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Clerk to Panel on Health Services
(Attn: Ms Mary So)
Legislative Council
Legislative Council Secretariat
8 Jackson Road
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Hong Kong

Dear Ms So,

Panel on Health Services
Follow-up Action of the Meeting on 8 December 2003

In discussing the paper on Chinese medicine at the Panel meeting on 8 December, the Administration undertook to provide more information on the fees and charges for Chinese medicine out-patient service.

Members may recall that the Administration explained in the paper presented to the Panel meeting in February 2003 [CB(2)1105/02-03(03)] that in working out the proposed charges for Chinese medicine out-patient clinics, we have taken into account the policy to promote Chinese medicine through the provision of “evidence-based” Chinese medicine service, the development of standards in Chinese medicine practice and models of interface between western and Chinese medicine on the one hand, and the current level of charges in the market and patients’ affordability on the other. It was noted that there is already a

private market which provides generally comprehensive and affordable Chinese medicine services to the community. The Administration has no intention to offer a highly subsidized service to compete with service providers in the private sector.

In determining the fees at \$120 (comprising consultation fee of \$80 and medication charge of \$40 for two prescriptions), we have taken into account the level of charges in the market. According to the 2001 Thematic Household Survey conducted by the Census and Statistics Department, the median charge for a Chinese medicine general practice consultation was \$90, and the mean charge was \$129. Both were inclusive of medication. There are however substantial variations in the fees charged by charitable non-governmental organizations (NGOs) and individual Chinese medicine practitioners. For charitable NGOs, some provide out-patient service free of charge while others charge a subsidized rate. As for individual practitioners, the range is even greater, from \$40-\$60 for a solo practitioner practising at small herbal shops to \$250-\$500 charged by the more reputable practitioners.

In view of the above, the Administration considers that the fee of \$120 (inclusive of medication) is reasonable taking into account various factors, including not charging a low rate to compete with the private sector, or charging at the high end of the market without regard to the affordability of the general public. In any case the estimated total number of consultations provided by the 18 clinics when they are in full operation would only take up about 5% of the estimated total number of consultations provided by Chinese medicine practitioners in Hong Kong.

We hope the above additional information help explain the rationale for setting the fee at \$120.

Yours sincerely,

(Freely K Cheng)
for Secretary for Health, Welfare and Food