

### What is VHIS?

- VHIS is a policy initiative implemented by the Food and Health Bureau (FHB) to regulate individual indemnity hospital insurance (“hospital insurance”) products, with voluntary participation by insurance companies and consumers. Under the scheme, the participating insurance companies will offer hospital insurance plans that are certified by FHB (“Certified Plans”).

### What are the objectives of VHIS?

- enhance the protection level of hospital insurance products;
- provide the public with an additional choice of using private healthcare services through hospital insurance; and
- relieve the pressure on the public healthcare system in the long run.

### Are Certified Plans attractive?

- The Standard Plan and the basic coverage of Flexi Plans will provide the following product features –
  - **Standard policy terms and conditions, benefit coverage and benefit amount**
  - **Guaranteed renewal up to the age of 100**
  - **No “lifetime benefit limit”**
  - **Cooling-off period of 21 Days** - Policy holders can enjoy a cooling-off period of 21 days during which they can cancel the policies with full refund of premium.
  - **Premium Transparency**

### • Coverage extended to include –

- (i) **Unknown pre-existing conditions**  
– At present, pre-existing conditions unknown to applicants are commonly excluded from benefit coverage. Certified Plans, however, provide partial coverage during a waiting period of 3 years upon policy inception (i.e. 0% of claim amount in the 1<sup>st</sup> year, 25% in the 2<sup>nd</sup> year and 50% in the 3<sup>rd</sup> year) and full coverage (i.e. 100%) from the 4<sup>th</sup> year onwards.
- (ii) **Treatment of congenital conditions**  
– Cover investigation and treatment of congenital conditions which have manifested or been diagnosed after the age of 8, subject to the same reimbursement arrangement that applies to unknown pre-existing conditions.
- (iii) **Day case procedures** – Cover surgical procedures (including endoscopy) not conducted in hospital.
- (iv) **Prescribed advanced diagnostic imaging tests** – Cover Computed Tomography (CT scan), Magnetic Resonance Imaging (MRI scan) and Positron Emission Tomography (PET scan) not conducted in hospital, subject to 30% coinsurance.
- (v) **Prescribed non-surgical cancer treatments** – Cover radiotherapy, chemotherapy, targeted therapy, immunotherapy and hormonal therapy.
- (vi) **Psychiatric treatment** – Cover confinement in a psychiatric ward of a local hospital.

### What are Certified Plans?

- There are two types of Certified Plans
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  - **Standard Plan** – Provide standardised basic protection according to the minimum requirements of VHIS
  - **Flexi Plans** – Provide enhanced protection compared with Standard Plan e.g. higher benefit amount; provide a variety of product choices to meet different consumers' needs

### Is the premium of Certified Plans fixed?

- In line with the free market principle, insurance companies have the freedom to set premium levels to compete with each other.
- By common market practice, the standard premium of Certified Plans can differ by age and gender, and the overall premium level can be adjusted annually due to factors like medical inflation and benefit revision.
- Insurance companies offering Certified Plans must publish the age-banded premium schedule. This can enhance market transparency and promote price competition.

### Must an insurance company accept an application for Certified Plans?

- Insurance companies can underwrite the insured persons to assess their risk and decide whether to accept the application unconditionally, accept the application with premium loading and/or case-based exclusions, or reject the application.
- Insurance companies should explain the underwriting decisions and application results to the applicants, and upon applicants' request, provide written notice for such explanation.

### Can Certified Plans cover the charges of public hospitals?

- Insured persons can claim for reimbursement of their healthcare expenses incurred in public or private healthcare institutions. Besides, purchase of these plans will not affect their entitlement to use public healthcare services.

### When can consumers buy the Certified Plans?

- The Government will amend the Inland Revenue Ordinance to introduce the new tax deduction under VHIS. After the passage of the Amendment Bill, announcement will be made in the VHIS website at <http://www.vhis.gov.hk/> on the date of scheme implementation.

### For consumers who have already purchased individual hospital insurance, can they migrate to the Certified Plans?

- After registration with VHIS, the insurance companies must provide the existing policy holders of individual hospital insurance with an opportunity to switch to Certified Plans.

### Where can consumers buy the Certified Plans?

- Consumers can buy the Certified Plans through the insurance companies which have registered with VHIS. The list of participating companies will be published and regularly updated in the VHIS website.

### For more details, please visit the VHIS website

<http://www.vhis.gov.hk/>

