

Government amends service deeds with private hospitals in response to public healthcare needs

In view of the latest trend in healthcare services, the Government amended today (December 15) the service deeds with Gleneagles Hospital Hong Kong (GHK) and CUHK Medical Centre (CUHKMC) to enhance the packaged charging and hospital bed requirements, thereby encouraging private hospitals to offer day and inpatient services with more transparency in pricing.

A service remedy mechanism is also introduced under the relevant amendments. In case of failure to meet the service deed requirements, the private hospital concerned will be required under the Government's direction to provide services to patients of the Hospital Authority (HA) at the same rates as the HA's standard fees and charges for the benefit of the public.

Overview of service deeds

The healthcare system of Hong Kong has all along been supported by both public and private sectors on a dual-track basis. As a way to guarantee the provision of quality service by private hospitals to meet public needs, the Government has been adopting a set of minimum requirements for new private hospital developments on government sites since 2011. For expansion or redevelopment of existing private hospitals, the private hospitals concerned are also invited to consider accepting the minimum requirements if a lease modification is involved.

The Government is currently in a service deed with GHK and CUHKMC respectively to implement the minimum requirements, and these service deeds have been updated according to the latest amendments.

Enhancing packaged charging and hospital bed requirements

As part of the minimum requirements, private hospitals are required to provide a certain proportion of services at packaged charging to enhance price transparency and certainty, thus enabling patients to budget for the required medical costs.

The packaged charging requirement under the original service deeds only took into account inpatient services. With the advancement of medical technology, many surgeries and medical procedures can now be performed without overnight hospitalisation which allow patients to leave on the same day. Such day services save healthcare resources and are more affordable for patients.

In this connection, the amended service deeds cover not only inpatient services but also day cases, thereby encouraging private hospitals to provide more day services at packaged charging to reduce patients' medical costs.

Regarding inpatient services, the Government also imposes a new requirement that at least 70 per cent of the total number of operational inpatient beds in a private hospital should be provided as standard beds (i.e. class of beds with the lowest fee). This ensures the adequate supply of more affordable hospital beds for patients' choice.

Service remedy mechanism

Also introduced under the amendments is a service remedy mechanism. If a private hospital fails to meet the service deed requirements, the Government may require the private hospital to provide medical services to patients referred by the HA at a fee equivalent to HA's standard fees and charges for eligible persons. This will serve both as a remedy and a contribution to the community.

Such an arrangement delivers a win on three sides. The Government can relieve the pressure on the public healthcare system whereas the medical resources of private hospitals may be better utilised, benefitting patients of public hospitals through shortening their waiting time.

Upon liaison, both GHK and CUHKMC agreed to provide services to HA patients in accordance with the service remedy mechanism in respect of their past compliance with the service deed requirements. The HA is currently working out the detailed arrangements with the two private hospitals, aiming to launch the service referral in the first quarter of the next year. It is expected that the referral may cover items such as inpatient services, day procedures, specialist outpatient consultations as well as diagnostic imaging.

Looking ahead, the Government will review the minimum requirements in the light of the collaboration experience with private hospitals in combating against the epidemic in recent years and the latest developments of the overall healthcare system, so as to ensure that the policy for private hospital development can be kept abreast of the times.