

立法會
Legislative Council

LC Paper No. CB(2)2259/04-05

(These minutes have been
seen by the Administration)

Ref : CB2/PL/HS

Panel on Health Services

**Minutes of meeting
held on Monday, 13 June 2005 at 8:30 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Andrew CHENG Kar-foo (Chairman)
Dr Hon KWOK Ka-ki (Deputy Chairman)
Hon Albert HO Chun-yan
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon LI Fung-ying, BBS, JP
Hon Vincent FANG Kang, JP
Hon LI Kwok-ying, MH
Dr Hon Joseph LEE Kok-long
Hon Albert Jinghan CHENG

Members absent : Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Dr Hon YEUNG Sum

Member attending : Hon LEUNG Kwok-hung

Public Officers attending : All items

Mr H K WONG
Assistant Secretary for Health, Welfare and Food (Health) 5

Item IV

Mr Michael WONG, JP
Deputy Secretary for Security

Items IV and V

Miss Susie HO, JP
Deputy Secretary for Health, Welfare and Food (Health) 1

Mr Paul CHENG
Acting Principal Assistant Secretary for Health, Welfare and
Food (Health) 2

Dr William HO, JP
Chief Executive, Hospital Authority

Dr Allen W L CHEUNG
Director (Professional Services & Operations)
Hospital Authority

Item VI

Mrs Ingrid YEUNG
Deputy Secretary for Health, Welfare and Food (Health) 2

Dr Vivian WONG, JP
Director (Professional Services & Medical Development)
Hospital Authority

Ms Margaret TAY
Executive Manager (Professional Services & Medical
Development), Hospital Authority

**Deputation
by invitation** : Item V

Consumer Council

Mrs CHAN WONG Shui
Chief Executive

Ms Rosa WONG
Head, Research & Trade Practices Division

Clerk in attendance : Ms Doris CHAN
Chief Council Secretary (2) 4

Staff in attendance : Mr Paul WOO
Senior Council Secretary (2) 3

Miss Maggie CHIU
Legislative Assistant (2) 4

I. Confirmation of minutes
(LC Paper No. CB(2)1747/04-05)

The minutes of the meeting held on 17 May 2005 were confirmed.

II. Information paper issued since the last meeting
(LC Paper Nos. CB(2)1679/04-05(01), CB(2)1853/04-05(01) and (02))

2. Members noted that the above papers had been issued to the Panel.

III. Items for discussion at the next meeting
(LC Paper Nos. CB(2)1748/04-05(01) to (02))

3. Members agreed to discuss Health Care Reform at the next regular meeting to be held on Tuesday, 19 July 2005 at 10:45 am.

Special meeting on 28 June 2005

4. Members agreed to hold a special meeting on 28 June 2005 at 10:45 am to discuss the following items -

- (a) Separation of medical practice from prescription of drugs; and
- (b) Waiting time for consultation at General Outpatient Clinics.

5. Dr KWOK Ka-ki referred to his letter of 2 June 2005 (LC Paper No. CB(2)1853/04-05(02)) and requested the Administration to provide a paper on “Abuse of cough preparations containing codeine” for discussion at the meeting.

6. The Chairman referred to the letter dated 25 May 2005 from Dr Joseph LEE (LC Paper No. CB(2)1853/04-05(01)) and requested the Administration to provide an information paper on human resources planning for health care personnel.

IV. Further discussion on hospital fees and charges - non-eligible persons and private patients

(LC Paper Nos. CB(2)1748/04-05(03) to (04))

7. Deputy Secretary for Health, Welfare and Food (Health) 1 (DSHWF(H1)) briefed members on the paper provided by the Administration, which responded to the matters raised by members at the Panel meeting on 17 May 2005 concerning the introduction of a minimum package fee for non-eligible persons (NEPs) giving birth in public hospitals and revision of private service consultation fees.

8. Deputy Secretary for Security (DS for S) then explained to members the Administration's views on the viability of the various proposed measures to address the problem of NEPs who had given birth in Hong Kong defaulting on payment for public health services, as highlighted in a paper provided to the Panel on Security in January 2005.

9. DSHWF(H1) informed members that having considered legal advice, the Administration was of the view that imposing re-entry restrictions on NEPs who had not settled the payment for health care services was a measure worth exploring. As mentioned in paragraph 9 of the Administration's paper, the Government was considering the possibility of amending the law to allow a public officer to seek the court's agreement to issue a direction to the Director of Immigration to prevent a visitor who had yet to settle his/her medical fees with the Hospital Authority (HA) from re-entering Hong Kong. She said that the Administration would be in a position to report progress to the Panel on the deliberations in the second half of 2005.

Issues raised by members

Measures for addressing the problem of NEPs defaulting on payment for public health services

10. Dr KWOK Ka-ki expressed support for implementing the minimum package fee for NEPs giving birth in public hospitals, but considered that the Administration should find solutions to the problem of outstanding payment for public health services. Ms LI Fung-ying asked whether the Administration would withhold the introduction of the proposed package fee until it had found a

satisfactory solution to the problem.

11. DSHWF(H1) replied that it was the Administration's intention to implement the package fees at the earliest possible stage and at the same time to try to come to an early decision on the appropriate measures to be adopted to prevent NEPs from defaulting on payment. She said that remedial measures might involve legislative amendments for their implementation, and law amendment could be a time-consuming process. The Administration would ensure that a decision would be made as soon as possible and would revert to the Panel on any progress.

12. In response to the question from Mrs Selina CHOW, DSHWF(H1) and DS for S said that the Administration had examined various proposals, such as refusing entry of pregnant women from the Mainland into Hong Kong and forbidding defaulters of payment from leaving Hong Kong before settlement of the outstanding medical fees. However, it was considered that such measures had shortcomings in terms of practicality and legal and policy implications. For example, the Immigration Department could not refuse entry of visitors solely on the ground of pregnancy. Such measure could be criticised as unfair and detrimental to fostering closer ties and communication between the Mainland and Hong Kong. Banning defaulters from leaving Hong Kong, on the other hand, would not serve its intended purpose if the NEPs were ultimately unable to pay. The Administration had come to the view that imposing re-entry restrictions on NEPs giving birth in Hong Kong who had not settled the payment before leaving Hong Kong might be a more effective deterrent against default, as it was likely that the NEPs, whose children had the right of abode (ROA) in Hong Kong, would apply for re-entry to Hong Kong at some future point in time.

13. Mr Vincent FANG suggested the Administration to consider the option of refusing to issue birth certificate until the healthcare fees had been settled. Mr LI Kwok-ying enquired whether it would be feasible to impose a requirement for guarantor on Mainland visitors travelling on two-way permits to Hong Kong. DS for S responded the Administration had reservation about the proposals. He explained that Article 24(2)(1) of the Basic Law provided that Chinese citizens born in Hong Kong had ROA in Hong Kong, and withholding the issuance of birth certificate would not in any way affect the rights enjoyed by them. It would be objectionable from the legal point of view to make the issuance of a birth certificate contingent upon clearing of debt owed to the HA. The imposition of a guarantor requirement on all pregnant visitors from the Mainland was also unfair to the visitors.

14. Mrs Selina CHOW asked whether the Administration had information on the reasons for the failure to pay in default cases. DSHWF(H1) replied that no such information was available. She added that the majority of the NEPs giving

birth in Hong Kong had actually paid for the medical services they received in Hong Kong.

Private fees

15. Dr KWOK Ka-ki said that one of his major concerns was that the proposed replacement of the daily standard rates for private consultation in public hospitals by rates in pre-set ranges would lead to expansion of private service and result in less people being able to benefit from subsidised public medical services. He asked the Administration to explain whether it was government policy to expand provision of private services at public hospitals, and to provide more information on the costs of providing private service and the impact of private service on users of public health services.

16. Referring to the statistics provided in the Administration's paper, Dr Joseph LEE pointed out that the number of private specialist out-patient attendances and private bed-days in 2003-04 and 2004-05 had dropped when compared with that in 2002-03. He asked whether the purpose of revising the private consultation fees was to induce more patients to seek private services at public hospitals and hence to increase the income of the HA. He further expressed the view that in making adjustments in the services provided to the public, the HA had to ensure that existing resources would be utilised in an optimal manner to meet the demand of the public, and that the fees charged were fair.

17. Mrs Selina CHOW said that it was necessary for the public to be well informed of how the fees were set. Dr KWOK Ka-ki asked whether the revised fees for private service were inclusive of the drug charges.

18. DSHWF(H1), Chief Executive, Hospital Authority (CE/HA) and Director (Professional Services and Operations) (D(PS&O)) responded to the concerns expressed by members as follows -

- (a) the rationale for providing private services at public hospitals was to offer patients who wanted to procure private services a means of accessing specialised services which were not generally available in the private sector;
- (b) HA would not increase the level of availability of its private consultation service, if the proposed fee revision was adopted. To ensure that public services would not be adversely affected by the provision of private specialist outpatient and private in-patient services, there were guidelines in place at both teaching hospitals which restricted the time each doctor could devote to private services to one consultation session a week (i.e. three to four hours).

There was also agreement between the Government and the HA that the total number of private beds in public hospitals should be limited to a maximum of 379;

- (c) the proposal to replace the fixed daily rate with fees within pre-set ranges was to rationalise the levels of fees and achieve full cost recovery of the private services provided at public hospitals. It would also increase flexibility in fee charging to reflect more accurately variations in the patients' clinical conditions and the expertise utilised in providing treatment for the patients. This would avoid over-charging or under-charging of individual patients resulting from the present fixed daily rate;
- (d) for private service in-patient consultation, the fee payable for a Professor/Consultant per consultation would be in the range of \$750 to \$2,250, while that payable for an Associate Professor/Specialist would be between \$550 to \$1,750. For out-patient consultation, the fee payable for a Professor/Consultant per consultation would be in the range of \$750 to \$1,750, while that payable for an Associate Professor/Specialist would be between \$550 to \$1,250. For out-patient consultation (follow-up), the fee payable for a Professor/Consultant would be in the range of \$550 to \$1,150, while that payable for an Associate Professor/Specialist would be between \$450 to \$1,100. Such rates reflected only the cost of consultation and did not include drugs and other charges. There were clear guidelines on fee sharing between the teaching hospitals and HA, based on the levels of expertise provided by the universities and the services provided by HA. The rates of charges were explained to the patients concerned. Publicity material was also available at public hospitals for reference by the public;
- (e) private services accounted for only a small part of the overall services provided at HA hospitals. In 2004-05, private specialist out-patient attendances accounted for only 0.38% of the total attendances at public hospitals, while private bed-days accounted for only 0.57% of the total bed-days utilised. Hence, the question of private services affecting the provision of subsidised public services should not arise. In many cases, patients who sought private services at public hospitals were referred to private medical practitioners for follow-up. This had the effect of alleviating the pressure on public medical services; and
- (f) it was not certain whether the revised fees would increase the income of HA. Even if it did, the increase would be small in view

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of the limited amount of private services provided at public hospitals.

Admin

19. Dr KWOK Ka-ki requested the Administration to provide further information on -

- (a) the costs of providing private service at individual public hospitals for different specialties with different levels of expertise; and
- (b) whether the introduction of the revised fees for private services would lengthen the waiting time for patients seeking public health service at different specialties in individual public hospitals, and if so, the extent of the impact.

Admin

20. The Chairman said that the Administration should consult the Panel again before gazettal of the proposed fee revision.

V. Report on the public consultation on the Hospital Authority drug formulary

(LC Paper Nos. CB(2)1748/04-05(07) to (09) and CB(2)1908/04-05(01))

21. D(PS&O) gave a power-point presentation on the three-month consultation exercise on the proposed HA Drug Formulary (the Formulary) between 1 February and 30 April 2005. He informed members that the HA was planning to roll out the Formulary by phases starting with the New Territories East Cluster in mid-July 2005, with other hospital clusters following in the ensuing months.

Views of the Consumer Council

(LC Paper No. CB(2)1748/04-05(09))

22. At the invitation of the Chairman, Mrs CHAN WONG Shui highlighted the salient points in the submission from the Consumer Council as follows -

- (a) the Consumer Council supported the objective to standardise existing drug utilisation practices in public hospitals and clinics;
- (b) there should be a transparent consultative mechanism with wide representation from patient groups and parties outside the HA for review of the Formulary. The reasons for changing the drug items in the Formulary should be clearly explained to the public;
- (c) excluding drugs which were proven to be of significant benefits but extremely expensive from the Formulary, hence making them not

coverable within the standard fees and charges, might force the patients to resort to other less effective drugs. This could prolong the treatment process and add burden to the public healthcare system; and

- (d) the HA should maintain the existing practice of supplying drug items for the patients, including the self-financed items. This would ensure quality, steady supply and reasonable pricing of the drugs, and would be more convenient to the patients.

Issues raised by members

23. Mr LEUNG Kwok-hung did not support the introduction of the Formulary. He said that the Government had a duty to provide subsidised public healthcare services to the public. Any measure which would add to the financial burden of the elderly, the poor and the underprivileged by requiring them to purchase drugs at their own expenses were objectionable. He expressed the view that instead of implementing the Formulary, the Administration should proceed immediately with the development of long-term healthcare financing strategies and funding arrangement for the HA. Other measures, such as a compulsory medical insurance scheme and reform of the tax system to increase funding for the provision of public medical services, should also be explored.

24. Miss CHAN Yuen-han agreed with the view of the Consumer Council that the HA should help patients by supplying drugs at the hospital pharmacies, and shared its concern that the exclusion of certain expensive drugs from the Formulary could force patients to take less effective, but cheaper, drugs. She considered that the Administration and HA should take a cautious approach and re-examine the need to implement the Formulary, taking into account the views expressed by different sectors in the community. With regard to the means test for eligibility for assistance under the safety net mechanism, Miss CHAN said that she supported that the assessment criteria for the affordability of applicants should be based on the disposal resources of the applicants.

25. Mrs Selina CHOW expressed the view that following the introduction of the Formulary, HA should not continue to supply self-financed items at its hospitals. However, as the HA was both a major buyer and supplier of drugs, it could play a regulatory role in stabilising the supply and prices of drugs when there was a serious imbalance in the drug market, such as where there was an acute shortage of particular drugs. Dr Joseph LEE said that drugs supplied by hospital pharmacies should not be cheaper than that available in the private market. To avoid excessive subsidising, staff and other operating costs should also be reflected in the prices.

26. D(PS&O) said that the HA was keeping an open mind on supplying self-financed drug items to patients, and would listen to the opinions of stakeholders on the matter. The Government and the HA were aware of the need not to act in such a way as to influence pricing and hinder the healthy development in the private drug market. In the meantime, the HA supported an approach under which it would supply certain self-financed drugs to patients where the drugs were not easily accessible in the community, or the drugs were covered by the Samaritan Fund, or the drugs needed to be supplied for operational convenience, e.g. drugs needed by in-patients and day patients. The HA would also take new measures to help patients make informed choices as to where to buy the drugs, including providing information on private pharmacies in community districts and reminding drug buyers that they should procure drugs directly from the pharmacists instead of from shop-attendants.

27. Dr Joseph LEE suggested that the prices of all drugs should be posted on the Internet for the reference of the public. D(PS&O) responded that as the prices changed frequently, constant updating of the information would incur significant administrative costs.

28. Dr KWOK Ka-ki said that he accepted that there was a need to standardise different drug formularies at different public hospitals and clinics. However, he expressed concern about the heavy burden on the middle-class in meeting the cost of expensive drugs. He considered that assistance should be offered on the basis of risks suffered by the patients. In his view, there was room for the HA to charge a higher fee on low-risk patients using cheap and affordable drugs, and use the surplus for cross-subsidising the poor and the chronically ill living on expensive drugs. The introduction of the Formulary, as it presently stood, ran counter to this approach.

29. Dr KWOK Ka-ki said that a mechanism with membership comprising medical professionals, patient groups and other relevant organisations should be set up to regularly review the Formulary. With regard to the assessment criteria for patients seeking financial assistance under the Samaritan Fund, Dr KWOK suggested that expenses spent on medical treatment should be deductible from an applicant's disposal resources. Dr KWOK also suggested that non-government organisations (NGOs) could play the role of supplier of self-financed drugs.

30. Mr Albert HO said that in his view, one of the major aims of introducing the Formulary was to reduce HA's expenditure on drugs. The people mostly affected would be those suffering from chronic diseases, the elderly and the retired not covered by the safety net. He added that given the high administrative costs of running a comprehensive vetting mechanism, the safety net was a very costly system. Mr HO agreed with the view that the end solution to the provision of equitable healthcare services lay in the devising of long-term financing options for

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the HA and a comprehensive medical insurance scheme for all sectors of the society. Mr Albert HO further expressed the view that all drugs with significant clinical efficacy, regardless of their prices, should be included in the Formulary.

31. CE/HA responded that it was expected that long-term financial options for public medical services would soon be available for discussion by the community. He said that no public sector or health insurance system could afford to supply or reimburse all medicines that were available in the drug market for the patients. In places elsewhere, such as the United Kingdom, a drug formulary was in place concurrently with healthcare financing strategies and medical insurance, as it helped to ensure high standard of medical practice, delivery of effective treatment and rational use of resources. He further pointed out the vast majority of drugs which were of benefit to patients were included in the proposed Formulary, and most of the expensive drugs which were of significant benefit to patients were covered under the safety net. DSHWF(H1) and D(PS&O) supplemented that the number of patients taking expensive drugs not covered by the safety net was not great. With clear guidelines and assessment criteria for determining eligibility of applicants seeking assistance, the vetting process would be expedited. The cost of administering the safety net should not be a cause for great concern.

32. DSHWF(H1) reiterated the Administration's position that the purpose of developing an HA-wide Formulary was to standardize the drug list and not to cut down on HA's drug expenses. She pointed out that public expenditure on drugs in recent years had been increasing and the trend would continue in the coming years.

33. In reply to Ms LI Fung-ying's question, DSHWF(H1) said that the parties consulted in the three-month public consultation exercise on the Formulary did not include civil servants organisations. Nevertheless, the Health, Welfare and Food Bureau was maintaining close contact and communication with the Civil Service Bureau on matters relating to the Formulary which might be of concern to civil servants. D(PS&O) added that information on the consultees in the consultation exercise and their views on the Formulary would be published in a report to be published shortly.

34. D(PS&O) informed members that the HA would review new drug items once every three months to decide whether they should be included in the Formulary. Existing drugs items would be reviewed at intervals of one year to 18 months as to whether they should continue to stay in the Formulary. He said that Dr KWOK Ka-ki's suggestions would be considered.

35. The Chairman requested the Administration to provide a paper on its review of the operation of the safety net mechanism. He said that the Panel should follow up relevant issues relating to the Formulary at a future meeting.

VI. Way forward in the development of Chinese medicine service in the public sector in Hong Kong

(LC Paper Nos. CB(2)1748/04-05(05) to (06))

36. The Chairman invited members to raise questions on the provision of Chinese medicine clinics (CMCs) in the public sector and the Administration to respond.

Issues raised by members

37. Mrs Selina CHOW asked about the interface between the CMCs in the public sector and private Chinese medicine practitioners in the provision of Chinese medicine services.

38. Deputy Secretary for Health, Welfare and Food (Health) 2 (DSHWF(H2)) replied that the provision of Chinese medicine service in the public sector was not to compete with the private practitioners. As explained in the Administration's paper, the objectives were to develop standards in Chinese medicine practice, to systematise the knowledge base of Chinese medicine through clinical research, and to provide training in evidence-based Chinese medicine. It was believed that the setting up of CMCs at district levels would synergise efforts from the private sector in developing evidence-based Chinese medicine practice.

39. DSHWF(H2) further said that in setting the fee for the CMC service (i.e. \$120 per attendance which included consultation and two doses of medicine regardless of the types of medicine prescribed), reference had been made to the rates charged in the private sector. The fee also reflected other cost elements which were absent in the private sector, such as clinical studies and research and the development of the Chinese Medicine Information System. The fee for public CMC service, therefore, was higher than the market fee charged by private practitioners. The Administration considered that the CMC service in the public sector would not adversely affect the business of practitioners in the private sector.

40. Miss CHAN Yuen-han said that she did not agree with the statement made in the Administration's paper that Hong Kong had already had a private market that provided generally affordable Chinese medicine services to the community. She said that many people with limited means who wished to seek Chinese medicine consultation, particularly the elderly patients, could not afford the fees.

41. DSHWF(H2) responded that the levels of Chinese medicine consultation fees charged by practitioners in the private sector varied widely. Apart from private practitioners, there were voluntary, non-profit making organisations

offering Chinese medicine services at cheap rates, or even free of charge. Having examined the rates generally, it was found that on average the fees charged by private Chinese medical practitioners were lower than that charged by the public CMCs.

42. Responding to Mr LI Kwok-ying's enquiries, DSHWF(H2) said that public CMC service was not limited to particular kinds of consultation cases. At present, the three CMCs were attached to a hospital, but it might not be necessary for future CMCs to be located in a hospital. The location of the CMCs would be decided in the light of convenience to the patients.

43. Dr KWOK Ka-ki and Miss CHAN Yuen-han expressed support for the setting up of CMCs in the public sector. Dr KWOK asked about the fees for Comprehensive Social Security Assistance (CSSA) recipients and the funding requirements for the development of public CMC service. Miss CHAN Yuen-han pointed out that it was the original plan of the Government to set up 18 CMCs in the territory by 2005. She enquired about the timetable for the establishment of the remaining CMCs.

44. In reply to Dr KWOK Ka-ki's first question, DSHWF(H2) said that CSSA recipients seeking service from a CMC would be entitled to a reduced rate. As to the funding requirements, DSHWF(H2) said that funding for the establishment of the three CMCs had been met from then existing resources without the need for applying for additional provision. The Administration would at a later stage submit application to the Public Works Subcommittee for funding for the capital works required for the setting up of additional CMCs. The next phase would probably involve the Wanchai and Yuen Long districts because sites were readily available for the setting up of a CMC. In addition, the Administration was identifying a suitable site for a CMC in West Kowloon. She said that the progress of setting up additional CMCs would be reviewed, taking into account factors such as actual operational experience, the need to improve the service delivery model and availability of suitable locations for the setting of CMCs.

45. DSHWF(H2) further explained that service delivery under the CMCs had been operating on a tripartite model, in which the HA collaborated with an NGO and a university in each of the clinics. As for the new CMCs to be set up, notwithstanding that the Government would provide funding to cover certain expenses including the capital works and other maintenance and remuneration costs, the NGO would be responsible for running the service on a self-financing basis. The NGO would also need to have strong commitment to the district and having readiness and ability to top up the recurrent operating expenses where there was a deficit.

46. Director (Professional Services & Medical Development), Hospital

Authority (D/PSMD) supplemented that the NGO running a CMC would be required to provide training to a number of local Chinese medicine graduates. The Government would pay for the salary of the graduates being trained during one-year training period, which could be extended if necessary.

47. In response to the questions from Mr LI Kwok-ying and Ms LI Fung-ying regarding collaboration between western and Chinese medical practitioners, D/PSMD said that a gradual and step by step approach was being adopted. Guidelines for interface between western and Chinese medicine had been developed for both out-patient and in-patient service. The guidelines set out, among other things, the factors to be considered with regard to cases in which it would be appropriate to have collaboration between western and Chinese medicine practitioners in providing treatment to the patients. She said that continuous discussions were going on and it was expected that there would be more opportunities for such interface for the benefit of patients.

48. D/PSMD further said that the development of the Chinese Medicine Information System, an integrated clinic management and patient record system which helped to capture information, would enrich the knowledge base of Chinese medicine practice. It was planned that the information system would be further enhanced for the linking of the knowledge bases of both western and Chinese medicine practices. Promotion of Evidence-Based Chinese Medicine had also been promulgated through training courses for practitioners, conferences, research and clinical studies.

49. Dr Joseph LEE asked whether Chinese medical practitioners could conduct blood tests and X-ray examinations for their patients and whether the CMCs and western medicine clinics could make referral of cases between each other. D/PSMD replied that under the “evidence-based” approach, blood tests and X-ray examinations of patients could only be performed by western medicine doctors. Referrals between western medicine clinics and CMCs would be considered at the request of the patients.

50. The Chairman considered that the Administration should expedite the setting up of more CMCs as it had previously made a commitment to establish 18 CMCs. He requested the Administration to provide more details of its plan of setting up CMCs in the territory and how it would further develop Chinese medicine and the interface between western and Chinese medicine in its paper for the Public Works Subcommittee seeking funding approval for the building projects.

VII. Any other business

51. There being no other business, the meeting ended at 10:50 am.

Council Business Division 2
Legislative Council Secretariat
28 July 2005