

**Speaking Note for Secretary for Health, Welfare and Food
at the Special Meeting of the Finance Committee
for Examination of the 2007-08 Draft Estimates
to be held on 21 March 2007**

Health

Madam Chairman and Honorable Members,

Recurrent government expenditure on health in 2007-08 is \$30.5 billion, amounting to 15% of the total recurrent government expenditure and more than 40% of the total recurrent expenditure of the Health, Welfare and Food Bureau. I shall highlight our initiatives in the coming financial year with regard to three main areas, namely, medical services, health services as well as health care reform and financing.

Medical Services

2. In 2007-08, the Government's appropriation to the Hospital Authority (HA) is estimated at \$28.6 billion, an increase of more than \$670 million or 2.4% compared with that of last year. The \$670 million increase mainly comes from an allocation of additional recurrent funds of \$295 million as pledged in last year's Budget Speech that there would be an annual increase of subvention to the HA of some \$300 million per annum over the next three years. Besides, an allocation of about \$390 million for procurement of medical equipment and information technology systems also constitutes part of the increase.

3. I expect the HA to make optimum use of the new provision, strengthen existing measures and introduce new initiatives in order to improve the quality of health care services, including:

- (1) more extensive use of new cancer drugs, expansion of radiotherapy services and additional provision for haemodialysis;
- (2) enhancing psychiatric outreach and outpatient services;
- (3) phased opening of the redeveloped Pok Oi Hospital and the Rehabilitation Block of Tuen Mun Hospital; and
- (4) strengthening the prevention and control of poisoning.

4. With the provision of additional resources and more flexible and efficient deployment of existing resources, I expect that the HA will be able to balance its budget in 2007-08.

Health Services

5. In 2007-08, the Department of Health (DH) will have an allocation of \$2,300 million, an increase of over \$100 million or 5% compared with that of last year. The DH will continue its comprehensive promotion of public health. Major scope of its work includes, among others, prevention of diseases and spread of communicable diseases, enhancement of port health measures, and provision of medical care and rehabilitation services.

6. We are drafting a bill to amend the Quarantine and Prevention of Disease Ordinance with an objective to support the implementation of the revised International Health Regulations promulgated by the World Health Organisation. Moreover, we will continue to enhance our surge capacity against the outbreak of influenza pandemic and other public health emergencies. We will also promote a healthy lifestyle, particularly healthy diet among the public, and step up publicity on smoking prevention and cessation.

7. The DH will also extend the Comprehensive Child Development Service (CCDS). Piloted in four communities since 2005, the CCDS aims to identify at an early stage needy children, pregnant women and families, and to provide them with early service support. The review of the pilot implementation shows that the CCDS has strengthened cross-sectoral collaboration and cooperation. Apart from providing early support to the children and families in need, the CCDS has also facilitated access of the more needy to services they needed. In view of these, we plan to extend the CCDS to all districts in Hong Kong in phases.

Health care reform and financing

8. The consultation paper “Building a Healthy Tomorrow” on health care reform released in 2005 has gained wide support from the community as it maps out the broad directions for the reform. Extensive studies have been conducted to identify measures to translate these broad directions into action and to thrash out the specific implementation details. We will conduct a public consultation later this year in this regard.

9. Madam Chairman, this concludes my opening remarks. My colleagues and I will be happy to answer questions from Members.

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