

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 5th meeting
held at the Legislative Council Chamber
on Friday, 12 January 2007, at 3:00 pm**

Members present:

Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, GBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip

Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon CHIM Pui-chung
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin

Members absent:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon LEUNG Yiu-chung
Hon WONG Yung-kan, JP
Hon LAU Chin-shek, JP
Hon TAM Yiu-chung, GBS, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon MA Lik, GBS, JP
Hon LEUNG Kwok-hung
Hon Ronny TONG Ka-wah, SC
Hon TAM Heung-man

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Amy TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Mr Joe WONG Chi-cho	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Mr Tommy YUEN Man-chung	Deputy Director of Government Logistics
Mr WONG Shun-sang	Controller (Procurement)
	Government Logistics Department
Mr Edwin LEUNG Chiu-ping	Controller (Land Transport)
	Government Logistics Department
Ms Caroline FAN Mei-hing	Senior Systems Manager (E-government Policy and Development)
	Office of the Government Chief Information Officer
Mr Patrick NIP, JP	Deputy Secretary for Health, Welfare and Food (Health)
Ms Ernestina WONG	Principal Assistant Secretary for Health, Welfare and Food (Health)
Dr W L CHEUNG	Director (Cluster Services)
	Hospital Authority
Dr Beatrice CHENG	Senior Executive Manager (Professional Services), Hospital Authority

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

In the absence of the Chairman, Mr CHAN Kam-lam, Deputy Chairman, chaired the meeting.

Item No. 1 - FCR(2006-07)30

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 19 DECEMBER 2006

2. Dr Fernando CHEUNG asked to put on record his concern about the need for the public works projects under consideration to conform to the requirements of the design manual on barrier-free access for the benefit of the physically disabled. The Chairman said that since no separate voting was requested, the public officers responsible for the projects were not present to respond to his question, but his view would be conveyed to the Administration.

3. On PWSC(2006-07)53 regarding the Ma On Shan waterfront promenade, Mr LAU Kong-wah said that the Sha Tin District Council would follow up on the problems associated with the public toilets.

4. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 2 - FCR(2006-07)31

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Government Logistics Department

♦ New Subhead “Replacement of procurement management system”

5. The Chairman, who was also the Chairman of the Panel on Financial Affairs (FA Panel), informed members that the FA Panel was consulted on the proposal at its meeting on 14 December 2006 and was supportive of the proposal.

6. Noting that the proposed replacement of the Procurement Management System Upgrade (PMSU) would result in less manual work, Mr WONG Kwok-hing enquired whether there would be any staff savings, and if so whether the arrangement would affect existing staff and how the staff had reacted to the arrangement. The Deputy Director of Government Logistics (DD,GLD) said that the replacement system would bring about notional savings in staff cost of the Government Logistics Department (GLD) and Bureaux/Departments (B/Ds) through increased operational efficiency. As staff savings would depend on the capacity and operation of the system, it would not be possible at this stage to estimate the staff savings arising from the project. Each B/D would have to work out its staff savings after implementation of the replacement system and to arrange for staff redeployment as appropriate.

7. Ms Audrey EU asked whether other non-government organizations (NGOs), such as green groups, could have access to the replacement PMSU as they might also be interested to find out the availability of green products and whether the products procured by Government were environment friendly and value-for-money. DD,GLD said that it might not be appropriate to allow access to PMSU by other NGOs since the procurement policy adopted by the Government might not be similar to that adopted by NGOs. Nevertheless, the Administration would be pleased to share the set guidelines on Government procurement with other organizations. Consideration could also be given to sharing with the public more details on green procurement at GLD’s website.

8. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2006-07)32

Head 149 - Government Secretariat: Health, Welfare and Food Bureau

Subhead 700 General non-recurrent

Item 484 Grant to the Samaritan Fund

9. The Chairman informed members that the Panel on Health Services (HS Panel) was consulted on the proposal at its meeting on 11 December 2006.

10. Dr Joseph LEE, Chairman of HS Panel, said that the Panel was supportive of the proposal but considered it necessary for the Administration to expedite the study on health care financing with a view to finding a sustainable funding arrangement for the Samaritan Fund (the Fund). The Administration was also requested to provide a timetable on public consultation on the healthcare financing options after completion of the preparatory work in 2007.

11. Noting the four major factors behind the substantial increase in expenditure of the Fund as set out in the paper, Mr WONG Kwok-hing opined that apart from Government funding, a stable and sustainable source of income should be identified for the Fund. Miss CHAN Yuen-han echoed that the one-off grant of \$300 million might not last for a long time. She hoped that more donations could be sought from the private sector to ensure the sustainability of the Fund. The Director (Cluster Services) (D(CS)) explained that over the years, private donations were a major source of income for the Fund. The Hospital Authority (HA) had also organized fund-raising charity events to raise money for the Fund. He would call upon philanthropists to make donations to the Fund. The Deputy Secretary for Health, Welfare and Food (Health) (DSHWF) said that while efforts had been made by HA to secure more donations, one-off grants from the Government were still required from time to time to meet the expenditure requirements of the Fund. Arrangements would be made with HA to ensure stable and sustainable funding for the Fund.

12. While supporting the proposal, Mr Abraham SHEK considered that there was a need for extra funding for the Fund so that financial assistance could be provided to more needy patients. He failed to understand why the Fund should be affected by the healthcare financing plan. It was clear from the purposes of the Fund that it should be adequately funded by the Government. Besides, with the ageing of the population, public resources for health-care service ought to be increased.

13. Mr LEE Cheuk-yan noted that HA was planning to expand the scope of the Fund in 2007 to include new drugs for patients with cancer and rheumatic diseases. As these clinically proven effective drugs were expensive, they should be included in HA's Drug Formulary rather than the Fund so that patients who were in need of these life-saving drugs could get them through HA. Besides, the inclusion of these expensive drugs in HA's Drug Formulary would reduce the immense financial pressure on the Fund. He enquired about the nature of the new drugs for patients with cancer and rheumatic diseases, the rationale for including these drugs under the Fund and the assessment criteria for assistance under the Fund.

Miss CHAN Yuen-han echoed that as some of the more costly drugs were very effective in the cure of diseases and would improve the quality of life of patients to a great extent, there was a need for HA to provide these drugs to needy patients who would otherwise not be able to afford them.

14. D(CS) said that the new drugs to be included under the Fund were for the cure of breast/intestinal cancer and rheumatic diseases. Based on studies conducted over the years, these drugs had been clinically proven to be effective. The inclusion of these very expensive drugs under the Fund would provide a safety net for needy patients. The level of subsidy would be assessed on the basis of the patients' household disposable financial resources (DFR) (i.e. gross income minus allowable deductions for basic expenditure such as rent, living expenses, provident fund contributions, medical expenses, etc.) and disposable capital (i.e. savings, properties etc. minus the residential property and tools/implementation of the patient's trade). In line with the targeted subsidy principle, patients would be required to contribute to the cost of the drugs from their DFR. The levels of patients' contributions were worked out after a consensual process and determined on the basis of a sliding scale taking into account the drug cost. DSHWF said that most of the drugs which were found to be cost-effective and safe had already been included in HA's Drug Formulary. Nevertheless, reviews would be conducted on the inclusion of self-financed items under the Fund.

15. Mr LEE Cheuk-yan considered it necessary to review the levels of patients' contributions towards the purchase of drugs so that these would not exceed a certain percentage of their DFR, say, 10%. D(CS) explained that the medical expenses incurred in public services were in fact deductible when assessing DFR. The maximum contribution ratio would be capped at 30% of the patients' DFR. The Chairman said that the issues raised by Mr LEE regarding the levels of patients' contributions and the inclusion of the drugs under the Fund should best be followed up by the HS Panel.

16. Given that the medical expenses for kidney dialysis and treatment from Chinese medicine practitioners were not deductible items in the assessment of DFR, Dr Fernando CHEUNG considered that there was a need to review the assessment criteria, particularly when the maximum contribution could be as high as 30% of the patients' DFR. There was also a need to review the policy on inclusion of drugs under HA's Drug Formulary and the Fund. He questioned why some expensive but effective drugs, particularly those for high blood pressure and coronary diseases, were excluded and had to be purchased by the patients at their own expenses. Referring to the inclusion of four cancer drugs as items supported under the Fund, Dr KWOK Ka-ki enquired about the criteria for inclusion of these drugs under the Fund and their usage rates. He emphasized the need to race against time in the cure of cancer. Hence, the inclusion of new cancer drugs which were proven effective under the Fund should not be delayed as otherwise patients would not be able to receive timely treatment. Given that the more expensive drugs would tend to have a lower relapse rate, he cautioned that it would be irresponsible on the part of HA for not providing the best medical cure to its patients. With the availability of additional

medical resources, he considered that the Health, Welfare and Food Bureau should allocate more funding to HA to provide cancer patients with the needed drugs.

17. D(CS) said that HA adopted a prioritization mechanism to vet and evaluate items of new technologies. The progress of introducing new drugs would be reviewed every three months and an overall review of the inclusion of drugs under the Fund would be made annually. The existing time frame for the inclusion of new drugs was considered appropriate having regard to the long lead time for clinical research on drugs. He added that the inclusion of the new cancer drugs and drugs for rheumatic disease would be able to benefit around 500 cancer and rheumatic patients and the expenses to be incurred from using these drugs in 2007-2008 would be around \$20 million. It would be difficult to assess the usage rates of these cancer drugs as some patients would be purchasing drugs at their own expenses. As regards the criteria for inclusion of drugs under the Fund, D(CS) said that factors such as the efficacy, cost-effectiveness and price of the drugs would be taken into consideration.

18. Dr KWOK Ka-ki queried the need for Gamma Knife surgeries in private hospitals when X knives were mostly used nowadays. The Senior Executive Manager (Professional Services) explained that Gamma Knife and X- Knife were two separate techniques which used radiotherapy to treat brain tumour. While X- knife surgeries can be conducted in public hospitals, cases involving the treatment of smaller brain tumours would be referred to private hospitals for Gamma Knife surgeries as appropriate after clinical assessments. Needy patients receiving Gamma Knife surgeries would receive financial subsidy from the Fund if they were able to meet the assessment criteria. The number of Gamma Knife surgeries which were covered by the Fund was 35 in 2005-2006. The number of X- knife surgeries was around 150 in 2005.

19. While supporting the funding proposal, Dr YEUNG Sum stressed that life was precious. Hence, if there were life-saving drugs which could provide effective cure, these should be placed under HA's Drug Formulary for the benefit of all patients, as otherwise, only the rich could afford to be cured and not the poor. He hoped that HA would review its funding policy as the present arrangement was not acceptable.

20. The Chairman put the item to vote. The Committee approved the proposal.

21. The meeting was adjourned at 3:43 pm.