

**For discussion
on 13 June 2005**

Legislative Council Panel on Health Services

**Report on the Public Consultation on
the Hospital Authority Drug Formulary**

PURPOSE

This paper reports to Members on the public consultation on the Hospital Authority (HA) Drug Formulary.

BACKGROUND

2. Members were briefed on the proposal to introduce a standardised drug formulary for the public hospital system at the meeting on 31 January 2005. The main objective of developing an HA-wide Drug Formulary is to ensure equitable access to cost effective drugs of proven efficacy and safety, through standardisation of drug policy and utilisation in all HA hospitals and clinics.

3. The Hospital Authority (HA) conducted a three-month public consultation on the proposal between 1 February and 30 April. The draft Drug Formulary was released to the public on 18 February.

PUBLIC CONSULTATION

4. During the three-month consultation period, the HA has taken a number of measures to consult views of the major stakeholders, including patient groups, medical professionals, the pharmaceutical industry, academics, community organisations, and members of the public. These measures include –

- Visiting all 18 District Councils to brief Members of the proposal and collect their views;

- Organising / attending forums and seminars to explain the objectives and operating principles of the Drug Formulary to different sectors of the society and to collect their views.
- Production of an information pamphlet on the Drug Formulary, which was made available over the Internet and widely distributed at all public hospitals, Specialist Outpatient Departments, General Outpatient Centres and Public Enquiry Service Centres of the Home Affairs Department.
- Staging of an exhibition at the HA Headquarters on the Drug Formulary; and
- Establishment of a 24-hour information hotline to answer enquiries and collect feedback from the public.

In addition, representatives of the Administration and the HA met over 10 patient groups at a special meeting of the Panel on 8 March.

5. At the close of the consultation period on 30 April, the HA received nearly 100 written submissions from different interested parties, including Legislative Council Members, District Council Members, political parties, patient groups, Hong Kong Academy of Medicine, professional bodies, community organisations, members of the relevant trades, and individual members of the public. The HA also received around 300 calls through the information hotline.

SUMMARY OF PUBLIC VIEWS

6. The HA has carefully and thoroughly examined and considered the views collected at the various meetings and through the written submissions and phone calls. Overall, there is general support for HA's proposal to standardise the Drug Formulary at public hospitals and clinics. The community is largely receptive to rationale of the proposal and the major principles adopted by the HA for the development of the Drug Formulary, which include evidence-based medical practice, rational use of public resources, targeted subsidy and opportunity cost considerations.

7. The main views and concerns conveyed by various interested parties and HA's responses are summarised in the table below –

Views and concerns	HA's Response
<p><u>Name of the Formulary</u></p> <ul style="list-style-type: none"> • While agreeing with the need to standardising existing drug utilisation practices in public hospitals and clinics, Hong Kong Medical Association (HKMA) and several other professional bodies are of the view that the word “standard” may create the wrong impression that the HA Drug Formulary were an industry / profession standard. 	<ul style="list-style-type: none"> • The HA would drop the word “standard” and adopt the name “Hospital Authority Drug Formulary”.
<p><u>Drugs on the Formulary</u></p> <ul style="list-style-type: none"> • There are views that HA should include all drugs with proven efficacy in the Formulary. There are some concerns about the possible financial impact of the Formulary on the chronically ill, elderly and underprivileged. There are also suggestions that HA should subsidise the expensive drugs like cancer drugs and put drugs with cheaper alternatives (e.g. antihypertensive agents) on the private purchase list. • Some patient groups opined that more drug items should be listed as standard drug or covered by the safety net before the Government develops a solution for sustainable health care financing. • On the assessment of cost-effectiveness of a specific drug, it is suggested that HA should look at the total medical costs/social costs to be incurred in the long run by the patients and the community rather than just on the cost of the drug. 	<ul style="list-style-type: none"> • HA understands the concerns of the community, particularly among patient groups. However, no public sector or health insurance system can afford to supply or reimburse all medicines that are available in the drug market. Available drugs are huge in number and vary widely in terms of cost, evidential support for their clinical efficacy, therapeutic effectiveness and side effects. It is the responsibility of every healthcare organisation to establish and constantly review its drug formulary to ensure good standard of medical practice, delivery of effective treatment to patients and rational use of resources. • Drugs for acute and chronic diseases including expensive drugs are included in the Drug Formulary and covered within the standard fees and charges. There will not be significant impact on the chronically ill, elderly and underprivileged.

Views and concerns	HA's Response
<ul style="list-style-type: none"> • There are some requests for specific drugs to be added or deleted from certain drug category and suggestions on expanding the clinical indications based on personal experience. 	<ul style="list-style-type: none"> • HA has been, and will continue to introduce efficacious new drugs with proven cost effectiveness. • With the rapid advances in medical technology, review of the Formulary is an on-going process. Valuable views and comments on the content of the Formulary would form a basis for regular review of the Formulary.
<p><u>Assessment criteria for patients needing financial assistance under the Samaritan Fund</u></p> <ul style="list-style-type: none"> • There are calls for a review on the present assessment criteria for patients who have difficulties in meeting the cost of expensive drugs and more transparency for the financial means test. • There are views that the existing criteria were vague and subjective and could not cater to families in need of very expensive drugs. There are proposals suggesting that the means test should take into account essential expenses of the family. 	<ul style="list-style-type: none"> • HA agrees that there is a need for a more transparent mechanism for the application of the financial means test. • The HA will review the present assessment criteria for drugs under the Samaritan Fund. A more refined set of assessment criteria will be worked out with the Social Welfare Department and with participation of patient representatives. • The affordability of applicants will be determined on the basis of disposable resources (i.e. after deducting essential family expenditure from the household income and saving) and the required drug expenditure.
<p><u>Sustainability of the Safety Net</u></p> <ul style="list-style-type: none"> • There are concerns that the Samaritan Fund would not be able to cater to the increasing financial requirements in the long run. 	<ul style="list-style-type: none"> • With the approval of the Finance Committee, the Government made a grant of \$200 million to the Samaritan Fund to meet its projected funding requirement up to 2006-07. The Government will address the long-term funding

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	<p>arrangement for the Fund in the context of the on-going planning and discussion on health care financing and funding arrangement for the HA. In the meantime, HA will explore new possibilities of private donations.</p>
<p><u>Support for patients who are unable to afford drugs with preliminary medical evidence only</u></p> <ul style="list-style-type: none"> Some patient groups and members of the community suggested that the Administration should provide assistance to patients who would like to use drugs with preliminary medical evidence only (e.g. certain cancer drugs), which are outside the Drug Formulary and not covered by the Samaritan Fund. 	<ul style="list-style-type: none"> HA will work to synergise community efforts to develop support for these patients. E.g. HA is exploring with individual pharmaceutical companies on the possibility of offering assistance to these patients. HA is also discussing with the insurance industry on the feasibility of new insurance plans to facilitate patient choice in drug use.
<p><u>Regular consultative mechanism for the review of the Formulary</u></p> <ul style="list-style-type: none"> Some patients and community groups would like to be involved in the mechanism for regularly reviewing the Formulary. Some others are of the view that the process of developing / reviewing the Formulary should be transparent and that patients affected by changes to the Formulary should be given the opportunity to express their views. 	<ul style="list-style-type: none"> The Authority has maintained regular communication with patient groups to understand and address their concerns. The HA will further enhance this mechanism of regular communication to consult the views of patients as users, and will consider their views seriously in further reviews of the Formulary.
<p><u>Drug Education</u></p> <ul style="list-style-type: none"> There is a consensus among patients groups, professional bodies and the community on the importance of promoting drug education. More specifically, it is 	<ul style="list-style-type: none"> The HA has all along been organizing series of drug education activities in active partnership with patients groups and the pharmaceutical industries.

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<p>suggested that the HA, the pharmaceutical industries and patient groups should join hands in educating the public on the appropriate and effective use of drugs, their right to choose from available drug therapies, access to self-finance items and how to make informed choices.</p>	<ul style="list-style-type: none"> ● In partnering with professional bodies, the HA will step up efforts on drug education not only for patients, but also for the community, to enhance the overall knowledge on the appropriate and effective use of drugs. These educational activities include: the production of posters and leaflets; an enhancement of the Drug Counselling Program by community pharmacies; monthly workshops on drug education; and creation of a drug information website.
<p><u>Supply of drug items to be purchased by patients at their own expenses</u></p> <ul style="list-style-type: none"> ● Views are divided on the supply of drugs outside the Formulary. Most of the patient groups and the District Councils are of the view that the HA should procure self-financed items (SFI) for the patients, given that HA would be in a better position to bargain for good prices through bulk purchasing, with better assurance of continuous supply, quality and safety. ● On the other hand, the private sector advocates for the supply of SFI drugs through the private market, where market forces would be in play to ensure service quality and competitive prices. This would also facilitate drug education through the counselling service provided by community pharmacists. ● Some of concerned about the extra 	<ul style="list-style-type: none"> ● HA's overriding objective is the best interest of the patients. Patient convenience, quality of drug supply, reasonable pricing and fair competition are all important factors to be considered. ● As there is no clear consensus in the community on the issue, the HA would hold further discussion with the stakeholders in assessing the pros and cons of different options. ● In the meantime, the HA would recommend an evolutionary approach with HA supplying certain SFI drugs to patients where – <ul style="list-style-type: none"> – the drugs are not easily accessible in the community; – the drugs are covered by the Samaritan Fund; or – the drugs need to be supplied for operational convenience, e.g.

Views and concerns	HA's Response
workload for hospital staff if HA were to supply SFI drugs.	drugs needed by in-patients and day patients <ul style="list-style-type: none">• The HA would continue to closely review the development in the market after the implementation of the Formulary and to collect feedback from concerned parties in an interactive manner.

IMPLEMENTATION OF THE FORMULARY

8. Tentatively, the HA is planning to roll out the HA Drug Formulary by phases starting with the New Territories East Cluster in mid-July 2005, with other hospital clusters following in the ensuing months. HA will take a gradual approach in implementing the Drug Formulary to minimise the impact on patients.

9. Members are invited to take note of this report.

Hospital Authority
Health, Welfare and Food Bureau
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