

立法會
Legislative Council

LC Paper No. FC242/14-15
(These minutes have been
seen by the Administration)

Ref : FC/1/1(1)

Finance Committee of the Legislative Council

Minutes of the 43rd meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 17 April 2015, at 5:15 pm

Members present:

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)
Hon CHAN Kin-por, BBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon Starry LEE Wai-king, JP
Hon CHAN Hak-kan, JP
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon CHUNG Kwok-pan
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Albert HO Chun-yan
Hon James TO Kun-sun
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Ronny TONG Ka-wah, SC
Dr Hon LAM Tai-fai, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau
Hon Claudia MO

Hon CHAN Chi-chuen
Hon CHAN Yuen-han, SBS, JP
Hon Kenneth LEUNG
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public officers attending:

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr KO Wing-man, BBS, JP	Secretary for Food and Health
Mr Richard YUEN, JP	Permanent Secretary for Food and Health (Health)
Prof FOK Tai-fai, SBS, JP	Pro-Vice-Chancellor, The Chinese University of Hong Kong
Dr FUNG Hong, JP	Executive Director, CUHK Medical Centre
Mrs Elina CHAN	Principal Assistant Secretary for Labour and Welfare (Welfare) 3
Mr LAM Ka-tai, JP	Deputy Director of Social Welfare (Services)
Miss Cecilla LI	Assistant Director of Social Welfare (Elderly)
Mr LAI Cheuk-man	Senior Architect, Social Welfare Department

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
--------------	-------------------------------

Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
-------------	------------------------------

Mr Daniel SIN	Senior Council Secretary (1)7
Mr Ken WOO	Senior Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5
Miss Yannes HO	Legislative Assistant (1)6

Action

Item No. 4 – FCR(2015-16)3

LOAN FUND

NEW HEAD – "PRIVATE HOSPITAL DEVELOPMENT"

New Subhead – "Loan for the CUHK Medical Centre Development Project"

The meeting continued the deliberation on the item.

2. Mr CHAN Han-pan expressed support for the item.

Extra commitments by the CUHK Medical Centre

3. Mr Tony TSE enquired about the role played by the Administration in ensuring the proper use of the proposed loan provided to the Chinese University of Hong Kong ("CUHK") for the CUHK Medical Centre Development Project. Permanent Secretary for Food and Health (Health) ("PS(H)") said that the Lands Department would monitor the compliance of the requirements in the land lease for the site of the CUHK Medical Centre. The Department of Health would monitor the daily operations of the Medical Centre including the extra commitments undertaken by the CUHK, such as the provision of inpatient services at packaged charges. There would be safeguards in the loan agreement to ensure proper use of the loan.

4. On enquiry by Ms Cyd HO, Prof FOK Tai-fai, Pro-Vice-Chancellor of CUHK ("PVC, CUHK") said that the purpose of the CUHK Medical Centre's commitment to receiving public patients referred by Hospital Authority ("HA") was to relieve the pressure on the Prince of Wales Hospital ("PWH"). HA patients referred to the CUHK Medical Centre would be charged at HA's standard fees.

5. Ms Cyd HO requested that written agreement be made between the Administration and the CUHK setting out the extra commitments undertaken by the CUHK Medical Centre. Mr Alan LEONG requested for the details of the arrangement for the extra commitments undertaken by CUHK to show that they were binding on CUHK and the CUHK Medical Centre, and could be implemented.

6. PS(H) said that the set of requirements related to private hospital development accepted by CUHK (which covered aspects of land use, scale of development, date of commencement of operation, service scope, price transparency, provision of standard beds at packaged charges, service standards or hospital accreditation, and reporting obligations) had been set out in the Administration's paper for the item. Subject to further legal advice, they would be included in the modified Land Lease and/or Service Deed to be signed between CUHK and/or CUHK Medical Centre Limited and the Government. The key terms of the loan as set out in the paper would be included in the loan agreement to be signed by the two sides.

7. Noting the stringency of the terms of the proposed loan, Dr Helena WONG expressed concern about the capability of the CUHK Medical Centre to provide quality healthcare services at packaged charges. She expressed skepticism on how the CUHK Medical Centre could provide healthcare services on such a dual-track basis comprising both public and private elements on a self-financing basis without compromising the quality of services to patients referred by HA, such as prescribing cheaper medication to them.

8. Dr FUNG Hong, Executive Director, CUHK Medical Centre ("ED, CUHKMC") said that the CUHK Medical Centre was committed to carrying out its obligations to provide dual-track healthcare services with consistent quality. Patients referred by HA would be treated in the same manner as patients directly admitted to the CUHK Medical Centre. Secretary for Food and Health ("SFH") said that the Administration would consider incorporating relevant requirements in the Service Deed. Dr Helena WONG called on the Administration to include in the Service Deed the mandate for the CUHK Medical Centre that services it provided to patients charged at HA fees would be on a par with those charged at private hospital fees.

Financial arrangements

9. Mr LEE Cheuk-yan expressed doubts about the affordability of private healthcare services offered by the CUHK Medical Centre as the assumption that the Voluntary Health Insurance Scheme ("VHIS") would cover part of the costs for inpatient services was dubious. In view of the CUHK Medical Centre's commitment of providing services at packaged charges for 70% of inpatient bed-days, he asked whether the CUHK Medical Centre would charge for services for the remaining 30% of inpatient bed-days at rates comparable to the expensive services at private hospitals.

10. ED, CUHKMC said that the operation of the CUHK Medical Centre was different from private medical healthcare facilities, and CUHK would

exercise due care in setting charges for services offered by the CUHK Medical Centre.

Impact on medical professionals and resources for the public sector

11. Dr Fernando CHEUNG reiterated his concern that the CUHK Medical Centre would further drain skilled medical personnel from public hospitals under HA, in particular PWH.

12. PVC, CUHK assured members that teaching staff at PWH would not be affected by the establishment of the CUHK Medical Centre.

13. Dr Fernando CHEUNG expressed concern that to save costs, the CUHK Medical Centre might one day resort to such ways as limiting the number of bed-days per person for patients receiving inpatient care charged at packaged fees or referring complicated cases to public hospitals. He enquired about the mechanism for referring patients charged at packaged fees to public hospitals.

14. ED, CUHKMC said that in managing healthcare services provided to patients, the CUHK Medical Centre would consider a combination of factors including what the best available treatment the patients could receive was and cost saving was not the sole consideration.

15. Dr Fernando CHEUNG requested that to dispel doubts that the proposed development of the CUHK Medical Centre was driven by profit-making motives, the Administration should include a clause in the Service Deed which prohibited bonuses for medical staff. SFH assured members that there would be no question of sharing profits or receiving bonuses by the medical staff at the CUHK Medical Centre since this would contradict the non-profit-making status of the Centre.

16. Ms Cyd HO requested that to ensure that the fees charged by the CUHK Medical Centre would be reasonable, outside scrutiny should be included in its governance. PVC, CUHK said that the CUHK Medical Centre was responsible to the Council of CUHK, which included members representing the public such as Members of the Legislative Council.

Public healthcare services provided by the CUHK Medical Centre

17. Mr LEUNG Kwok-hung expressed dissatisfaction towards the Administration's insufficient commitment on public healthcare provisions. He expressed concern that this loan fund application for CUHK to build a private

hospital with public money was the hallmark of a mistaken public healthcare policy to replace public healthcare provisions with private healthcare provisions. Dr Fernando CHEUNG shared a similar view and said that the CUHK Medical Centre should not be engaged in providing private healthcare services for the middle class.

18. SFH said that the Administration was committed to providing public healthcare for which the proportion of the recurrent public expenditure had increased from 15% in 2014-2015 to 17% in 2015-2016. Moreover, the Administration had introduced the VHIS to enhance the development of affordable private healthcare services. PVC, CUHK said that a mission of the CUHK Medical Centre was to provide quality public services with price transparency.

19. Ms Cyd HO enquired about the proportion of referral cases from HA vis-à-vis the total number of cases to be handled by the CUHK Medical Centre and whether patients admitted to the CUHK Medical Centre could be referred back to public hospitals.

20. PS(H) said that the general principle of managing patients and referrals at the CUHK Medical Centre was similar to the Public Private Partnership currently operating under HA, and that patients could be referred back to HA hospitals as appropriate. PVC, CUHK added that the patient referral mechanism would be handled by a specialized committee. He estimated that the number of referrals from HA would constitute around 10% of the total number of cases handled by the CUHK Medical Centre.

Motion to adjourn discussion on item FCR(2015-16)3

21. Mr LEUNG Kwok-hung moved, without notice, that discussion on the item FCR(2015-16)3 be then adjourned pursuant to paragraph 39 of the Finance Committee Procedure.

22. Mr LEUNG Kwok-hung introduced his motion expressing grave dissatisfaction towards the Administration's reluctance to consider members' suggestions of adding requirements in the Service Deed with a view to tightening the Administration's scrutiny on the operation of the CUHK Medical Centre.

23. As no other member requested to speak, the Chairman invited the Administration to respond to the motion. SFH said that the Administration had provided and explained the justifications for the CUHK Medical Centre and appealed to members for their support for the item.

24. Mr LEUNG Kwok-hung gave concluding remarks on his motion. The Chairman put the motion to vote. The Chairman declared that the motion was negated.

25. The meeting resumed deliberation on the item.

Positioning of the CUHK Medical Centre

26. Ir Dr LO Wai-ki expressed support for the item. Mr IP Kwok-him considered that the Administration had adequately addressed the views and concerns of members of the Panel on Health Services.

27. Dr Fernando CHEUNG expressed opposition against the item. He said that the CUHK Medical Centre's positioning as a private healthcare services provider would not benefit the general public, and therefore the use of public funds to support the development was not justified.

28. Mr James TO urged the Administration to consider linking the operating surplus of the CUHK Medical Centre to the number of inpatient bed-days charged at packaged prices. PVC, CUHK stressed that the CUHK Medical Centre would be non-profit making and would strive to maximize inpatient bed-days at packaged charges. SFH said that the Administration would consider Mr TO's suggestion in drafting the Service Deed.

29. Dr KWOK Ka-ki expressed concern that the CUHK Medical Centre would widen the disparity between private healthcare patients and public healthcare patients, and requested the Administration to provide the finalized Land Lease and/or Service Deed for the Committee's consideration before seeking funding approval.

30. PS(H) said that the major service requirements and loan conditions to be included in the modified Land Lease and Service Deed had already been set out in the Administration's paper for the item under discussion.

Staffing for the CUHK Medical Centre

31. Dr Helena WONG sought clarification on the proportion of academic members from CUHK's Faculty of Medicine who would engage in private clinical practice at the CUHK Medical Centre, and whether it would adversely affect the manpower provisions of the former.

32. PVC, CUHK said that under the existing rules and regulations, full-time clinical professors employed by CUHK could engage in private

clinical practice only with the approval of his or her department and for a limited number of sessions per week. This rule would not be changed with the establishment of the CUHK private hospital. Therefore, teaching resources of CUHK would not be jeopardized. ED, CUHKMC supplemented that it was estimated that about half of the medical staff for the CUHK Medical Centre would be full-time employees of the Centre.

33. On enquiry by Dr Helena WONG, ED, CUHKMC said that full-time medical staff of the CUHK Medical Centre would not receive extra remuneration for taking up teaching duties at CUHK's Faculty of Medicine.

34. Dr KWOK Ka-ki and Mr LEUNG Kwok-hung criticized the CUHK Medical Centre of favouritism towards CUHK's Faculty of Medicine in the hiring of medical staff.

35. PVC, CUHK said that the staff recruitment for the CUHK Medical Centre would be independent from the CUHK's Faculty of Medicine, and would not give rise to favouritism.

Voting on FCR(2015-16)3

36. Dr Elizabeth QUAT and Mr Gary FAN declared interests that they were members of the Council of CUHK.

37. There being no further question from members, the Chairman put the item to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes. The Chairman announced that 30 members voted in favour of and five voted against the item. One member abstained from voting. The votes of individual members were as follows –

For:

Mr CHAN Kam-lam
Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr Jeffrey LAM Kin-fung
Mr WONG Ting-kwong
Mr WONG Kwok-kin
Mrs Regina IP LAU Shuk-yee
Mr NG Leung-sing
Mr Frankie YICK Chi-ming
Mr MA Fung-kwok
Ms CHAN Han-pan
Ms Alice MAK Mei-kuen

Ms Emily LAU Wai-hing
Mr Vincent FANG Kang
Prof Joseph LEE Kok-long
Mr Andrew LEUNG Kwan-yuen
Mr CHAN Kin-por
Mr IP Kwok-him
Mr James TIEN Pei-chun
Mr Steven HO Chun-yin
Mr Gary FAN Kwok-wai
Mr Charles Peter MOK
Mr LEUNG Che-cheung
Mr KWOK Wai-keung

Dr Helena WONG Pik-wan
Dr Elizabeth QUAT
Ir Dr LO Wai-kwok
(30 members)

Mr IP Kin-yuen
Mr TANG Ka-piu
Mr CHUNG Kwok-pan

Against:

Mr LEE Cheuk-yan
Mr CHEUNG Kwok-che
Dr Fernando CHEUNG Chiu-hung
(5 members)

Ms Cyd HO Sau-lan
Mr LEUNG Kwok-hung

Abstained:

Dr KWOK Ka-ki
(1 member)

38. The Chairman declared the Committee approved the item.

**Item No. 5 – FCR(2015-16)4
LOTTERIES FUND
HEAD 341 – NON-RECURRENT GRANTS**

**Item No. 6 – FCR(2015-16)5
LOTTERIES FUND
HEAD 341 – NON-RECURRENT GRANTS**

39. The Chairman said that since the items FCR(2015-16)4 and FCR(2015-16)5 were similar in nature, the discussion of the two items would be combined but the items would be voted on separately.

40. The Chairman advised that FCR(2015-16)4 sought approval of an allocation of \$31,353,000 from the Lotteries Fund for meeting the construction costs of a new Contract Residential Care Home for the Elderly ("RCHE") in the public rental housing ("PRH") development at Fo Tan, Shatin Areas 16 & 58D.

41. The Chairman further advised that FCR(2015-16)5 sought approval of an allocation of \$109,217,000 from the Lotteries Fund for meeting the construction costs of a new RCHE with a Day Care Unit for the Elderly at the welfare block in the PRH development of the Hong Kong Housing Authority ("HKHA") at the site of Shek Mun Estate Phase II, Sha Tin.

42. Mr CHEUNG Kwok-che, Chairman of the Panel on Welfare Services, reported that the Panel discussed the item FCR(2015-16)4 on 9 February 2015

and Panel members supported the proposal. Some members noted that while the Administration had reserved land for developing RCHEs in various development projects, individual RCHEs only provided a limited number of residential care places. Members urged the Administration to maximize the number of residential care places provided or to increase the proportion of subsidized residential care places.

43. Mr CHEUNG Kwok-che further reported that the Panel discussed the item FCR(2015-16)5 on 8 December 2014 and members expressed support for the proposal. Some members urged the Administration to consider conducting tendering exercise for the operator in parallel with the construction of the RCHE at Shek Mun so that its operation could commence at the earliest possible time. Members also called on the Administration to include RCHEs in future PRH development projects. Members opined that RCHE situated in PRHs, as opposed to elderly community centres, would better help the elderly to integrate into the community. Moreover, members urged the Administration to construct more RCHEs and increase provisions of residential care places for the elderly.

44. The Chairman and Ir Dr LO Wai-kwok declared interests that they were members of the HKHA.

45. Mr IP Kwok-him and Mr Abraham SHEK expressed support for the proposal.

46. In response to Mr IP Kwok-him, Deputy Director of Social Welfare (Services) ("DDSW(S)") said that the Administration had not received any views from District Councils opposing the building of RCHEs in their respective districts.

Ratio of subsidized residential care places

47. Mr CHEUNG Kwok-che noted that only some RCHEs had achieved a ratio of subsidized residential care places vis-à-vis non-subsidized residential care places at 8:2 and most of the RCHEs still maintained a 6:4 ratio. He urged the Administration to adjust its policy to standardize the 8:2 ratio in favour of subsidized residential care places with a view to providing affordable residential care places. Dr Fernando CHEUNG and Ms Emily LAU shared a similar view and called on the Administration to conduct a review on the present 6:4 ratio.

48. DDSW(S) explained that the Administration's policy was to plan RCHEs according to the 6:4 ratio in favour of subsidized residential care places.

In planning individual RCHEs, the Administration would give consideration to the demographics and economic situation of the local community, and decide on the ratio of subsidized residential care places to be provided with some RCHEs achieving a ratio higher than 6:4. To ensure affordability of non-subsidized residential care places, preferences would be given to the tenderer with the lowest charge in the tender exercise for the operation of an RCHE. Adjustments to fees charged by RCHEs required the scrutiny by the Administration and had to be in line with the Composite Consumer Price Index. In considering whether a review of the 6:4 ratio was needed, the Administration would examine the current utilization of both subsidized residential care places and non-subsidized residential care places. It should be noted that the average usage rate of non-subsidized residential care places was 93%, which was comparable to that of subsidized residential care places which stood at 95%.

49. Dr Fernando CHEUNG requested the Administration to provide information on the various levels of fees being charged and the average level of fees in respect of the 24 Contract RCHEs in operation. DDSW(S) undertook to provide the requested information after the meeting.

Planning of RCHEs

50. DDSW(S) confirmed Ms Emily LAU's understanding that the Administration would plan for residential service space provisions for every PRH project. In addition, the Administration was also advocating for development of RCHEs in private development projects by the Urban Renewal Authority and the Mass Transit Railways Corporation.

51. Ms Emily LAU expressed dissatisfaction towards the inadequate provision of RCHEs in the face of the community's large demand for residential care places for the elderly. DDSW(S) said that the Administration had earmarked an additional 11 sites for construction of RCHEs, and an additional 7 000 residential care places could be provided through the Special Scheme on Privately Owned Sites for Welfare Uses.

Voting on FCR(2015-16)4

52. There being no further question from members, the Chairman put the item FCR(2015-16)4 to vote. The Chairman declared the Committee approved the item.

Voting on FCR(2015-16)5

53. The Chairman put the item FCR(2015-16)5 to vote. The Chairman declared the Committee approved the item.

54. The meeting was adjourned at 7:12 pm.

Legislative Council Secretariat

14 August 2015