

**Speaking Note for Secretary for Food and Health
at the Special Meeting of the Finance Committee
on 25 March 2009**

Health

Madam Chairman and Honorable Members,

Recurrent government expenditure on health in 2009-10 is \$35.7 billion, which amounts to 15.7% of the total recurrent government expenditure and an increase of \$1.8 billion over that of 2008-09. I shall highlight our work in three major areas, namely, medical services, public health as well as healthcare reform.

Medical Services

2. First, on medical services, the Government will increase the recurrent subvention for the Hospital Authority (HA) by \$872 million a year over the next three years, and the annual subvention in 2011-12 will be approximately \$2.6 billion higher than at present.

3. The financial provision for HA in 2009-10 is estimated at \$33 billion, representing an increase of more than \$1.36 billion or 4.3% over the revised estimate of last year after discounting the Government's one-off injection of \$1 billion into the Samaritan Fund last year. Of the additional allocation, \$872 million is the new recurrent funding I have mentioned just now while the rest is mainly one-off or time-limited funding for implementing the initiatives related to the healthcare service reforms and the provision of medical services for the East Asian Games.

4. Besides, the Government will earmark \$693 million in 2009-10 for HA to purchase and upgrade medical equipment and install information technology systems.

Public Health

Prevention of Infectious Diseases

5. Now I turn to public health. For better prevention of infectious diseases, starting from 1 September this year, we will provide free injection of pneumococcal conjugate vaccines for all newborn babies through the Childhood Immunisation Programme. At the same time, we will provide a free make-up injection of these vaccines for children aged below two.

6. In addition, we introduced the “Influenza Vaccination Subsidy Scheme” (IVSS) in November last year to provide subsidy for children to receive influenza vaccinations and it was well received by the public. We will turn it into a long-term measure in an effort to lower the rate of hospitalisation of children as a result of influenza infection.

Tobacco Control Policy

7. The Government has adopted a multi-pronged approach to contain tobacco use for protection of public health through legislation, taxation, publicity, education, law enforcement and provision of smoking cessation services. This year, we will intensify our efforts on tobacco control through the following five ways—

- (1) In the area of taxation, the significant increase of tobacco duty by the Financial Secretary this time will help reduce smoking and encourage smokers to quit smoking as well as discouraging youngsters from becoming addicted to smoking;
- (2) In addition to raising the tobacco duty, we will further strengthen the publicity on smoking cessation and provision of smoking cessation services;
- (3) The fixed penalty system for smoking offences will be put into implementation in the second quarter of this year according to the legislation enacted;
- (4) The smoking ban at such premises as bars, club-houses and night-clubs etc. will take effect on 1 July according to the legislation enacted;
- (5) By the end of this year, the smoking ban will be further extended to covered public transport interchanges.

Healthcare Reform

8. Lastly, I would like to turn to the healthcare reform. In taking forward our healthcare services reform, we will put in \$509 million to implement a series of pilot schemes in the next three years to strengthen primary care services and the support to chronic patients, promote public-private partnership, and enhance the training on family medicine.

9. We are also taking steps to implement a ten-year programme for the development of a territory-wide patient-oriented Electronic Health Record (eHR) Sharing System and put into practice the concept of “records follow patients”. The eHR Sharing System will connect the public and private healthcare sectors and serve as the infrastructure platform for healthcare reform. We will seek the approval of the Finance Committee for fund and creation of posts within the current legislative session.

10. Meanwhile, we are in active preparation for launching the second stage public consultation so as to deepen the discussions on healthcare financing and forge a consensus to ensure the sustainability of our healthcare system.

11. Madam Chairman, my colleagues and I are now happy to answer questions from Members.