立法會
Legislative Council

LC Paper No. CB(2)258/11-12(08)

Ref : CB2/PL/HS

Panel on Health Services

Background brief prepared by the Legislative Council Secretariat for the meeting on 14 November 2011

Financial assistance to needy patients to meet expenses on privately purchased drugs

Purpose

This paper summarizes the concerns of the Panel on Health Services ("the Panel") on issues relating to the financial assistance to needy patients to meet expenses on privately purchased drugs.

Background

Drugs categorized as self-financed items in the Drug Formulary of the Hospital Authority

2. The Hospital Authority ("HA") has implemented the Drug Formulary ("the Formulary") since 2005 with a view to ensuring equitable access to cost effective drugs of proven efficacy and safety. At present, there are about 1 300 standard drugs in the Formulary provided within the standard fees and charges at public hospitals and clinics when prescribed under specific clinical conditions. Standard drugs can be classified into two categories, namely, General Drugs which have well-established indications and effectiveness and are available for general use by doctors of public hospitals and clinics; and Special Drugs which have to be used under specified clinical conditions with specific specialist authorization. For patients who do not meet the specified clinical conditions but choose to use Special Drugs, they will have to pay for the drugs as self-financed items ("SFI").

3. For those drugs which are not standard drugs in the Formulary, patients have to purchase these SFI at their own expenses. There are four types of these drugs: (a) drugs proven to be of significant benefits but extremely expensive for HA to provide as part of its subsidized service; (b) drugs which have preliminary medical evidence only; (c) drugs with marginal benefits over available alternatives but at significantly higher costs; and (d) life-style related drugs which are not medically necessary. For drugs of type (a) above, partial or full subsidy can be provided through the safety net of the Samaritan Fund to needy patients to cover their expenses on these drugs. According to the webpage of the Samaritan Fund hosted by HA, there are 20 SFI drugs covered in the scope of the Fund.

4. At present, HA supplies three categories of SFI at cost for purchase by patients. These include items not easily accessible in the community pharmacies; items covered by the safety net of the Samaritan Fund; and items that need to be supplied for operational convenience (e.g. injection drugs). As at March 2011, there were 28 SFI drugs available for purchase through HA but were not covered by the Samaritan Fund. In 2010-2011 (up to 31 December 2010), a total of 9 959 patients purchased these SFI drugs through HA at their own expenses. The total expenditure incurred by these patients was about $171.8 million.

The Samaritan Fund

5. The Samaritan Fund is a charitable fund established by resolution of the Legislative Council in 1950. Its objective is to provide financial assistance to needy patients to meet expenses on designated privately purchased medical items or self-financed drugs required in the course of medical treatment which are not covered by hospital maintenance or outpatient consultation fees in public hospitals and clinics. HA is charged with the responsibility of managing the Samaritan Fund.

6. The operation of the Samaritan Fund mainly relies on private donations and Government subsidies. HA reviews annually the income and expenditure accounts of the Fund and estimates the overall expenditure of the Fund for the next few years, taking into account factors such as the ageing of population, technological advances, increase in demand for healthcare services and inclusion of more drugs under the Fund. HA will seek additional funding from the Government if necessary. In 2008, the Government injected a grant of $1 billion into the Samaritan Fund to meet the growth of expenses.

7. Medical Social Workers ("MSWs") assist in vetting funding applications of individual patients. The level of subsidy for drug items will be assessed on

the patients' disposable financial resources ("DFR"), which essentially means the amount of their household disposable income and disposable capital. The adoption of the concept of DFR is to ensure that the patients' quality of life would be largely maintained even if they have to purchase the more costly drugs.

8. In 2009-2010, there were a total of 1 095 cases of assistance provided under the Samaritan Fund for the purchase of SFI drugs. The amount of subsidy involved was $84.2 million and the amount paid by patients was $7.8 million.

Deliberations of the Panel

9. The Panel held a number of meetings between 2005 and 2011 to discuss issues relating to the financial assistance to needy patients to meet expenses on privately purchased drugs. The deliberations and concerns of members are summarized below.

Safety net for SFI drugs

10. Members were concerned about the financial burden imposed by the extremely expensive SFI, such as cancer drug Imatinib (Glivec) and drugs for treatment of Mucopolysaccharidoses which would cost about $200,000 and at least $1 million per year respectively. Question was raised on whether consideration would be given to putting a cap of, say, $100,000, on the expenses borne by each patient for purchasing SFI each year and the amount exceeding the cap to be covered by HA as part of its subsidized services. There was also a suggestion that patients' expenditure on SFI should be tax deductible.

11. The Administration stressed that it was its long-standing policy that no patients would be denied adequate medical treatment due to a lack of means. Needy patients could apply for assistance from the Samaritan Fund to meet expenses on these drugs. Apart from the Samaritan Fund, needy patients might seek fee waiver from HA. Under the fee waiver mechanism, a patient might be provided with a one-off full or partial waiver for hospital fees and charges. The Administration further advised that the Medical Subcommittee under the Community Care Fund was actively considering measures to provide assistance to people facing financial difficulties, in particular those who fell outside the safety net.

12. Members remained of the view that drugs which were proven to be of significant benefits should be covered by the standard fees and charges in public

hospitals and clinics, rather than being classified as SFI with safety net.

13. In response to members' enquiry about the actions taken by HA to reduce the price charged by companies providing SFI drugs, the Administration advised that drug companies were encouraged to provide a certain proportion of drugs under the safety net free of charge for the needy patients.

Role of the Samaritan Fund

14. Members noted that at present, the Drug Utilisation Review Committee ("DURC") of HA would advise the Samaritan Fund at the beginning of each year on the potential list of SFI drugs to be supported by the Fund. The recommendations of DURC would be considered by the Samaritan Fund Management Committee ("SFMC"), which in turn would make recommendations to the Medical Services Development Committee ("MSDC") of the HA Board. Members expressed grave concern on this mechanism for deciding drugs to be categorized as SFI drugs with safety net. Pointing out that HA was responsible for determining the drugs to be introduced and categorized as SFI with safety net, as well as managing the Samaritan Fund, some members queried whether the Samaritan Fund could serve its intended purpose of providing relief to needy patients. They were sceptical that the Samaritan Fund might be used as a justification for HA to exclude drugs proven to be of significant benefits but extremely expensive to provide in the Formulary.

15. The Administration held the view that the Samaritan Fund had never deviated from its objective of providing relief to needy patients. The determination of new drugs to be included into the Formulary or to be categorized as SFI with safety net was made based on clinical efficacy, safety and cost effectiveness to ensure rational use of finite resources and provision of effective treatment to patients. The Administration reassured members that the introduction of drugs, including SFI drugs, into the Formulary would foremost be based on the efficacy and safety of drugs and not their cost.

Long-term sustainability of the Samaritan Fund

16. While supporting the proposal of a one-off grant of $1 billion to the Samaritan Fund to meet the Fund's projected funding requirements up to 2012, members expressed concern on the sustainability of the Fund. In view of the rapid advancement in medical technologies and the ageing population, members urged the Administration to hammer out a long term funding arrangement for the Samaritan Fund.

17. The Administration responded that the long term funding arrangement for the Samaritan Fund would be examined in the context of healthcare financing. Details of service reform and supplementary financing would be drawn up for discussion in the second stage public consultation targeted to be carried out in the first half of 2009.

Financial assessment for the Samaritan Fund

18. Citing a case whereby a patient was no longer eligible for financial assistance under the Samaritan Fund after moving in with his parents, members sought explanation on the rationale for requiring applicants for the Fund to pass a household-based financial assessment conducted by MSWs.

19. The Administration advised that the practice of using patients' household income in assessing the level of subsidy granted under the Samaritan Fund was in line with other safety nets funded by public money, such as public housing, student loans, legal aid and the Comprehensive Social Security Assistance. This assessment criterion for public assistance was also adopted in many developed countries. The rationale was to encourage family members to support each other and to prevent the avoidance of responsibility by resorting to public assistance in the first instance. Members were also informed that non-financial factors, such as whether patients having other medical expenses and their family status, would also be considered when vetting their applications for the Fund.

Recent developments

20. The Steering Committee on the Community Care Fund ("CCF") announced in April 2011 that two medical assistance programmes (First Phase and Second Phase) would be launched in 2011-2012. HA would be responsible for administering the two programmes under the supervision of the Food and Health Bureau. Patients who have financial difficulties may apply for assistance from these two programmes. They may be given full or partial assistance of the drug cost, depending on their financial situation.

21. The First Phase Medical Assistance Programme, rolled out in August 2011, aims to subsidize HA patients to use six specified self-financed cancer drugs which have not been brought into the safety net of the Samaritan Fund but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy. The estimated budget is around $41.7 million to $71.7 million for the first year. It is expected that around 300 to 500 patients will benefit from this programme in the first year.

22. The Second Phase Medical Assistance Programme, to be launched in the first quarter of 2012, will provide subsidy to needy patients who marginally fall outside the safety net of the Samaritan Fund for the use of Fund subsidized drugs. The estimated budget for the first year ranges from $6.3 million to $9.45 million. This programme will benefit around 400 patients every year.

Relevant papers

23. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
8 November 2011

Appendix

Relevant papers on the
Financial assistance to needy patients to meet expenses on privately purchased drugs

Committee	Date of meeting	Paper
Panel on Health Services	31.1.2005 (Item I)	Agenda Minutes CB(2)1049/04-05(01) *(Chinese version only)*
Panel on Health Services	8.3.2005 (Item I)	Agenda Minutes
Panel on Health Services	18.4.2005 (Item VI)	Agenda Minutes
Panel on Health Services	13.6.2005 (Item V)	Agenda Minutes CB(2)2705/04-05(01)
Panel on Health Services	10.7.2006 (Item IV)	Agenda Minutes CB(2)3090/05-06(01) CB(2)747/06-07(01)
Panel on Health Services	25.9.2006 (Item I)	Agenda Minutes
Panel on Health Services	11.12.2006 (Item IV)	Agenda Minutes CB(2)849/06-07(01)
Panel on Health Services	8.1.2007 (Item VI)	Agenda Minutes
Panel on Health Services	23.1.2007 (Item I)	Agenda Minutes CB(2)1894/06-07(01)

Committee	Date of meeting	Paper
Panel on Health Services	12.2.2007 (Item III)	Agenda Minutes
Panel on Health Services	24.6.2008 (Item I)	Agenda Minutes CB(2)23/08-09(01)
Panel on Health Services	10.11.2008 (Item IV)	Agenda Minutes
Panel on Health Services	8.6.2009 (Item VI)	Agenda Minutes
Panel on Health Services	19.6.2009 (Item I)	Agenda Minutes
Panel on Health Services	14.2.2011 (Item VI)	Agenda Minutes CB(2)1602/10-11(01)
Panel on Health Services	14.6.2011 (Item I)	Agenda

Council Business Division 2
Legislative Council Secretariat
8 November 2011