute for Medical Advancement and Clinical Excellence (IMACE) by seven major institutions in the Hong Kong healthcare sector, including the Hong Kong Academy of Medicine, the Department of Health, the HA, the Primary Healthcare Commission, the Faculty of Medicine of the Chinese University of Hong Kong, the LKS Faculty of Medicine of the University of Hong Kong, and the Hong Kong Private Hospitals Association.

The IMACE is a professional-led, evidence-based platform with members from both the public and private healthcare sectors in Hong Kong. It enables the sectors to collect data and cases in an effective manner for detailed deliberations on clinical practices in screening, diagnosis, treatment and management of different diseases. The IMACE will also evaluate the effectiveness of various medical options, including drugs, medical devices, diagnostic techniques, surgical procedures, non-pharmacological interventions and new medical innovations to formulate clinical guidelines in light of the evaluation results, and explore the feasibility of devising service quality and efficiency standards for both the public and private healthcare sectors. It is expected that the IMACE will formally commence its work within the first half of this year.

Through the work of the IMACE, we hope to help the sectors to identify cost-effective medical options that may benefit patients. This will also foster professional exchange among healthcare professionals to learn about and apply the latest technologies, thereby further promoting the development of Hong Kong into an international health and medical innovation hub.

(2) On the second point, under the existing design of the Voluntary Health Insurance Scheme (VHIS), its reimbursement policy has already covered all facilities which offer in-patient services, including those in the public healthcare system. As for the suggestions of setting up personal or family healthcare accounts to settle the co-payments for public healthcare, and establishing premium fee-charging services linked to the VHIS compensation in the public healthcare system, the Government is willing to listen to comments from various sectors in the community and relevant stakeholders, consider the practical needs for the relevant arrangements and study the feasibility.

As for the suggestion on a cap for expensive treatment items, the Government's fees and charges reform for public healthcare has already enhanced healthcare protection for "poor, acute, serious, critical" patients on all fronts, strengthening various safety net measures, including increasing the subsidy for patients who are in need of expensive drugs or medical devices, to prevent "patients with serious conditions falling into poverty". In fact, there is currently already a mechanism of capping charges for drugs and medical devices covered by our safety net, with the maximum amount to be borne by patients at \$1 million per year. However, with medical technologies ever changing, new drugs and medical devices as well as therapeutic techniques are very costly. Given the current resource constraints of the public healthcare system, provision of a uniform cap for all relevant charging items may not be feasible.

To cope with the challenges faced by the healthcare system in a

pragmatic manner, we have to keep taking steps of reform and continue driving forward healthcare reform on different fronts. As for the long-term healthcare financing arrangements, the Government will continue to listen to the views of various sectors, and welcome more suggestions from stakeholders as well as more participation from public in the discussion, so as to build consensus on the future healthcare financing reform that will best suit the situation in Hong Kong. Thank you.