

Enquiries received at the briefing session on Expression of Interest (EOI) exercise in private hospital development held on 3 February 2010 and response from the Food and Health Bureau (FHB) (Part 1)

Question No. 1:

What is the objective of the proposed requirement concerning price transparency of the private hospitals and provision of 30% bed days at packaged charge? Will the Government fix the level of such packaged charges?

FHB's Response:

At present, private hospitals in Hong Kong are required by law to make available to patients the information on its fees and charges. There are however no prescribed requirements on the level of details to be provided and the means for communication of such information to patients. The details of the public information on fees and charges differ greatly among the existing private hospitals. To improve price transparency in private hospitals for better protection of patients' interest, we have proposed that the new private hospitals to be developed on the four sites in question should provide a comprehensive range of charging information (covering room charges, maintenance fees, charges for operating theatres, laboratory tests, X-ray tests, drugs, other miscellaneous items, etc.) and make such information easily accessible by the public. Enhanced price transparency of these new private hospitals would be a plus factor in terms of competitiveness for the hospitals as the patients as well as the insurance companies providing their cover will be more certain of the service charges at the time of admission and the amount of the hospital bills upon discharge. The proposed proportion of bed days to be provided at packaged charge (ie 30%) is not determined according to a specific formula. The percentage is set at 30% with a view to striking a balance between the objective of improving price transparency and allowing flexibility for hospital operation.

It should be noted that while the Government has proposed the proportion of bed days to be provided at packaged charge (ie 30%), the Government has no intention to set the level of the charges. In determining the packaged charge, the private hospitals may make reference to the price

structure and the items of charges in the Hospital Authority (HA) but they are not required to adopt the same price level for similar services in HA.

Question No. 2:

For the proposed requirement for the private hospital to provide 30% of bed days at packaged charge, will this packaged charge be paid by the Government or by the users of the service?

FHB's Response:

The fee for service provided at packaged charge will be paid by the users. The Government will not finance, support or subsidize in any way the cost to the private hospital in providing services at packaged charge.

Question No. 3

In relation to the services provided at packaged charges, is there any restriction on the type of patients eligible for these services or the source of referrals of these patients?

FHB's Response:

The Government at present has no plans to restrict the type of patients eligible for services provided at packaged charges, nor the source of the referrals of the patients. The new private hospitals to be developed at the four reserved sites could accept patients referred from any other hospitals (both public and private) and provide services to these patients at packaged charges.

Question No. 4

Are the proposed special requirements only applicable to private hospital development at the four reserved sites?

FHB's Response:

The set of proposed special requirements, including the requirement on price transparency, are only applicable to private hospital development at the four reserved sites as conditions for disposal of the sites. The set of special requirement, when finalised, will not be applied to other existing private hospitals in Hong Kong. These special requirements also will not form part of the requirements for registration of the private hospitals with the Department of Health under the Hospitals, Nursing Homes and

Maternity Homes Registration Ordinance (Cap.165).

Question No. 5

How will the Government attract overseas medical talents to practise in Hong Kong?

FHB's Response:

The Government has been promoting the exchange of expertise, research and training of overseas medical professionals through international conferences and seminars that are mainly organized by the Hospital Authority of Hong Kong. These events would be conducive in further enhancing the standard of medical services in Hong Kong and attracting overseas medical talents to practise in Hong Kong. The Government is open-minded to suggestions from the market on measures that could attract overseas medical professionals to practise in Hong Kong.

Question No. 6

Has the Government set any development parameters for developing the four sites?

FHB's Response:

The Government has set out the basic development parameters of the four sites in the EOI document, such as the maximum building height and elevation of the sites. Such information would enable planning and architectural professionals to work out the number of storeys and amount of floor space available in each site for development of a modern hospital offering a mix of services.

To offer the potential respondents in the EOI exercise greater flexibility in formulating their suggestions, we have not prescribed in the EOI document the scale of the hospital development such as the number and types of beds, and types of service to be provided, and the plot ratio and Gross Floor Area of the proposed private hospitals. After considering the market feedback, the Government will set out more specific requirements or restrictions on the permissible development intensity of the private hospitals in the formal legal document for disposal of the sites.

Question No. 7

What is the Government's purpose in capping the proportion of obstetric service beds in the new private hospitals? Does the Government have any plan to limit the percentage of beds for cancer patients provided by the private hospitals?

FHB's Response:

The Government has not hitherto imposed any condition relating to the scope of specialties to be provided in any existing private hospital. We believe that it should be determined by market supply and demand. However, with the fast-growing market in medical services for visitors (especially obstetric services for Mainland women) in recent years, we consider it necessary to avoid the situation where the services of new hospitals would be slanted towards any particular type of service that might be more profitable and in great demand by visitors to Hong Kong rather than Hong Kong residents, lest our objective of addressing the imbalance between the public and private sectors and increasing the overall capacity of our healthcare system to cater for the long-term needs of our community be compromised.

We consider that the hospital beds should cater for a mix of specialties to meet the different needs of patients. To avoid the situation where the services in a new hospital would slant heavily towards obstetric services, we have proposed that the number of obstetric beds should be capped at not more than 20% of the total number of beds in the hospital.

As for cancer service, there seems to be no reason to limit the percentage of beds for cancer service as long as there is a strong demand from the local community on such service and such service provided by the private hospitals could meet the healthcare demand of Hong Kong people.

Question No. 8

One of the proposed special requirements is that the private hospitals should undertake to attain hospital accreditation on a continuous basis. Has the Government decided which accreditation standard should the private hospitals adopt?

FHB's Response:

At present, operating a private hospital in Hong Kong requires

registration with the Director of Health under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap.165). Private hospital operators are also requested to observe the standards and adopt the good practices set out in the non-legally binding “Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes” issued by the Department of Health. In addition, private hospitals are subject to other statutory controls such as registration of medical and para-medical personnel under the relevant laws, and other requirements as may be imposed by other government departments on fire safety, dangerous goods storage, etc.

Apart from the present regulation on the operation of private hospital through the registration system, Hong Kong does not have an established system for hospital accreditation, which is now adopted worldwide as a measure to improve quality and patient safety of healthcare institutions. To bring us in line with international practice, the Hospital Authority has launched a pilot scheme for accreditation of public hospitals. At the same time, some private hospitals are also interested in participating in the pilot scheme by engaging the consultant as the accrediting agent. The pilot scheme was launched in collaboration with the Australian Council on Healthcare Standards using the Evaluation and Quality Improvement Programme (EQuIP 4) with local modification. It is expected that the accreditation survey for the hospitals participating in the pilot scheme will be conducted in 2010, to be followed by the award of accreditation status to the hospitals in 2010 - 2011.

It is our ultimate objective to develop a common accreditation system for application to all public and private hospitals in Hong Kong. We have therefore proposed that as one of the conditions for development on the reserved sites, the hospitals should undertake accreditation by a recognized body no later than, say 3 years, following the date of commencement of operation and thereafter maintained on a continuous basis.

Question No. 9

In relation to the development of the Lantau site through public-private partnership (PPP), has any consideration been given to disposal of the site at nil or nominal premium?

FHB's Response:

The Government will work out the detailed land disposal arrangements for the four sites, including the means and timing for land disposal, the detailed special requirements and the land premium for the four reserved hospital sites after consideration of the responses and feedbacks received in the EOI exercise. At present the Government has not yet determined the disposal arrangement and land premium for the Lantau site in the case of PPP.

As stated in the EOI document, the land premium payable for each subject site will differ and shall be paid by the parties to whom the sites are disposed, irrespective of whether they are registered as charitable organizations under the laws of Hong Kong. The sites will not be disposed of at nil or nominal premium. Any concerns about the land premium could be included in the "Other feedback and comments" in the EOI submission referred to in Annex B Section II (vii) of the EOI document.

Question No. 10

After the closure of the EOI exercise, what is the Government's timetable in taking forward the development of private hospitals in Hong Kong?

FHB's Response:

The four sites reserved for private hospital development are available at different times depending on the status of each site on planning procedures, site formation works or interface with other infrastructure projects. The Government does not have a definite timetable at present stage on the disposal or development of these sites. We will consider all the responses and feedback received in the EOI exercise and work out the land disposal arrangements for the four sites, including the means and timing for land disposal, the detailed special requirements, and the approach for determining the land premium/upset price. The Government will further announce the relevant arrangement when it is able to do so.

Question No. 11

Is it possible to submit EOI submission after the EOI closes on 31 March 2010?

FHB's Response:

All EOIs should be submitted before the closing time of the EOI exercise. However, this EOI exercise is not a prequalification exercise to shortlist or pre-qualify the Respondents for any future exercise(s) to dispose of the subject sites. Parties who do not submit a response to this EOI exercise will not be barred from taking part, or prejudiced against, in any subsequent exercise(s) to dispose of the subject sites for the development of private hospitals at the subject sites.