



# How to Convene a Public Private Partnership Programme : Public's Perspective

## Public Private Partnership & Strategic Purchasing

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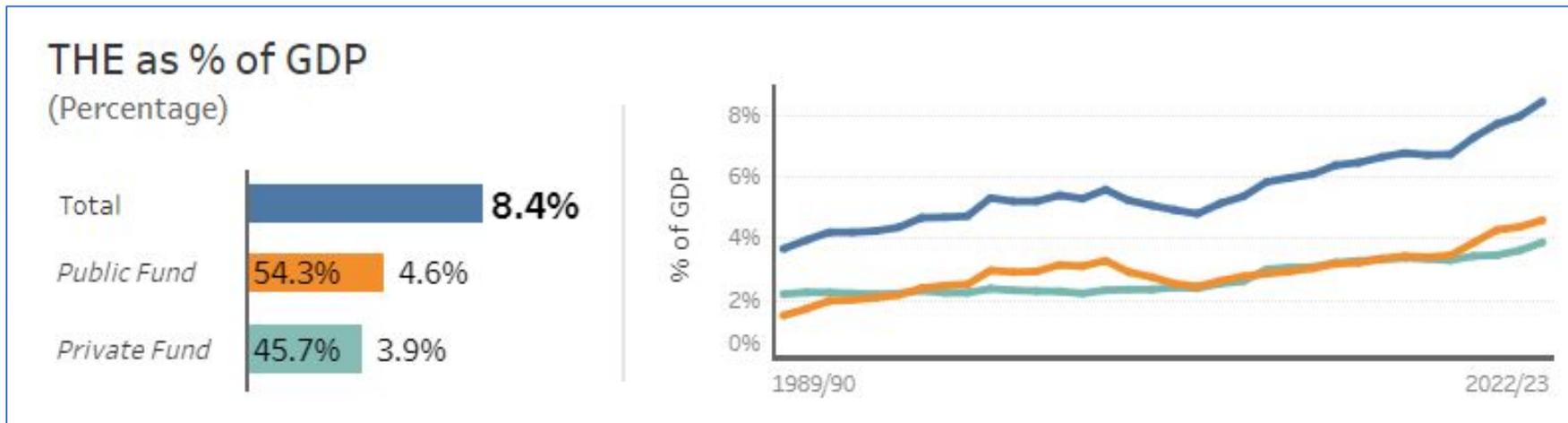
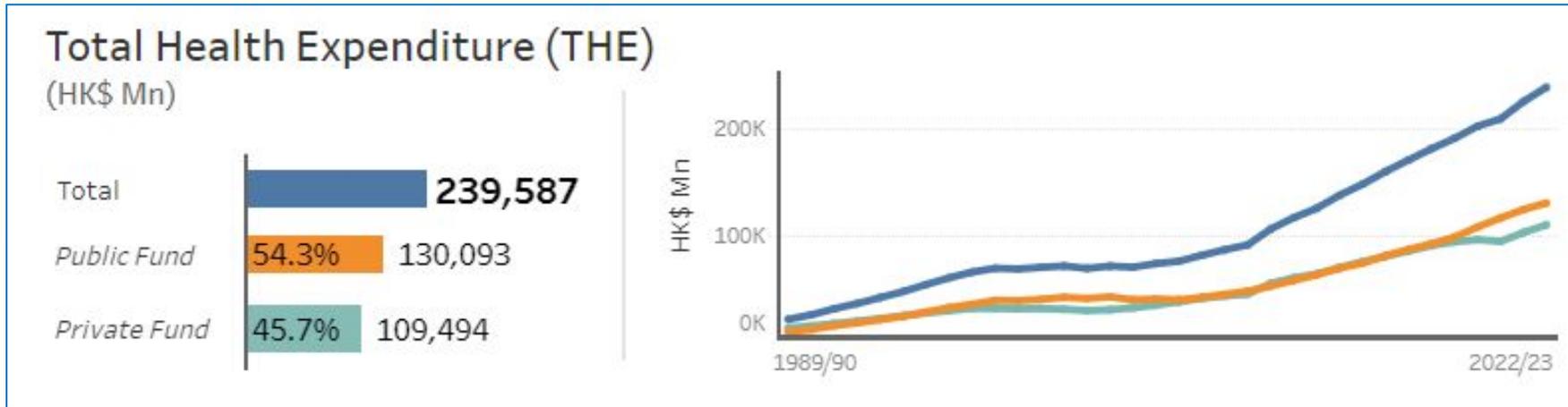
# Healthcare System in Hong Kong

- A **Dual-track System**
- **Public services**
  - **Secondary & Tertiary care** : Mainly by the Hospital Authority (HA)
    - 43 Hospitals + 49 Specialist Outpatient Clinics
  - **Primary care**: HA +Department of Health (DH)
    - HA: 74 General Outpatient Clinics
    - DH: e.g. Elderly Health Service, Maternal & Child Health Centres
  - **Public health functions**: Mainly by DH
- **Private services**
  - Primary and community care: Major providers
  - Hospital care: 13 Private Hospitals

# Domestic Health Account (DHA) Hong Kong (2022/23)

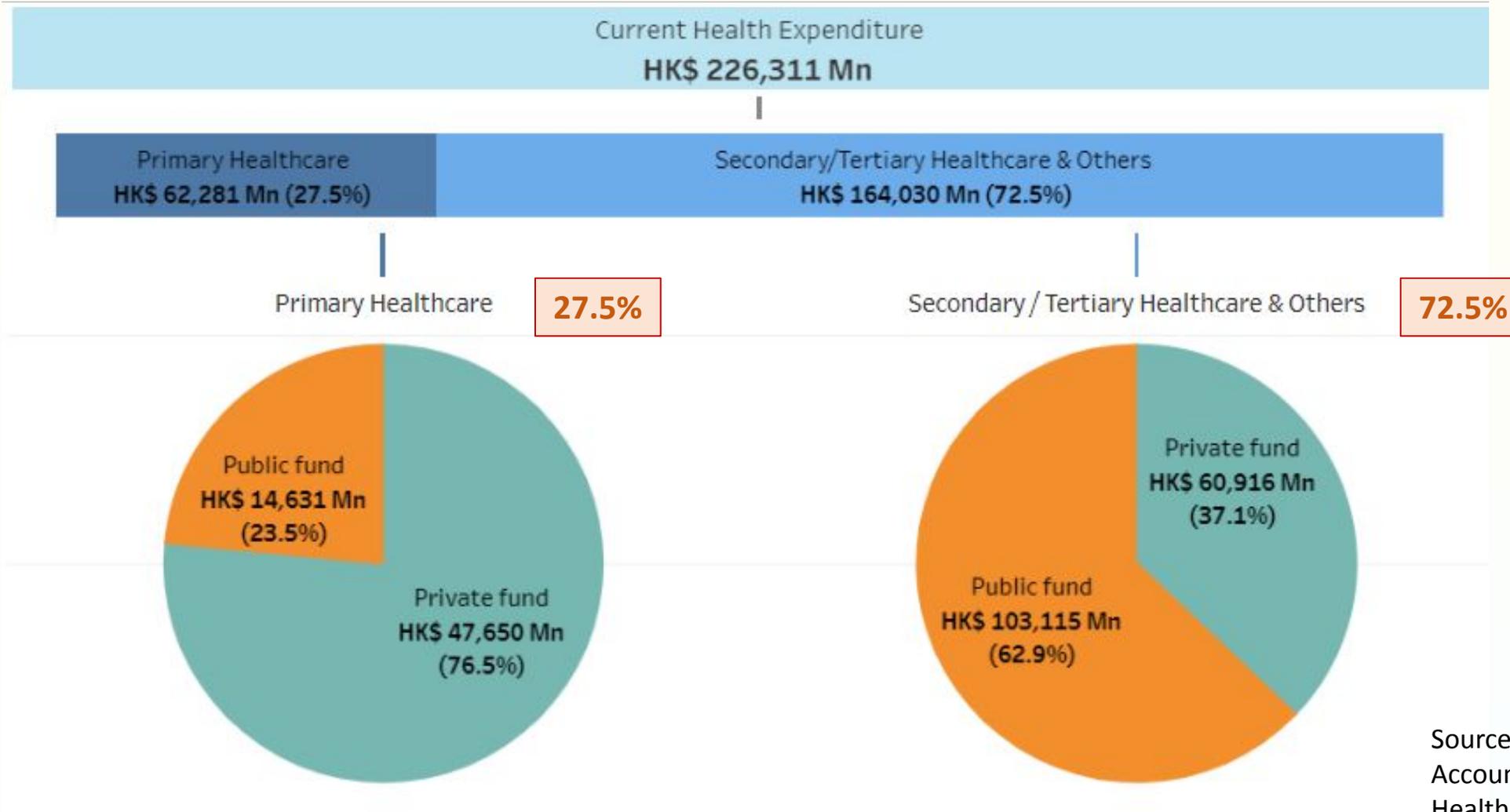
[Exclude Identified COVID-19 Expenditure]

- Total Health Expenditure (THE) by Public/ Private Fund 1989/90 – 2022/23



Source: Domestic Health Account (2022/23)  
Health Bureau

# Hong Kong: Health Expenditure by Public/ Private Fund (2022/23)



Source: Domestic Health Account (2022/23)  
Health Bureau

# Healthcare in Hong Kong: Strengths & Challenges

## Our Strengths

- Life expectancies at birth (2023): 82.5 Yrs for Male, 87.9 Yrs for Female – among the highest
- Public sector (highly subsidised): Providing a wide range of affordable health services, available to all citizens
- Private sector (out of pocket, insurance): Different levels & modalities of healthcare services available
- Good public health infrastructure, e.g. high childhood immunisation rate, water & food safety

## Our Challenges

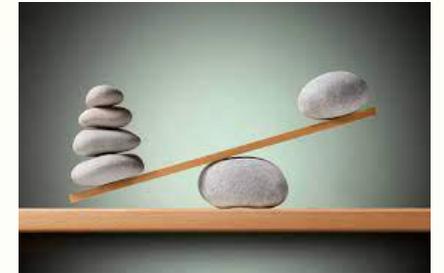
### • Rapidly ageing Population

- Population  $\geq$  65 years from  $\sim$ 0.75M (11.1%) in 2001 to  $\sim$ 1.64M (21.8%) in 2023
- Increase in prevalence and complexity of health problems

### • Increase in **Chronic disease prevalence**

### • Escalating healthcare costs

- Emphasising on **Treatment-oriented Secondary & Tertiary care**, lack of a coordinated primary care system
- **Imbalance - Public sector overloaded**, shouldering majority of hospital & secondary/ tertiary care



**Financial Sustainability? Accessibility - Universal Health Coverage?**

# Public-Private Partnership in Healthcare



# World Health Organization

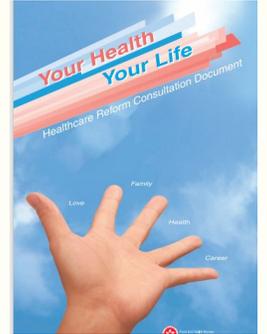
- Since 1990s, WHO emphasized the **mobilization** of support of all partners in health development, including **private sector & non-government organizations** in the implementation of national strategies
- Partnering with private & non-government sectors is outlined in **WHO's corporate strategy** as a core function that can help **to bring about health for all**

## World Bank

- Access to **essential health services** is an important aspect of development
- Ageing population, increasing disease burden, advancement in treatment modalities – increasing **pressure on healthcare finance and sustainability**
- Governments of different countries worldwide: increasingly looking at **public-private partnerships** for healthcare as a way to:
  - **expand access** to higher-quality health services
  - **leveraging capital, managerial capacity, & knowhow** from the private sector

# HA Public-Private-Partnership (PPP) for Health Services

- To identify ways to address challenges to the Hong Kong healthcare system:
  - The then Food & Health Bureau (FHB) conducted a consultancy on healthcare reform
  - The consultancy report *'Your Health, Your Life' in 2008*
- Among the reform proposals:
  - **Promote public-private partnership in healthcare** - an important measure to **improve sustainability** of the healthcare system
- **2008-09 Policy Address:** a series of pilot measures to promote PPP in healthcare
- **Hospital Authority:** to strengthen partnership with the private sector
  - To provide services of high demand or of long waiting time, e.g. cataract surgery, management of chronic diseases



# HA PPP Programmes



Regular PPP Programmes		Programme Commence Date
Cataract Surgeries Programme		Feb 2008
Haemodialysis PPP Programme		Mar 2010
Project on Enhancing Radiological Investigation Services through Collaboration with the Private Sector		May 2012
General Outpatient Clinic (GOPC) PPP Programme / Co-care Service Model		Jul 2014
Colon Assessment PPP Programme		Dec 2016
Glaucoma PPP Programme		Jun 2019
Trauma Operative Service Collaboration Programme	<div data-bbox="1251 872 1510 1072" data-label="Text"> <p>Developed during COVID-19 as Contingency</p> </div>	Apr 2020
Breast Cancer Operative Service Collaboration Programme		Jun 2020
Radiation Therapy Service PPP Programme		Jul 2022
Investigation PPP Programme – for GOPC PPP		Mar 2024

- Serving >120,000 patients
- Private Providers >700

• **Funding Source:** In 2016, the Government set up a fund (HK\$10 billion) for the HA to make use of investment return for the HA's PPP initiatives

# Other Government PPP Health Programmes

- Managed by the Department of Health E.g.
  - Vaccination Subsidy Scheme
  - Elderly Health Care Voucher Scheme
  - Colorectal Cancer Screening Programme



# HA PPP Programmes Succeeded in....

- Over the years, **HA PPP programmes**: playing an important role in **managing pressure areas**:
  - **Share out demand** on high pressure services, Address service gaps
  - Act as **a Safety net** during contingency situations (e.g. COVID-19 pandemic)
- **HA Patients** joining PPP programmes
  - Offered **greater choices**, with **affordable** co-payment
  - Improve **convenience**
  - Shorter **waiting time**
- **Private sector**
  - Build a **common platform** between the public & private healthcare sectors
  - Foster **connection, collaboration & cross-fertilization** of expertise between the public & private sectors
  - Make **better use of resources** from both sectors
- **Information sharing** via the **Electronic Health Record Sharing System (eHRSS)**
  - **Health Bureau led, territory-wide platform** enables authorised healthcare providers in public & private sectors to access and share participating patients' electronic health records for healthcare purposes



# Overall Planning of HA PPP Programmes



- More focusing on alleviating:
  - **Service demand**
  - **Waiting time**
  - **Professional capacity**
- Planned and implemented at **programme basis**, to manage demand on **individual services**
- Planned and developed at different times
- **Integration and synergies** among the HA PPP programmes & with those of other public-funded PPP programmes (e.g. programmes managed by DH) **have been limited**

**Good results, but lacks overall integration & synergy  
Planning strategies not based on a population-wide perspective**

# **Strategic Purchasing for Healthcare**

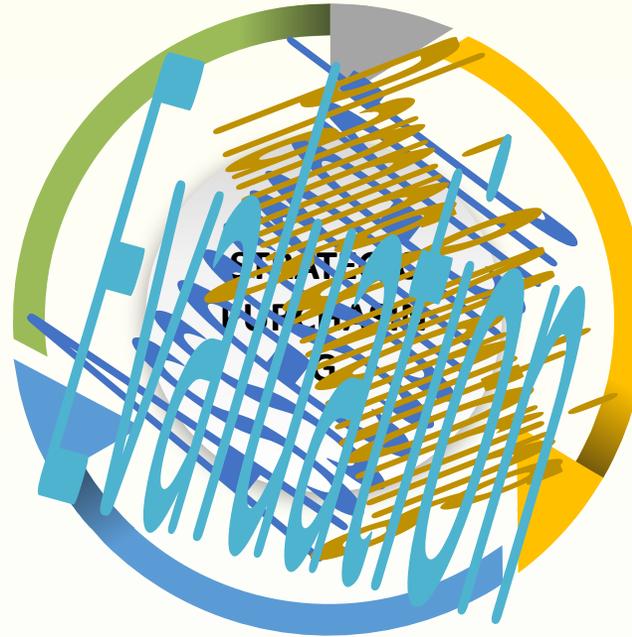
# World Health Organization



- **Making the purchasing of health services more strategic is critical** for countries to progress towards universal health coverage
- **Strategic purchasing**
  - to **align funding and incentives** with the legal entitlements to health services
  - must therefore be guided by detailed **information on the performance of providers** and the **health needs** of the population served, while **managing expenditure growth**
- Core Areas:
  1. Specification of services and interventions (“**What to buy**”)
  2. Choice of providers (“**from Whom to buy**”)
  3. Design of financial & non-financial incentives (“**How to buy**”) – provider payment mechanisms and contractual arrangements

# Strategic Purchasing – an Interactive Process

Strategic Purchasing is an iterative process which is cyclical in nature involving **needs assessment, planning and monitoring and consistent evaluation** in a system-wide manner



**Information** is intrinsic to strategic purchasing

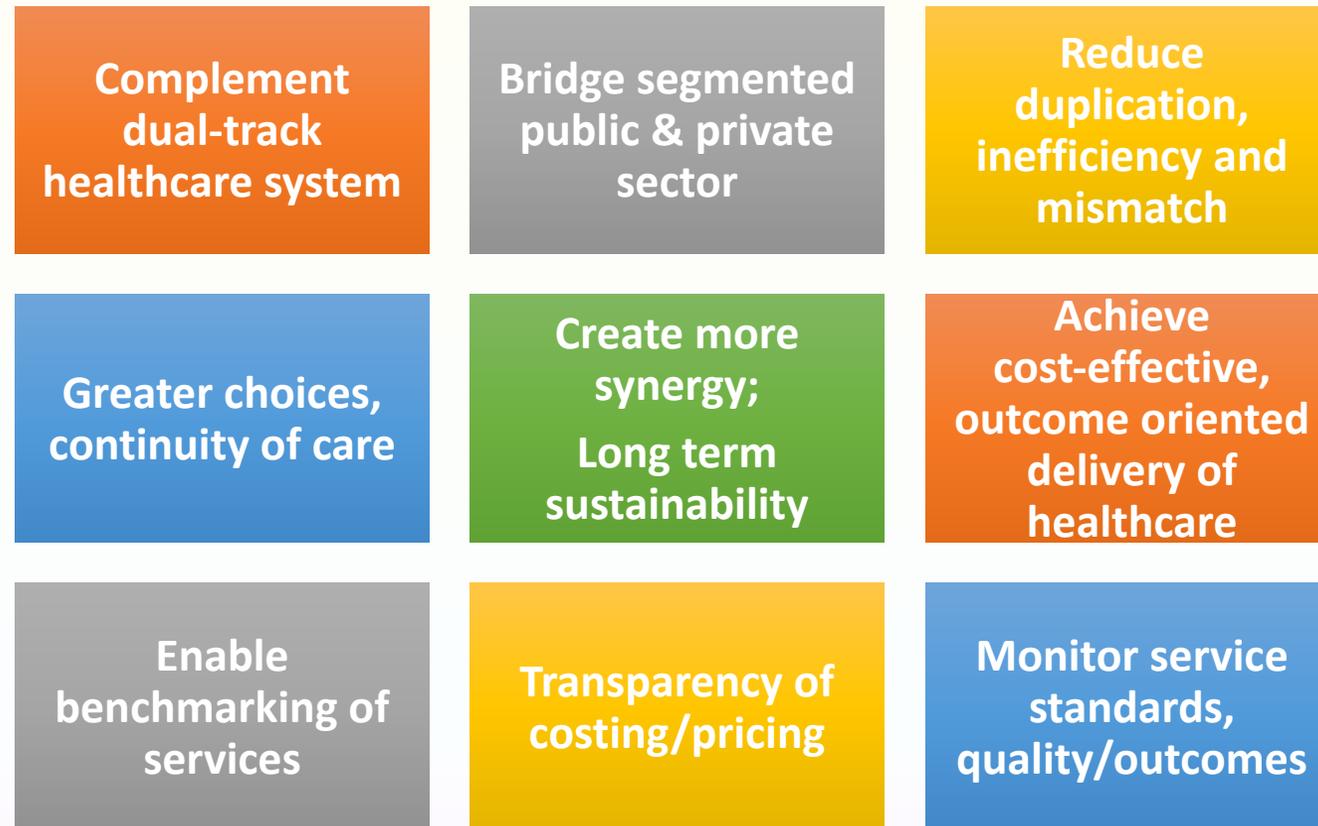
- Key enabler – for **effective governance** to enable progress towards objectives
- Important for a purchaser to be able to **allocate funds according to population needs**, provider **performance**, to design payment methods, to monitor provider behaviour
- Clinical & financial data, quality & service-delivery outputs

Source: Strategic Purchasing: Enabling Health for All Research Report, Our Hong Kong Foundation (2021);

World Health Organization: Purchasing Health Services for Universal Health Coverage: How to Make It More Strategic? (2019)

# Strategic Purchasing (Hong Kong)

- The Health Bureau (HHB) of Hong Kong intends to **use strategic purchasing as policy tool** to achieve **integrated healthcare** through complementing the existing dual-track healthcare system
- Coordinating and integrating the purchase & administration of PPP initiatives in **a more strategic and holistic manner**
- Drive towards a **more optimal healthcare system** that can contribute to the **long-term sustainability** of the system in Hong Kong



# Establishment of Strategic Purchasing Office



**Health Bureau**

The Government of the Hong Kong Special Administrative Region  
of the People's Republic of China

- **Strategic Purchasing Office (SPO)**
- Established in Nov 2022 under the **Health Bureau**
  - Formulate and implement **strategic purchasing programmes** in line with health policies to foster integrated healthcare and maximize health benefits
  - Develop **a common platform** to facilitate integrated purchasing of healthcare services from the private sector to optimize the healthcare system
  - Define **what** services to be bought, **from whom**, **how and at what rate** should be paid, Government's **subsidy**, participant's **co-payment and incentive**
  - Design **incentive mechanisms** to drive evidence-based health seeking and providing behaviours
  - Facilitate **consolidation of existing HA and DH PPP** programmes, **formulate initiatives** to meet health policy direction
  - Integrate **Elderly Health Care Voucher Scheme (EHVS)** for resource pooling
  - Develop a **functional-based IT platform** to support **operation, capturing & analysis of data, linking with eHRSS**
  - Conduct ongoing **monitoring and assessment**

# Primary Healthcare



**Health Bureau**

The Government of the Hong Kong Special Administrative Region  
of the People's Republic of China

- **Primary Healthcare Blueprint (Health Bureau 2022)**

- Set out direction of development and strategies for strengthening Hong Kong's primary healthcare system to address the challenges brought about by an ageing population and the increasing chronic disease prevalence

- **Strategies:**

- Prevention-oriented
- Community-based
- Family-centric
- Early identification & intervention

- **Consolidating Primary Care Resources**

- **Mobilise private healthcare services**

- Through **Strategic Purchasing Office** to oversee development & implementation of primary care strategic purchasing programmes
  - Channel resources more effectively
  - Optimise coordinated & integrated care for individuals & families to maximise the health benefits & outcomes



# Chronic Disease Co-Care Pilot Scheme (CDCC)

Screening & Management of DM/ HT (launched Nov 2023)

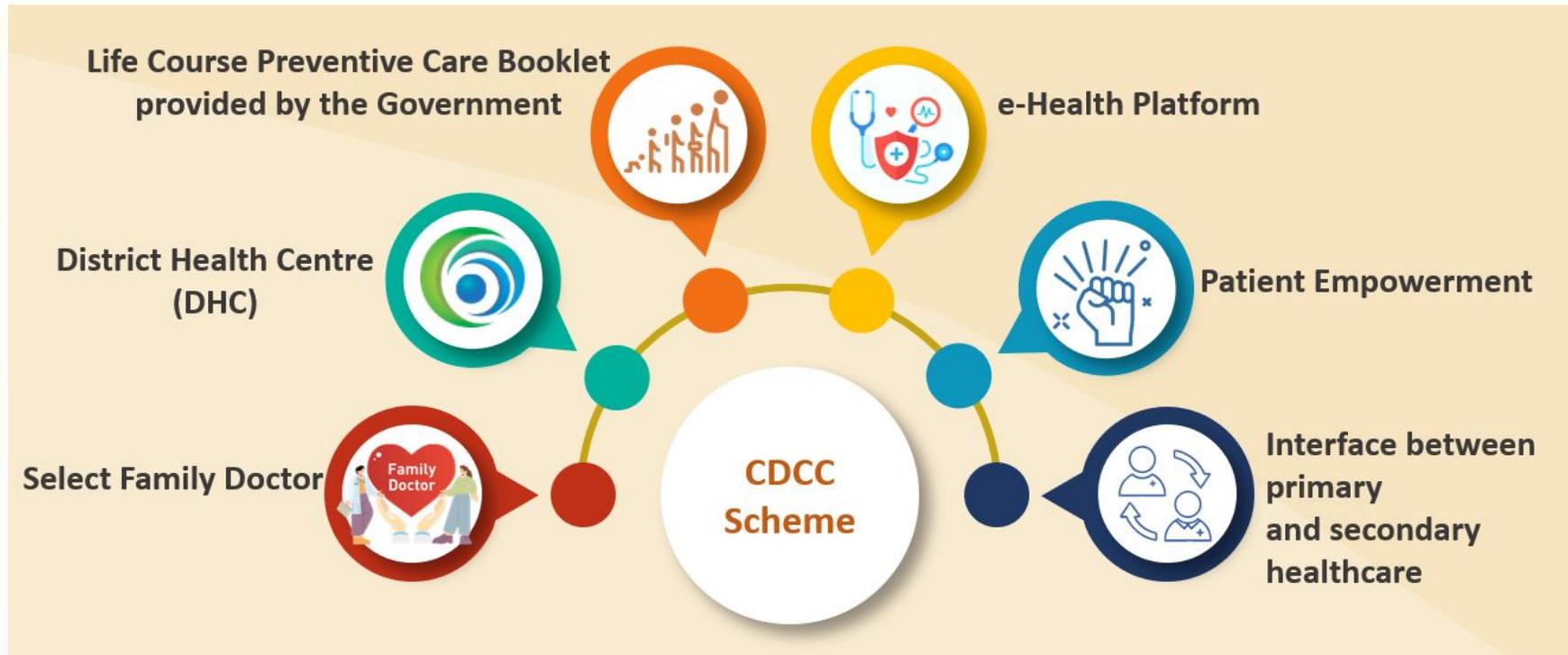
Strategic Purchasing Programme – with subsidies \$\$ to support evidence-based integrated management

## Who can join:

- Hong Kong residents aged  $\geq 45$  yrs; No known history of Diabetes Mellitus or Hypertension
- Join District Health Centre (comprehensive multidisciplinary support in the community)
- Join Electronic Health Record Sharing System (eHRSS)



## Key Elements





# Challenges

- **Prioritization** of strategic purchasing programmes & actions
- Comprehensive planning of **What to buy, from Whom to buy, How to buy**
- **Consolidation & transformation of existing PPP programmes**
  - Different target groups, Different providers, Some involve inter-related conditions/ diseases
  - Mixed provider **payment systems & copayment** levels
  - Alignment to achieve strategic goals
- Development of **incentive mechanisms** to drive behaviour changes & quality improvement
- **Effective purchasing** to maximize health benefits while **managing growth in expenditure**
- **Information** for effective monitoring, evaluation & further planning
  - A common & integrated IT platform with Clinical & Transaction information for different programmes
  - Information for care quality, financial & service-delivery management
- **Quality & Safety** - at multiple levels & functional areas



# Way Forward

- **Strategic Priority Areas of Health Bureau**

- Strategic Purchasing Office - continue to develop common platform for **Strategic Purchasing Programmes**, expand scope to address priority areas

- **Expand Purchaser-Provider Platform**

- Include various community healthcare providers, e.g. nurse & allied health

- **Pooled Healthcare Resources** – Synergize resource utilization

- Integrating government and non-government funding sources

- Develop **Community Drug Formulary & Community Pharmacy**

- Affordable & accessible commonly used drugs, Professional service

- **IT Platform & Data Management**

- **Strategic Health Service Operation Platform (SHSOP)**

- Functional-based integrated IT platform linking up through eHRSS - with service providers, financing systems, service delivery & health records
- Facilitate standardizing workflow, monitoring & evaluation



