

**立法會**  
**Legislative Council**

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**Panel on Public Service**

**Meeting on 17 February 2014**

**Updated background brief on medical and dental benefits for civil servants, pensioners and eligible dependants**

**Purpose**

This paper provides background information on the provision of medical and dental benefits for civil service eligible persons ("CSEPs")<sup>1</sup>. It also summarizes the major concerns expressed by members when the subject was discussed at meetings of the Panel on Public Service ("the Panel").

**Background**

2. The Government, as the employer of civil servants, has a contractual obligation to provide medical and dental benefits for CSEPs ("civil service medical benefits"). The scope of such benefits is set out in the relevant Civil Service Regulations ("CSRs"), Civil Service Bureau Circulars and Circular Memoranda. These provisions form part of the terms and conditions of employment of civil servants.

3. In 1979, the Civil Service Bureau ("CSB") established the Standing Committee on Medical and Dental Facilities for Civil Servants ("SCMDF") to provide a forum to discuss matters on civil service medical benefits. SCMDF comprises representatives from the staff sides of the four Central Consultative

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<sup>1</sup> Civil service eligible persons consist of:

- (a) monthly paid civil servants and their eligible dependants;
- (b) retired civil servants living in Hong Kong and in receipt of a pension or an annual allowance and their eligible dependants living in Hong Kong;
- (c) eligible dependants of civil servants killed on duty and living in Hong Kong;
- (d) eligible dependants living in Hong Kong and in receipt of a pension under the Widows and Orphans Pension Scheme or the Surviving Spouses' and Children's Pension Scheme following the death of civil servants while in service or after retirement; and
- (e) other persons who are eligible for civil service medical benefits by way of their terms of appointment.

Councils<sup>2</sup>, CSB, the Department of Health ("DH"), the Hospital Authority ("HA") and the Food and Health Bureau.

### Scope of benefits

4. Under the existing policy, CSEPs are entitled to medical and dental treatment and services that are provided by DH or HA free of charge, save for the charges applicable to hospital maintenance, dentures and dental appliances as provided for in the CSRs<sup>3</sup>. In general, civil servants, irrespective of ranks and grades, are entitled to the same level of medical benefits.

5. In addition, CSEPs may also apply to DH for reimbursement of medical expenses if the attending HA doctors certify that the drugs, equipment and services concerned are prescribed in accordance with medical necessity and are chargeable by HA or not available in HA<sup>4</sup>. This arrangement enables CSEPs to have access to the necessary drugs for treatment, even though such drugs are classified as self-financed items in HA's Drug Formulary.

### Service providers

6. At present, the major part of the Government's contractual obligation in the provision of civil service medical benefits is met through services provided by HA through its network of general out-patient clinics, specialist out-patient clinics, and hospitals throughout the territory. Most of HA's general out-patient clinics have specified varying numbers of priority discs during normal day clinic sessions for serving civil servants who need medical treatment. Besides, dedicated clinic sessions for specialist out-patient services for the exclusive use of CSEPs are available at L Block of the Queen Elizabeth Hospital, 9H Specialist Clinic in the Prince of Wales Hospital and Saturday Specialist Out-patient Clinic in the Queen Mary Hospital. In addition, a diagnostic imaging centre at G Block of the Queen Elizabeth Hospital provides diagnostic services for the exclusive use of CSEPs.

7. Separately, DH provides a small part of the civil service medical benefits through its four Families Clinics and 41 dental clinics reserved for the

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<sup>2</sup> They are the Senior Civil Service Council, Disciplined Services Consultative Council, Model Scale 1 Staff Consultative Council and Police Force Council.

<sup>3</sup> CSR Annex 6.1 sets out the hospital maintenance fees applicable to all CSEPs. CSR Annex 6.2 sets out the schedule of charges for dentures, dental appliances and other restorations in accordance with a civil servant's monthly salary at specified Master Pay Scale ("MPS") pay points or equivalent. For pensioners, their monthly pension will be benchmarked against the MPS pay points for determining the applicable level of charges.

<sup>4</sup> Similar reimbursement arrangement also applies to drugs prescribed by the attending doctors of DH's families clinics which form an essential part of the medical treatment to the patients concerned on medical ground but not available in DH's dispensaries.

exclusive use of CSEPs, and other DH clinics providing social hygiene services and elderly services which are also open to the public.

### **Discussions by the Panel on Public Service**

8. The Panel discussed the provision of civil service medical benefits at its meetings on 19 May 2008, 16 March 2009, 19 April 2010, 16 March 2011, 19 March 2012 and 18 March 2013. The major views and concerns expressed by Panel members and the Administration's responses are summarized below.

#### Inclusion of Chinese medicine

9. Panel members had repeatedly called on the Administration to consider including Chinese medicine in the scope of civil service medical benefits. Members pointed out that the use of Chinese medicine was popular among members of the public, Chinese medicine had become a part of Hong Kong's public healthcare system and the certification given by registered Chinese medicine practitioners was recognized for taking sick leave. At the meeting on 18 March 2013, the Panel passed a motion urging the Government to immediately review the practice of not providing Chinese medicine service for the civil service. There were also suggestions that the Administration should seriously consider setting up at least one Chinese medicine clinic ("CMC") under DH for the exclusive use of CSEPs, or devising a mechanism for reimbursement of medical expenses incurred by CSEPs in soliciting Chinese medicine service.

10. The Administration explained that the scope of civil service medical benefits covered services provided by HA and DH. The CMCs under HA were operated under a tripartite model under which HA collaborated with a non-governmental organization and a local university for each CMC. As these clinics were research-oriented and operated on a self-financing basis, the services they provided were not part of the standard services of HA and hence did not fall within the scope of civil service medical benefits. As regards the suggestion of setting up a CMC under DH, the Administration advised that DH did not currently operate any CMCs and its role was more of a regulatory body rather than a service provider insofar as Chinese medicine was concerned. The Government had no plan to expand the scope of civil service medical benefits to include CMCs at this stage, but would keep in view any significant changes to the nature and mode of service delivery of CMCs in future that would merit a review of their implications on civil service medical benefits.

## Mode of provision of civil service medical benefits

11. At the meeting on 16 March 2009, the Panel met with representatives from six civil service staff unions/associations, which expressed dissatisfaction with the difficulties encountered by CSEPs in seeking timely and quality medical consultation and treatment under the existing system of provision of civil service medical benefits. The Panel passed a motion at the meeting urging the Administration to expeditiously improve the existing medical services for civil servants by including Chinese medicine within the scope of civil service medical benefits and to explore the provision of medical benefits to civil servants by other better means, such as taking out medical insurance.

12. On the staff sides' dissatisfaction with the shortage of medical consultation slots, the Administration advised that it had been making efforts to improve the civil service medical benefits provided through DH and HA. As regards the suggestion of providing civil service medical benefits outside the public healthcare system, the Administration agreed to discuss the matter with the staff sides but stressed the need to take into account the Government's financial capability and the cost-effectiveness of relevant proposals.

13. At the meeting on 19 April 2010, some members expressed the view that the Administration should explore the possibility of engaging service providers other than HA and DH to bring about genuine improvements to the provision of civil service medical benefits. At the Panel's request, the Administration provided information after the meeting on the historical background to HA's role in providing medical services to CSEPs<sup>5</sup>.

14. At the meeting on 18 March 2013, some members requested the Administration to explore other modes of provision of civil service medical benefits, such as taking out medical insurance for CSEPs, contracting out the general out-patient service for CSEPs to private healthcare sector and devising a mechanism for reimbursement of medical expenses incurred by CSEPs in soliciting treatments in private hospitals/clinics. A member suggested that the Administration should consider utilizing the cost incurred for the provision of civil service medical benefits to take out medical insurance for CSEPs, so as to solve the problems of shortage of consultation slots in public hospitals and non-inclusion of the Chinese medicine in the civil service medical benefits.

15. The Administration advised that given the fact that the charges and quality of services varied widely among private hospitals/clinics, it might not be appropriate to contract out the provision of civil service medical benefits to private healthcare sector providers nor to take out medical insurance for CSEPs, as it would be difficult to monitor the service quality and the costs involved.

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<sup>5</sup> See paragraph 5 to LC Paper No. [CB\(1\)2902/09-10\(01\)](#)

However, under the existing policy, if the attending HA/DH doctors certified that the drugs, equipment and services concerned were prescribed in accordance with medical necessity and were chargeable by HA or not available in HA or DH, the CSEPs concerned could apply for reimbursement of the expenses incurred in obtaining such items in the private sector. Regarding the suggestion of utilizing the cost incurred for the provision of civil service medical benefits to take out medical insurance for CSEPs, the Administration explained that the Government had been funding HA through an annual lump sum provision for the provision of medical services to the general public and CSEPs. Such arrangement had the advantage of allowing flexibility for better use of medical resources by CSEPs and the general public. It was difficult to separate the annual lump sum provision to HA into two accounts.

### Reimbursement of medical expenses and direct payment arrangement

16. At the meeting on 19 May 2008, some members expressed concern that with the introduction of the Drug Formulary<sup>6</sup> by HA in 2005, some civil servants especially those suffering from chronic diseases had faced difficulties in bearing the high medical expenses for the drugs/equipment/services classified by HA as patient self-financed items.

17. The Administration explained that CSEPs might apply to the Government for re-imbursement of expenses for drugs/equipment/services which formed an essential part of the medical treatment as prescribed and certified by the attending HA doctors on medical grounds but were not available in HA's hospitals or clinics or were chargeable by HA. The Government had closely liaised with HA to remove any ambiguities about the arrangement, and the manpower resources in DH had been enhanced to expedite processing of the reimbursement application<sup>7</sup>. Furthermore, the Administration had implemented a direct payment arrangement with HA for selected drugs, medical items and treatment<sup>8</sup>, under which HA would provide the required items to CSEPs first

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<sup>6</sup> HA has implemented the Drug Formulary since July 2005 with a view to ensuring equitable access by patients to cost-effective drugs of proven safety and efficacy by standardizing the drug policy and drug utilization in HA. The Formulary contains two categories of drugs, namely General Drugs and Special Drugs, both are provided within the standard fees and charges. Four main types of drugs are classified as self-financed items which are not included in the Formulary. These drugs included drugs which are proven to be of significant benefits but extremely expensive for HA to provide as part of its standard services, drugs with preliminary medical evidence only, drugs with marginal benefits over available alternatives but at significantly higher costs, and lifestyle drugs. Patients have to purchase these drugs at their own expenses.

<sup>7</sup> In response to the Panel's request at the meeting on 16 March 2011, the Administration provided vide LC Paper No. [CB\(1\)1996/10-11\(01\)](#) a breakdown by reimbursement items in respect of the reimbursement expenditure of medical expenses incurred by CSEPs for the period from 1 April 2010 to 31 December 2010, as well as the respective numbers of applications received, approved and rejected, and the reasons for rejection.

<sup>8</sup> These include percutaneous transluminal coronary angioplasty (PTCA) procedures, intraocular lens operation, non-PTCA consumables for interventional cardiology, positron emission tomography (PET) service, and cancer drugs provided by HA.

and DH would settle the payment with HA direct, without requiring the CSEPs concerned to make any upfront payment for these items.

18. At the meeting on 18 March 2013, the Administration advised that as at 31 December 2012, around 57% of the total reimbursement expenditure in 2012-13 was covered by the direct payment arrangement. As an improvement measure, the Administration would further extend the direct payment arrangement to cover all drugs provided by HA by end March 2013.

#### Civil servants appointed on or after 1 June 2000

19. At the Panel meeting on 19 May 2008, some members noted with concern that civil servants appointed on or after 1 June 2000 and their dependents ceased to enjoy civil service medical benefits upon their departure from the Government, and enquired whether the Administration would review the relevant policy.

20. The Administration advised that in response to demands from the public and the Legislative Council in the latter half of the 1990's, a series of reforms had been carried out in the civil service during the turn of the century. These reforms included revision of the terms and conditions of service for civil servants. With the implementation of the reforms, civil servants appointed on or after 1 June 2000 were not eligible for local education allowance for their children, or pension and medical benefits for themselves and their eligible dependants after leaving the civil service. In order to keep abreast of time, the terms and conditions of employment for civil servants had been revised from time to time over the years, and civil servants joining the civil service at different periods might be employed on different terms and conditions. These changes would not lead to division among the civil servants. The Administration therefore had no plan to review the medical benefits arrangements for civil servants appointed on or after 1 June 2000.

#### **Latest developments**

21. One of the policy initiatives of CSB featured in the 2014 Policy Agenda is to set up a new Families Clinic in the New Territories<sup>9</sup> and enhance specialised dental services by setting up dedicated oral-maxillofacial and dental surgeries for CSEPs. The Administration will brief the Panel on the updated position regarding the provision of civil service medical benefits at the Panel meeting on 17 February 2014.

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<sup>9</sup> The existing four Families Clinics are located in Chai Wan, Wan Chai, Hung Hom and Tsuen Wan respectively.

## **Relevant papers**

22. A list of relevant papers is set out in **Appendix**.

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Legislative Council Secretariat  
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## Appendix

### Medical and dental benefits for civil servants, pensioners and eligible dependants

#### List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	19 May 2008 (item V)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up paper</a>
Panel on Public Service	16 March 2009 (item III)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up paper</a>
Panel on Public Service	19 April 2010 (item V)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up paper</a>



<b>Meeting</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Public Service	16 March 2011 (item VI)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up paper</a>
Panel on Public Service	19 March 2012 (item IV)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up paper</a>
Panel on Public Service	18 March 2013 (item IV)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Motion passed at the meeting</a> <a href="#">Minutes</a> <a href="#">Administration's response to the passed motion</a>

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