

信心與價值：
提升醫療價格透明度

Price Transparency in Healthcare :
Fostering Consumer Trust and Value



Executive Summary

Private Healthcare Services in Hong Kong

Over the past decade, the demand for healthcare services in Hong Kong has increased significantly. This rise is particularly notable as life expectancy continues to grow, the population ages rapidly, number of individuals with chronic health conditions increases, and people of all ages become more health-conscious. The life expectancy of Hong Kong people ranks among the highest in the world, and the number of elderly persons aged 65 and above is projected to rise significantly, from 1.5 million in 2021 to 2.7 million by 2046. By then, approximately 36.0% of the population are expected to be elderly. Accompanying with this growing number of older persons, almost one third (31.2%) of the population had chronic health conditions in 2022/23. The rising demand for healthcare services had resulted in a significant surge in current health expenditure¹ in Hong Kong, which increased by 73.1% from HKD130,749 million in 2013/14 to HKD226,311 million in 2022/23.

Hong Kong's healthcare system operates on a dual-track basis, encompassing both the public and private sectors. In 2022/23, approximately 52.0% (HKD117,745 million) of the current health expenditure was publicly-funded, and 48.0% (HKD108,566 million) was funded by the private sector which came from resources primarily contributed by household out-of-pocket payment (63.1%) and privately purchased insurance schemes (21.4%). The private healthcare sector, as an essential component of the healthcare system employing approximately half of the doctor manpower, is a major provider of out-patient services, accounting for about 68% of such care in the city. Nonetheless, it offers only approximately 10% of in-patient services, highlighting an imbalance within the healthcare system in Hong Kong.

To address this imbalance and alleviate pressure on the public healthcare sector, the Government has made ongoing efforts to encourage the general public to make wider use of private healthcare services, such as the promotion of the Voluntary Health Insurance Scheme ("VHIS"). In 2018, the Government also gazetted the Private Healthcare Facilities Ordinance (Cap. 633) ("PHFO"), which introduced a premise-based regulatory regime aimed at further protecting patient safety and rights.

In addition to patient safety and service quality, price transparency is a fundamental pillar of private healthcare services. Consumers should have the freedom to select their preferred doctors and service providers based on their individual needs, with clear price information available before making healthcare decisions. This transparency allows patients to better estimate costs and make necessary financial arrangements in advance. Ultimately, enhancing price transparency is vital for empowering consumers, fostering better communication between consumers and private healthcare providers, and ensuring that the private healthcare sector can effectively meet the needs of Hong Kong's population while enhancing overall efficiency and effectiveness in the healthcare system.

¹ Current health expenditure is the final consumption expenditure of resident units on health care goods and services, incurred both within and outside Hong Kong. For current health expenditure figures in this Report, identified expenditure on COVID-19, and expenditure on health care goods and services by non-residents in Hong Kong are excluded.

Uniqueness of Healthcare Services and Information Asymmetry between Doctors and Patients

Unlike conventional consumer products and services, healthcare services are uniquely tailored to individual patients, resulting in a complex and difficult environment for obtaining precise price information. Various factors contribute to price uncertainty, including a patient's specific medical condition and the choice of treatment method and medical equipment selected by the doctor, further complicating the decision-making process for consumers.

Although consumers in Hong Kong generally place a high level of trust in their healthcare providers, the presence of information asymmetry creates significant imbalance of power. Patients often face challenges in getting clear price information before treatment and rely heavily on doctors' recommendations without adequate comparison of services or consideration of alternative options, which can hinder their ability to make informed decisions.

Meanwhile, despite the price transparency measures promulgated by the Government, market practices varied widely. The market lacked a standardised method for disclosing price information, or provision of budget estimates. Thus, disputes might easily arise, and resolving them can be challenging. As reflected by the complaints received by the Consumer Council ("**the Council**") from 2021 to 2024 on private healthcare services provided by private hospitals ("**PHs**") and day procedure centres² ("**DPCs**"), price disputes constructed a major category (45.5%) of complaints. Yet, these issues could have been prevented through clearer explanations by the relevant PHs/DPCs and doctor(s).

Regulatory Regime on Price Transparency and Regulatory Bodies

Private healthcare facilities ("**PHFs**"), namely PHs, DPCs, clinics, and health services establishments in Hong Kong are regulated under the PHFO. As of February 2025, licensing for PHs and DPCs has commenced. Licensed PHs and DPCs must implement price transparency measures as stipulated in the PHFO and relevant Code of Practices ("**CoPs**"), including (i) disclosing price information of chargeable items and services (applicable to all PHs and DPCs); (ii) providing budget estimates to patients (applicable to all PHs); and (iii) publicising historical bill sizes statistics ("**HBS**") (applicable to all PHs).

Concurrently, the Government and The Hong Kong Private Hospitals Association ("**HKPHA**") have launched the Pilot Programme for Enhancing Price Transparency for Private Hospitals ("**Pilot Programme**"), which all PHs in Hong Kong participate on a voluntary basis, to provide further implementation details for the price transparency measures, including the display of fee schedules, provision of budget estimates, and publicising of HBS.

The Health Bureau ("**HHB**") is responsible for formulating policies and allocating resources to ensure the effective operation of Hong Kong's healthcare system, while the Department of Health ("**DH**"), acting as the Government's health adviser and agency to execute health policies and statutory functions, implements and enforces the PHFO. The Office for Regulation of Private Healthcare Facilities ("**ORPHF**") under the DH oversees the licensing and regulatory functions under the PHFO and relevant CoPs.

² First batch of DPC licences took effect on 1 January 2021. The DPCs here refer to the facilities holding a DPC licence as of October 2024. Since penalty provision for operating unlicensed DPCs was only effective on 30 June 2022, premises licensed in 2024 might not be DPCs at the material time of the complaint.

Meanwhile, the Medical Council of Hong Kong (“MCHK”) handles registration of eligible medical practitioners, issues the Code of Professional Conduct and guidelines, and outlines a disciplinary mechanism to handle complaints lodged by the public.

The Study

To examine the issues of concern and pain points experienced by consumers on price transparency in PHFs, the Council undertook a study titled “**Price Transparency in Healthcare: Fostering Consumer Trust and Value**” (“**the Study**”) to identify possible areas for improvement and put forward recommendations for enhancing the price transparency in the private healthcare sector.

The Study examined various stages of the patient journey, which includes searching for price information, consulting with the attending doctor, settling medical bills and lodging complaints. It focused on PHs and DPCs providing the 30 common and non-emergency treatments/procedures (“**30 treatments/procedures**”) recommended by the DH. The Study encompassed 13 PHs and 128 DPCs providing anaesthetic/endoscopic/surgical procedures (nature relevant to the 30 treatments/procedures).

The key objectives of the Study are to:

- (i) Examine the price transparency measures adopted by PHs and DPCs, focusing on the provision of fee schedules/information, budget estimates/quotations, the publicising of HBS/past price data, as well as the provision of packaged price information for private healthcare services;
- (ii) Gauge consumers’ experience and areas of satisfaction/dissatisfaction about price transparency for common and non-emergency treatments/procedures at PHs/DPCs, emphasising on the experience in obtaining budget estimates and any discrepancies between budget estimates and final bills;
- (iii) Identify areas of concern, potential risks or policy gaps which may be to the detriment of consumer interests and explore possible improvement areas; and
- (iv) Review the current regulatory regime and propose appropriate recommendations for enhancing consumer protection.

From October 2022 to December 2024, the Council carried out the Study by adopting a mixed-method approach, which comprised (i) a consumer survey; (ii) in-depth user interviews; (iii) a trader survey; (iv) desktop research and phone enquiries³; (v) pre- and post-Study stakeholder engagements⁴; (vi) analysis of the Council’s complaint cases; and (vii) review of regulatory regimes in selected markets.

³ The Council conducted desktop research and reviewed the price transparency measures implemented in 13 PHs and 20 DPCs that provided services for selected treatments/procedures, and made mystery calls to further enquire about the price information. The Council also conducted a review of HBS for the selected treatments/procedures in 13 PHs.

⁴ Engaged stakeholders included the Government and public bodies (i.e. HHB, Hospital Authority, ORPHF and VHIS Office), healthcare facilities and medical professionals (i.e. Association of Private Medical Specialists of Hong Kong, Hong Kong Academy of Medicine, The Hong Kong Medical Association, HKPHA, two medical professionals, and academics/experts), patient organisations and insurers (i.e. Hong Kong Alliance of Patients’ Organizations Limited, Society for Community Organization and The Hong Kong Federation of Insurers).

Deep Dive into the Patient Journey

Findings from the abovementioned methods are presented in various stages of the patient journey, namely: searching for price information, exploring medical packages, obtaining budget estimates, and resolving price disputes. These are discussed below.

Searching for Price Information

The Study found that the attending doctor plays a substantial role in patients' choice of PH/DPC for treatments/procedures. Over half (56.4%) of the respondents indicated in the consumer survey that they relied on the attending doctor's recommendation, reflecting a high level of trust in doctors. Other common factors influencing the choice of a PHF included the reputation of the PH/DPC (38.2%), personal financial considerations (31.8%), and distance between the PH/DPC and the consumer's home (30.6%).

It was surprising that more than half (57.0%) of the consumer respondents did not review publicly available price information. Of these, 63.2% had no intention of checking prices, with the majority of them (67.2%) indicating that they trusted the attending doctor's recommendation. With such mindset, it was understandable to observe that 67.6% of the consumer respondents did not shop around to conduct price comparisons. It is also worth noting that medically insured individuals made up 87.0% of the consumer respondents who did not compare prices.

Relevant price information was hard to understand/insufficient/absent

Among consumer respondents who conducted price comparisons, the websites of PHs/DPCs emerged as a key source of information (52.6%). However, online price information may not be available at all DPCs. In some cases, price information may not be available even when consumers enquire with staff of PHs and DPCs by phone. Even if price information is available online and that consumers have consulted a general practitioner on their medical condition and treatment(s) needed, online price information could still be difficult for lay consumers to comprehend, especially when categorised by types of individual service items, such as charges for operating theatre based on room type. Additional professional advice would be needed to explain whether the treatment requires the use of an operating theatre, the expected duration of occupancy, whether ward accommodation is needed, etc.

Lack of clarity regarding accountability for providing or explaining price information

In general, there was no clear pattern as observed from the trader survey regarding whether PHs/DPCs or individual doctors should be responsible for providing and explaining price information to consumers. This ambiguity in responsibility could lead to price disputes, particularly when multiple PHFs and service providers were involved (e.g. consultation and the treatment being conducted in different PHFs).

Historical bill sizes statistics – Low awareness, not up-to-date nor user-friendly

As part of the Government's measures to enhance price transparency, PHs are required to publicise their HBS which provides billing data for the 50th percentile and 90th percentile for each of the 30 treatments/procedures if provided. Although the HBS is intended to serve as useful reference for patients estimating or comparing budget for treatments/procedures at a PH or across PHs, only 10.1% of consumer respondents who received treatments in PH reviewed HBS. Furthermore, a review conducted by the Council on HBS in July 2024 revealed that, four out of 13 PHs had not updated their HBS data on the websites since 2022, while the remaining

nine PHs had updated to reflect 2023 figures. By the end of December 2024, it was observed that the four PHs had updated their HBS data to the 2023 figures.

In-depth user interviews revealed that while many consumers found HBS useful for gaining a general understanding of the treatment/procedure costs, some struggled to comprehend it (e.g. meaning of “percentile”) and suggested presenting the HBS in layman terms.

Unclear charging mechanism for doctor’s fees and private hospital charges/day procedure centre charges

Doctor’s fees, including those for other specialists and anaesthetists, are typically not included on PH’s/DPC’s fee schedules or price lists, and the basis of how the doctors determine the fee is not disclosed to consumers. Meanwhile, doctor’s fees and hospital charges are often correlated with the room type chosen by the patient. In simpler terms, more expensive rooms result in higher fees for both doctors and PHs for the same medical treatment/procedure, such as daily doctor’s ward round fee and charges for common nursing procedures and operating theatres. Some payers deemed the logic and rationale behind this pricing arrangement unclear, and considered it unfair as patients should not be charged differently for the identical treatment/procedure simply based on their accommodation choices.

Exploring Medical Packages

From the consumer survey, respondents perceived medical packages could provide price certainty and facilitate price comparisons. However, findings from the trader survey and desktop research indicated that packaged charging was not particularly common in the market, especially for DPCs which lacked online price information in general.

Limited availability of medical packages among the 30 common and non-emergency treatments/procedures

All 13 PHs provided at least 20 out of the 30 treatments/procedures. However, seven PHs only provided packaged charges for not more than six out of the 30 common treatments/procedures. Among the 30 treatments/procedures, while one of the PHs provided packages for 26 treatments/procedures, one only provided packages for two treatments/procedures. Save for colonoscopy, gastroscopy and caesarean section, for which medical packages were available in 10 PHs, packages were limited for most of the other 30 treatments/procedures.

Insufficient transparency regarding additional charges on medical packages

Even when medical packages were available at some PHs/DPCs, the information provided was often unclear and insufficient. In some cases, treatment/procedure details (e.g. potential treatment methods such as conventional haemorrhoidectomy or stapled haemorrhoidectomy for haemorrhoidectomy) were not disclosed on the marketing materials, creating challenges among consumers attempting to compare prices with other PHFs’ packages and/or non-packaged services.

Additionally, the prices of excluded items from the package were often undisclosed, likely due to the difficulty of establishing standardised pricing for those items. Commonly excluded items include medication, consultation fees and doctor’s fees. Some of which could be substantial.

Challenges in making like-for-like comparisons of medical packages

Consumers may find it challenging to make fair and like-for-like comparisons between medical packages of the same treatment provided by different PHFs, as price breakdowns are often unclear and the included and excluded items varied across PHFs.

Obtaining Budget Estimates

Consumers generally supported the measure of providing budget estimates, particularly as budget estimates provided them with a written record for reference, and were beneficial for medically insured consumers seeking pre-approval from insurance companies, thereby alleviating concerns about whether treatment/procedure costs would be covered. However, the level of price information provided by attending doctors in budget estimates varied widely.

Limited provision of detailed and written budget estimates

The consumer survey found that 39.0% of the respondents were provided only with verbal budget estimates. Among which, provision of verbal budget estimates was notably more common in DPCs (59.0%) than in PHs (31.7%). Regarding the information included in budget estimates, 86.8% included a total sum of all chargeable items, while 60.6% included a sub-total for doctor's fees and 54.0% included a subtotal for PH/DPC/miscellaneous charges. However, significantly fewer PHs/DPCs also provided further breakdowns for doctor's fees (20.8%) and PH/DPC/miscellaneous charges (18.8%). The lack of breakdowns for individual chargeable items often hindered consumers' ability to conduct price comparisons.

Lack of identification for other specialists and anaesthetists in budget estimates

While all PHs included a space for disclosing the attending doctor's identity in the budget estimate form, it was observed that only one out of the 13 reviewed PHs provided a space for the identity of other specialists in the form. This level of disclosure is inadequate, as patients should have the right to know the identities of all specialists and anaesthetists providing consultation or care to them beforehand. Such information is crucial, as errors made by these professionals can have serious or even fatal consequences. Consumers should be informed of the identities of these personnels before admission, which allows consumers to research their experience and expertise prior to arranging appointments with them.

Resolving Price Disputes

Consumers generally expressed a desire for explanations regarding price discrepancies between the budget estimate and final bill from PH/DPC/doctor, but most consumer respondents reported not receiving any clarification. Many chose to stay silent when encountering price discrepancies without an explanation due to various reasons, such as unfamiliarity with the complaint channels available and a desire to maintain a good relationship with their doctor.

Limited explanation on price discrepancies

From the trader survey, PHs advised that the main causes of price discrepancies between the budget estimate and final bill included the patient's actual medical condition differing from the initial assessment and the patient's recovery progress being slower than expected. These factors could lead to discrepancies in charges, which could be beyond the PH's control.

Consumers in general opined that it would be helpful if doctors or nurses could explain any price discrepancies, or mention potential additional costs in advance. However, among the

67.2% of consumer respondents who encountered a variation in price, a significant share of 64.9% did not receive any explanations.

Consumers seldom lodged complaints for various considerations

Among the 218 consumer respondents who encountered price discrepancies without an explanation, merely one filed a complaint. From the in-depth user interviews, interviewees revealed that as long as the discrepancies could be justified, they would accept the discrepancies. The minority of interviewees considered lodging complaints but did not do so in the end were unfamiliar with the complaint channels available, had an impression that filing complaints would be time-consuming, or intended to maintain the doctor-patient relationship.

Stakeholders' Opinions

Pre- and post-Study engagement meetings with stakeholders were held to collect their views on issues of concern, current regulatory regime development, Study findings and recommendations. Their overall views were summarised below:

Government and Public Bodies

It was stressed that, as also mentioned in the Chief Executive's 2024 Policy Address, the Government was determined to enhance the quality and efficiency of healthcare services in the city, and they will explore legislating for private healthcare price transparency to enhance service efficiency in the way forward.

However, while acknowledging that packaged charges can enhance price certainty and facilitate patients to make financial arrangements in advance, some Government-related bodies reflected that PHFs often design medical packages based on the average patient needs which involves cross subsidisation. For some low-risk patients, the total costs of treatments/procedures could be lower if they opt for itemised treatments/procedures instead of packages. After weighing the pros and cons, they will continue to encourage the trade to design medical packages according to the level of complexity of each treatment/procedure.

Healthcare Facilities and Medical Professionals

While recognising price information is important for consumers, some medical professionals expressed hesitation to publicise detailed price information online, due to the concerns over consumers, without doctors' advice, misinterpreting the price information and wrongly estimating the price for the treatment/procedure applicable to their specific situations. Furthermore, despite that some PHs claimed to have internal guidelines on price information disclosure, the monitoring of the related compliance of visiting doctors could be difficult due to high turnover rates.

Even when doctors' advice is available at the consultation sessions, some stakeholders emphasised that budget estimates should be viewed as rough guides as variations between budget estimates and final bills can arise due to the unpredictable nature of some treatments/procedures. Additionally, there are concerns among doctors about being expected to provide accurate budget estimates for hospital charges. Furthermore, it was practically challenging for PHs/DPCs to include the identities of specialists, especially anaesthetists, in budget estimates. Since doctors might work with a pool of anaesthetists, it is possible for an anaesthetist to be assigned to the case at the last moment before the treatment/procedure.

Regarding price variation of doctor's fees between doctors, some medical professionals observed that some private healthcare service providers might perceive that medically insured patients could afford higher costs and hence charged them higher fees as compared to those paying out-of-pocket. These practices may adversely lead to inflated charges for consultations and treatments/procedures, and lead to higher overall insurance premium to the concerned patients in the future.

Some healthcare facilities opined that HBS are useful only as reference points for highly standardised procedures, such as colonoscopy, but not for non-standardised treatments/procedures, such as open reduction and internal fixation of various fractures.

Some healthcare facilities and medical practitioners opined that it was difficult to design a standardised package for each treatment/procedure given the varying complexity of individual cases. This challenge is particularly pronounced when the attending doctor is a visiting doctor, as PHs/DPCs might not have control over the visiting doctor's fees. As medical packages were mostly designed based on a risk-pooling approach, small-scaled DPCs might have greater difficulties to design their own medical packages, given the lack of past data on particular treatments/procedures as such data is necessary for risk-calculation.

However, some academics/experts pointed out that the process of designing packaged charges brings in standardisation of practice. It is advantageous for PHFs to design standard packages encapsulating all the resources required for the treatments/procedures, which can reduce wastages or inefficiencies, such as unnecessary extra days of stay in PHs/investigations/medications/medical supplies or consumables, arising from the treatment. Medical package is therefore meaningful even for low-risk procedures and patients.

Patient Organisations and Insurers

Patient organisations highlighted instances where patients were charged differently for the same treatments/procedures, yet the rationale was not transparent to the patients. For instance, there were cases that patients staying in higher-class ward accommodation were charged more for operating theatre room, although they were using the same facilities as those staying in general ward.

Insurer representatives pointed out that, when selecting the medical services, some medically insured consumers might consider not only their actual needs but also the amount of insurance coverage available and the insurance deductible, such as requesting for more add-on or unnecessary services to fully utilise their coverage or meet deductibles. Furthermore, some healthcare providers were found to apply higher rates for patients with medical insurance coverage, with the fees set according to the benefit levels of the private health insurance policies taken out by the patients, while some even persuade insured patients into receiving excessive and unnecessary services until the available coverage is almost fully utilised. These practices undermine the integrity of the healthcare sector and potentially drive up the overall insurance premiums. Consumer education is of vital importance to empower consumers to choose necessary medical services for the sustainable development of the private healthcare sector.

Meanwhile, low-risk patients might not opt for medical packages as the costs could be higher. To allow these low-risk patients to benefit from medical packages, stakeholders were of the view that PHs/DPCs should offer more variety of choices of medical packages, and provide higher flexibility for patients to select medical packages that suit their needs.

Healthcare Pricing

Pain Points in Obtaining Accurate Quotation and Conducting Like-for-like Comparison

I do not have the required medical knowledge



Why do higher-class rooms result in higher fees for both doctors and PHs for the same treatment/procedure? What is the charging basis?



The budget estimate is in verbal format and I do not have any written records

39% in verbal format only

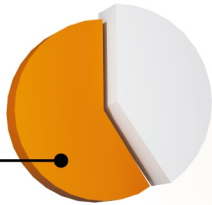
31.8% in both verbal and written formats

29.2% in written format only



I trust my attending doctor and my insurance should be able to fully cover

67.6% did not conduct price comparisons. Of which, 87% were medically insured



63.2% had no intention to review price information, with top reasons being:

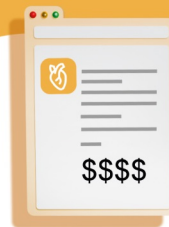


Trusted the recommendation of the attending doctor

67.2%

Able to afford/covered by insurance

54.4%



I prefer medical packages but they are uncommon and I don't know what should be included in the package

- Only 1 PH provided packaged charges for 26 out of the 30 common treatments/procedures, while most of them (7 PHs) only provided packaged charges for ≤6 of the treatments
- Inadequate transparency on potential additional charges
- Like-for-like comparison was difficult with varying included/excluded items

I tried to refer to HBS*, but it was not user-friendly. Also, the HBS had not been updated for over a year

Only 10.1% had reviewed HBS

* HBS: historical bill size statistics



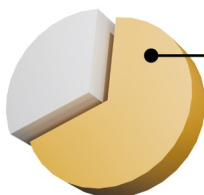
Who should explain to me when I have questions?



Variations on medical costs can arise due to unpredictable events (e.g. polyps more than expected, sudden excessive bleeding) so it is very difficult to provide accurate budget estimates



I still pay the bill despite the price discrepancy and no explanation provided



67.2% encountered price discrepancies between budget estimates and final bills

Did not receive any explanations

64.9%

Most consumers stayed silent, for reasons:

- Unfamiliar with complaint channels
- Time-consuming to file complaints
- Maintaining good doctor-patient relationship



Review of Price Transparency Measures in Four Selected Markets

The Council also conducted a review of price transparency measures in the private healthcare sector across four markets: Australia (Victoria), Mainland China, Singapore, and the United States (Florida). Despite the varying contexts of these selected markets, each market has its own initiatives on price transparency to safeguard consumer interests. In gist:

- (i) **Provision of price information in a consumer-friendly format**: Similar to Hong Kong, healthcare facilities in all four markets are required to provide patients with price information, albeit in varying degrees of details. Some markets have specific requirements, such as the obligation to provide price information before admission/in an online machine-readable file that lists all standard charges for items and services offered.
- (ii) **Provision of written and detailed budget estimates**: Healthcare facilities in Victoria, Singapore and Florida are mandated to provide budget estimates to patients. While the written budget estimates are preferred at Victoria, Florida explicitly requires the written budget estimate to be issued to patients within specified timeframes.
- (iii) **Use of clear and understandable terms in search tools on historical bills and inclusion of historical price data of ambulatory surgical centres**: Online search tools are available in Victoria (the “Medical Cost Finder”), Singapore (a search tool on the website of Ministry of Health, Singapore) and Florida (the “Florida Health Price Finder”) to facilitate consumers to find the typical fees and costs associated with common private healthcare procedures. Some search tools visualise the historical bill statistics with graphics and in simple language, allowing consumers to easily understand related costs associated with healthcare services.

The Council's Recommendations

To further promote a more transparent private healthcare sector in Hong Kong and ensure that it keeps up with the times, the Council puts forward five recommendations to empower consumers to advocate for themselves and foster greater consumer trust in PHFs, for consideration and discussion by stakeholders and the public.

Recommendation 1 – Improve Consumers' Accessibility to Price Information with a Search Tool

Facilitating price searching at private hospitals and day procedure centres

To address consumers' challenges in accessing relevant price information online, it is imperative to first ensure that DPCs proactively publicise price information online, which is currently not a requirement. In tandem, the Council suggests that the Government develop guidelines for PHs and DPCs regarding the presentation format of price lists, including but not be limited to, adopting a more user-friendly display format, such as by organising the price list by specialty (e.g. charges related to undergoing a colonoscopy) rather than solely by charge categories (e.g. ward accommodation and operating theatre charges) to enable consumers to search and compare prices more effectively. By selecting a specialty, consumers should be able to locate the relevant charge items associated with that particular area of care more easily.

Other than the categories currently available⁵, PHs and DPCs should include additional typical charge items in their price lists, such as operating theatre materials and medications, so that consumers could better understand the possible medical expenses they may incur when acquiring private healthcare services.

Enhancing the usability of historical bill sizes statistics with a search tool

Another suggested measure is to enhance the usability of HBS. The Government can consider providing guidelines for PHs on the provision and presentation of HBS, which could serve as the industry benchmark for other PHFs to follow in the long run. The guidelines should cover at least the following areas:

- (i) **Timeliness:** Establish a timeframe for updating the HBS. With reference to the updating frequency of a PH which had its Q1-2 2024 figures of HBS ready at around Q4 2024, and having considered the availability of technology to facilitate data compilation, the Government and the trade should discuss the feasibility for PHs to update their HBS more frequently, potentially every six months or so;
- (ii) **Detailedness:** Enhance disclosure at the HBS to include exact discharge figures (instead of by range) and more detailed breakdowns (e.g. itemising doctor's fees into anaesthetist's fees, other specialist's fees, etc.); and
- (iii) **Readability:** Use layman terms (e.g. "typical" and "high" instead of by "percentile") at HBS to improve consumer understanding.

Furthermore, the Council recognises the need to expand the coverage of this price transparency measure, especially for treatments/procedures which exhaustive price lists and packaged

⁵ Categories of items recommended by DH are charges on ward accommodation, operating theatre charges, charges for common nursing procedures, charges for out-patient and/or specialist clinics consultations, charges for investigative and treatment procedures and charges for medical reports and photocopies of medical records.

charges are currently unavailable. The requirement to publish HBS could be extended to cover more treatments/procedures beyond the existing 30 treatments/procedures in PHs, and DPCs should compile historical bill sizes of their treatments/procedures and get prepared for more transparent disclosure.

In the long term, the existing HBS database and online portal on the Pilot Programme website could be further transformed to enhance accessibility and user experience. Drawing insights from the selected markets, the Council suggests the Government utilise big data technology on historical prices at PHs and DPCs to compile a centralised historical price indexes database of PH/DPC charges and doctor's fees to draw insights from this useful resource for healthcare planning and resources deployment. In parallel with the price indexes database, the Government can develop appropriate search tools to provide typical fees for a range of treatments/procedures, serving as a reference point for the public to compare medical costs and make informed choices of healthcare facilities. The centralised database and search tool can be rolled out in phases:

- (i) **Phase 1:** Establish a centralised database of historical fees and charges at all PHs for the 30 treatments/procedures (i.e. consolidation of DH's existing database). The fees and charges of each treatment/procedure can be further categorised into various treatment methods and conditions. For example, the price index for colonoscopy can be categorised by (i) type of anaesthesia (e.g. intravenous sedation/monitored anaesthesia); and (ii) number of polypectomy and biopsy (e.g. 0/≤3/>3); and
- (ii) **Phase 2:** Expand the database to cover historical fees and charges at all DPCs for the same 30 treatments/procedures, and cover more treatments/procedures beyond the existing 30 treatments/procedures in PHs.

Recommendation 2 – Promote the Use of Packaged Charges

Recognising that medical packages would generally provide greater price certainty and potentially reduce medical spending in the long run and provide consumers with a better estimation of the total spending, the Council encourages PHs and DPCs to proactively design and introduce medical packages for suitable treatments/procedures as a tool to maintain price consistency between the budget estimates and final bills. With a broader range of medical packages, consumers can enjoy more choices with greater flexibility.

The Council also recommends that the Government should provide guidelines for designing and marketing medical packages. Key items to be included and disclosed in the marketing materials, with certain flexibility allowed on the scope of the packages. In the long-run, with reference from existing medical packages launched in the market, PHs and DPCs can introduce more packages tailored to various levels of medical conditions, thereby enhancing fee transparency and catering for different healthcare needs. Given the varying complexities of individual cases, PHs and DPCs can develop a matrix list of packaged charges categorised by the complexity of the treatment/procedure and the patient's medical condition level.

Meanwhile, a common coding mechanism for the treatments/procedures can be adopted to facilitate better communication between doctors and patients (and insurers as well) regarding treatment/procedure decisions, as well as further price comparisons at different PHs/DPCs. The Council suggests that the common coding mechanism in Hong Kong be explored in greater depth and rolled out by stages, starting with a number of selected pilot treatments/procedures to assess effectiveness of the mechanism.

Recommendation 3 – Require the Provision of a Clear and Written Budget Estimate

In view of the varying disclosure extent of budget estimates among PHs and DPCs, the Council recommends the Government to explicitly require PHs and DPCs, prior to undergoing treatments/procedures, to provide patients with written budget estimates that include a clear breakdown of key items. This will help alleviate patients' stress, enable better financial planning for treatments, while also providing a written record for future reference. To start with, this requirement could be implemented for all 30 treatments/procedures at PHs and DPCs, as well as for other non-30 treatments/procedures at PHs.

HKPHA provides on its website a sample budget estimate form, which includes elements such as information of patient, details of stay, name of attending doctor, estimated doctor's fees and estimated hospital charges. The Council reckons that the Government should strengthen the scope of the information to be specified in the budget estimate form when formulating the prescribed items for budget estimate by including the following additional information:

- (i) **Disclosure of the identity of anaesthetists and other specialists (other than the attending doctor):** This can allow consumers to track records of relevant professionals before admission and signing the budget estimate form;
- (ii) **Provision of valid period:** This will help avoid disputes arising from PHs and DPCs adjusting their price information after issuing the estimates, as it is noted that PHs and DPCs often disclaim on their websites that their price lists (if any) are subject to change without prior notice; and
- (iii) **Timeframe in issuing revised budget estimates to patients:** This serves to ensure patients are kept informed of the updated charges of services provided, through the issue of guidelines/practice notes to promulgate the timeframe of the revision (e.g. before admission). This practice should also be applied to DPCs.

Recommendation 4 – Enhance the Current Regulatory Framework on Price Provision, and Complaint Handling Mechanism on Price Matters

Setting out accountability for information provision and explanation

As not all patients possess the medical knowledge necessary for understanding the price lists and budget estimates, it is essential for healthcare professionals and PH's/DPC's relevant staff to proactively provide explanations on this price information. To clearly set out the accountability for price information provision and explanation, PHs and DPCs are recommended to elucidate relevant internal policies to staff and publish at different channels, where appropriate, the relevant arrangements to consumers. Such internal policies should require the following:

- (i) Designation of personnel for providing and explaining price information to patients regarding, among others:
 - The provision and explanation of price lists in case of queries;
 - The issuance and explanation of budget estimates;
 - The provision and explanation of HBS or past bill data; and
 - The explanation of items included and excluded in the medical packages, and the price or common price range of excluded items, as well as the charging arrangements in case of complications.

- (ii) Proactive explanation of the budget estimate to patients by designated personnel, as well as provision of advice on the potential additional charges and the relevant circumstances in advance; and
- (iii) The accountability of the PHs/DPCs/doctors in different scenarios, particularly in cases where visiting doctors refer patients from DPCs to PHs.

Meanwhile, PHs and DPCs of a certain scale are encouraged to assign an officer responsible for governance to monitor compliance with their internal policies.

Enhancing the service quality of consumer-facing staff

As the availability of the price information through phone enquiries could vary, consumers may encounter difficulties in obtaining applicable price information and seeking assistance from staff of PHs and DPCs. Moreover, price discrepancies between budget estimates and final bills were often not explained, which could frustrate consumers and potentially lead to disputes.

As such, the Council recommends that PHs and DPCs develop, regularly review and execute internal guidelines on the following:

- (i) Conduct periodic communication training for frontline staff on providing useful, clear and accurate information to consumers;
- (ii) Provide price and treatment/procedure information (e.g. medical packages) via multi-media and channels (e.g. videos, chatbots) to reduce staff workload; and
- (iii) Assign specific staff members to alert patients to potential price discrepancies before treatments/procedures; and explain any discrepancies between budget estimates and final bills.

Improving complaint handling mechanism related to price disputes

The in-depth interviews revealed that, some consumers might choose not to lodge complaints about price disputes due to a lack of familiarity with the complaint process and concerns about jeopardising the doctor-patient relationship.

To gain deeper insights into the primary reasons consumers lodge complaints regarding price issues, and the challenges they face, the Council recommends that the Government proactively engages with users of PHs and DPCs by systematically sampling and reaching out to those users periodically to gather comprehensive feedback through various means, such as by way of consumer surveys and in-depth interviews.

Additionally, it is crucial that consumer feedback is not only collected and consolidated but also communicated regularly to PHs and DPCs. This ongoing dialogue will facilitate continuous improvement and enhance the overall consumer experience in the private healthcare sector.

For PHs and DPCs, they are encouraged to develop, regularly review and implement comprehensive internal guidelines on, among others, the following:

- (i) **Procedures to handle different types of price disputes:** Protocols should be clearly defined to ensure consistent and effective handling of conflicts that may arise concerning pricing, such as those resulted from discrepancies between budget estimates and final bills, and unclear charging mechanism of PH's/DPC's and/or doctor's fees;

- (ii) **Standards for response times and resolution processes for price disputes:** It is vital to set clear indicators for how quickly complaints should be addressed and the steps involved in resolving price disputes. This will not only enhance accountability but also improve consumer confidence in the complaint handling mechanism; and
- (iii) **Designation of personnel for complaint handling on price disputes:** Assigning specific individuals or teams to manage complaints related to price disputes is essential, as this ensures that there are dedicated resources focused on addressing consumer concerns promptly and efficiently.

Enhancing the regulatory framework

Consumers rely on the Government's safeguards to ensure PHFs' compliance with the PHFO requirements through the licensing regime. The Council notes that each PHF licence application is handled based on the criteria⁶ deliberated and endorsed by the Advisory Committee for Regulatory Standards for Private Healthcare Facilities under the PHFO to assess the fitness and properness of the applicants/Chief Medical Executives ("CMEs"). This covers the handling in relation to cases where the applicants/CMEs had committed criminal offences and/or offences under the PHFO. It is worth noting that, as the PHFO is premise-based, any change of the PHF's premise will require application of a new licence which involves vetting afresh.

Meanwhile, DH has taken measures to ensure accountability within the private healthcare sector for past offenders with the relevant criteria and records of regulatory actions having been made public. For example, a person who has had a conviction of any offence under the PHFO with sentence to imprisonment (whether suspended or not)/committed non-compliances that resulted in suspension or cancellation of licence of a PHF in the past five years will not be provided with a licence at all.

Currently, regulatory actions on PHs/DPCs are considered when there is a breach of licence conditions or CoPs. "Non-compliance" refers to unsatisfactory fulfilment or failure to meet the licence conditions or requirements under the CoPs. A risk-based approach to regulatory actions is adopted, and the risk level of non-compliance is assessed based on the likelihood of impact on patient safety and the seriousness of consequences in terms of patient harm (e.g. re-admission, unplanned return to operating theatre, or even incidents leading to death) that the non-compliance could cause. However, relevant provisions on price transparency in the PHFO are still not in force.

The Government is recommended to consider adopting a comprehensive approach when considering regulatory actions that includes a thorough assessment of non-compliance with the price transparency measures, as well as to continue to safeguard the interests of consumers through the licensing regime. By integrating these considerations into the regulatory framework, the Government can foster a more price-transparent private healthcare sector.

⁶ DH. Guidance Notes for Assessing Fitness and Properness of Applicants/CMEs for Licence Application.

Recommendation 5 – Strengthen Consumer Education through Multi-channels and Collaborative Effort

Given the unique nature of medical services, promoting the general public's knowledge is as vital as enhancing price transparency across the entire private healthcare sector in Hong Kong.

The consumer survey revealed that respondents were most aware of the requirement for PHs to provide budget estimates (31.8%), followed by the disclosure of price information (26.2%). However, only 7.0% were aware of PHs publicising HBS, highlighting the need to significantly raise public awareness for all three measures. To mitigate the issue effectively, related promotional materials should be strategically placed in highly visible areas at PHs and DPCs, such as at cashiers and waiting areas, to ensure that patients encounter this important information during their visits. Additionally, leveraging a diverse array of media channels, such as TV advertisements and free newspapers, is crucial to resonate with the general public. Furthermore, adopting search engine marketing strategies by the Government will enhance online visibility of the promotional websites, allowing individuals to easily access information about price transparency measures in place when searching for PHFs.

Besides, consumers generally placed a high level of trust on the information provided by their healthcare providers, which resulted in reduced price sensitivity. To encourage consumers making informed decisions, the Council refers to an education material adapted from Choosing Wisely Australia and puts forward five questions for consumers to ask their healthcare service providers before treatments/procedures:

- (i) Do I really need to conduct the treatment/procedure?
- (ii) What are the risks or side effects of the treatment/procedure?
- (iii) Are there any simpler or safer alternatives for the treatment/procedure?
- (iv) What happens if I don't conduct the treatment/procedure?
- (v) What are the financial/emotional/time costs of the treatment/procedure?

Meanwhile, it is also essential for the sector to enhance the accessibility of complaint channels and mechanisms, and provide consumers with comprehensive information regarding the complaint process. This includes clearly outlining the types of documents required to report complaints, which will help streamline submissions and reduce barriers to access. Additionally, detailing the complaint handling procedures will significantly enhance the credibility of the complaint handling mechanism, instilling greater confidence in consumers that their complaints will be taken seriously and addressed appropriately. Last but not least, it is crucial to educate consumers about their right to information, particularly concerning the regulations and guidelines in place on information provision by PHs and DPCs.

Way Forward

The healthcare system in Hong Kong is currently facing several challenges, including, among others, a rapidly ageing population, an increase in the prevalence of chronic diseases and a shortage of healthcare manpower. The Council is pleased to see the Government's commitment and ongoing efforts to review and enhance the healthcare system, as well as to strengthen primary healthcare services, so as to safeguard public health and well-being.

In the Chief Executive's 2024 Policy Address, the Government outlines its determination to further reform the healthcare system. A key direction of the reform is to enhance the quality and efficiency of healthcare services, while addressing medical inflation. Before the end of 2025, consultations with relevant sectors will be conducted to explore the potential legislation in price transparency of private healthcare.

The private healthcare sector in Hong Kong stands at a critical juncture for enhancing price transparency. Encouragingly, the stakeholders have expressed a general openness to making improvements, and agreed that communications between consumers and doctors could be strengthened to prevent price disputes. Notably, some healthcare facilities had initiated various industry-led initiatives, such as expanding the availability of medical packages, establishing guidelines for budget estimates, and advocating for and monitoring price transparency.

Educating consumers about their rights to information is crucial, particularly regarding the regulations and guidelines governing information provision by PHs and DPCs. By enhancing awareness and knowledge, individuals will be better equipped to make informed decisions regarding their health and navigate the private healthcare system more effectively.

Creating a robust ecosystem for price transparency in private healthcare necessitates a collaborative effort among the Government, private healthcare providers, and consumers. The recommendations of the Study will pave the way for a more transparent and accountable private healthcare sector in Hong Kong, which would in turn reduce information asymmetry and bolster consumer confidence in the private healthcare system.

5 Recommendations

More Transparency in Healthcare Pricing, More Value for Consumers

Recommendation 1 - Improve Consumers' Accessibility to Price Information with a Search Tool

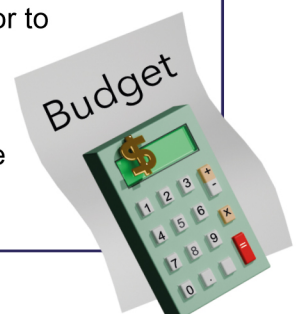
- DPCs* to provide online price information
- Government to develop presentation guidelines on price lists and HBS* to increase consistency
- Government to develop a centralised historical price indexes database with proper search functions:
 - Timeliness
 - Detailedness
 - Readability

Recommendation 2 - Promote the Use of Packaged Charges

- Government to provide guidelines for designing and marketing medical packages
- PHs*/DPCs to introduce more packages for different levels of medical conditions
- Government to work with the trade (including the medical and insurance sectors) and develop a common coding mechanism for the treatments/procedures to facilitate comparison among healthcare facilities, as well as doctor-patient communication

Recommendation 3 - Require the Provision of a Clear and Written Budget Estimate

- PHs/DPCs to provide written and detailed budget estimates to patient prior to undergoing treatments/procedures
- Government to provide clear guidelines on :
 - Disclosure of identities of anaesthetists and valid period for the estimate
 - Timeframe in issuing revised estimate



* PH: private hospital; DPC: day procedure centre; HBS: historical bill sizes statistics.

Recommendation 4 - Enhance the Current Regulatory Framework on Price Provision, and Complaint Handling Mechanism on Price Matters

- PHs/DPCs to develop guidelines on:
 - Accountability of provision and explanation of information to patients
 - Enhancing service quality of consumer-facing staff
- Government to gather feedback from users of PHs/DPCs on the reasons and challenges for lodging complaints regarding price issues for continuous improvement
- PHs/DPCs to enhance accessibility of complaint channels and mechanisms regarding price issues
- When Government considers regulatory actions, to include non-compliances with price transparency measures to ensure industry governance



Recommendation 5 - Strengthen Consumer Education through Multi-channels and Collaborative Efforts

- Government to promote price transparency measures
- Government to educate consumers their right to information
- Consumers to follow the five questions to enquire with healthcare providers before treatments/procedures (including necessity of the treatment, risks/side effects, alternatives, consequence of not conducting the treatment, and costs)



消費者委員會
香港北角渣華道191號嘉華國際中心22樓
電話 2856 3113
傳真 2856 3611
電郵 cc@consumer.org.hk
網站 www.consumer.org.hk

Consumer Council
22/F, K. Wah Centre, 191 Java Road
North Point, Hong Kong
Tel 2856 3113
Fax 2856 3611
E-mail cc@consumer.org.hk
Web www.consumer.org.hk

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