

International Business Committee

Healthcare reform

Purpose

The purpose of this paper is to invite Members to express views on the healthcare reform proposals put forward by the Government.

Background

2. Over the years, Hong Kong's healthcare system has delivered high quality services for the public and has achieved impressive health standards. Notwithstanding its outstanding performance, there are certain problems inherent in the present system. There are also fundamental challenges that the system has to face in the future. These problems and challenges include –

- insufficient emphasis on holistic primary care;
- emergence of bottlenecks in public healthcare services resulting in long waiting time;
- imbalance in the market share between the public and private sectors and limited alternatives to public hospital service;
- public healthcare safety net not wide enough;
- sharing of medical records between the public and private sectors and between healthcare providers at different levels of care

uncommon, resulting in limited continuity of care;

- healthcare expenditure increasing at a much faster pace than the economy due to –
 - ageing population;
 - rising medical cost brought about by advances in medical technology.

3. To address these problems and meet these challenges, the Government proposes to –

- (a) **Enhance primary care** to put greater emphasis on preventive care, reduce the need for hospital care, improve the health of our community, and contain the overall healthcare needs and expenditure of our community in the long run;
- (b) **Promote public-private partnership in healthcare** to provide more choice of quality, efficient and cost-effective services and promote further healthy competition and collaboration between the public and private sectors in providing healthcare services;
- (c) **Develop electronic health record sharing** to allow individuals' health records to follow them wherever they go for healthcare to improve the quality of healthcare for the public and provide the necessary infrastructure to support the healthcare reform;
- (d) **Strengthen public healthcare safety net** to retain and improve the current public healthcare safety net for the low-income

families and underprivileged groups, while strengthening the safety net for patients struck by illnesses requiring costly healthcare;

(e) **Reform healthcare financing arrangements** to provide supplementary financing, apart from increased government funding, to ensure the sustainable development of the healthcare system and support the reform of the healthcare market. Options that can be considered include –

- i. Social Health Insurance;
- ii. Out-of-Pocket Payments;
- iii. Medical Savings Accounts;
- iv. Voluntary Private Health Insurance;
- v. Mandatory Private Health Insurance;
- vi. Personal Healthcare Reserve.

Details of these proposals are set out in the enclosed consultation document entitled “**Your Health Your Life**”.

Food and Health Bureau

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