**The Legislative Council Meeting on 9 March 2011**
**Motion on "Reforming the Hospital Authority"**

**Progress Report**

## Background

At its meeting of 9 March 2011, the Legislative Council passed the motion on "Reforming the Hospital Authority", moved by Dr Hon LEUNG Ka-lau as amended by Dr Hon PAN Pey-chyou, Dr Hon Joseph LEE Kok-long, Hon CHAN Hak-kan, Hon CHEUNG Man-kwong and Hon Alan LEONG Kah-kit. The wording of the motion is at Annex.

## Progress Report

### Enhancement of manpower and improvement of working environment of staff

2. The Hospital Authority (HA) treasures the contribution of its healthcare staff and other supporting staff. A stable, competent and motivated workforce is the key to provision of efficient and quality healthcare services to the community. It is one of HA's priority to retain staff and improve their working environment and morale. HA has implemented a number of measures for the medical, nursing and other grades to enhance manpower and training and improve staff's working environment. The improvement measures for various grades are set out in ensuing paragraphs.

*Medical grade*

3. HA has deployed additional resources over the past few years to implement measures to address manpower issues, which include the new career structure for doctors implemented since 2007 with higher starting pay/maximum pay for Residents and Associate Consultants; enhanced arrangements for contractual employment of Resident Trainees with contract period lengthened to a maximum of nine years to cater for the needs of specialist training. In addition, apart from filling all vacancies of doctors, additional posts of Associate Consultant and Consultant have been created to meet operational needs while improving the promotion prospects of doctors. Since the implementation of various doctor work reform programmes in 2007, there have been significant improvements in doctor's working conditions both in terms of

average weekly work hours and continuous work hours. The proportion of doctors working for more than 65 hours per week on average dropped from 18% in December 2006 to 4.8% by the end of December 2009. The proportion of overnight on-site on-call doctors having immediate post-call time-off also increased from 65% in 2006 to 82.4% in 2009.

4. As a result of the above improvement initiatives, the overall turnover rate of doctors in HA dropped from 6.6% in 2006-07 to 5.3% in 2010-11. As at end of February 2011, the number of doctors in HA showed a net increase of 340 as compared with that of three years ago (the end of March 2008), representing an increase of 7.2%. As at end of February 2011, the number of Associate Consultants and Consultants showed a net increase of 308 as compared with that of three years ago (the end of February 2008). In 2011-12, HA plans to recruit about 330 doctors. It is estimated that there will be a net increase of 75 doctors in HA in 2011-12.

5. To further improve doctors' working environment and to retain staff, HA is now engaging staff representatives and frontline doctors to study the introduction of the following short-term and medium-term measures –

(a) to create additional Associate Consultant positions for all specialties, on top of those for normal replacements and planned new services, to further enhance promotion opportunities of doctors;

(b) to explore possible options to recognize excessive overnight on-site call duties of doctors;

(c) to grant full-pay examination leave to doctors taking examinations organized/recognized by the colleges of the Hong Kong Academy of Medicine for fellowship status;

(d) to improve the transparency of allocation of positions for new doctors;

(e) to launch a pilot scheme in January 2011 for employment of more part-time doctors;

(f) to avoid assigning overnight on-site call duties to doctors in an advanced stage of pregnancy as far as practicable;

(g) to enhance phlebotomist service and clerical support to relieve doctors from non-clinical work;

(h) to explore recruitment of more doctors trained in the overseas and granted limited registration by the Medical Council of Hong Kong to address manpower shortage; and

(i) to set up a Task Force on Medical Workforce Review to study the existing working conditions of doctors in different clinical specialties and make recommendations to manage their workload in the medium term.

*Nursing grade*

6. Through the re-opening of its nursing schools and increasing yearly intake of new recruits, HA has maintained steady growth in its nursing workforce. To attract and retain nurses, HA has in recent years introduced a number of initiatives, which include the introduction of a new career progression model for nurses with the creation of Nurse Consultant posts to broaden their career development pathway, rise of entry pay for Registered Nurse and Enrolled Nurse, increase in the contract period for Registered Nurse with gratuity issued to staff with satisfactory performance, provision of management responsibility allowance to management staff, provision of more training to different ranks of nurses, and reduction of the non-clinical work handled by nurses and modernizing the frequently used equipment to alleviate their workload.

7. As at end of March 2011, the number of nurses in HA showed a net increase of 820 as compared with that of three years ago (the end of March 2008), representing an increase of 4.3%. As at end of March 2011, the number of Nursing Officers (including all ranks of Nursing Officer/Ward Manager/Nurse Specialist/Advanced Practice Nurse) and above showed a net increase of 857 as compared with that at the end of March 2008.

8. In view of the increasing turnover of nurses in public hospitals and the rising service demands, HA is considering implementing the following short-term and medium-term measures -

(a) to recruit about 1,720 nurses in 2011-12 to provide the necessary

manpower for maintaining existing services and supporting service enhancement initiatives;

(b) to strengthen training for nurse graduates to help them adapt to ward environment and enhance their proficiency in ward procedures;

(c) to create additional promotion posts, including over 50 Nurse Consultants and 150 Advance Practice Nurse posts;

(d) to increase the number of overseas scholarships and training programmes to support continuous learning of nurses;

(e) to increase the rate of allowance for the continuous night shift scheme and to reduce frequent night duties of nurses;

(f) to relieve nurses from non-clinical work through enhancement of clerical support and topping up the delivery of medical consumables and supplies; and

(g) to review the reference on nursing manpower in various specialties, having regard to changes in the types of patients, acuity and complexity of diseases and development of medical technology, and make recommendations to manage the workload of nurses.

*Allied Health grades and supporting staff grades*

9. To cope with development of allied health grades, HA will continue to provide systemic training to staff of allied health grades through its Institute of Advanced Allied Health Studies, including 3-year in-service training for new recruits. HA will also create senior posts, such as consultant therapist posts, for individual grades.

10. As regards the General Services Assistant (GSA) / Technical Services Assistant (TSA) Grade, HA has set up new grading structure since 1 April 2011 and serving GSA/TSA have been arranged to convert into the new structure. The new grade structure delineates clearly the responsibilities among patient support, operation support and executive support work streams, enabling development of consistent job descriptions as well as competency requirements for different job streams for

consistent application across all hospital clusters in HA. It also provides a clear training and career progression pathway for staff. Under the new grade structure, better remuneration packages will be provided to staff, including an annual award to allow performing staff to progress to the maximum of the rank's pay range.

11. HA will continue to closely monitor the demand and supply of manpower, and flexibly deploy and adjust its manpower in the light of the increase and ageing of population, changes in the types and modes of service and service demand, operational needs of hospitals and departments. In planning for new services, the hospital clusters will also consider the manpower requirement for various healthcare professions arising from the new service plan, and make suitable arrangement based on the supply of various professionals.

12. In the long term, we expect a substantial increase in the demand for healthcare practitioners. The Food and Health Bureau has recently reviewed manpower requirements for healthcare professionals and forwarded its findings to the University Grants Committee in step with its triennial academic development planning cycle. As mentioned by the Chief Executive in his 2010-11 Policy Address, we encourage tertiary institutions to increase student places for healthcare disciplines to ensure there is adequate manpower to support the development of medical industry.

**HA Drug Formulary and Samaritan Fund**

13. Since the introduction of HA Drug Formulary in 2005, HA has been reviewing the new drugs and existing drugs in the Drug Formulary professionally and objectively according to the evidence-based principle and specific assessment criteria. To enhance the transparency of the Formulary, HA has proposed to upload to its internet website the professional composition of its Drug Advisory Committee (DAC) and the various expert panels for individual specialties for public information. As regards applications of new drugs evaluation, HA proposes to upload regularly to its internet website the list of new drugs to be reviewed by DAC, the decisions of DAC on individual applications, together with a list of references that have been taken into account in the process of consideration of the applications.

14. Since the implementation of the Formulary, HA has regularly informed patients of the latest developments of the Formulary through meetings with patient groups. To further enhance the engagement with patients in the development of services, HA has since early 2011 established a platform for the Chief Executive of

HA to regularly meet with patient representatives to gauge their views on various areas of patient services. This new platform will serve as an additional liaison channel with patients on matters relating to the Formulary.

15. The objective of the Samaritan Fund is to provide financial assistance to needy patients to meet expenses on privately purchased medical items in the course of medical treatment. Under the existing mechanism, for patients receiving the Fund's assistance, their contribution to the drug cost will be capped at 30% of their annual disposable financial resources so that patient's quality of life would be maintained largely. HA has in recent years introduced measures to make the Fund more accessible for patients, such as the relaxation of the financial assessment criteria in 2008 (with re-definition on the calculation of disposable income and allowable deductions) so that more patients are eligible for application. HA will continue to maintain close liaisons and communications with patient groups and relevant stakeholders to listen to their views and suggestions regarding the Formulary and the Samaritan Fund.

**Service planning and resource allocation for clusters**

16. The hospital clustering arrangement of HA was implemented in 2001. The purpose of the arrangement is to enhance operational efficiency and simplify the management structure. Under this unified management structure, roles of each hospital in a cluster are clearly delineated. With collaboration and complementary support amongst hospitals, the cluster can rationalize the healthcare services within the region and minimize duplication of services. The cluster can also flexibly deploy resources to enhance efficiency in resource utilization in the light of changes of service need and utilization of its hospitals.

17. When allocating its resources to the hospital clusters, HA takes into consideration the population of the region as well as HA's priority service areas, service needs of the community, provision of primary and specialist services, new service programmes and initiatives, and resources required in updating facilities, purchasing drugs and staff training.

18. All clusters will provide healthcare services with a continual need in the community, such as basic, specialist, emergency and in-patient services. Specialist services having a relatively small demand and requiring other complex supporting facilities for delivery, such as neurosurgery and oncology, are mainly provided to the

public on a cross-cluster basis under a service network formed by two or more clusters. As for those specialist services that have a limited demand and require some state-of-the-art technologies, equipment and comprehensive supporting facilities for delivery, such as organ transplant and burn centres, they are provided by tertiary services centres at designated hospitals. The above principle for service planning could achieve cost-effectiveness and help pool together the experience of health care professionals and ensure the quality of services. Patients requirement these services will be referred to other clusters for suitable treatment through HA's cross-cluster referral system.

19. HA has adopted a new "Pay for Performance" system starting from 2009-10, with a view to allocate resources in a fairer and more transparent manner. Under the "Pay for Performance" system, resources will be allocated on the basis of the output of hospitals. Through drawing up of the standard cost requirement for different types of service, HA can assess the workload of hospitals and allocate recourses to them according to the number of patients treated by individual hospital and the complexity of the cases involved. This system would help encourage hospitals to enhance efficiency in utilization of resources and provision of service.

**Additional resources for improving HA's services**

20. The Government takes into account a host of factors in determining the amount of subvention to be granted to HA each year. These factors include population growth and changes in population profile, changes in service mode and utilization, advancement in medical technology, expenditure on staff cost and training as well as equipment replacement and purchase of drugs. To meet the increasing service demand from the public, the financial provision for HA in 2011-12 is estimated at $36.8 billion, representing an increase of about $2.6 billion or 7.6% over that for last year. The additional provision allocated to HA will be used for implementation of a series of service improvement measures. Major measures to be implemented in 2011-12 include :

(a) expansion of service capacity to improve inpatient and surgical services in New Territories West Cluster;

(b) enhancement of community and ambulatory care to minimize hospital admissions and reduce avoidable hospitalization;

(c) enhancement of provision for haemodialysis service for patients with end-stage renal disease, cardiac service, clinical oncology service, palliative care for advanced cancer and end-stage patients, child and adolescent psychiatric service, emergency service and expansion of Cancer Case Manager Programme;

(d) supporting the use of interventional medical devices / consumables that are not included in HA's standard charges and continued implementation of the Filmless HA Projects;

(e) expansion of the coverage of the Drug Formulary, expected to benefit 52 000 patients each year;

(f) recruitment of an additional 300 nurses to relieve the workload of frontline staff;

(g) increase the number of cataract surgeries, expected to benefit 6 000 patients;

(h) establishment of a specialist centre for joint replacement, expected to benefit 400 more patents;

(i) provision of magnetic resonance imaging service for an additional 3 400 patients and diagnostic computerized tomography scanning service for an additional 3 000 patients;

(j) provision of enhanced palliative care to end-stage cancer patients and patients with end-stage organ failure through a multi-disciplinary team, expected to benefit 2 500 more patients; and

(k) enhancement of various mental health services, including extension of the Case Management Programme targeted at patients with severe mental illness to five more districts (expected to benefit 11 000 people each year), setting up crisis intervention teams in all clusters to support high risk patients and handle emergency cases at the community level (expected to benefit 1 000 people each year), extension of the Integrated Mental Health Programme in the primary care setting to cover all clusters (expected to benefit 7 000 people each year),

expansion of the Early Assessment and Detection of Young Persons with Psychosis Programme to cover adults (expected to benefit 600 more people each year), extension of the psychogeriatric outreach services to cover about 80 additional private residential care homes for the elderly, and the enhancement of support for children with autism or hyperactivity disorder (expected to benefit an additional 3 000 children each year).

21. To cope with the projected increase in service demand in certain districts, HA plans to open an additional 21 general beds in the New Territories West cluster. A number of ongoing hospital development projects such as North Lantau Hospital (Phase 1) and the expansion of Tesung Kwan O Hospital will also provide additional beds in the coming years.

22. The Government and HA will continue to implement a number of measures related to healthcare reform, including enhancement of chronic disease management through multi-disciplinary, case management and empowerment approach in accordance with the primary care development strategy; and enhancement of public primary care services by developing Community Health Centre model of care and promoting family doctor concept of holistic healthcare in public primary care and general out-patient clinic services.

23. With an ageing population, the public demand for both quantity and quality of healthcare service will continue to increase. The Government will ensure the overall healthcare system can continue to develop to meet the needs of the community. At the same time when we further enhance the healthcare services of HA, the Government will also continue to take forward the development of other aspects of the healthcare system, including the distribution of work and collaboration between the public and private sectors, protection of public health and issues relating to the training of manpower.

Food and Health Bureau
May 2011

(Translation)

**Motion on**
**"Reforming the Hospital Authority"**
**moved by Dr Hon LEUNG Ka-lau**
**at the Legislative Council meeting**
**of Wednesday, 9 March 2011**

**Motion as amended by Dr Hon PAN Pey-chyou, Dr Hon Joseph LEE Kok-long, Hon CHAN Hak-kan, Hon CHEUNG Man-kwong and Hon Alan LEONG Kah-kit**

That, with population ageing, the healthcare issue has become a great challenge currently faced by society; during the 20 years since the establishment of the Hospital Authority ('HA'), its annual spending of public money has increased from $7.7 billion to $33 billion, yet due to the failure of its management to progress with the times and its disregard of various unreasonable phenomena, the morale of frontline healthcare personnel is low, staff wastage is serious, and the quality of care varies; the distribution of resources among various clusters is uneven, and the per capita share of hospital beds, healthcare personnel and funding can vary by as much as 200%; its administrative structure is cumbersome, and the annual salaries of the Chief Executive as well as the 33 Directors, Cluster Chief Executives and Hospital Chief Executives are as high as $2 million to over $4 million; the working condition for its employees is poor, and the working hours of healthcare personnel are long, and it is common to be on duty for 28 consecutive hours; the waiting time for specialist services is too long, thus causing delay in treatment, and the subsidies to patients for using outsourced services are on the low side, thus failing to divert them to the private medical system; the transparency of the HA Drug Formulary is inadequate, and hence patients and the public are unable to find out the drug assessment criteria; and the means test under the Samaritan Fund is too harsh, making many patients fall outside the safety net and unable to receive due protection; in this connection, this Council urges the Government to thoroughly review the operation of HA and put forward reform proposals, including:

(a) using disease treatment costs, service volume and the distribution of population and age groups in the districts concerned as the basis, to formulate objective and fair funding criteria for each hospital cluster, and, on the one hand, to allocate appropriate resources to hospitals in busy districts while avoiding wastage or shortage of resources for developing services in individual hospital clusters, so that the types and quantity of services of the various clusters can better suit the needs of people in their districts, thereby alleviating the plight of elderly and physically weak persons in seeking cross-district medical treatment;

(b) with a view to optimizing as much as possible the utilization of precious healthcare resources and services, HA should through the Internet or enquiry hotlines make public information about making appointments of various hospitals, and proactively advise patients of hospitals in busy districts to seek cross-district medical treatment where their capabilities and clinical conditions permit, so as to balance the supply of and demand for healthcare services in various districts;

(c) to review whether the management structure of the Head Office overlaps with those of hospital clusters, so as to streamline the relevant structure;

(d) to comprehensively review and reasonably improve the pay and promotion ladder of frontline healthcare personnel, and offer reasonable remuneration for their duty hours, so as to retain talents;

(e) to formulate manpower indicators based on workload, and to set standard working hours for healthcare personnel and provide them with half-time job options, with a view to reducing medical blunders and staff wastage;

(f) to reorganize specialist services, reduce unnecessary internal referrals, strengthen primary medical care, and increase the subsidies to patients for using outsourced services, so as to divert patients to the private medical system;

(g) HA, when procuring drugs, should not base its consideration solely on the financial principles, but should also take account of drugs quality and supply stability; in respect of decisions to add any drugs to or remove any drugs from the HA Drug Formulary, to publish drug efficacy reports and financial implication assessments, and include patients' quality of living as a criterion of evaluation, so as to maximize the social effectiveness of drug subsidies, and even drugs 'which have preliminary medical evidence only' should be included in the safety net of subsidies, and their removal should only be considered when their efficacy is negated, so as to reduce disputes;

(h) to relax the application threshold of the Samaritan Fund, and set a fixed ceiling for patients' co-payment;

(i) to allocate additional resources to provide more healthcare personnel with local and overseas training opportunities;

(j) to reorganize the grade structures of General Services Assistants and Technical Services Assistants, set up a unified system of ranks, pay and fringe benefits, and formulate uniform employment terms, so as to rectify the unfair situation of different remunerations for the same post in different clusters; and

(k) to strengthen the Chinese medicine services in HA hospitals, and consider establishing Chinese medicine hospitals to provide the public with more comprehensive Chinese medicine services and promote the development of Chinese medicine;

(l) to set a nurse-patient ratio to improve the quality of nursing care, so as to effectively safeguard patients' safety;

(m) to review the manpower establishment of allied health staff and re-examine the service volume and manpower demand, so as to improve allied healthcare services, thereby reducing the chances of patients' re-hospitalization;

(n) to introduce direct referral services by optometrists, so as to reduce unnecessary referrals and shorten waiting time, and to strengthen primary healthcare;

(o) to introduce chiropractic services to meet patients' needs; and

(p) to review the pay and grade policies on nurses and allied health staff, so as to resolve the problem of severe wastage of talents; and

(q) to provide sufficient funding to strengthen primary medical care, expedite the implementation of the strategy for developing primary care, including establishing community health centres to improve public primary healthcare;

(r) to provide administrative and logistic support, so as to prevent imposing additional administrative work on frontline healthcare personnel;

(s) to face up to the healthcare manpower wastage problem in public hospitals, review the impact of the Government's measures on promoting the development of medical services industry and encouraging the development of the private medical sector on the demand for healthcare personnel, and to increase the supply of healthcare personnel;

(t) due to factors such as population growth, population ageing and the development in medical science and technology, and the problem of inadequate resources of HA, the Government should value the contributions of frontline healthcare personnel in public hospitals, and targeting at the serious staff wastage and low morale problems in some public hospitals and specialties, allocate additional resources to recruit sufficient manpower, improve the management and resource allocation of hospitals and clusters, and train more specialist healthcare personnel; and

(u) as the Legislative Council does not have sufficient power to monitor HA, according to the Hospital Authority Ordinance, HA is not required to seek the Legislative Council's approval for creating posts with high pay, and the various public hospitals even have the authority to set the levels of fees for their services; furthermore, there are insufficient channels for patient groups and the public to participate in HA's decision-making and push HA to make improvements, the Government should explore amending the Hospital Authority Ordinance to enhance the Legislative Council's regulatory control over HA in creating posts with high pay and determining its service charges, and enable patient groups and the Legislative Council to elect representatives to serve as members on the HA Board, so as to enhance patient groups' participation and the Legislative Council's regulatory control over HA;

(v) in respect of individual hospital clusters with smaller amounts of funding, including the New Territories West and Kowloon East Clusters, to offer sufficient resources to improve their services;

(w) to enhance the transparency of approving drugs to be included in the HA Drug Formulary, regularly publish the approval results and grounds;

(x) to explain the funding criteria adopted by various hospital clusters, so as to avoid uneven resource distribution; and

(y) to expedite the progress of hospital redevelopment and medical equipment renewal, so as to cope with growing medical demands.