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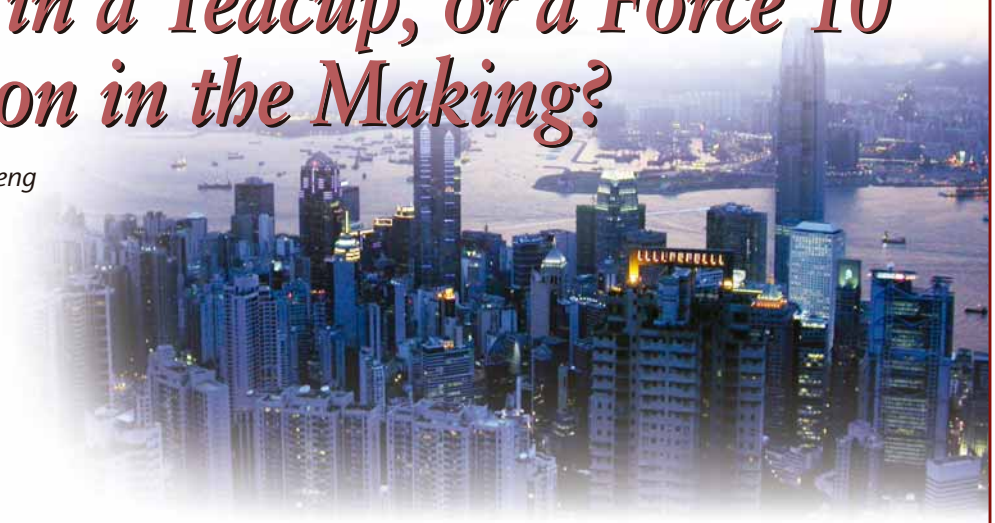
SMA NEWS

Hong Kong's Healthcare Challenges:
Storm in a Teacup, or a Force 10 Typhoon in the Making?

By Dr Choy Khai Meng



INTRODUCTION

In Hong Kong's formal healthcare system, the public and private sectors together consume about 5% of Gross Domestic Product – and this expenditure is spread about equally between the two sectors. Relatively low by world standards, this expenditure has nonetheless enabled Hong Kong to provide comprehensive healthcare to its citizens. The public healthcare sector provides very heavily subsidised services, with an inpatient charge of HK$100 (around S$22) per day, which will cover all necessary treatments, medications and ward services, and a specialist outpatient consultation charge of HK$60 (around S$13), and even these charges are waived for patients in financial need.

With increasing concerns about the long-term sustainability of the present healthcare system, the Hong Kong Special Administrative Region's (SAR) Government released a consultation document on healthcare reform entitled "Lifelong Investment in Health"[1] in 2000, which contained major recommendations for healthcare system integration, quality improvement, and healthcare financing. There has been much discussion and a range of viewpoints raised about the proposals, which will be taken forward in phases, when the necessary societal consensus has been developed.

WHAT AILS THE SYSTEM?

The consultation document raised three concerns:

(a) Ensuring long-term financial sustainability of the system;
(b) Reforming aspects of a somewhat compartmentalised health system; and
(c) Ensuring quality of healthcare.

(a) Ensuring Long-Term Financial Sustainability of the System

This is, quite rightly, the area of greatest concern to all in the Hong Kong community, particularly exacerbated by the severe economic downturn of recent times. For a people schooled to regard economic well-being as almost of ultimate concern, this has undoubtedly raised the most worries.

There is much to be concerned about: increasing life expectancy, exploding healthcare costs and ever-increasing patient and community demand are all trends recognised throughout the developed world, and there is nothing to suggest that Hong Kong will be any different in the years to come. (An interesting vignette: GlaxoSmithKline's net liability for pension obligations as at end 2001 reportedly stood at £457m; its post-retirement healthcare schemes showed liabilities of an even larger £519m.)[2]

Indeed, due to Hong Kong's low direct taxation system, and increasing social services demands for limited Government money, the Government budget for healthcare expenditure will be particularly constrained in the coming

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years. This funding limitation has already caused the public system to show signs of strain. The current system would likely become unsustainable unless measures are taken to address its weaknesses.

(b) Reforming Aspects of a Somewhat Compartmentalised Health System

Healthcare provision in Hong Kong has over the years developed in many different areas, but there has been a rather independent approach in different service areas, so that a multi-sectorial integrated approach has sometimes been lacking. This compartmentalisation sometimes extends further to the medical-social interface. With the growing prevalence of chronic illnesses that afflict developed societies with significantly improved life expectancies, there is an increasing challenge to develop community and social care models that can move care beyond strict hospital or even medical confines. Not only can this help minimise a large healthcare bill, but such new models can potentially also improve the overall quality of life of many chronic patients, and reduce the unnecessary side-effects of excessive medicalisation or institutionalisation.

However, an adequate social services infrastructure is needed to provide such essential care, plus an efficient communication and referral interface between both sectors. In Hong Kong, such medical-social compartmentalisation has been steadily addressed in more recent initiatives, but there is still some way to go.

Another manifestation of compartmentalisation has been in the interface between the public and private sectors. Whilst many patients do in fact seek treatment in both sectors, there remain opportunities to enhance the exchange of information, skills and ideas between the two sectors, so as to move beyond a traditional "us versus them" divide.

(c) Ensuring Quality of Healthcare

"First do no harm" is an often quoted term attributed to Hippocrates. It is also a dictum that severely tests every contemporary healthcare system today, from the United States of America (US), where the report "To Err is Human", published by the Committee on Quality of Health Care in America[3], ignited a storm of reaction, and action, that continues to this day, through the United Kingdom (UK), where the conclusions of the Bristol inquiry was the essential primer fuelling fervent calls for the need for stronger corporate governance[4], to Hong Kong, where reports of healthcare gone wrong do find their way into the Special Administrative Region's popular newspapers.

Quality concerns cost every healthcare system. Healthcare can itself lead to many iatrogenic disasters. "To Err is Human"[3] estimated 44,000 to 98,000 deaths in the US per year caused by medical errors. "The Nation's Health"[5], a commentary on the US healthcare system, noted that one fourth of hospital deaths may be preventable[6], one third of some hospital procedures may expose patients to risk without improving their health, a third of drugs may not be indicated, and one third of laboratory tests showing abnormal results may not be followed up by physicians[7]. In the UK, a 2003 Department of Health consultation paper[8] noted that:

(i) 10% of hospital inpatient admissions may result in some kind of adverse event;
(ii) 5% of the general population reported suffering some injury or other adverse effects of medical care; almost a third of these claimed that the event had a permanent impact on their health; and
(iii) 18% of patients reported being the victim of a medication error some time in the previous two years.

The UK paper also noted that both the number and size of medico-legal compensation have been increasing, with average awards rising from £1,454 in the mid-1970s, to £259,038 in 2002, and maximum awards rising from £16,500 to £12 million over the same period[8].

Back in Hong Kong, there have been similar concerns raised about rising medico-legal litigation, evidenced by the Medical Protection Society's (MPS) premiums that have increased significantly in the past few years. This culminated in two meetings held between the Government, professional, legal and MPS representatives in January and June 2004, at which various legislative or executive options were raised, including no fault compensation, cap on medico-legal compensation, control on legal aid, improvement of claims culture and use of arbitration[9].

It has to be recognised that ensuring and enhancing quality goes beyond the narrower confines of dealing with litigation. The need to improve transparency and mutual understanding, have in place proper risk management and risk monitoring systems, adequate clinical governance, and a balanced complaints and feedback mechanism are all challenges faced by Hong Kong's healthcare professionals.

THE WAY FORWARD

However, whilst noting the challenges above, there are also positive aspects of Hong Kong's healthcare system that should be acknowledged:

(a) There are complementary strengths in both private and public healthcare units, and, particularly following SARS, a realisation of the potential and importance of increased cooperation and coordination between both sectors. With reform still virgin territory in many areas, there is opportunity to develop new models of public-private cooperation, which should appeal to the more "entrepreneurial" members of our profession (noting the rise of this buzzword in Singapore media).
(b) There are comprehensive undergraduate and post-

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About the author:
Dr Choy Khai Meng, BM BCh (Oxon), MA (Cantab), MMedSc (HKU), graduated from Oxford University Medical School in 1988, and was then admitted as solicitor in England (1993) and Hong Kong (1994). As a doctor-solicitor in private practice, he specialised in medico-legal matters. At present, he is Senior Executive Manager (Professional Services) in the Hong Kong Hospital Authority, and frequently travels to Singapore, occasionally accompanied by his wife, a psychiatrist, and two young children.

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graduate training and research programmes in Hong Kong's medical faculties, long established for western medicine, but more recently also for Chinese medicine. Future opportunities exist for greater interaction between these two very different streams of medicine.

(c) A comprehensive range of highly subsidised healthcare services are provided for Hong Kong residents, ranging across the spectrum from outpatient, through inpatient, to community services, and further exemption from all fees are granted to those receiving social assistance. Whilst greater personal responsibility and more focused provision of public services are longer-term directions, the provision of such fundamental social and healthcare services are to be valued in a caring and developed society.

(d) With the strength of an independent media and transparent accountability structures, both within and without the healthcare institutions, healthcare problem cases are often openly managed.

(e) There is central coordination of most public healthcare services, whether through the Hospital Authority, or the Department of Health, which has advantages in ensuring compatible policies and standards, and ensuring equality of access to healthcare services.

(f) Finally, Hong Kong is now a part of China, and with the continued liberalisation of healthcare provision in Mainland China, many new vistas open up. For example, with the recently endorsed Closer Economic Partnership Agreement (CEPA) between the Mainland and the Hong Kong SAR, greater professional, including medical, exchange is possible, and encouraged. This will make it easier for Hong Kong healthcare professionals to work in the Mainland, and may allow opportunities for the exchange of consultancies in both clinical and management spheres. There is already some anecdotal evidence of greater flow of selected patients between Hong Kong and the Mainland.

At the same time, certain underlying principles may be considered when setting the directions of Hong Kong's future healthcare reform:

(a) The safety net in Hong Kong's healthcare system should be maintained, as embodied in the principle, enshrined in legislation[10], that no one should be denied reasonable healthcare because of lack of means. However, individuals and the community should be encouraged to take up greater responsibilities in healthcare.

(b) The level of service in the public sector has improved significantly over the last 10 years, and the challenge is to ensure that such a level can be maintained even with an aging population and healthcare price inflation. To do this, there should be a clearer delineation of what is to be regarded as the standard care provided as subsidised medicine, and what should be paid for as the patient's own choice.

(c) There are many opportunities to encourage the development of private healthcare services, complementary to the public sector, and to cooperate with private sector insurers to enhance the effectiveness of risk–sharing in the private sector. Developing innovative packages and initiatives in private healthcare will attract and keep more patients in the private sector and allow the public sector to better target its resources.

(d) All healthcare providers and organisations should share the common objective of exploring new ways of creating efficiency in the delivery of services. There are still areas with potential for improvement, and service delivery models and paradigms need to be continually reassessed.

CONCLUSION

We are now at an important milestone for improving Hong Kong's healthcare system. There is much work to be done to further stimulate community concern and discussion, then to arrive at a consensus, and to take the bold steps needed to ensure that we have a sufficient blueprint for the evolution of Hong Kong's healthcare system in the next two decades.

It would be remiss not to note that there remain significant challenges in the journey ahead. These include:

(a) The balancing of various inter-sectorial and inter-specialty interests;

(b) The need to manage change – a significant HR challenge in many healthcare institutions;

(c) The need to obtain sufficient support from the community for necessary changes in government policies; and

(d) Moving discussions beyond narrow political agendas.

Whilst in no way downplaying their importance, it is hoped that with enhanced communication and consensus building, the various parties that have an interest in the long-term planning of the health sector may come together, agree on broad visions and directions, and then start out on the long road ahead to a sustainable, quality-driven health service – both public and private sectors working as equal partners – that can serve the Hong Kong community in the years ahead. ■

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(NB: The views and opinions expressed in this article represent the personal views and opinions of the author, and not those of the Hospital Authority.)