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8 August 2014

Clerk to Panel on Public Service (Attn.: Ms Anita SIT) Legislative Council Complex 1 Legislative Council Road Central Hong Kong

Dear Ms SIT,

The Administration's Response to the Issues Raised at the Meeting of Panel on Public Service held on 17 February 2014

At the Public Service Panel meeting held on 17 February 2014, the Administration was requested to provide information, including reasons for its discontinuation, of the former private dental treatment scheme for civil service eligible persons (CSEPs) whereby CSEPs could choose to obtain treatment from private dentists and claim reimbursement from the Government for the costs incurred.

A note on the Scheme for Private Dental Treatment for Civil Servants is now enclosed for reference.

Yours sincerely,

(Miss Winnie TSE) for Secretary for the Civil Service c.c. Hon Mrs Regina IP LAU Suk-yee, GBS, JP Chairman, Legislative Council Panel on Public Service

Director of Health (Attn. : Dr Joseph Chan)

Internal PEO(M)

A Note on the Scheme for Private Dental Treatment for Civil Servants

Objective

The Scheme aimed to shorten civil service eligible persons' (CSEPs) long waiting time for dental treatment and meet the increasing demand for such treatment, pending the availability of additional dental surgeries to be set up in the Government dental clinics.

Duration

2. After securing the necessary funding approval from the Finance Committee (FC) of the Legislative Council (LegCo) in May 1981, the Administration introduced the Scheme on 1 June 1981 for a trial period not exceeding one year. Before the end of the one-year period, the Administration extended the Scheme for a year to 31 May 1983, pending the availability of additional dental surgeries to be set up in the Government dental clinics. In view of the high cost of the Scheme and the then financial situation, the Scheme lapsed on 31 May 1983.

Scope of Service

3. All routine and some specialist types of dental treatment provided by qualified dentists in the private sector registered under the Dentists Registration Ordinance were covered, subject to maximum levels of fees to be reimbursed. A list of treatment covered with their maximum levels of fees is at **Appendix I**. Because of the cost, certain types of treatment (e.g. provision of full chrome cobalt dentures, bridgework and orthodontic treatment) required the prior approval of the then Director of Medical and Health Services before they were obtained in the private sector. A list of treatment requiring prior approval and their maximum levels of fees is at **Appendix II**. Certain types of major oral surgery (**Appendix III**) were excluded from the Scheme as these were normally undertaken in a hospital.

Modus Operandi

- 4. CSEPs could choose to obtain treatment from private dentists and pay their private dentists direct. They could claim reimbursement from the then Medical and Health Department (MHD) for the costs incurred up to the maximum levels laid down after completion of the treatment upon submission of receipted bills through their departments, certifying that the treatment was received.
- 5. With effect from 31 January 1983, arising from the request of FC (which will be elaborated later in this note), CSEPs resorted to the Scheme were required to obtain quotations before receiving treatment, and any quotation of treatment in excess of \$500 was required to obtain prior administrative approval before any reimbursement would be considered.
- 6. CSEPs who chose to resort to the Scheme should notify their attending Government Dental Clinics in writing of their intention to see private dentists under the Scheme and cancel future appointments previously made. In case no MHD's approval was obtained for certain treatment which prior approval was required, the CSEP concerned would be referred to a Government Dental Clinic or a Consultant for follow-up action.
- 7. There was no contractual relationship between the then MHD/Government and the private dentists from whom dental treatment was sought by CSEPs under the Scheme. The Government assumed no legal liability for the work of any private dentists.

Financial Implications and Concerns of FC

8. In May 1981, FC approved a commitment of \$90 million to cover expenditure of the Scheme for a trial period of not exceeding one year commencing June 1981. With the anticipation that there would be a balance of about \$50 million out of the approved commitment of \$90 million by the end of the one-year period, the Administration requested and FC approved in June 1982 another commitment of \$20 million to cover the extension of the Scheme for a further year. In late 1982/early 1983, it was apparent that the additional funds approved in June 1982

would not be sufficient to last until the end of the second year, the Administration requested and FC reluctantly approved in January 1983 a further commitment of \$76 million. The total amount of commitment approved by FC for the Scheme was \$186 million.

- 9. When FC considered the Administration's funding request in January 1983, it was dissatisfied with the high cost of the Scheme and the way in which it was apparently being abused (which will be elaborated later in this note). FC recognised, however, that it would be unfair to curtail the Scheme immediately when many civil servants had already paid for and received expensive treatment on the understanding that they would be reimbursed by the Government. FC therefore reluctantly approved the above-mentioned increase in commitment of \$76 million on the condition that the Scheme would cease to operate on 31 May 1983; civil servants using the Scheme until 31 May 1983 should be required to obtain quotations before receiving treatment and any quotation for treatment in excess of \$500 be given prior administrative approval before any reimbursement was considered; and consideration should be given urgently to qualifying the current form of contractual obligations regarding dental treatment when new contracts were being prepared or old contracts being renewed.
- 10. Apart from a few orthodontic claims for which FC gave special permission in April 1983 for treatment to continue beyond the closing date of the Scheme (31 May 1983), 114 954 claims were received over the two-year period, of which 114 423 were reimbursed and 531 were rejected. Reimbursement amount under the Scheme up to 31 March 1985 totalled \$161 million.

Irregularities Identified, Actions Taken and Comments of Public Accounts Committee (PAC)

11. Towards the end of 1982, MHD detected cases of abuse of the Scheme through its spot check. Details of the Scheme, the irregularities identified by MHD and comments made by FC on the Scheme were covered in the Audit Report 1982-83. In response to the irregularities identified, PAC expressed its concern in its Report No. 6 in the strongest possible manner on the lack of personal integrity of those civil servants who had abused the very scheme which was set up at very considerable

cost to public funds to assist them and their dependants. PAC regarded the abuse as an extremely serious matter which needed to be dealt with seriously and requested from the Government a report on the various categories of abuses and the action taken thereon.

- 12. In 1983, MHD made initial checks of about 6 000 claims related to work done by 295 dentists. It was noticed that claims involving certain dentists among this group had given rise to certain problems. All claims relating to these dentists were therefore singled out for further examination, and a total of 4 128 claims were investigated in detail. Amongst these 4 128 claims, 1 359 claims were found in order, 754 claims were found not in order procedurally whereas 2 015 claims were found not fully in order from the treatment point of view.
- 13. Amongst the 754 cases involving procedural irregularities, officers in 385 cases had in fact sought reimbursement before they had paid the dentists while officers in the remaining 369 cases had sought reimbursement before completion of the course of treatment. Officers concerned were admonished under civil service disciplinary procedures. Where reimbursement had not been completed, their claims were rejected. In case reimbursement had been made while treatment had not been completed, the officers were required to make refund to the Government.
- 14. In those 2 015 cases which involved treatment irregularities, action was not taken under civil service disciplinary procedures on consideration that officers could not be expected to have known precisely what dental work was performed on them. For those dentists considered to have breached the rules of the Scheme, action had been taken to bring the dentists concerned before the Dental Council.
- 15. In its Report No. 8, PAC further remarked that an expensive lesson was learned from the Scheme and trusted that before embarking on similar schemes in future, exhaustive consideration was given to the problems of their implementation.

Civil Service Bureau August 2014

Appendix I

Maximum levels of fees for private dental treatment

Types of dental treatment for which no prior approval is necessary

		Maximum levels \$
(i)	<u>General</u>	
	Dental examination (maximum of two per year)	50
	X-radiograph (maximum of 10 per year)	15
	Scaling and polishing (including instruction on oral hygiene) (Maximum of two courses per year)	100 per session (maximum of 4 sessions per course)
	Subgingival curettage	150
	Emergency dressing	100
	Treatment of haemorrhage	50
(ii)	<u>Fillings</u>	
	Amalgam - single surface - additional surface	100 50
	Composite materials - single surface - additional surface	120 60
	Pin restoration	50 per pin
	Gold inlays - 2 surfaces - 3 surfaces	600 800
	Gold onlay	1000
	Posts	300

	Maximum levels		
	Crowns - all porcelain - porcelain in semi-precious alloy - porcelain in gold - gold 3/4 crown - gold full crown	Subject to a maximum of one crown in a course of treatment. More than one crown of any type requires prior approval	
	Removal of inlays Removal of crowns		
	Removal of Clowns	100 per unit	
(iii)	<u>Dentures</u>		
	Relining/heat cure	300	
	Repair	200	
	Replacement of tooth	100 plus cost of repair	
	Additions of clasp	100	
	Adjustment	50	
	Full-full acrylic	2500	
	Single-full acrylic	1500	
	Partial acrylic up to five teeth	600 (each additional tooth \$100)	
	Partial chrome cobalt up to five teeth	1100 (each additional tooth \$100)	
(iv)	Endodontics		
	Single root	400	
	Additional root	300	
	Apicectomy	600	
	Pulpotomy	200	
(v)	Oral surgery Simple extractions - permanent teeth	100	
	- deciduous teeth	60	
	Complicated extractions	300	
	Embedded roots accompanied by X-ray	600	

Appendix II

Types of dental treatment for which the prior approval of the Director of Medical and Health Services is necessary

		Maximum levels \$
(i)	<u>Bridgework</u>	Φ
	Gold	1000 per unit
	Porcelain on gold	1200 per unit
(ii)	Crowns	More than one of any type (see Appendix I for maximum limits)
(iii)	<u>Dentures</u>	
	Chrome Cobalt - Full-full - Single-full	3500 2000
(iv)	Orthodontics	
	Case consultation with study model	200
	Additional charge for preparation of case for prior approval	100
	Complete course of treatment exclusive of X-rays, extractions etc.	7000 (actual cost dependent on work involved)
(v)	Oral surgery Impactions	1000
(vi)	Periodontal surgery 1 quadrant	800

Appendix III

Types of dental treatment for which no reimbursement will be made

Oral surgery

Soft tissue biopsy

Bone biopsy

Cyst

Fracture

- simple wiring
- involving silver splints