

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

### **Enhancements of Medical Fee Waiver Mechanism of Hospital Authority**

#### **PURPOSE**

This paper briefs Members on the recent enhancements introduced by the Hospital Authority (HA) to its medical fee waiver mechanism.

#### **BACKGROUND**

2. In Hong Kong, public healthcare services are heavily subsidised by the Government such that the medical fees are affordable by the general public. To uphold the Government's policy that no one will be denied adequate medical care due to lack of means, the HA has put in place a medical fee waiver mechanism to provide assistance to needy patients.

3. Recipients of Comprehensive Social Security Assistance (CSSA) are waived from payment of their public healthcare expenses. For non-CSSA patients who cannot afford the medical fees and charges due to, for example, serious or chronic illnesses, HA has a mechanism in place for them to seek financial assistance from Medical Social Workers (MSW) stationed in the public hospitals. The applicants' eligibility for waiver is assessed based on both financial and non-financial criteria.

4. In 2003, the assessment criteria of the waiver mechanism have been enhanced to tie in with the revision of HA fees and charges at that time based on the following guiding principles –

- (a) Public funds should be channelled to the vulnerable groups such as the low income, chronically ill patients and elderly with little income and assets, and to services which carry major financial risks to patients;
- (b) There should be a set of objective and transparent criteria to assess a patient's eligibility for exemption from payment of public medical fees. Both financial and non-financial factors should be considered; and
- (c) The enhanced mechanism should facilitate accessibility to services, while maintaining the low administrative and operating cost.

5. Under the enhanced waiver mechanism introduced in 2003, while CSSA recipients are continued to be exempted from public healthcare charges, non-CSSA patients are required to meet both of the following two financial criteria before they can apply for a medical fee waiver at the Medical Social Services Units (MSSUs) of public hospitals and clinics, or the Integrated Family Service Centres (IFSCs) and the Family and Child Protective Services Units (FCPSUs) of the Social Welfare Department (SWD) –

- (a) The patient's monthly household income does not exceed 75% of the Median Monthly Domestic Household Income (MMDHI) applicable to the patient's household size (the latest MMDHI figures are shown at **Annex 1**); and
- (b) The value of the patient's household asset is within a certain limit applicable to their household size. A higher asset limit for elderly persons is set, in recognition that many elderly persons would no longer earn any income and have to depend on their personal savings.

6. The financial assessment of medical fee waiver is on household basis, taking into account the income and assets of the patient and all the family members living under the same roof with the patient. The household assets include cash and savings, investments in stocks and shares, valuable possessions and properties owned by the household except for the residential property owned and occupied by the patient.

7. For patients who pass the household asset limit test and whose monthly household income does not exceed 50% of the MMDHI applicable to their household size, full waiving of their medical fees at public clinics and hospitals will be considered. If their monthly household income is between 50% and 75% of the MMDHI applicable to their household size, partial waiving will be considered in general.

8. For patients who fail to meet the financial criteria, the MSW may also exercise discretion to grant waivers, where appropriate, to a patient with special difficulties on a case-by-case basis. For example, consideration can be given to non-financial factors that make it difficult for the patient to pay for the medical fees; or whether a medical fee waiver could provide incentive and support to solve the patient's family problems.

9. A waiver granted by the MSW/Social Worker (SW) upon assessment will either be one-off or valid for a period of time with the longest period being 12 months. Since 2010, enhancement has been made such that the period waiver is applicable to inpatient services, ambulatory and community services such as Accident and Emergency (A&E) services, Specialist Outpatient Clinic Services, General Outpatient Clinic services and Day Hospital.

10. To streamline application processing, the HA has implemented an on-line verification of CSSA status for CSSA recipients. When the CSSA recipients are unable to present their Certificate of CSSA Recipients (for Medical Waivers) at the time of medical appointment, their CSSA status can be readily established through on-line enquiry so that they can be waived from payment of their medical fees and access to medical services in a timely manner. Moreover, a computerised e-Waiving System (EWS) has been introduced in the MSSUs of public hospitals/clinics to facilitate the processing of medical fee waiving applications. The enhanced version, namely EWS-II, has been rolled out to all MSSUs and later extended to IFSCs and FCPSUs under SWD in 2011. Through the EWS, MSWs can speed up the process of waiving assessment by making reference to household information of previous applications in particular for repeated applications.

11. The number of inpatient cases and outpatient attendances granted with medical fee waivers, the total amount of medical fee waived and the number of approved waiver applications for non-CSSA patients in the past 5 financial years are listed at **Annex 2**.

## **RECENT ENHANCEMENTS**

12. To support the latest revision of HA fees and charges with effect from 18 June 2017, the HA has recently further enhanced the waiver mechanism with a view to protecting the needy from being affected by the new fee schedules of public hospitals through the following measures –

(a) **To refine the household definition**

The financial assessment of medical fee waiver is on household basis in which the incomes and assets of all household members living under the same roof, disregarding their relationship with the patient, are included in the assessment for medical fee waiver. In view of the comments received from patients and after reviewing the definitions of “household” adopted in the financial assessments of other public services subsidy schemes, the household definition is refined to include only the core family members living with the patient, which may include the patient’s spouse, children, parents and dependent siblings. Other relatives, for example, brothers, sisters, brothers-in-law or sisters-in-law would be excluded even if they are living under the same roof with the patient. Under the refined household definition, patients would only need to submit the income and asset documents of the core-family members for financial assessment. The application procedures would be streamlined and medical fee waiver could be more timely granted to needy patients.

- (b) To further relax criteria for granting period waiver with duration of 12 months

Under the original arrangement, for patients fulfilling the financial criteria with stable financial status, granting of medical fee waiver valid for a period of 12 months would be considered if they require frequent medical follow-up in ambulatory services, so that repeated waiver application is not required. The criteria is now relaxed by including inpatient and A&E services utilisation in addition to ambulatory services in the consideration of granting 12-month waiver, so that more patients fulfilling the financial criteria with stable financial status are not required to put up repeated application. This arrangement could also streamline their application process.

- (c) To relax the asset limit

The original asset limit of the waiver mechanism was set at the last HA fees and charges revision in 2003 by making reference to the asset limit under CSSA scheme at that time. In order to protect the needy from being affected by the new fees and charges, the asset limits are relaxed by making reference to the latest asset limit under CSSA Scheme which is tabulated at **Annex 3**.

- (d) To revise the asset calculation of property

The prevailing principle of asset calculation is to include all properties owned by household members except for the first flat (self-owned or rented) where the family resides in together with the patient. There was opinion that the uncompleted subsidised sale flats (SSF) should be excluded from the asset calculation as this is a type of public housing supply catering for the housing needs of the eligible low to middle-income families, and the SSF is not salable before completion. To address the public concern, uncompleted SSF under the Home Ownership Scheme and uncompleted SSF of the Hong Kong Housing Society are excluded from the asset calculation in the current enhancement exercise.

- (e) To extend medical fee waiver to OALA recipients aged 75 or above with more financial needs

Under the Social Security Scheme of SWD, Old Age Living Allowance (OALA) is provided to elderly people aged 65 or above who pass the means test. In the 2017 Policy Address, the Government announced the extension of the medical fee waiver for public healthcare services to cover the older OALA recipients with more financial needs, i.e. recipients aged 75 or above with assets not exceeding \$144,000 for

elderly singletons and \$218,000 for elderly couples, so as to better address the healthcare service demand of the needy elderly and to reduce their medical expenses. It is estimated that 140 000 elderly persons will be benefited from the arrangement.

13. The HA has introduced the enhancements stated in paragraphs 12(a) to (d) above in parallel with the fees and charges revision which took effect on 18 June 2017. In addition, the HA will implement the enhancement stated in paragraph 12(e) on 15 July 2017. All these enhancement measures of medical fee waiver mechanism will help protect the needy patients from being affected by the new levels of fees and charges of the HA.

### **ADVICE SOUGHT**

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

**Food and Health Bureau**  
**Hospital Authority**  
**July 2017**

**Median Monthly Domestic Household Income (MMDHI)**  
**By Household Size – 1<sup>st</sup> Quarter 2017**

<b>Household Size</b>	<b>Median Monthly Domestic Household Income</b>	<b>75% of the MMDHI</b>	<b>50% of the MMDHI</b>
1	\$8,000	\$6,000	\$4,000
2	\$18,500	\$13,875	\$9,250
3	\$28,500	\$21,375	\$14,250
4	\$39,200	\$29,400	\$19,600
5	\$51,600	\$38,700	\$25,800
6 or above	\$54,400	\$40,800	\$27,200

Source: General Household Survey, Census and Statistics Department. The figures would be adjusted according to the regular release of the updated MMDHI by the Census and Statistics Department.

**Number of Inpatient Cases and Outpatient Attendances Granted  
with Medical Fee Waivers and Medical Fee Waived  
Amount for CSSA and non-CSSA Recipients (Eligible Persons Only)**

Year	Number of inpatient case granted with medical fee waivers		Number of outpatient attendance granted with medical fee waivers		Medical Fee Waived Amount (\$ million) <sup>1</sup>	
	CSSA	Non-CSSA	CSSA	Non-CSSA	CSSA	Non-CSSA
<b>2012-13</b>	285 826	28 089	3 404 334	221 124	414.6	40.9
<b>2013-14</b>	285 917	30 683	3 357 480	202 347	418.4	43.7
<b>2014-15</b>	291 828	32 317	3 268 443	187 203	409.2	44.2
<b>2015-16</b>	291 488	30 675	3 181 731	182 140	403.6	40.7
<b>2016-17<sup>2</sup></b>	294 299	30 987	3 130 408	180 985	402.9	42.5

**Number of Approved Waiver Applications for Non-CSSA Recipients  
(Eligible Persons Only)**

Year	Number of approved waiver applications for non-CSSA recipients <sup>3</sup>
2012-13	28 054
2013-14	25 916
2014-15	24 967
2015-16	22 869
2016-17	22 774

Note:

1. Amount waived for waiver cases approved during the year.
2. The 2016-17 full year operating results set out above may be subject to any possible audit adjustments identified during the review of financial statements by external auditors.
3. Approved waiver applications processed by MSW/SW of MSSUs of public hospitals and clinics, or the IFSC and FCPSU of SWD.

**Revised Asset Limit for Medical Fee Waiver Mechanism**

<b>Household Size</b>	<b>Asset Limit (with no elderly member)</b>		<b>Asset Limit (with 1 elderly member)</b>		<b>Asset Limit (with 2 elderly members)</b>	
	<b>Original</b>	<b>Revised</b>	<b>Original</b>	<b>Revised</b>	<b>Original</b>	<b>Revised</b>
<b>1</b>	\$30,000	\$41,500	\$150,000	\$209,500	-	-
<b>2</b>	\$60,000	\$85,000	\$180,000	\$253,000	\$300,000	\$421,000
<b>3</b>	\$90,000	\$127,500	\$210,000	\$295,500	\$330,000	\$463,500
<b>4</b>	\$120,000	\$170,000	\$240,000	\$338,000	\$360,000	\$506,000
<b>5</b>	\$150,000	\$212,500	\$270,000	\$380,500	\$390,000	\$548,500

Note: Allowance will be added to the asset limit for each elderly member (i.e. age  $\geq 65$ ) in the patient's family. This allowance is raised from \$120,000 to \$168,000 for each elderly member.