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Panel on Health Services

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 10 July 2012**

**Regularization of the Community Care Fund
Medical Assistance Programme (Second Phase) and the Samaritan Fund**

Purpose

This paper provides background information on the Community Care Fund ("CCF") Medical Assistance Programmes and summarizes the concerns of the Panel on Health Services ("the Panel") on issues relating to the Samaritan Fund.

Background

2. The CCF Medical Assistance Programmes and the Samaritan Fund, both managed by the Hospital Authority ("HA"), aim to provide financial assistance to needy patients to meet expenses on self-financed drugs.

The Community Care Fund Medical Assistance Programmes

3. CCF, established in October 2010, aims at providing assistance to people facing financial difficulties, in particular those who fall outside the safety net or those within the safety net but are not covered by it because of special circumstances. The Steering Committee on CCF announced in April 2011 that two Medical Assistance Programmes (First Phase and Second Phase) would be launched in 2011-2012. Patients who have financial difficulties may be given full or partial assistance of the drug costs, depending on their financial situation.

4. The First Phase Medical Assistance Programme ("the First Phase Programme"), rolled out in August 2011, aims to subsidize HA patients to use six specified self-financed cancer drugs which have not been brought into the

safety net of the Samaritan Fund but have been rapidly accumulating medical scientific evidence and with relatively high efficacy. The Second Phase Medical Assistance Programme ("the Second Phase Programme"), implemented with effect from 16 January 2012, provides subsidy to HA patients whose contribution ratio on drug costs exceeds 20% of their annual disposable household financial resources ("ADFR"). The subsidy should be used on drugs subsidized by the Samaritan Fund or on the specified self-financed cancer drugs under the First Phase Programme. Applicants for drug subsidy under the Second Phase Programme are required to pass a household-based financial assessment conducted by Medical Social Workers ("MSWs").

5. Following an evaluation review of the CCF Medical Assistance Programmes, HA has proposed to regularize the Second Phase Programme into the Samaritan Fund in the second half of 2012. The proposal is supported by the Steering Committee on CCF.

The Samaritan Fund

6. The Samaritan Fund is a charitable fund established by resolution of the Legislative Council in 1950. Its objective is to provide financial assistance to needy patients to meet expenses on designated privately purchased medical items or self-financed drugs required in the course of medical treatment not covered by hospital maintenance or outpatient consultation fees in public hospitals and clinics. Patients who meet the specified clinical criteria for the self-financed drugs covered by the Samaritan Fund and pass the household-based financial assessment are eligible to receive a full or partial subsidy for meeting their drug expenses. The level of subsidy will depend, among others, on the patients' contribution to drug expenses, which is currently capped at 30% of their ADFR.

Deliberations of the Panel

7. The deliberations and concerns of members on issues relating to the Samaritan Fund are summarized below.

Financial assessment for assistance under the Samaritan Fund

8. Citing a case whereby a patient was no longer eligible for financial assistance under the Samaritan Fund after moving in with his parents, members sought explanation on the rationale for requiring applicants for the Fund to pass a household-based financial assessment conducted by MSWs. They urged the Administration to consider allowing patients living with their family members to

apply for assistance on an individual basis. There was also a view that the income of the extended family members living under the same roof with the patients should not be counted in the household-based financial assessment. The Administration should give consideration to establishing a high-level committee for the exercise of discretion to grant approval for subsidy to patients who fell marginally outside the safety net.

9. The Administration advised that the practice of using patients' household income in assessing the level of subsidy granted under the Samaritan Fund was in line with other safety nets funded by public money, such as public housing, student loans, legal aid and the Comprehensive Social Security Assistance. This assessment criterion for public assistance was also adopted in many developed countries. The rationale was to encourage family members to support each other and to prevent the avoidance of responsibility by resorting to public assistance in the first instance. Members were also informed that non-financial factors, such as whether patients having other medical expenses and their family status, would also be considered when vetting their applications for the Fund.

10. In response to a concern on the eligibility of retired persons having no income but a self-occupied property for seeking assistance under the Samaritan Fund, the Administration advised that the flat owned and resided in by the patient's household as well as the tools of trade of the patient's household would be excluded from the financial assessment of the patient.

11. Members were briefed by the Administration on its proposals to provide a \$10 billion grant to sustain the operation of the Samaritan Fund and to relax the assessment criteria for drug subsidy under the Fund. While expressing support for the proposed injection of \$10 billion into the Fund, many members were of the view that the Administration should further relax the assessment criteria to benefit more needy patients.

12. According to the Administration, with the relaxation of the assessment criteria, it was estimated that about 2 300 patients (as compared to 1 350 patients before the relaxation) using the 17 drugs covered by the Samaritan Fund would be better off. The proposed relaxation would also benefit future applicants. The number of patients benefited from the Samaritan Fund was expected to increase following the relaxation of the assessment criteria.

Safety net for self-financed drugs

13. Members were concerned about the financial burden imposed by the extremely expensive self-financed drugs, such as cancer drugs, on the patients.

Question was raised on whether consideration would be given to putting a cap of, say, \$100,000, on the expenses borne by each patient for purchasing self-financed drugs each year and the amount exceeding the cap to be covered by HA as part of its subsidized services. There was also a suggestion that patients' expenditure on self-financed drugs should be tax deductible.

14. The Administration stressed that it was its long-standing policy that no patients would be denied adequate medical treatment due to a lack of means. Needy patients could apply for assistance from the Samaritan Fund to meet expenses on these drugs. Apart from the Samaritan Fund, needy patients might seek fee waiver from HA. Under the fee waiver mechanism, a patient might be provided with a one-off full or partial waiver for hospital fees and charges. The Administration further advised that the CCF Medical Assistance Programmes would also provide assistance for needy patients to meet their expenses for self-financed drugs.

15. Members remained of the view that drugs which were proven to be of significant benefits should be covered by the standard fees and charges in public hospitals and clinics, rather than being classified as self-financed drugs with safety net. To ensure an efficient use of the proposed grant of \$10 billion to the Samaritan Fund for the benefit of patients, some members urged HA to review the Drug Formulary as soon as possible with a view to expanding the scope of the safety net of the Samaritan Fund to cover more self-financed drugs such as cancer drugs.

Role of the Samaritan Fund

16. Pointing out that HA was responsible for determining the drugs to be introduced and categorized as self-financed drugs with safety net, as well as managing the Samaritan Fund, members expressed grave concern on the mechanism for deciding drugs to be categorized as self-financed drugs with safety net. They queried whether the Samaritan Fund could serve its intended purpose of providing relief to needy patients. In their view, the Samaritan Fund might be used as a justification by HA for excluding drugs proven to be of significant benefits but extremely expensive to provide in the Drug Formulary.

17. The Administration advised that the Samaritan Fund had never deviated from its objective of providing relief to needy patients. The determination of new drugs to be included into the Drug Formulary or to be categorized as self-financed drugs with safety net was made based on clinical efficacy, safety and cost effectiveness to ensure rational use of finite resources and provision of effective treatment to patients. The Administration assured members that the introduction of drugs, including self-financed drugs, into the Drug Formulary

would foremost be based on the efficacy and safety of drugs and not their cost.

Recent developments

18. According to HA, as at 31 May 2012, 257 and 197 applications were approved under the First Phase and Second Phase Programmes respectively. The respective amount of subsidies granted for these two Programmes amounted to about \$20 million and \$4.7 million.

19. At the meeting on 1 June 2012, the Finance Committee approved a commitment of \$10 billion for a grant to support the operation of the Samaritan Fund. According to the Administration, HA would continue to manage the Fund in accordance with the guiding principles of capital preservation. It would invest approved funds from the grant which were not immediately required in low-risk investments to achieve the highest prudent return for the Fund, while ensuring the provision of adequate liquid funds for meeting the operational requirements of the Fund.

Relevant papers

20. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

**Relevant papers on the regularization of the Community Care Fund
Medical Assistance Programme (Second Phase) and
the Samaritan Fund**

Committee	Date of meeting	Paper
Panel on Health Services	10.11.2008 (Item IV)	Agenda Minutes
Panel on Health Services	8.6.2009 (Item VI)	Agenda Minutes
Panel on Health Services	14.2.2011 (Item VI)	Agenda Minutes CB(2)1602/10-11(01)
Panel on Health Services	14.6.2011 (Item I)	Agenda Minutes
Panel on Health Services	14.11.2011 (Item VI)	Agenda Minutes CB(2)1680/11-12(01)
Panel on Health Services	16.4.2012	Agenda CB(2)2087/11-12(01)