

立法會
Legislative Council

LC Paper No. FC17/03-04
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 2nd meeting
held at the Legislative Council Chamber
on Friday, 7 November 2003, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong, GBS (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, GBS, JP
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon Eric LI Ka-cheung, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung, JP
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, GBS, JP

Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBS, JP
Hon Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon Timothy FOK Tsun-ting, SBS, JP
Dr Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Dr Hon David CHU Yu-lin, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok, JP
Hon MA Fung-kwok, JP

Public officers attending:

Mr Alan LAI Nin, JP

Miss Elizabeth TSE, JP

Permanent Secretary for Financial Services
and the Treasury (Treasury)

Deputy Secretary for Financial Services and
the Treasury (Treasury) 1

Mr K K LAM	Principal Executive Officer (General), Financial Services and the Treasury Bureau (Treasury)
Mrs Carrie YAU, JP	Permanent Secretary for Health, Welfare and Food
Miss Diane WONG	Principal Assistant Secretary for Health, Welfare and Food (Welfare)
Dr Daisy DAI	Senior Executive Manager (Medical Services Development) of Hospital Authority
Miss Ophelia CHAN	Assistant Director (Rehabilitation and Medical Social Services) of Social Welfare

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Assistant Secretary (1)1
Mrs Mary TANG	Senior Assistant Secretary (1)2
Ms Caris CHAN	Senior Legislative Assistant 1
Mr Frankie WOO	Legislative Assistant 2

Action

Item No. 1 - FCR(2003-04)44

HEAD 170 – SOCIAL WELFARE DEPARTMENT

◆ Subhead 700 General other non-recurrent

New Item “Trust Fund for Severe Acute Respiratory Syndrome”

The Chairman said that members were invited to approve the creation of a new commitment of \$150 million for the setting up of a Trust Fund for Severe Acute Respiratory Syndrome (SARS). He advised that a total of three meetings, including two joint meetings of the Panel on Health Services and the Panel on Welfare Services on 20 and 29 October 2003 and one meeting of the Panel on Health Services on 3 November 2003, were held to discuss the subject.

2. Mr Michael MAK, Chairman of the Panel on Health Services who also chaired the joint meetings, highlighted the salient points raised during deliberation of the Panels. He said that the proposed commitment for the Trust Fund had been increased from \$130 million to \$150 million after taking into account members' request at the joint Panel meetings. The scope of the special ex gratia financial assistance was also extended to cover "suspected" SARS patients treated with steroids^{Note¹}. While welcoming the extension, there was concern that the commitment of \$70 million earmarked for the provision of special ex gratia financial assistance might not be sufficient to cover all the 1 456 recovered patients and around 80 "suspected" SARS patients treated with steroids. The Panel on Health Services supported the proposal as the Administration had undertaken to monitor the situation and, where needed, would seek additional funding for the purpose.

3. Mr CHEUNG Man-kwong shared Panel members' concern and pointed out that based on the maximum financial assistance for each patient at \$500,000, the commitment of \$70 million would only be able to provide for 140 patients. He enquired about the arrangements after the committed sum of \$70 million had been used up. The Permanent Secretary for Health, Welfare and Food (PSHWF) said that the proposed commitment for the Trust Fund was based on a rough estimate. Besides, not all of the 80 "suspected" SARS patients treated with steroids would suffer longer term effects. Some of them received only minor dosages of steroids and had since recovered. As for the recovered SARS patients, many had fully recovered. In the event of depletion of the Trust Fund, the Administration would seek additional funding with details of disbursement. The Senior Executive Manager (Medical Services Development) of Hospital Authority (SEM/HA) added that "suspected" SARS patients were diagnosed on admission according to the prevailing definition for SARS as specified by the World Health Organization and steroids were used in some of the suspected cases. Since dosages of steroids prescribed for "suspected" SARS patients were small and ceased soon after they were confirmed as non-SARS cases, it was expected that not many of the "suspected" SARS patients would suffer longer term effects, if any.

4. Mr CHEUNG Man-kwong said that while he was not in a position to comment on the use of steroids, he held the view that Government should provide assistance to SARS patients, particularly when it was reported that 10%, instead of the original estimate of 3%, of SARS patients were suffering from avascular necrosis (AVN). PSHWF said that arrangement had been made to recall recovered and "suspected" SARS patients to undergo Magnetic Resonance Imaging (MRI) Scan which should best be conducted within six to nine months after treatment of steroids. SEM/HA supplemented that up to last week, Hospital Authority (HA) had

Note¹ Patients who were clinically diagnosed as having SARS on admission and treated with steroids as medication for SARS, but turned out subsequently not to have SARS but had been suffering from longer term effects attributable to the effect of steroids received and which might result in some degree of physical dysfunction.

approached over 1 200 recovered SARS patients requesting them to undergo MRI Scan and other medical assessments. Meanwhile, 423 recovered SARS patients who were receiving after care service had undergone MRI Scan and 50 of them were found to have suffered from AVN, representing an occurrence rate of about 10%. Of these, 29 would require surgical intervention. She added that on medical basis, conditions of many patients with AVN would improve over time. The chances that patients with AVN would become permanently physically disabled were quite slim. In response to the Chairman's enquiry on the priority for MRI Scans, SEM/HA said that patients with symptoms were already scanned and those asymptomatic patients were now being recalled to undergo MRI Scans six months after their discharge.

5. Mr IP Kwok-him asked if consideration would be given to setting aside part of the Trust Fund for research into cure for AVN arising from the effects of steroids. PSHWF advised that the commitment of \$500 million approved earlier by the Finance Committee for financing research projects on controlling infectious diseases could be utilized for the purpose. Invitations had been extended to tertiary institutions for application of research funding and the first round of applications would have to be submitted by November 2003.

6. In response to Mr Michael MAK's question, SEM/HA confirmed that the estimated medical charges to be incurred by recovered and "suspected" SARS patients treated with steroids were based on the normal in-patient and out-patient charges in public hospitals. Mr MAK remarked that the SARS patients might wish to receive treatment in private hospitals. The special ex gratia financial assistance capped at \$500,000 per patient might not be sufficient to cover the charges for medical services provided by private hospitals and private practitioners, let alone the loss in income or increase in expenditure as a result of SARS infection. PSHWF said that the figure was worked out based on a rough estimate. The exact amount for each patient had yet to be assessed taking into account the actual needs. She stressed that the special financial assistance was to be provided on an ex gratia basis and where such was not adequate, there were other channels, including the Comprehensive Social Security Assistance (CSSA), through which financial assistance would be made available.

7. Mr LEUNG Yiu-chung was concerned about the capping of special ex gratia financial assistance at \$500,000 per patient as there was no certainty that there would be full recovery from the disease. Given the stringent eligibility criteria for other financial assistance schemes, he enquired if the Administration would reconsider providing additional assistance to needy patients who were not qualified for these schemes. PSHWF said that ex gratia financial assistance under the Trust Fund was given on compassionate grounds and the plan was worked out taking into account the views expressed by members at the three Panel meetings. Apart from the Trust Fund, there were other supporting services rendered by the Social Welfare Department (SWD) and HA through which assistance would be provided to the

patients and their families. Where a patient was unable to find any other financial assistance, he could still rely on CSSA. While flexibility would be exercised in the provision of assistance, there was a need to cap the assistance at a certain level. The \$500,000 special ex gratia financial assistance would help patients to tide over their financial needs.

8. While supporting the creation of the proposed Trust Fund, Ms Cyd HO said that she had reservations on capping the ex gratia financial assistance at \$500,000 for each patient given the many uncertainties over longer term health effects associated with SARS. She suggested that, without infringing the privacy of the patients, there should be regularly monitoring on the condition of the patients by HA and the relevant Panels to decide if the cap of \$500,000 for each patient would need to be adjusted. PSHWF said that the Administration had agreed to report the latest development of the Trust Fund to the relevant LegCo Panels in December 2003.

9. Noting that the duration of treatment for SARS patients suffering from longer term effects was not known at this stage, Mr CHEUNG Man-kwong considered it necessary for the Administration to undertake that additional funding would be sought when the initial commitment of \$70 million for the provision of special ex gratia financial assistance for recovered and “suspected” SARS patients treated with steroids had depleted. Ms Emily LAU added that these patients should be rest assured that extra funding would be made available to meet their needs. PSHWF said that an undertaking to seek additional funding in the event eligible applicants failed to receive the grant had already been made by the Administration at the joint meetings of the Panel on Health Services and Panel on Welfare Services. She was pleased to re-affirm the said undertaking.

10. Mr James TIEN noted that dependent children of deceased SARS patients had already benefited from the “We Care Education Fund” which was set up to finance their education and learning needs. There were also other sources of financial assistance for them but these were left out in the Administration’s paper. He suggested that the proposed relief payments for dependent children (\$500,000 each for those under 18, and \$300,000 each for those between 18 and below 21 in full time studies) could be suitably reduced to allow for greater flexibility in the deployment of the Trust Fund to assist those recovered and “suspected” SARS patients treated with steroids who might be suffering from longer term effects but had no other sources of assistance. This would also address members’ concern about the inadequacy of the special ex gratia financial assistance of \$500,000 for these patients.

11. While appreciating the financial support from the community, PSHWF said that Government still had its own responsibility to provide relief to families of the deceased patients. Besides, the allocation of the Trust Fund had been discussed at length and the proposed arrangement was considered appropriate. The Assistant

Director (Rehabilitation and Medical Social Services) of Social Welfare (ADSW) added that SWD had been tasked to process applications and disburse funds from the “Business Community Relief Fund for Victims of SARS” set up by the business community and so far, \$100,000 had been disbursed to each of the 44 families with one parent died of SARS leaving behind children aged below 18. Meanwhile, \$3.3 million out of the \$82 million of the “We Care Education Fund” had been disbursed to provide for the education needs of the dependent children of deceased SARS patients.

12. Mr James TIEN however pointed out that each of the 74 dependent children of deceased SARS patients would be provided with more than \$1 million under the “We Care Education Fund”, let alone the assistance received from the Trust Fund and other schemes. ADSW explained that since many of the dependent children were at a tender age, they would have to be provided with enough financial assistance to enable them to complete their education. Noting that only \$3 million had been paid out from the “We Care Education Fund” so far, Ms Emily LAU opined that SWD should be more generous in disbursing funds to meet the urgent needs of the affected families. ADSW said that expenses on special needs had been recognized, for example, two dependent children were helped to study overseas through the “We Care Education Fund” and grants to meet child care service expenditure were also given to families with children of tender age. SWD would make sure that sufficient funding was made available to meet the children’s education expenses, including school fees, tutorial fees, meals, extra-curricular activities, school transport expenses and textbooks.

13. Noting that the establishment of the Trust Fund was meant to be a unique measure to address an unprecedented distressful situation and would not set a precedent for patients of other diseases and future SARS cases, Ms LI Fung-ying questioned why the Administration had adopted such a rigid approach. She opined that some flexibility should be allowed to cater for the resurgence of SARS. PSHWF explained that it was a normal practice to set out explicitly the purpose of the Trust Fund. This would ensure that the Trust Fund would be used to serve its intended purpose only. In accordance with the recommendations set out in the SARS Expert Committee Report, consideration would be given to setting up a contingency fund for public relief in the event of another outbreak of unknown infectious diseases.

14. Referring to paragraph 25 of the paper which set out the estimated disbursement of funds for each category of beneficiaries for the years up to 2006-07, Ms Emily LAU supported Mr James TIEN’s earlier suggestion that there should be greater flexibility in the disbursement of funds. PSHWF said that the Committee for the Trust Fund for SARS (the Committee) set up to advise the Administration on the operation of the proposed Trust Fund would assess the applications and ensure a fair disbursement of funds to eligible applicants. Meanwhile, the Administration

would report the progress of disbursement to the relevant LegCo Panels. SEM/HA added that the Administration hoped that the special ex gratia financial assistance could be provided as soon as possible to meet the needs of eligible applicants. While assuring members that flexibility would be exercised in the disbursement of funds, she said that the progress of disbursement would depend on the timing of applications from eligible applicants.

15. Mr Michael MAK sought elaboration on the implementation details of the Trust Fund and the time frame for the first disbursement from the Fund. PSHWF said that all preparatory work on the establishment of the Trust Fund had been completed and once funding was approved, the Committee would be set up to advise the Administration on the operation of the Trust Fund and approve the applications. It was hoped that the Committee would be able to convene its first meeting next week and to receive applications as soon as possible.

16. On the composition of the Committee, PSHWF advised that the Administration had taken on board members' suggestions that the membership should comprise representatives from patients' groups as well as welfare and health services sectors. The Director of Social Welfare would act as the trustee for the Trust Fund and secretariat services would be provided by SWD. The Committee would comprise four to five members. As for the Review Committee for the Trust Fund for SARS, this would consist of a senior counsel as chairman and two other members, one from the social welfare sector and the other from the medical field. The non-official members of the Committee were all volunteers who would receive no remuneration for their services. In light of the interest of public in the work of the Committee, the Administration would make the arrangements as transparent as possible and would report the progress of work to the relevant Panels.

17. At Ms Emily LAU's request, PSHWF advised the membership of the Committee and the Review Committee on Trust Fund for SARS as follows -

Committee on Trust Fund for SARS

Chairman

Dr David FANG

Non-official members

Ms Deborah WAN Lai-yau

Ms Iris CHAN Sui-ching

Mr Benedict WONG Chung-mat

Ms Scarlett PONG Oi-lan

Review Committee on Trust Fund for SARS

Chairman

Mr Benjamin YU, SC

Members

Ms Christine FANG
Professor Richard YU

18. The Committee approved the proposal.
19. The meeting was adjourned at 3:20 pm.

Legislative Council Secretariat
5 December 2003