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Panel on Welfare Services

**Background Brief prepared by the Legislative Council Secretariat
for the meeting on 8 January 2007**

Trust Fund for Severe Acute Respiratory Syndrome

Purpose

This paper provides information on Members' deliberations on the operation of the Trust Fund for Severe Acute Respiratory Syndrome (the Trust Fund) and related matters.

Background

Establishment of the Trust Fund

2. The Finance Committee (FC) of the Legislative Council (LegCo) approved the creation of a new commitment of \$150 million for the setting up of the Trust Fund on 7 November 2003 to -

- (a) provide special ex-gratia relief payments to families with deceased Severe Acute Respiratory Syndrome (SARS) patients;
- (b) provide assistance, including special ex-gratia financial assistance, for recovered SARS patients suffering from longer term effects attributable to SARS (including the effects of medication received for SARS, if any), which may result in some degree of bodily dysfunction, subject to medical proof and financial need; and
- (c) provide assistance, including special ex-gratia financial assistance, for patients who were clinically diagnosed as having SARS on admission, treated with steroids as medication for SARS, but turned out subsequently not to have SARS, suffering from longer term effects, attributable to the effects of steroids

received (if any), which may result in some degree of physical dysfunction, subject to medical proof and financial need, in case this happens.

Special ex-gratia relief payments for families with deceased SARS patients

3. For the deceased SARS patient cases, special ex-gratia relief payments will be made to their families with surviving spouse (\$200,000), dependent children (\$500,000 each for those under 18, and \$300,000 each for those between 18 and below 21 in full-time studies), dependent parents (\$300,000 for each dependent parent); and those not falling into the above category (\$100,000 for each family). No financial eligibility test is imposed.

Special ex-gratia financial assistance for the recovered SARS patients and the “suspected” SARS patients treated with steroids

4. For both the recovered and the “suspected” SARS patients treated with steroids, assistance, including special ex-gratia financial assistance, will be given, subject to medical proof and financial need. The total cumulative financial assistance is capped at \$500,000 for each such patient, and the exact level is determined by the Committee on Trust Fund for SARS (the Committee) on a case-by-case basis. Assistance is subject to medical re-assessment every six months for monitoring the progress of the patients’ health conditions and their financial needs where appropriate. Financial assistance will only continue if the medical need remains and the asset value remains below the prescribed limits.

5. Monthly financial assistance is determined having regard to the loss or reduction in the income of these patients, by reference to the prevailing Median Monthly Domestic Household Income for a family with a similar number of members who are solely dependent on the patient in question, and taking into account any justifiable special needs determined by the Committee on a case-by-case basis. Only the assets of the applicants will be taken into account in the calculation of their asset amount (i.e. assets of their family members are excluded from the calculation).

6. Medical expenditure includes in-patient and out-patient services in public hospitals/clinics, drugs (including Chinese medicine), essential medical/rehabilitation equipment and treatment, as well as any other special exceptional medical expenditure to be approved by the Committee on a discretionary basis. The amount is net of claims for the same purpose covered by other sources, for instance, by employers or medical insurance.

Administration of the Trust Fund

7. The Committee, chaired by a non-official and comprising a mix of

non-official and official members, was established on 8 November 2003 to advise the Administration on the detailed eligibility criteria and assessment of individual applications.

8. Applications are first processed by the Social Welfare Department and the Hospital Authority (HA) before submission to the Committee for making recommendations to the Trustee, i.e. the Director of Social Welfare, for final decision. Applicants who are not satisfied with the recommendation can apply to the Review Committee on Trust Fund for SARS for review.

9. About one month's is generally required to process an application if the information provided by the applicant is adequate. To minimise the impact of the processing time on the assistance provided, payments to successful applicants would generally count from the date of application rather than the date of approval.

Major views in past discussions

Commitment of the Trust Fund

10. During the discussion on the creation of a new commitment of \$150 million for the setting up of the Trust Fund at the joint meeting of the Panel on Health Services (HS Panel) and the Panel on Welfare Services (WS Panel) on 29 October 2003, members expressed concern as to whether earmarking some \$70 million for the recovered SARS patients and the "suspected" SARS patients treated with steroids was adequate to cover all such patients.

11. The Administration responded that in the event that eligible applicants failed to receive the financial assistance due to shortfall of the Trust Fund, additional funding from FC could be sought. The Administration pointed out that 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 these patients would suffer longer-term effects attributable to the SARS-related treatment.

12. At the joint meeting of WS Panel, HS Panel and the Panel on Manpower (the joint meeting) held on 9 March 2006, members noted that a total of 632 applications for special ex-gratia financial assistance from eligible SARS patients suffering from dysfunction had been approved under the Trust Fund since its establishment in November 2003.

13. Noting that the Trust Fund would soon be exhausted as the balance had dropped from the original provision of \$150 million to \$23 million, and 290 SARS patients and their families were still relying on it, members proposed that additional funds should be injected into the Trust Fund to provide

long-term support to the SARS patients.

Eligibility criteria for the Trust Fund

14. During the discussions by the WS Panel on the third progress report on the Trust Fund on 13 December 2004 and 10 January 2005, members raised concern that the Committee placed too much emphasis on whether the applicants had been relying on the deceased for financial support and ignored the actual situation of the family of the deceased. For instance, although the deceased SARS patients had not contributed towards their families in monetary term before their death, the fact that they had helped to take care of young children in the families should be recognised. Another case was that surviving parents of the deceased SARS patients were refused ex-gratia payment because they could not provide proof that their deceased children had supported them financially before their death.

15. The Administration replied that as the Committee was managing a public fund, it needed to draw up guidelines for approving applications having regard to the broad criteria endorsed by FC. Despite such criteria, the Committee was mindful that there might be deserving cases which did not meet the stipulated criteria fully. Having regard to the ex-gratia nature of the Trust Fund, the Committee would take into account all the relevant circumstances of individual cases and exercise discretion as appropriate in areas where the Committee was given such authority.

16. The Administration assured members that the extent to which the families had relied on the deceased for financial support was an important but not the sole determining factor in granting special ex-gratia payment. Although surviving parents of deceased SARS patients were required to provide proof that their deceased children had supported them financially before their death, the Committee had often exercised discretion to waive such a requirement.

17. At the joint meeting held on 9 March 2006, members expressed concern that the Administration was too stringent in giving out special ex-gratia relief payments. Members proposed that families of deceased "suspected" SARS patients should also be eligible for such payments as they also suffered loss of their family members as a result of SARS. Moreover, such payments should be granted to families with deceased elderly SARS patients irrespective of whether the affected families had been relying on the deceased for financial support. The Administration advised that there were cases where families of such patients had been given special ex-gratia relief payments.

Level of assistance for recovered and "suspected" SARS patients

18. At the meeting of the WS Panel held on 13 December 2004,

members asked whether the Administration would consider raising the \$500,000 ceiling for special ex-gratia financial assistance, as well as the \$1,000 and \$500 monthly assistance ceilings for dietary supplements and transportation respectively for the recovered and the "suspected" SARS patients treated with steroid.

19. The Administration advised that it had no plan to raise the ceiling of special ex-gratia financial assistance for these two groups of patients. The amount of special ex-gratia financial assistance received by over 90% of the eligible patients was much less than the \$500,000 ceiling, which demonstrated that their needs should be met by the existing ceiling. Moreover, HA would also introduce shortly in February 2005 a new measure to provide long-term free medical care to all patients with problems relating to SARS.

20. The Administration also advised that it had no plan to raise the monthly assistance ceilings for dietary supplements and transportation, at \$1,000 and \$500 respectively, for these two groups of patients. The ceilings were made by the Committee after considering the actual claims made by the first 220 applicants. The actual claims made by the applicants varied widely, and an analysis made in June 2004 revealed that the ceilings should be able to satisfy the needs of most patients. However, in response to the requests of some of the patients, the Committee had decided to raise the monthly ceiling for transportation to \$750 under special justifiable circumstances. The Administration would continue to monitor the situation to see whether the ceiling of \$750 was adequate to meet the patient's expenditure for travelling to and from hospitals/clinics.

21. At the joint meeting held on 9 March 2006, members noted that 290 patients were still receiving assistance, and the Trust Fund had ceased to provide assistance to nine patients because the total cumulative financial assistance received by them had reached the \$500,000 ceiling, and that five patients had already received more than \$400,000 special ex-gratia financial assistance from the Trust Fund. Members proposed again that the ceiling on special ex-gratia financial assistance to each recovered and "suspected" SARS patient should be relaxed so that the patients concerned could continue to receive financial assistance until they had recovered fully.

22. The Administration reiterated that capping the special ex-gratia financial assistance at \$500,000 was on the assumption that many of the patients would gradually recover and no longer need the assistance. The Administration envisaged that the Trust Fund could remain in place for one to two more years. It had no plan to raise the \$500,000 ceiling, but injection of additional funding would be considered separately if required.

Closure of new applications for the Trust Fund

23. New applications for the Trust Fund ceased to be accepted as from 1 January 2006, unless HA has medical indication that the potential applicant is likely to be suffering from SARS-related dysfunction.

Moving of motion at the Council

24. Members present at the joint meeting held on 9 March 2006 considered that the Administration's responses given at the meeting had fallen short of addressing the needs of the SARS patients and their families. To enable Members and the relevant public officers to consider the proposals put forward at the joint meeting in providing assistance to patients of SARS and their families, it was suggested that the three Panels should jointly seek the agreement of the House Committee for a debate slot to be allocated to the Chairman of the joint meeting, Dr Fernando CHEUNG, to move a motion on the subject for debate at a Council meeting. The wording of the motion is in the **Appendix**.

25. At the House Committee meeting on 21 April 2006, members agreed that a debate slot be allocated to Dr Fernando CHEUNG as Chairman of the WS Panel to move a motion on the Trust Fund at the Council meeting on 17 May 2006. The motion was passed.

Relevant papers

26. Members are invited to access the LegCo website at <http://www.legco.gov.hk> to view the minutes and relevant papers of the joint meeting of the HS Panel and WS Panel held on 29 October 2003, the meetings of the WS Panel held on 13 December 2004, 10 January 2005 and 18 February 2005 as well as the joint meeting of the HS Panel, WS Panel and Manpower Panel held on 9 March 2006.

Council Business Division 2
Legislative Council Secretariat
4 January 2007

Appendix

**Motion on “Assistance to patients of Severe Acute Respiratory Syndrome and their families” to be moved by
Dr Hon Fernando CHEUNG, Chairman of Panel on Welfare Services,
at the Legislative Council meeting on 17 May 2006**

Wording of the Motion

“That, in view of the ex-gratia nature and the anticipated shortfall of the Trust Fund for Severe Acute Respiratory Syndrome (the Trust Fund), this Council urges the Government to implement the following measures to assist the patients of Severe Acute Respiratory Syndrome (SARS) and/or their families -

- (a) relax the Trust Fund’s \$500,000 ceiling on special ex-gratia financial assistance for each eligible recovered or “suspected” SARS patient;
- (b) extend the scope of the Trust Fund to cover also families of the deceased “suspected” SARS patients;
- (c) grant special ex-gratia relief payments to families with deceased elderly SARS patients irrespective of whether the affected families had been relying on the deceased for financial support; and
- (d) inject additional funds into the Trust Fund.”