

**Speaking Note for the Secretary for Food and Health
at the Special Meeting of the Finance Committee
on 6 April 2016**

Health

Chairman and Honourable Members,

In 2016-17, the estimated recurrent government expenditure on health is \$57.3 billion, which amounts to 16.5% of the Government's total recurrent expenditure and represents an increase of about \$0.87 billion or 1.5% as compared with the previous year.

2. New and additional resources available in this financial year are mainly used for the following services:

(1) The estimated expenditure of the Hospital Authority (HA) for the coming year amounts to \$58 billion (including an annual recurrent government funding of \$50.8 billion), representing an increase of about 4% over the HA's budget in the previous year. To meet the demand arising from growing population and demographic changes, and to further improve healthcare services, the major improvement initiatives of the HA for the coming year include:

- providing a total of 231 additional hospital beds in ten hospitals;
- providing additional operating theatre sessions;
- enhancing the capacity of echocardiogram service, increasing the quota of haemodialysis service and extending the service hours of radiotherapy for cancer patients, etc.;
- widening the indications of certain special drugs and re-positioning certain self-financed drugs as special drugs in the HA Drug Formulary for treating diabetes mellitus, stroke, osteoporosis and breast cancer to benefit around 6 700 patients per year;
- increasing the quota for general out-patient clinics by 27 000 attendances and providing 49 000 additional attendances per year thereafter;

- setting up the 5th Joint Replacement Centre¹ in the territory for performing 260 additional operations in 2016-17 and 350 additional operations per year thereafter;
- strengthening the service of the Community Geriatric Assessment Teams to cover more residential care homes for the elderly (RCHEs) and improving the quality of care for terminally ill patients living in RCHEs in four clusters; and
- enhancing endoscopy service by performing additional endoscopic procedures.

Moreover, the Finance Committee of the Legislative Council approved a sum of \$10 billion in mid-March for the HA to set up an endowment fund and make use of its investment returns for public-private partnership initiatives.

(2) An additional amount of about \$1.03 billion will be allocated to the Department of Health (DH) for service enhancement and new initiatives, which include:

- earmarking additional provision to meet the increasing demand for the Elderly Health Care Voucher Scheme;
- enhancing seasonal influenza vaccination programme by using quadrivalent vaccines to replace trivalent vaccines and providing free or subsidised vaccination for all elders aged 65 or above and persons with intellectual disability;
- setting up a temporary testing centre for Chinese medicines by the DH before the establishment of a permanent testing centre for Chinese medicines. The temporary testing centre is expected to begin operation in phases starting from next year;
- launching the Colorectal Cancer Screening Pilot Programme in the 3rd quarter of this year for eligible Hong Kong residents aged 61 to 70 and providing additional funding for implementing other supporting measures for cancer prevention and screening;

¹ The other four existing Joint Replacement Centres are located at the Buddhist Hospital, Yan Chai Hospital, Pok Oi Hospital and Alice Ho Miu Ling Nethersole Hospital.

- setting up the new Office for Regulation of Private Healthcare Facilities in the DH;
- providing funding to tackle the threat of antimicrobial resistance to public health and setting up as soon as possible a high-level, cross-sectoral steering committee for the formulation of the relevant strategies and action plans;
- strengthening the enforcement of the statutory smoking ban and enhancing smoking cessation services provided by non-governmental organisations;
- setting up a temporary child assessment centre in Ngau Tau Kok. As for the new child assessment centre, we expect that it will come into operation in mid-2022;
- strengthening the manpower support for the Chinese Medicine Division of the DH for processing registration applications of proprietary Chinese medicine (pCm), and providing the trade with consultancy services on pCm registration;
- providing medical support for persons affected by the lead in water incident;
- funding the legal costs arising from committee-related appeals and court proceedings of the Medical Council of Hong Kong (MCHK); and
- improving the arrangements for the Licensing Examination of the MCHK.

Public Hospital and Healthcare Infrastructure Expansion

3. The Government attaches great importance to healthcare infrastructure projects. The construction of the Tin Shui Wai Hospital and the Hong Kong Children's Hospital are expected to be completed this year and next year respectively. To cope with the ageing population, the Government has set aside a dedicated provision of \$200 billion for the HA to formulate a long-term plan for hospital development in the coming decade. In addition to the redevelopment projects of the Kwong Wah Hospital, the Queen Mary Hospital and the United Christian Hospital, which have already commenced, the 10-year hospital development plan includes development of the acute general hospital in the Kai Tak Development Area, expansion or redevelopment of the Tuen Mun Hospital Operating Theatre Block, the Haven of Hope Hospital, the Prince of Wales Hospital, the Kwai Chung Hospital, the North District Hospital, Lai King Building of the Princess Margaret Hospital, the Grantham Hospital and Our Lady of Maryknoll Hospital. Around 5 000 additional hospital beds and more than 90 additional operating theatres will be provided upon completion of these projects. At the

district level, the Government will set up community health centres in Mong Kok, Shek Kip Mei and the North District, increasing the capacity for general out-patient clinics attendances by 410 000 per year.

4. As regards healthcare information, we have been developing a territory-wide Electronic Health Record Sharing System(eHRSS) since 2009 so as to maintain a more comprehensive set of medical records and enhance the continuity of healthcare services for the public, and promote public-private partnership. The relevant legislation was passed by the Legislative Council in July 2015. We are glad that the first stage of the eHRSS was successfully launched on 13 March 2016 for application from healthcare providers and patients. We are actively preparing for seeking funding from the Legislative Council within 2016-17 to develop the second stage of the eHRSS with added functions.

Mental Health

5. The Government is committed to promoting mental health. Comprehensive mental health services are provided for persons in need, so as to facilitate their rehabilitation and re-integration into society. The Government set up the Review Committee on Mental Health in May 2013 to review the existing policy on mental health. The review committee will publish its report after completing the comprehensive review of various aspects of the mental health policy this year. Subsequently, the relevant bureaux and departments will take forward the recommendations accordingly.

Healthcare Reform

6. With regard to healthcare manpower, the Government has set up a steering committee to conduct a strategic review on healthcare manpower planning and professional development in Hong Kong. We expect that the review will be completed in the middle of the year. Besides, we introduced a bill into the Legislative Council to amend the Medical Registration Ordinance in early March. The bill seeks to increase lay participation in the Medical Council of Hong Kong, improve its complaint investigation and disciplinary inquiry mechanism and increase its efficiency, and facilitate more non-locally trained doctors to practise in Hong Kong. To meet the anticipated demand for healthcare manpower, we have, based on the preliminary findings of the review, increased the number of publicly-funded degree places in medicine, dentistry and other healthcare professions by 50, 20 and 68 respectively starting from 2016/17 academic year. We will also continue to implement other initiatives to increase manpower supply.

7. As regards the Voluntary Health Insurance Scheme, we are analysing the views from the public consultation exercise conducted earlier. We are also discussing with the insurance

industry and other stakeholders on how the proposals can be further refined. A consultation report setting out the consultation outcome and the way forward will be released as soon as practicable. In parallel, a report on the public consultation on regulation of private healthcare facilities will be published shortly. We are formulating, in collaboration with the relevant government bureaux/departments and stakeholders, details of the new regulatory regime for private healthcare facilities, with a view to introducing the relevant bill to the Legislative Council in the 2016-17 legislative session.

Chinese Medicine Development

8. As regards the development of the Chinese medicine industry, since the establishment of the Chinese Medicine Development Committee in February 2013, we have progressively implemented the committee's recommendations, which include the development of a Chinese medicine hospital, development of the integrated Chinese-Western medicine, expansion of the Hong Kong Chinese Materia Medica Standards (HKCMMS) Project as well as preparation for the setting up of a testing centre for Chinese medicines. In January this year, we invited non-profit-making organisations interested in developing and operating a Chinese medicine hospital at the reserved site in Tseung Kwan O to submit an Expression of Interest to the Government before mid-May. Besides, we will launch a pilot study on the reference standard setting for Chinese medicines decoction pieces under the HKCMMS Project.

9. Chairman, my colleagues and I are happy to answer questions from Members.