

**For discussion on
9 May 2011**

Legislative Council Panel on Welfare Services

**Proposed Injection into the Trust Fund for
Severe Acute Respiratory Syndrome (SARS)**

Purpose

This paper seeks Members' support for the Administration's proposal to inject \$50 million into the Trust Fund for SARS (the Trust Fund) to provide continued financial assistance to incumbent recipients who have not yet recovered from SARS-related dysfunctions.

Background

2. The Finance Committee (FC) approved the establishment of the Trust Fund with a commitment of \$150 million in 2003 vide FCR (2003-04) 44 to provide special ex-gratia financial assistance on compassionate grounds to families of deceased SARS patients, recovered and suspected SARS patients¹, subject to proof of medical and financial needs. FC approved in January 2007 vide Paper No. FCR (2006-07)34 a further injection of \$50 million into the Trust Fund to continue to provide ex-gratia financial assistance to the target recipients.

3. Specifically, the Trust Fund provides –

- (a) special one-off ex-gratia relief payments for eligible family members of the deceased SARS patients; and
- (b) special monthly ex-gratia 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 bodily dysfunctions, subject to proof of medical and financial needs.

4. To be eligible for the ex-gratia financial assistance, recovered or suspected SARS patients must have some degree of SARS-related dysfunctions, which mainly include bone abnormality (namely avascular

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.

necrosis), pulmonary dysfunction, physical dysfunction and psychological dysfunction. The assistance is made up of the following two components –

- (a) monthly financial assistance (MFA), having regard to (i) the income loss/reduction of the recovered/suspected 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) 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 rates³ of the Hospital Authority (HA).

5. Ex-gratia financial assistance to recovered and suspected SARS patients is subject to medical proof and financial need assessment. At present, the frequency of medical assessments is determined by the HA professionals on the basis of the health conditions of individual recipients. The frequency of financial review by the Social Welfare Department (SWD) ties in with that of the medical assessment conducted by HA.

6. Two committees comprising non-officials as Chairman and members, 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 assistance under the Trust Fund.

Latest Position of the Trust Fund

7. Special one-off ex-gratia payments were approved for families of 185 deceased SARS patients under the Trust Fund. In accordance with the criteria approved by FC, no financial eligibility test was conducted on the recipients. As for recovered or suspected SARS patients with dysfunctions, monthly assistance was approved for a total of 637 individuals. So far, 490 persons, i.e. about 77%, have ceased to receive financial assistance from the Trust Fund. As at mid-April 2011, 147 persons are receiving assistance from the Trust Fund. Of these 147 persons, 59% (87) are receiving MEA

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.

from the Trust Fund while the remaining 41% (60) are receiving both MEA and MFA.

8. In sum, a total of 890 applications for Trust Fund assistance have been approved, involving 822 patients at \$187 million. Of these, 253 applications relate to the deceased SARS patients, with an approved amount of \$82 million. The other 637 applications relate to recovered or suspected patients and the amount of ex-gratia payment involved so far is \$105 million. The Trust Fund now has a balance of about \$20 million⁴.

Proposed Injection of Funding

9. To demonstrate the Government's commitment to support those patients who have not yet recovered from the SARS-related dysfunctions and are still in need of assistance from the Trust Fund, we propose to inject \$50 million into the Trust Fund to sustain its operation to continue to provide financial assistance to these patients. The provision of continued assistance under the Trust Fund will help the needy recipients to meet their medical and living expenses pending recovery.

10. The Trust Fund has been operating smoothly since its establishment. All the existing arrangements under the Trust Fund, including the requirement of periodic financial reviews and medical assessments for the beneficiaries and the types of assistance available to them etc., will remain the same after the proposed injection. We will keep under review the health conditions of the recipients and the operation of the Trust Fund with the assistance of HA and SWD.

Financial Implications

11. A one-off injection of \$50 million into the Trust Fund will be required in 2011-12 for the proposal. FC's approval is necessary to increase the existing commitment of Item 530 the Trust Fund for Severe Acute Respiratory Syndrome under Head 170 Social Welfare Department Subhead 700 General non-recurrent from \$200 million by \$50 million to \$250 million. As in the past, the costs for administering the Trust Fund will be absorbed by the existing resources of SWD.

Way Forward

12. Subject to Members' views, we will, before the end of the current Legislative Council session, seek FC's approval for an increase in the

⁴ The balance also includes other kinds of income generated from the interests of the saving account and the repayment from the recipients of the Trust Fund after they succeeded in claiming the common law damages.

commitment for the Trust Fund as mentioned in paragraph 11 above.

Advice Sought

13. Members are invited to note and comment on the proposed injection into the Trust Fund.

**Labour and Welfare Bureau
April 2011**