中華人民共和國香港特別行政區政府總部食物及衞生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

本函檔號：
來函檔號： CB2/PL/HS

電話號碼： (852) 35098959
傳真號碼： (852) 28400467

17 May 2012

Ms Elyssa WONG
Clerk to Panel
Panel on Health Services
Legislative Council Complex
1, Legislative Council Road
Central

Dear Ms WONG,

Panel on Health Services

Follow-up to the meeting on 16 April 2012

I refer to your letter of 25 April 2012 on the captioned. The requested supplementary information in relation to Samaritan Fund is provided at **Annex**.

Yours sincerely,

(Miss Angora NGAI)
for Secretary for Food and Health

c.c. Hospital Authority (Attn.: Dr W L CHEUNG)
Finance Committee, Legislative Council (Attn.: Ms Anita SIT)

Annex

Administration's Response to
Follow-up to the meeting of the Panel on Health Services
on 16 April 2012 on matters related to the Samaritan Fund

Item (a)
The estimated average investment return rate and the estimated investment income to be generated from the $10 billion injection into the Fund

Administration's response

To make better use of public resources and to enhance the sustainability of the Samaritan Fund (SF), the HA has all along adopted a prudent and conservative approach in managing the funds while meeting the operating cash flow requirements of SF. HA's guiding principles in investment are capital preservation and to invest those funds that are not immediately required in low risk investments. At present, SF's investments are principally made up of Hong Kong dollar bank deposits and the average yield in 2011-2012 is about 1.53% per annum. HA will continue to manage the SF in accordance with these existing guiding principles. HA will also closely monitor the cash flow requirements of SF to ensure that adequate liquidity is provided to meet operational requirements.

Item (b)
Case examples to illustrate how patients, in particular those four-member households having a monthly household income of $40,000 or less, would be benefited from the proposed relaxation of the financial test under the Fund

Administration's response

We provide below three examples to illustrate how families with different level of disposable capital can benefit from the relaxed financial test of SF drug subsidies.

Case example 1

Take a four-member family (a couple with 2 dependent children) with monthly household income of $40,000 and disposable capital of $420,000 as an example. Under the current mechanism, partial subsidy of $168,600 will be provided out of the annual drug expenditure $300,000. Under the proposed relaxation of the financial test, a deductible allowance of $418,000 will be provided when calculating the total value of disposable capital. The family will receive a full subsidy of $300,000. In this case, financial burden on the family already receiving partial subsidy will be eliminated under the relaxed financial test. Detailed illustrations are set out below:

Patient's contribution under the current mechanism

($40,000	-	$38,500)	X 12 +	$420,000	=	$438,000
(Monthly Household Gross Income)		(Monthly Allowable Deduction*)		(Disposable Capital)		Annual Disposable Financial Resources (ADFR)

$438,000	x	30%	=	**$131,400**
(ADFR)		(Contribution Ratio)		**(Patient's Contribution)**

Patient's contribution under the relaxed financial test

($40,000	-	$38,500)	X 12 +	($420,000	-	**$418,000)**	=	$20,000
(Monthly Household Gross Income)		(Monthly Allowable Deduction*)		(Disposable Capital)		**(Deductible Allowance)**		(ADFR)

$20,000	x	0%#	=	**$0**
(ADFR)		(Contribution Ratio)		**(Patient's Contribution)**

Notes:

** Breakdowns of the Monthly Allowable Deduction:*

Items	Average amount per month ($)
Mortgage	15,880
Management fee	1,000
Rates	1,000
Provident fund (5% of the monthly salary)	2,000
Salary tax	1,000
School fees of children	2,000
Personal allowance	15,620
Total amount of monthly allowable deduction	**38,500**

 # For patients whose ADFR is below $20,001, no contribution is required.

Case example 2

Take a four-member family (a couple with 2 dependent children) with a monthly household income of $40,000 and disposable capital of $600,000 as an example. Under the current mechanism, partial subsidy of $114,600 will be provided out of the annual drug expenditure of $300,000. Under the proposed relaxation of the financial test, a deductible allowance of $418,000 will be provided when calculating the total value of disposable capital. The partial subsidy for the family will increase to $260,000. In this case, financial burden on the family already receiving partial subsidy will be further relieved under the relaxed financial test. Detailed illustrations are set out below:

Patient's contribution under the current mechanism

($40,000	-	$38,500)	X 12 +	$600,000	=	$618,000
(Monthly Household Gross Income)		(Monthly Allowable Deduction*)		(Disposable Capital)		Annual Disposable Financial Resources (ADFR)

$618,000	x	30%	=	**$185,400**
(ADFR)		(Contribution Ratio)		**(Patient's Contribution)**

Patient's contribution under the relaxed financial test

($40,000	-	$38,500)	X 12 +	($600,000	-	**$418,000)**	=	$200,000
(Monthly Household Gross Income)		(Monthly Allowable Deduction*)		(Disposable Capital)		**(Deductible Allowance)**		(ADFR)

$200,000	x	20%	=	**$40,000**
(ADFR)		(Contribution Ratio)		**(Patient's Contribution)**

Notes:

**Breakdowns of the Monthly Allowable Deduction:*

Items	Average amount per month ($)
Mortgage	15,880
Management fee	1,000
Rates	1,000
Provident fund (5% of the monthly salary)	2,000
Salary tax	1,000
School fees of children	2,000
Personal allowance	15,620
Total amount of monthly allowable deduction	**38,500**

Case example 3

Take a four-member family (a couple with 2 dependent children) with a monthly household income of $40,000 and disposable capital of $1,000,000 as an example. Under the current mechanism, no subsidy will be provided out of the annual drug expenditure of $300,000. Under the proposed relaxation of the financial test, a deductible allowance of $418,000 will be provided when calculating the total value of disposable capital. The family will receive a partial subsidy of $120,000. In this case, the family becomes newly eligible for the SF subsidy under the relaxed financial test. Detailed illustrations are set out below:

Patient's contribution under the current scheme

($40,000	-	$38,500)	X 12 +	$1,000,000	=	$1,018,000
(Monthly Household Gross Income)		(Monthly Allowable Deduction*)		(Disposable Capital)		Annual Disposable Financial Resources (ADFR)

$1,018,000	x	30%	=	**$305,400#**
(ADFR)		(Contribution Ratio)		**(Patient's Contribution)**

Patient's contribution under the relaxed financial test

($40,000	-	$38,500)	X 12 +	($1,000,000	-	**$418,000)**	=	$600,000
(Monthly Household Gross Income)		(Monthly Allowable Deduction*)		(Disposable Capital)		**(Deductible Allowance)**		(ADFR)

$600,000	x	30%	=	**$180,000**
(ADFR)		(Contribution Ratio)		**(Patient's Contribution)**

Notes:

**Breakdowns of the Monthly Allowable Deduction:*

Items	Average amount per month ($)
Mortgage	15,880
Management fee	1,000
Rates	1,000
Provident fund (5% of the monthly salary)	2,000
Salary tax	1,000
School fees of children	2,000
Personal allowance	15,620
Total amount of monthly allowable deduction	**38,500**

 # The amount of patient's contribution is larger than the annual drug expenditure, no subsidy will be provided.

Item (c)

Measures to be put in place to enhance the transparency of the Fund, including the establishment of a consultation mechanism with the patient groups to gauge their views on changes to the Fund and making public the evaluation and decisions of the Samaritan Fund Management Committee and the Medical Services Development Committee of the Hospital Authority Board on the inclusion of self-financed drugs into the scope of the Fund.

Administration's response

There is an established mechanism in place to ensure the transparency of SF. First, HA is responsible for the preparation of financial statements to be audited by the Director of Audit. The Report of the Director of Audit and the audited financial statements are tabled together with Report on SF to the Legislative Council annually. Second, the overall SF operation together with the audited financial statements will be reported to the HA Board on an annual basis. The minutes of the HA Board meetings is disseminated through the internet which is accessible by the public.

As an effort to standardise HA's overall drug policy and utilisation, HA implemented the Drug Formulary (the Formulary) in 2005 with a view to ensuring equitable access by patients to cost-effective drugs of proven safety and efficacy. Under the Formulary, General Drugs[1] and Special Drugs[2] are provided under standard fees and charges in public hospitals and clinics. SF provides full or partial subsidy to patients who meet the specified clinical criteria and passed the financial test to meet expenses on Self-financed Drugs needed in the course of medical treatment but are not covered by the standard fees and charges in public hospitals and clinics. In recent years, HA has implemented a number of measures to enhance the transparency of its overall drug policy and utilisation, including matters concerning Self-financed Drugs within the scope of SF. HA has also put in place established consultation mechanism with patient groups to gauge their views on the formulation and changes to the scope of the Formulary and SF. Accessibility of information and communications with stakeholders on the review of the Formulary,

---

[1] General Drugs are drugs with well-established indications and cost-effectiveness which are available for general use as indicated by patients with relevant clinical conditions.

[2] Special Drugs are drugs used under specific clinical conditions with specific specialist's authorization and are provided at standard fees and charges in public hospitals and clinics when prescribed under specific conditions.

particularly those in relation to the introduction of new drugs, have been improved. Details are set out as follows.

The HA Drug Advisory Committee (DAC), comprising doctors, clinical pharmacologists and pharmacists, systematically appraises new drugs every three months upon applications submitted by the Drug and Therapeutic Committees (DTC)[3]. The drug companies of the new drugs being appraised will be invited to submit relevant information for consideration by the DAC. To enhance transparency and access to information by the public, HA has uploaded to its internet website the composition of DAC and the various expert panels for public's information. The list of new drugs to be reviewed by DAC is also posted on the internet website.

To enhance transparency of the decision-making process and strengthen the communication with stakeholders from various sectors, HA uploads the decisions of DAC on individual applications submitted by DTCs, together with a list of references that have been taken into account in the process of consideration of the applications to its intranet and internet websites.

Since the implementation of the Formulary, HA has regularly informed patients of the latest developments of the Formulary through meetings with patient groups. Updates on the Formulary will also be published in HA's newsletter "CarePlus" for patients' information. As part of the continuous efforts to enhance transparency and promote partnership with the community, HA established in 2009 a formal consultation mechanism under which annual consultation meetings with patient groups will be convened to inform them of the latest developments of the Formulary, to gather their major concerns and solicit their feedback. Patient groups will be invited to submit their views and propose enhancement to the Formulary after the meeting. Their views and suggestions will then be presented to the relevant drug committees for consideration.

In recent years, in response to the views and suggestions of patient groups, HA has undertaken various initiatives to expand the scope of the Formulary and SF. Examples include the following -

---

[3] DTCs are responsible for the oversight and management of the Formulary at individual clusters/hospitals level. DTCs may submit applications to DAC for evaluation of new drugs for incorporation into the Formulary.

(a) Deferasirox, an oral iron chelating drug for thalassaemia, has been repositioned from Self-financed Drugs without safety net to Special Drug in 2008-09;

(b) The prescription guideline for psychiatric drugs has been revised in 2008-09 to enable early use of new drugs by patients;

(c) The clinical application of Clopidogrel, a Special Drug for cardiovascular diseases, has been expanded to provide an extended duration of treatment since April 2010;

(d) Drugs for enzyme replacement therapy for the treatment of rare metabolic diseases have been repositioned from Self-financed Drugs without safety net to Special Drug since April 2010; and

(e) Pemetrexed, formerly a Self-financed Drugs without safety net, has been included into the scope of SF for the treatment of mesothelioma since June 2010.

To further enhance the engagement with patients in the development of services, HA has 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 since early 2011.

Item (d)
The timetable to reposition the 17 self-financed drugs subsidized by the Fund as special drugs in the Drug Formulary

Administration's response

The objective of SF is to provide financial assistance to needy patients who meet the specified clinical criteria and passed the means test to meet expenses on Self-financed Drugs or privately purchased medical items needed in the course of medical treatment but are not covered by the standard fees and charges in public hospitals and clinics. Unlike items which can benefit a relatively large number of patients, items covered within the scope of SF are those with significant cost burden for HA and opportunity costs to other patients if HA is to provide them as part of its standard service.

There was precedent that existing drugs in the Formulary being re-classified across categories in the light of the latest evidence on clinical efficacy, safety

and cost effectiveness. Review on the repositioning of drugs is an ongoing and dynamic process and the frequency and pace of such reclassification vary. Since the implementation of the Formulary, seven Self-financed Drugs have been re-classified as Special Drugs. Details are as follows -

1. Liposomal Amphotericin B used for treating fungal infection since October 2005;

2. Pacilitaxel used for treating breast cancer since April 2007;

3. Irinotecan used for treating colorectal cancer since April 2010;

4. Peginterferon used for treating indications of hepatitis C since April 2010;

5. Interferon alfa used for treating leukaemia since April 2011;

6. Oxaliplatin used for treating patients with adjuvant resected colon cancer since April 2012; and

7. Interferon Beta used for treating patients with Multiple Sclerosis since April 2012.

When any of the existing Self-financed Drugs fulfill the criteria for reclassification as General and/or Special Drugs, they would be considered under the established mechanism.

Item (e)
The mechanism to ensure that drugs of proven safety and efficacy would be provided at standard fees and charges in public hospitals and clinics, rather than being classified as self-financed drugs covered by the Fund

Administration's response

The drug list in the Formulary is regularly reviewed under an established mechanism. The DAC systematically appraises new drugs whereas the Drug Utilization Review Committee (DURC) conducts periodic review on existing drugs in the Formulary.

DAC and DURC are supported by expert panels which provide specialists' views on the selection of drugs for individual specialties. The review process follows an evidence-based approach and adopts specific evaluation criteria. In

reviewing individual drugs, the committees and expert panels will consider the principles of efficacy, safety and cost-effectiveness. They will also take into account various factors, including international recommendations and practices, changes in technology, pharmacological class, disease state, patient compliance, quality of life, actual experience in the use of drugs, comparison with available alternatives, impacts on healthcare costs and views of professionals and patients groups.

New drugs meeting the relevant criteria will be included in the Formulary as General Drugs, Special Drugs or Self-financed Drugs as appropriate. Meanwhile, General Drugs that have become obsolete or are no longer used or required will be removed from the Formulary, while the clinical indications of certain Special Drugs may be modified as appropriate. Existing drugs in the Formulary may also be re-classified across categories in the light of the latest evidence on clinical efficacy, safety and cost-effectiveness. For example, Special Drugs maybe re-classified as General Drugs, Self-financed Drugs previously not covered by SF safety net may be included in the scope of SF or repositioned as Special Drugs in the Formulary, and Self-financed Drugs with SF safety net coverage may be repositioned as Special Drugs in the Formulary.

Recommendations for major changes to the Formulary will be considered in the HA Annual Planning process. Recommendations of DURC for including drugs as Self-financed Drugs under the SF safety net will be considered by the Samaritan Fund Management Committee, which in turn will make recommendations to the Medical Services Development Committee (MSDC) for endorsement. The MSDC reports to the HA Board regularly on its work.

Item (f)
Whether the Administration would conduct a comprehensive review of the Fund

Administration's response

Over the years, HA has conducted regular reviews on the scope of and the financial assessment criteria for applications for SF subsidy under an established mechanism. The established mechanism to review of the scope of SF has been explained in the above response to item (e). We provide below details on the review of the financial assessment criteria. As a result of a review in 2008, the financial test has been relaxed as follows -

- Annual household gross income is calculated based on the past 6-month income, instead of the past 12-month income. In cases where the patients were unemployed for three or more than three consecutive

months prior to the application, the patient will be assumed as having nil income (not applicable to patient's household members);

- Cash value under the life insurance policy will not be taken into account as the value of disposable capital of the patient's household; and

- School fees of children (aged up to 21) studying at secondary level or below will be deducted from the calculation of the annual household gross income.

Also, the personal allowance of allowable deductions in the financial test of applicants' household for SF drug subsidy is adjusted yearly with reference to the Consumer Price Index updated regularly by the Census and Statistics Department (C&SD). When assessing the financial conditions of applicants' household for non-drug subsidy, the medical social workers would make reference to the Median Monthly Domestic Household Income by Household Size based on the General Household Survey updated regularly by C&SD.

SF has been kept under regular review and such reviews are an ongoing process. The current introduction of a deductible allowance in the disposal capital of drug applicants is proposed as a result of careful deliberation in response to patients' views. HA will continue to review the scope of drug coverage and the financial assessment criteria of SF in accordance with the existing mechanism.