

Chapter 1 – Background

Over the years, we have developed in Hong Kong an enviable health care system, which provides an accessible, quality, equitable and affordable health care service. Highly subsidised, the public health care sector offers protection to individuals from significant financial risks that may arise from catastrophic or prolonged illnesses. While more expensive to the consumers, the private sector offers patients greater choice and convenience. The two sectors serve different but complementary roles, and together, they provide comprehensive health care of a high standard to the Hong Kong community.

2. Our health indices are among the best in the world. In 1999, the life expectancy at birth was 77 years for men and 82 years for women. The infant mortality rate was 3.2 per 1,000 live births, while the maternal mortality rate for 100,000 total births was 2.0. The illness and disease patterns in our community resemble those of developed countries, with cancer and chronic illnesses emerging as our leading causes of mortality and morbidity. Communicable diseases have been effectively placed under control.

3. While our existing health care system has served us well for many years and is still delivering quality services, like other health care systems, it has to evolve and develop to meet changing societal needs. The need for the system to change is reflected in a few widely recognised problems. The most frequently discussed is the work pressure encountered by staff and financial constraints experienced by service providers in the public sector. Public health care services are delivered mainly through the Department of Health and the Hospital Authority. Between them,

they provide a full range of preventive, curative, and rehabilitative services. Because of the highly subsidised fees charged for services and improving standards, the public sector faces an increasing number of patients, mounting work pressure and threat of financial sustainability.

4. In November 1997, we commissioned the School of Public Health of Harvard University to conduct a study on the existing health care system and to recommend necessary changes. The study was completed in April 1999 with the release of a Report entitled "Improving Hong Kong's Health Care System - Why and for Whom?" for public consultation. According to the Harvard report, our present system suffers from three key weaknesses - compartmentalisation in the delivery of service, variable quality of care, particularly in the private sector, and questionable financial and organisational sustainability. These findings by the Harvard consultants point to the need to seriously re-think and re-structure the existing health care delivery and financing system to one which is able to meet the future needs and aspirations of the population of Hong Kong.

5. Since the release of the Harvard report, there have been intense media interest and public debates on the subject. We have received over 2,200 written submissions from different sectors of the community. Although views are diverse and varied on the reform proposals recommended by the Harvard consultants, they have been constructive and helpful to our policy deliberation process. The most important observation from these submissions is that the public is generally supportive of the need for reforms. A summary of the feedback we have obtained is at Annex.

6. On the basis of the comments received, we have further reviewed the three main pillars of our health care system - the organisation and provision of health services (service delivery system), mechanisms to assure the quality of health care provided (system of quality assurance) and the funding and financing for health care services (health financing system) - and formulated strategic directions for reforms to ensure that the system would be able to meet the needs and aspirations of our future generations. This consultation paper sets out our proposals. Chapter 2 will bring you through our vision, policy objectives, guiding principles and values for the evolution of our health care system. In Chapters 3 to 5, you will be presented with the proposals on re-organisation of our service delivery system, measures to enhance our system of quality assurance, and options for financing the health care system. We look forward to your support and comments on our proposed directions.

Review of the Health Care System

