



香港私人執業專科醫生協會

Association of Private Medical Specialists of Hong Kong

14 March 2015

Healthcare Planning and Development Office

Food and Health Bureau

19/F, East Wing

Central Government Offices

2 Tim Mei Avenue

Tamar, Hong Kong

Dear Sir/Madam,

Submission on Regulation of Voluntary Health Insurance Scheme (VHIS)
and Private Healthcare Facilities (PHF) Consultation Documents

Following the publication of the two Consultation Documents on VHIS and Regulation of PHF the Association of Private Medical Specialists of Hong Kong has formed a Subcommittee to study them. In addition, we have obtained the opinions of some members of the Insurance Industry and Private Hospitals.

We submit herewith the views of our Association on the two Consultation Documents.

Yours sincerely,

Dr Kwok Po Yin, Samuel

President

The Association of Private Medical Specialists of Hong Kong

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Submission on Regulation of Voluntary Health Insurance Scheme (VHIS)
and Private Healthcare Facilities (PHF) Consultation Documents

(A) Views on the Consultation Document on VHIS

We will first submit answers to the eight issues in Chapter 9. This will be followed by our overall comments

Answers to the eight issues in Chapter 9 “Way Forward”

- (a) Yes
- (b) Concerning the No. 3 Minimum Requirement of Coverage of Pre-existing Conditions, we have reservations on the length of the Standard Waiting Period. According to the proposal the high risk policyholder is asked to pay \$10,000 yearly for 3 years without full coverage. This seems not fair. We suggest you should consider Zero Reimbursement for the first two years and then Full Coverage from the third year on. This will increase the burden, most likely of the High Risk Pool. We suggest Government should consider this possibility.
- (c) Yes
- (d) Yes
- (e) Yes
- (f) Yes
- (g) Yes
- (h) Yes



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Overall Comments

1. We agree that this proposal is not an overall Healthcare Finance Reform but an improvement of hospital insurance scheme.
2. The success of the VHIS depends very much on the acceptance of the Insurance Industry. We presume you have got the overall approval of the Insurance Industry before putting this proposal forward. We hope that they will agree to all the 12 Minimum Requirements and the Regulatory Framework.
3. We are concerned about the ultimate Premium Level when the scheme is implemented. Would the average annual premium of \$3,600 or 9% increase of the current rate be too optimistic. As it is, the 70% acceptance by the citizens in the Consultant's Consumer Survey must have depended heavily on this assumption. If the ultimate premium is much higher the scheme will be less attractive.
4. We are also worried about the subsequent annual increase in the premium rates since this will not be controlled by the Regulatory Agency. The Consultant's Report indicates that it is the international trend to have Product Approval (including sample contracts and premium rates) by the regulators. And yet it is now proposed that a "File and Use" system be used and premium rates need not be approved.
5. Overall we consider the VHIS beneficial to the citizens and we recommend all citizens who can afford to join.



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(B) Views on the Consultation Document on the Regulation of PHF

In principle we agree with all your proposals in regulating the PHF.

1. We agree with your proposed three classes of PHF to be regulated and their respective definitions.

2. We agree in principle with the proposed 19 regulatory aspects and their applicability with the following comments:

(a) Price Transparency D15 to D18 should also apply to the Private Wards of the Public Hospitals although the numbers of these beds are small.

(b) Recognized Service Packages (D17) are difficult to apply in Private Hospitals because the visiting doctors' fees cannot be determined. However, since it is to be voluntary we believe most of the Private Hospitals will not follow.

3. We agree with the proposed powers to be conferred on the regulatory authority.