

AmCham at 50: We're celebrating the past, for sure. But marking this milestone also presents the perfect opportunity to look into the future. What contributions and impact will our members make on Hong Kong and the wider region over the coming decades in an era of unprecedented disruption?

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CORPORATE MEMBER PROFILE



Agent of Change

Gleneagles CEO Dirk Schraven says this new type of private hospital can show the way to a more sustainable healthcare system

AmChamHK 9/8/2018

By some measures, Hong Kong healthcare is the envy of the world. It ranked first in Bloomberg's Health Care Efficiency Index, gauged on factors such as per-capita expenditure and life expectancy. Thanks in large part to decades of universal access to low-cost public medical services, Hong Kongers can now expect to outlive anyone else on the planet.

But what the index fails to show is that they should also expect to spend a growing slice of their longer lives waiting for treatment or lying in the cramped wards of overstretched public hospitals.

"The Hong Kong public healthcare system is of good quality but completely overburdened," says Dirk Schraven, chief executive officer of Gleneagles Hong Kong Hospital, the 12th and newest addition to our private hospital sector – and the first in more than two decades. "They are so overburdened that it is very hard for them to sustain this model going forward."

The government has ambitious plans to upgrade existing facilities and build new ones, adding more than 9,000 hospital beds as well as other essential services in coming years. But history suggests that simply opening the spigot of public spending is unlikely to prove a sustainable fix by itself. A 6.6 percent jump in the health budget this year adds to a more than twofold increase in spending since 1989, yet from 2010-17 average waiting times at A&E jumped by more than half to 114 minutes.

And in fact, public spending has significantly outpaced total healthcare expenditure as the government made up for lagging contributions in relative terms from private funding, which has fallen

from 60 percent of the total three decades ago to around half today.

Which is odd, given the simultaneous uptake of private health insurance. A third of Hong Kong people have some kind of medical cover today. They just don't use it.

"A lot of patients do not dare to go to private healthcare because they have no idea where their bills are going to end up," says Schraven. "They're concerned that their insurance may not be sufficient."

And they'd mostly be correct.

Reimbursements can vary widely based on a complex and confusing pricing matrix, the level at which fees for procedures are capped, as well as the ward picked by the patient. Recent estimates reckon that 70-80 percent of claims are reimbursed. But that can leave a sizeable amount for the patient to pay – and little clarity about just what those costs are going to be.

The government has launched an initiative to increase transparency in prices at private hospitals, but according to a report published this year by Bupa, there were significant inconsistencies in the range of data hospitals chose to reveal and the lack of like-for-like price comparisons would mean the disclosure won't help patients in choosing a provider.

It's not just the unclear and unpredictable cost of treatments that needs fixing.

"There's no clarity on outcomes, there is very little information for patients to make any judgements,"

"We are going to be the first private hospital to provide inpatient psychiatric services"

AmChamHK 9/8/2018

CORPORATE MEMBER PROFILE



Path to the Summit

Engineer-by-training Peter Hwang explains how a series of turning points and a lifelong dream to run his own company led him to global storage giant Iron Mountain

AmChamHK 7/6/2018

Hong Kong-born Hwang moved to Australia with his family at the age of 12. Through a local university exchange program, he found his way to the States, completing Bachelor's and Master's degrees in aerospace and mechanical engineering at UCLA in Los Angeles.

After a three-year stint as a Boeing engineer designing radiator handles for the International Space Station ("a very interesting engineering problem"), Hwang packed his bags and headed for Stanford University in the heart of Silicon Valley. This was at the height

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"When you're at the top of the food chain, there aren't many people you can share that with"

Iron Mountain Managing Director for Asia Peter Hwang's career has been peppered with twists and turns but the journey has been anything but lonely. When we met, the 42-year-old executive had just returned from a two-week tour of the Nordics. His latest annual retreat with the Young Presidents' Organization, a professional community and peer support network for CEOs below the age of 45.

"When you're young and put into quite demanding roles, it creates opportunities but also problems in your life. And when you're at the top of the food chain, there aren't many people who you can share that with," he says, adding that he's been fortunate to have such support networks and mentors throughout his career.

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of the dot-com boom, and Hwang was pursuing a career in tech.

I had to ask. Surely working for the ISS is a dream come true for most aerospace engineers. Why did the glue it up?

"Aerospace is quite a traditional industry in the sense that it doesn't change very fast. And I was looking around me and everybody was twice my age and had been with the company for 30 years," says Hwang. "That wasn't the environment I wanted to be in long term. So that's why I went to Stanford for my MBA, thinking that after that I would join a startup or, you know, the equivalent of Google back then."

Forced to change tack again after the dot-com bubble burst, midway through his MBA course, Hwang decided to enter the relative security of the corporate world. He joined consulting firm McKinsey right out of business school, spending a handful of years between their Hong Kong and LA offices before moving back to Hong Kong for good in 2007.

After that time Hwang continued his trajectory in the corporate world, holding multiple leadership roles including as President of a Hong Kong based family office, and then as Chief of Staff at a Chinese pharmaceutical company that he helped lead to a

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