

## **ITEM FOR FINANCE COMMITTEE**

### **HEAD 37 – DEPARTMENT OF HEALTH Subhead 700 General non-recurrent New Item “Injection to the AIDS Trust Fund”**

Members are invited to approve an injection of \$350 million into the AIDS Trust Fund in 2013-14 to continue the support in prevention and control of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome in Hong Kong.

#### **PROBLEM**

The balance of the AIDS Trust Fund (ATF) will soon be exhausted and may not be able to support new funding proposals in 2014-15 for providing financial assistance to Human Immunodeficiency Virus (HIV)-infected haemophiliacs and strengthening the prevention and control of HIV/Acquired Immunodeficiency Syndrome (AIDS).

#### **PROPOSAL**

2. The Director of Health, with the support of the Secretary for Food and Health (SFH), proposes an injection of \$350 million into the ATF to sustain its operation.

#### **JUSTIFICATION**

##### **Government’s Public Health Policy in Prevention and Control of HIV/AIDS**

3. AIDS is currently an incurable yet treatable disease caused by HIV. From 1985 to the end of June 2013, around 6 000 and 1 400 cases of HIV and AIDS were respectively reported to the Department of Health (DH). Annual incidence of HIV infections increased from below 200 in 2000 to more than 500 cases in 2012. Sexual transmission is the main route of HIV infection, which accounts for about 75 % of the reported cases.

4. To prevent and control HIV/AIDS is one of the Government's important public health policies. The Food and Health Bureau (FHB) is responsible for the Government's policy on HIV/AIDS, while the Hong Kong Advisory Council on AIDS (ACA)<sup>1</sup> as well as the Scientific Committee on AIDS and Sexually Transmitted Infections under the remit of DH provide advice and technical recommendations on HIV/AIDS prevention. DH is also responsible for the prevention, surveillance and clinical management of HIV/AIDS through the implementation of the Special Preventive Programme. Besides, three specialist clinics under the DH and the Hospital Authority (HA) offer treatment to HIV patients in Hong Kong.

5. As proven by local and overseas experiences, safer sex practice and early identification of HIV carriers are effective interventions against HIV/AIDS epidemic. To this end, Hong Kong has been implementing multi-faceted strategies including structured programmes in HIV prevention, clinical care and support, and actively engaging community participation according to the relevant guidelines of the World Health Organization (WHO). Continued and concerted effort from the Government, non-government organisations (NGOs) and vulnerable communities to step up comprehensive interventions is essential to keeping the HIV prevalence at a relatively low level.

### **AIDS Trust Fund**

6. The ATF, which was set up in April 1993 with a commitment of \$350 million approved by the Finance Committee (FC) of the Legislative Council (LegCo), is an integral part of the Government's effort in supporting the policy and sustaining the programmes for the prevention and control of HIV/AIDS. The ATF has since then been providing assistance to HIV-infected haemophiliacs and strengthening the prevention and control of HIV/AIDS. The main objectives of the ATF are –

- (a) to provide ex-gratia payments (EGP) to HIV-infected haemophiliacs who contracted HIV through the transfusion of contaminated blood or blood products in Hong Kong prior to August 1985;
- (b) to strengthen medical and support services for HIV-infected patients so as to augment existing services provided by the DH and the HA (such as physiotherapy and psychological counseling); and
- (c) to enhance publicity and public education on prevention of AIDS and to remove the stigmatisation of, and discrimination against HIV-infected persons.

**/Importance .....**

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<sup>1</sup> The ACA is a permanent non-statutory body appointed by the Government to advise on AIDS policies in Hong Kong.

### **Importance of Community Participation through Support of ATF**

7. Fostering a supportive environment in the wider community and actively engaging members of specific sectors are complementary and indispensable part of the HIV/AIDS-related services offered by the Government. Information from the Joint United Nations Programme on HIV/AIDS shows that NGOs can make substantial contribution towards mobilising peers and members of the affected communities to assist in the testing and counselling, peer-led prevention outreach and harm reduction programmes. In Hong Kong, a large proportion of work carried out by NGOs has focused on hard-to-reach populations which are disproportionately affected by HIV. Local surveys also indicate that the HIV/AIDS-related services offered by NGOs are more flexible and responsive to the rising needs of the affected communities.

8. At-risk populations are more receptive to HIV/AIDS-related services/programmes administered by NGOs. Community stakeholders have indicated that efforts should be scaled up with greater involvement of the communities and NGOs to deliver targeted preventions and surveillance to hard-to-reach populations. The ATF plays a crucial role in providing financial support to NGOs for carrying out targeted HIV prevention activities.

### **Contribution of the ATF**

9. Since its establishment, the ATF has been supporting funding applications from both the commitment of \$350 million approved in 1993 and interest income from surplus fund. As at September 2013, around 1 300 applications have been handled by the Council for the ATF and about 70% applications have been approved involving a total of \$543 million. These include –

- (a) over 300 applications for EGP to 59 HIV-infected haemophiliacs who contracted HIV through blood transfusion prior to August 1985, which amounted to around \$100 million granted to these patients and their families (there are currently 27 surviving patients);
- (b) nearly 450 applications involving \$230 million for publicity and public education projects addressing AIDS-related risky behaviour and providing interventions for behavioural change;
- (c) more than 150 applications involving \$190 million for providing medical and support services to HIV-infected patients and their families as well as for conducting researches on HIV/AIDS; and
- (d) over 40 applications involving \$14 million for community projects for preventing HIV infections in men who have sex with men (MSM) under a Special Project Fund launched in December 2006 for two years, in the face of rising HIV epidemic among MSM.

Encl. 1 10. From 2007 to 2013, there were altogether 33 organisations<sup>2</sup> funded by the ATF. The details of these organisations are in Enclosure 1. During these six years, with the contribution of ATF-funded NGOs, more than 3 million condoms were distributed; around 700 000 outreach activities for providing counselling and education to hard-to-reach populations were organized; and 70 000 HIV tests, 6 084 physiotherapy sessions and 8 850 Community Nursing Service were conducted.

11. Comprehensive interventions with financial support provided by the ATF in recent years, together with other efforts, have contained the local HIV prevalence among the general population of Hong Kong to under 0.1%. However, HIV prevalence among MSM, a rising at-risk group, is still alarming and stands at a relatively high level (around 4%<sup>3</sup>, which is much higher than that in other at-risk populations i.e. 0.5% among injection drug users and 0.05% among female sex workers).

### **Funding Position of ATF and the Need for the Proposed Injection**

Encl. 2 12. As shown in the audited accounts of the ATF from 1993-94 to 2011-12 (at Enclosure 2), the balance of the ATF as at 31 March 2012 was \$89.4 million. Taking into account the approved applications involving a total amount of \$35.6 million from April 2012 to September 2013, the balance of the ATF dropped to \$53.8 million as at 30 September 2013. With an annual expenditure of about \$30 million to \$50 million, the ATF is expected to be fully committed shortly and may not be able to support further applications in 2014-15. There is hence an imminent need for a funding injection into the ATF.

13. Without new injection to the ATF, future activities and work in the prevention and control of HIV/AIDS would inevitably be hindered or even suspended, leading to the following adverse consequences –

- (a) The ATF, through granting of EGP, is the main source of financial support for 27 HIV-infected haemophiliac patients and their families. If timely funding injection is not made to sustain the distribution of EGP from the ATF, these 27 families would likely run into financial difficulties.

/(b) .....

<sup>2</sup> Among these 33 organizations, 25 are NGOs (e.g. AIDS Foundation, Society for AIDS Care and AIDS Concern) (granted with \$134 million), five are from the academia (granted with \$18 million) and the rest are Government agencies such as the Social Welfare Department and public hospitals (granted with \$2 million).

<sup>3</sup> The HIV epidemic level among MSM in other neighbouring countries like Myanmar, Thailand, Vietnam and India is more alarming and worrying (where prevalence range from 7% to 29%).

- (b) Almost all projects currently run by NGOs to strengthen medical and support services for HIV-infected patients and their families and to enhance prevention and public education on HIV/AIDS would discontinue. Moreover, these NGOs would have insufficient funding to sustain their efforts in preventing and controlling HIV/AIDS through community partnership, provision of voluntary HIV testing and counseling services, targeted preventive interventions and social support.
- (c) It would be unable to maintain many effective networks and collaborations with relevant organizations, health authorities and the academia on prevention and control of HIV/AIDS.
- (d) Without community participations, Hong Kong's AIDS programme may be regarded by the WHO as unsatisfactory<sup>4</sup>.

14. Without sustained resources and efforts of the activities on the prevention and control of HIV/AIDS, local HIV prevalence among the general population of Hong Kong might not be maintained under 0.1% and could rise to a higher or even warning level. The healthcare system would consequently be overloaded with a significant increase in expenditure for long-term treatment and care of the HIV patients.

15. In order to sustain the reduction of new HIV/AIDS patients and encourage at-risk populations to reduce their risky behaviour, the ACA has set out targets for HIV/AIDS programmes, including expanding the testing coverage to at least 50% of the MSM population, ensuring regular condom use among 80% of the at-risk populations and increasing the coverage of HIV prevention message to at least 75% and 95% of MSM and female sex workers by 2015. To achieve these targets, it is important that the ATF be provided with adequate resources to support NGOs in implementing prevention programmes and performing testing for the at-risk groups.

16. Since the outbreak of epidemic among MSM, the annual expenditure of the ATF increased substantially in recent years. Over the seven-year period between 2005-06 and 2011-12, the average annual expenditure is about \$35 million, representing 66% increase over the average of the previous seven years from 1998-99 to 2004-05. The total expenditure of the ATF in 2011-12 was \$57 million.

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<sup>4</sup> In order to achieve universal access to HIV prevention, diagnosis treatment, care and support, the WHO published the "Global Health Sector Strategy on HIV/AIDS, 2011-15" to guide the health sector's response to HIV epidemics. The strategy promotes a long-term, sustainable HIV response through strengthening health and community systems. Regarding the services for sex workers, MSM and transgender people, the strategy states that community-based organization and peer networks should be involved in the planning and delivery of HIV/AIDS-related services to improve the quality and effectiveness of the services.

Taking into account the annual fund disbursement ranging from \$30 million to \$50 million in recent years and the annual investment return of about \$12 million, it is estimated that the proposed injection of \$350 million could support the funding applications under AFT for an additional seven to 12 years from 2014-15.

## **FINANCIAL IMPLICATIONS**

17. We propose to make an injection of \$350 million into the ATF. The proposal has no recurrent financial implications.

## **PUBLIC CONSULTATION**

18. We consulted the Panel on Health Services of the LegCo on the proposal to make an injection of \$350 million into the ATF at its meeting on 28 October 2013. At the meeting, Members supported the proposal and raised no objection to submitting it to FC for funding approval.

## **BACKGROUND**

19. The Financial Secretary, as the Trustee of the ATF, has delegated his powers to SFH to disburse the fund to the recipients upon recommendations by the Council for the ATF. The Director of Accounting Services has been appointed by the Trustee to keep the accounts and records of all transactions in respect of the Fund. The accounts of the ATF are audited by the Director of Audit annually. In accordance with the Declaration of Trust for the ATF, the annual accounts of the ATF together with the Report of the Director of Audit are tabled at the LegCo.

20. The Council for the ATF comprises non-officials appointed by the Government as chairman and members, and a representative from the FHB. Three sub-committees, namely Ex-gratia Payments Sub-committee, Medical and Support Services (MSS) Sub-committee and Publicity and Public Education (PPE) Sub-committee have been set up under the Council for the ATF to closely examine funding applications under respective categories and make recommendations to the Council for the ATF. The terms of reference and membership lists of the Council for the ATF and the three sub-committees are at Enclosure 3.

Encl. 3

21. In 1993, one-off EGP were provided to HIV-infected haemophiliacs and their families. In July 2005, the ATF launched the “Additional EGP Scheme” to the affected patients or their families to provide annual payments for them. The Social Welfare Department (SWD) is responsible for examining and processing applications for additional EGP by its established mechanism. Taking into account the SWD’s recommendation and the median monthly household income provided by the Census and Statistics Department, the EGP Sub-committee would recommend to the Council for the ATF the adjusted annual payment to the applicants.

22. Applications for MSS and PPE are processed under a three-tier system. The Council for the ATF's Secretariat operated by the DH receives applications and passes them to local and overseas technical reviewers for professional advice. The relevant Sub-committees then invite the applicants to conduct a presentation and formulate recommendations to the Council for the ATF for funding decision.

23. The Council for the ATF accords higher priority to evidence-based proposals which target at high-risk groups identified by the ACA ((a) MSM; (b) male clients of female sex workers; (c) injection drug users; (d) sex workers; and (e) people living with HIV), encourage community partnership, and address risky behaviour with effective intervention, and assesses these proposals taking into account their effectiveness, as well as their monitoring and evaluation mechanisms on process and outcome indicators. The approved funding would be made available by instalments, subject to the submission of satisfactory progress and final reports. The Council for the ATF may adjust the amounts of grants, and suspend or terminate funding support if changes and irregularities are detected.

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Food and Health Bureau  
November 2013

**List of Organisations Funded by the ATF  
(from 2007 to September 2013)**

**NGOs**

1. A-Backup
2. Action for Reach Out
3. The Chinese University of Hong Kong in collaboration with Action for Reach Out
4. AIDS Concern Foundation Limited
5. Boys' and Girls' Clubs Association of Hong Kong
6. Caritas - Hong Kong
7. Chi Heng Foundation Ltd
8. Community Health Organization for Intervention, Care and Empowerment Limited
9. Heart To Heart
10. Hong Kong AIDS Foundation Limited
11. Hong Kong Federation of Women's Centres
12. Hong Kong Red Cross
13. JJJ Association
14. Midnight Blue
15. Prospect Theatre Company Limited
16. Rainbow of Hong Kong
17. Society for the Study of Sexualities and Sex-pol
18. Teen's Key
19. The Hong Kong Association of the Deaf
20. The Salvation Army
21. The Society for AIDS Care Limited
22. The Society for the Aid and Rehabilitation of Drug Abusers
23. The Society of Rehabilitation and Crime Prevention, Hong Kong
24. Transgender Resource Centre
25. Zi Teng

**Academia**

26. City University of Hong Kong
27. Hong Kong Baptist University
28. The Chinese University of Hong Kong
29. The Hong Kong Polytechnic University
30. The University of Hong Kong

**Government agencies**

31. Social Welfare Department
32. Hong Kong Advisory Council on AIDS
33. Queen Elizabeth Hospital

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**Audited Accounts of the ATF**  
(from 1993-94 to 2001-02)

<b>Financial Year</b>	<b>1993-94</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>
<b>Total Income*(\$'000)</b>	<b>9,477</b>	<b>16,723</b>	<b>19,468</b>	<b>18,405</b>	<b>23,436</b>	<b>28,925</b>	<b>22,117</b>	<b>21,101</b>	<b>12,757</b>
<b>Expenditure (\$'000)</b>									
- Publicity and Public Education	2,150	6,171	8,165	6,321	9,708	7,063	6,092	9,360	9,426
- Medical and Support Services	2,916	1,775	3,514	11,751	7,357	11,346	12,958	9,925	12,554
- Ex-gratia Payment	30,350	1,800	0	0	0	0	840	0	634
- Special Project Fund <sup>#</sup>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure (\$'000)</b>	<b>35,416</b>	<b>9,746</b>	<b>11,679</b>	<b>18,072</b>	<b>17,065</b>	<b>18,409</b>	<b>19,890</b>	<b>19,285</b>	<b>22,614</b>
<b>Fund Balance (\$'000)</b>	<b>324,061</b>	<b>331,038</b>	<b>338,827</b>	<b>339,160</b>	<b>345,531</b>	<b>356,047</b>	<b>358,274</b>	<b>360,090</b>	<b>350,233</b>

\* Total income includes interest and unspent funding refund from the grantees.

<sup>#</sup> The ATF launched a Special Project Fund in December 2006 for two financial years to support community projects for preventing HIV infections in MSM.

**Audited Accounts of the ATF  
(from 2002-03 to 2011-12)**

<b>Financial Year</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
<b>Total Income* (\$'000)</b>	<b>6,189</b>	<b>3,011</b>	<b>3,294</b>	<b>9,810</b>	<b>12,721</b>	<b>10,740</b>	<b>4,397</b>	<b>3,932</b>	<b>2,078</b>	<b>2,281</b>
<b>Expenditure (\$'000)</b>										
- Publicity and Public Education	10,865	18,450	1,892	17,421	22,856	8,023	24,945	9,564	10,018	40,085
- Medical and Support Services	10,303	21,414	3,280	13,790	9,645	2,177	7,864	5,531	3,750	9,063
- Ex-gratia Payment	0	0	1,019	8,058	12,548	2,960	7,251	7,592	7,693	7,973
- Special Project Fund <sup>#</sup>	-	-	-	-	4,316	7,475	1,383	40	16	-
<b>Total Expenditure (\$'000)</b>	<b>21,168</b>	<b>39,864</b>	<b>6,191</b>	<b>39,269</b>	<b>49,365</b>	<b>20,635</b>	<b>41,443</b>	<b>22,727</b>	<b>21,477</b>	<b>57,121</b>
<b>Fund Balance (\$'000)</b>	<b>335,254</b>	<b>298,401</b>	<b>295,504</b>	<b>266,045</b>	<b>229,401</b>	<b>219,506</b>	<b>182,460</b>	<b>163,665</b>	<b>144,266</b>	<b>89,426</b>

\* Total income includes interest and unspent funding refund from the grantees.

# The ATF launched a Special Project Fund in December 2006 for two financial years to support community projects for preventing HIV infections in MSM.

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**Council for the ATF**

**Terms of Reference**

(According to the Declaration of Trust of the ATF) –

“There shall be established a Council to be known as the “Council for the AIDS Trust Fund” which may, subject to the provision of this deed, determine all matters whatsoever touching the administration of the Trust Fund and the fulfillment of the purposes thereof.”

**Membership List  
(as at 30 October 2013)**

	<b>Name</b>	<b>Professional Background</b>
<b>Chairman</b>	Dr Matthew NG, JP	<ul style="list-style-type: none"><li>• Consultant Physician, Tung Wah Hospital</li></ul>
<b>Members</b>	Miss CHAN Chiu-ling, Ophelia, BBS	<ul style="list-style-type: none"><li>• Former Assistant Director, Social Welfare Department (retired in 2005)</li></ul>
	Dr LIN Che-kit	<ul style="list-style-type: none"><li>• Chief Executive, Hong Kong Red Cross Blood Transfusion Services</li></ul>
	Prof. LEE Tze-fan, Diana	<ul style="list-style-type: none"><li>• Chair Professor of Nursing and Director, Nethersole School of Nursing</li></ul>
<b>Ex-officio Member</b>	Miss CHAU Suet-mui, Fiona Food and Health Bureau	
<b>Secretary</b>	Dr NG Chi-cheung, Henry, Department of Health	

## Ex-gratia Payment Sub-Committee

### Terms of Reference

To consider claims for ex-gratia payment, and to make recommendations to the Council.

### Membership List (as at 30 October 2013)

	<b>Name</b>	<b>Professional Background</b>
<b>Chairman</b>	Miss CHAN Chiu-ling, Ophelia, BBS	• Former Assistant Director, Social Welfare Department (retired in 2005)
<b>Members</b>	Mr CHEUNG Hing-wah, BBS	• Former Deputy Director, Social Welfare Department (retired in 2011)
	Prof. WONG Lung-tak, Patrick, BBS, JP	• Managing Director, Patrick Wong CPA Ltd
<b>Secretary</b>	Dr KWAN See-lai, Janet, Department of Health	

## Medical and Support Services Sub-Committee

### Terms of Reference

To consider applications for project grants for the provision of additional medical and/or support services for those with HIV/AIDS and to make recommendations to the Council.

### Membership List (as at 30 October 2013)

	<b>Name</b>	<b>Professional Background</b>
<b>Chairman</b>	Dr LIN Che-kit	<ul style="list-style-type: none"><li>• Chief Executive, Hong Kong Red Cross Blood Transfusion Services</li></ul>
<b>Members</b>	Dr LEE Man-po	<ul style="list-style-type: none"><li>• Associate Consultant, Queen Elizabeth Hospital</li></ul>
	Dr LO Kuen-kong	<ul style="list-style-type: none"><li>• Honorary Clinical Associate Professor, University of Hong Kong</li></ul>
	Ms YAU Ho-chun, Nora, MH, JP	<ul style="list-style-type: none"><li>• Director, Christian Family Service Centre (retired)</li></ul>
	Dr SIU Man-hong, Andrew	<ul style="list-style-type: none"><li>• Associate Professor, Hong Kong Polytechnic University</li></ul>
<b>Secretary</b>	Dr KWAN See-lai, Janet, Department of Health	

## Publicity and Public Education Sub-Committee

### Terms of Reference

To consider applications for project grants for publicity and public education on AIDS, and to make recommendations to the Council.

### Membership List (as at 30 October 2013)

	<b>Name</b>	<b>Professional Background</b>
<b>Chairman</b>	Prof. LEE Tze-fan, Diana	<ul style="list-style-type: none"><li>• Chair Professor of Nursing and Director, Nethersole School of Nursing</li></ul>
<b>Members</b>	Mr CHAN Hong-to, Peter	<ul style="list-style-type: none"><li>• Chief Project Administrator, Cadenza</li></ul>
	Ms KWONG Suk-chun, Victoria	<ul style="list-style-type: none"><li>• Member, Red Ribbon Centre</li></ul>
	Dr TSANG Chiu-shun, Peter	<ul style="list-style-type: none"><li>• Clinical Assistant Professor, University of Hong Kong</li></ul>
	Prof. WONG Lung-tak, Patrick, BBS, JP	<ul style="list-style-type: none"><li>• Managing Director, Patrick Wong CPA Ltd</li></ul>
	Dr AU Mei-lan	<ul style="list-style-type: none"><li>• Director, Centre of Marriage &amp; Child Guidance</li></ul>
<b>Secretary</b>	Dr KWAN See-lai, Janet, Department of Health	

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