

Introducing Universal Healthcare Voucher in Hong Kong

Is it feasible?

*The challenges and barriers of adopting
Universal Healthcare Voucher*

Present by Eddy K. H. TANG

Agenda

- o Introduction
 - o Macau's Universal Healthcare Voucher Scheme
 - o Background of Hong Kong Healthcare Voucher Scheme
 - o Reasons for suggesting Universal Healthcare Voucher in Hong Kong
 - o Purpose of study and Thesis Statement
- o Analysis: Why Universal Healthcare Voucher (UHVS) cannot apply in Hong Kong
 - o Prerequisites of adoption of UHVS
 - o Challenges of adopting UHVS
 - o Barrier of adopting UHVS
- o Recommendations
- o Conclusion

Introduction

Macau's Universal Healthcare Voucher Scheme

- First introduced in 2009
- Amount of voucher: MOP \$600 / resident
- Total expense of program: MOP \$ 376.2 million
- 85% of qualified service providers participated in the program
- Aiming to share the public the economic outcomes of social development
- Alleviate residents' living burdens



(Healthcare Subsidy Scheme Support Centre, 2016)

Historical Fact of the Healthcare Voucher Scheme in Hong Kong

- First appears in 2007-2008 policy address
- Launched the Pilot Scheme in 2009
- Current amount of voucher: HKD **\$2,000/year**
- Estimated expense per year: **HKD \$150 million**
- Aiming to gift the elderly
- “Money-following-the-user” approach

Reasons for suggesting Universal Healthcare Voucher in Hong Kong

- Roots of problem
 - Great, at time inappropriate reliance on the publicly subsidised facilities
- Imbalance usage
 - Scale of usage Public : Private = 8:2 (Luk & Chiu, 2011)
 - 6,000 residents visit A&E every day (Hospital Authority, 2016)
- Increased demand on subsidy
 - 74% of interviewees expect the government could increase the expenditure in healthcare (Wong, Wan & Law, 2009)

Reasons for suggesting Universal Healthcare Voucher in Hong Kong

- o Intentions of adopting Healthcare Vouchers Scheme
 - o Improve the health for all residents
 - o Equal opportunity to receive private healthcare sector services (Whitehead,1990)
 - o Equal treatment for equal needs (Botero, Valencia & Carmona-Fonseca, 2012)
 - o Better social resource redistribution
 - o Shifting from 'have more' to 'have less' via social mechanism
 - o The rich subsidize the poor in medical services (Barry, 2011)
 - o Relief the pressure of public healthcare system
 - o Shifting patients from public sector to private sector

Purpose of study and Thesis Statement

- Purpose of Study
 - Discuss the feasibility of introducing UHVS
 - Suggest the Prerequisites of adopting UHVS
 - Examine the challenges and barriers
- Thesis Statement
 - **Unwise to introducing the UHVS to Hong Kong**

Analysis

Why Universal Healthcare Voucher
cannot be applied in Hong Kong?

Prerequisites of adopting Universal Healthcare Voucher Scheme

- o Resident
 - o Basic Healthy Living Awareness
 - o Seeking appropriate medical advice
 - o Sense of illness prevention & Healthy lifestyle
- o Healthcare service provider
 - o Developed, Professional Private Healthcare System
 - o Competitive market
 - o High participation rate from the service provider
- o Government
 - o Considerable and Stable Revenue Base
 - o Able to support the expense on the scheme

Hong Kong conditions

- o Hong Kong could only fulfilled part of the prerequisites of the UHVS
 - o Most of the residents have the sense of seeking medical advice
 - o Competitive market in private healthcare sector
 - o Relatively considerable and stable revenue base

Challenges of adopting UHVS

- Failure of HCV (Healthcare Voucher for elderly)
 - Implementation gap in adopting the Healthcare voucher scheme
- Low sense of illness prevention
 - Only 8.8% of vouchers used preventive care
(Audit Commission,2014)
 - 55% of interviewee have not had body check-ups in the past 2 years
(Leong,2016)
- Low participation rate from the service providers
 - Only 34.2% of private doctors had enrolled in HCVS
(HKMA, 2015)
- Unable to relief of pressure on public hospitals
 - Cannot shift patients to private sector effectively

Challenges of adopting UHVS

o Population

- o Hong Kong have more resident than Macau
 - o Hong Kong 7.37 million : Macau 0.56 million

- o Expenses amount & Operational mechanism could be different

- o Hong Kong is expected to have higher implementation cost

o Policy environment

- o Hong Kong's policy environment is not harmonious
 - o Suffer from filibuster
 - o Difficult to pass the bills in the Legislative Council

Barriers of passing the bill of UHVS

- Financial Constraints Consideration
 - Estimated **HKD \$14 billion** will be reserved for the voucher scheme (excluding administration cost)
 - Might become the budgetary pressure
- Legislative Council Composition
 - The Pan-Democratic bloc gets the power of veto
 - The bills might become the political bargaining chips
- Civil Society opposition
 - Right-wings parties
 - Advocate minimizing the role of the government
 - Opposing universal welfare provision

Recommendations

- Expanding the coverage of current Healthcare Voucher Scheme
 - Lowering the threshold of subsidized from 70 to 65 years old
- Providing economic incentive for residents to have body check-ups
 - Universal body check-ups vouchers
 - Tax allowance
- Promoting Healthy lifestyle
 - Strengthen the social education
 - Sport For All Day

Conclusion

- o Undoubtedly,
 - o The intention of introducing Universal Healthcare voucher is positive
- o However,
 - o 'The policy for them, but not for us'
 - o Cannot directly follow the Macau model
 - o Different conditions between Hong Kong and Macau
- o Hence,
 - o **Not feasible to introducing the UHVS to Hong Kong**

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Thank you for your
attention!

Q&A