

AN ODYSSEY

REFORM OF MEDICAL SERVICES IN HONG KONG

WHERE ARE WE?

- >30 Billions on public medical services
- Public Service:
- >95 % of hospitalization
- Great majority of chronic diseases

- Rapidly increasing elderly population
- Economic restructuring
- Extra resources for new technology

WORLD STANDARD OF CARE

- One of the best vital figures
- Infant mortality rate 2.4/1000
- Maternal death 4.2/100,000
- Life expectancy :
- Male 78.7 Female 84.7
- One of the best centers in China & Asia
- Can this be sustainable ? Niche?
Resources?

SARS

- A LESSON FOR THE OFFICER RESPONSIBLE FOR THE HEALTH POLICY: Bureau, Hospital Authority, Department of Health & ALL medical fraternity.
- Review of long term medical policy become an inevitable agenda

THE CHALLENGE

- Present level of public expenditure on health care will be unable to meet the increasing demand
- Rising expectation from the public
- Increase in cost from new technology & new medication
- Rapid increase in elderly population
- Career development of young doctors

PUBLIC DEMAND

- Patient Discharge (2002)
- 1,205,551
- Specialist out-patient
- 8,809,100
- General out-patient
- 1,206,716
- Accident & Emergency
- 2,425,444

PUBLIC DEMAND

- Growth rate of inpatient
- 2.5%
- Growth rate of outpatient
- 3.3%
- Only 1/3 is driven by aging. The others (2/3) is general demand, which accounts for large extent of the past utilization growth

PUBLIC DEMAND

- Annual growth is 13.5%
- Discrepancy in growth of public & private health care
- Public inpatient: 5% (per annual basis)
- Public outpatient: 5%
- Private inpatient: - 0.07%
- Private outpatient: 2%

MANPOWER SUPPLY

- Registered medical practitioner:
- > 11,000 (1 doctor to 620)
- (5000 registered TCM . Altogether 8000)
- Graduates from two Universities:
- 326
- 13 from licensing examination

- (329 intake for nursing degree)

OUR GOAL

- A SUSTAINABLE POLICY.
- TO MEET THE DEMAND OF THE PUBLIC.
- TO MAKE WAY FOR FURTHER DEVELOPMENT OF MEDICAL SCIENCE
- UTILIZE AVAILABLE RESOURCES.
- BASING ON LOCAL SITUATION
- ACKNOWLEDGING THE POLITICAL ENVIRONMENT.

UNFAILING EFFORT

- 1974 White paper on The Further Development of Medical & Health Services in HK
- 1985 Scott's Report
- 1990 Health For All, The Way Ahead: Report of the Working Party On Primary Health Care
- 1993 "Toward Better Health"
- 1999 Harvard Report
- 2000 Consultation Document on Future Development of Medical Services.

1974 WHITE PAPER

- 1974 WHITE PAPER ON "THE FURTHER DEVELOPMENT OF MEDICAL AND HEALTH SERVICES IN HONG KONG"
- To safeguard and promote the general public health of the community" & "To ensure the provision of Medical & Personal health facilities for the people of HK..... Particularly that large section of the community which relies on subsidized medical attention."
- Regionalization of medical & Health services'
- 5.5 beds per 1,000 population
- Second Medical school.
- New regional hospitals

SCOTT'S REPORT

- THE DELIVERY OF MEDICAL SERVICES IN HOSPITALS.
- Expected lower levels of Government's revenue. 1985
- 1987 5,000 M
- 1990 9,300 M
- 1992 14,500 M
- Uneven distribution of workload, overcrowded ward & poor working environment.(bed occupancy 80% in sub-vented hospitals & 95% in government hospital)
- Problems on hospital management
- Considering modified structures for charging for services delivered

SCOTT'S REPORT

- FORMATION OF HOSPITAL AUTHORITY
- Independent Hospital Authority
- All staff work under common terms
- Ultimately all staff employed by hospitals
- To strengthened medical policy function should be developed in the policy branch.
- Staffing and employment policies should be as flexible as possible.
- Improve communication.
- Stringent cost control
- Cost recovery

SCOTT'S REPORT

- COST RECOVERY:
- Basis of standard bed charge from notional food cost to a broader base
- Charge for A&E
- Admission Charge
- Charge to cover major procedures
- B class bed
- HEALTH INSURANCE: Pilot scheme

RAINBOW REPORT

- 1993 TOWARDS BETTER HEALTH
- “ Over the last two decades, healthcare in Hong Kong has evolved to be of a high standard and at a low cost to users....The medical profession's continuing quest for excellence and the community's rising aspirations have made it necessary to put in place a system capable of meeting these demands and sustaining the jet-speed technological advancement..... Our emphasis is on removing remediable flaws: rationalizing the financial structure of public health services and facilitating interface between the public and private sectors....
...Our objective is to uphold this policy in....achieving efficiency in service delivery and performance; equity in access to care; income protection and freedom of choice

RAINBOW REPORT

5 Options.

- PERCENTAGE SUBSIDY APPROACH'
- TARGET GROUP APPROACH
- CO-ORDINATED VOLUNTARY INSURANCE APPROACH
- COMPULSORY COMPREHENSIVE INSURANCE APPROACH
- PRIORITIZATION OF TREATMENT APPROACH

RAINBOW REPORT

- NO ONE SHOULD BE DENIED ADEQUATE MEDICAL TREATMENT THROUGH LACK OF MEANS
- OBJECTIVES;
 - Increased accessibility
 - More choice
 - Better service
 - Improved efficiency and cost-effectiveness
 - Simpler administration

Percentage Subsidy Approach

- First described in Scott's Report
- Eventually 15-20%. At 15%, 2.8% of median annual household income, coupled with a waiver system.
- A fair payment system, as infirm and Psychiatric patient will bear much less cost

TARGET GROUP APPROACH

- Coupled with waiver system
- Itemized charging
- Target waiver groups
- Government subsidy is targeted more accurately to those in need.

RAINBOW REPORT

- FINALLY: STATUS QUO

HARVARD REPORT

- Facing with increasing burden, government contracted the Harvard team in 1997.
- The long term financial sustainability of the current health care system is highly questionable. GDP increased from 1.7% to 2.5%. (1989 to 1996) 20-23% of government budget.
- A highly compartmentalized health care system
- OBJECTIVES OF STUDY:
 - MAINTAINING AND IMPROVING EQUITY
 - IMPROVING QUALITY & EFFICIENCY
 - Improving financial sustainability
 - Meeting the future needs of the population
 - Managing overall health expenditure inflation

FIVE OPTIONS

- STATUS QUO
- CAP The Government Budget on Health
- RAISE USER FEES
- Health Security Plan (HSP) & saving Accounts for Long term Care(MEDISAGE)
2% for HSP & 1% for Medisage
- Competitive Integrated Health Care.
(reorganize of HA into 12 to 18 regional Health Integrated Systems)

HARVARD REPORT

- Attracted controversy
- Government's denial of the prediction of the report
- Final result: OPTION A

- STATUS QUO

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- >95 % of hospitalization
- Great majority of chronic diseases
- Rapidly increasing elderly population
- Economic restructuring
- Demand on new resources

CHALLENGE

- Expected increase in demand
- Increased in elderly population
- Raised expectation
- Young doctors: More than 320 doctors expected to enter private medical service each year.
- Career development of new generation

REFORM: A POLITICAL AGENDA

- A balancing act to address the interests of the public, the profession, the establishment and the government.
- No easy solution
- No ideal medical system

REFORM: TIMING

- Profession: Immediate need.
- Preference of the public:
 - Better service
 - Refuse commitment: Increase in fee
 - Insurance
 - HSP, Medisage
- Government: ??

CHOICES

- Different financing models
- Percentage Subsidy
- Target subsidy
- Voluntary Insurance
- Compulsory Insurance: HSP, Medisage
- Public need to make the choice

DIFFICULT TASK

- Collaboration of different sectors within the profession:
- Public & Private, Senior staff & Frontline, Universities.
- Endorsement from the public:
- Legco, patient's group, political parties, opinion leaders

ODYSSEY

- Travels of Odysseus during years of wandering.... Of his eventual return home to Ithaca..... Amorous liaisons with Calypso and the witch Circe and encounters with a number of fabulous monsters.....