



ALL IN GOOD HEALTH

SMALL WAITING LISTS AND PERSONALISED SERVICE HAS HELPED MAKE THE PRIVATE HEALTHCARE SYSTEM THE PRIMARY SOURCE OF CARE IN THE CITY. THE GOVERNMENT'S HEALTH VOUCHER SCHEME HAS SEEN EVEN MORE PATIENTS "GO PRIVATE" IN 2010

BY **SOPIA JESUS**



The private healthcare sector in Macau is growing at a clip.

“In the past, if you talked about [private] medical centres, you just could name a few. But now, there are even more than we can recognise. A lot of Hong Kong doctors and other private practitioners have come together to create medical centres,” Hope Clinic Taipa branch director David Cheang told Macau Business.

Demand is through the roof, thanks in part to people’s aversion to waiting for treatment in the public system, addi-

tional government support in the form of the healthcare subsidy scheme (see our report on these pages) and also because of the healthcare benefits wrapped into the benefits packages of employees at the city’s big companies.

There were 1.2 million medical consultations in the private sector in 2009, about 57 percent of the total. The figure represents an increase of more than 16 percent over the previous year.

At the end of 2009 there were 383 private clinics in Macau, excluding traditional Chinese medicine outlets (see

our report below). They make up more than 77 percent of all healthcare establishments. Of professionals in primary healthcare, 55.1 percent are in the private sector.

There are some medical services where “going private” is the only option. For example, the government’s data states that at the end of 2009 all of the odontologists and 87 percent of dentists were working in private clinics.

New services for patients, better access to care and increased competition among service providers is no bad thing.



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have never lost any money,” he notes.

His is not the only private healthcare business in Macau that is in good financial health. The average revenue for a private clinic in 2009 was almost MOP660,000, of which more than MOP81,000 came from government subsidies. Average expenditure was below MOP600,000, meaning an average profit of around MOP60,000.

The Hope Clinic branches in Taipa and on the Macau peninsula serve very different kinds of patients. Mr Cheang explains that in Taipa, 85 percent are expats, with most from Australia or the United States. The charges are lower at the clinic on the peninsula, where most patients are Filipinos or locals.

The peninsula branch also accepts insurance arrangements. Mr Cheang explains that the Taipa branch would overflow if it offered a similar service. “The majority of expats working in casinos prefer to pay here than go somewhere else,” he observes.

Patient relationship

Chan Polyclinic has been in Macau since 1997 and has grown to five branches offering a range of healthcare services. At the branch near Lou Lim Iok Garden, clinic manager Ivy Wong says about 10 percent of patients are expatriates. Business, she says, is “quite good”.

Giving it away

The government’s healthcare subsidy scheme has been a boon for the private healthcare sector.

Under the scheme launched in 2009, the government annually issues 10 vouchers of MOP50 each to all permanent residents for use in the private system that have a 12 month expiry. An average of nine out of 10 vouchers were used in the scheme’s first year, meaning the government spent around MOP206 million.

More than 600 businesses have signed on, with more than 1,000 physicians offering conventional and traditional Chinese medicine.

The official goal of this scheme is “to strengthen the collaboration between the public and private healthcare services providers, and simultaneously make full use of the medical resources available”. It also targets at elevating “the general level of social and medical services and to promote diversified development,” while popularizing the family medicine system.

According to the government’s preliminary assessment of the scheme’s first year of operation, the majority of vouchers were used for check-ups or treatment of minor illnesses in conventional clinics. Just less than half were used in establishments offering Chinese medicine.

As successful as the programme appears, it was not without fault. There were a small number of clinics that attempted to take advantage of the scheme by accepting vouchers for products prescribed in Chinese medicine but not covered by the scheme, such as ginseng or dried seafood.

Five establishments were kicked out of the programme. Four were practitioners of Chinese medicine. The Health Bureau also sent warning letters to 48 physicians who needed to “improve the sanitary condition of their premises” or to better organise “their archives of medical history and prescription records”.

The authorities have now instituted a “routine inspection mechanism”. Between August and the end of October 2010, 31 establishments were found to be in breach of regulations. Three had to provide a written explanation and one was expelled from the scheme.

“For us, I think this is good too, because we want to see the medical care level keep on improving, and Macau needs specialised care,” Mr Cheang says.

Tidy profits

Hope Clinic has been in business for about 30 years. The Taipa branch opened three years ago and Mr Cheang is satisfied with the performance of the business. “Usually, for a clinic, it takes about two years to take off. We’re doing pretty well, now. We

Macau's casino boom has been good for Chan Polyclinic. It has meant more patients and many with health insurance. The business also benefits from a convenient location near the city's centre.

But the primary reasons for the clinic's success are shorter waiting lists than in the public system and the "closer relationships with the patient" that private clinics enjoy.

Mr Cheang, from the Hope Clinic, agrees. He says doctors at public hospitals have less time for each patient than at private clinics. "If you see a physician in the emergency room, they can only spare three minutes for you." However, he says that if private clinics depended only on permanent residents, they might have a hard time because "the government is doing a very good job in primary care, for free".

Bigger is better

The boom in the number of private clinics does not scare Ms Wong. Both she and Mr Cheang believe that as the city's gambling industry continues to grow and to offer better care to employees, business can only get better.

"We opened a long time ago. We have a good reputation. It's not a big problem," Ms Wong says.

Neither Ms Wong nor Mr Cheang

are bothered by proposals to build a new public hospital in Cotai. They welcome it. The hospital will open within five years, according to the government.

The pair would rather see more co-ordination between the public and private sectors, to avoid loss of contact with patients.

"Private doctors see the patient and then send them to the [public] hospital. But they don't know what happens to them afterwards," Mr Cheang says.

As for medical training, he points out it would be a good thing to have a medical school in Macau but sees one major problem. "You need to be exposed to enough cases and you really need a big population base to do that," he says. The alternative could be to send local medical students to a bigger city for their internships.

Ongoing education in the private sector is one area that could be improved. Mr Cheang would like to see extra training in the public system for all doctors, arguing "it would also benefit all the community".

Ms Wong hopes the government will allow private doctors to use the public hospital for surgical procedures, allowing professionals to keep their knowledge up to date. **mb**

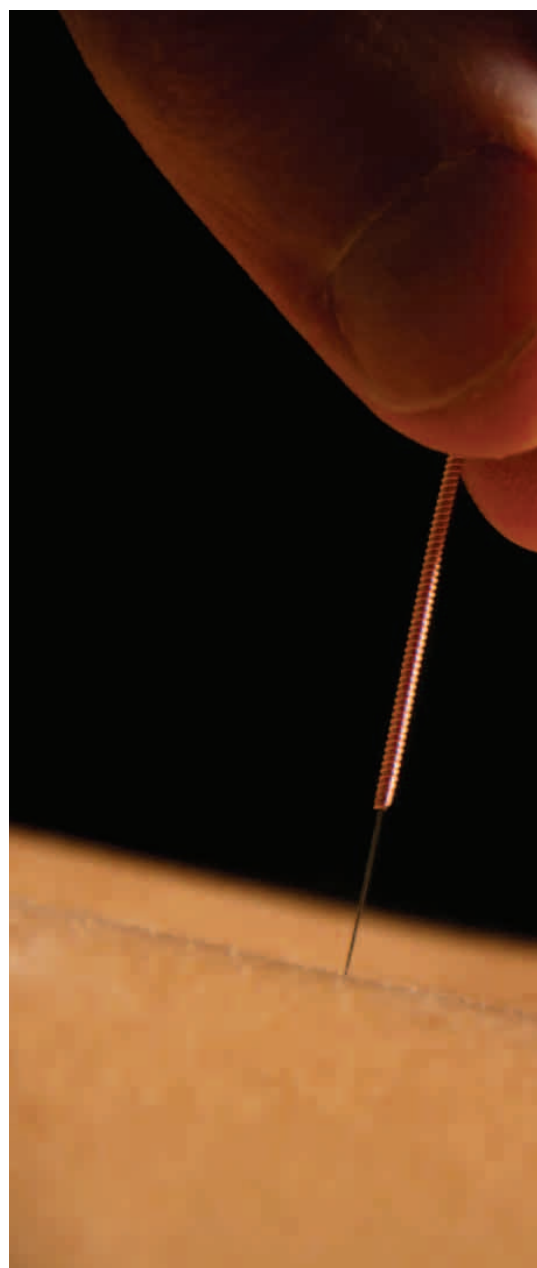


Complaints decline

There may be complaints against the public healthcare system but the private sector also has its share of unsatisfied patients – although the number is decreasing.

According to partial data, the Consumer Council says it has had 7 complaints about private clinics in 2010. There were 10 complaints last year and 26 in 2008.

Most complaints focus on fees, bad service and doctors from abroad, the council says, and most are about conventional medicine. There has been only one complaint about a Chinese medical establishment since 2008.



An alternative with history

With a history stretching back thousands of years, Chinese medicine is extremely popular in Macau. With almost 923,000 consultations in 2009, 11.4 percent more than in 2008, it is almost as popular as conventional treatment.

It is also a popular subject at the Faculty of Chinese Medicine at the Macau University of Science and Technology. There are currently more than 260 undergraduates in the course



and since the faculty opened in 2000, it has trained 340 graduates, 40 masters and 15 doctors.

Programme coordinator Zhao Yong Hua says the number of students has increased over the past two years. Enrolments are split 50:50 between Macau and mainland students.

Mr Zhao regrets that with no Chinese medicine facilities in Macau's public hospital, there are few opportunities for practitioners. Most of the city's 630 practitioners work in private clinics and there were just 10 in the public system at the end of 2009.

Traditional medicine is also increasingly expensive, with charges for

several services offered by practitioners up in 2009. The average price of massages, for instance, rose by about 20 percent, according to official figures.

Besides teaching and training students at the university hospital, the university commits funds into research.

Director of the university's Macau Institute for Applied Research in Medicine and Health, Christopher Lam, says there have been around 40 research projects over the past three years.

Some were related to the development of new drugs and to discovering the causes of particular illnesses under the faculty's "systematic" approach to health.

Looking ahead, university council

chairman Zhou Li Gao has high hopes for Hengqin Island. The government has announced it will build a science and industrial park for Chinese medicine there and has asked for the university's input.

"It's good news for Chinese medicine in Macau," Mr Zhou said, although he admits that it is "not very clear" how the park will work.

There is one other significant reason for Mr Zhou to be optimistic.

The university and the University of Macau have partnered in an application for the status of State Key Laboratory for Chinese medicine. The application has been recently approved and it could mean additional government funding.

Investment in the future

The increasing cost of maintaining the public health system almost certainly means private health insurance is set to become a cornerstone in healthcare

BY SOFIA JESUS



If business seems good for private healthcare clinics, the same is true for insurance companies.

Monetary Authority of Macau director Félix Pontes estimates that about one-third of residents were covered by medical insurance in 2009. Between 2005 and 2009, the number of health insurance policies bought exceeded 500,000.

“People are more aware,” Mr Pontes tells Macau Business. He argues that people eventually become concerned about how they will pay their medical expenses, especially if they are unable to work.

There are 23 licensed insurance companies in Macau, of which 20 offer health insurance.

Mr Pontes says that between 2005 and 2009, insurers raked in MOP1.4 billion in gross premiums for health and related insurance. They paid out about MOP740 million to settle claims. The balance is acceptable, he says.

Most consumers take out health insurance through a life insurer, which accounts for 90 percent of all health policies taken out between 2005 and the end of 2009. The growth in health policies was constant during the period.

Mr Pontes says life insurers tend to dominate the market because they are “much more active in the market” and offer a wider range of products. Non-life insurers typically cover vehicles, real

AMCM director Félix Pontes estimates that about one-third of residents were covered by medical insurance in 2009

estate and businesses, but also offer some health policies.

Unhealthy outlook

Mr Pontes believes it is urgent to address the long-term healthcare needs of the population. The rising cost of medical care and longer lifespan could threaten the sustainability of the public healthcare system, he warns.

“Up to now, the good health of the Macau people has come with a high price tag for the government,” Mr Pontes stresses. The percentage increase in healthcare expenditure per capita since 1991 has risen sharply, he says.

Macau is not alone in battling against demographics. While most of Asia’s population is young, Mr Pontes points out that people are starting to wonder whether governments will be able to afford their healthcare bills in the future.

The Hong Kong government has proposed a voluntary private health insurance scheme that will ease the burden on the public sector by encouraging people to seek private-sector medical care. The scheme would require a HK\$50 billion (MOP51.5 billion) fund to subsidise premiums for the chronically ill and the elderly, and to attract young people to the scheme.

Mr Pontes thinks Macau can learn from the overseas experience since it is necessary to look at other ways to finance healthcare costs.

“In the medium term, healthcare insurance should be mandatory for companies with more than 100 employees and extendable in the long run to all companies. For this scheme, the government can create a fund to subsidise the payment for the insurance,” he suggests.

Friendlier tax policies would help make private health insurance cheaper and more popular, he adds. ■■

Sweet charity

Kiang Wu Hospital treats about 25,000 patients every year in the private system, helping low-income earners access high-quality care



Wang Ting Huai

Think of private hospitals and three thoughts crop up: fast service, quality treatment and high prices. Macau’s main private hospital, Kiang Wu Hospital, is slightly different. Care here does not necessarily cost your life savings.

Hospital director Wang Ting Huai told Macau Business that, being a charity, the 732-bed hospital uses part of its revenue from paying patients for the treatment of

those who cannot afford it. The quality of the treatment is the same for all. It is only the surroundings that distinguish paying patients from charitable cases.

The profitable hospital was established almost 140 years ago and operates as a subsidiary of the Kiang Wu Charity Association, itself once managed by Chief Executive Fernando Chui Sai On. The hospital employs about 300 doctors and 700 nurses.

Have ailment, will travel

Reliable figures might be hard to come by but it is common knowledge that many residents travel overseas for medical care. Bangkok’s Bumrungrad International Hospital is one of the most popular destinations with an average of 70 patients a month from Macau.

“We are expecting the number [of patients from Macau] to increase in the future, as many more people in the Greater China region are becoming familiar with our name,” the hospital’s international marketing senior manager Philip Cheong told Macau Business.

Bumrungrad comprises a 554-bed tertiary care hospital, a health screening centre, more than 30 speciality centres, a 125-room hotel and serviced apartments for families and convalescing patients.

Bumrungrad, which in Thai means “care for the people”, has been in business for more than 30 years. It receives more than 400,000 overseas patients a year – about 5,000 come from Hong Kong.

Hong Kong is itself another popular option for people who prefer to be treated outside Macau. Macau Business contacted the Hong Kong Hospital Authority to find out how many Macau residents use its medical services but the authority said that it did not collect detailed statistics about the origin of its non-local patients.

The private rooms are all in the Dr Henry Fok Specialist Medical Building, opened in June 2009. Prices range from MOP1,200 to MOP6,000 a night. There are also cheaper options. In the old inpatient building, a bed in a double room costs MOP180 and a bed in a three-bed room costs about MOP50. One-third of the beds are sponsored by the government or the Kiang Wu Charity Association.

Just over one-third of the hospital's annual revenue of MOP718 million comes from the government in subsidies for medical care for children and the elderly, and for specific services such as hospice and palliative care, radiotherapy, cardiovascular surgery and prenatal or obstetric care.

Complementary care

More than half of the hospital's patients are locals. The remainder mostly come from Hong Kong and the mainland. Many have some form of financial support thanks to the hospital's arrangements with 45 institutions and 15 insurance companies.

Mr Wang welcomes the proposed new public hospital in Cotai. He believes Taipa needs it. "It's a good thing. We are not the enemy, disease is. We work hand-in-hand, side-by-side [with public health services]," he says.

Nor does Mr Wang seem concerned that a new hospital might eat into Kiang Wu's bottom line – the hospital has a clinic in Taipa. He is confident that, if Macau's economy continues to flourish, the government will give more support to all hospitals, public and private.

"If we improve our standard, income may increase," he comments.

Mr Wang began his role as director in October. His "to-do list" includes a programme to modernise the hospital, improve the standard in some specialties and to provide doctors with continuing training. His aim in the next five years is to have some of his doctors receive training in the best hospitals in the mainland.

"In the future, we hope the government can support us with more money to develop our hospital," he says. ■■



Patient pampering

A new entrant into Asia's cut-throat medical tourism sector is finding its feet in Macau

BY **SOFIA JESUS**

Imagine relaxing in a whirlpool bath before your doctor's appointment or having a massage after the check-up. It sounds unreal, but it is on offer at the Malo Clinic Health and Wellness Macau – billed as the world's biggest medical spa.

The business offers patients high-quality healthcare, with an emphasis on preventive medicine, as well as "wellness services" and treatments in an environment that is a world away from that of a hospital, founder Paulo Maló tells Macau Business.

The 15,000-square-metre clinic includes a day hospital, spa, pharmacy, beauty lab and a relaxation zone. The clinic has six fully-equipped surgeries, a cardiology centre and several other specialities on-site.

Healthcare's globalisation

The Malo is a recent entrant to Asia's competitive medical tourism industry. The sector as a whole is in its infancy but shows "enormous potential", according to the Asian Medical Tourism Analysis 2008-12 by European firm Research and Markets. The report

projects revenues in Asia will grow at a compound annual rate of about 17 percent over the next two years.

The governments of India, Singapore and Thailand have invested heavily in their healthcare infrastructure to meet the demand. The trio currently dominate Asia's medical tourism industry, with a combined market share of around 90 percent at the end of 2009.

In Singapore, the most recent medical tourism statistics from the Singapore Tourism Board claim that revenue from medical tourism in 2007 was worth US\$1.5 billion (MOP12 billion) to the economy.

Tour and tuck

Macau's Malo opened at The Venetian Macao last year, a part of the Malo Clinic group, which has establishments around the world. The investment in the outlet here is about US\$45 million and it employs 130 staff.

The government's support in licensing and hiring foreign doctors helped convince Mr Maló to set up in Macau, plus the pedestrian traffic of



70,000 people a day at the Venetian was considered ideal, he says.


At present only one in 10 customers goes to the Venetian principally to attend the clinic but Mr Maló says business “is going according to expectations”. He admits that the global financial crisis has hit the medical spa’s revenue, as it has the Venetian’s.

The Lisbon-based Malo Clinic group started expanding internationally in 2007. The group’s total income has grown rapidly. In 2009 it turned over €50 million (MOP680 million) and it expects to have doubled that last year.

The international financial crisis and the difficulty in getting credit, delayed the opening of some establish-

ments but Mr Malo says the group has still achieved “great success”.

“The internationalisation process is going very well.”

In the Asia-Pacific region it has establishments in Macau, Japan, Hong Kong and Australia. Mr Maló hopes to open clinics in Shanghai and Beijing soon, and India is also on the list. 



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