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Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 8 May 2013

**Amendments to motion on
“Drug Formulary and drugs subsidy system”**

Further to LC Paper No. CB(3) 520/12-13 issued on 25 April 2013, five Members (Dr Hon LEUNG Ka-lau, Dr Hon Joseph LEE, Hon CHAN Han-pan, Hon Albert HO and Dr Hon Fernando CHEUNG) have respectively given notices of their intention to move separate amendments to Hon Alice MAK’s motion on “Drug Formulary and drugs subsidy system” scheduled for the Council meeting of 8 May 2013. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Alice MAK to speak and move her motion;
- (b) the President proposes the question on Hon Alice MAK’s motion;
- (c) the President calls upon the five Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Dr Hon LEUNG Ka-lau;
 - (ii) Dr Hon Joseph LEE;

- (iii) Hon CHAN Han-pan;
 - (iii) Hon Albert HO; and
 - (iv) Dr Hon Fernando CHEUNG;
- (d) the President calls upon the public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Hon Alice MAK to speak for the second time on the amendments;
 - (g) the President calls upon the public officer(s) to speak again;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the five Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Dr Hon LEUNG Ka-lau to move his amendment to the motion, and forthwith proposes and puts to vote the question on Dr Hon LEUNG Ka-lau's amendment;
 - (i) after Dr Hon LEUNG Ka-lau's amendment has been voted upon, the President deals with the other four amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Hon Alice MAK to reply. Thereafter, the President puts to vote the question on Hon Alice MAK's motion, or her motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Drug Formulary and drugs subsidy system”
to be held at the Council meeting of 8 May 2013**

1. Hon Alice MAK’s original motion

That the Hospital Authority (‘HA’) has implemented the Drug Formulary (‘the Formulary’) system since July 2005 to standardize its policies on procurement and use of drugs; at present, HA’s annual drugs expenditure only accounts for around 10% of its overall expenditure, and the responsibilities of including new drugs in the Formulary and reviewing the Formulary rest with HA’s Drug Advisory Committee and Drug Utilization Review Committee respectively; yet, the lack of transparency in the relevant work and low participation of other stakeholders have led people to question that the Formulary does not put patients’ rights and interests first, resulting in patients having to purchase at their own expense drugs which are of significant efficacy but expensive; although the Government has put in place safety net systems such as the Samaritan Fund, etc., situations of patients suffering delays in treatment due to their inability to afford better but expensive drugs, having to sell their properties in order to purchase drugs, or relying on lower-quality drugs to extend their lives still arise, etc., reflecting the existence of many loopholes and inadequacies in the existing system; in this connection, this Council urges the Government to review the existing drugs policies and perfect the relevant mechanism, so as to provide assistance for more people in need; the relevant measures should include:

- (1) to reform HA’s Drug Advisory Committee and Drug Utilization Review Committee, include more representatives of stakeholders (including representatives of patients’ organizations) and make public the records of meetings of those Committees, so as to increase the transparency of the process of formulating and reviewing the Formulary;
- (2) when updating the Formulary, to correspondingly devote adequate resources to ensure that medical practitioners can prescribe the most suitable drugs according to patients’ medical conditions;
- (3) to take out HA’s drugs expenditure from its overall expenditure estimates and allocate it to the various hospital clusters as an

independent fund, so as to ensure that the funding is fully used for drugs expenditure and not used for other expenditure items;

- (4) to expand the Formulary to include more drugs which are of significant efficacy but expensive as General Drugs and Special Drugs, so that more patients can use such drugs at standard fees and charges;
- (5) to increase the expenditure estimates on drugs, and when considering whether to include certain drugs in the Formulary and the relevant categories, reduce the weighting of costs and prices and adopt efficacy and patient safety as the overriding principle, so that patients will not be forced to take lower-quality drugs due to the lack of financial means;
- (6) to include more drugs in the subsidy coverage of the Samaritan Fund, and further relax the assessment criteria of the financial test of the Samaritan Fund by using the income and asset of individual applicants instead of households as the basis;
- (7) to provide tax relief, so as to alleviate the financial burden of patients or their family members arising from the purchase of drugs at their own expense; and
- (8) to consider abolishing the Formulary system in the long run.

2. Motion as amended by Dr Hon LEUNG Ka-lau

That, *in view of patients' growing demand for expensive drugs*, the Hospital Authority ('HA') has implemented the Drug Formulary ('the Formulary') system since July 2005 to standardize its policies on procurement and use of drugs; at present, HA's annual drugs expenditure only accounts for around 10% of its overall expenditure, and the responsibilities of including new drugs in the Formulary and reviewing the Formulary rest with HA's Drug Advisory Committee and Drug Utilization Review Committee respectively; yet, the lack of transparency in the relevant work and low participation of other stakeholders have led people to question that the Formulary does not put patients' rights and interests first, resulting in patients having to purchase at their own expense drugs which are of significant efficacy but expensive; although the Government has put in place safety net systems such as the Samaritan Fund, etc., situations of patients suffering delays in treatment due to their inability to afford better but expensive drugs, having to sell their properties in order to purchase drugs, or relying on lower-quality drugs to extend their lives still arise, etc., reflecting the existence of many loopholes and inadequacies in the existing system; in this connection, this Council urges the Government to review the existing drugs

policies and perfect the relevant mechanism, so as to provide assistance for more people in need; the relevant measures should include:

- (1) to reform HA's Drug Advisory Committee and Drug Utilization Review Committee, include more representatives of stakeholders (including representatives of patients' organizations) and make public the records of meetings of those Committees, so as to increase the transparency of the process of formulating and reviewing the Formulary;
- (2) when updating the Formulary, to correspondingly devote adequate resources to ensure that medical practitioners can prescribe the most suitable drugs according to patients' medical conditions;
- (3) to take out HA's drugs expenditure from its overall expenditure estimates and allocate it to the various hospital clusters as an independent fund, so as to ensure that the funding is fully used for drugs expenditure and not used for other expenditure items;
- (4) to expand the Formulary to include more drugs which are of significant efficacy but expensive as General Drugs and Special Drugs, so that more patients can use such drugs at standard fees and charges;
- (5) to increase the expenditure estimates on drugs, ~~and~~ ***to around 15% of HA's overall expenditure, and use a scientific and objective method to measure cost-effectiveness*** when considering whether to include certain drugs in the Formulary and the relevant categories, ~~reduce the weighting of costs and prices and adopt efficacy and patient safety as the overriding principle, so that patients will not be forced to take lower quality drugs due to the lack of financial means;~~
- (6) to include more drugs in the subsidy coverage of the Samaritan Fund, and ~~further relax~~ ***revise*** the assessment criteria of the financial test of the Samaritan Fund by using the income and asset of individual applicants instead of households as the basis ***relevant financial test and its subsidy approach, allowing applicants to choose 'individual' or 'household' as the assessment basis; when a patient's drugs expenditure exceeds 10% of the patient's income, the shortfall in the drugs fees would be paid by the Fund, so that the patient will not be forced to take lower-quality drugs due to the lack of financial means;***
- (7) to provide tax relief, so as to alleviate the financial burden of patients or their family members arising from the purchase of drugs at their own expense; and

- (8) to consider abolishing the Formulary system in the long run.

Note: Dr Hon LEUNG Ka-lau's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Dr Hon Joseph LEE

That, *given that* the Hospital Authority ('HA') has implemented the Drug Formulary ('the Formulary') system since July 2005 ~~to standardize, resulting in~~ its policies on procurement and use of drugs *being too rigid and unable to help patients appropriately*; at present, HA's annual drugs expenditure only accounts for around 10% of its overall expenditure, and the responsibilities of including new drugs in the Formulary and reviewing the Formulary rest with HA's Drug Advisory Committee and Drug Utilization Review Committee respectively; yet, the lack of transparency ~~in the relevant work and~~ *and the excessive conservativeness in their work, which is unable to respond timely to patients' needs, coupled with the* low participation of other stakeholders, have led people to question that the Formulary does not put patients' rights and interests first, resulting in patients having to purchase at their own expense drugs which are of significant efficacy but expensive; although the Government has put in place safety net systems such as the Samaritan Fund, etc., situations of patients suffering delays in treatment due to their inability to afford better but expensive drugs, having to sell their properties in order to purchase drugs, or relying on lower-quality drugs to extend their lives still arise, etc., reflecting the existence of many loopholes and inadequacies in the existing system; in this connection, this Council urges the Government to review the existing drugs policies and perfect the relevant mechanism, so as to provide assistance for more people in need; the relevant measures should include:

- (1) to reform HA's Drug Advisory Committee and Drug Utilization Review Committee, include more representatives of stakeholders (including representatives of patients' organizations) and make public the records of meetings of those Committees, ~~so as to increase the transparency of the process of formulating and reviewing the Formulary,~~ *so that the Committees concerned can respond to patients' medical and healthcare demands in a more open and appropriate manner*;
- (2) when updating the Formulary, to correspondingly devote adequate resources to ensure that medical practitioners can prescribe the most suitable drugs according to patients' medical conditions;
- (3) to take out HA's drugs expenditure from its overall expenditure estimates and allocate it to the various hospital clusters as an

independent fund, so as to ensure that the funding is fully used for drugs expenditure and not used for other expenditure items;

- (4) to expand the Formulary to include more drugs which are of significant efficacy but expensive as General Drugs and Special Drugs, so that more patients can use such drugs at standard fees and charges;
- (5) to increase the expenditure estimates on drugs, and when considering whether to include certain drugs in the Formulary and the relevant categories, reduce the weighting of costs and prices and adopt efficacy and patient safety as the overriding principle, so that patients will not be forced to take lower-quality drugs due to the lack of financial means;
- (6) to include more drugs in the subsidy coverage of the Samaritan Fund, and further relax the assessment criteria of the financial test of the Samaritan Fund by using the income and asset of individual applicants instead of households as the basis;
- (7) to provide tax relief, so as to alleviate the financial burden of patients or their family members arising from the purchase of drugs at their own expense; ~~and~~
- (8) to consider abolishing the Formulary system in the long run; *and*
- (9) *when assessing new drugs, to introduce objective and standardized assessment tools to assess the safety, efficacy, cost-effectiveness, etc. of new drugs with objective criteria for determining whether to include the new drugs in the Formulary, and to enhance transparency.*

Note: Dr Hon Joseph LEE's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon CHAN Han-pan

That, *in view of the hospitals in various clusters of* the Hospital Authority ('HA') *following different policies on drug management in the past*, HA has implemented the Drug Formulary ('the Formulary') system since July 2005 to standardize its policies on procurement and use of drugs; at present, HA's annual drugs expenditure only accounts for around 10% of its overall expenditure, and the responsibilities of including new drugs in the Formulary and reviewing the Formulary rest with HA's Drug Advisory Committee and Drug Utilization Review Committee respectively; yet, the lack of transparency in the relevant work and low participation of other stakeholders have led people to question that the Formulary does not put patients' rights and interests first,

resulting in patients having to purchase at their own expense drugs which are of significant efficacy but expensive; although the Government has put in place safety net systems such as the Samaritan Fund, etc., situations of patients suffering delays in treatment due to their inability to afford better but expensive drugs, having to sell their properties in order to purchase drugs, or relying on lower-quality drugs to extend their lives still arise, etc., reflecting the existence of many loopholes and inadequacies in the existing system; in this connection, this Council urges the Government to review the existing drugs policies and perfect the relevant mechanism, so as to provide assistance for more people in need; the relevant measures should include:

- (1) to reform HA's Drug Advisory Committee and Drug Utilization Review Committee, include more representatives of stakeholders (including representatives of patients' organizations) and make public the records of meetings of those Committees, so as to increase the transparency of the process of formulating and reviewing the Formulary;
- (2) when updating the Formulary, to correspondingly devote adequate resources to ensure that medical practitioners can prescribe the most suitable drugs according to patients' medical conditions;
- (3) to take out HA's drugs expenditure from its overall expenditure estimates and allocate it to the various hospital clusters as an independent fund, so as to ensure that the funding is fully used for drugs expenditure and not used for other expenditure items;
- (4) to expand the Formulary to include more drugs which are of significant efficacy but expensive as General Drugs and Special Drugs, so that more patients can use such drugs at standard fees and charges;
- (5) to increase the expenditure estimates on drugs, and when considering whether to include certain drugs in the Formulary and the relevant categories, reduce the weighting of costs and prices and adopt efficacy and patient safety as the overriding principle, so that patients will not be forced to take lower-quality drugs due to the lack of financial means;
- (6) to include more drugs in the subsidy coverage of the Samaritan Fund, and further relax the assessment criteria of the financial test of the Samaritan Fund by using the income and asset of individual applicants instead of households as the basis;
- (7) to provide tax relief, so as to alleviate the financial burden of patients or their family members arising from the purchase of drugs at their own expense; and

- (8) to ~~consider~~ *expeditiously and comprehensively review the Formulary system, give priority to the inclusion of drugs proven to be of significant efficacy but extremely expensive as HA's general subsidized drugs to benefit more patients, and study the feasibility of abolishing the Formulary system in the long run.*

Note: Hon CHAN Han-pan's amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon Albert HO

That, *to ensure equitable access by patients to the drugs required*, the Hospital Authority ('HA') has implemented the Drug Formulary ('the Formulary') system since July 2005 to standardize its policies on procurement and use of drugs; at present, HA's annual drugs expenditure only accounts for around 10% of its overall expenditure, and the responsibilities of including new drugs in the Formulary and reviewing the Formulary rest with HA's Drug Advisory Committee and Drug Utilization Review Committee respectively; yet, the lack of transparency in the relevant work and low participation of other stakeholders have led people to question that the Formulary does not put patients' rights and interests first, resulting in patients having to purchase at their own expense drugs which are of significant efficacy but expensive; although the Government has put in place safety net systems such as the Samaritan Fund, ~~etc.~~, (*'the Fund'*), *etc.*, and *under the persistent striving of the civil society, the Government injected \$10 billion into the Fund last year*, situations of patients suffering delays in treatment due to their inability to afford better but expensive drugs, having to sell their properties in order to purchase drugs, or relying on lower-quality drugs to extend their lives still arise, ~~etc.~~, reflecting the existence of many loopholes and inadequacies in the existing system; in this connection, this Council urges the Government to review the existing drugs policies and perfect the relevant mechanism, so as to provide assistance for more people in need; the relevant measures should include:

- (1) to reform HA's Drug Advisory Committee and Drug Utilization Review Committee, *conduct studies on making such committees institutionally independent of HA*, include more representatives of stakeholders (including representatives of patients' organizations) and make public the records of meetings of those Committees, so as to increase the transparency of the process of formulating and reviewing the Formulary;

- (2) when updating the Formulary, to correspondingly devote adequate resources to ensure that medical practitioners can prescribe the most suitable drugs according to patients' medical conditions;
- (3) to take out HA's drugs expenditure from its overall expenditure estimates and allocate it to the various hospital clusters as an independent fund, so as to ensure that the funding is fully used for drugs expenditure and not used for other expenditure items;
- (4) to expand the Formulary to include more drugs which are of significant efficacy but expensive as General Drugs and Special Drugs, so that more patients can use such drugs at standard fees and charges;
- (5) to increase the expenditure estimates on drugs, and when considering whether to include certain drugs in the Formulary and the relevant categories, reduce the weighting of costs and prices and adopt efficacy and patient safety as the overriding principle, so that patients will not be forced to take lower-quality drugs due to the lack of financial means;
- (6) to *use the Fund properly*, include more drugs in the subsidy coverage of the ~~Samaritan~~ Fund, and further relax the assessment criteria of the financial test of the ~~Samaritan~~ Fund by using the income and asset of individual applicants instead of households as the basis;
- ~~(7) to provide tax relief, so as to alleviate the financial burden of patients or their family members arising from the purchase of drugs at their own expense; and~~
- ~~(8)~~(7) *to consider abolishing the Formulary system in the long run, under the existing Formulary system, to reform the drug subsidy system to the effect that subsidies should be provided for all drugs clinically assessed by attending doctors to be needed, and the patients concerned only need to pay the standard charges instead of having to purchase the drugs at their own expense.*

Note: Hon Albert HO's amendment is marked in *bold and italic type* or with deletion line.

6. Motion as amended by Dr Hon Fernando CHEUNG

That the Hospital Authority ('HA') has implemented the Drug Formulary ('the Formulary') system since July 2005 to standardize its policies on procurement and use of drugs; at present, HA's annual drugs expenditure only accounts for around 10% of its overall expenditure, and the responsibilities of including new

drugs in the Formulary and reviewing the Formulary rest with HA's Drug Advisory Committee and Drug Utilization Review Committee respectively; yet, the lack of transparency in the relevant work and low participation of other stakeholders have led people to question that the Formulary does not put patients' rights and interests first, resulting in patients having to purchase at their own expense drugs which are of significant efficacy but expensive; although the Government has put in place safety net systems such as the Samaritan Fund (*'the Fund'*), etc., situations of patients suffering delays in treatment due to their inability to afford better but expensive drugs, having to sell their properties in order to purchase drugs, or relying on lower-quality drugs to extend their lives still arise, etc., reflecting the existence of many loopholes and inadequacies in the existing system; in this connection, this Council urges the Government to review the existing drugs policies and perfect the relevant mechanism, so as to provide assistance for more people in need; the relevant measures should include:

- (1) to reform HA's Drug Advisory Committee and Drug Utilization Review Committee, include more representatives of stakeholders (including representatives of patients' organizations *and of patients' family members' organizations*) and make public the records of meetings of those Committees, so as to increase the transparency of the process of formulating and reviewing the Formulary;
- (2) when updating the Formulary, to correspondingly devote adequate resources to ensure that medical practitioners can prescribe the most suitable drugs according to patients' medical conditions;
- (3) to take out HA's drugs expenditure from its overall expenditure estimates and allocate it to the various hospital clusters as an independent fund, so as to ensure that the funding is fully used for drugs expenditure and not used for other expenditure items;
- (4) to expand the Formulary to include ~~more drugs which are of significant efficacy~~ *all drugs which are of significant efficacy and marginal benefits* but expensive as General Drugs and Special Drugs, so that *medical practitioners can prescribe drugs with greater flexibility, and more patients can use such drugs at standard fees and charges;*
- (5) *where the drugs needed by patients fall outside the Formulary, to put in place a discretionary mechanism for medical practitioners to exercise their professional judgment to provide such patients with the drugs concerned;*
- (5)(6) to increase the expenditure estimates on drugs, and when considering whether to include certain drugs in the Formulary and the relevant

categories, reduce the weighting of costs and prices and adopt efficacy and patient safety as the overriding principle, so that patients will not be forced to take lower-quality drugs due to the lack of financial means;

~~(6)~~(7) to include more drugs in the subsidy coverage of the ~~Samaritan~~ Fund, and further relax the assessment criteria of the financial test of the ~~Samaritan~~ Fund by using the income and asset of individual applicants instead of households as the basis;

(8) *to consider setting a ceiling on the proportion of medical expenditure to income for the Fund, whereby any medical fee in excess of the ceiling will be fully subsidized by the Fund; and*

~~(7)~~(9) to provide tax relief, so as to alleviate the financial burden of patients or their family members arising from the purchase of drugs at their own expense; ~~and~~

~~(8)~~ — ~~to consider abolishing the Formulary system in the long run.~~

Note: Dr Hon Fernando CHEUNG's amendment is marked in *bold and italic type* or with deletion line.