THE HONG KONG POLYTECHNIC UNIVERSITY
香港理工大學

COLLEGE OF PROFESSIONAL AND CONTINUING EDUCATION
專業及持續教育學院

Centre for Ageing and Healthcare Management Research
老齡化和醫療管理研究中心

CPCE Health Conference 2026
Reviewing Universal Healthcare Coverage in the Asia-Pacific

Universal Health Coverage in Hong Kong: The Dual Track System

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Outline

- Define UHC
- Current Healthcare Financing Landscape in Hong Kong and UHC
- The Context and Challenges, gaps in UHC
  - Public financing
  - Private financing
- Possible solutions

Do We Have Universal Healthcare Coverage (UHC) in Hong Kong

“UHC means that all people have access to the full range of quality health services they need, when and where they need them, without financial hardship” WHO

Universal Health Coverage in Hong Kong

- UHC in Hong Kong was an evolving process.
- Government medical services was first introduced in 1843 with the appointment of a “Colonial Surgeon”, whose patients were mainly the garrison and their families
- In 1887, a sanitary board was set up to deliver public health services
- In 1872, Tung Wah Hospital, the first private charity hospital for local residents was set up

Early Days: Public Medical Services

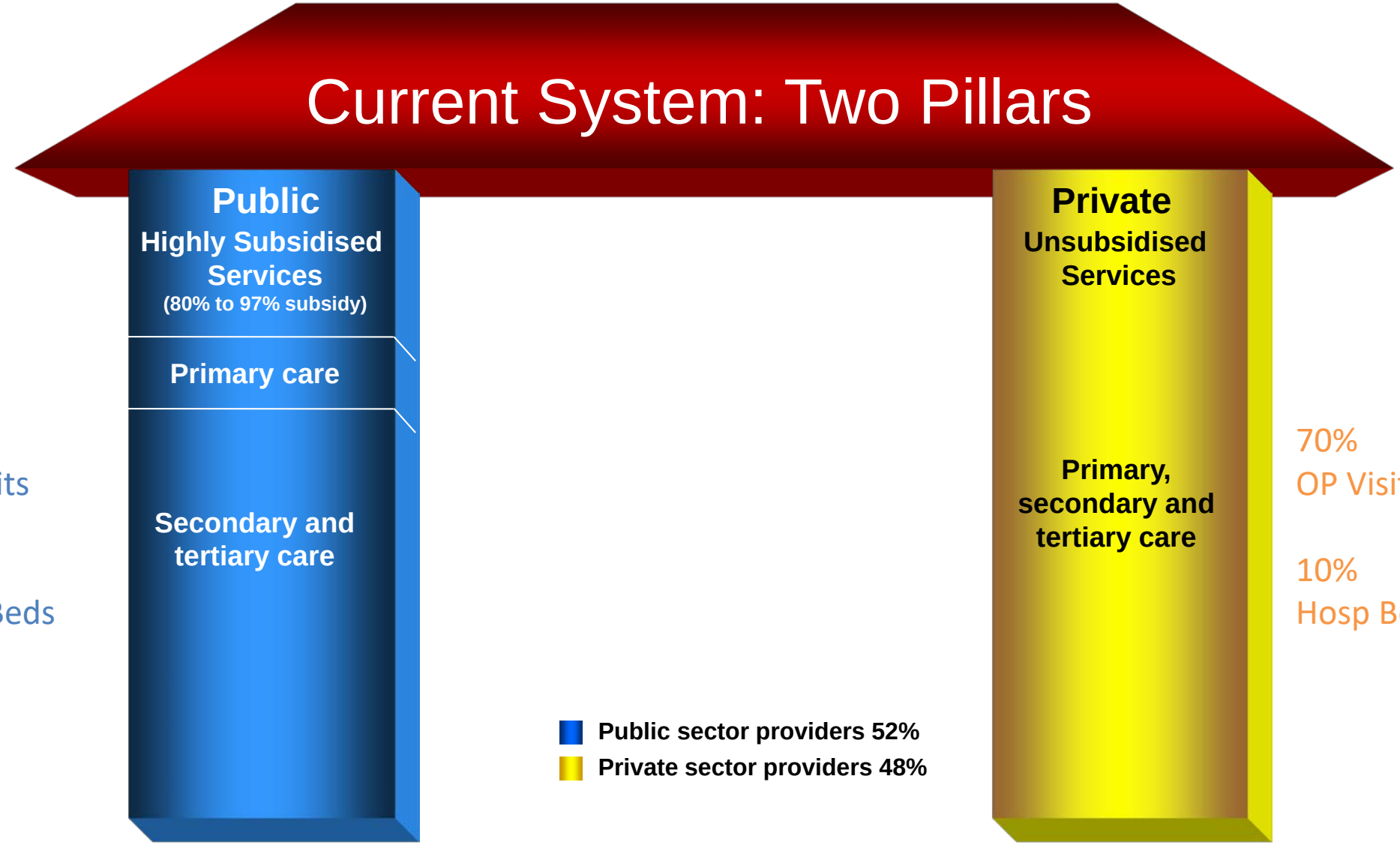
- In the 1950-60s government hospitals were set up – Queen Mary Hospital, the first teaching hospital, Queen Elizabeth Hospital, the then largest hospital in the British Commonwealth
- The government set its policy on subsidized health care services in the 1964 White Paper, “Development of Medical Services in Hong Kong”.
- 1973 McKinsey Report recommended better long-term planning of public services

Universal Health Coverage in Hong Kong

- “no one is deprived of medical care because of lack of means” started to appear in many Hong Kong government documents
- officially expressed in law: Hospital Authority Ordinance 1990, Section 4(d)

- Massive expansion of public hospital services following the establishment of the Hospital Authority in 1990
- UHC was practised in a reasonable manner in the 1990s and 2000s.
- While in theory all are entitled to public health services, but accessibility is limited by capacity and other constraints, and there are many obvisous gaps
- As a result of population ageing and the profileration of new drugs and new medical technology, the situation in 2020s has become very unsatisfactory

Current System: Two Pillars



30%
OP Visits

90%
Hosp Beds

70%
OP Visits

10%
Hosp Beds

Public sector providers 52%
Private sector providers 48%

Funding: HK$117,745M
Mostly from Taxes

Funding: HK$108,566M
Mostly from Out-of-pocket payment and Private Insurance

Source: Domestic Health Accounts 2022/23, Health Bureau, HKSARG

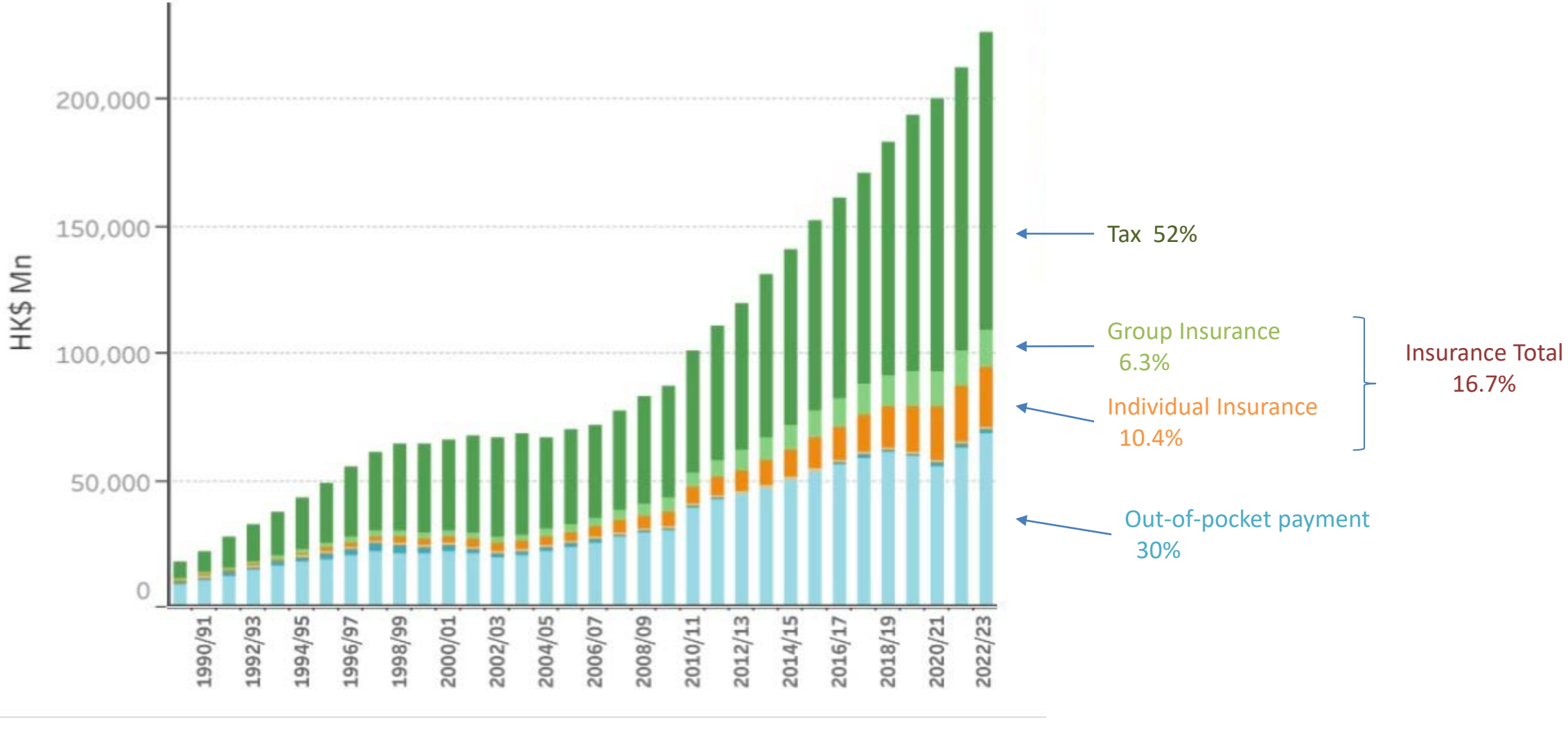
Health and Long Term Care Financing Components

- **T + SI + UC + MSA + PI + D + LTCI = Total Expenditure**
- T = taxes
- SI = social insurance
- UC= user charges (out-of pocket payment)
- MSA = medical savings account
- PI = private insurance
- D = donations
- LTCI = Long Term Care Insurance

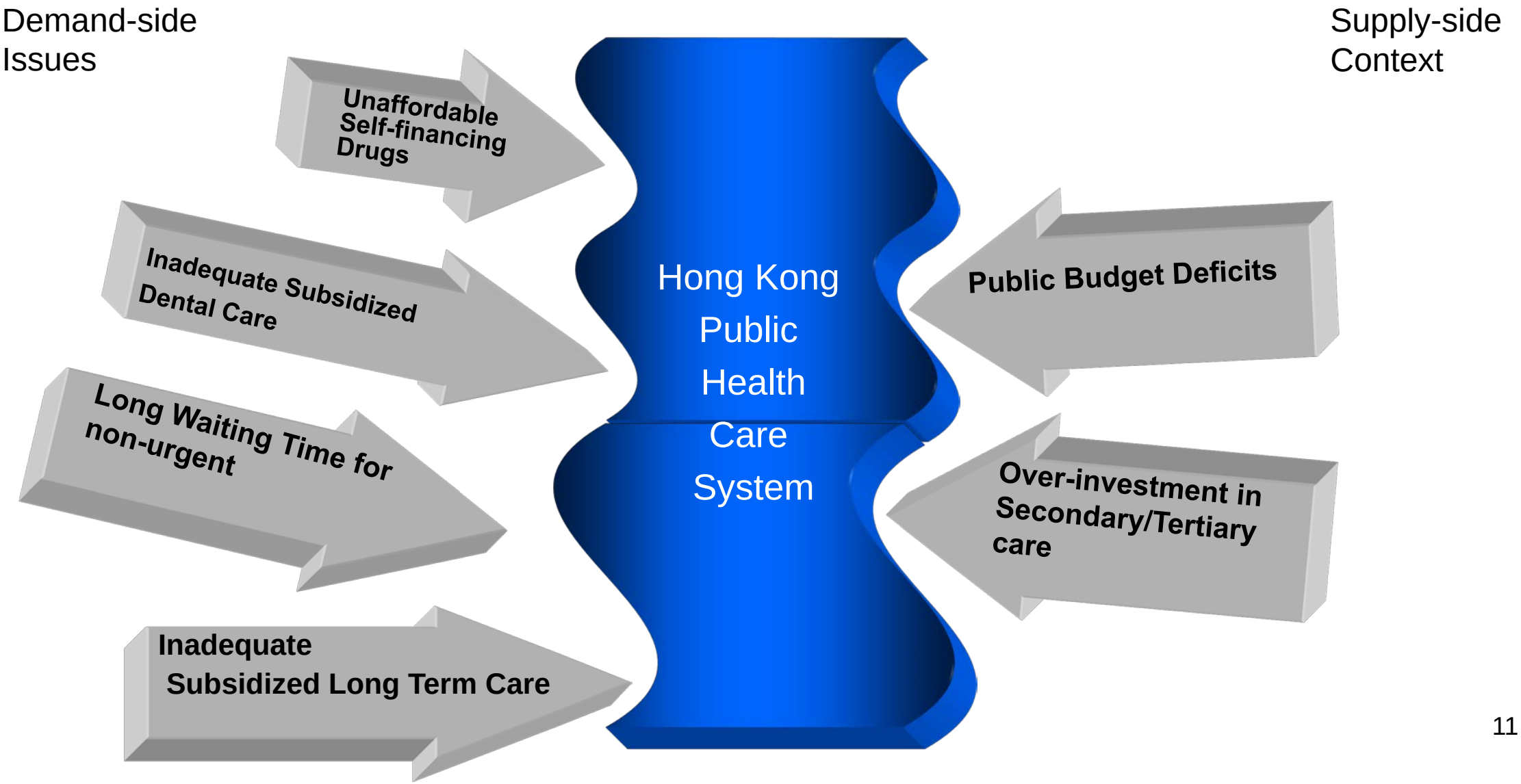
Major Sources in Hong Kong

Hong Kong's Current Health Expenditure 1990-2023

Source: Domestic Health Accounts 2022-23, Health Bureau, HKSARG



Pressure Points on Hong Kong's Public Health Care System



Expensive Self-financing Drugs

- Hong Kong Public hospitals provide all forms of diagnosis and treatment of all conditions at a highly subsidized rate with the exception of expensive drugs classified under the category of “self-financed drugs” .
- Many new cancer drugs are very effective and have fewer side effects.
- However, they are available only at a steep price – often tens of thousands of dollars per month for an indefinite period

The Cost of Self-financing Drugs for Serious Life-threating Illness

- $0 subsidy; 32,000 public hospital patients
- Out-of-pocket payment $1.1B per year

  Source: Lo CM (2024) Dr Li Shu Fan Oration
- Causing hardship to many cancer and rare disease patients,

Hardship caused by Expensive Self-financing Drugs

- Often cause hardship to many cancer and rare disease patients, especially for middle-class families:
  - "Annual Disposable Financial Resources" exceed the threshold of the criteria set by Samaritan Fund or Community Care Fund
  - Do not have private insurance that adequately covers them

Hardship for Lower Middle Income Families

- Lower middle income group (montly income of HK$20,000 and HK$40,000) comprises approximately 908,000 households, totaling roughly 2.36 million people
- This income bracket often struggles with high private housing costs, frequently falling above the eligibility threshold for public housing and other benefits
- They fall outside the “safety net” for many services

Non-urgent Conditions

Waiting time for patients with total joint replacement surgeries (1 April 2025 – 31 March 2026)

Cluster	Hong Kong East	Hong Kong West	Kowloon Central	Kowloon East	Kowloon West	New Territories East	New Territories West
Median Waiting Time* (month)	17	30	38	35	50	31	5
90th Percentile Waiting Time* (month)	87	55	61	46	76	64	68

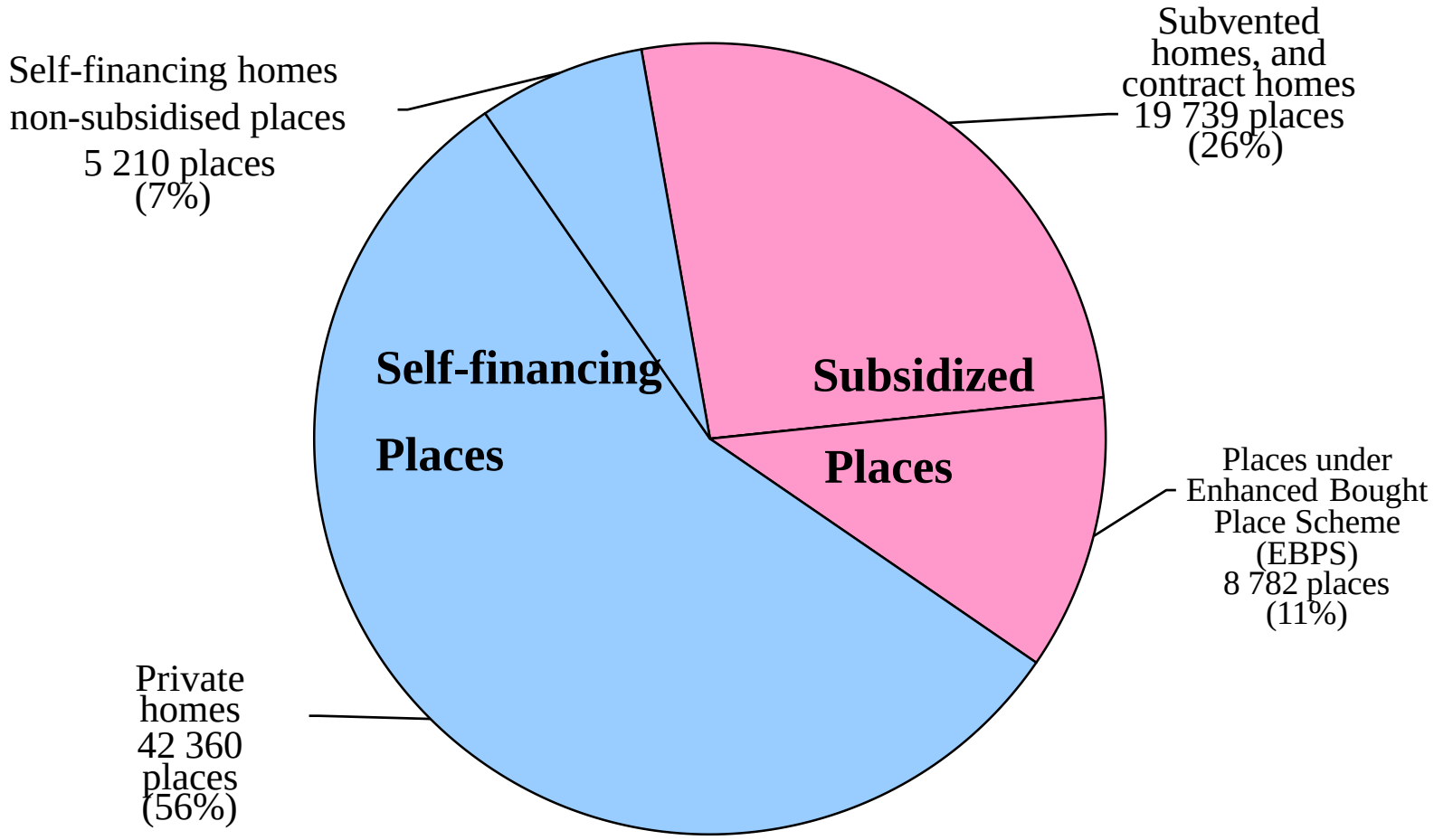
Dental Services

- Subsidized dental services are very limited: extraction and pain relief only
- Many elderly and low income residents have to que up overnight just for extraction
- Private dental services are very expensive
  - a root canal may cost between HK$30,000 and HK$50,000.
  - The extraction of a wisdom tooth can range from HK$8,000 to HK$10,000,
  - These costs are rarely covered by private health insurance.

Long Term Care in Hong Kong

Some Residential Care Homes in Hong Kong

Provision of Residential Care Services for the Elderly (Subsidised Places) (as at 30.6.2020)

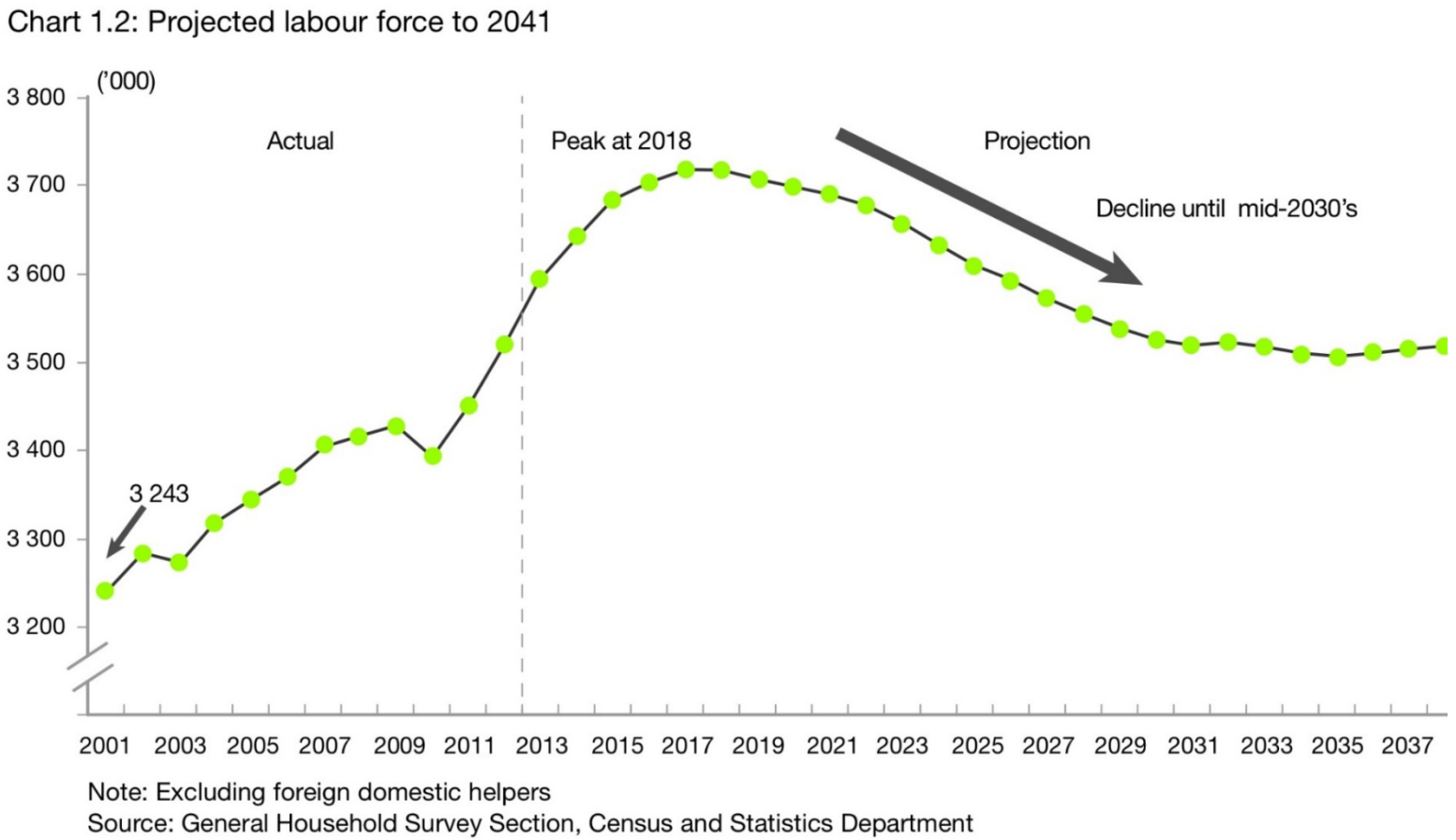


Note 1: Self-financing homes participating in the Nursing Home Place Purchase Scheme (NHPPS)

- 40,000+ on the waiting list for subsidized residential homes
- Every year around 5,000 persons on the waiting list passed away

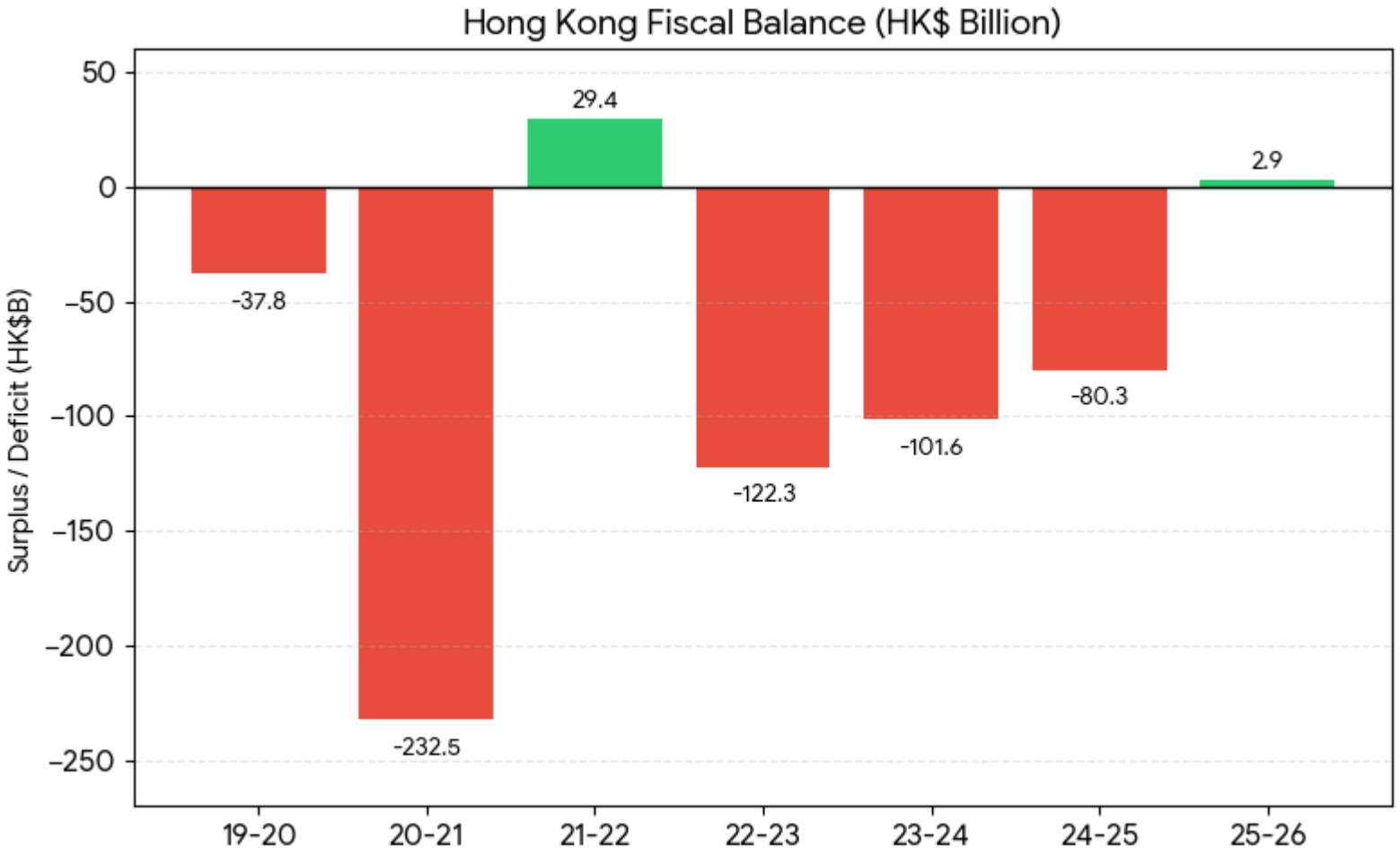
Is it Realistic to Expect More Tax Money to be Injected to Deal with those Problems?

Not Realistic as Tax Revenue Declines because of Steady Decline in Labour Force after 2018



Source: Secretariat of the Steering Committee on Population Policy (2014), *Thoughts for Hong Kong: Public Engagement Exercise on Population Policy*, Chief Secretary for Administration's Office, Hong Kong.

Hong Kong Government Budget Surpluses/Deficits



Sources: compiled with data from Hong Kong Special Administrative Region (HKSAR) Government's annual budget address

Can Private Insurance Help?

Research on Private Health Insurance in Hong Kong (2026)

Collaborated with Hong Kong Federation of Insurers: Analyzed ~10 million claims for each period (2019, 2023)

Press Conference on 21 April 2026

Conclusions from the Study

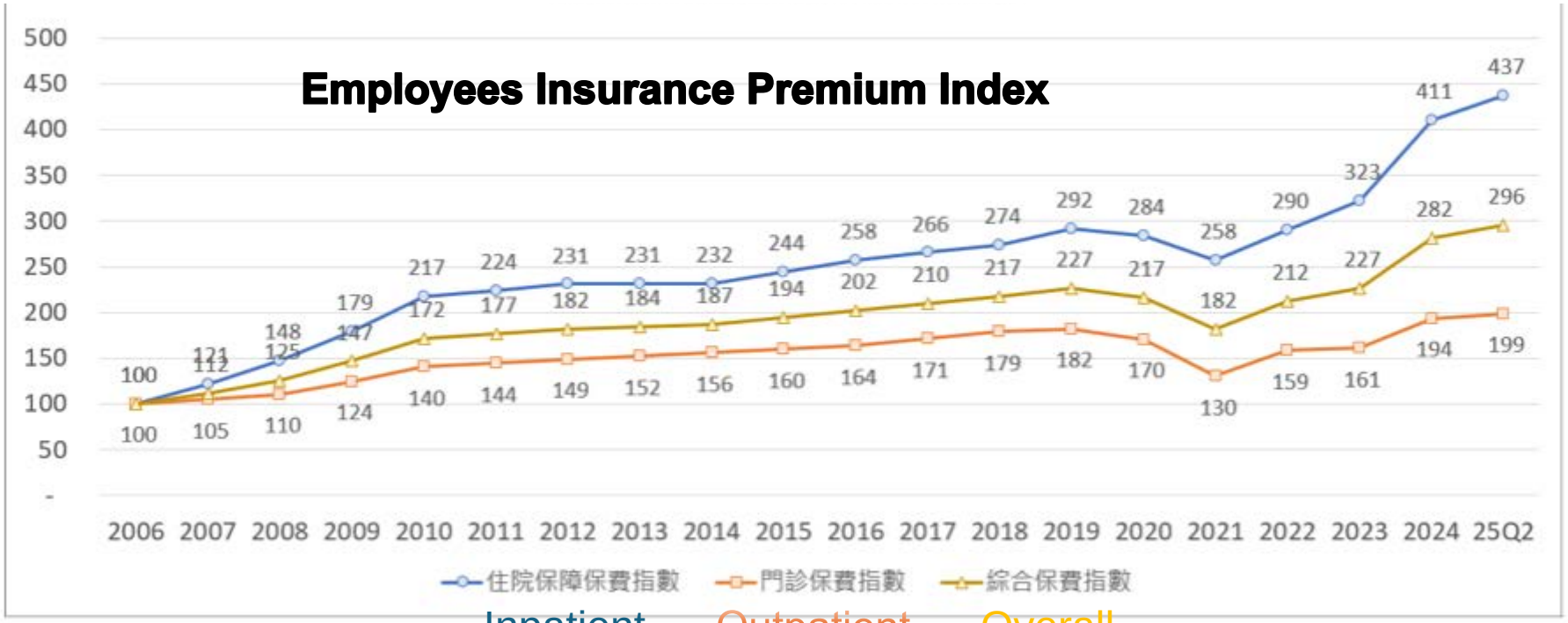
- This study clearly indicates that overall health insurance claims increased very substantially after the pandemic
- The overall increase amounted to double-digit increase every year

Conclusions from the Study

- If such an increase continues at the same rate, it will raise serious concerns about the affordability of private health insurance for both employers and individuals
- Costs would be 50% higher in five years and double within ten years.

Post-COVID Private Insurance Premium Surge: Raises the Question of Affordability

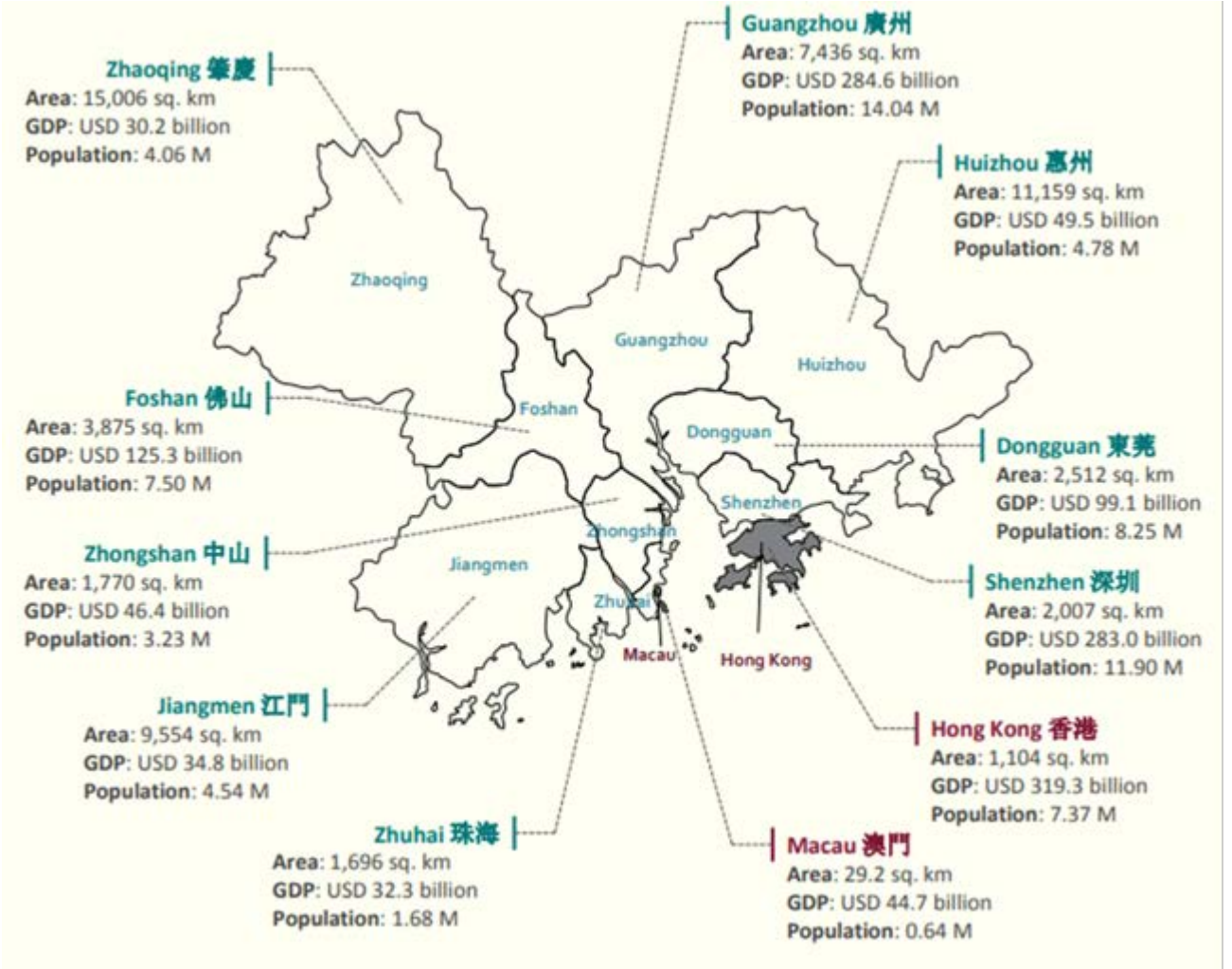
- Inpatient insurance premium has gone up by double digit percentages
- The increase in premium is caused mainly by higher number of claims



Reality

- Increase in Private Health Insurance subscription has not contributed significantly to alleviate the problem

Can the Greater Bay Area Help?



- The current key areas for cross-border healthcare --
  - dental care
  - long-term care, and
  - expensive drugs

- Other services include
  - Imaging
  - Health checks
  - Optometry

英文藥名	中文藥名	規格	藥廠/產地	深圳新風和睦家售價(人民幣)	香港市場價格(人民幣)
Osimertinib Mesylate (Tagrisso)	磺酸奧希替尼片 (泰瑞沙)	80mg*30片	AstraZeneca AB	4,966	~46,400
Afatinib Dimaleate (Gilotrif)	馬來酸阿法替尼片 (吉泰瑞)	40mg*7片	Boehringer Ingelheim	1,334	~5,415
Alectinib (Alecensa)	鹽酸阿來替尼膠囊 (安聖莎)	150mg*56粒 *4小盒	Excella GmbH & Co.	12,746	~17,800
Bevacizumab (Avastin)	貝伐珠單抗 (安維汀)	100mg/4ml	Roche	1,500	~4,850
Crizotinib (Xalkori)	克唑替尼膠囊 (賽可瑞)	250mg*60粒	Pfizer	10,296	~52,960
Dabrafenib Mesylate (Tafinlar)	甲磺酸達拉非尼膠囊 (泰菲樂)	75mg*120粒	Novartis	9,977	~49,100
Erlotinib (Tarceva)	鹽酸 厄洛替尼片 (特羅凱)	150mg*7片	Roche	397	~4,780
Fam-trastuzumab Deruxtecan-nxki (Enhertu)	德曲妥珠單抗 (優赫得)	100mg	Daiichi Sankyo	8,860	~15,400
Gefitinib (Iressa)	吉非替尼片 (易瑞沙)	0.25g*10片	AstraZeneca	571	~5,900
Ipilimumab (Yervoy)	伊匹木單抗 (逸沃)	50mg/10ml	BMS	28,000	~45,000
Lorlatinib (Lorbrena)	洛拉替尼片 (博瑞納)	100mg*30片	Pfizer	15,804	~72,000
Nivolumab (Opdivo)	納武利尤單抗 (歐狄沃)	40mg	BMS	4,587	~6,300
Pembrolizumab (Keytruda)	帕博利珠單抗 (可瑞達)	100mg/4ml	MSD	17,918	~30,000
Ramucirumab (Cyramza)	雷莫西尤單抗 (希冉擇)	500mg/50ml	Lilly	15,000	~32,400

Lung Cancer Drugs:
Price in Shenzhen vs Price in Hong Kong of the same Brand name drug

Dental Services in GBA
大灣區的牙科服務

- Root canal procedures in Shenzhen may cost approximately RMB4,000 and can be completed within a single visit.
- Basic scaling is available for RMB180 to 500 per session, and
- Dental fillings range from RMB300 to 1,500 depending on materials and complexity

Long Term Care
長期護理

- Space and wages are much cheaper in GBA
- A recent government initiative, the Residential Care Services Scheme in Guangdong (GDRCS) allows Hong Kong elderly on the waiting list for subsidized care in Hong Kong to opt for designated care homes in Guangdong.

A Nursing Home in SZ Operated by a Hong Kong NGO

香港復康會
The Hong Kong Society for Rehabilitation

香港賽馬會深圳復康會頤康院
復康會頤康護理 (深圳) 有限公司

深圳市盐田区青云路1号

Lower Cost Cross-border Care are Not without Problems

How to ensure the quality of the professionals, drugs and facilities?

How to manage disputes?

How to ensure continuity of care?

The Way Forward
to Facilitate Developments

A cross-border regulatory and governance framework needs to be set up for providers who wish to participate in cross-border care:

- Creating a registry of GBA providers eligible to treat Hong Kong residents
- Mutual recognition of medical credentials and facility standards
- Bilateral agreements on malpractice liability and dispute resolution
- Cross-jurisdiction data exchange with privacy protection for continuity of care agreements
- Agreements on the certain treatment protocols and metrics for evaluating quality, accessibility, and efficiency

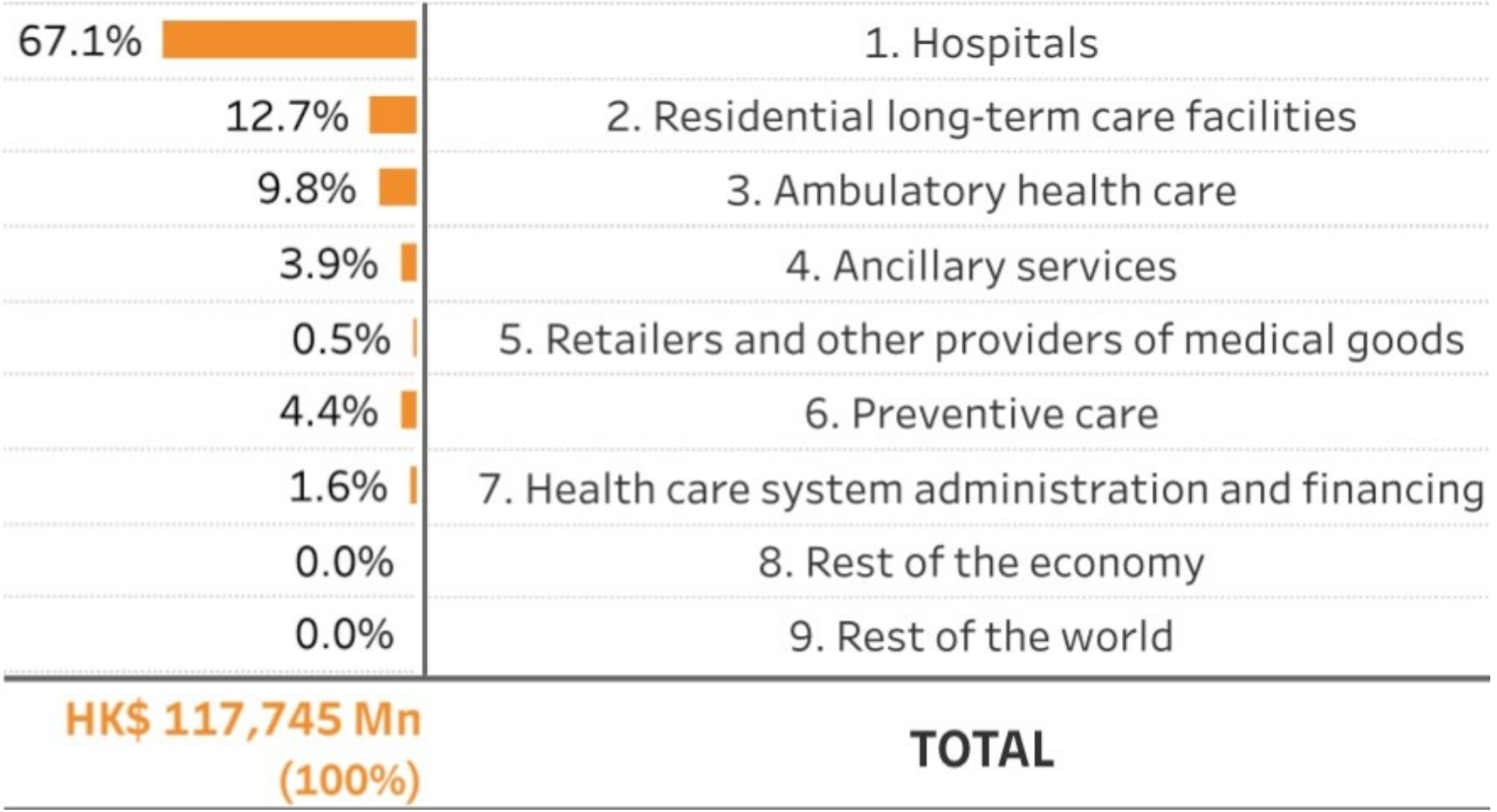
Anything that can be done within Hong Kong to Improve UHC?

Need to do More with Less How?

Improve Allocative Efficiency in the Public Sector

Put resources in areas where they can bring the most benefits

Tax Health Spending 2022-23: Over-emphasis in hospitals



Source: Domestic Health Accounts 2022/23, Health Bureau, HKSARG

Government Spending on Primary Healthcare International Comparison of PHC spending (figures from 2018/2019/2020/2023)

	Government Spending on Primary Care as a % of Total Government Health Spending
Low-income group*	33%
Low-middle income group*	36%
Upper-middle income group*	34%
High-income group*	36%
Hong Kong** (1)	23%

*Hanson et al 2022. The Lancet Global Commission on financing primary health care: putting people at the centre. *Lancet* Vol 10 (figures from 2018 data)
**2023/24 Hong kong Health Expenditures

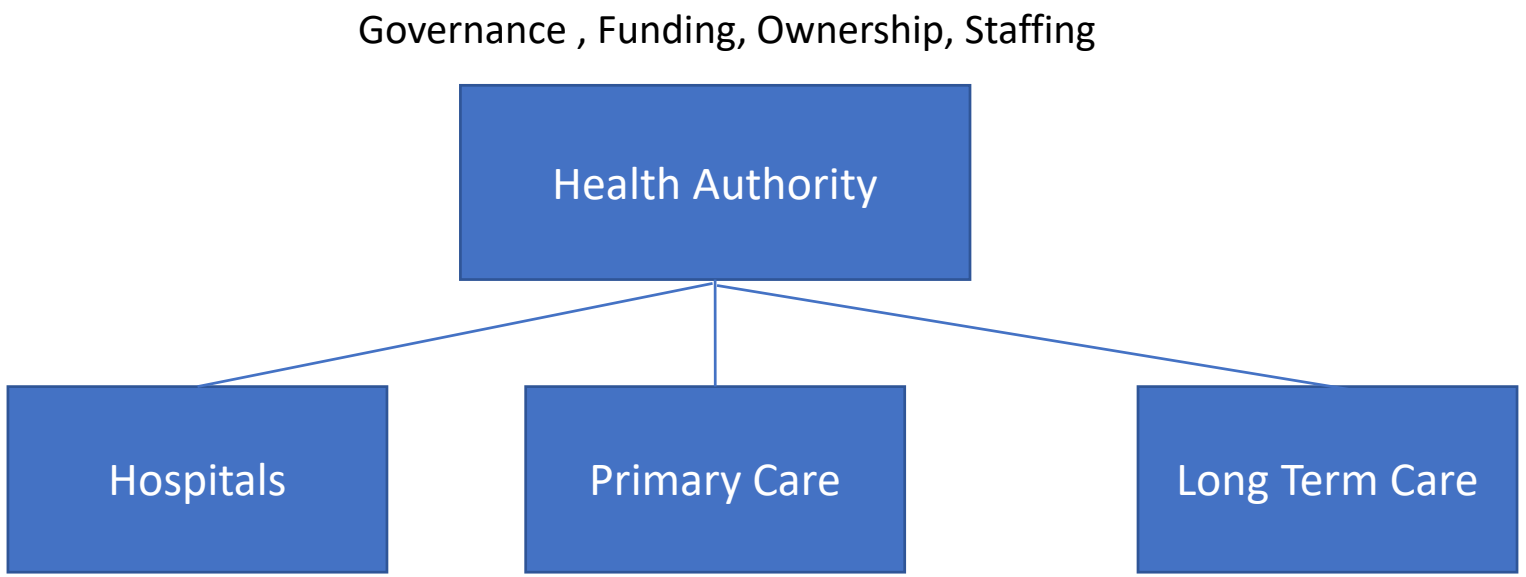
HK Gov't 's spending on primary healthcare is significantly less than that of the high income countries' average

Need to Shift Resources from Lower Value Care Services

- 46.8% of all public hospital admissions were found to be Ambulatory Care Sensitive Conditions (Strategic Purchasing: Enabling Health for All, Our Hong Kong Foundation 2021, p.31)
- Treating these patients on an outpatient basis will save money, manpower, and space
- Use the savings to deliver more needed care including expensive drugs

Creation of a Central Health Authority with Governance, funding, facilities ownership and staffing responsibilities

- Centralize resource allocation to one bureau governing:
  - hospitals
  - primary care
  - long terms care
- Divert public money from hospitals to primary care and long term care



Need to Improve X-efficiency in the Public Sector

Block Grants Create Serious Perverse Incentives

- Money goes to Hospital first
- Good services attract more patients without more resources – **penalize good service**
- Bad services deter patients from going to the hospital, but the hospital gets to keep the resources – **reward bad service**
- No incentive to be efficient

Reduce X-inefficiency

- For hospitals
  - do away with Block grants – implement money follow patients
  - Use DRGs, DIP (Diagnosis-Intervention Package) and global budgets
- For primary care and long term care
  - Include Capitation payment based on patients choice, with Pay for performance component

Need to Improve Efficiency in the Private Sector

Recommendations:
Short term

- Insurance plans need to be redesigned to provide better protection for major illnesses
- Need to keep premium level affordable by introducing more co-payment and deductibles for less serious conditions such as warts removal and colonoscopy

Recommendations:
Longer Term

- Consider an alternative VHIS, in which premium is fixed at the age of joining
- Consider the introduction of compulsory LTC insurance within the MPF system

Questions?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