

**Opening Remark**  
**by the Secretary for Food and Health**  
**at the Public Accounts Committee hearing on 24 November 2012**  
**in response to the Audit Report on Regulatory Control of Private Hospitals**

Chairman and Members,

First of all, I would like to thank the Chairman for allowing me to make a brief consolidated response to the Audit Report on Regulatory Control of Private Hospitals. I would also like to take this opportunity to give the Committee an account of the improvement measures to be taken by us in response to the recommendations made by the Audit Commission.

**Existing Framework for Regulation of Private Hospitals**

At present, private hospitals in Hong Kong are regulated under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165). They are required to register with the Department of Health (DH) and hence subject to DH's regulation on conditions relating to accommodation, staffing and equipment.

In addition to the existing statutory regulatory control, DH issued a Code of Practice (COP) for private hospitals in 2003 to set out the standards of good practice regarding their governance, quality management, patient care, risk management, clinical standards and so forth. Compliance with these requirements is a condition for the registration and re-registration of private hospitals. This COP enables DH to implement a more comprehensive control over a number of service areas of private hospitals through imposing licensing conditions.

The last major amendments made to the legislation governing the regulation of private hospitals took place in the 1960s. In the past few years, there have been substantial changes in the ecology of the healthcare market, and there are also considerable concerns in the community about the safety, quality and price transparency of private hospital services.

### **Review on the Regulation of Private Hospitals**

We will review thoroughly and amend the legislation governing the regulation of private hospitals with a view to enhancing the safety, quality and transparency of private hospital services. When conducting the review, we will take into consideration the audit recommendations and put them into implementation. Reference will also be made to international standards and overseas experience. We have already established a Steering Committee on Review of the Regulation of Private Healthcare Facilities to conduct a review on the regulatory regime for private healthcare facilities including private hospitals. The Steering Committee convened its first meeting on 2 November. The meeting has decided to set up four working groups, one of which is responsible for reviewing the directions and measures for regulation of private hospitals. Membership of the working groups will be announced shortly.

Specifically, the scope of review of the Steering Committee will cover whether there is a need to incorporate more aspects of healthcare services in the standards for regulatory control of private hospitals and whether the penalties imposed on private hospitals for non-compliance need to be revised, as well as a focused study on ways to enhance the price transparency of private hospitals, to safeguard patients' right to know and to enable patients to choose the healthcare services which suit their needs.

Our review is expected to be completed within one year, to be followed by a public consultation on the recommendations put forward by the Steering Committee and preparation work for the legislative process.

### **Follow-up measures taken by DH**

Meanwhile, DH has taken proactive measures to enhance its regulatory control of private hospitals in light of the recommendations of the Audit Commission. These measures include:

Firstly, in addition to the current practice of requiring private hospitals to submit inspection reports and carrying out item-by-item inspections based on the COP, DH will follow the recommendations of the Audit Commission to develop a suitable inspection checklist and standardise the format of inspection reports to ensure comprehensiveness of its inspection of private hospital services. Besides, in order to monitor compliance of land grant conditions by private hospitals, DH has produced a detailed checklist for this purpose and incorporated it into the inspection mechanism.

Secondly, DH will review regularly and monitor closely the sentinel event reporting mechanism. It will also issue advisory or warning letters to non-compliant private hospitals. For sentinel events that constitute a significant public health risk and involve professional misconduct of healthcare personnel, DH will refer the cases directly to the regulatory bodies responsible for regulation of the professional conduct of the respective healthcare personnel for follow-up investigations. In formulating the sentinel event reporting mechanism, DH will make reference to international practices including guidelines issued by the World Health Organisation, i.e. an effective reporting mechanism should be non-punitive and confidential, and lead to constructive responses.

Thirdly, DH has started formulation of guidelines to assist private hospitals in making proper closure arrangements while procedures will also be developed for inspection of private hospitals which will soon be closed down.

## **Conclusion**

Chairman and Members, we are determined to strengthen our regulatory control of private hospitals and will learn from past experience. We will seriously consider the views of the Audit Commission and Members in order to devise an effective regulatory regime, enhance the quality and transparency of private hospitals and provide greater assurance to those who prefer and can afford to use private healthcare services.

Thank you, Chairman.