

Speaking Note for the Secretary for Food and Health
at the Special Meeting of the Finance Committee
on 2 April 2015

Health

Chairman and Honourable Members,

In 2015-16, the estimated recurrent government expenditure on health is \$54.5 billion, which amounts to 16.8% of the Government's total recurrent expenditure and represents an increase of about \$0.4 billion (or 0.8%) as compared with the previous year.

2. New and additional resources available in this financial year are mainly used for the following services:

- (1) The estimated expenditure of the Hospital Authority (HA) for the coming year amounts to \$54.2 billion (including an annual recurrent government funding of \$49 billion), representing an increase of 3% over the HA's budget in 2014-15. To meet the service demand arising from growing population and demographic changes, and to further improve healthcare services, the major improvement initiatives of the HA for the coming year include:
 - providing a total of 250 additional hospital beds, including additional acute beds, to enhance in-patient capacity;

- providing additional operating theatre sessions to ease the waiting time for surgeries ;
- expanding the clinical application of the special drug for multiple sclerosis and introducing new drugs of proven safety and efficacy to the Drug Formulary for cancer treatment, chronic Hepatitis C and Crohn's disease to benefit around 4 000 patients annually;
- enhancing endoscopy service by performing around 5 300 additional endoscopic procedures;
- increasing the episodic quota of general out-patient clinics in five clusters by 55 000 attendances;
- setting up Hong Kong's fourth joint replacement centre in the New Territories East Cluster;
- strengthening the service of community geriatric assessment teams by conducting 3 000 additional visits to residential care homes for the elderly; and
- strengthening manpower of the psychiatric teams and introducing a peer support element to the Case Management Programme for patients with severe mental illness. The HA will also increase the number of psychiatric beds in Siu Lam Hospital, with a view to clearing up cases of severe intellectual disability on the waiting list in phases in the coming three years.

The Financial Secretary has also pledged to allocate to the HA a sum of \$10 billion as endowment to generate investment return for funding public-private partnership initiatives, including the General Out-patient Clinic Public-Private Partnership Programme. We will seek funding approval of the Finance Committee of the Legislative Council within the 2015-16 financial year.

(2) An additional amount of about \$286 million will be allocated to the Department of Health (DH) for service enhancement and new initiatives including:

- earmarking provision for the Elderly Health Care Voucher Scheme to meet the additional expenditure incurred as a result of the increase in the number of eligible elders;
- preparing for the implementation of the Colorectal Cancer Screening Pilot Programme for specific age groups and other supporting measures for cancer prevention and screening;
- providing full-year funding for the implementation of the “Outreach Dental Care Programme for the Elderly” in residential care homes and day care centres;
- launching a territory-wide education and promotion campaign to raise public awareness of mental health;
- providing support for the clinical information management system and participation in the commissioning and registration procedures of the Electronic Health Record Sharing System (eHRSS);

- strengthening the manpower support for the Child Assessment Centres and the Chinese Medicine Division;
- conducting a pilot project on neonatal screening of inborn error of metabolic diseases;
- promoting breastfeeding; and
- enhancing the services of the Elderly Health Centres (EHCs) by setting up one more clinical team in Wan Chai EHC.

3. Now I would like to highlight specific topics related to planning for public hospitals, mental health, healthcare reform and Chinese medicine development.

Public Hospital and Healthcare Infrastructure Expansion

4. The Government has made continuous efforts to deploy more resources for expanding our public healthcare infrastructure, building new hospitals and improving existing hospital facilities. The construction of Tin Shui Wai Hospital and Hong Kong Children's Hospital is progressing as scheduled. Meanwhile, we are preparing for the redevelopment of Kwong Wah Hospital, Queen Mary Hospital and Kwai Chung Hospital as well as the extension of the Operating Theatre Block in Tuen Mun Hospital. We will also proceed with the development of a new acute general hospital in the Kai Tak Development Area. Moreover, we will seek funding approval of the Legislative Council for the expansion of Hong Kong Red Cross Blood Transfusion Service Headquarters, the refurbishment of Hong Kong Buddhist

Hospital and the commencement of the main works for phase 1 of the expansion of United Christian Hospital.

5. As regards information technology facilities for healthcare provision, we are developing a territory-wide eHRSS so as to maintain a more complete set of medical records and enhance the continuity of healthcare services for the public, and promote public-private partnership. The eHRSS Bill, introduced to the Legislative Council in April 2014, is being considered by the bills committee concerned. Subject to passage of the Bill in the first half of 2015, we plan to commission the first stage of the eHRSS by the end of 2015 to enable sharing of patients' electronic health records among healthcare providers in both public and private sectors with the patients' consent.

Mental Health

6. The Government is committed to promoting mental health. Comprehensive mental health services are provided for persons in need, so as to facilitate their rehabilitation and re-integration into society. To further strengthen efforts on this front, a review committee on mental health has been set up to focus on the study of the existing policy on mental health and the review of current service provision, with a view to mapping out the future direction for the development of mental health services in Hong Kong.

Healthcare Reform

7. Having regard to the outcome of the Public Consultation on Healthcare Reform, we are taking forward a number of reform initiatives, which include reviewing the healthcare manpower strategy, formulating detailed proposals for the Voluntary Health Insurance Scheme and promoting the development of healthcare services.

8. The Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development is working at full strength on the review of healthcare manpower strategies and will, upon completion of the review, make recommendations on how to cope with the anticipated demand for healthcare manpower, strengthen professional training and facilitate professional development, so as to ensure the healthy and sustainable development of Hong Kong's healthcare system. To address the current shortfall of doctors, we have been exploring with the Medical Council of Hong Kong measures to refine the arrangements for the licensing examination of medical practitioners, including increasing the examination sittings to twice a year starting from 2014 and considering more flexibility in internship arrangements, in order to encourage qualified overseas doctors to practise in Hong Kong. Meanwhile, we are actively considering increasing the number of publicly-funded degree places in medicine, dentistry and other health disciplines in the 2016/17 to 2018/19 funding cycle for universities to ensure an adequate supply of local talent for meeting the healthcare needs of our ageing population. The HA will

also continue to recruit overseas doctors by way of limited registration to practise in Hong Kong.

9. A public consultation exercise on implementing the proposals of the Voluntary Health Insurance Scheme (VHIS) is now underway. The proposals include, among others, introducing a set of Minimum Requirements for individual indemnity hospital insurance products, setting up a High Risk Pool to enable high-risk individuals to purchase health insurance, and providing tax deduction for policies complying with the requirements of the VHIS. In parallel, a public consultation on the review of regulation of private healthcare facilities (including private hospitals) had been conducted, with a view to improving the safety, quality and price transparency of private healthcare services. We are collecting and consolidating the views from the public consultation exercises. A summary of the consultation outcome and the way forward will be set out in respective consultation reports.

Chinese Medicine Development

10. The Government adopts the concept of “evidence-based medicine” in promoting the development of the Chinese medicine industry in Hong Kong. The Chinese Medicine Development Committee was set up in February 2013 to focus on the deliberation and study of four key areas, namely personnel training and professional development, Chinese medicine services development, research and development, and development of the Chinese medicine industry. Further to the Government’s acceptance of the Committee’s recommendations on the development

of a Chinese medicine hospital, the development of integrated Chinese-Western medicine and the Hong Kong Chinese Materia Medica Standards (HKCMMS) project in early 2014, the 2015 Policy Address announced that the Government has accepted the Committee's recommendation to set up a testing centre for Chinese medicines to be managed by the DH. The testing centre will specialise in the testing of and scientific research on Chinese medicines with a view to setting reference standards on safety, quality and testing methods of Chinese medicines. Apart from continuing to study and formulate the HKCMMS, the testing centre will also embark on high-end research with a view to strengthening the capability for the quality control and identification of Chinese medicines. A herbarium on Chinese medicines of international standard will be set up. The DH will commence in 2015 the preparation work for setting up the testing centre.

11. Chairman, my colleagues and I are happy to answer questions from Members.