

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Medical Subventions

49MM – Development of Chinese medicine clinics in the public sector

Members are invited to recommend to Finance
Committee –

- (a) the upgrading of part of **49MM** to Category A at an estimated cost of \$35.1 million in money-of-the-day prices for setting up six Chinese medicine clinics in the public sector; and
- (b) the retention of the remainder of **49MM** in Category B.

PROBLEM

We have gained sufficient experience in the operation of the first three public Chinese medicine clinics (CMCs) and need to increase the number of such clinics to develop standards in Chinese medicine practice.

PROPOSAL

2. The Secretary for Health, Welfare and Food proposes to upgrade part of **49MM** to Category A at an estimated cost of \$35.1 million in money-of-the-day (MOD) prices for the setting up of six public CMCs.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of **49MM** comprises the renovation of designated floors inside selected public healthcare institutions or government premises and provision of the required furniture and equipment items for the establishment of fifteen CMCs. The average construction floor area (CFA) of the clinics is about 580 square metres (m²) and each will comprise consultation rooms, treatment rooms, pharmacy, multi-activity room and other supporting facilities. The project will be carried out by phases according to the timing of availability of the sites.

4. The current phase includes the setting up of six clinics in the following locations -

District	Location of CMCs
Wan Chai	Tang Shiu Kin Hospital Community Ambulatory Care Centre
Sai Kung	Tseung Kwan O Hospital
Yuen Long	Yuen Long Madam Yung Fung Shee Health Centre
Kwai Tsing	Ha Kwai Chung Polyclinic and Special Education Services Centre
Tuen Mun	Yan Oi Polyclinic
Kwun Tong	Ngau Tau Kok Jockey Club Clinic

_____ The layout plans and the location maps of the sites are at Enclosure 1.

5. We plan to start works in January 2006 for completion by phases before March 2007. The renovation works for a clinic will take about four to six months.

/JUSTIFICATION

JUSTIFICATION

6. Chinese medicine is an alternative and a complement to western

medicine. Its application in disease prevention and treatment of illness is widely recognised and acknowledged by the local population. Its capability to help individuals in the maintenance of health contributes to preventive care. The effectiveness of Chinese medicine in treating some chronic illnesses and intractable disease is worth exploring. With the ageing population in Hong Kong, there is room for Chinese medicine to contribute to the local health care system in collaboration with western medicine.

7. In spite of its long history, the practice and toxicology of Chinese medicine lack a systematic basis for evaluating clinical efficacy in Hong Kong. As primary care is one of the strengths of Chinese medicine, it is considered that general out-patient Chinese medicine services in the public sector should be provided as a first step with a view to achieving the following objectives -

- (a) to promote the development of “evidence-based” Chinese medicine practice through clinical research;
- (b) to systematise the knowledge base of Chinese medicine;
- (c) to develop a model for Chinese medicine training;
- (d) to develop standards in Chinese medicine practice; and
- (e) to develop models of interface between western and Chinese medicine.

8. In 2003-04, the Hospital Authority established three CMCs on a trial basis. These three CMCs have adopted a tripartite model in which the Hospital Authority (HA) collaborates with a non-governmental organisation (NGO) and a local university in each of the clinics. Under the collaboration model, HA co-ordinates the Chinese Medicine dispensary services for the clinics to ensure standardisation and safety in the use of Chinese medicine products. It also maintains a common electronic clinical management system for sharing and collating clinical information to facilitate overall management, audit and research. The NGOs with good network in the district and/or proven track record in providing medical or community services are responsible for the day to day operations of the clinics. The universities with established expertise in training and research manage the training and research programmes of the clinics. This

/model

model has worked well. We aim to develop the clinics into centres of excellence for evidence-based practice on prioritized disease programmes as well as training centres for junior Chinese medicine practitioners.

9. With the experience gained in the operation of the first three CMCs, we are now ready to increase their number. Our target is to establish 18 CMCs. The six new CMC sites have been carefully selected on account of their proximity to densely populated areas, good accessibility and timing of availability of the sites for conversion and by completion of the proposed works, we would have met 50% of our target. The timetable for establishing the remaining nine clinics will be determined having regard to operational experience and availability of suitable sites.

FINANCIAL IMPLICATIONS

10. HA, in consultation with the Director of Architectural Services, estimates the cost of the proposed works to be \$35.1 million in MOD prices (see paragraph 11 below), made up as follows –

	\$ million	
(a) Building	14.2	
(b) Building services	8.9	
(c) Furniture and Equipment (F&E) ¹	5.8	
(d) Consultants' fees	3.6	
(e) Contingencies	2.6	
	—————	
Sub-total	35.1	(in September 2005 prices)
(f) Provision for price adjustment	0.0	
	—————	
Total	35.1	(in MOD prices)
	—————	

/A

————— A breakdown of the estimate for consultants' fees is at Enclosure 2.

11. Subject to approval, HA will phase the expenditure as follows –

Price

¹ Based on an indicative list of F&E items and their estimated prices.

Year	\$ million (Sept 2005)	adjustment factor	\$ million (MOD)
2005 – 2006	5.0	1.00000	5.0
2006 – 2007	24.8	1.00125	24.8
2007 – 2008	5.3	1.00125	5.3
Total	35.1		35.1

12. We have derived the MOD estimate on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2005 to 2008. The total CFA covered by the proposed works are around 3 460 m². The estimated construction unit cost, represented by building and building services costs, is around \$6,676 / m² of CFA in September 2005 prices. The unit cost is considered reasonable for the nature of the works to be carried out.

13. In view of the small scale of each clinic and as the sites are located in six different districts, HA will carry out the works using its own term contractors for the respective clusters selected through competitive bidding processes rather than through tendering the project and have the works carried out under one single contract. The latter arrangement would involve a longer processing time of up to six months as well as extra overheads for the appointed contractor to manage and co-ordinate works to be carried out in different districts.

14. HA has assessed the requirements for F&E for this project, and estimates the F&E costs to be \$5.8 million. The proposed F&E provision, which represents 25.1% of the total construction cost² of the project, is broadly comparable to that for projects of similar nature and scope.

/15.

15. The clinics will serve members of the public through a daily quota system. A fee of \$120 per visit which will include the consultation fee and two doses of Chinese medicine will be charged. However, 20% of the quota will be allocated to recipients of Comprehensive Social Security Allowance (CSSA) and their fees and charges will be waived.

² Represented by the building and building services costs.

16. The annual recurrent expenditure for each clinic is estimated to be around \$5 million.

PUBLIC CONSULTATION

17. We consulted the Legislative Council Panel on Health Services at its meetings on 13 June 2005 and 14 November 2005 respectively. Members generally supported the early establishment of more CMCs. The Panel also suggested that the funding submission should include all 15 clinics, i.e. including the works for the other nine clinics for which we have not yet identified sites so as to allow works to commence once suitable sites become available. Having regard to the experience gained in setting up the first three CMCs and the remaining preparatory work required, on balance, we do not consider the submission to Public Works Subcommittee/Finance Committee a time-critical step in the programme, and hence decide to follow the established procedures to seek upgrading of only the items with better-defined scope of works and more accurate cost estimates.

ENVIRONMENTAL IMPLICATIONS

18. This is a not a designated project under the Environmental Impact Assessment Ordinance and will not cause long-term adverse environmental impact. During construction, HA will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contracts. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site and, where applicable, the provision of wheel-washing facilities. These mitigation measures will be adequate to curb negative environment impacts on sensitive users (e.g. hospital patients) to within acceptable level.

/19.

19. At the planning and design stages, HA has considered measures to reduce the generation of construction and demolition (C&D) materials. HA will use more prefabricated building elements into the project design to reduce temporary formwork and construction waste. These include dry-wall partitioning and proprietary fittings and fixtures. In addition, HA will require the contractors to use metal site hoardings and signboards so that these materials can be recycled or reused in other projects.

20. HA will also require the contractors to submit a waste management plan (WMP) for approval. The WMP will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. HA will ensure that the day-to-day operations on site comply with the approved WMP. HA will control the disposal of public fill and C&D waste to public fill reception facilities, sorting facilities and landfills respectively through a trip-ticket system. HA will require the contractors to separate public fill from C&D waste for disposal at appropriate facilities. HA will record the disposal, reuse and recycling of C&D materials for monitoring purposes. HA estimates that the project will generate about 840 tonnes of C&D materials. Of these, HA will deliver about 270 tonnes (32%) to public fill reception facilities³ for subsequent reuse, and about 270 tonnes (32%) to sorting facilities in order to retrieve the inert portion for reuse as public fill. In addition, about 300 tonnes (36%) will be disposed of at landfills. The total cost of accommodating C&D materials at public fill reception facilities and landfill sites, together with the cost for handling the materials at sorting facilities is estimated to be \$71,790 for this project (based on an unit cost of \$27/tonne for disposal at public fill reception facilities, \$100/tonne at sorting facilities and \$125/tonne⁴ at landfills).

LAND ACQUISITION

21. The proposed project does not require land acquisition.

/BACKGROUND

BACKGROUND INFORMATION

22. The World Health Organisation (WHO) has noted that some traditional systems of medicine are highly developed “based on systematised knowledge, a comprehensive methodology and rich clinical experience”. Chinese medicine falls under this category. The WHO Western Pacific Regional Committee has passed a resolution to urge members to explore the potential for the integration of validated traditional remedies and therapies into mainstream health systems and to encourage and facilitate dialogue and cooperation among

³ Sorting facilities and public fill reception facilities are specified in Schedule 3 and Schedule 4 respectively of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of public fill in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

⁴ This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per m³), nor the cost to provide new landfills, (which is likely to be more expensive) when the existing ones are filled.

practitioners of traditional and modern medicine. In line with international trend of recognising the collaborative roles of western medicine and complementary/alternative medicine in treating human ailments, the Administration committed in the 2001 Policy Objective Booklet to set up 18 CMCs by 2005.

23. As the operation of Chinese medicine clinics was new to the public sector, in order to develop the mode of operation and collaboration arrangements of the clinics, it was decided that three clinics should first be established and the timing for setting up the remaining clinics to be reviewed in the light of clinical and operational experience. Three CMCs attached to the Tung Wah Hospital, the Yan Chai Hospital and the Alice Ho Miu Ling Nethersole Hospital together with a Toxicology Reference Laboratory were set up in 2003-04 at a cost of \$8.2 million. HA charged the cost to block allocation Subhead **8100MX** "Hospital Authority – improvement works, feasibility studies, investigations and pre-contract consultancy services for building projects". The Chief Executive in his January 2005 Policy Address committed to increase the number of clinics to no fewer than six in 2005-06. We upgraded **49MM** to Category B in November 2002.

24. The proposed works will not involve any tree removal or planting proposals.

25. We estimate that the proposed project will create about 48 jobs (44 for labourers and another four for professional/technical staff), providing a total employment of 810 man-months.

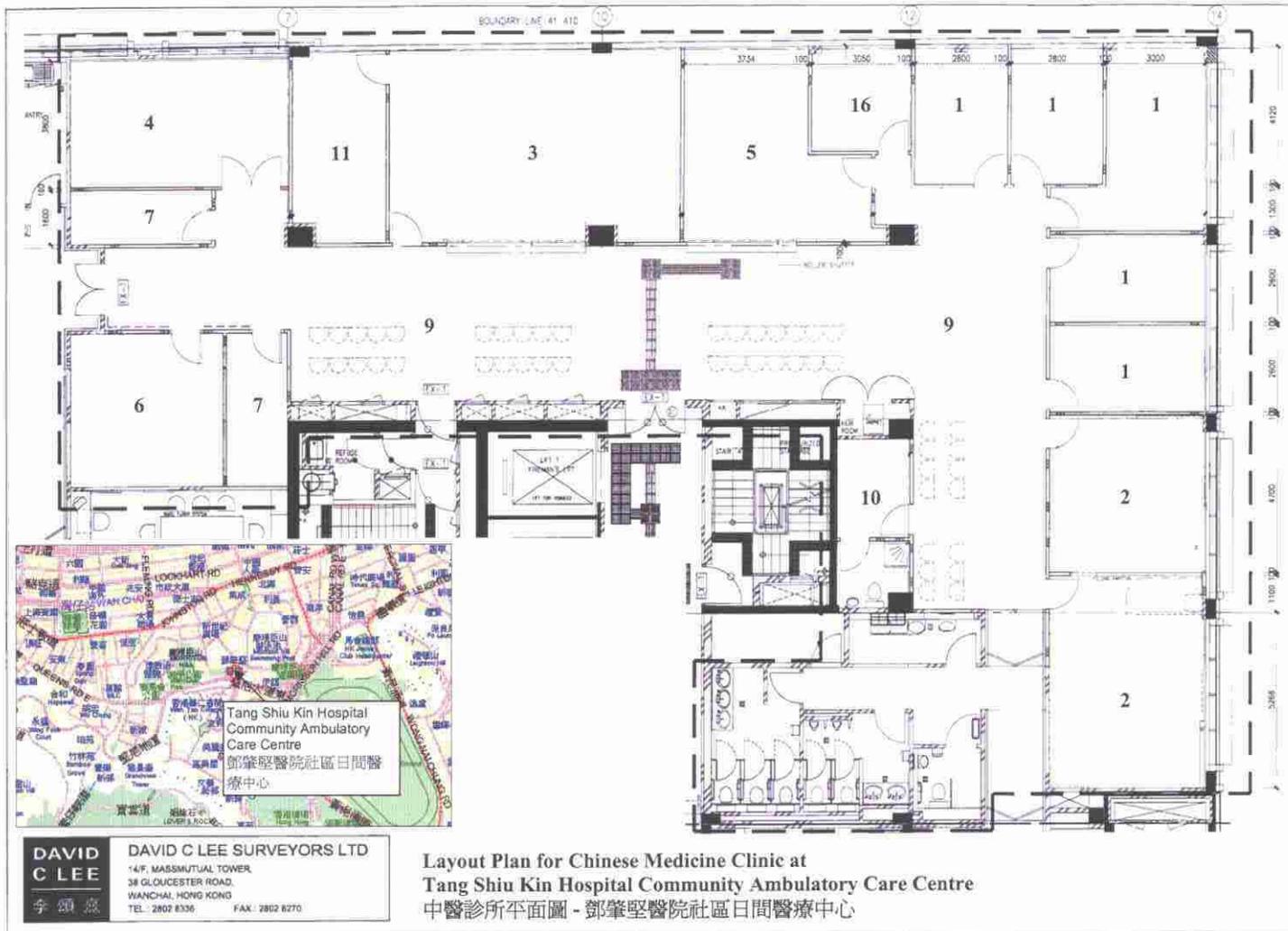
Health, Welfare and Food Bureau
November 2005

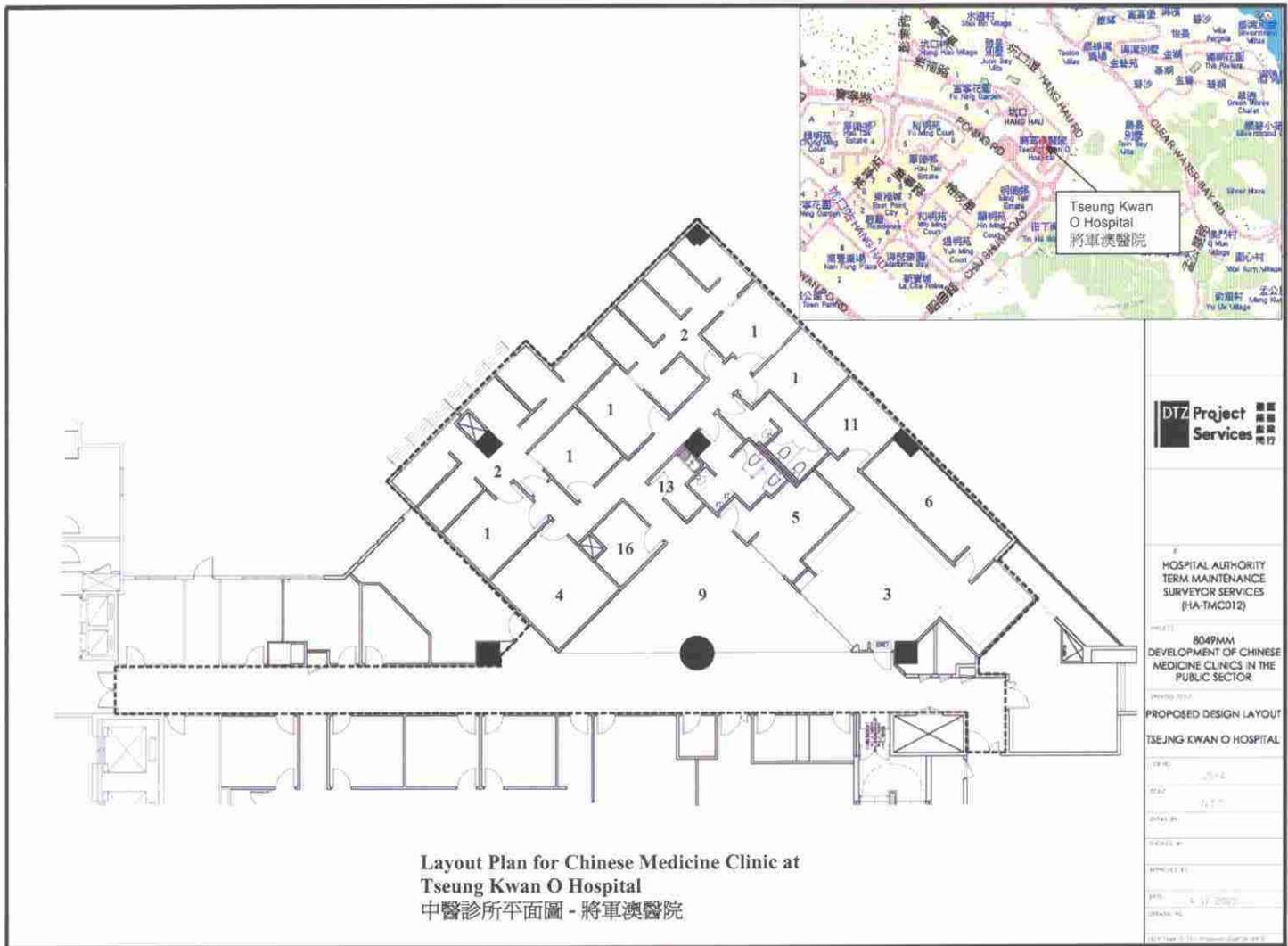
Layout Plans and Location Maps of Chinese Medicine Clinics
中醫診所平面圖和位置圖

▪ Tang Shiu Kin Hospital Community Ambulatory Care Centre 鄧肇堅醫院社區日間醫療中心	Page 2 第 2 頁
▪ Tseung Kwan O Hospital 將軍澳醫院	Page 3 第 3 頁
▪ Yuen Long Madam Yung Fung Shee Health Centre 元朗容鳳書健康中心	Page 4 第 4 頁
▪ Ha Kwai Chung Polyclinic and Special Education Services Centre 下葵涌分科診所及特殊教育服務中心	Page 5 第 5 頁
▪ Yan Oi Polyclinic 仁愛分科診所	Page 6 第 6 頁
▪ Ngau Tau Kok Jockey Club Clinic 牛頭角賽馬會診所	Page 7 第 7 頁

Legend (圖例):

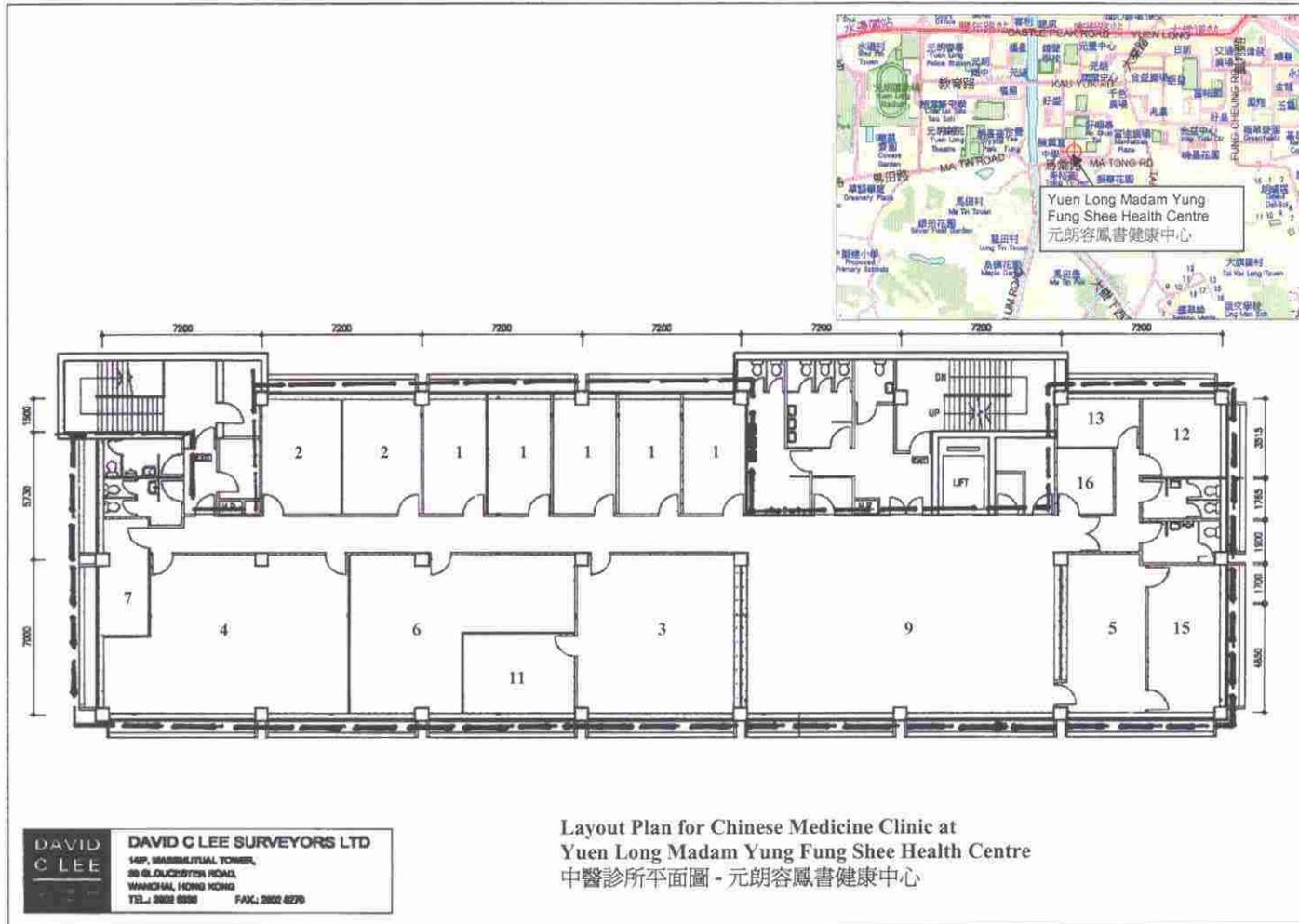
1. Consultation Room 診症室
 2. Treatment Room 治療室
 3. Pharmacy 中藥房
 4. Multi-purpose Room 多種用途活動室
 5. Registration 登記處
 6. Herb Store 藥庫
 7. Store Room 儲存室
 8. Office 辦公室
 9. Waiting Area 大堂
 10. Changing Room 更衣室
 11. Herb Preparation Room 煎藥室
 12. Linen Room 衣物房
 13. Pantry 茶房
 14. Conference Room 會議室
 15. Medical Record Store 病歷紀錄庫
 16. Assessment Area 評估處
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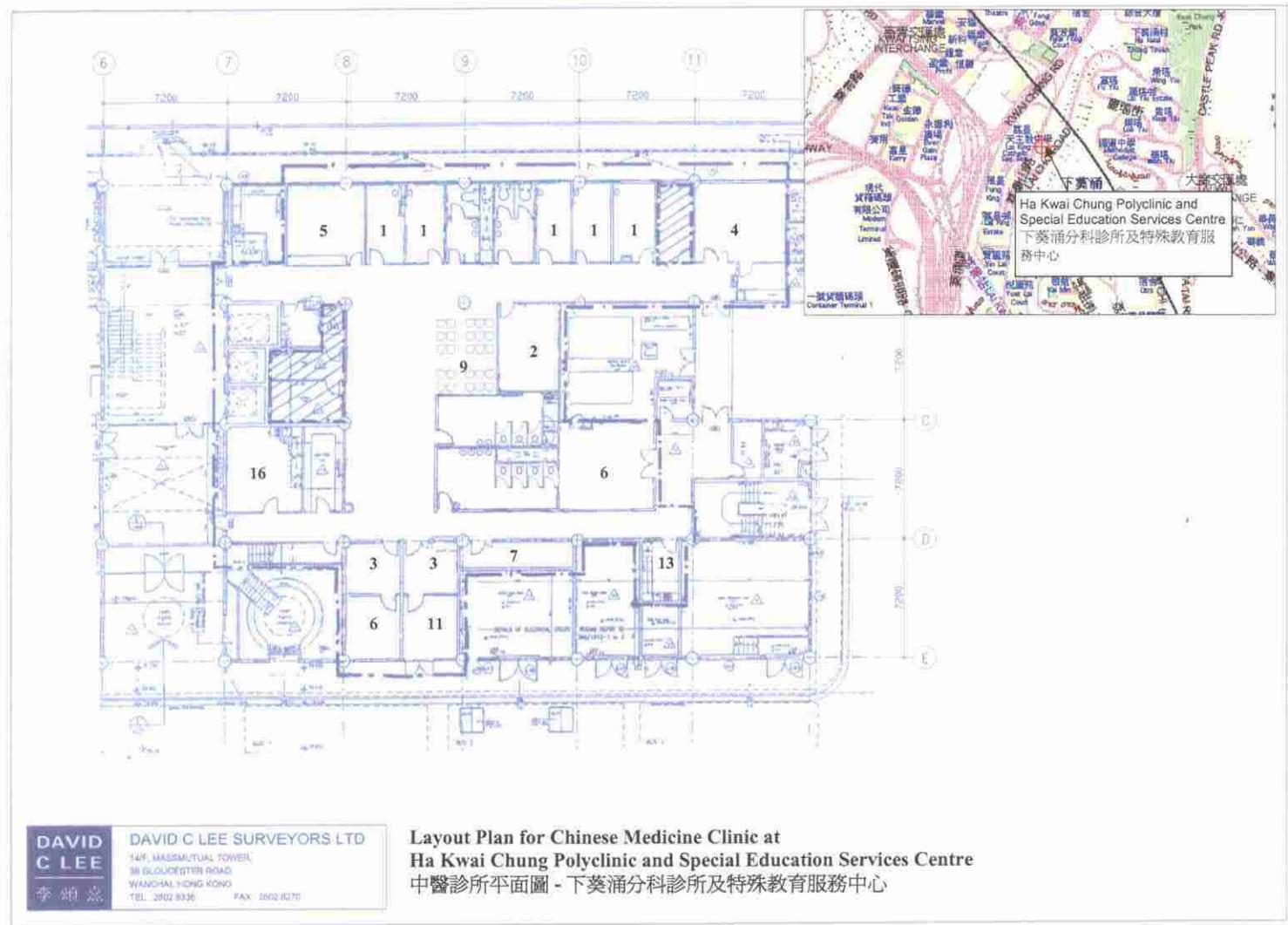




Layout Plan for Chinese Medicine Clinic at
Tseung Kwan O Hospital
中醫診所平面圖 - 將軍澳醫院

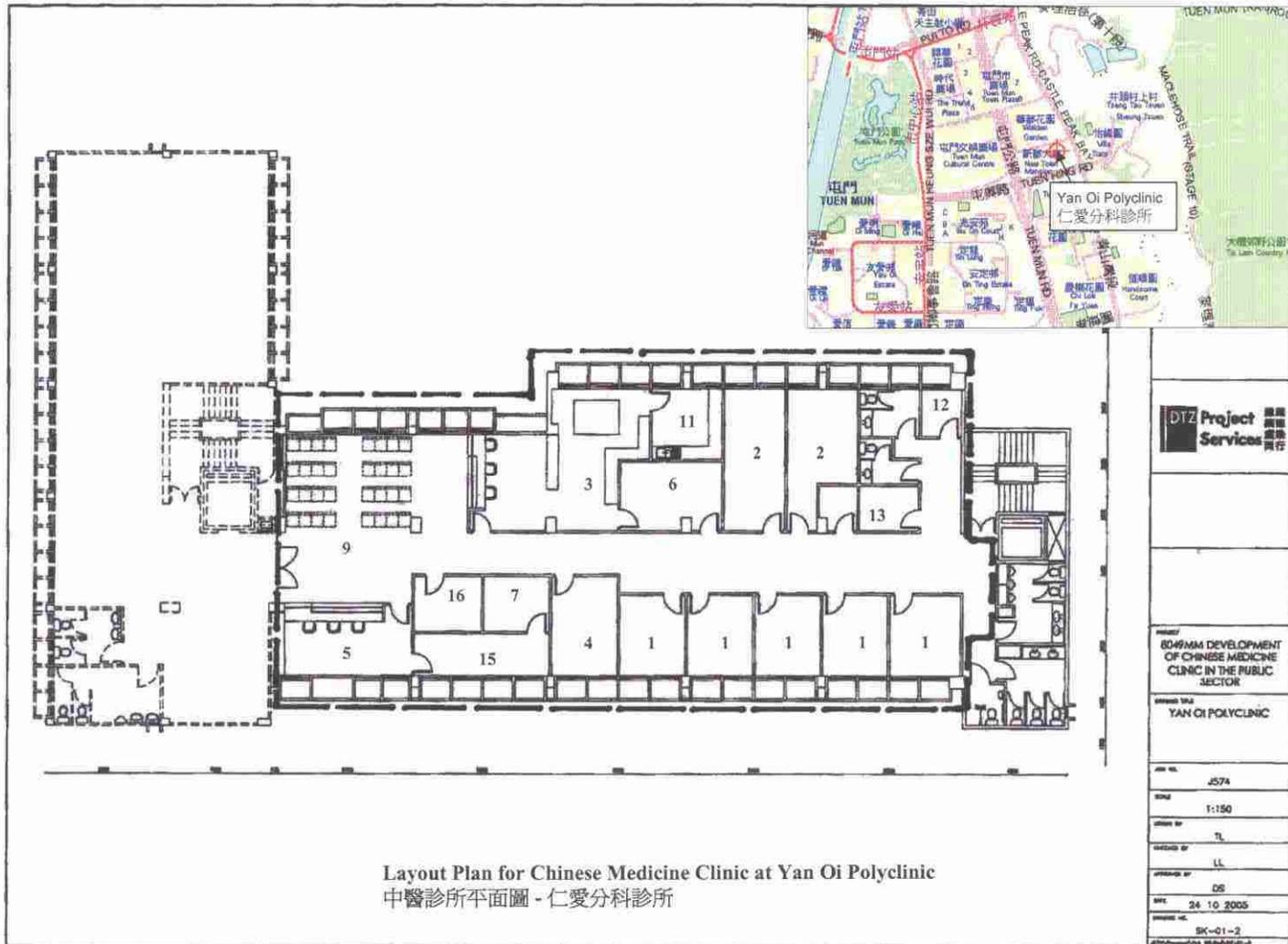
DTZ Project Services	建築師事務所
PROJECT: HOSPITAL AUTHORITY TERM MAINTENANCE SURVEYOR SERVICES (HA-TMCD12)	
PROJECT: SOAPHAM DEVELOPMENT OF CHINESE MEDICINE CLINICS IN THE PUBLIC SECTOR	
DRAWING TITLE: PROPOSED DESIGN LAYOUT TSEUNG KWAN O HOSPITAL	
DATE:	2004
SCALE:	1:100
DRAWN BY:	
CHECKED BY:	
APPROVED BY:	
DATE:	4/11/2007
DRAWN BY:	
DTZ Project Services Limited	





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**Layout Plan for Chinese Medicine Clinic at
 Ha Kwai Chung Polyclinic and Special Education Services Centre
 中醫診所平面圖 - 下葵涌分科診所及特殊教育服務中心**



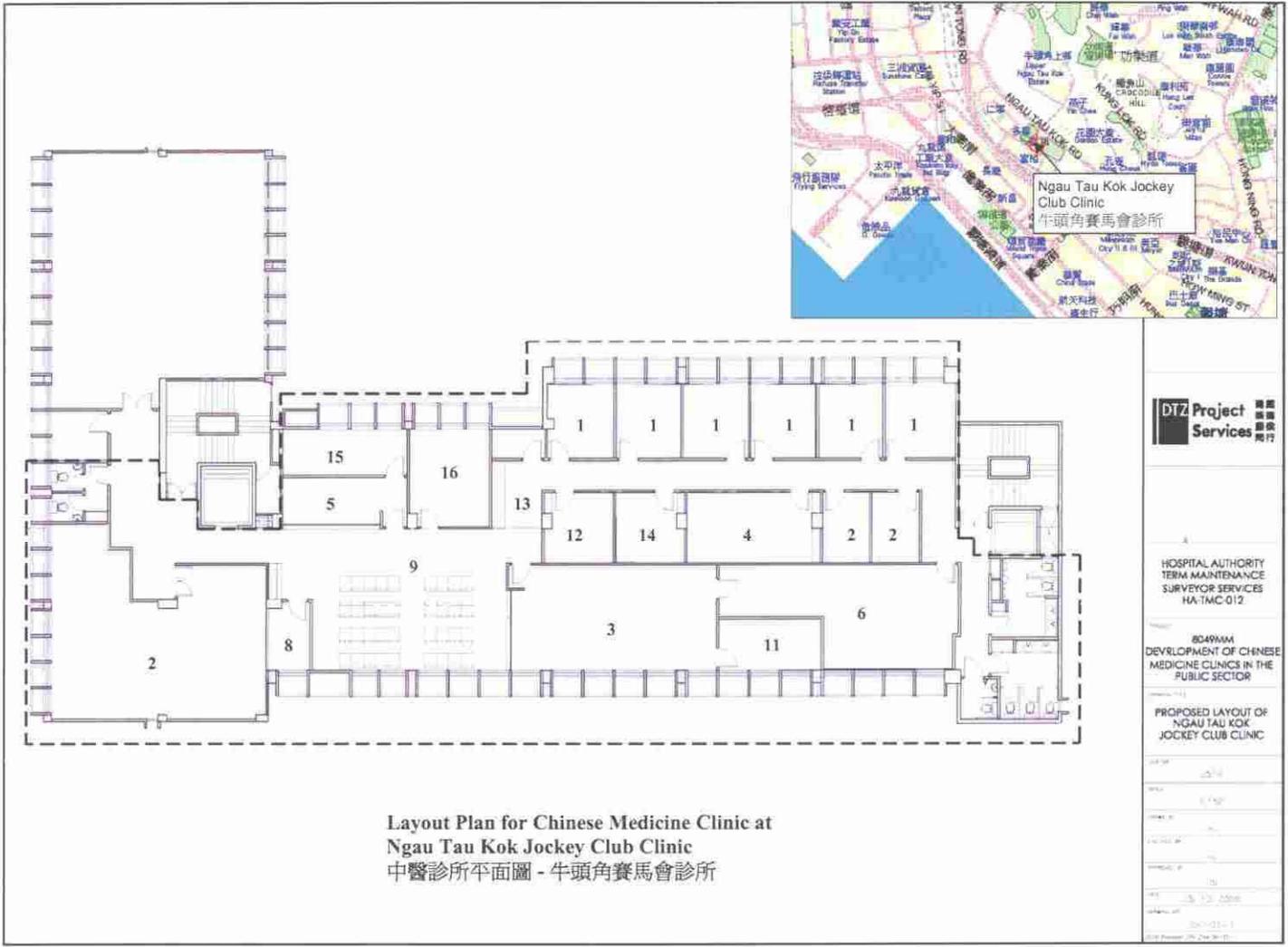
Layout Plan for Chinese Medicine Clinic at Yan Oi Polyclinic
中醫診所平面圖 - 仁愛分科診所

DTZ Project Services 建築師事務所

PROJECT
8049MM DEVELOPMENT
OF CHINESE MEDICINE
CLINIC IN THE PUBLIC
SECTOR

ISSUED FOR
YAN OI POLYCLINIC

JOB NO.	J574
SCALE	1:150
DATE OF	TL
DRAWN BY	LL
APPROVED BY	DS
DATE	24.10.2005
PROJECT NO.	SK-01-2
DATE OF ISSUE	24.10.2005



Layout Plan for Chinese Medicine Clinic at
Ngau Tau Kok Jockey Club Clinic
中醫診所平面圖 - 牛頭角賽馬會診所

DTZ Project Services 建築師 工程師 測量師 地產經紀

HOSPITAL AUTHORITY
TERM MAINTENANCE
SURVEYOR SERVICES
HA-TMC-012

8049MM
DEVELOPMENT OF CHINESE
MEDICINE CLINICS IN THE
PUBLIC SECTOR

PROPOSED LAYOUT OF
NGAU TAU KOK
JOCKEY CLUB CLINIC

DATE: 11/10/06
SCALE: 1:100
PROJECT NO: HA-TMC-012
SHEET NO: 10
DRAWN BY: [Name]
CHECKED BY: [Name]
DATE: 11/10/06

49MM – Development of Chinese Medicine in the Hospital Authority**Breakdown of estimates for consultants' fees^(Note 1)**

Consultants' staff costs		Estimated man-months	Average MPS* salary point	Multiplier ^(Note 2)	Estimated fees (\$ million)
(a) Architectural	Professional	7.7	38	2.0	0.8
	Technical	19.0	14	2.0	0.7
(b) Building services	Professional	7.7	38	2.0	0.8
	Technical	19.0	14	2.0	0.7
(c) Quantity surveying	Professional	3.0	38	2.0	0.3
	Technical	7.7	14	2.0	0.3
Total consultants' staff costs					3.6

* MPS = Master Pay Scale

Notes

1. The consultants' staff cost for contract administration is calculated in accordance with the existing consultancy agreement for Hospital Authority Term Maintenance Surveying Services. The construction phase of the assignment will only be executed subject to Finance Committee's approval to the partial upgrade of **49MM** to Category A.
2. A multiplier of 2.0 is applied to the average MPS point to arrive at the full staff costs for the staff employed by the consultants. The staff costs include the consultants' overheads and profit. (As at 1 January 2005, MPS point 38 = \$54,255 per month and MPS point 14 = \$18,010 per month.)