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Panel on Welfare Services

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 9 May 2011**

Trust Fund for Severe Acute Respiratory Syndrome

Purpose

This paper provides information on Members' deliberations on the operation of the Trust Fund for Severe Acute Respiratory Syndrome ("the Trust Fund") and related matters.

Background

2. The Finance Committee ("FC") approved the creation of a new commitment of \$150 million for the setting up of the Trust Fund on 7 November 2003 to -

- (a) provide one-off ex-gratia relief payments for eligible surviving family members of the deceased Severe Acute Respiratory Syndrome ("SARS") patients. Special ex-gratia relief payments are made to their families with surviving spouse (\$200,000), dependent children (\$500,000 each for those under 18, and \$300,000 each for those between 18 and below 21 in full-time studies), dependent parents (\$300,000 for each dependent parent); and those not falling into the above category (\$100,000 for each family). No financial eligibility test is imposed; and

- (b) provide monthly ex-gratia financial assistance for eligible recovered or "suspected" SARS patients¹ treated with steroids suffering from longer term effects attributable to SARS (including the effects of medication received for the treatment off SARS, if any), which may result in some degree of bodily dysfunction, subject to medical proof and financial needs.

Assistance under the Trust Fund to recovered or "suspected" SARS patients include the monthly financial assistance² and the monthly medical assistance³. The total cumulative financial assistance is capped at \$500,000 for each such patient, and the exact level is determined by the Committee on Trust Fund for SARS ("the Committee") on a case-by-case basis. Assistance is subject to medical re-assessment every six months for monitoring the progress of the patients' health conditions and their financial needs where appropriate. Financial assistance will only continue if the medical need remains and the asset value remains below the prescribed limits.

3. The Committee, chaired by a non-official and comprising a mix of non-official and official members, was established on 8 November 2003 to advise the Administration on the detailed eligibility criteria and assessment of individual applications.

4. Applications are processed by the Social Welfare Department and the Hospital Authority ("HA") before submission to the Committee for making recommendations to the Trustee, i.e. the Director of Social Welfare, for final decision. Applicants who are not satisfied with the recommendation may apply to the Review Committee on Trust Fund for SARS for review.

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.

² Monthly financial assistance is determined having regard to the loss or reduction in the income of these patients, by reference to the prevailing Median Monthly Domestic Household Income for a family with a similar number of members who are solely dependent on the patient in question, and taking into account any justifiable special needs determined by the Committee on a case-by-case basis. Only the assets of the applicants will be taken into account in the calculation of their asset amount (i.e. assets of their family members are excluded from the calculation).

³ Medical expenditure includes in-patient and out-patient services in public hospitals/clinics, drugs (including Chinese medicine), essential medical/rehabilitation equipment and treatment, as well as any other special exceptional medical expenditure to be approved by the Committee on a discretionary basis. The amount is net of claims for the same purpose covered by other sources, for instance, by employers or medical insurance.

Major views in past discussions

Commitment of the Trust Fund

5. During the discussion on the creation of a new commitment of \$150 million for the setting up of the Trust Fund at the joint meeting of the Panel on Health Services ("HS Panel") and the Panel on Welfare Services ("WS Panel") on 29 October 2003, members expressed concern as to whether earmarking some \$70 million for the recovered SARS patients and the "suspected" SARS patients treated with steroids was adequate to cover all such patients.

6. The Administration responded that in the event that eligible applicants failed to receive the financial assistance due to a shortfall of the Trust Fund, additional funding from FC could be sought. Since dosages of steroids prescribed for "suspected" SARS patients were small and ceased soon after they were confirmed as non-SARS cases, it was expected that not many of these patients would suffer longer-term effects attributable to the SARS-related treatment.

7. At the joint meeting of WS Panel, HS Panel and the Panel on Manpower ("the joint meeting") held on 9 March 2006, members noted that a total of 632 applications for special ex-gratia financial assistance from eligible SARS patients suffering from dysfunction had been approved under the Trust Fund since its establishment in November 2003. Noting that the Trust Fund would soon be exhausted as the balance had dropped from the original provision of \$150 million to \$23 million, and 290 SARS patients and their families were still relying on it, members took the view that additional funds should be injected into the Trust Fund to provide long-term support to the SARS patients.

8. At the WS Panel meeting on 8 January 2007, members were advised that since the establishment of the Trust Fund, one-off ex-gratia payments had been provided to families of 185 deceased SARS patients. As to recovered or "suspected" SARS patients with dysfunction, monthly assistance had been provided to 634 individuals, and 233 persons were receiving assistance from the Trust Fund. Given that the Fund had a balance of \$15 million only, the Administration proposed to increase the commitment by \$50 million to top up the Trust Fund, which would be sufficient to provide continued financial assistance to the beneficiaries under the Trust Fund in the coming three years. Members expressed support for the funding proposal. FC approved the funding proposal at its meeting on 26 January 2007.

Level of assistance for recovered and "suspected" SARS patients

9. At the meeting of the WS Panel held on 13 December 2004, members asked whether the Administration would consider raising the \$500,000 ceiling for special ex-gratia financial assistance, as well as the \$1,000 and \$500 monthly assistance ceilings for dietary supplements and transportation respectively for the recovered and the "suspected" SARS patients treated with steroid.

10. The Administration advised that it had no plan to raise the ceiling of special ex-gratia financial assistance for these two groups of patients. The amount of special ex-gratia financial assistance received by over 90% of the eligible patients was much less than the \$500,000 ceiling, which demonstrated that their needs should be met by the existing ceiling. Moreover, HA would also introduce in February 2005 a new measure to provide long-term free medical care to all patients with problems relating to SARS.

11. The Administration also advised that it had no plan to raise the monthly assistance ceilings for dietary supplements and transportation, at \$1,000 and \$500 respectively, for these two groups of patients. The ceilings were made by the Committee after considering the actual claims made by the first 220 applicants. The actual claims made by the applicants varied widely, and an analysis made in June 2004 revealed that the ceilings should be able to satisfy the needs of most patients. However, in response to the requests of some of the patients, the Committee had decided to raise the monthly ceiling for transportation to \$750 under special justifiable circumstances. The Administration would continue to monitor the situation to see whether the ceiling of \$750 was adequate to meet the patient's expenditure for travelling to and from hospitals/clinics.

12. At the joint meeting held on 9 March 2006, members noted that 290 patients were still receiving assistance, and the Trust Fund had ceased to provide assistance to nine patients because the total cumulative financial assistance received by them had reached the \$500,000 ceiling, and that five patients had already received more than \$400,000 special ex-gratia financial assistance from the Trust Fund. Members reiterated their proposal to relax the ceiling on special ex-gratia financial assistance to each recovered and "suspected" SARS patient so that the patients concerned could continue to receive financial assistance until they had recovered fully.

13. The Administration reiterated that capping the special ex-gratia financial assistance at \$500,000 was on the assumption that many of the patients would gradually recover and no longer need the assistance. The Administration envisaged that the Trust Fund could remain in place for one to two more years. It had no plan to raise the \$500,000 ceiling, but injection of additional funding would be considered separately if required.

14. Members considered that the Administration's responses had fallen short of addressing the needs of the SARS patients and their families. To enable Members and the relevant public officers to consider the proposals put forward at the joint meeting for providing assistance to patients of SARS and their families, the three Panels agreed that they should seek the agreement of the House Committee for the allocation of a debate slot to the Chairman of the joint meeting to move a motion on the subject for debate at a Council meeting. The approval of the House Committee for the priority allocation of a debate slot was obtained on 21 April 2006. The motion on the Trust Fund was carried at the Council meeting of 17 May 2006.

15. Members were subsequently advised at the meeting of the WS Panel on 8 January 2007 of the Administration's proposal to adjust the criteria for the Trust Fund, which included, among others, to provide continued ex-gratia financial assistance to the recovered and "suspected" SARS patients upon their reaching the accumulative assistance ceiling of \$500,000. According to the Administration, there were 13 cases which had reached the accumulative assistance ceiling of \$500,000, and about 63 more patients would gradually reach the ceiling. The Administration considered that there was a need to provide continued assistance to these patients, give them more time to recover from their dysfunctions, rehabilitate, and where appropriate be retrained for jobs that might be different from their pre-SARS employment. The proposed extension of assistance to those who had reached the accumulative ceiling was in line 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. The Administration also proposed backdating the Trust Fund payments to those SARS patients who had reached the \$500,000 ceiling.

16. While supporting the Administration's proposal, some members criticised the Administration for submitting the proposal only after some Trust Fund beneficiaries were no longer entitled to receive the financial assistance under the Trust Fund. The Administration stressed its commitment to provide tide-over assistance to SARS patients pending their

recovery from the dysfunctions. Apart from seeking the approval of FC to increase the commitment of the Trust Fund, the Administration had also adjusted the criteria for the Trust Fund to address the needs of those who had reached or would reach the assistance ceiling under the Trust Fund by making retrospective payments and adjusting the frequency of medical assessment and financial reviews. These aspects were not covered by the motion passed by the Legislative Council ("LegCo") on 17 May 2006.

17. At the request of the WS Panel, the Administration provided the Panel with the fourth progress report on the Trust Fund in July 2008. According to the Administration, as at end of May 2008, a total of 41 Trust Fund recipients had continued to receive financial assistance beyond \$500,000 after removing the ceiling.

Eligibility criteria for the Trust Fund

18. During the discussions of the WS Panel on the third progress report on the Trust Fund on 13 December 2004 and 10 January 2005, members raised concern that the Committee placed too much emphasis on whether the applicants had been relying on the deceased for financial support and ignored the actual situation of the family of the deceased. For instance, although the deceased SARS patients had not contributed towards their families in monetary term before their death, the fact that they had helped to take care of young children in the families should be recognised. Another situation in point was that surviving parents of the deceased SARS patients were refused ex-gratia payment because they could not provide proof that their deceased children had supported them financially before their death.

19. The Administration replied that as the Committee was managing a public fund, it needed to draw up guidelines for approving applications having regard to the broad criteria endorsed by FC. Despite such criteria, the Committee was mindful that there might be deserving cases which did not meet the stipulated criteria fully. Having regard to the ex-gratia nature of the Trust Fund, the Committee would take into account all the relevant circumstances of individual cases and exercise discretion as appropriate in areas where the Committee was given such authority.

20. The Administration assured members that the extent to which the families had relied on the deceased for financial support was an important but not the sole determining factor in granting special ex-gratia payments. Although surviving parents of deceased SARS patients were required to provide proof that their deceased children had supported them financially

before their death, the Committee had often exercised discretion to waive such a requirement.

21. At the joint meeting held on 9 March 2006, members expressed concern that the Administration was too stringent in giving out special ex-gratia relief payments. Members proposed that families of deceased "suspected" SARS patients should also be eligible for such payments as they also suffered loss of their family members as a result of SARS. Moreover, such payments should be granted to families with deceased elderly SARS patients irrespective of whether the affected families had been relying on the deceased for financial support. The Administration advised that there were cases where families of such patients had been given special ex-gratia relief payments.

22. At the meeting of the WS Panel held on 8 January 2007, members were advised that the Administration proposed to relax the frequency of mandatory medical assessments of the Trust Fund beneficiaries from every six months to the appropriate frequency as decided by the medical professionals in the HA on the basis of the health conditions of individual patients. The frequency of financial reviews would be adjusted accordingly. Members considered that the proposal would help allay concerns of the patients over the uncertainty of continual assistance.

Closure of new applications for the Trust Fund

23. Members noted that new applications for the Trust Fund ceased to be accepted as from 1 January 2006, unless HA had medical indication that the potential applicant was likely to be suffering from SARS-related dysfunction.

Longer term arrangement for the Trust Fund

24. According to the Administration, it would review the situation of all Trust Fund beneficiaries and decide by the end of 2009 the need for a more permanent scheme outside the Comprehensive Social Security Assistance Scheme to cater for the needs of those who were assessed by the HA to be suffering from permanent dysfunctions.

25. Concern was raised as to whether the health conditions of the SARS patients would stabilize by 2009, given that SARS was a new disease. The Administration explained that according to HA's advice, most of the complications arising from serious illness should surface within five to six years after the patients' discharge from the hospitals. As such, it was

envisaged that the health conditions of the SARS patients should stabilize in another three years' time, towards end of 2009. The Administration believed that it would have more reliable data then to decide if there should be longer term arrangements for patients who suffered from permanent dysfunctions. The Administration had not formed a view on the longer term arrangements.

Relevant papers

26. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
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**Relevant papers on
Trust Fund for Severe Acute Respiratory Syndrome**

Committee	Date of meeting	Paper
Panel on Health Services Panel on Welfare Services	29 October 2003 (Item II)	<u>Agenda</u> <u>Minutes</u>
Finance Committee	7 November 2003 (Item 1)	<u>Agenda</u> <u>Minutes</u>
Panel on Welfare Services	13 December 2004 (Item IV)	<u>Agenda</u> <u>Minutes</u>
Panel on Welfare Services	10 January 2005 (Item VIII)	<u>Agenda</u> <u>Minutes</u>
Panel on Welfare Services Panel on Health Services Panel on Manpower	9 March 2006 (Item II)	<u>Agenda</u> <u>Minutes</u> <u>CB(2)2398/05-06(01)</u>
House Committee	21 April 2006 (Item VIII)	<u>Agenda</u> <u>Minutes</u>
Legislative Council	17 May 2006	<u>Official Record of</u> <u>Proceedings Pages 196 -</u> <u>242 (Motion)</u>
Panel on Welfare Services	8 January 2007 (Item V)	<u>Agenda</u> <u>Minutes</u> <u>CB(2)1356/06-07(01)</u> <u>CB(2)2637/07-08(01)</u>
Finance Committee	26 January 2007 (Item 2)	<u>Agenda</u> <u>Minutes</u>