

**立法會**  
**Legislative Council**

Ref : CB2/PL/HS

LC Paper No. CB(2)1239/06-07

(These minutes have been seen  
by the Administration)

**Panel on Health Services**

**Minutes of special meeting  
held on Tuesday, 23 January 2007, at 10:45 am  
in Conference Room A of the Legislative Council Building**

- Members present** : Dr Hon Joseph LEE Kok-long, JP (Chairman)  
Dr Hon KWOK Ka-ki (Deputy Chairman)  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Dr Hon YEUNG Sum  
Hon Andrew CHENG Kar-foo  
Hon LI Fung-ying, BBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon LI Kwok-ying, MH, JP  
Dr Hon Fernando CHEUNG Chiu-hung
- Members absent** : Hon Fred LI Wah-ming, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon CHAN Yuen-han, JP  
Hon Bernard CHAN, GBS, JP  
Hon Vincent FANG Kang, JP
- Public Officers attending** : Item I  
  
Mr Patrick NIP, JP  
Deputy Secretary for Health, Welfare and Food  
(Health) 1  
  
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

**Attendance by invitation** : Item I

Consumer Council

Ms Connie LAU Yin-hing  
Deputy Chief Executive

Ms Vera TAM  
Chief Research and Trade Practices Officer

Alliance for Patients' Mutual Help Organizations

Mr CHEUNG Tak-hai  
Chairperson

Miss CHAN Fung-yan  
Executive Officer

Patients' Alliance on Healthcare Reform

Mr HO Yin-ming  
Representative

Miss WONG Siu-wan  
Representative

Hong Kong Medical Association

Dr CHOI Kin  
President

Practising Pharmacists Association of Hong Kong

Mr Billy CHUNG Wing-ming  
President

Ms Iris CHANG  
Vice President

Society of Hospital Pharmacists of Hong Kong

Miss Cecilia CHOI  
General Committee Member

Pharmaceutical Society of Hong Kong

Ms Mary CHENG  
Vice-President

Hong Kong Association of the Pharmaceutical Industry

Mr Steven HARDACRE  
President

Ms Sabrina CHAN  
Executive Director

Pharmacy Practitioners Alliance Opposes to the  
Hospital Authority Contracting-out Private Pharmacy in  
its Hospitals

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Mrs CHAN LAU Charm-ming  
Representative

Ms CHEUNG Yuk-sheung  
Representative

Hong Kong Retail Management Association

Mr Peter JOHNSTON  
Key Spokesman on the subject

Ms Sissy LAU  
Member

Hong Kong General Chamber of Pharmacy Ltd.

Mr LAU Oi-kok  
Chairman

Mr HUI Siu-chor  
Vice Chairman

Civic Party

Mr Stephen CHAR Shik-ngor  
Member of Executive Committee

Mr Bill LAY Yan-piau  
Chairman of Health and Well Being Branch

**Clerk in attendance** : Miss Mary SO  
Chief Council Secretary (2)5

**Staff in attendance** : Ms Amy YU  
Senior Council Secretary (2) 3

Ms Sandy HAU  
Legislative Assistant (2)5

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- I. Mode of supply of self-financed item drugs in public hospitals**  
[LC Papers No. CB(2)761/06-07(04), CB(2)902/06-07(01)-(04),  
CB(2)902/06-07(06)-(09), CB(2)915/06-07(01)-(03) and  
CB(2)3070/05-06(01)]

The Chairman invited deputations to present their views on the mode of supply of drug items to be purchased by public patients at their own expenses (self-financed items or SFI).

Views of deputations

*Consumer Council*

2. Ms Connie LAU presented the views of the Consumer Council (CC) as detailed in its submission (LC Paper No. CB(2)902/06-07(02)). Notably, CC supported the supply of SFI drugs by the Hospital Authority (HA) to its patients, as it would facilitate patients' choice and provide better assurance of continuous supply, quality and safety. CC considered that the concern about conflict of interest posed by HA in determining the list of SFI drugs on the one hand and the supply of SFI drugs on the other hand could be adequately addressed if the selection process of SFI drugs was made transparent and fair and that any additional revenue to be generated by the supply of SFI drugs would be fully ploughed back to the public healthcare system. CC also did not consider that the supply of SFI drugs by HA would result in unfair competition with private pharmacies so long as the supply of SFI drugs was confined to HA patients and that prices of SFI drugs were set at rates which were comparable to the levels in the market.

*Alliance for Patients' Mutual Help Organizations*

3. Mr CHEUNG Tak-hai introduced the Alliance for Patients' Mutual Help Organizations (APMHO)'s submission (LC Paper No. CB(2) 902/06-07(06)) which supported the supply of SFI drugs by HA to its patients for the reasons that it would provide better assurance of continuous supply, quality and safety and enable better monitoring of the operation of supply of SFI drugs by the public. Moreover, any additional revenue to be generated by the supply of SFI drugs would be ploughed back to meet the expenditure of HA's public medical expenses, especially the expenditure on drugs. Mr CHEUNG invited members to note the findings of a survey conducted by APMHO in April 2006 covering over 1 900 patients, which revealed that 96.1% of the respondents supported the supply of SFI drugs by HA pharmacies, while 73.5% of the respondents opposed private sector participation in setting up pharmacies in public hospitals to supply SFI drugs.

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*Patients' Alliance on Healthcare Reform*

4. Mr HO Yin-ming and Miss WONG Siu-wan presented the views of the Patients' Alliance on Healthcare Reform (PAHR) as detailed in its submission (LC Paper No. CB(2) 915/06-07(01)). Notably, PAHR considered that patients' needs and interests should be the foremost consideration in determining the mode of supply of SFI drugs. In the light of this, any mode of supply of SFI drugs to be adopted should not lead to higher drug prices and should provide patients with assurance of continuous supply, quality and safety. PAHR further expressed the view that drugs with proven efficacy but were extremely expensive should be provided by HA as part of its subsidised service, and the assessment criteria for financial assistance under the Samaritan Fund should be made less stringent by introducing a cap on the level of contribution by patients based on the latter's disposable financial resources. HA should also enhance the transparency of the mechanism for introducing new drugs into and taking drugs out of the HA Drug Formulary (the Formulary) and involve patient groups in the process.

*Hong Kong Medical Association*

5. Dr CHOI Kin introduced the Hong Kong Medical Association (HKMA)'s submission (LC Paper No. CB(2) 3070/05-06(01)). Specifically, HKMA did not support HA supplying SFI drugs to its patients for the reasons that it would impede the development of community pharmacies and further exacerbate the imbalance between the public and the private healthcare sectors. HA should concentrate on its core business of providing patient care, and not diverting its limited resources to supplying SFI drugs. HA should only supply those SFI drugs which were not easily accessible in the community. HKMA also urged for a comprehensive review of the Formulary, such as revisiting the suggestion of introducing expensive drugs like cancer drugs into the Formulary and taking inexpensive drugs out of the Formulary and putting them on the private purchase list, so as to ensure that no patients would be deprived of necessary medical treatment due to lack of means.

*Practising Pharmacists Association of Hong Kong*

6. Mr Billy CHUNG presented the views of the Practising Pharmacists Association of Hong Kong (PPAHK) as detailed in its submission (LC Paper No. CB(2) 902/06-07(03)). Notably, PPAHK opposed the proposal of HA expanding its supply of SFI drugs in hospital-based pharmacies, regardless of whether such pharmacies were run by HA or by the private sector through tendering, and recommended that the status quo in the mode of supply of SFI drugs be maintained. PPAHK reiterated its view expressed at the special meeting held on 25 September 2006 that private-public collaboration in the supply of SFI drugs was the solution that would truly benefit patients. Under this concept, public patients would be referred to community pharmacies for

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acquisition of SFI drugs, and in turn HA would implement measures, such as specifying service requirements and recommending retail drug prices and sources of drug supplies, to safeguard the quality of drugs and service provided by the private sector.

*Society of Hospital Pharmacists of Hong Kong*

7. Miss Cecilia CHOI presented the views of the Society of Hospital Pharmacists of Hong Kong (SHPHK) as set out in its submission (LC Paper No. CB(2) 902/06-07(04)). SHPHK expressed strong objection to the proposal of HA pharmacies expanding its supply of SFI drugs to public patients. Apart from sharing the concerns expressed by PPAHK as outlined in paragraph 6 above, SHPHK was also concerned that the proposal would put further strain on the existing tight manpower of public hospital pharmacies thereby adversely impacting the quality of service provided to public patients. SHPHK was also opposed to the proposal of HA inviting private sector participation by tender for the setting up of pharmacies in public hospitals to supply SFI drugs to public patients, as the projects would likely be monopolised by large retail pharmacy groups. In the light of this, SHPHK proposed adopting one of the following options -

- (a) maintaining the status quo in the mode of supply of SFI drugs until healthcare financing arrangements were hammered out;
- (b) adopting a private-public collaboration approach whereby all prescriptions filled by HA doctors to its patients, including SFI drugs, were supplied by community pharmacies which could meet the standards specified by HA; and
- (c) HA contracting out the supply of SFI drugs to non-profit-making organisations.

*Pharmaceutical Society of Hong Kong*

8. Ms Mary CHENG introduced the submission of the Pharmaceutical Society of Hong Kong (PSHK) (LC Paper No. CB(2) 902/06-07(09)), which held the view that no change should be made to the existing mode of supply of SFI drugs pending the finalisation on healthcare financing arrangements. Should HA insist on expanding its supply of SFI drugs in public hospitals, PSHK only considered it acceptable if such a move was contracted out to non-profit-making organisations. PSHK was further of the view that the Administration should encourage the public to report any cases of community pharmacies selling drugs of questionable quality, rather than by taking over the supply of drugs by HA pharmacies, which would not be conducive to raising the quality of service of community pharmacies in the long run. HA should also actively explore other means to improve patients' convenience in procuring

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SFI drugs outside the public hospital premises through private-public collaboration whereby all prescriptions filled by HA doctors to its patients were supplied by those community pharmacies which could meet the standards specified by HA.

*Hong Kong Association of the Pharmaceutical Industry*

9. Mr Steven HARDACRE said that the Hong Kong Association of the Pharmaceutical Industry (HKPI) supported in principle any mode of supply of SFI drugs which could provide convenience to patients and enhance prescription fulfillment. While agreeing that the proposal of HA expanding its supply of SFI drugs in hospital pharmacies was a viable way to improve patients' convenience, HKPI nevertheless considered that the key dispensary of SFI drugs should be community pharmacies in the long run. Mr HARDACRE further said that should it be decided in the end that the full range of SFI drugs be supplied by HA pharmacies, HKPI recommended that (a) any profit to be derived from the sale of SFI drugs should be used to subsidise needy patients on purchasing expensive new drugs; (b) effective measures should be implemented by HA to ensure minimal interference with the private market; and (c) performance indicators for HA pharmacies should be developed to facilitate monitoring in a transparent and open manner.

*Pharmacy Practitioners Alliance Opposes to the Hospital Authority Contracting-out Private Pharmacy in its Hospitals*

10. Mrs Charmaine CHAN presented the views of the Pharmacy Practitioners Alliance Opposes to the Hospital Authority Contracting-out Private Pharmacy in its Hospitals (the Alliance) as set out in its submission (LC Paper No. CB(2) 902/06-07(07)). Mrs CHAN said that the Alliance strongly objected to the proposal of inviting private sector participation by tender for the setting up of community pharmacies in public hospitals to supply SFI drugs to public patients as this would result in monopolisation by large retail pharmacy groups. The Alliance considered it more preferable for HA to expand the supply of SFI drugs in HA-run pharmacies, as this would safeguard patients' interests on the one hand and ensure a stable business environment for the development of community pharmacies on the other hand.

11. Mrs CHAN further opined that HA should increase its manpower in HA pharmacies to cope with the increased workload in dispensing SFI drugs. To relieve the concern over conflict of interests in the supply of SFI drugs by HA, HA should enhance the transparency of the mechanism for introducing new drugs into and taking out drugs from the Formulary, make public the prices of SFI drugs sold in HA pharmacies, and plough back all additional revenue generated from the supply of SFI drugs to assist needy patients on drug expenditure.

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*Hong Kong Retail Management Association*

12. Mr Peter JOHNSTON introduced the submission of the Hong Kong Retail Management Association (HKRMA) as detailed in its submission (LC Paper No. CB(2) 915/06-07(02)). Specifically, HKRMA was against the proposal for HA to expand its supply of SFI drugs to public patients and preferred maintaining the status quo in the mode of supply of SFI drugs. HKRMA considered that HA, being a public body, should not involve in commercial drug retailing. Expanding its supply of SFI drugs would exacerbate the already heavy workload of public hospitals and distract HA from fulfilling its core mission of providing medical services to patients. In the interest of the public, the Administration should create a more enabling environment for community pharmacies which provided greater convenience to patients than hospital-based pharmacies and would play a crucial role in keeping patients away from public hospitals to acquire drugs during infectious disease outbreaks.

*Hong Kong General Chamber of Pharmacy Ltd.*

13. Mr HUI Siu-chor introduced the submission of Hong Kong General Chamber of Pharmacy Ltd. (HKGCP) (LC Paper No. CB(2) 915/06-07(02)), which expressed opposition to the proposal of inviting private sector participation by tender for the setting up of community pharmacies in public hospitals to supply SFI drugs to public patients. HKGCP concurred with the Alliance that the more preferable option would be for HA to expand its supply of SFI drugs in HA pharmacies on condition that the prices for SFI drugs to be supplied by HA were set at rates which were comparable to the levels in the market, that HA would make public the prices of SFI drugs sold in HA pharmacies, and that any additional revenue to be generated from the supply of SFI drugs would be fully ploughed back to help needy patients meet their expenditure on drugs.

*Civic Party*

14. Mr CHAR Shik-ngor presented the views of the Civic Party as set out in its submission (LC Paper No. CB(2) 902/06-07(08)). Notably, the Civic Party expressed support for the supply of SFI drugs by HA, as it would be in the best interests of patients. To invite private sector to set up pharmacies in public hospitals by tender would result in higher drug prices and the tender would likely be monopolised by the major retail pharmacy groups. The Civic Party also expressed concern about the increasing number of SFI drugs which patients had to purchase and called on the Administration to expeditiously review the Formulary.



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Discussion

*Mode of supply of SFI drugs to HA patients*

15. Based on the views expressed by deputations, the Chairman said that the mode of supply of SFI drugs could be encapsulated in the following three options -

Option 1

- HA to expand the supply of SFI drugs in its own pharmacies;

Option 2

- HA to invite private sector participation by tender for the setting up of private pharmacies in public hospitals to supply SFI drugs; and

Option 3

- HA to maintain the status quo, i.e. patients on SFI would be referred to the private market for acquisition and SFI drugs would be supplied by HA to patients only when they were -
  - (i) 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);
  - (ii) items covered by the Samaritan Fund (i.e. Interferon, Paclitaxel, growth hormone and Imatinib); and
  - (iii) items which had to be supplied for operational convenience (e.g. drugs needed by in-patients and day-patients, drugs to be administered by injection).

16. Dr YEUNG Sum expressed preference for option 1. Dr YEUNG was of the view that option 1 should not have significant impact on the pharmaceutical market as patrons would be restricted to HA patients, and community pharmacies, which far outnumbered hospital-based pharmacies, had the competitive edge of being more convenient to patients. Moreover, all additional revenue to be generated from the supply of SFI drugs by HA would be fully ploughed back to meet the expenditure, especially the expenditure on drugs, of HA's public medical services as indicated by HA. Dr YEUNG further said that he was against option 2 as the projects would likely be monopolised by large retail pharmacy groups and the profit-driven nature of

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private businesses would likely lead to increase in drug prices which might be outside the control of HA.

17. Dr Fernando CHEUNG was of the view that option 1 should be pursued, subject to the following principles being adopted -

- (a) all profits to be generated from the sale of SFI drugs should be fully ploughed back to meet the needs of patients, especially for funding drug expenditure;
- (b) prices for SFI drugs supplied by HA should be set at rates which were comparable to the levels in the market, so as to minimise interference with the private market; and
- (c) an independent committee, comprising representatives from patient groups, should be set up to monitor the supply of SFI drugs by HA.

18. Dr KWOK Ka-ki said that given the polarised views on options 1 and 2 expressed by deputations, maintaining the status quo, with greater assistance provided to patients who had genuine difficulties in purchasing SFI drugs on a case-by-case basis, was more preferable. Dr KWOK pointed out that for HA to supply all SFI drugs would inevitably give rise to patients suspecting their doctors' prescribing them SFI drugs a ploy to generate more revenue for HA. In his view, it was unfair to put frontline doctors in such a predicament.

19. Director (Cluster Services), HA (D(CS), HA) responded that HA had all along adopted an open attitude on the mode of supply of SFI drugs, so long as the mode of supply was in the best interests of patients. The HA Board would further consider the views expressed by members and deputations at this meeting before arriving at a decision on the way forward.

20. Ms LI Fung-ying said that no matter which mode of supply of SFI drugs was eventually adopted by HA, it should be in the best interests of patients. Ms LI further asked what actions would be taken to address the concern about conflict of interest in the supply of SFI drugs by HA and to ensure that all additional revenue to be generated from the sale of SFI drugs by HA would be fully ploughed back for use on patients.

21. Deputy Secretary for Health, Welfare and Food (Health) 1 (DSHWF(H)1) and D(CS), HA responded as follows -

- (a) there was no cause for concern that the extension of the scope of SFI drugs to be supplied by HA pharmacies would give rise to patients' mistrusting their doctors, as HA doctors were guided by clinical guidelines in filling out prescriptions to their patients; and

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- (b) revenue generation had never been HA's concern in the supply of SFI drugs to public patients. In line with HA being a public organisation, additional revenue to be generated from the supply of SFI drugs would be fully ploughed back to meet the expenditure of HA's public medical services, especially the expenditure on drugs.

22. Dr KWOK Ka-ki disagreed that HA's clinical prescription guidelines for doctors could dispel public concern about the impact of the sale of SFI drugs in HA pharmacies on the prescriptions filled by doctors. Dr KWOK further raised the following questions -

- (a) what was the latest progress on HA's discussion with the private sector on the supply of SFI drugs in public hospitals; and
- (b) whether, and if so how, consultation would be conducted with the relevant stakeholders should HA decide to change its stance on involving the private sector in the supply of SFI drugs in public hospitals.

23. D(CS), HA responded as follows -

- (a) the Task Group comprising representatives of HA, the four private sector parties and patients groups had reached a consensus on the framework of the mode of operation of private pharmacies in public hospitals, details of which were given in the Administration's paper dated January 2007 (LC Paper No CB(2)761/06-07(04)). Specifications of the tender documents of the community pharmacies would be prepared on the basis of this framework; and
- (b) HA did not see the need for conducting further consultation on the mode of supply of SFI drugs, as the issue had been thoroughly debated over the past two years. Apart from the views collected during the consultation on the implementation of the Formulary in 2005 and the review of the Formulary in 2006, this Panel had also held two special meetings to discuss the issue. HA would take into account all the views received and assess the pros and cons of different options before coming up with a final decision having regard to the best interests of patients.

*Number of SFI drugs prescribed by HA*

24. Dr Fernando CHEUNG noted from PPAHK that the number of SFI drugs prescribed by HA doctors to their patients had increased from 0.6% to

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over 10% in terms of the total HA prescriptions since the implementation of the Formulary in July 2005. Dr CHEUNG sought clarification from HA whether this was indeed the case.

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25. D(CS), HA responded that according to a survey conducted by HA in May 2006, SFI drugs only constituted about 0.6% of the total HA prescriptions to patients. It was unlikely that the figure would surge to over 10% since May 2006. At the request of the Chairman, D(CS), HA agreed to provide the latest information on the percentage of SFI drugs prescribed by HA doctors to public patients after the meeting.

*Review of HA Drug Formulary*

26. Dr YEUNG Sum was adamant that no patients should be deprived of necessary medical treatment due to lack of means. In his view, all drugs proven to be of significant benefits, regardless of how expensive they were, should be included into the Formulary as part of the subsidised service. To this end, Dr YEUNG called upon HA to expeditiously conduct a comprehensive review of the Formulary. Dr Fernando CHEUNG and Dr KWOK Ka-ki concurred.

27. DSHWF(H)1 responded that the main objective of introducing the Formulary was to standardise drug utilisation in all HA hospitals and clinics to ensure equitable access to cost effective drugs of proven efficacy and safety. The development of the Formulary was in line with international developments. The World Health Organisation had recommended health authorities around the world to establish their own mechanism for the systematic selection of drugs for the promotion of the availability, accessibility, affordability, quality and rational use of medicines.

28. DSHWF(H)1 further said that HA had already conducted a comprehensive review of the Formulary in April 2006 with a view to facilitating HA in evaluating the experience from actual operation of the Formulary and in identifying possible improvement measures. At the Panel meeting on 10 July 2006, HA briefed members on the results of the review, which proposed, inter alia, to enhance the supply of SFI drugs to HA patients. HA would continue to monitor public views and comments on the Formulary.

*Conclusion*

29. Dr Fernando CHEUNG proposed to move the following motion -

"本委員會以病人福祉為本的原則，認為自費藥物應由醫管局直接供應予病人，但必須符合下列原則 ——

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- (一) 成立獨立委員會，包括有專業團體、病人代表，監察自費藥物供應模式；
- (二) 所有利潤回饋病人；
- (三) 藥物價格應與市場平衡；及
- (四) 立即檢討藥物名冊，確保病人不會因財政困難而得不到必需的醫療照顧。"

(Translation)

"That with the well-being of patients as the basic principle, this Panel considers that SFI drugs should be directly supplied to patients by HA, subject to the meeting of the following principles -

- (a) an independent committee, comprising representatives from professional bodies and patient groups, should be set up to monitor the mode of supply of SFI drugs;
- (b) all profits gained should be used on patients;
- (c) prices of SFI drugs should be set at market levels; and
- (d) an immediate review of the Drug Formulary should be conducted to ensure that no patients will be denied adequate medical care due to lack of means."

30. Dr YEUNG Sum proposed to amend Dr Fernando CHEUNG's motion as follows -

"本委員會以病人福祉為本的原則，認為自費藥物應由醫管局直接供應予病人，但必須符合下列原則 ——

- (一) 成立獨立委員會，包括有專業團體、病人代表，監察自費藥物供應模式；
- (二) 所有利潤回饋病人；
- (三) 藥物價格應與市場平衡；及
- (四) 立即檢討藥物名冊，確保病人不會因財政困難而得不到必需的醫療照顧經證實有顯著療效但極度昂貴的藥物。"

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(Translation)

"That with the well-being of patients as the basic principle, this Panel considers that SFI drugs should be directly supplied to patients by HA, subject to the meeting of the following principles -

- (a) an independent committee, comprising representatives from professional bodies and patient groups, should be set up to monitor the mode of supply of SFI drugs;
- (b) all profits gained should be used on patients;
- ~~(c) prices of SFI drugs should be set at market levels; and~~
- ~~(d)~~ (dc) an immediate review of the Drug Formulary should be conducted to ensure that no patients will be denied ~~adequate medical care~~ *access to clinically-proven effective but extremely expensive drugs* due to lack of means."

31. The Chairman put Dr YEUNG Sum's proposed amendments to Dr Fernando CHEUNG's motion to vote. Three members voted for, one voted against and two abstained. The Chairman declared that Dr CHEUNG's motion, as amended by Dr YEUNG, was carried.

**II. Any other business**

32. There being no other business, the meeting ended at 12:40 pm.