

Frequently asked questions

Q1 What is the purpose of promoting private hospital development in Hong Kong? What are the benefits to the community of Hong Kong?

A1 Our healthcare system is overly reliant on public hospital services with over 90% of the in-patient services being provided by public hospitals. This has resulted in a significant imbalance between the public and private healthcare sectors and has limited the competition and collaboration between the two sectors. There are also limited choices for patients who may want a choice of hospital services and can afford more than public fees.

As one of the major Government policies announced by the Chief Executive in his 2009-10 policy address and a key initiative under the healthcare reform, it is our policy to promote and facilitate private hospital development. The development of private hospitals could help address the imbalance between the public and private sectors in hospital services and to increase the overall capacity of the healthcare system in Hong Kong to cope with the increasing service demand. It could also facilitate the development of medical industry as one of the six industries crucial to the development of Hong Kong's economy and help to develop and maintain Hong Kong's position as a prime medical centre in the region.

Q2 What is the purpose of the invitation for expression of interest?

A2 We need to ensure that the land disposal arrangement and the land premium would be fair and transparent to all interested parties, in the interest of the community, and help promote private hospital development. We also seek to ensure that the new private hospitals to be developed would be able to provide quality service and cater for the needs of local community. To facilitate us in formulating the land disposal arrangement for the four reserved hospital sites, we have decided to launch an expression of interest (EOI) exercise to solicit market interest first before we proceed with the disposal of the four hospital sites.

Q3 What is the reason for inviting proposal for development of the particular site at Lantau by Public-Private Partnership (PPP)?

A3 The site reserved for private hospital development at Lantau adjoins the site reserved for the development of phase two of the North Lantau Hospital project. This situation does not apply to the other three reserved hospital sites. Apart from planning the development of the Lantau site for a private hospital, the opportunity is taken to explore the introduction of PPP as another option for this site. We would also welcome other development models that do not involve PPP for this site. We would consider the land disposal arrangements in the light of the feedback obtained in the EOI exercise.

Q4 What is the purpose of promoting PPP for hospital services?

A4 It is our policy to promote public-private-partnership (PPP) in hospital services in order to provide more choices for patients, encourage collaboration and healthy competition between the public and private sectors for improvement in service quality and professional standards, and enable the provision of services in a more efficient and cost-effective manner, which together would contribute to addressing the current imbalance between the two sectors. Apart from purchasing services from the private sector and providing subsidy to patients for the use of private services under various pilot schemes introduced in recent years, we also seek to explore possible PPP model for the development of new hospitals.

Q5 What is the purpose of proposing the special requirements for development of the four reserved hospital sites?

A5 In promoting the development of private hospital, we also seek to ensure that the services of the new hospitals are of good quality, will cater for the needs of the general public and help develop the medical industry. We therefore propose to include a set of special requirements for the private hospital development, covering the aspects of land use, date of commencement of operation, bed capacity, service scope, price transparency, service standard and remedy for non-compliance.

Q6 **What is the land disposal method and land premium for the four sites?**

A6 We need to ensure that the method of land disposal and the land premium payable would be fair and transparent to all interested parties, in the interest of the community, and provide incentives to promote private hospital development. We consider that it would be fair to apply the same land disposal arrangement to all interested parties (including both profit-making and non-profit making operators). The land premium of each reserved site will differ but the premium will be applicable to all bidders, including registered charitable organizations, which will not be given land grant of the sites at nil or nominal premium.

Q7 **What is the next step after the Government has received the market interest on the development of the four reserved sites?**

A7 We would consider the response and feedback obtained in the EOI exercise and formulate the land disposal arrangements including the means and timing for land disposal, the detailed special requirements and the land premium for the four reserved hospital sites.