

**For information**

**LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE**

**Follow-up to meeting on 19 May 2008**

**Supplementary Information on  
Civil Service Medical Benefits**

**Background**

During the discussion of Agenda Item V on “Medical benefits for serving civil servants, retired civil servants and eligible dependants” (LC Paper No. CB(1)1476/07-08(03)) at the Panel meeting held on 19 May 2008, Members requested the Administration to report progress on plans to expand the direct payment system between the Government and the Hospital Authority (HA) to cover more self-financed drugs, equipment and services obtained by civil service eligible persons in HA facilities. The requested information is set out in the following paragraphs.

**Existing direct payment arrangements**

2. Under the existing policy, civil service eligible persons may apply to the Government for reimbursement of expenses on drugs, equipment and services which form an essential part of the medical treatment as prescribed and certified by the attending HA doctors on medical grounds but are not available in HA facilities or are chargeable by HA.

3. A direct payment arrangement is put in place for the Government to settle with HA direct the medical expenses on selected items, so that civil service eligible persons are not required to make upfront payment for these items first (and therefore do not need to await some time before receiving reimbursements from the Government). This direct payment arrangement currently covers percutaneous transluminal coronary angioplasty (PTCA), intraocular lens procedures, non-PTCA consumables for interventional cardiology, and positron emission tomography service. In 2007-08, these items accounted for 30% of the total reimbursement expenditure. In addition, for certain medical items which are not available in HA facilities, civil service eligible persons may apply to the Government for direct settlement of the medical expenses with the suppliers, subject to their meeting the reimbursement criteria. These medical items, such as pacemakers and gamma knife operation, accounted for a further 7% of the total reimbursement expenditure in 2007-08.

## **Plans to automate and extend the direct payment arrangement**

4. We are exploring with HA the feasibility of automating the direct payment of medical expenses with a view to extending the direct payment arrangement to all self-financed items obtained by civil service eligible persons in HA facilities. HA is supportive of the proposal to automate the direct payment arrangement. To achieve this, the Government (specifically the Department of Health (DH)) and HA need to conduct a comprehensive review and re-engineer the relevant administrative procedures and workflow, as well as to implement system development and integration of the computer systems of the Government and HA. For example, HA will need to revamp various systems, including the Clinical Management System and the Patient Billing/Revenue Collection System, which are currently under replacement. We envisage that the detailed feasibility study and formulation of plans for the proposed automation of direct payment would take some time.

5. In the interim, we are working towards expanding the scope of the direct payment arrangement prior to automation. Our priority is to extend direct payment to cancer drugs, as they are the most expensive drug items and constitute a significant proportion of the self-financed drugs purchased from HA. In 2007-08, cancer drugs accounted for 41% of the total reimbursement expenditure. Inclusion of cancer drugs in the direct payment arrangement will substantially relieve the cashflow burden of civil service eligible persons. We are currently working with HA and DH on the detailed arrangements for the extension of direct payment to cancer drugs. When this is achieved, almost 80% of the current reimbursement expenditure will be changed into direct payment from the Government.

Civil Service Bureau  
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