

立法會
Legislative Council

LC Paper No. FC189/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

Minutes of the 16th meeting
held in Conference Room 1 of the Legislative Council Complex
on Friday, 1 June 2012, at 4:00 pm

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Dr Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yeet, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH

Dr Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN
Hon WONG Yuk-man

Members absent:

Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon LEE Wing-tat
Hon Albert CHAN Wai-yip

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Annette LEE Lai-ye, JP	Deputy Secretary for Transport and Housing (Housing)
Mr Tony LIU King-leung	Assistant Director of Housing (Estate Management) 3
Mr FUNG Pak-yan, JP	Deputy Director of Social Welfare (Administration)
Mr CHAN Wing-hoi	Chief Social Security Officer (Social Security) 2 Social Welfare Department
Ms Shirley LAU, JP	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (H)
Miss Janice TSE, JP	Deputy Secretary for Food and Health (Health) 1
Mr LEE Yau-kwong	Principal Executive Officer (Health), Food and Health Bureau
Dr Emily LEUNG	Assistant Director of Health (Special Health Services)
Mr CHENG Kit-man	Senior Physicist in Charge, Department of Health
Dr York CHOW Yat-ngok, GBS, JP	Secretary for Food and Health
Mr Richard YUEN, JP	Permanent Secretary for Food and Health (Health)
Dr CHEUNG Wai-lun, JP	Director (Cluster Services), Hospital Authority
Ms Ivis CHUNG	Chief Manager (Allied Health), Hospital Authority

Clerk in attendance:

Mr Andy LAU	Assistant Secretary General 1
-------------	-------------------------------

Staff in attendance:

Ms Anita SIT	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)8

Item No. 1 - FCR(2012-13)30

HEAD 62 – HOUSING DEPARTMENT

Subhead 700 General non-recurrent

New Item "Special rent payment for public housing tenants"

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

New Item "Additional provision for social security recipients"

HEAD 147 – GOVERNMENT SECRETARIAT : FINANCIAL SERVICES AND THE TREASURY BUREAU (THE TREASURY BRANCH)

Subhead 700 General non-recurrent

Item 881 Electricity charges subsidy for eligible residential accounts

The Chairman advised that the item sought the Committee's approval for -

- (a) a new commitment of \$1,900 million under Head 62 Housing Department Subhead 700 General non-recurrent for the provision of two months' rent for tenants / licencees living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society;
- (b) a new commitment of \$2,079 million under Head 170 Social Welfare Department Subhead 700 General non-recurrent for the provision of an extra allowance to Comprehensive Social Security Assistance (CSSA) recipients equal to one month of the CSSA standard rates, and an extra allowance to Old Age Allowance (OAA) and Disability Allowance (DA) recipients equal to one month of the allowances; and
- (c) an increase in commitment by \$4,500 million under Head 147 Government Secretariat : Financial Services and the Treasury

Action

Bureau (The Treasury Bureau) Subhead 700 General non-recurrent for the provision of electricity charges subsidy for eligible residential households.

2. Mr CHEUNG Kwok-che, Chairman of the Panel on Welfare Services, reported that the Panel on Welfare Services had discussed the proposal on the provision of an extra allowance to CSSA, OAA and DA recipients at its meeting on 12 April 2012. Panel members supported the proposal. Mr CHAN Kam-lam, Chairman of the Panel on Financial Services, said that the Panel on Financial Affairs discussed the proposal on electricity charges subsidy at the meeting on 21 May 2012. Panel members supported the proposal in principle.

Additional one-off social security payment

3. Notwithstanding that the Administration had been providing additional one-off payments to CSSA recipients over the past few years, Mr LEE Cheuk-yan commented that the Administration should also review the adequacy of the CSSA payments for meeting the basic needs of the recipients. Mr LEE said that the purchasing power of the CSSA payments had been eroded by inflation. Although the one-off handouts might offer temporary relief to low income families, the long-term solution lied on a thorough overhaul of the CSSA Scheme. The basis of the Scheme which determined its payment rates had not been revised since 1996, and the current payments did not reflect the actual cost of living of the recipients. The statistics, on which revisions to CSSA were based, lagged behind the latest inflation trend and the actual CSSA payments could not keep pace with inflation.

4. Deputy Director of Social Welfare (Administration) (DDSW(Adm)) advised that, subject to funding approval of FC and taking into account the lead time required for the adjustment of the Social Welfare Department's computer system, the additional payment could be disbursed in early July. The rates of CSSA, OAA and DA were adjusted annually by reference to movements of the Social Security Assistance Index of Prices (SSAIP), and the Administration would also update the weightings of various components used to determine the SSAIP every five years on the basis of the findings of the Household Expenditure Survey (HES) on CSSA Households. Rates of social security payments were reviewed with reference to the data up to October each year and new rates would take effect in February of the following year. The CSSA, OAA and DA rates had been increased by 5.2% in February 2012; and a similar adjustment exercise would be initiated later this year.

5. In response to Mr LEUNG Yiu-chung's enquiry, DDSW(Adm) advised that the last HES on CSSA Households was completed in 2011.

Preparation work for conducting the next HES on CSSA households was underway. The five-year interval was appropriate taking into consideration the time required for making preparation, taking samples, collecting data, analysing data and compiling report, etc.; and the part on data collection alone would take a full year to complete already so as to take into account the seasonal fluctuations in prices during the year. The Chairman asked members to follow up the matter with DDSW(Adm) at the relevant Panel.

6. Mr LEE Cheuk-yan suggested that the Administration should reinstate the previous inflation forecast methodology of adjusting the CSSA payment rates based on a projected rate of inflation. DDSW(Adm) explained that adjustment of the CSSA standard payment rates based on the forecast-inflation method was used before but was found to be not desirable. In the event of a significant over-estimation, it would be difficult for CSSA recipients to accept a corresponding rate of downward adjustment to make up for the over-adjustment in the preceding year.

7. Mr LEE Cheuk-yan said that the Administration would at most incur extra expenditure in the event of an over-adjustment, which would provide additional benefit to low income people. On the other hand, CSSA recipients would suffer the full blunt of inflation if the CSSA payments could not reflect prevailing inflation trend due to time-lagged price data. He commented that, on weighing the two evils, he would rather see an over-adjustment in CSSA. DDSW(Adm) responded that if there was a sharp increase in overall price levels, the Administration would consider to seek approval from FC for adjusting the CSSA standard payment rates during the year, prior to its annual review cycle. For example, FC approved in June 2008 to increase the CSSA standard payment rates by 4.4% with effect from 1 August of the year.

8. Mr LEUNG Yiu-chung commented that the 5.2% increase in CSSA rates was inadequate to catch up with the rapidly rising price levels. He suggested that, rather than introducing one-off relief measures each year, the Administration should spread out the additional one-off CSSA payment over a year and add to recipients' monthly entitlement. This would have the effect of increasing the base rate of CSSA so that recipients would benefit more from subsequent increases in CSSA rate.

9. Mr IP Wai-ming said that CSSA recipients living in private accommodation were facing sharp increases in rent. He asked if the Administration would increase the amount of rent allowance for these recipients. Mr IP expected that the rents of private accommodation would likely increase following the rent increase in public rental housing (PRH). The adjustment of

Action

CSSA payment by some 5% was not sufficient for recipients to cover the increases in rent. He asked whether the review and implementation of annual CSSA adjustment could be advanced.

10. DDSW(Adm) said that maximum levels of rent allowance (MRA) were adjusted annually with reference to the movement of the Consumer Price Index (A) (CPI(A)) rent index for private housing (the rent index), and were reviewed in tandem with other CSSA components at the same time. DDSW(Adm) added that MRA had been frozen during a period of economic downturn and had not been adjusted downward despite continuous decrease in the CPI(A) rent index. As a result, MRA had not been adjusted upwards until February this year when the increase in the levels of rent had caught up with the rent index and registered a 5.7% room of increase. The Administration would closely monitor the position of the CPI(A) rent index and adjust MRA in accordance with the prevailing mechanism.

11. In response to Mr IP Wai-ming's enquiry, DDSW(Adm) said that in more than 80% of CSSA cases, recipients were able to pay their rents within the MRA, and recipients of 98% of those CSSA cases living in public housing estates were able to meet the rental expenses within MRA. CSSA recipients who opted to live in larger (and hence more expensive) accommodation than their MRA could cover had to find other means to make up the rental difference.

Two months' rent payment for Housing Authority and Housing Society tenants / licencees

12. Mr LEE Cheuk-yan said that despite the proposed two months' rent payment, PRH rents had increased, and this would broaden the base factor and the magnitude of future rent increases. Mr LEUNG Yiu-chung raised a similar concern. Mr LEE suggested that the Housing Authority should consider a host of objective factors such as tenants' affordability, inflation and the overall cost of living of the population in determining the levels of rent.

13. Deputy Secretary for Transport and Housing (Housing) (DS(Housing)) said that rents of PRH were adjusted in accordance with the Housing Ordinance (Cap. 283). The Housing Authority had agreed to share the burden of its tenants in the light of the current economic climate and inflationary pressure by granting a rent waiver of one month to all PRH tenants. The one-month's rent relief would offset about half of the effect of the rent increase in a two-year period. DS(Housing) said that this measure was introduced to provide financial relief to tenants while ensuring effective use of public resources.

14. Mr WONG Kwok-hing asked if the proposed two months' rent payment would be effected for July and August 2012 if the funding application was approved, and whether the Housing Authority's additional rent waiver would be granted for the month of September 2012. Mr WONG commented that the rent adjustment mechanism did not function as desired; otherwise the Housing Authority would not need to grant the rent waiver to reduce the impact of the rent increase.

15. DS(Housing) confirmed that, subject to FC's funding approval, the Administration would provide the rental payment to the Housing Authority and Housing Society for the months of July and August 2012. She added that, subject to the approval of the Housing Authority's Subsidised Housing Committee, the additional month of rental waiver to PRH tenants under the Housing Authority would apply to the month of September 2012. The necessary financial implications would be absorbed by the Housing Authority, and separate approval from FC was not necessary to implement the rental waiver. In response to Mr LEUNG Yiu-chung's enquiry, DS(Housing) confirmed that the financial implication of \$1.9 billion for payment of two months' rent was calculated on the basis of the rent levels prior to the rent adjustment.

16. Mr LEE Cheuk-yan opined that the current PRH rent adjustment mechanism should be abolished and a thorough review should be undertaken. Mr WONG Kwok-hing asked whether the Administration would review, or undertake to review, the rent adjustment mechanism at the earliest opportunity after the Fifth Legislative Council (LegCo) commenced. Mr IP Wai-ming remarked that the Hong Kong Federation of Trade Union objected to the current rent adjustment mechanism and considered that it should be reviewed taking into account tenants' affordability and other relevant factors.

17. DS(Housing) said that the relevant policy had been drawn up after thorough discussions by a dedicated committee established under the Housing Authority and LegCo. It would be up to the Housing Authority to consider whether a review should be conducted. DS(Housing) undertook to reflect members' views to the Housing Authority.

18. Mr LEE Cheuk-yan and Mr LEUNG Yiu-chung commented that the Administration should not simply reflect members' views to HA, but to take more active steps to trigger a review. Mr IP Wai-ming suggested that the Housing Authority should suitably reduce the level of rent increase and the Administration should reflect members' views to the Housing Authority.

Action

19. The Chairman put the item to vote. The Committee approved the funding proposal.

Item No. 2 - FCR(2012-13)31

HEAD 37 – DEPARTMENT OF HEALTH

Subhead 603 Plant, vehicles and equipment

New item "Replacement of a thermoluminescent dosimetry system"

New item "Replacement of a standard radiological dosimetry calibration facility"

20. The Chairman advised that the item sought the Committee's approval for a new commitment of \$22 million for replacing a Thermoluminescent Dosimetry System, and a new commitment of \$15.5 million for replacing a Standard Radiological Dosimetry Calibration Facility in the Department of Health.

21. Dr LEUNG Ka-lau, Chairman of the Panel on Health Services, reported that the proposal had been discussed at the meeting of the Panel on Health Services held on 14 May 2012. Panel members were concerned whether the proposed replacement systems and facilities were compatible with international standards. As the facilities were important for the protection of personnel engaged in work involving exposure to ionizing radiation, the Panel supported the funding proposal.

22. The Chairman put the item to vote. The Committee approved the funding proposal.

Item No. 3 - FCR(2012-13)32

HEAD 140 – GOVERNMENT SECRETARIAT :

FOOD AND HEALTH BUREAU (HEALTH BRANCH)

Subhead 700 General non-recurrent

New Item "Grant to the Samaritan Fund"

23. The Chairman advised that the item sought the Committee's approval for an additional commitment of \$10 billion for the Samaritan Fund.

24. Dr LEUNG Ka-lau, Chairman of the Panel on Health Services, reported that the Panel on Health Services had discussed the proposal on 16 April 2012. Panel members generally supported the funding proposal. Panel members discussed several issues, including –

- (a) relaxation of the assessment criteria for drug subsidies under the Samaritan Fund;
- (b) incorporation of more self-financed drugs with proven effectiveness and less side effects (especially target therapy drugs for treating cancers) within the scope of subsidy under the Samaritan Fund;
- (c) allowing the Samaritan Fund to make investments and applying the investment returns to sustain the Fund's operations; and
- (d) the need to conduct a comprehensive review of the Samaritan Fund, particularly the need to enhance its transparency and to establish a consultation mechanism with patient groups.

Panel members urged the Administration to consider allowing patients who were living with family members to apply for subsidy under the Samaritan Fund on individual basis, and to ensure that drugs of proven safety and efficacy would be provided at standard fees in public hospitals and clinics, rather than being classified as self-financed drugs covered by the Fund. Panel members had also expressed concern about the gradual reduction of donation to the Fund from charitable organizations.

Further expansion of the Hospital Authority's Drug Formulary

25. Mr CHEUNG Man-kwong said Members belonging to the Democratic Party strongly supported the funding proposal. They considered that the proposal would address the needs of many families, particularly middle class families, in meeting the high cost of medication. He commended the Administration for implementing the proposal within the current term of the Government. He asked if the Administration would further expedite the process of introducing new drugs into the Hospital Authority's Drug Formulary so that more patients could benefit.

26. Secretary for Food and Health (SFH) said that the drug list in the Hospital Authority Drug Formulary was regularly reviewed under an established mechanism, where new drugs were appraised and existing drugs in the Drug Formulary were periodically reviewed. Regular meetings were held and more meetings could be arranged if there were urgent needs to consider new items to be added to the Drug Formulary. SFH stressed that the review process must be evidence-based.

Action

27. Mr Albert HO expressed concern that the Administration would tighten the criteria for adding new drugs into the Hospital Authority Drug Formulary. He was also concerned whether the Administration would only add drugs that were less costly but had more side effects to the Drug Formulary; patients who wished to use better quality but more expensive drugs would have to seek financial subsidy from the Samaritan Fund.

28. SFH stressed that the decisions on what drugs should be included in the Drug Formulary would be evidence-based and were guided by expert committees formed to advise on the selection of drugs for individual specialties. Director (Cluster Service), Hospital Authority (D(CS), HA) said that the Hospital Authority would consider the principles of efficacy, safety and cost-effectiveness, as well as other relevant factors, including international recommendations and practices, impacts on healthcare costs and views of professionals, etc. He said that the Hospital Authority had sought separate funding from the Government to expand the Drug Formulary, and over the past three years, an average of \$200 million additional recurrent funding had been provided to the Hospital Authority annually for this purpose.

29. In response to Mr Albert HO's enquiry on whether the Administration would further expand the scope of the Samaritan Fund to cover special medical equipment, D(CS), HA explained that the Samaritan Fund would provide financial assistance on privately purchased medical items or technologies in the course of medical treatment which were not covered in hospital maintenance fees or outpatient consultation fees in public hospitals or clinics.

30. Mr Albert HO said that he hoped the Administration would maintain the current policy and the level of funding support on the Drug Formulary and the Samaritan Fund.

31. Dr LEUNG Ka-lau said that he had reservation about the funding proposal as he considered that many of the middle class patients could not benefit from the Samaritan Fund. He suggested that the proposed \$10 billion injection should instead be used to expand the Hospital Authority's Drug Formulary as this would help more patients. Mr LEE Cheuk-yan and Mr LEUNG Yiu-chung expressed a similar view. Mr LEE said that he did not favour the funding proposal, and considered that the funding proposal was a mismatch of resources.

32. Ms Cyd HO commented that under the current assessment criteria and financial test, the Samaritan Fund could only help very few people. While she did not object to the proposal of providing \$10 billion to subsidize patients

Action

in meeting the cost of medication and self-financed medical services, the resources would be more gainfully deployed by allocating them to the Hospital Authority to expand the Drug Formulary so that more patients, regardless of whether they were middle class or grassroots patients, would benefit.

33. SFH responded that, by reference to the present FC paper and papers presented to the Panel on Health Services on the present proposal, the proposed revised financial assessment criteria for drug subsidies under the Samaritan Fund would allow more middle class patients to be benefited. The Administration separately provided recurrent funding to finance and enhance the operation of the Drug Formulary. Over the past five years, some \$1 billion additional funding had been provided through the one-line vote system. The Hospital Authority could also reprioritize its own resources, or to seek new recurrent funding to improve the Drug Formulary if necessary. D(CS), HA supplemented that there was a regular mechanism to include drugs supported under the Samaritan Fund to the Drug Formulary. Under the mechanism, so far, drugs for seven clinical indications had been repositioned from the self-financed drugs covered by Samaritan Fund to Special Drugs in the Drug Formulary. In response to Mr LEE Cheuk-yan's enquiry, D(CS), HA said that the expert panels could also take the initiative to recommend new drugs to be included in the Drug Formulary.

34. Ms Cyd HO commented that the Administration should take the initiative to provide more resources for the Hospital Authority to expand the Drug Formulary rather than relying on the Hospital Authority to re-allocate resources from among its services.

35. Mr TAM Yiu-chung said that similar discussion had been held in the relevant committee under the Community Care Fund. He commented that the expert panels were too rigid in recommending new drugs to be added to the Drug Formulary. In some cases, the Hospital Authority did not add into the Drug Formulary those drugs that doctors had found to be effective in reducing discomforts of patients, or in extending their lives. The patients had to continue to pay for the prescription at their own cost. Many patients needed financial assistance to pay for the medication, and community dissatisfaction would increase if the Administration refused to offer support. While supporting the funding proposal, Mr TAM Yiu-chung said that the proposed injection would not solve the problem completely, and the expert committees would at some point, need to explain their decisions to patients why certain proven but expensive drugs could not be available from the Drug Formulary.

36. SFH responded that members of the expert committees should be allowed to exercise professional judgment on the selection of drugs for

Action

inclusion in the Drug Formulary based on their expertise and experience. The cost-effectiveness of each drug would have to be considered. It was not appropriate to impose other non-medical or non-professional factors to guide their decisions.

37. Mr LEUNG Yiu-chung queried how the expert committees would determine which new drugs should be included in the Drug Formulary as few patients would have tried them when they were first launched.

38. SFH advised that there were established medical protocols for testing new drugs, and there were also regular research reports or medical literature on the efficacy of new drugs. The expert committees would make reference to those evidence and would draw on the experience from local academic institutions and medical practitioners in reaching professional judgment. For certain special ailments, the patient base in Hong Kong was often small, clinical data on the effectiveness of drugs in treating such ailments would have to be drawn from overseas sources.

39. Mr LEUNG Kwok-hung asked how the expert committees evaluated the cost-effectiveness of a drug. He asked whether the Hospital Authority could allow the expert committees greater flexibility in adding new drugs to the Drug Formulary if more resources were available. He also asked how similar drug subsidy systems were administered in other jurisdictions.

40. D(CS), HA said that the expert committees would give due consideration to the principles of efficacy, safety and cost-effectiveness of drugs, international recommendations and practices, and the benefits that the subject drugs could provide (in terms of how it could reduce discomfort, extend life, or reduce symptoms). Medical experts would have to exercise professional judgment in determining the best courses of treatment that should be prescribed and their cost-effectiveness to ensure that that the maximum number of patients could be benefited within the available level of resources.

41. D(CS), HA said that different countries adopted different standards and criteria on what drugs should be subsidized using public funds. SFH said that in Hong Kong, public expenditure on medical services amounted to around 5% of the Gross Domestic Product (GDP), as compared with 16% in the US, between 9% and 11% in Europe and 3% in Singapore. Although by comparison the ratio of public expenditure to GDP in Hong Kong was not high, SFH stressed that the expenditure on medical services was around 17% of the total public expenditure.

42. Mr LEUNG Kwok-hung commented that the solution to helping more patients to meet the cost of self-financed medical items depended on the Government providing more resources so that more drugs could be provided through the Drug Formulary rather than the Samaritan Fund.

Feasibility of submitting applications on individual basis

43. Mr CHEUNG Man-kwong suggested that patients living with their family members should be allowed to apply for assistance under the Samaritan Fund on individual basis rather than on household basis. Mr LEUNG Yiu-chung made a similar remark.

44. SFH advised that the practice of using patients' household income as the basis for assessing the level of subsidy granted under the Samaritan Fund was in line with other safety nets funded by public money, such as CSSA. He added that the Administration had proposed to relax the financial assessment criteria for drug subsidies under the Samaritan Fund by introducing a deductible allowance from the disposable capital of the applicants' households before calculating a patient's maximum contribution for the self-financed drug expenses.

45. SFH said that the Community Care Fund Medical Assistance Programme also provided subsidy to Hospital Authority patients, whose contribution ratio on self-financed drug expenses exceeded 20% of their household annual disposable financial resources, to use drugs subsidized by the Community Care Fund. The Administration intended to incorporate the Programme into the Government's regular services. The amount of resources available in providing financial assistance to patients was not limited to the Samaritan Fund.

46. Mr CHEUNG Man-kwong appealed to the Administration to reconsider his suggestion, as patients with chronic illness and who relied on long-term expensive medical support would often feel guilty for becoming a burden of their families if the family members had to contribute a large proportion of their income or asset before the patients were eligible for financial assistance under the Samaritan Fund. Ms Audrey EU also asked the Administration to review the current criteria of requiring the household assets to be considered for the financial test. She pointed that that the current arrangement had strained the relationship between many patients and their family members. SFH said that basic household expenditure such as rent, living expenses, and self-use residential property of the patient, etc., would be excluded from the calculation of the annual disposable financial resources for

the financial test. The objective was to ensure that the existing standard of living of the patients and their family members would not be seriously affected.

47. Ms Cyd HO said that the current arrangement of only allowing applications to be made on household basis would create a heavy burden for many households, as they had to contribute a sizeable proportion of their savings and assets when using subsidies from the Samaritan Fund. Ms HO said that she had handled cases where the patients refused to apply for assistance under the Samaritan Fund, because they did not want to risk using up the household savings if the treatment turned out to be ineffective.

48. Mr CHEUNG Man-kwong asked whether, with more resources under the Samaritan Fund following the approval of the proposed injection, the Administration would be more flexible in allowing more individual-based applications upon recommendation of a medical social worker.

49. Chief Manager (Allied Health), Hospital Authority (CM(AH), HA) said that applicants submitting applications on a household basis would actually entitle to a larger amount of deductible allowance used to calculate their contribution level for self-financed drugs. She explained that in case where a patient had special relationship problems with his/her family members, despite living under the same roof with the latter, it was possible that the respective medical social worker could grant special consideration and assess the application on the sole basis of the patient.

50. Mr CHEUNG Man-kwong said in some cases, siblings sharing accommodation with an applicant might have their own families and their own financial commitments. It would be appropriate to exclude these family members from the financial assessment, and include only those who were directly responsible for looking after the applicant (e.g. the applicant's spouse or parents). SFH said the Administration would review the arrangements following the approval of the funding application, and would examine whether there were justified cases that failed to meet the prevailing eligibility criteria.

51. Mr LEE Cheuk-yan said that he had handled a complaint where the complainant earned \$18,000 a month but she had to spend about \$12,000 a month on drugs even with subsidies from the Samaritan Fund. The complainant could not qualify for more subsidies as the income and assets of the other household members had been taken into account in the financial assessment. Mr LEE Cheuk-yan considered the arrangement undesirable.

52. SFH said that the current proposal to inject additional resources into the Samaritan Fund would enable more patients to receive support. The

Administration would gather more information on the extent to which the Samaritan Fund could help patients and would identify areas for improvement.

Accountability and transparency of the operation of the Samaritan Fund

53. Mr Albert HO asked how the Administration would ensure accountability and transparency of the operation of the Samaritan Fund. SFH advised that that annual reports on the accounts and operation of the Samaritan Fund would be prepared, which included information covering the utilization of different types of drugs and expenditure details. D(CS), HA added that annual reports were submitted to LegCo, Hospital Authority's Board of Directors and were published in the Samaritan Fund's websites for public information.

Prescription of Glivec under the Drug Formulary

54. Dr PAN Pey-chyou supported the funding proposal. He said that, as an employee of the Hospital Authority, he appreciated that public resources were not unlimited. It was appropriate to develop a Drug Formulary of medicine that would be provided by the public health services. Dr PAN referred to a complaint from a community group which sought the inclusion of a leukaemia drug, Glivec, into the Hospital Authority's Drug Formulary. The drug, which was expensive and a self-financed medical item, was now covered by the Samaritan Fund. However, the complainant's application for subsidy under the Samaritan Fund was unsuccessful just because she had not performed a baseline scan to support her case. The complainant was told to stop using Glivec; and if her conditions deteriorated as a result, she could then carry out the scan and re-submit application with the necessary medical records. Dr PAN said the Hospital Authority's response was not appropriate. He said that the complainant had to meet the full cost of Glivec, and the expenses had posed a heavy burden on her and her family. Dr PAN asked if the Administration would review the eligibility criteria and to exercise flexibility in such circumstances,

55. At the request of D(CS), HA, Dr PAN undertook to provide further details of the complaint case to D(CS), HA for follow-up.

56. Dr LEUNG Ka-lau commented that there was no substitute drug for Glivec in the Drug Formulary. He found the Administration's explanation contradictory in that, on the one hand, the Hospital Authority did not add Glivec to the Drug Formulary on ground of high cost, while, on the other hand, it had included drugs for treating Mucopolysaccharidosis, which was a lot more expensive, in the Drug Formulary. He queried how the Administration

Action

determined which drugs should be included in the Drug Formulary and which should be subsidized by the Samaritan Fund.

57. Mr LEE Cheuk-yan raised a similar observation. He said that during a Members' meeting with a group of complainants, he noted that an elderly patient had been prescribed with Glivec for seven years and the treatment was considered effective. However, the Administration still refused to include the drug into the Drug Formulary due to the high cost. Mr LEE argued that there was no alternative to using Glivec other than conducting bone marrow transplant. In fact, bone marrow transplant was even more expensive, but was provided as part of the medical services in public hospitals. Mr LEE asked when the Administration would include Glivec into the Drug Formulary.

58. SFH added that the selection of drugs for the Drug Formulary would be based on scientific evidence and views of expert committees. D(CS), HA advised that the clinical needs of the patients and cost-effectiveness of a drug were factors for consideration. D(CS), HA added that the expenditure on medication for treating a patient with Mucopolysaccharidosis could be as high as \$4 million a year. It was not meaningful to include this under the Samaritan Fund because the drug cost was so expensive that people would not be able to contribute to the drug cost after means test and hence full subsidy would be required. D(CS), HA further advised that bone marrow transplant was not the most appropriate example of a substitute to Glivec. They were different courses of treatment. SFH added that not every patient was suitable for receiving bone marrow transplant.

59. Dr PAN Pey-chyou asked whether the Administration would reconsider adding Glivec to the Drug Formulary. He expressed concern that, following the approval of the proposed \$10 billion injection into the Samaritan Fund, the Administration would have even less incentive to continue to add new drugs into the Drug Formulary.

60. D(CS), HA explained that although Glivec was not included in the Hospital Authority's Drug Formulary, subsidies were available under the Samaritan Fund to help patients with financial difficulties to use the drug. The Hospital Authority proposed to introduce a deductible allowance from the disposable capital of the applicants' household so that they could retain more of their assets. The tiers of patients' contribution ratio would be simplified from the present 12 bandings to seven banding. The Medical Assistance Programme implemented under the Community Care Fund would be regularized as part of the public health services. D(CS), HA said that the Hospital Authority also appealed to drug companies to exercise their corporate

social responsibility by reducing the price of expensive drugs after a period of their launch so as to make them more affordable to patients.

61. Mr LEUNG Yiu-chung said that rather than appealing to pharmaceutical companies to offer expensive but effective drugs at a bargain, the Government should bear heavier responsibilities in helping patients with financial difficulties. He said that provision of essential medication for patients should not be considered as a welfare policy, but a life-saving measure. The Administration should not ignore the needs of patients who could not afford expensive but effective drugs (such as Glivec).

62. In response to Mr LEUNG Yiu-chung and the Chairman, SFH explained that while the Samaritan Fund was established to provide financial assistance to needy patients to meet expenses of designated Privately Purchased Medical Items, including drugs, etc., it was inevitable that there were cases that fell outside the eligibility criteria. Those patients might be in a better position financially, and they might not need public subsidy for their treatment.

63. Mr LEE Cheuk-yan said that expenditure under the Samaritan Fund for providing subsidies on the use of Glivec amounted to more than \$50 million a year, or about one-third of the total annual expenditure of the Samaritan Fund. He said it might be more cost-effective to include Glivec in the Drug formulary and release the \$50 million to help more patients with other medical needs.

Other suggested measures to support patients with financial needs

64. Mr CHAN Hak-kan said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal. He expressed concern that even with the proposed relaxation of financial assessment criteria for drug subsidies under the Samaritan Fund, many patients would still be unable to benefit from the Samaritan Fund. He asked if further relaxation could be allowed so that the patients and their households would be able to retain more disposable assets.

65. SFH said that the Administration would examine the calculation of disposable capital so as to allow patients and their households to retain more of their savings and to maintain their existing standard of living as far as possible. D(CS), HA said that the Hospital Authority would take into consideration special circumstances as recommended by medical social workers when assessing individual patients' applications under the Samaritan Fund. The Administration proposed that certain basic and essential expenditure items could be deducted from the financial test. For example, a deductible

Action

allowance of some \$400,000 would be provided to a four-member family when calculating the total value of disposable assets under the financial test.

66. Mr CHAN Hak-kan further suggested said that in determining the inclusion of drugs in the subsidy list of the Samaritan Fund, priority consideration should be given to those drugs that were used by a large number of patients (such as hepatic cancer drugs) but were not included in the Drug Formulary. This would enable more patients to benefit from the Samaritan Fund. D(CS), HA said that the inclusion of hepatic cancer drugs into the subsidy list of the Samaritan Fund would be considered. Currently, subsidies for the use of hepatic cancer drugs were available under the Community Care Fund, and the relevant application criteria under the Community Care Fund were generally the same as those of the Samaritan Fund.

67. Ms Audrey EU said that Members belonging to the Civic Party supported the funding proposal, but stressed that this did not mean that those Members considered the Drug Formulary was operating in a desirable manner. They suggested that new drugs (such as Glivec or drugs for treating Mucopolysaccharidosis) should be added to the Drug Formulary.

68. Ms Audrey EU noted that the proposed injection to the Samaritan Fund was expected to sustain its operation for the next 10 years. As the development in the medical and the pharmaceutical fields was advancing rapidly and drugs and other medical technologies would only become more expensive, Ms EU said that the Administration should regularly review the spending situation and consider further injection to the Fund as necessary. Ms Cyd HO expressed a similar view.

69. Ms Audrey EU said that she had come across many cases where middle class patients often faced heavy financial burden once they contracted chronic illness, even if they were able to earn a reasonable income. However, these patients were not benefited from the assistance under the Samaritan Fund due to the restrictions on the amount of disposable capital. She suggested that the Administration should consider other measures, such as offering tax deductions on medical expenses.

70. SFH said that it was difficult to predict which new drugs would be launched and which would be proven effective in treating certain ailments. The Administration estimated that the proposed \$10 billion injection would enable the Samaritan Fund to operate for 10 years. It would continue to monitor the utilization of the Fund and consider further injection if the situation warranted.

71. The Chairman put the item to vote. At the request of Mr LEUNG Yiu-chung, the Chairman ordered a division. 36 members voted for the item and one voted against it. Two members abstained from voting. The voting results of individual members were as follows:

For :

Mr Albert HO Chun-yan	Ir Dr Raymond HO Chung-tai
Mr Fred LI Wah-ming	Dr Margaret NG
Mr CHEUNG Man-kwong	Mr CHAN Kam-lam
Mrs Sophie LEUNG LAU Yau-fun	Dr Philip WONG Yu-hong
Mr WONG Yung-kan	Mr LAU Kong-wah
Mr TAM Yiu-chung	Mr Abraham SHEK Lai-him
Ms LI Fung-ying	Ms Audrey EU Yuet-mee
Mr WONG Kwok-hing	Dr Joseph LEE Kok-long
Mr Andrew LEUNG Kwan-yuen	Mr CHEUNG Hok-ming
Mr WONG Ting-kwong	Prof Patrick LAU Sau-shing
Mr KAM Nai-wai	Ms Starry LEE Wai-king
Dr LAM Tai-fai	Mr CHAN Hak-kan
Mr CHAN Kin-por	Dr Priscilla LEUNG Mei-fun
Mr WONG Sing-chi	Mr WONG Kwok-kin
Mr IP Wai-ming	Mr IP Kwok-him
Mrs Regina IP LAU Suk-yee	Dr PAN Pey-chyou
Dr Samson TAM Wai-ho	Mr Alan LEONG Kah-kit
Miss Tanya CHAN	Mr WONG Yuk-man

(36 members)

Against :

Mr LEUNG Yiu-chung
(1 member)

Abstained from voting:

Mr LEE Cheuk-yan (2 members)	Mr CHEUNG Kwok-che
---------------------------------	--------------------

72. The Chairman declared that the Committee approved the funding proposal.

73. The meeting was adjourned at 6:06 pm.