

**For information on
16 March 2009**

LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE

MEDICAL AND DENTAL BENEFITS FOR SERVING CIVIL SERVANTS, PENSIONERS AND ELIGIBLE DEPENDANTS

PURPOSE

This paper updates Members on the provision of medical and dental benefits to civil service eligible persons¹ (hereafter referred to as “civil service medical benefits”).

BACKGROUND

2. We briefed Members on the provision of civil service medical benefits and the relevant improvement measures at the Panel meeting held on 19 May 2008 (vide LC Paper No. CB(1)1476/07-08(03)).

3. The Government, as the employer, has a contractual obligation to provide civil service medical benefits to civil service eligible persons. The scope of such benefits is set out in the relevant Civil Service Regulations (CSRs), Civil Service Bureau (CSB) Circulars and Circular Memoranda. These provisions form part of the terms and conditions of employment of civil servants.

¹ Civil service eligible persons consist of:

- (a) monthly paid civil servants and their eligible dependants;
- (b) retired civil servants living in Hong Kong and in receipt of a pension or an annual allowance and their eligible dependants living in Hong Kong;
- (c) eligible dependants of civil servants killed on duty and living in Hong Kong;
- (d) eligible dependants living in Hong Kong and in receipt of a pension under the Widows and Orphans Pension Scheme or the Surviving Spouses' and Children's Pension Scheme following the death of civil servants while in service or after retirement; and
- (e) other persons who are eligible for civil service medical benefits by way of their terms of appointment.

Civil servants appointed on or after 1 June 2000 on new terms are also eligible for civil service medical and dental benefits until they retire from/leave the civil service. As these civil servants are covered by the Mandatory Provident Fund Scheme or the Civil Service Provident Fund Scheme, they are not eligible for pension benefits and would thus cease to enjoy civil service medical and dental benefits once they leave the civil service. The only exception is those civil servants on new terms whose service is terminated as a result of injury on duty or occupational disease. They will continue to be eligible for civil service medical and dental benefits (in addition to incapacity benefits) after they leave the service and until they die.

4. Civil service eligible persons are entitled to medical treatment and services that are provided by the Department of Health (DH) or the Hospital Authority (HA) free of charge, save for the charges applicable to hospital maintenance, dentures and dental appliances as provided for in the CSRs². They may also apply to DH for reimbursement of medical expenses if the attending HA doctor certifies that the drugs / equipment / services concerned are prescribed in accordance with the medical necessity of the patient and are chargeable by the HA or not available in the HA³. In general, civil servants, irrespective of ranks and grades, are entitled to the same level of medical benefits⁴.

EXISTING ARRANGEMENTS FOR PROVISION OF CIVIL SERVICE MEDICAL BENEFITS

5. At present, DH provides a small part of the civil service medical benefits through its 34 dental⁵ and three general clinics reserved for the exclusive use of civil service eligible persons; other DH clinics providing social hygiene services, elderly services, etc. (which are also open to members of the public); and through the reimbursement arrangement (explained in paragraph 4 above).

6. The major part of the Government's contractual obligation in the provision of civil service medical benefits is met through services provided by HA through its network of general outpatient clinics, specialist outpatient clinics, and hospitals throughout the territory. Most of HA's general outpatient clinics have specified varying numbers of discs during normal day clinic sessions for serving civil servants who need medical treatment⁶. Separately, dedicated clinic sessions for specialist services for civil service eligible persons are available at Queen Elizabeth Hospital (L Block). The priority and mode of treatment of civil service eligible persons are determined by HA doctors, having regard to the patients' clinical history, the presenting symptoms, the findings of physical examinations and investigations, available drugs, and treatment options, etc.

² CSR Annex 6.1 sets out the hospital maintenance fees applicable to all civil service eligible persons. CSR Annex 6.2 sets out the schedule of charges for dentures, dental appliances and other restorations in accordance with a civil servant's monthly salary at specified Master Pay Scale (MPS) pay points or equivalent. For pensioners, their monthly pension will be benchmarked against the MPS pay points for determining the applicable level of charges.

³ Similar reimbursement arrangement also applies to drugs prescribed by the attending doctor of DH's families clinics which form an essential part of the medical treatment to the patient on medical ground but not available in DH's dispensaries.

⁴ The only exception is that civil servants at and above D3 level (or equivalent) are eligible to receive an annual medical examination for themselves only at designated clinics of DH.

⁵ A very limited number of sessions are set aside to serve members of the public requiring emergency dental services (for pain relief and extraction only).

⁶ The objective of this arrangement is to enable serving civil servants to return to work after receiving treatment if their health conditions permit.

STANDING COMMITTEE ON MEDICAL AND DENTAL FACILITIES FOR CIVIL SERVANTS

7. Since 1979, CSB has established the Standing Committee on Medical and Dental Facilities for Civil Servants (SCMDF) which provides a useful forum to discuss with the staff sides matters regarding civil service medical benefits. The SCMDF comprises the official sides members (i.e. the Civil Service Bureau, the Food and Health Bureau, HA and DH) and the staff sides members (i.e. representatives from the staff sides of the four Central Consultative Councils⁷). The SCMDF meets quarterly to discuss issues relating to civil service medical benefits, including measures to enhance the provision of such benefits.

IMPROVEMENT MEASURES

8. We informed Members at the Panel meeting on 19 May 2008 and vide the follow-up paper LC Paper No. CB(1)2056/07-08(01) that we would implement the following measures in 2008-09:

- (a) increase the provision for civil service medical benefits by \$55.4 million to \$581.7 million to expand the capacity of DH's dental clinics for the exclusive use of civil service eligible persons and to meet the anticipated increase in applications for reimbursement of medical expenses from civil service eligible persons;
- (b) implement an on-line eligibility checking system (ECS) to replace the then paper-based eligibility checking at DH and HA facilities for civil service eligible persons; and
- (c) explore with HA the feasibility of expanding the scope of the direct payment arrangement to cover cancer drugs provided by HA.

9. Implementation of the above measures is on schedule. Regarding paragraph 8(a), two additional orthodontic surgeries are expected to commence operation in end March 2009. For the reimbursement of medical expenses, the amount of total reimbursement is expected to increase by \$33.4 million to \$158.3 million by 31 March 2009. In respect of paragraph 8(b), the ECS has been fully rolled out since June 2008, and has helped to streamline administrative procedures and brought greater convenience to civil service eligible persons. Regarding paragraph 8(c), the direct payment arrangement for cancer drugs provided by HA will be implemented in the first half of 2009. When this is implemented, over 70% of the current reimbursement expenditure would be covered by the direct payment arrangement.

⁷ They are Senior Civil Service Council, Model Scale 1 Staff Consultative Council, Disciplined Services Consultative Council, and Police Force Council.

10. Apart from the above measures, we have also made necessary arrangements to facilitate the participation of civil service eligible persons in public-private partnership (PPP) schemes launched by HA, namely cataract surgeries and primary healthcare services in Tin Shui Wai North.

11. We have continued to work closely with DH and HA in exploring and implementing measures to improve civil service medical benefits. In 2009-10, we will further implement the following improvement measures:

- (a) to further increase the provision for reimbursement of medical expenses by \$60.9 million to \$219.2 million to meet the anticipated increase in applications from civil service eligible persons;
- (b) to enhance the service capacity of dental clinics by increasing the number of dental surgeries;
- (c) to increase the service capacity of families clinics through an in-situ expansion of the Hong Kong Families Clinic and establishment of a new families clinic in the New Territories;
- (d) to further streamline the administrative procedures on reimbursement of medical expenses; and
- (e) to enhance diagnostic services such as Computed Tomography, Magnetic Resonance Imaging and ultrasound scanning services for civil service eligible persons by increasing service sessions, in collaboration with HA.

WAY FORWARD

12. We will take forward the improvement measures set out in paragraph 11 above and continue to discuss with the staff sides through the SCMDf other possible proposals that can improve civil service medical benefits. In considering any improvement proposal, we will take into account the Government's financial capability, cost-effectiveness of the proposal and the views of the staff sides.

13. In addition, the Government (through the Food and Health Bureau) plans to launch the second-stage public consultation on healthcare reform in the first half of 2009 to encourage further discussions and seek to forge a consensus on healthcare financing. Similar to the first stage of the public consultation exercise, we will encourage the staff sides of the Central Consultative Councils to examine the issues raised in the public consultation document, in particular how we could leverage the possible changes to the public healthcare system to improve the provision of medical benefits to civil service eligible persons.

14. Members are invited to note the contents of this paper.

Civil Service Bureau
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