

**For Discussion
on 25 September 2006**

Legislative Council Panel on Health Services

**Further Discussion on review of Hospital Authority Drug Formulary –
supply of Self-financed Drugs in Public Hospitals**

PURPOSE

This paper briefs Members on the latest progress in the Hospital Authority's (HA) discussion with the private sector on the supply of drug items to be purchased by patients at their own expenses (self-financed items or SFI).

BACKGROUND

2. At the meeting of the Health Services Panel on 10 July 2006, Members, having considered LC Paper No. CB(2)2654/05-06(01), requested the HA to explore further the possibility of involving the private sector in the supply of SFI drugs in public hospitals before deciding whether HA pharmacies should expand their supply of SFI drugs beyond the existing three categories¹ to cover all SFI drugs prescribed to patients by HA.

DISCUSSION WITH PRIVATE SECTOR

3. Subsequent to the Panel meeting in July, the HA held two high-level meetings with representatives of the Practising Pharmacists Association of Hong Kong, the Hong Kong General Chamber of Pharmacy Limited and two major retail pharmacy groups in Hong Kong to exchange views on possible private-public collaboration in the supply of SFI drugs in public hospitals. The Practising Pharmacists Association of Hong Kong undertook to solicit views of

¹ The three categories of SFI drugs currently supplied to patients by the HA pharmacies are –

- (a) items not easily accessible in the community (e.g. dangerous drugs as defined under the Dangerous Drugs Ordinance (Cap 134); certain psychiatric drugs, oncology drugs and immunosuppressives);
- (b) items covered by the Samaritan Fund (i.e. Interferon, Paclitaxel, growth hormone and Imatinib); and
- (c) items needed to be supplied for operational convenience (e.g. drugs needed by in-patients and day-patients, drugs to be administered by injection).

other community pharmacies on the matter. The private sector representatives welcomed the opportunity to work with the HA and supported that the arrangements to be put in place should be in line with the long-term interests of public patients. All parties also agreed that further discussion at the working level was necessary to work out the framework of a collaboration model between the two sides. As such, a Task Group, comprising representatives of the HA and all four private sector parties, was formed to take the discussion forward.

4. The Task Group held a total of three meetings between August and early September and has so far reached preliminary consensus on the following aspects –

- (a) The HA will consider inviting private sector participation by tender for the setting up of community pharmacies in public hospitals to supply SFI drugs to public patients. There will be at least one major public hospital in each hospital cluster participating in the tender exercise. In view of the unique physical conditions and requirements of each hospital, it has been agreed that a separate tender should be issued for each hospital.
- (b) To ensure the quality of the drugs supplied and professional services provided, there will be controls on the various aspects of the operation of the community pharmacies to be set up in public hospitals, including service hours, staffing, facilities and equipment, drug dispensing and counselling, quality of drugs, supply of non-prescription drugs and health products, record keeping, product complaint and recall, etc.
- (c) In the interest of patients' convenience, the community pharmacies to be set up in public hospitals should carry the full range of SFI drugs prescribed by HA. Other merchandise to be sold at these community pharmacies would be subject to the specification of individual tenders.
- (d) The private sector participant has to provide an assurance that prices of the SFI drugs to be supplied would be benchmarked against market prices. An appropriate mechanism would be stipulated in the tender as a mandatory condition to ensure compliance.

WAY FORWARD

5. The Task Group will continue discussion on the framework of the collaboration model for the supply of SFI drugs in public hospitals with a view to finalising the framework by November 2006 and commencing the tendering process by end 2006 / early 2007. However, for hospitals where a suitable private sector participant cannot be identified, the HA will expand its supply of SFI drugs at those locations following the framework spelled out in LC Paper No.CB(2)2654/05-06(01).

ADVICE SOUGHT

6. Members are invited to note and comment on the preliminary consensus reached by the HA with the private sector on the supply of SFI drugs in public hospitals.

**Health, Welfare and Food Bureau
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