

立法會
Legislative Council

LC Paper No. CB(1)2234/09-10
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ PS/1

Panel on Public Service

**Minutes of meeting held on
Monday, 19 April 2010, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon LEE Cheuk-yan (Chairman)
Dr Hon PAN Pey-chyou (Deputy Chairman)
Dr Hon Margaret NG
Hon CHEUNG Man-kwong
Hon TAM Yiu-chung, GBS, JP
Dr Hon LEUNG Ka-lau
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Member attending : Hon WONG Kwok-hing, MH

Member absent : Hon LI Fung-ying, BBS, JP

Public officers attending : **Agenda item IV**
Miss Denise YUE, GBS, JP
Secretary for the Civil Service

Mr Andrew H Y WONG, JP
Permanent Secretary for the Civil Service

Mrs Ingrid YEUNG, JP
Deputy Secretary for the Civil Service 1

Agenda item V

Miss Denise YUE, GBS, JP
Secretary for the Civil Service

Mr Andrew H Y WONG, JP
Permanent Secretary for the Civil Service

Mr Brian LO
Deputy Secretary for the Civil Service 2

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (1)2

Staff in attendance : Mr YICK Wing-kin
Assistant Legal Adviser 8

Ms Sarah YUEN
Senior Council Secretary (1)6

Miss Angela LAM
Legislative Assistant (1)5

Action

- I Confirmation of minutes of meeting**
(LC Paper No. CB(1)1566/09-10 — Minutes of meeting on
22 February 2010)

The minutes of the meeting held on 22 February 2010 were confirmed.

- II Information papers issued since last meeting**
(LC Paper No. CB(1)1525/09-10(01) — Further correspondence
between the Highways
Department and the
Association of
Government Technical and
Survey Officers regarding
the provision of

incremental credits to newly recruited Technical and Survey Officers)

2. Members noted the above paper issued since the last meeting.

III Items for discussion at the next meeting scheduled for 17 May 2010

(LC Paper No. CB(1)1582/09-10(01) — List of outstanding items for discussion

LC Paper No. CB(1)1582/09-10(02) — List of follow-up actions)

3. At the request of the Administration, members agreed to re-schedule the next regular meeting from 17 May 2010 to 24 May 2010 at 10:45 am. The Panel agreed to discuss the following items at the next meeting –

- (a) Language proficiency requirements for civil service appointments; and
- (b) Requests for the conduct of grade structure reviews for specific non-directorate civilian grades: assessment criteria.

Members further agreed to invite the Hong Kong Unison to give views on item (a) above.

IV Civil service entry system

(LC Paper No. CB(1)1582/09-10(03) — Administration’s paper on the ‘3+3’ civil service entry system

LC Paper No. CB(1)1577/09-10 — Background brief on civil service entry system prepared by the Legislative Council Secretariat)

4. The Secretary for the Civil Service briefed members on the proposed revision (the proposed revision) to the current entry system for recruitment to the basic ranks in the civil service. Under the current system, in general, new recruits were appointed on three-year probation and three-year agreement terms before they were considered for appointment on permanent terms (commonly know as the “3+3” entry system). Under the current proposal, the Administration proposed to remove the three-year agreement period, so that from a specified date (the specified date), a new recruit would normally be considered for appointment on permanent terms upon satisfactory completion of the three-year probation period.

Timing for the implementation of the proposed revision

5. Members welcomed the proposed revision, which in their view could help enhance the stability of the civil service to maintain service quality and rectify the unfairness of the “3+3” entry system. Mr WONG Kwok-hing commended SCS and the Chief Executive for responding to his repeated call since 2004 to revise the “3+3” entry system. Pointing out that the proposed revision had long been awaited, he urged the Administration to take it forward immediately without going through consultation as he was confident that all civil servants would support it. Mr IP Wai-ming, Mrs Regina IP and the Chairman also called upon the Administration to implement the proposed revision as soon as practicable.

6. SCS responded that in line with the established practice, it was necessary to consult the staff sides, departmental/grade management and advisory bodies, before taking a decision on the proposed revision and, if adopted, the date of implementation. She added that the consultation exercise was expected to be completed within one to two months so that subject to a positive outcome, the proposed revision could be implemented in autumn 2010.

7. Mr CHEUNG Man-kwong questioned why the Administration had only decided to introduce the proposed revision after the much criticized “3+3” entry system had been implemented for 11 years, resulting in many civil servants suffering in terms of fringe benefits and job security. He asked whether the Administration agreed that the policy had been introduced too hastily without prudent consideration and that the proposed revision came too late.

8. SCS said that the “3+3” entry system was an important measure to enhance the management of the civil service and to allow sufficient time for the management to assess the longer term potential and attributes of a civil servant. With reference to paragraph 3 of the Administration’s paper (LC Paper No. CB(1)1582/09-10(03)), SCS pointed out that the ‘3+3’ entry system was indeed a compromise over an earlier proposal put forward in the 1999 Civil Service Reform. Under that proposal, basic rank civil servants should be employed on fixed-term agreement terms so long as they stayed in the basic ranks; and only those with good performance record would be offered further agreements, while those whose performance was unsatisfactory, or who did not demonstrate the potential and ability to undertake supervisory and management duties within a specified period, should have their agreements terminated.

9. SCS further said that although she had been keeping the ‘3+3’ system under regular review in the light of members’ views, given the general open recruitment freeze for the civil service and the open recruitment freeze for grades included in the two rounds of voluntary retirement schemes from 1999 to March 2008, it was not until recently that the Administration had sufficient data to evaluate the effectiveness of the “3+3” entry system.

10. Noting the need to seek approval of the Finance Committee (FC) for supplementary provisions for implementation of the proposed revision, Mr WONG Kwok-hing requested the Administration to ensure that the proposed revision could be implemented as early as possible, say, on 1 July 2010, to bring early improvement to the employment conditions of the civil servants concerned. Mr WONG further requested that from now on, the Administration should report on the progress of the relevant consultation exercise to the Panel every month until the proposed revision was implemented.

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11. SCS responded that every effort was being made to take forward the proposed revision as early as practicable, including consultation with the Panel and bureaux/departments (B/Ds) in parallel instead of sequentially. She said that the Administration would report the outcome to the Panel once it was available. At the request of Mr WONG Kwok-hing and the Chairman, SCS agreed to report in May 2010 on the progress of the consultation exercise, and again in mid-June 2010 on when the proposed revision could be implemented and if the actual date of implementation was still not available by then, to explain the difficulties involved.

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12. Mr WONG Kwok-hing enquired about the respective numbers of civil servants appointed under the “3+3” entry system who were in their fourth, fifth and sixth year of service. Mr IP Wai-ming sought the number of civil servants who were still serving the three-year probation period. In response, SCS agreed to provide after the meeting a snapshot (as at the specified date) of the total number of civil servants appointed under the “3+3” entry system together with a breakdown by B/Ds as well as the information sought by Mr WONG and Mr IP.

Transitional arrangements

13. Mr WONG Sing-chi asked how civil servants who had successfully completed the three-year probation and were serving the three-year agreement period on the specified date would be dealt with under the transitional arrangements. SCS responded that as and when the proposed revision took effect, transitional arrangements would be put in place for these civil servants. Under the arrangements, unless otherwise specified, these officers would, subject to satisfactory performance and conduct, be allowed to opt for transfer to permanent terms either from the specified date or upon completion of their current agreements. In response to Mr WONG on the reason for the different arrangements, SCS explained that the Government could not unilaterally revise the employment contracts of these civil servants unless they specifically indicated agreement to the changes. The above arrangements were therefore fair and equitable.

14. The Deputy Chairman enquired how the Administration would handle the end-of-contract gratuity for civil servants serving their three-year agreement period and had opted to be transferred to permanent terms on the specified date. SCS responded that contract gratuity payments would be made to these civil servants on a pro-rata basis, and the arrangement would be explained to the civil servants concerned before they exercised their option. SCS explained that the leave and allowance enjoyed by civil servants serving their three-year agreement period were in fact no different from those available to civil servants appointed on permanent terms. As such, they could carry forward any leave balance upon transfer.

Proposal to introduce the proposed revision to the subvented sector

15. The Deputy Chairman said that, as some organizations in the subvented sector might have also introduced entry systems similar to the “3+3” entry system, he asked whether the Civil Service Bureau (CSB) would, through the relevant B/Ds, encourage subvented organizations to correspondingly revise their entry systems in view of the benefits the proposed revision could bring to the morale of their staff.

16. SCS responded that while CSB was very willing to share information on the civil service entry system and the proposed revision with any subvented organization, CSB was not in a position to encourage the subvented sector to adopt the proposed revision, as the Administration had not promoted the “3+3” entry system to the subvented sector when it was introduced in 2000. She added that she was not familiar with the entry systems adopted by subvented organizations, and it was also inappropriate for her to comment on their systems.

17. The Deputy Chairman emphasized that many systems and practices of the civil service concerning matters such as civil service recruitment and conditions of service did affect those of the public bodies and subvented organizations. Adding that these bodies operated on Government subsidies, the Deputy Chairman urged the Administration to proactively write to them on the proposed revision. Mr IP Wai-ming and the Chairman echoed his view. SCS reiterated that it would be inappropriate for the Administration to take the initiative to approach those organisations and encourage them to adopt the civil service entry system since the employment terms and conditions of their staff had already been delinked from those of the civil service. Highlighting the importance of job security to employees, the Chairman considered that the Administration should promote the proposed revision to both the subvented and the private sectors.

Other proposals

18. Mr WONG Kwok-hing noted that prior to June 2000, new recruits to the civil service, irrespective of rank, were normally employed on probationary terms for two years before they were considered for appointment on permanent terms. He asked whether the above old system could be re-introduced SCS explained that the option had been considered but found undesirable on the ground that, over the past 11 years, it had been revealed that non-performers were normally weeded out during their first three years of service.

V Medical and dental benefits for civil service eligible persons

(LC Paper No. CB(1)1582/09-10(04) — Administration's paper on medical and dental benefits for serving civil servants, pensioners and eligible dependants

LC Paper No. CB(1)1556/09-10 — Background brief on medical and dental benefits for civil service eligible persons prepared by the Legislative Council Secretariat)

19. SCS briefed members on the salient points of the Administration's paper on the updated position of the provision of medical and dental benefits to civil service eligible persons (civil service medical benefits).

General comments on the improvements required

20. Mrs Regina IP requested the Administration to respond to demands for improvements to civil service medical benefits raised by civil servants. She further elaborated on these demands and relevant concerns as follows –

- (a) According to the relevant Civil Service Regulations (CSRs), where necessary civil servants would be allowed to go overseas to seek medical treatment which was not available in Hong Kong. However, a civil servant had complained that although he needed to seek treatment for liver cancer on the Mainland using Chinese medicine, he was notified by the Administration that the medical treatment and service he had received on the Mainland were not covered within the scope of civil service medical benefits;
- (b) Instead of reimbursing the medical expenses incurred by civil service eligible persons, the financial provision concerned should be used for direct payment of the expenses, preferably through separating the provision of civil service medical

benefits from the public healthcare system;

- (c) The Administration should provide the actual success rate of applications for reimbursement of medical expenses from civil service eligible persons among the 23 278 such applications processed for the first nine months of 2009-2010;
- (d) The replacement of paper-based eligibility checking for civil service eligible persons seeking treatment at Department of Health (DH) and Hospital Authority (HA) facilities by on-line eligibility checking system could serve little purpose; and
- (e) There had not been any improvement to the waiting time for medical services at HA and DH facilities, in particular that for diagnostic services.

21. SCS made the following points in response –

- (a) Regarding the case highlighted in paragraph 20(a) above, it should be noted that Chinese medicine was not included within the scope of civil service medical benefits. In any case, according to the relevant CSRs, the Director of Health might only authorize a civil servant or eligible members of his family to be sent abroad for medical treatment which was unobtainable in Hong Kong. In this case, it should be noted that HA could provide medical treatment for liver cancer;
- (b) To alleviate the financial burden on civil service eligible persons, CSB had been implementing the direct payment arrangement for certain medical items and treatment provided by HA. With the implementation of direct payment of cancer drugs in April 2009, around 63% of the reimbursement expenditure was covered by the direct payment arrangement in 2009-2010. CSB would continue to liaise with HA to extend the direct payment arrangement further;
- (c) There might be difficulty in separating the costs for the provision of civil service medical benefits and those for the provision of medical services to the general public because, since HA's establishment in 1990, the Government had been funding it through an annual lump sum provision for the provision of medical services to civil service eligible persons and to the public. Even if the costs could be separated, civil service eligible persons could continue to obtain medical services from HA in their capacity as members of the public;

- (d) The success rate of applications for reimbursement of medical expenses from civil service eligible persons was around 99%. A civil servant might apply for the reimbursement as long as the HA/DH doctor in charge of the case certified that the drugs/equipment/services concerned were prescribed in accordance with the medical necessity of the patient and were chargeable by HA or not available in HA/DH;
- (e) According to the feedback to the on-line eligibility checking system, the system had provided greater convenience and was particularly welcomed by retired civil servants and their eligible dependants because they, unlike serving civil servants, did not have easy access to the paper forms (i.e. GF. 181 and Try. 447); and
- (f) In recognition of the extended waiting time for diagnostic services, a new initiative as described in paragraph 11 of the Administration's paper for this item (LC Paper No. CB(1)1582/09-10(04)) had already been implemented in January 2010 to enhance the services. Under HA's triage system, specialist out-patient (SOP) clinics would also arrange the dates of medical appointment according to the urgency of the clinical conditions of new SOP patients. Moreover, dedicated clinic sessions for some specialist services for civil service eligible persons were available at Queen Elizabeth Hospital (L Block), and CSB was discussing with HA on expanding the service capacity.

22. Noting the response in paragraph 21(f) above, Dr LEUNG Ka-lau pointed out that due to the great demands for specialist or diagnostic services, in actual operation there was difficulty in giving priority to civil service eligible persons in the provision of these services.

Proposed improvements

Inclusion of Chinese medicine in the scope of civil service medical benefits

23. The Deputy Chairman questioned why Chinese medicine was not included in the scope of civil service medical benefits, considering that it had already become a part of Hong Kong's public healthcare system, and that the certification given by registered Chinese medicine practitioners was recognized for taking sick leave. The Chairman also recalled that a motion was passed at the Panel meeting on 16 March 2009 urging the Administration to include Chinese medicine in the scope of civil service medical benefits. Sharing their views, Mr IP Wai-ming expressed regret that notwithstanding the motion, no progress had been made in this regard.

24. SCS responded that Chinese medicine was outside the scope of civil service medical benefits as defined in the relevant CSRs, CSB Circulars and Circular Memoranda because the service provided by the Chinese medicine clinics (CMCs) under HA could not be regarded as a standard general outpatient service of HA. In fact, the CMCs were operated under a tripartite model in which HA collaborated with a non-governmental organization and a local university. The CMCs were research-oriented and operated on a self-financing basis. On the other hand, recognition of medical certificates issued by registered Chinese medicine practitioners for the grant of sick leave and maternity leave to Government employees and the arrangement for officers who had sustained injury on duty/occupational disease to claim reimbursement for medical expenses incurred for treatment given by registered Chinese medicine practitioners up to the statutory limit were statutory requirements under the Employment Ordinance (Cap. 57) and Employees' Compensation Ordinance (Cap. 282) respectively.

25. The Chairman enquired if Chinese medicine would be included in the scope of civil service medical benefits if CMCs were no longer operated on a self-financing basis. SCS responded that the Administration was closely monitoring developments in this regard and would review the matter if the nature and mode of service delivery of the CMCs were to be changed significantly in future. Mr IP Wai-ming, however, opined that whatever the mode of service delivery, the Government could simply reimburse the expenses concerned.

26. Highlighting the popularity of Chinese medicine not only in Hong Kong but also all over the world, the Deputy Chairman urged SCS to continue to pursue the inclusion of Chinese medicine in the scope of civil service medical benefits, so as to boost the development of Chinese medicine in Hong Kong.

Expansion of the scope of direct payment

27. The Deputy Chairman welcomed the implementation of the direct payment arrangement for certain medical items and treatment to save civil service eligible persons the trouble of applying for reimbursement. Noting that the arrangement only covered around 63% of the current reimbursement expenditure, he enquired why the arrangement could not be extended to the remaining 37%.

28. SCS responded that since there was a large number of hospitals and clinics under HA, substantial time and manpower resources were required to effect the modification of all computer systems to enable the direct payment arrangement to cover all reimbursement expenditures. As such, while the Administration would continue to liaise with HA to progressively extend the arrangement, priority had been given to cancer drugs first, as they were the

most expensive drug items and constituted a significant proportion of the self-financed drugs purchased from HA. SCS further explained that since HA was responsible for implementing the system development required, the Administration was not in the position to provide a definite timetable on expansion of the direct payment arrangement. Moreover, there would always be a small number of cases where the drugs required were not available in HA's pharmacies, and the civil service eligible persons concerned had to purchase the drugs from elsewhere themselves. These cases would not be covered by the direct payment arrangement.

Sharing of patient records

29. Highlighting complaints from some civil servants about the failure of interface between DH and HA in shared use of patient records, Mr IP Wai-ming enquired about the implementation progress of the "Electronic Patient Record Sharing Pilot Project". SCS responded that the Food and Health Bureau was following up the project, and was conducting a detailed study to ensure patient records could be shared among different service providers to provide greater convenience to patients without infringing on their privacy. The Chairman said that as far as HA and DH were concerned, he had heard that they had not yet succeeded in putting in place the electronic patient record sharing system. He requested information in this regard and, if the system was not yet established, the timetable for its implementation. In response, SCS agreed to provide the requisite information.

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Concerns about HA as the service provider

30. Dr LEUNG Ka-lau questioned the relationship between HA and the Government, in particular the reasons and justifications for the Government to shift to HA its responsibility, as the employer, to provide medical benefits to its employees, the civil servants. SCS responded that before HA's establishment in 1990, the Government had reached an understanding with the then Provisional HA for HA to provide medical services for the general public as well as civil service eligible persons with the annual lump sum provision given by the Administration to HA. The above arrangement was reaffirmed as an undertaking from HA in 1997, when a memorandum of understanding (MOU) on the provision of medical services for civil servants and their dependants by HA was signed between the Government and the then Chief Executive of HA. Dr LEUNG questioned the legal basis of the MOU because, as he understood, the Hospital Authority Ordinance (Cap. 113) did not empower HA or its Chief Executive to enter into such agreement. In response, SCS agreed to provide a written reply on the matter.

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31. Mrs Regina IP considered it necessary for the Administration to re-examine its relationship with HA, and explore the possibility of engaging service providers other than HA and DH to bring about genuine improvements

to the provision of civil service medical benefits. She said that the required improvements included classifying Chinese medicine as within the scope of civil service medical benefits, allowing civil service eligible persons to receive treatment in the Mainland, and meeting costs incurred by retired civil servants for using the service of residential care homes for the elderly. She further said that the increases in the relevant provisions did not necessarily mean improvements to civil service medical benefits. For example, while the service capacity of dental service would be increased by 6.1%, many dental surgeons were rather junior as complained by some civil servants. Similarly, although the service capacity of DH's families clinics would be increased by 40%, the number of doctors would only be increased from 20 to 28. As a result, civil service eligible persons would still have difficulty in securing appointment.

32. In response, SCS emphasized that with the increase in the service capacity of DH's families clinics by 40%, the service hours had in fact been increased. It was therefore justified to describe this and the increase in the service capacity of dental service as improvements, although these might not fully satisfy the demand. She further explained that according to the relevant CSRs, civil service eligible persons would be allowed to go abroad for treatment not available in Hong Kong only where necessary. The arrangement would not be made in response to the preference of the civil servants concerned. She further pointed out that as the meaning of "residential care homes for the elderly" was very broad, it would not be appropriate to allow reimbursement of costs incurred from using such services. Nevertheless, civil servants appointed before 1 June 2000 were entitled to continue to enjoy civil service medical benefits after retirement.

Provision of civil service medical benefits vis-a-vis the provision of welfare services for the public

33. Mr CHEUNG Man-kwong opined that although the Government as the employer of civil servants should improve their medical benefits, in doing so it should carefully maintain a balance between the provision of civil service medical benefits and the provision of medical services for the general public, lest there would be criticism that the use of public resources was tilted in favour of civil servants. In this regard, he expressed concern about the plan to significantly increase in 2010-2011 the provision for reimbursement of medical expenses to civil service eligible persons by 53% (i.e. some \$116 million), and in the provision for civil service medical benefits under DH's purview by 21.6% (i.e., some \$146 million), while only \$80 million had been allocated for enhancing primary dental services and oral health promotion programmes, and only \$280 million would be allocated for disbursement of subsidies for Internet access charges to needy families in the 2010-2011 school year. He opined that apart from taking into account the Government's financial capability when

considering improvements to civil service medical benefits, there was also a need to consider the long-term financial implications of the improvements.

34. SCS agreed with Mr CHEUNG Man-kwong on the need for balanced consideration and explained that in considering improvements to civil service medical benefits, due regard would be given to the cost-effectiveness as well as the financial implications of the relevant improvement proposals. She pointed out that Government as the employer was under a contractual obligation to provide stipulated medical benefits to eligible persons under the relevant employment contracts.

35. The Chairman said that to allow sufficient time for discussion, he would extend the meeting by 10 minutes.

36. The Deputy Chairman indicated support for efforts made to improve civil service medical benefits because these were in fact basic employee benefits that should be provided by every employer. He opined that the provision of civil service medical benefits should not be seen as competing with the general public for welfare resources. Mr IP Wai-ming shared his views, pointing out that the Administration should seek to improve the provision for medical services for the public rather than refraining from improving the provision of civil service medical benefits.

37. In order to facilitate monitoring of the funding allocated to HA specifically for the provision of civil service medical benefits and the real increase in the resources for the provision of public health services, the Chairman asked whether it was possible to separate these provisions made under the annual lump sum provision given by the Administration to HA into two accounts. He further opined that the increase of 53% in the provision for reimbursement of medical expenses could not be described as an improvement to the provision of civil service medical benefits because the increase was just the result of general increases in the cost of drugs.

38. In response, SCS explained that there was difficulty in separating the annual lump sum provision to HA into two accounts. She clarified that the provision for reimbursement of medical expenses for civil service eligible persons was provided from the operating expenditure envelop of CSB.

39. The Deputy Chairman also considered it necessary to separate the provision of civil service medical benefits from the public healthcare system, so as to avoid any misunderstanding that the former would use up the majority of the government subvention to HA. SCS responded that CSB had been exploring the feasibility of the option with the relevant bureau and HA's management. She added that while such efforts would continue, the task was daunting and the relevant details could not be worked out within a short period of time. The Chairman requested and SCS agreed to provide further

information in this regard when any progress was made.

Other concerns

40. In response to the Chairman, SCS confirmed that civil servants appointed on or after 1 June 2000 on new terms (and their eligible dependants) would cease to enjoy civil service medical benefits once they left the service. The above arrangement had been clearly explained to the concerned civil servants upon their joining the civil service.

VI Any other business

41. There being no other business, the meeting ended at 12:55 pm.

Council Business Division 1
Legislative Council Secretariat
18 June 2010