

**For information  
on 14 November 2011**

## **LEGISLATIVE COUNCIL PANEL ON HEALTH SERVICES**

### **Financial Assistance to Needy Patients to Meet Expenses on Self-financed Drugs**

#### **PURPOSE**

This paper briefs Members on the Government's measures to provide financial assistance for needy patients to meet their expenses on self-financed drugs.

#### **BACKGROUND**

2. It has been the Government's public healthcare policy to provide comprehensive and lifelong holistic health care services to each citizen, and to ensure that no one is prevented, through lack of means, from obtaining adequate medical treatment. To this end, the Government has endeavoured to provide various forms of assistance and support to help needy patients meet their expenses on self-financed drugs.

3. In recent years, the Hospital Authority (HA) has been expanding the coverage of the Drug Formulary (the Formulary) under the relevant review mechanism. Since the implementation of the Formulary in July 2005, as at April 2011, HA has introduced a total of 87 new drugs to the Formulary. These include, amongst others, 12 general drugs and 42 special drugs<sup>1</sup> which have proven clinical efficacy and are provided at standard fees and charges in public hospitals and clinics with a view to minimising the situations where patients have to purchase self-financed drugs. The Government has also been providing additional resources for HA to meet the growth in drug expenses. HA's total drug dispensing expenditure increased from \$2.28 billion in 2007-08 to \$2.99 billion in 2010-11.

4. Financial assistance is provided to needy patients in meeting expenses on self-financed drugs through the Samaritan Fund (SMF) and the Community Care Fund (CCF). In addition, drug assistance schemes have been set up by

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<sup>1</sup> Special drugs are drugs which are used under specific clinical conditions with specific specialist authorization. These drugs are provided at standard fees and charges in public hospitals and clinics when prescribed under specific conditions.

community pharmacies operated by non-government organisations (NGOs) or charitable funds for patients in need to purchase self-financed drugs in the Formulary.

### **Samaritan Fund (SMF)**

5. The SMF was established as a trust in 1950 by resolution of the Legislative Council. The objective of the SMF 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. The operation of the SMF mainly relies on private donations and Government funding. At present, the SMF is administered by HA.

6. As regards the provision of assistance for patients to purchase self-financed drugs, patients granted assistance by the SMF will be given a full or partial subsidy, depending on their affordability. Under the principle of targeted subsidy, HA looks at the patients' annual household disposable financial resources and estimates their drug expenses in the coming year in assessing their affordability and determining their level of contribution to drug expenses, which is capped at 30% of their annual disposable financial resources. This is to ensure that patients can largely maintain their quality of life even if they have to purchase relatively expensive drugs for treatment.

7. Self-financed drugs subsidised by the SMF are those proven to be of significant benefits but extremely expensive for HA to provide as part of its standard services. These drugs are not covered by the standard fees and charges in public hospitals and clinics. Patients who need these drugs and can afford the costs have to purchase the drugs at their own expense. A safety net is provided through the SMF to subsidise the drug expenses of patients who need the drugs but have financial difficulties. As at July 2011, there were 17 self-financed drugs with safety net coverage (see [Annex 1](#)).

8. In recent years, HA has proactively implemented a number of measures to benefit more patients under the SMF. For example, to increase the number of patients eligible for the subsidy, the financial assessment criteria for considering applications for the SMF have been relaxed in 2008 (including re-defining the basis for calculating disposable income and allowable deductions). At the same time, HA has in recent years been expanding the coverage of the safety net under the SMF to benefit more patients. Since 2005, four self-financed drugs originally subsidised by the SMF have been repositioned as special drugs in the Formulary (see [Annex 2](#)). Since 2007, HA has introduced

a total of 15 drugs into the scope of the SMF in phases for treatment of oncology, rheumatology, neurology, gastroenterology and haematology diseases. The clinical applications of six self-financed drugs already with safety net coverage have also been expanded in phases since 2008.

9. As a result of the continuous expansion of the SMF funding scope over the past seven years, the subsidies granted on drugs increased substantially from \$17.3 million in 2004-05 to \$150 million in 2010-11. Among the applications for drug subsidies approved in 2010-11, over 50% of the applicants were granted a full subsidy and the average subsidy rate of the approved applications was over 80%. To meet the rising demand for assistance, the Government has made several one-off injections to the SMF in recent years amounted to over \$1.5 billion, including an injection of \$1 billion to the SMF in 2008-09 (see Annex 3). HA will continue to review the funding scope and the assessment criteria for the means test of the SMF through the established mechanism.

### **Community Care Fund (CCF)**

10. The Steering Committee on the CCF has endorsed the implementation of two CCF Medical Assistance Programmes in 2011-12 to provide assistance for patients who have financial difficulties to meet their expenses for self-financed drugs through the CCF. The first programme was opened for applications for assistance since 1 August 2011, to provide subsidy to needy HA patients for the use of six specified self-financed cancer drugs for seven specific cancer diseases that have not yet been brought into the SMF safety net. The second programme, expected to be rolled out in the first quarter of 2012, will adopt a more relaxed means test criteria than those for the SMF, so as to benefit those patients who marginally fall outside the SMF safety net for the use of SMF subsidized drugs.

### **Drug assistance schemes run by non-government organisations (NGOs)**

11. Currently, there are drug assistance schemes run by NGO-operated community pharmacies or charitable funds in the community to provide financial assistance for means-tested patients to buy self-financed drugs in HA's Formulary. HA will offer advice to these NGOs and charitable bodies as and when appropriate.

12. We welcome more NGOs to explore and launch more assistance schemes in different forms to provide financial assistance to needy patients to buy the drugs they require. HA will continue to maintain close liaison with the relevant organisations with a view to providing more comprehensive and effective support to needy patients.

## **Way Forward**

13. The Government and HA will continue to strengthen measures for providing financial assistance to needy patients to meet expenses on self-finance drugs based on the principles of fair and effective use of public resources and utilising limited public resources to provide healthcare services to more patients.

## **Advice Sought**

14. Members are invited to note the content of this paper.

**Food and Health Bureau  
Hospital Authority  
November 2011**

**Self-financed drugs covered by safety net through Samaritan Fund**

**(as at July 2011)**

1. Adalimumab for rheumatoid arthritis / ankylosing spondylitis / psoriatic arthritis (introduced in June 2010)/ Crohn's Disease (introduced in July 2011)
2. Bortezomib for multiple myeloma (introduced in June 2010)
3. Cetuximab for initial treatment of locally advanced squamous cell carcinoma of head and neck (introduced in December 2009)
4. Dasatinib for Imatinib-resistant chronic myeloid leukaemia (introduced in June 2010)
5. Etanercept for rheumatoid arthritis / ankylosing spondylitis / juvenile idiopathic arthritis (introduced in April 2007) / psoriatic arthritis (introduced in December 2009)
6. Infliximab for rheumatoid arthritis / ankylosing spondylitis (introduced in April 2007) / psoriatic arthritis (introduced in December 2009) / Crohn's Disease (introduced in October 2008)
7. Imatinib for chronic myeloid leukaemia / gastrointestinal stromal tumour (introduced in January 2005) / acute lymphoblastic leukaemia (introduced in October 2008)
8. Nilotinib for Imatinib-resistant chronic myeloid leukaemia (introduced in June 2010)
9. Oxaliplatin for adjuvant resected colon cancer (introduced in December 2009)
10. Pemetrexed for malignant pleural mesothelioma (introduced in June 2010)

11. Trastuzumab for HER 2 over-expressed metastatic breast cancer (introduced in April 2007) / HER 2 positive early breast cancer (introduced in December 2009)
12. Rituximab for malignant lymphoma (introduced in October 2008) /maintenance therapy for relapsed follicular lymphoma (introduced in June 2010) / refractory rheumatoid arthritis (introduced in December 2009)
13. Erlotinib for EGFR mutation-positive non-small cell lung cancer (second line) (introduced in July 2011)
14. Gefitinib for EGFR mutation-positive non-small cell lung cancer (second line) (introduced in July 2011)
15. Temozolomide for Glioblastoma Multiforme (used together with radiotherapy) (introduced in July 2011)
16. Growth Hormone
17. Interferon

**Drugs originally subsidised by the Samaritan Fund and subsequently repositioned as special drugs in the Drug Formulary**

1. Liposomal Amphotericin B used for treating fungal infection repositioned as a special drug since October 2005;
2. Paclitaxel used for treating breast cancer repositioned as a special drug since April 2007;
3. Irinotecan used for treating colorectal cancer repositioned as a special drug since April 2010;
4. Interferon used for treating indications of hepatitis C repositioned as a special drug since April 2010; and
5. Interferon used for treating leukaemia repositioned as a special drug since April 2011.

**Fund injection into the Samaritan Fund  
by the Government in Recent Years**

<b>Year</b>	<b>Amount</b>
2005-06	\$160 million
2006-07	\$350 million
2008-09	\$1 billion