Hong Kong scrambles to overhaul elder care

Government officials are racing to strengthen the healthcare sector as the number of elderly Hong Kong residents overwhelms the system.

If analyst’s predictions turn out to be accurate, by 2040, nearly one-third of all Hong Kong residents will be aged 65 years and older, a seismic demographic shift that will present as one of the toughest policy challenges for the government. Already, officials have been proposing and implementing measures meant to accommodate the influx of elderly Hong Kong residents and their medical needs, but with the health sector requiring too many improvements at once, there is a question on which initiatives should be given priority.

The number of people aged 65 years and above is expected to balloon from 14% of the total population in 2014 to 31% by 2040, a sharp rise that will put the territory ahead of Singapore (30%) and Thailand (26%) in its share of population at the aforementioned demographic, says Ang Wei Zheng, pharmaceuticals & healthcare analyst at BMI Research.

Government preparations

The government is preparing for this ageing population trend by addressing the shortage of doctors and other medical professionals, and strengthening the elderly care system. But among Hong Kong healthcare reform measures, BMI Research declared that the top of the agenda for authorities will be to develop a new health care financing model that will be sustainable in the face of a shrinking tax base.

Ang says in the current model, public hospitals provide heavily subsidised medical services, which results in government health expenditure accounting for 46% of total healthcare spending in 2015. But the government will not be able to afford to spend this much any more as the ageing population leads to a higher dependency ratio and lower available tax base. It also becomes clear that the subsidy-heavy model will be very difficult to sustain when factoring in the surge in medical and drug spending for the elderly.

“The aging population is a key driver to increasing demand for medical services and the growth of healthcare spending,” says Karon Wan, managing partner at Deloitte China Public Sector.

Wan cites data that government expenditure for elderly care services nearly doubled from HK$3.3 billion in 2007 to HK$6.2 billion in 2015, and in 2015 that expenditure is equally divided between public and private spending.

The Hong Kong Cancer Registry reveals those aged 65 years and older accounted for 50% of new cancer cases in 2013. Authorities look to solve the dilemma of financially supporting elderly health care programs through incentive schemes that encourage patients to enroll in the special administrative region’s voluntary health insurance scheme.

Still, it could take some time before this voluntary health insurance scheme is ironed out and implemented, with authorities suggesting late last year that the scheme is unlikely to be launched during the final stretch of Chief Executive Leung Chun-ying’s term, says BMI Research in a separate report in January 2016.

Healthcare workforce shortage

Aside from creating a more financially sound healthcare system, Hong Kong is facing an uphill battle in staffing its public hospitals and elderly care facilities with doctors, caregivers and other medical professionals.

Many factors contribute to this shortage, but a key reason is the decrease of medical student intake and the competitive need stimulated by private sector growth, says Karon Wan, managing partner at Deloitte China Public Sector.

Wan notes that the government has placed some short-term band-aids such as setting up a time-limited...
fund to re-employ the retiring medical staff, increasing medical student intake in 2015, and allocating HK$300 million to enhance staff training through scholarships.

But Ang reckons that even though authorities have sought to attract workers to the elder care industry through courses such as the Foundation Certificate in Care Worker Training and the Certificate in Health Worker Training, these have not been able to adequately address the manpower challenge. He points to the number of graduates falling to 1,220 in 2014/15 from 2,470 in 2010/11.

Likely recognising the gravity of the workforce shortage at hand, the government in 2012 began a strategic review on healthcare manpower planning and professional development in Hong Kong. The review covers 13 healthcare professions, including doctors, dentists, Chinese medicine practitioners, nurses, midwives, pharmacists, chiropractors, and medical laboratory technologists, among others.

The Hong Kong Food and Health Bureau expects the review will be completed in mid-2016, after which recommendations will be made to “better enable us to meet the projected demand for healthcare professionals as well as foster professional development of our healthcare system and the continued provision of quality healthcare services to the public.”

Even though the review has not been completed, the Food and Health Bureau says preliminary findings have led authorities to bump up the number of publicly-funded degree places in medicine, dentistry and other healthcare disciplines by 50, 20 and 68 respectively in the 2016/17 to 2018/19 triennium.

Moreover, the Medical Council of Hong Kong has introduced more flexibility in the relevant internship requirement for non-locally trained doctors to practise in Hong Kong, making it easier to attract talent.

Overburdened hospital system
Critics of the Hong Kong healthcare system point out that it has a lacklustre primary care system where residents put off visiting local community clinics for primary care until their conditions worsen, which then leads to overcrowding in hospitals.

A worsening problem
The problem may worsen as more elderly people represent the population because under the current set-up, many will not be able to afford primary care since the majority of the providers are privatised. Wan reckons 70% of primary care is privatised making it a difficult option for the elderly who generally have multiple chronic diseases with costly treatments, and the elderly prefer the public healthcare system which is 90% subsidised by the government.

“This financially friendly option has become the main avenue through which to receive primary care instead of local community doctors or facilities. This results in an overburdened public hospital system,” says Wan.

Given the projected revenue challenges of the government, Wan reckons there will be large efforts to encourage availability and improve the delivery of primary care in the next few years. Already, there has been some initial progress in this regard through the setup of the Primary Care Office in 2010 and the development of stronger clinical protocols, but ultimately success in this area will hinge on strong cooperation between the government, health and hospital departments, the welfare sector and non-public organisations.

Analysts agree that despite the challenges ahead, the government goal is clear: Provide quality elderly care while restricting costs from spiralling out of control.

Wan says hope lies in developing new delivery models and forging effective public-private partnerships. Ang echoes the importance of the private sector, viewing them as a key partner in creating more residential care homes for the elderly, staffed with excellent nurses and care workers that can address their patients’ special needs.

The government may also find promise in promoting disease prevention initiatives, launching community-based elderly support programs and expanding technology-based disease management models.

The potential for technology adoption is particularly exciting, says Wan, envisioning a future when there is real-time interaction to monitor and maintain elderly health through data retrieval and analysis.

In order to encourage a more open attitude towards medical technology among the elderly, the Smart Elderly IT Star Awards were established in 2012 to reward strong adoption among the cohort. “Technological advancements provide tangible and immediate solutions to providing elderly independence and improving their safety, health, and wellbeing,” says Wan.

Overcrowding a persistent challenge

70% of primary care is privatised making it a difficult option for the elderly who generally have multiple chronic diseases.

Source: Hong Kong Hospital Authority