

ITEM FOR FINANCE COMMITTEE

HEAD 149 – GOVERNMENT SECRETARIAT : HEALTH, WELFARE AND FOOD BUREAU

Subhead 700 General other non-recurrent

Item 020 Commitment for the fight against Severe Acute Respiratory Syndrome

Members are invited to increase the approved commitment for the fight against the Severe Acute Respiratory Syndrome under Head 149 Subhead 700 Item 020 from \$700 million to \$940 million.

PROBLEM

The approved commitment of \$700 million under Head 149 Subhead 700 Item 020 for the fight against Severe Acute Respiratory Syndrome (SARS) is insufficient for the Department of Health (DH) and the Hospital Authority (HA) to cope with the extra workload and activities associated with the fight against SARS.

PROPOSAL

2. The Secretary for Health, Welfare and Food (SHWF) proposes to increase the commitment for the fight against SARS under Head 149 Subhead 700 Item 020 by \$240 million from \$700 million to \$940 million.

/JUSTIFICATION

JUSTIFICATION

3. SARS is a new respiratory illness caused by a member of the coronavirus family never before seen in humans. The SARS outbreak last year was one of the worst outbreaks of infectious disease ever experienced by Hong Kong for decades. While the SARS outbreak in Hong Kong was brought under control in less than four months, the effects of the epidemic will be felt for a considerably longer period of time. Within the public health sector, there is still a lot of work to be done. Additional resources are required for DH and HA to cope with the extra workload and activities associated with the fight against SARS. We need to maintain a high level of vigilance against the possible resurgence of SARS and the Government will continue to carry out enhanced port health measures to forestall the import of SARS cases from abroad. Within the public hospital system, we have put in place robust infection control measures during the SARS outbreak. These will have to be maintained for some time yet in view of the potential risk of SARS. In addition, we will need to follow up on the recovered SARS patients and provide medical assistance where necessary.

4. On 18 July 2003, Members approved an increase of the commitment for the fight against SARS to \$700 million. Members noted that depending on need, the Administration might need to seek Members' approval to increase the commitment. So far, SHWF has approved/reserved a total of \$650.1 million to meet the additional expenditure incurred up to July 2003. The uncommitted balance of funds under the commitment stands at \$49.9 million.

5. We have carefully assessed the resource requirements within the public health sector. We estimate that an additional \$288.1 million would be required to meet the post-SARS measures planned for the delivery of hospital services in 2003-2004 and enhancing port health until the end of 2004. Taking into account the uncommitted balance of \$49.9 million under the existing commitment, there is a need to increase the commitment by \$240 million.

Additional Funding Requirements

6. The post-SARS consequences in the delivery of hospital services for the period from August 2003 to March 2004 are estimated at \$250.8 million. This amount is required by HA and can be broken down as follows –

/(a)

- (a) \$107.7 million in costs of additional staff. For the fight against SARS, HA has strengthened its manpower resources by over 1 000 staff (including some 100 doctors, 240 registered nurses, 60 diagnostic radiographers and 650 supporting staff) during the outbreak through recruitment and contract extension. HA has retained some of these extra staff to handle the additional workload in the aftermath of the outbreak, which include clearing the patient backlog accumulated during the SARS outbreak earlier this year, maintaining strict infection control measures in public hospitals, and enhancing infection control in psychiatric wards. Nevertheless, the number of extra staff has been gradually reduced in the past few months, as the patient backlog was being cleared. At present, only about 500 of these extra staff (mainly registered nurses and supporting staff) remain with the HA;
- (b) \$89.1 million on personal protective equipment (PPE), e.g. masks, protective gowns and goggles, taking into account the increase in consumption of PPE as a precautionary measure that needs to be adopted when there is any confirmed community-acquired SARS case in the nearby regions;
- (c) \$23.8 million for following up on recovered SARS patients. This involves the provision of medical follow-up treatment and rehabilitation services;
- (d) \$20.8 million for the estimated expenditure on hospital supplies (e.g. cleansing material, paper towels and bacterial filters), drugs and pharmaceutical supplies (mainly antiseptic hand-wash), contracting out of cleansing services, and other items such as additional utilities, medical supplies and consumables; and
- (e) \$9.4 million for enhancing medical support for residential care homes for the elderly through the Visiting Medical Officer Scheme.

As \$17.7 million of the funds required can be offset by purpose-specific donations received by HA, the extra funding HA requires in meeting the post-SARS consequences in the delivery of hospital services planned for the year ending March 2004 is \$233.1 million.

7. In respect of port health, the Government has previously committed to implement the enhanced port health measures until June 2004. In view of the continued threat of SARS and other infectious diseases, we would extend those measures by six months until the end of 2004. The additional funding required is estimated at \$55 million. This amount is needed by DH and covers the resources required for running the Medical Posts at all border control points and implementing health declaration and temperature screening procedures on passengers arriving in or departing from Hong Kong.

FINANCIAL IMPLICATIONS

Non-recurrent Cost

8. Based on the committed funding requirements and the estimated funding requirements of HA up to March 2004 and DH up to December 2004 and having regard to the need to make necessary preparations for the possible resurgence of SARS, we propose to increase the approved commitment by \$240 million from \$700 million to \$940 million. The additional funding required does not include the resources necessary for more permanent arrangements/features such as the resources necessary for implementing the recommendations of the SARS Expert Committee and the long-term implications of SARS on the mode of delivery of hospital services. We would consult Members on these separately, as and when required.

9. Subject to Members' approval, we shall provide supplementary provision to fund this commitment as and when required.

Recurrent Cost

10. The activities supported by the commitment are one-off in nature, and will not generate additional recurrent expenditure.

/ADMINISTRATION

ADMINISTRATION OF THE COMMITMENT

11. The commitment is administered by the Health, Welfare and Food Bureau (HWFB). Government departments and HA in need of additional funding support to cope with the workload/activities associated with the fight against SARS need to file an application with HWFB. They are required to fully justify their funding requirements in their applications which will be vigorously scrutinised by HWFB. SHWF approves the applications having regard to their relevance to the scope of the commitment and their relative priority. HWFB will keep the Legislative Council Panel on Health Services posted on applications approved on a regular basis.

BACKGROUND INFORMATION

12. On 31 March 2003, Members approved the creation of a new commitment of \$200 million to provide additional funds for the fight against SARS. The commitment is to provide additional funding to HA, DH and other bureaux/departments for the treatment of SARS patients, and to step up infection control and public health education. On 18 July 2003, Members approved an increase of the commitment by \$500 million to \$700 million, having regard to the committed and estimated funding requirements up to July 2003 and the need to make necessary preparations for the possible resurgence of SARS this winter. In our prior submissions, we indicated that we might need to seek Members' approval to further increase the commitment depending on need.

13. We informed the Legislative Council Panel on Health Services on 5 January 2004 that we intended to seek Members' approval to increase the funding for the commitment against the fight of SARS, of the order of \$230 million. Members of the Panel were supportive of our proposal.

Health, Welfare and Food Bureau
February 2004