

For discussion
on 28 October 2013

Legislative Council Panel on Health Services
Injection to the AIDS Trust Fund

PURPOSE

This paper seeks Members' support for an injection of \$350 million into the AIDS Trust Fund (ATF) in 2013-14 to continue the support in prevention and control of Human Immunodeficiency Virus (HIV)/AIDS in Hong Kong.

BACKGROUND

2. Acquired Immunodeficiency Syndrome (AIDS) is currently an incurable yet treatable disease caused by HIV. With various public health measures in the past decades, Hong Kong is able to keep the HIV prevalence at a relatively low level compared with neighbouring cities in Asia. However, HIV/AIDS is still an important public health issue in Hong Kong and over the world.

3. The Food and Health Bureau (FHB) leads the development of the government's policy on HIV/AIDS, while the Advisory Council on AIDS (ACA) and the Scientific Committee on AIDS and Sexually Transmitted

Infections under the Department of Health (DH) provide advice and technical recommendations on HIV/AIDS infection and prevention. The Special Preventive Programme under DH is responsible for the prevention, surveillance and clinical management of HIV/AIDS. Three specialist clinics under DH and the Hospital Authority provide treatment for HIV patients in Hong Kong.

4. Fostering a supportive environment in the wider community on one hand, and actively engaging members of specific sectors on the other hand, are both complementary and indispensable to the services offered by the Government. Information from Joint United Nations Programme on HIV/AIDS (UNAIDS) showed that non-governmental organisations (NGOs) can make substantial contribution in mobilising peers and members of the affected communities to assist in the testing and counselling, peer-led prevention outreach, harm reduction programme. In Hong Kong, a large proportion of work carried out by NGOs has focused on hard-to-reach populations which are disproportionately affected by HIV. Local surveys also indicated that the services offered by NGOs are more flexible, responsive to the rising need of the clients and more acceptable to members of the affected communities.

AIDS Trust Fund

5. ATF was set up in April 1993 with a one-off commitment of \$350 million approved by the Finance Committee of the Legislative Council to provide assistance to HIV-infection haemophiliacs and

strengthen the prevention and control of HIV/AIDS. The main objectives of ATF are -

- (a) To provide ex-gratia payments to HIV-infected haemophiliacs who contracted HIV through the transfusion of contaminated blood or blood products in Hong Kong prior to August 1985;
- (b) To strengthen medical and support services for HIV-infected patients to augment existing services provided by DH and the Hospital Authority (such as physiotherapy and psychological counselling); and
- (c) To enhance publicity and public education on prevention of AIDS and to remove the stigmatisation of, and discrimination against, HIV-infected persons.

6. The Financial Secretary, as the Trustee, has delegated his powers to the Secretary for Food and Health (SFH) to disburse the fund after considering the advice of the Council for the ATF (the Council). The Council comprises non-officials appointed by the Government as chairman and members, and a representative from the FHB. Three sub-committees, namely Ex-gratia Payments (EGP) Sub-committee, Medical and Support Services (MSS) Sub-committee and Publicity and Public Education (PPE) Sub-committee are set up under the Council to closely examine funding applications under respective categories and make recommendations to the Council.

7. The Director of Accounting Services is responsible for the management of the accounts and investment portfolios of the ATF. The accounts of the ATF are audited by the Director of Audit annually.

Processing of applications and general requirements

8. In 1993, one-off EGP was provided to haemophiliacs and other patients who have been infected with HIV through the transfusion of contaminated blood or blood products in Hong Kong prior to August 1985. In 2004, a study published by ACA revealed that most of the surviving HIV haemophiliac patients have used up the EGP paid under the original scheme launched in 1993. Upon review, the ATF launched “Additional EGP” to patients or their families in July 2005 to provide annual payments for the affected patients.

9. The Social Welfare Department (SWD) is responsible for examining and processing applications for Additional EGP based on its established mechanism. Taking into account SWD’s recommendation and the median monthly household income provided by the Census and Statistics Department, the EGP Sub-committee adjusts the annual payment to the applicants. The Council makes a final decision after considering the recommendation from SWD and EGP Sub-committee.

10. Applications for the MSS and PPE are processed under a three-tier system. The applications are received by the Council’s

Secretariat provided by DH which will forward them to a panel of local and overseas technical reviewers for professional advice. After considering the reviewers' comments, the relevant Sub-committee invites the applicants to make a presentation and formulate its recommendation to the Council. The Council considers relevant inputs and makes a final decision on funding support.

11. The Council would accord higher priorities to applications targeting high-risk groups identified by the ACA. They currently include (a) men who have sex with men (MSM); (b) male clients of female sex workers; (c) injection drug users; (d) sex workers; and (e) people living with HIV.

12. To ensure the achievement of specific targets, the applicant is required to set out a monitoring and evaluation plan on the process, outcome and impact of the programme to evaluate its effectiveness. The approved funding would be released in portions according to the agreement and subject to the submission of satisfactory progress and final reports. The Council may modify the amount of grant in the light of new developments, or suspend or terminate funding support at any time if irregularities are detected.

13. Since the establishment of the ATF, around 1 300 applications have been handled by the Council. A large proportion of applications (about 70%) have been approved by the Council. These include over 300 applications for EGP, nearly 450 applications addressing risky

behaviour and providing interventions for behavioural change, and more than 150 MSS applications providing services to the patients and their families as well as conducting researches on HIV/AIDS.

14. Since 1993, a total of 59 victims (or their families if the qualified persons were deceased) were identified and given one-off EGP. As at March 2013, there were 27 surviving patients under “Additional EGP Scheme”. In sum, around \$100 million has so far been granted to EGP patients and their families.

15. Faced with the rising HIV epidemic among MSM, a Special Project Fund was launched in December 2006 for two financial years to support community projects for preventing HIV infections in MSM. Over 40 applications have been approved under the initiative.

16. Local and overseas practices already show that safer sex practice and early identification of HIV carriers are effective intervention against HIV/AIDS epidemic. Comprehensive interventions supported by the ATF in recent years, among other efforts, have contained the local HIV prevalence among the general population of Hong Kong to under 0.1%. However, the prevalence in some at-risk population such as MSM is alarming and stands at a relatively high level (~4%). The figures are also high in other neighbouring countries like Myanmar, Thailand, Viet Nam and India (where prevalence range from 7- 29%).

FINANCIAL POSITION OF THE ATF

17. As shown in the audited accounts of the ATF from 1993-94 to 2011-12 (Annex I), the balance of ATF as at 31 March 2012 was \$89.4 million. Taking into account that the Council approved applications with a total amount of \$35.6 million from April 2012 to September 2013, the balance of the ATF would drop to \$53.8 million as at 30 September 2013. With an annual expenditure ranging from \$20 million to \$50 million in recent years, the ATF is expected to be fully committed shortly and may not be able to support further applications in 2014-15.

JUSTIFICATIONS FOR THE FUND INJECTION

18. HIV/AIDS pandemic continues to be a public health threat globally and locally. Since 1985, around 6 000 and 1 400 cases of HIV and AIDS in Hong Kong have respectively been received by DH (as at the second quarter of 2013). Annual incidence of HIV infection increased from below 200 in 2 000 to more than 500 cases in 2012. Sexual transmission is the most important route of HIV infection, which accounted for about 75 % of the reported cases. Recent studies show that MSM being infected with HIV are about 19 times higher than in the general population. In Hong Kong, a rising trend in the number of HIV cases was observed among MSM population. According to serial community-based surveys, HIV prevalence among MSM is around 4 % much higher than that in other at-risk populations (compared to 0.5 % and 0.05 % among injection drug users and female sex workers, respectively).

Although Hong Kong has implemented structured programmes in HIV prevention, clinical care and support; and actively engaged community participation as proposed by World Health Organization guidelines, continuous effort to step up comprehensive intervention from Government, NGOs and vulnerable communities is still essential.

19. Community stakeholders have indicated that existing HIV-related programmes cannot reach all areas among at-risk populations, and effective efforts should be scaled up with greater involvement of the communities and NGOs to deliver targeted preventions and surveillance to hard-to-reach populations. The ATF plays a crucial role in providing financial support to these agencies to carry out HIV prevention activities. Many NGOs consider that ATF has provided significant support in the implementation of AIDS prevention work.

20. Since the epidemic among MSM in mid 2000s, the annual expenditure of the ATF has increased dramatically to reaching \$35 million on average. Moreover, to enhance sustainability of quality activities, programmes were now granted on three-year terms. The total expenditure of the ATF in 2011-12 was \$57 million.

21. In order to sustain the reduction of new HIV/AIDS patients and empower at-risk populations to reduce their risky behaviours, the ACA has set out targets, including expanding testing coverage to at least 50% of MSM population, ensuring 80% regular condom use among at-risk populations and increasing the coverage of HIV prevention message to at

least 75% and 95% of MSM and female sex workers by 2015. To achieve these targets, it is important for the ATF to have sustainable resource to support NGOs in implementing prevention programmes and performing testing for the risk groups.

22. Besides, the ATF is the main source of income for HIV-infected haemophiliac patients and their families. If a timely funding injection is not made, the 27 families who are the recipients of the EGP would not be able to receive further financial support from the ATF.

ADVICE SOUGHT

23. Members are invited to support the proposed injection of \$350 million to the ATF. Subject to Members' support, we will seek funding approval from the Finance Committee.

Food and Health Bureau

October 2013

Audited Accounts of the AIDS Trust Fund (1993-94 – 2001-02)

Financial Year	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Total Income* (\$'000)	9,477	16,723	19,468	18,405	23,436	28,925	22,117	21,101	12,757
Expenditure (\$'000)									
Publicity and Public Education	2,150	6,171	8,165	6,321	9,708	7,063	6,092	9,360	9,426
Medical and Support Services	2,916	1,775	3,514	11,751	7,357	11,346	12,958	9,925	12,554
Ex-gratia Payment	30,350	1,800	0	0	0	0	840	0	634
Special Project Fund	-	-	-	-	-	-	-	-	-
Total Expenditure	35,416	9,746	11,679	18,072	17,065	18,409	19,890	19,285	22,614
Fund Balance (\$'000)	324,061	331,038	338,827	339,160	345,531	356,047	358,274	360,090	350,233

* Income includes interest and the grantees' refund of unspent funds.

Audited Accounts of the AIDS Trust Fund (2002-03 – 2011-12)

Financial Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total Income* (\$'000)	6,189	3,011	3,294	9,810	12,721	10,740	4,397	3,932	2,078	2,281
Expenditure (\$'000)										
Publicity and Public Education	10,865	18,450	1,892	17,421	22,856	8,023	24,945	9,564	10,018	40,085
Medical and Support Services	10,303	21,414	3,280	13,790	9,645	2,177	7,864	5,531	3,750	9,063
Ex-gratia Payment	0	0	1,019	8,058	12,548	2,960	7,251	7,592	7,693	7,973
Special Project Fund	-	-	-	-	4,316	7,475	1,383	40	16	-
Total Expenditure	21,168	39,864	6,191	39,269	49,365	20,635	41,443	22,727	21,477	57,121
Fund Balance (\$'000)	335,254	298,401	295,504	266,045	229,401	219,506	182,460	163,665	144,266	89,426

* Income includes interest and the grantees' refund of unspent funds.