

**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 \$36.0 million in money-of-the-day prices for setting up five Chinese medicine clinics in the public sector; and
- (b) the retention of the remainder of **49MM** in Category B.

**PROBLEM**

We need to increase the number of Chinese medicine clinics (CMCs) in the public sector to continue to develop standards in Chinese medicine practice.

**/PROPOSAL .....**

**PROPOSAL**

2. The Secretary for Health, Welfare and Food proposes to upgrade part of **49MM** to Category A at an estimated cost of \$36.0 million in money-of-the-day (MOD) prices for the setting up of five public CMCs.

**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 five clinics proposed is about 552.2 square meters (m<sup>2</sup>) and general facilities in the clinics include consultation rooms, treatment rooms, pharmacy, multi-activity room and other supporting facilities. Due to the lack of other more suitable sites, two of the five CMCs would involve relocation and reprovisioning of existing services within the premises (involving a total CFA of 612 m<sup>2</sup>) so that the limited vacant space could be more efficiently utilised to enable the setting up of the clinics. The project will be carried out by phases according to the timing of availability of the sites.

4. The current phase which we propose for part-upgrading includes the setting up of five clinics at the following locations -

<b>District</b>	<b>Location of CMCs</b>
North	Fanling Health Centre
Eastern	Pamela Youde Nethersole Eastern Hospital
Wong Tai Sin	Buddhist Hospital
Sham Shui Po	Cheung Sha Wan Government Offices (CSWGO)
Shatin	Shatin Clinic

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

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5. We plan to start works in July 2007 for completion by phases before the end of March 2009. The renovation works for a clinic including detailed building and building services design will take about six months to complete. For the two clinics involving relocation and reprovisioning of existing facilities (CSWGO and Shatin Clinic), the entire works will require up to twelve months.

## JUSTIFICATION

6. Chinese medicine service is amply provided at reasonable and affordable prices in the private sector. However, the knowledge base of Chinese medicine has not been systematically built up in Hong Kong and there was little research to further the development of Chinese medicine practice. At the same time, graduates in Chinese medicine from local universities need training opportunities to prepare them for eventual independent practice. In 2003-04, three CMCs were established as a first step. The Hospital Authority (HA) started to provide general out-patient Chinese medicine services in public CMCs to achieve 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.

7. The CMCs have adopted a tripartite model in which the HA collaborates with a non-governmental organisation (NGO) and a local university in each of the clinics. This model of collaboration tapped on the expertise of each collaborating party: HA to provide a modernised infrastructure for the management and service delivery by the clinics; the NGOs to operate the clinics based on their good local service network and experience in providing medical/community services; the universities to manage the training and research programmes of the clinics. With the successful experience in operating the first three CMCs, funding approval was given by the Finance Committee in December 2005 for setting up another six clinics in 2006-07.

8. The establishment of the nine CMCs so far have facilitated the development of knowledge management of Chinese medicine, establishment of a research framework in Chinese medicine based on internationally accepted research standards and ethics, and promotion of service interface between Chinese medicine and western medicine. With the consolidation of HA's experience in the collaboration arrangements with its various NGO and university partners, we are now ready to further increase the number of CMCs.

9. The criteria for selecting CMC sites include accessibility, proximity to residential areas and timing of availability of the sites for conversion works. However, suitable sites for CMCs are limited particularly in densely populated areas. For the five CMCs, three will be established in situ at the existing vacant space in the premises. For the remaining two CMCs at CSWGO and Shatin Clinic, the former will require relocating the existing Pharmacy on first floor to the existing smaller vacant offices on ground floor so that a sufficiently large space could be made available on first floor for setting up a CMC. The latter will involve a reshuffling of the facilities of the existing General Out-patient Clinic so that the limited vacant space in the premises could be better utilised to enable the co-location of a CMC. By completion of the proposed works, the total number of CMCs in the public sector will increase to 14.

## FINANCIAL IMPLICATIONS

10. HA, in consultation with the Director of Architectural Services, estimates the cost of the proposed works to be \$36.0 million in MOD prices (see paragraph 11 below), made up as follows –

	<b>\$ million</b>
(a) Building	11.5
(b) Building services	12.4
(c) Furniture and Equipment (F&E) <sup>1</sup>	5.7
(d) Consultants' fees	3.7

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

	<b>\$ million</b>	
(e) Contingencies	2.4	
	<hr/>	
Sub-total	35.7	(in September 2006 prices)
(f) Provision for price adjustment	<u>0.3</u>	
Total	<u>36.0</u>	(in MOD prices)

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

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

Year	\$ million (Sept 2006)	Price adjustment factor	\$ million (MOD)
2007 – 2008	7.9	0.99900	7.9
2008 – 2009	15.7	1.00649	15.8
2009 – 2010	8.8	1.01656	8.9
2010 – 2011	3.3	1.02672	3.4
	<hr/>		<hr/>
Total	<u>35.7</u>		<u>36.0</u>

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 2007 to 2011. The total CFA covered by the proposed works are around 3 373 m<sup>2</sup>. The estimated construction unit cost, represented by building and building services costs, is around \$7,086 / m<sup>2</sup> of CFA in September 2006 prices. The unit cost for this batch of CMCs is comparable to that for the last batch of CMCs established in 2006-07 and is considered reasonable for the nature of the works to be carried out.

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13. HA has assessed the requirements for F&E for this project, and estimates the F&E costs to be \$5.7 million. The proposed F&E provision, which represents 23.8% of the total construction cost<sup>2</sup> of the project, is broadly comparable to that for projects of similar nature and scope.

14. The clinics will serve members of the public through a daily quota system and a fee of \$120 per visit (include consultation fee and up to two doses of Chinese medicine) will be charged.

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

## **PUBLIC CONSULTATION**

16. We consulted the Legislative Council Panel on Health Services at its meeting on 14 May 2007. Members generally supported the establishment of more CMCs.

## **ENVIRONMENTAL IMPLICATIONS**

17. 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.

18. At the planning and design stages, HA has considered measures to reduce the generation of construction and demolition (C&D) materials. 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 to further minimise the generation of construction waste. HA will require the contractor to reuse the demolition materials on site or in other suitable construction sites as far as possible, in order to minimise the disposal of C&D materials to public fill reception facilities.

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<sup>2</sup> Represented by the building and building services costs.

19. 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.

20. HA estimates that the project will generate about 575 tonnes of C&D materials. Of these, HA will deliver about 460 tonnes (80%) to public fill reception facilities<sup>3</sup> for subsequent reuse and dispose of about 115 tonnes (20%) at landfills. The total cost for accommodating C&D materials at public fill reception facilities and landfill sites is estimated to be \$26,795 (based on a notional unit cost of \$27/tonne for disposal at public fill reception facilities and \$125/tonne<sup>4</sup> at landfills).

## LAND ACQUISITION

21. The proposed project does not require any land acquisition.

## BACKGROUND

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 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.

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<sup>3</sup> Public fill reception facilities are specified in Schedule 4 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.

<sup>4</sup> 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 m<sup>3</sup>), nor the cost to provide new landfills, (which is likely to be more expensive) when the existing ones are filled.

23. As the operation of CMCs was new to the public sector, the establishment of CMCs has been introduced by phases into the public sector to facilitate the development of the mode of operation and collaboration arrangements of the clinics having regard to clinical and operational experience. The first three clinics were set up at Tung Wah Hospital, Yan Chai Hospital and Alice Ho Miu Ling Nethersole Hospital together with a Toxicology Reference Laboratory 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". We upgraded part of **49MM** to Category A as **64MM** at an estimated cost of \$35.1 million in December 2005 to set up another six CMCs in 2006-07. These clinics are at Tang Shiu Kin Hospital Community Ambulatory Care Centre, Tseung Kwan O Hospital, Yuen Long Madam Yung Fung Shee Health Centre, Ha Kwai Chung Polyclinic and Special Education Services Centre, Yan Oi Polyclinic and Ngau Tau Kok Jockey Club Clinic. The Chief Executive in his October 2006 Policy Address has committed to establishing no less than two additional clinics in 2007.

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

25. We estimate that the proposed project will create about 61 jobs (58 for labourers and another three for professional/technical staff), providing a total employment of 840 man-months.



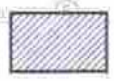
**Layout Plans and Location Maps**  
**平面圖和位置圖**

<b>Name of building</b> 樓宇名稱	<b>Location of Chinese medicine clinics</b> 中醫診所的位置	<b>Location of reprovisioned facilities</b> 重置設施的位置	<b>Page</b> 頁數
Fanling Health Centre 粉嶺健康中心	7/F 七樓	-	2
Pamela Youde Nethersole Eastern Hospital 東區尤德夫人那打素 醫院	LG4, West Wing, Specialist Out-patient Block 專科門診大樓西翼 地庫四樓	-	3
Buddhist Hospital 佛教醫院	LG/F, Block C C座地下低層	-	4
	G/F, Block C C座地下	-	5
Cheung Sha Wan Government Offices 長沙灣政府合署	1/F 一樓	-	6
	-	G/F – Pharmacy of West Kowloon General Out-patient Clinic 地下 – 西九龍普通科門診藥房	7
Shatin Clinic 沙田診所	G/F 地下	G/F – Shatin General Out-patient Clinic 地下 – 沙田普通科門診	8

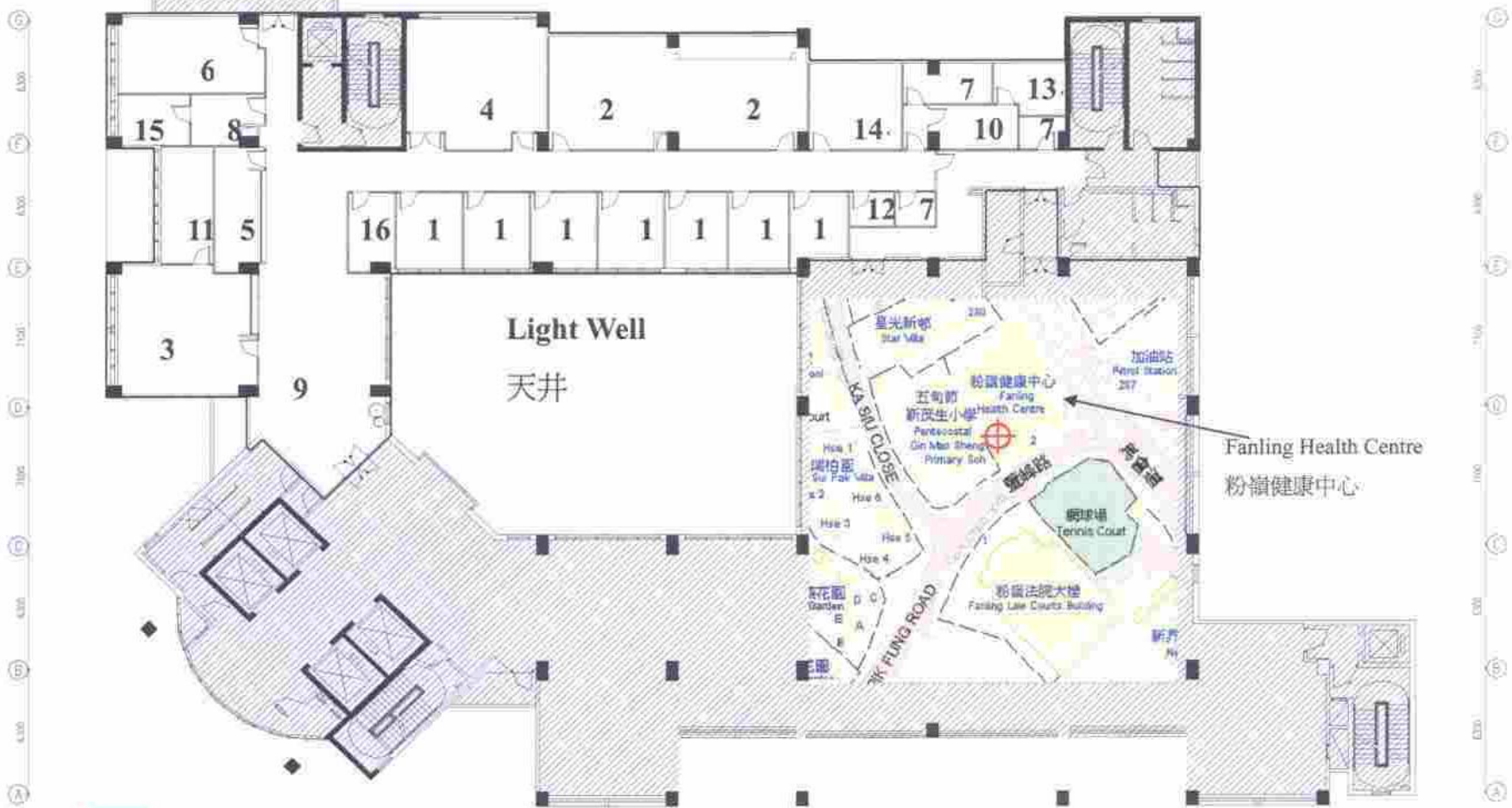
**Legend (圖例):**

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

① 1500 ② 1300 ③ 700 ④ 650 ⑤ 630 ⑥ 630 ⑦ 450 ⑧ 450 ⑨ 450 ⑩ 450 ⑪ 450 ⑫ 450

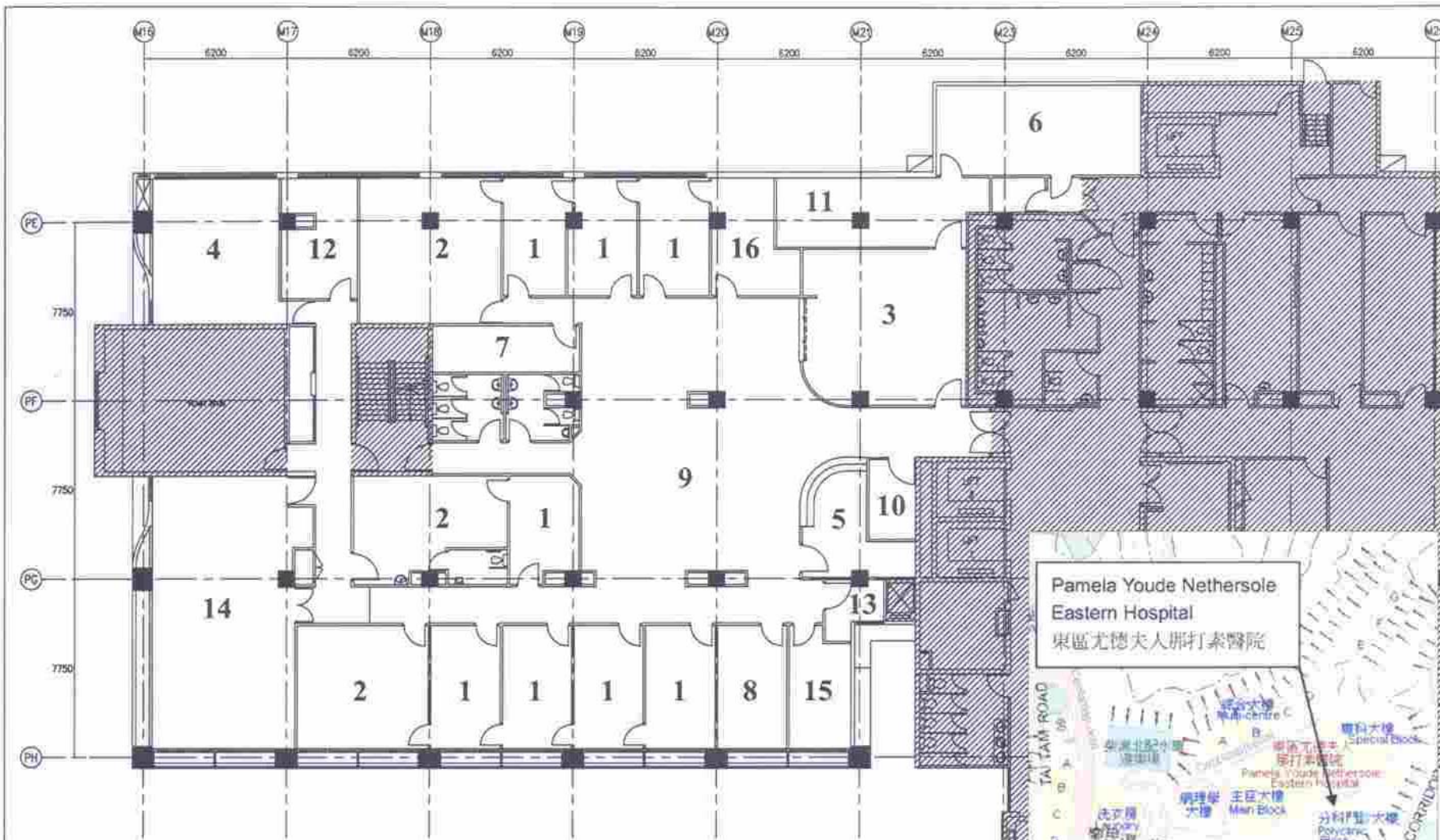


Non-Affected Area 不受工程影響的範圍



戴德梁行  
建築顧問

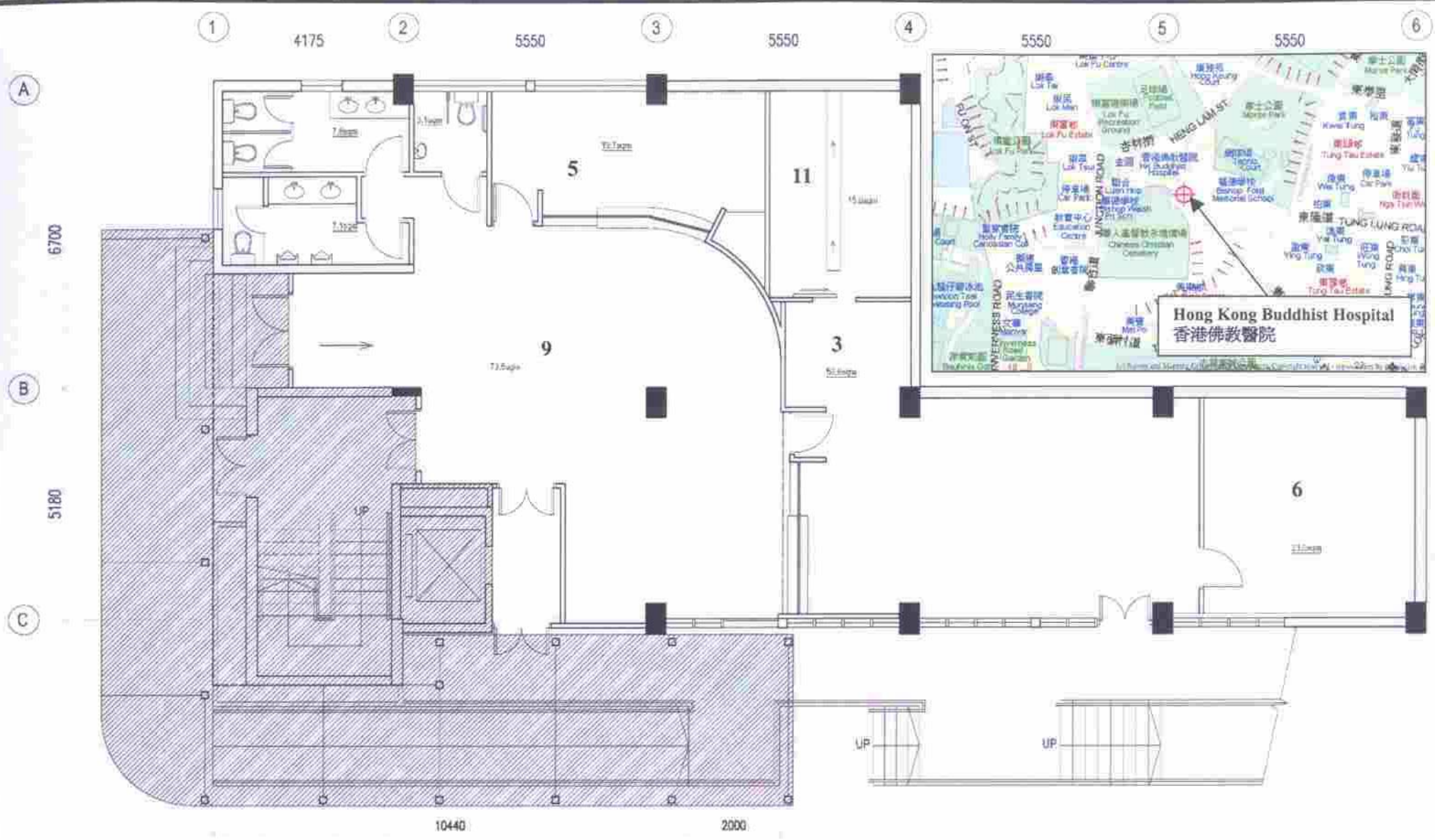
Layout Plan for Chinese Medicine Clinic at  
7/F Fanling Health Centre  
中醫診所平面圖 - 粉嶺健康中心七樓



**Non-Affected Area**  
不受工程影響的範圍

**IC**  
SURVEYORS  
良 · 策 · 測 · 量 · 行  
LC SURVEYORS LTD.  
21/F, CHUN WO COMMERCIAL CENTRE, 25 WING WO STREET, CENTRAL, HONG KONG.  
Tel: (852) 2882 7100  
Fax: (852) 3881 5905

**Layout Plan for Chinese Medicine Clinic at LG4, West Wing, Specialist Out-patient Block, Pamela Youde Nethersole Eastern Hospital**  
中醫診所平面圖 - 東區尤德夫人那打素醫院專科門診大樓西翼地庫四樓



**Layout Plan For Chinese Medicine Clinic  
at LG/F, Block C, Buddhist Hospital**  
中醫診所平面圖 - 佛教醫院C座地下低層

 Non-Affected Area 不受工程影響的範圍



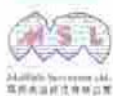
**Layout Plan For Chinese Medicine Clinic  
 at G/F, Block C, Buddhist Hospital  
 中醫診所平面圖 - 佛教醫院C座地下**

 Non-Affected Area 不受工程影響的範圍

 Non-Affected Area  
不受工程影響的範圍



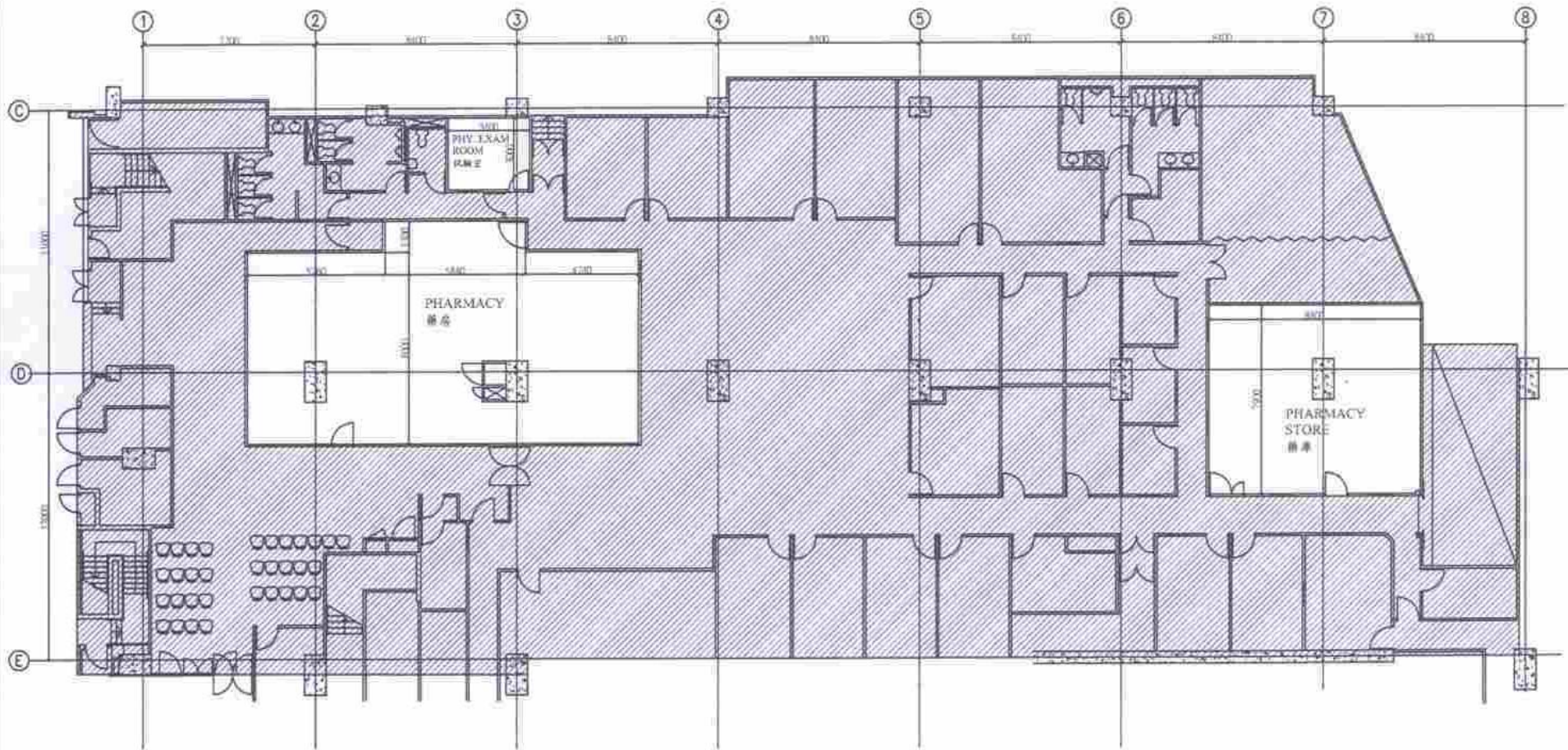
Cheung Sha Wan Government Offices  
長沙灣政府合署




MULTIPLE SURVEYORS LTD  
21/F, TAI SANG COMM. BLDG,  
24-34 HENNESSY ROAD,  
WANCHAI, HONG KONG  
TEL : 2840 1022 FAX : 2877 2811

Layout Plan for Chinese Medicine Clinic at 1/F, Cheung Sha Wan  
Government Offices  
中醫診所平面圖 - 長沙灣政府合署一樓

Non-Affected Area  
不受工程影響的範圍




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**Layout Plan for Reprovision of Pharmacy of West Kowloon  
 General Out-patient Clinic at G/F, Cheung Sha Wan Government Offices**  
 重置西九龍普通科門診藥房平面圖 - 長沙灣政府合署地下

Reprovision of  
General Out-patient Clinic  
重置普通科門診



Non-Affected Area 不受工程影響的範圍

Layout Plan for Chinese Medicine Clinic and Reprovision of Shatin General Out-patient Clinic at G/F, Shatin Clinic  
中醫診所及重置沙田普通科門診平面圖-沙田診所地下





**49MM – Development of Chinese medicine clinics in the public sector****Breakdown of estimates for consultants' fees<sup>(Note 1)</sup>**

<b>Consultants' staff costs</b>			<b>Estimated man- months</b>	<b>Average MPS* salary point</b>	<b>Multiplier<sup>(Note 2)</sup></b>	<b>Estimated fees (\$ million)</b>
(a)	Architectural	Professional	7.7	38	2.0	0.8
		Technical	20.0	14	2.0	0.7
(b)	Building services	Professional	7.7	38	2.0	0.8
		Technical	20.0	14	2.0	0.7
(c)	Quantity surveying	Professional	3.0	38	2.0	0.3
		Technical	11.2	14	2.0	0.4
<b>Total</b>						3.7

\* 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 2007, MPS point 38 = \$54,255 per month and MPS point 14 = \$18,010 per month.)