



# Healthcare market report | Hong Kong 2019



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# Section 1. The social determinants of health

*An overview of the social and macroeconomic factors affecting healthcare*

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- GDP and GDP growth rate, 2008-2017
- GDP per capita benchmarked with OECD average and five other developed countries (PPP USD current prices), 2017
- Population segmented by monthly income, 1986 compared to 2017
- GINI Coefficient: Hong Kong versus six developed countries, 2006-2016
- Consumer spending, 2012-2018
- Consumer confidence index, 2008-2018
- Consumer Price Index overall versus health and propriety medicines and supplies, 2008-2018
- Average monthly household expenditure by commodity/service group 2000/01 compared with 2014/15
- Household debt to GDP ratio: Hong Kong compared to OECD average and five other developed countries, 2018 or nearest year
- Household income by district in Hong Kong, 2017
- Median per capita floor area of accommodation by area of residence, household size and type of housing, 2016
- Air quality index Hong Kong benchmarked against WHO standards and five developed countries 2008-2017

## Section 2. Epidemiological and demographic trends

*The changing  
burden of  
disease and  
healthcare need*

- ACG's analysis of market trends
- Percentage of the population aged 65 and over (projected to 2030)
- Cause of morbidity and mortality, 2017
- Growth (CAGR) in morbidity and mortality from selected diseases, 2007-2017
- Age-standardised death rates for selected diseases, 2007-2017
- Prevalence of major diseases – obesity, hypertension, high cholesterol and diabetes, 2004-2016 (or nearest years)
- Level of CVD risk by income group, 2014/15
- Percentage of the population with a chronic condition as self-reported, 2007 and 2017, with CAGR
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- Population self-reported cervical cancer screening participation rates, 2006-2016
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## Section 2. Epidemiological and demographic trends

*The changing  
burden of  
disease and  
healthcare need*

- Population self-reported alcohol consumption, 2006-2016
- Population self-reported consumption of five portions of fruit and vegetables per day, 2006-2016
- Population self-reported adherence to WHO guidelines on physical activity, 2012-2016
- Changes in prevalence of selected disabilities over a six-year period , 2007-2013
- Stress-coping mechanics used by the population, 2014-2014

## Section 3. The healthcare workforce

*The changing supply and demand landscape for healthcare workers in Hong Kong*

- ACG's analysis of major trends in the market
- Doctor to population ratio, HK versus OECD average and five benchmark countries, 2010-2018 or nearest year
- Nurse to population ratio, HK versus OECD average and five benchmark countries, 2010-2018 or nearest year
- Number of registered doctors by public and private, 2000-2016
- Number of registered and enrolled nurses by public and private, 2004-2016
- Projected doctor, nurse and allied health professional shortages in Hong Kong to 2030
- Attrition rate of doctors leaving the public system by rank, 2013-2017
- Attrition rate of doctors leaving the public system by speciality, 2013-2017
- Number of doctors broken down by speciality, 2000-2016
- Growth rate in specialisation of doctors (CAGR) from 2000 to 2016
- Number of primary care and family doctors, 2016
- Average salary for doctors working in the public system, 2007-2018
- Average salary for nurses working in the public system, 2007-2018

## Section 3. The healthcare workforce (*cont*)

*The changing  
supply and  
demand  
landscape for  
healthcare  
workers in Hong  
Kong*

- Estimated numbers of dietitians and speech therapists serving the Hong Kong population, 2005 and 2014
- Patient reported views on healthcare workers' behaviour; Were patients involved in decisions about their care?, 2012
- Patient-reported views on healthcare workers behaviour; Were patients comforted and cared for?, 2012
- 'Patient-reported views on healthcare workers behaviours; Were patients given sufficient information on medication?, 2012

## Section 4. Healthcare financing

*Key health  
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trends that  
affect system  
dynamics*

- ACG's analysis of trends in the market
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- Total health expenditure by public and private sectors, 2008-2017
- Percentage of total health expenditure spent on public versus private; Hong Kong versus the OECD average, 2016/17
- Total health expenditure by financing source, all years 2006/7-2016/17
- Growth in health expenditure by financing source, CAGR 2006/7-2016/17
- Total health expenditure by type of provider, all years 2006/17-2016/17
- Growth in expenditure by type of provider, CAGR 2006/7-2016/17
- Total expenditure on private acute care, 2008-2017
- Total expenditure on private outpatient care, 2008-2017
- Medical inflation by medical services and proprietary medicines and supplies, 2008-2017
- Medical inflation in the private sector by ward-type and/or setting, 2014-15

## Section 4. Healthcare financing *(cont.)*

*Key health  
expenditure  
trends that  
affect system  
dynamics*

- Private outpatient expenditure by funding source, 2016/17
- Private outpatient expenditure by out-of-pocket versus health insurance, all years 2009-2017
- Private health expenditure by type of care, all years 2006/7 -2016/17
- Growth in private spending by type of care, CAGR 2006/7-2016/17
- Projected growth in total health expenditure to 2033

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*Changes to the level of population protection and the impact on the insurance sector*

- ACG's analysis of major trends in the market
- Explanation on the categories of medical insurance that exist in Hong Kong
- Number of Private Health Insurance Insured Members, 2010-2016
- Percentage of the population covered by private health insurance, 2010-2016
- Gross written premium of private health insurance by individual and group, 2010-2016
- Population coverage of private health insurance by age and gender, 2016/17
- Average premium increases for private health insurance by age, 2018
- Average health insurance premium paid, by individual and group, 2010-2016
- Coverage of employees by size of organisation (number of employees), 2014
- Health insurance premium inflation: Hong Kong versus China, Australia, Singapore, Japan and Taiwan, 2010-16
- Total health insurance plans sold segmented by type of plan, 2016/17
- Profit and operating ratios for private health insurance, 2012-2017

## Section 5. Health Insurance (*cont.*)

*Changes to the level of population protection and the impact on the insurance sector*

- Claim ratios for private health insurance: Individual versus group, 2009-2016
- Percentage of claims by procedure, 2016
- Complaints over medical insurance by volume and reasons for complaints, 2012-2017
- Health insurers ranked by gross premiums sold, 2017
- Health insurance sold as a percentage of life and medical combined, 2017
- Premium growth rate of top 15 health insurers, 2017
- Health insurance gross premiums sold to mainland visitors, 2017
- Types of products offered by major health insurers in Hong Kong, 2018
- Comparison tables of leading health insurance plans by benefit schedules/coverage levels, 2018/19
- Proposed benefit schedule of the new voluntary health insurance scheme
- Percentage of health individual insurance plans sold segmented by distribution channel, 2014
- Percentage of health group insurance plans sold, segmented by distribution channel, 2014 –
- Customers preferred channel to make a claim, 2017

## Section 6. The primary care market

*The use and structure of primary care services*

- ACG's analysis of market trends in the sector
- Market share of major primary care clinics in Hong Kong, 2016/17
- Number of consultations by service provider, 2017
- Revenue by type of client, 2017/18
- Revenue by service performed, 2017/18
- Average costs for a private doctor visit and waiting times, 2018
- Average cost for a private doctor visit, 2006/7 and 2016/2017 with CAGR
- Service description of six of the largest primary clinic chains in HK, 2017/18 (Number of consultations, number of branches, major shareholders)
- Percentage of operating expenses spent on major categories of spend for four clinic chains, 2017 or nearest year
- Percentage of the population who have a regular primary care or family doctor, 2014/15
- General Outpatient Primary Care PPP Provider participation numbers, and drop-off rate, 2017
- Total number of patient seen under General Outpatient Primary Care PPP, and drop-off rates, 2017
- Type of provider visited, 2016/17
- Growth (CAGR) in type of provider visited 2006/7 to 2016/17

## Section 7: The acute care market

*Trends in hospitalisation and the use and structure of secondary care*

- ACG's analysis of market trends in the sector
- Number of hospital beds in the public and private sector, 2012 to 2026 (projection)
- Number of hospital beds (public and private sector combined) by 1,000 of the population and per 1,000 of the elderly population, 2012 to 2026 (projection)
- Distribution of all discharges by age and gender, public hospitals, 2017
- Distribution of all discharges by age and gender, private hospitals, 2016
- Distribution of inpatient admissions to public hospitals by income, 2016/17
- Distribution of inpatient admissions to private hospitals by income, 2016/17
- Growth in admissions (CAGR) to public hospital by income from 2005/6 to 2016/17
- Growth in admissions (CAGR) to private hospitals by income from 2005/6 to 2016/17
- Bed occupancy rate at public hospitals, by quarter, 2016/17
- Bed occupancy rate for private hospitals, split by each hospital, 2014
- Bed occupancy projections to 2026 by public and private (CAGR model)
- Bed occupancy projections to 2026 by public and private (Asia Care Group model)
- Waiting times for total knee replacement and cataract surgery by Hospital Authority cluster, 2018
- Percentage of same day discharges, by public and private hospitals, 2009-2011

## Section 7: The acute care market (cont.)

*Trends in hospitalisation and the use and structure of secondary care*

- Total expenditure on private hospitals, 2009/10 - 2016/17
- Total expenditure on private hospital care by hospital bed, 2009/10-2016/17
- Average cost per case in private hospitals by ward type, 2016
- Median price for 5 common procedures undertaken in private hospitals by ward-type, 2017.
- Reference charges for private hospitals based on historical bill sizes, 2017
- Average prices in the private sector for gastroscopy by care-setting, broken down by hospital and doctor's fees, 2015
- Cost of total knee replacement in the private sector: Hong Kong versus seven benchmark countries, 2017 or nearest year
- Average price of four common procedures undertaken in the private sector: Hong Kong versus US, Australia and Singapore, 2017 or nearest year
- Ward-type chosen for patient's last admission to a private hospital, 2016/17
- Health insurance coverage level for patients last admission to hospital, 2016/17
- Percentage of hospital charges covered by health insurance for patients last admission to hospital, 2016/17
- Growth(CAGR) in the percentage of hospital charges covered by health insurance for patients' last admission to hospital (2005/6 - 2016/17)
- Number and cost of avoidable readmissions to hospital by disease-type (Asia Care Group model, 2017 or nearest year)

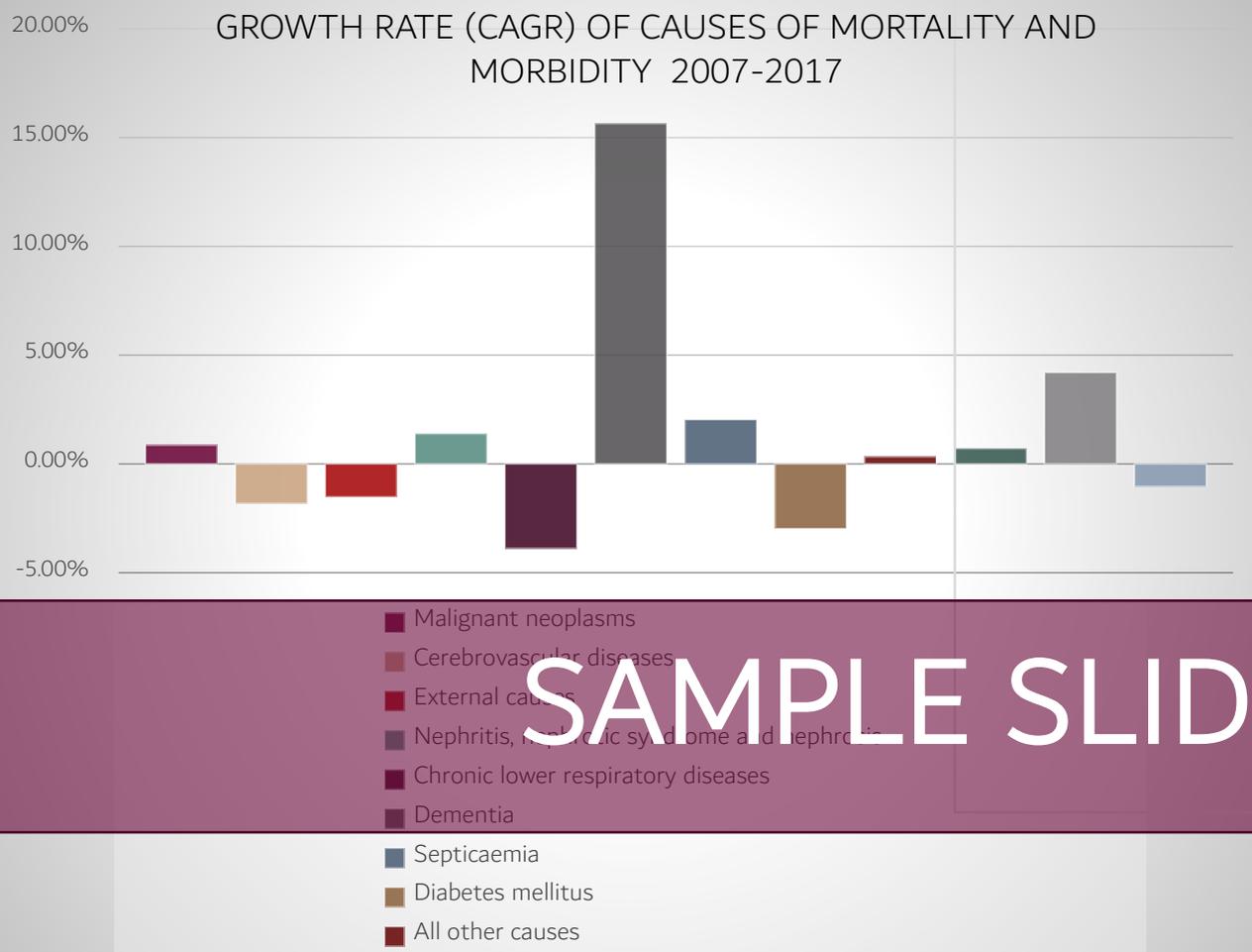
## Section 8: Digital and e-health

*How new technology is shaping healthcare in Hong Kong*

- ACG's analysis of major trends in the market
- ACG's index on digital health readiness, Hong Kong versus four other countries in the region, 2018
- Smartphone penetration rate by age and gender, 2017
- Smartphone penetration rate by income, 2017
- Internet penetration rate by age and gender, 2017
- Internet penetration rate by income, 2017
- Percentage of private providers willing to participate in EHR record sharing, 2013/14
- Current number of providers participating in EHR in Hong Kong, 2018
- Current population that have joined EHR, 2018
- Total anticipated expenditure on stage 2 development of EHR by category, projected to 2022
- Perceived benefits of EHR by private doctors in Hong Kong, 2010
- Perceived incentives for investing in EHR by private doctors in Hong Kong, 2010
- Perceived barriers to adoption of EHR by private doctors in Hong Kong, 2010
- Projected number of people in Hong Kong seeking a second medical opinion, 2015-2026
- Projected worth of the second medical opinion market in Hong Kong (telemedicine), 2015-2026

Hong Kong's changing healthcare market presents opportunity, but there are significant structural challenges that need consideration in new product design

~ Asia Care Group ~



SAMPLE SLIDES

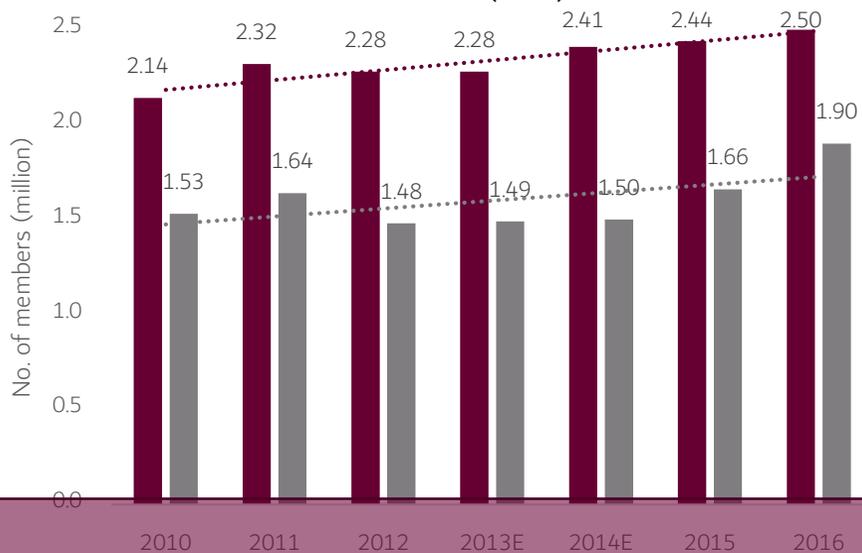
- There has been a dramatic growth in the number of deaths attributable to dementia which is likely to be both a feature of ageing and enhanced recognition and diagnosis of the disease.
- Cancer, although the leading cause of death in Hong Kong, has seen very moderate growth in morbidity and mortality. This suggests that age-standardised incidence of cancer is likely to be stable or in decline, and treatments are more efficacious than in previous years.
- Considerable improvements are observable in mortality and morbidity from diabetes. This is likely to be the result of significant advances in medical treatment, alongside earlier diagnosis and management. Together these factors mean that diabetes – whilst a complicating and costly factor in treatment – no longer holds a terminal prognosis.

Source: Centre for Health Protection, Asia Care Group analysis

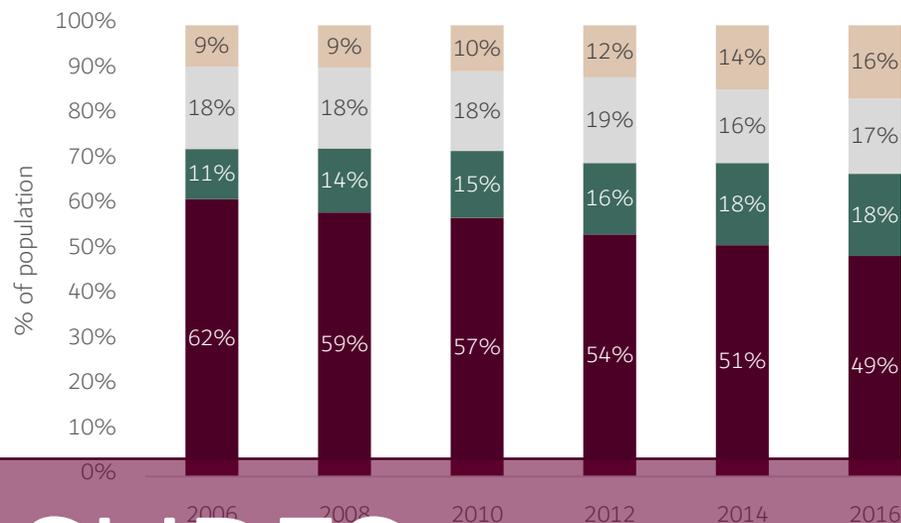
Private health insurance is experiencing growth, but not in a profitable way. Profits have been shrinking for several years due to rising claims costs.

~ Asia Care Group ~

NUMBER OF PRIVATE HEALTH INSURANCE INSURED MEMBERS (MIL)



PERCENTAGE OF THE POPULATION COVERED BY PRIVATE HEALTH INSURANCE, 2010-2016



SAMPLE SLIDES

\*For the year 2013 and 2014, exact data is not available – estimation based on total revenue/ average premium

Source: HKFI, Asia Care Group Analysis

Source: Census and Statistical Department



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