

LegCo Panel on Health Services

Provision of Extremely Expensive Drugs by the Hospital Authority

Purpose

This is to explain the Administration's position on the provision of extremely expensive drugs by the Hospital Authority (HA).

Background

2. At the meeting on 18 April 2005 when the Administration consulted the Panel on the proposal to make a grant of \$200 million to the Samaritan Fund, one of the Members was of the view that the HA should include all drugs within the standard charges at public hospitals and clinics regardless how expensive the drug was, rather than asking patients with sufficient means to pay and providing financial assistance to needy patients under the Samaritan Fund. The Administration was requested to provide a response in writing.

Provision of Drugs by HA

3. Hospital maintenance fees and out-patient consultation fees in public hospitals/clinics are highly subsidised by the Government and cover a wide range of medical services, procedures and consultations. For inpatients at public hospitals and outpatients at General Outpatient Clinics, the provision of drugs is covered by the basic fee charged by the HA. For outpatients at Specialist Outpatient Clinics, the drug charge is \$10 per drug item. There are a very small number of drugs which are proven of significant benefits but extremely expensive that the HA is unable to provide as part of its subsidised service. For these drugs, patients are required to bear the drug cost themselves, but a safety net is in place through the Samaritan Fund to provide needy patients with the necessary financial assistance.

4. The Administration has considered the Member's view very carefully and remained convinced that as our resources are limited, public

subsidy should be targeted at the needy. We need to recognise that the opportunity cost for treating a single patient with highly expensive drugs will mean forgoing treatment for a much larger number of patients with other effective means. In order to maximise the health benefits for the public as a whole, we believe it is reasonable that patients who can afford to do so should contribute to the charges for these highly expensive drugs. The Samaritan Fund will continue to act as a safety net for needy patients to ensure their access to the drugs.

5. Members are invited to note the content of this paper.

Health, Welfare and Food Bureau
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