

**For discussion on
8 January 2007**

LEGCO PANEL ON WELFARE SERVICES

Continued Financial Assistance for Patients of Severe Acute Respiratory Syndrome (SARS)

Introduction

This paper sets out the Administration's proposal to provide, under the Trust Fund for SARS (the Trust Fund), continued ex-gratia financial assistance to recovered and "suspected" SARS patients¹ upon their reaching the accumulative assistance ceiling of \$500,000.

Background

2. Following the unique and unprecedented SARS outbreak in Hong Kong from March to June 2003, 1 456 SARS patients have recovered while 299 have died. Deceased SARS patients have left behind dependent family members who need assistance to support their maintenance. Some recovered or "suspected" SARS patients may suffer from dysfunctions and may be in need of assistance to tide them over their financial difficulties. Against this background, the Administration put forward in October 2003 a proposal to establish the Trust Fund to provide, on compassionate grounds, special ex-gratia payments to the above affected parties.

3. Following Members' endorsement at the meetings of the joint Panels of the Health Services and the Welfare Services on 20 and 29 October 2003 (Paper No. CB(2)/108/03-04(01) and CB(2)192/03-04(01)), the Finance Committee approved on 7 November 2003 the creation of a new commitment of \$150 million for the establishment of the Trust Fund (Paper No. CB(2)527/03-04(02)).

4. The purview of the Trust Fund is confined to families of deceased SARS patients, recovered and "suspected" SARS patients. Specifically, the Trust Fund provides :

¹ "Suspected" SARS patients refer to those who were clinically diagnosed as having SARS on admission, treated with medication for SARS, but turned out subsequently not to have SARS.

- (a) special one-off ex-gratia relief payments for eligible surviving family members of the deceased SARS patients; and
- (b) special monthly ex-gratia tide-over financial assistance for eligible recovered or “suspected” SARS patients treated with steroids suffering from longer term effects attributable to SARS (including the effects of medication received for the treatment of SARS, if any), resulting in some degree of relevant dysfunction, subject to proof of medical and financial needs.

5. On medical needs and to be eligible for assistance, recovered or “suspected” SARS patients must have some degree of SARS-related dysfunctions, which mainly include Avascular Necrosis (bone degeneration); pulmonary problems; limitations in daily living and activities; physical dysfunction and psychological dysfunction. Under the existing arrangement, the Hospital Authority (HA) carries out medical assessments on the patients every six months to ascertain their continued eligibility for Trust Fund assistance.

6. As to financial needs, assistance under the Trust Fund to recovered or “suspected” SARS patients is made up of the following two components:

- (a) the monthly financial assistance (MFA), having regard to (i) the income loss/reduction of the patient arising from SARS; and (ii) any justifiable increase of expenditure arising from SARS². The assistance to cover the income loss/reduction in (i) is subject to a cap of 200% of the prevailing Median Monthly Domestic Household Income, while that in (ii) is provided on a reimbursable basis; and
- (b) the monthly medical assistance (MEA), which covers (i) expenditure for dietary supplement and transport expenses capped at \$1,000 and \$750 per month respectively; and (ii) other justifiable medical expenses reimbursable with reference to the HA rates³.

² The justifiable increase in expenditure includes any reasonable non-medical expenses incurred by the patients arising from SARS, such as expenditure for domestic helpers for patients who cannot carry out household chores after SARS.

³ HA has since February 2005 launched a fee waiver scheme to provide SARS patients with life-long free medical services for potential SARS related problems. SARS patients are no longer required to seek reimbursement from the Trust Fund for medical fees relating to the HA. They may continue to seek reimbursement for medical expenses in respect of consultations with private doctors.

The accumulative ceiling of financial assistance for recovered or “suspected” SARS patients is set at \$500,000 per patient.

7. Two committees comprising non-officials, namely the Committee on Trust Fund for SARS and the Review Committee for Trust Fund for SARS, have been set up to process and review respectively applications for Trust Fund assistance.

Latest Developments

8. Since the establishment of the Trust Fund three years ago, one-off ex-gratia payments have been provided to families of 185 deceased SARS patients. In accordance with the criteria, no financial eligibility test was conducted on the beneficiaries. As to recovered or “suspected” SARS patients with dysfunctions, monthly assistance has been provided to 634 individuals. So far, 342 persons, i.e. about 54%, have recovered from the SARS-related dysfunctions; **13** have reached the accumulative assistance ceiling of \$500,000, and under the existing rule, they have to cease receiving financial assistance from the Trust Fund. Eight have died and 38 have withdrawn their applications. **233 persons** are receiving assistance from the Trust Fund at present.

9. Of these 233 persons, 67% (156 patients) are receiving MEA from the Trust Fund. The remaining 33% (77 patients) are also receiving MFA as they have sustained income loss or increase in non-medical expenditure arising from SARS.

10. In sum, a total of 887 applications for Trust Fund assistance have been approved, involving 819 patients at \$135 million. Of them, 253 applications relate to the deceased SARS patients, with an approved amount of \$82 million. 634 applications relate to recovered or “suspected” patients and the amount of ex-gratia payment involved so far is \$53 million. The Trust Fund now has a balance of \$15 million.

Need for Continued Assistance

11. We note that of the 634 beneficiaries from the Trust Fund, over 50% of them have recovered from their dysfunctions and the accumulative assistance they each have drawn from the Trust Fund is below the \$500,000 ceiling. Given the difference in the pace of recovery of individual patients

however, there is a small number of Trust Fund beneficiaries who, upon reaching the accumulative ceiling, have yet to recover from their dyfunctions. All the 13 cases we have on hand fall under this category. We have reviewed their situation. Some of them are still unable to resume work because of their health conditions. Some have to rely on their own savings/resource of their family members for maintenance. Some are depending on the Comprehensive Social Security Assistance (CSSA) Scheme. Some have to change jobs and are earning a reduced income. According to present estimate, about 63 more patients will gradually reach the ceiling in the coming three years. If by then they have yet to recover from their dyfunctions, they may face similar financial predicament.

12. We consider that there is a need to provide continued assistance to these patients, to give them more time to recover from their dsyfunctions, to rehabilitate, and where appropriate be retrained for jobs that may be different from their pre-SARS employment. The extension of assistance to those who have reached the accumulative ceiling subject to the medical and financial needs would be in keeping with the original objective of setting up the Trust Fund, viz. to provide tide-over assistance to SARS patients pending their recovery from the dysfunctions.

13. Also, according to HA's assessment, some patients of major diseases may suffer from permanent dysfunctions. As our medical knowledge about SARS and its long-term effects is still limited, we would need to observe the patients for a longer period to ascertain if any of them would similarly suffer from permanent dysfunctions. If so, in the longer term, we may need to consider whether we should provide these patients with financial assistance through a more permanent framework outside the CSSA. In this regard, the HA advises that most of the complications arising from serious illness should have surfaced within five to six years after the patients' discharge from the hospitals. As such, we expect the health conditions of the SARS patients should stabilize in another three years' time, towards end 2009. We would then have more reliable data to decide if there should be some longer term arrangements for patients who, according to HA, will suffer from permanent dyfunctions.

Proposals

14. We propose to **adjust the criteria** for the Trust Fund to address the needs of those who have reached or will reach the assistance ceiling under the Trust Fund. Details are set out below.

Continuing the Financial Assistance

15. We propose to give special consideration to Trust Fund beneficiaries upon their reaching the accumulative ceiling, in enabling them to continue to apply for, and receive from the Trust Fund, further financial assistance. This continued assistance will, as with existing criteria, be subject to periodic medical and financial assessments.

16. We will review the situation of all Trust Fund beneficiaries and decide by the end of 2009 the need for a more permanent scheme outside the CSSA to cater for the needs of those who are assessed by the HA to be suffering from permanent dysfunctions.

Retrospective Payments

17. We need to seek the Finance Committee's approval to top up the Trust Fund. For those SARS patients who have reached the \$500,000 ceiling before the date of the approval of the increase in commitment by the Finance Committee, we propose backdating their Trust Fund payments so that they would not suffer from any break in assistance since reaching the \$500,000 ceiling. The retrospective payments, subject to proof of medical and financial needs from the date they reached the ceiling, will be net of the amount of CSSA they might have received.

18. Such a retrospective arrangement is proposed having regard to the unique and unprecedented nature of SARS, and the spirit behind setting up of the Trust Fund. The proposed backdating of financial assistance is justified taking into account the very particular circumstances of the SARS incident, and should not create a precedent for other ex-gratia schemes.

Frequency of Medical Assessment

19. The HA advises that the medical conditions of some of the patients are settling down, and that there may not be significant change as frequently as every six months. Hence, rather than requiring mandatory medical assessments to be conducted every six months to ascertain the continued eligibility of the SARS patients for assistance under the Trust Fund, we propose that we should defer to the medical professionals in the HA to decide on the appropriate frequency of medical assessments on the basis of the health conditions of individual patients. This will allay concerns of the patients over the uncertainty of continual assistance. The frequency of financial reviews will be adjusted accordingly.

Other Arrangements

20. Other than the changes outlined above, all the existing arrangements, such as the continued use of the Trust Fund to provide ex-gratia payments to dependent families of deceased SARS patients, the requirements of financial reviews and medical reviews (albeit the frequency may vary as proposed in paragraph 19 above) for all Trust Fund beneficiaries (regardless of whether they have reached the ceiling of \$500,000) and the types of assistance available to them will remain unchanged following the injection of fund to the Trust Fund.

Financial Implications

21. We estimate that we would require an additional \$65 million to continue the financial assistance until the end of 2009. The amount is calculated based on the following assumptions :

- (a) the current monthly expenditure to support the existing beneficiaries of the Trust Fund will remain at the same levels and all the patients who have reached or will reach the ceiling will be successful in their new applications; and
- (b) in total, the maximum retrospective payments to the patients who have reached the ceiling will amount to about \$5 million if approval of the Finance Committee can be obtained in early 2007.

22. At present, the Trust Fund has a balance of \$15 million. We would need to seek the approval of the Finance Committee to increase the commitment by **\$50 million** to top up the Trust Fund. The \$50 million sought should be sufficient to provide continued financial assistance to the beneficiaries under the Trust Fund and those who have reached the ceiling for at least about three years.

Timetable

23. We propose to seek funding approval from the Finance Committee before the Lunar New Year. If this timetable cannot be met, taking into account the intervening Lunar New Year, the delivery of the Budget 2007-08 by the Financial Secretary and the ensuing special Finance Committee meetings to examine the draft estimates, bearing in mind also the Easter break

that follows, the next soonest slot for Finance Committee consultation on the Trust Fund is late April 2007.

Advice Sought

24. Members are invited to comment on the Administration's proposal to provide continued financial assistance to the recovered and "suspected" SARS patients, and our proposed timetable to seek funding support from the Finance Committee.

Health, Welfare and Food Bureau
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