

立法會
Legislative Council

LC Paper No. CB(4)688/16-17(04)

Ref: CB4/PL/PS

Panel on Public Service

Meeting on 20 March 2017

Updated background brief on medical and dental benefits for civil servants, pensioners and eligible dependants

Purpose

This paper provides background information on the provision of medical and dental benefits for civil service eligible persons ("CSEPs").¹ It also summarizes the major concerns expressed by members when the subject was discussed at meetings of the Panel on Public Service ("the Panel").

Background

2. The Government, as the employer of civil servants, has a contractual obligation to provide medical and dental benefits for CSEPs ("civil service medical benefits"). The scope of such benefits is set out in the relevant Civil Service Regulations ("CSRs"), Civil Service Bureau Circulars and Circular Memoranda. These provisions form part of the terms and conditions of employment of civil servants.

3. Since 1979, the Civil Service Bureau ("CSB") has established the Standing Committee on Medical and Dental Facilities for Civil Servants ("SCMDF") to provide a forum to discuss matters on civil service medical benefits. SCMDF comprises representatives from the staff sides of the four

¹ Civil service eligible persons consist of:

- (a) monthly paid civil servants and their eligible dependants;
- (b) retired civil servants living in Hong Kong and in receipt of a pension or an annual allowance and their eligible dependants living in Hong Kong;
- (c) eligible dependants of civil servants killed on duty and living in Hong Kong;
- (d) eligible dependants living in Hong Kong and in receipt of a pension under the Widows and Orphans Pension Scheme or the Surviving Spouses' and Children's Pension Scheme following the death of civil servants while in service or after retirement; and
- (e) other persons who are eligible for civil service medical benefits by way of their terms of appointment.

Central Consultative Councils,² CSB, the Department of Health ("DH"), the Hospital Authority ("HA") and the Food and Health Bureau.

Scope of benefits

4. Under the existing policy, CSEPs are entitled to medical and dental treatment and services that are provided by DH or HA free of charge, save for the charges applicable to hospital maintenance, dentures and dental appliances as provided for in CSRs.³

5. In addition, CSEPs may also apply to DH for reimbursement/direct payment of medical expenses, including those drugs which are classified as self-financed items in HA's Drug Formulary, if the attending HA/DH doctors certify that the drugs, equipment and services concerned are prescribed as medical necessity and are chargeable by HA or not available in HA/DH. A provision of \$620 million was earmarked in the Original Estimate for 2016-2017 for the payment and reimbursement of medical fees and hospital charges for CSEPs.⁴

Medical and dental services for CSEPs

6. DH is at present operating five Families Clinics (with 42 consultation rooms), one in Kowloon and two each on Hong Kong Island and in the New Territories for the dedicated use by CSEPs. The sixth Families Clinic (with two consultation rooms) in Sai Kung is expected to commence operation in 2018-2019.

7. Besides the Families Clinics, CSEPs may also visit 73 General Outpatient Clinics ("GOPCs") under the management of HA for episodic diseases free of charge. Most of these GOPCs have specified varying numbers of priority discs during normal day clinic sessions for serving civil servants who need medical treatment. In addition, dedicated clinic sessions for specialist outpatient services for the exclusive use of CSEPs are available at L Block of the Queen Elizabeth Hospital, 9H Specialist Clinic in the Prince of Wales Hospital and Saturday Specialist Out-patient Clinic in the Queen Mary Hospital.

² They are the Senior Civil Service Council, Disciplined Services Consultative Council, Model Scale 1 Staff Consultative Council and Police Force Council.

³ CSR Annex 6.1 sets out the hospital maintenance fees applicable to all CSEPs. CSR Annex 6.2 sets out the schedule of charges for dentures, dental appliances and other restorations in accordance with a civil servant's monthly salary at specified Master Pay Scale ("MPS") pay points or equivalent. For pensioners, their monthly pension will be benchmarked against the MPS pay points for determining the applicable level of charges.

⁴ See the speaking notes of the Secretary for the Civil Service at the Special Meeting of the Finance Committee in the Legislative Council on 1 April 2016 for details.

Moreover, a diagnostic imaging centre at G Block of the Queen Elizabeth Hospital provides diagnostic services for the exclusive use of CSEPs.

8. DH also operates more than 30 dental clinics (with over 200 general dental surgeries) for the dedicated use by CSEPs. In 2016-2017, the Administration had commenced the preparatory work for seven new prosthodontic dental surgeries. Upon the operation of these new prosthodontic dental surgeries in 2018, the number of such surgeries would increase from the existing five to 12.

New initiative in the Chief Executive's 2017 Policy Address⁵

9. In 2017-2018, the Administration planned to enhance the clinical psychology service provided by the Families Clinics by increasing the number of clinical psychologists from one to three. The Administration would also enhance specialized dental services for CSEPs by setting up three more periodontal surgeries in addition to the existing three periodontal surgeries.

Past discussions

10. The major views and concerns expressed by Panel members since 2013-2014 session and the Administration's responses are summarized below.

Inclusion of Chinese medicine

11. Panel members had repeatedly called on the Administration to consider including Chinese medicine in the scope of medical benefits for CSEPs in view of the increasing popularity of members of the public seeking medical assistance from Chinese medicine practitioners. The Panel passed a motion at its meeting held on 18 March 2013 and 17 February 2014 respectively, urging the Government to immediately review the policy of not providing Chinese medicine service in the scope of civil service medical benefits. At the meeting on 17 February 2014, the Panel also urged the Administration to consider providing Chinese medicine service in the Families Clinics operated under DH.

12. The Administration advised that it was not in a position to provide Chinese medicine service as part of the medical and dental benefits for CSEPs. Presently, DH did not operate any Chinese medicine clinics ("CMCs"). HA also did not operate any CMCs on its own. Each of the public CMCs was operated on a tripartite collaboration model involving HA, a non-governmental organization ("NGO") and a local university. These CMCs had been

⁵ See the Administration's paper on Policy Initiatives of CSB in the 2017 Policy Address and Policy Agenda (LC Paper No. CB(4)452/16-17(03)) for details.

commissioned to promote the development of "evidence-based" Chinese medicine. The NGOs were responsible for the day-to-day operation of the public CMCs, and staff of these clinics were employed by them (i.e. they were not HA staff). Having regard to the main purpose of these CMCs and their mode of operation, CMC services were not regarded as part of HA's standard services and fell outside the scope of civil service medical benefits under the prevailing policy.

13. Regarding the proposal on providing Chinese medicine service in Families Clinics, the Administration advised that it had no plan to introduce a fundamental change to the service scope of DH's Families Clinics to cover Chinese medicine service in that DH's role was more of a regulatory body over the Chinese medicine industry and DH's current medical staff did not practice Chinese medicine. Nonetheless, the Administration would keep in view any significant changes to the nature and mode of service delivery of Chinese medicine service in the public sector in future that would merit a review on the provision of civil service medical benefits.

14. On the suggestion that CSB should consider contracting out Families Clinics to private providers so as to cover the provision of Chinese medicine services for CSEPs, the Administration responded in the negative, as CSB did not have the professional expertise to contract out such operation.

15. Noting from the Chief Executive's 2016 and 2017 Policy Addresses that the Administration had decided to build a Chinese medicine hospital at Tseung Kwan O, members urged the Administration to start preparatory work for the inclusion of Chinese medicine service as part of civil service medical benefits. The Administration advised at the Panel meeting on 15 February 2016 that it was examining the role of Chinese medicine in the public healthcare system, including integration of Chinese and western medicine. Once policy decision was reached on this matter, CSB would look into how civil service medical benefits would be affected. At the Panel meeting on 20 January 2017, the Secretary for the Civil Service advised that he would explore with the Food and Health Bureau on the issues in the context of the new Chinese medicine hospital.

Enhancing medical and dental services for CSEPs

16. At the meeting on 17 February 2014, the Panel met with representatives from nine civil service staff unions/associations, which expressed dissatisfaction with the difficulties encountered by CSEPs in seeking timely and quality medical consultation and treatment under the existing system of provision of civil service medical benefits. The Administration was urged to engage the private healthcare sector in the provision of civil service medical benefits.

17. The Administration responded that whilst it was committed to improving civil service medical benefits within its contractual obligations, a balance had to be struck between the need to improve the civil servant medical benefits and the need to ensure prudent use of public funds. The Administration had, in the 1980s, introduced a private dental treatment scheme on a pilot basis whereby CSEPs could choose to obtain treatment from private dentists and claim reimbursement from the Government for the costs incurred. As there were difficulties in controlling the cost and service quality provided by private dentists, the pilot scheme was subsequently terminated.

18. On the suggestion that the Government should cease the operation of Families Clinics and take out group health insurance for CSEPs to use private healthcare services, the Administration advised that enabling CSEPs to use private healthcare services through group health insurance funded by the Government might not be better than the existing arrangements of DH or HA providing medical services to CSEPs free of charge. In addition to the Families Clinics which were dedicated for use by CSEPs, certain medical services provided by HA were also reserved or dedicated for use by CSEPs. DH also operated more than 30 dental clinics for use by CSEPs only. As altering the mode of providing medical and dental benefits for CSEPs was a major change, detailed examination would be required. The Administration would keep in view of the outcome of the public consultation on the Voluntary Health Insurance Scheme to see how the Scheme, if it were to be implemented, would impact on the existing provision of medical benefits for CSEPs.

19. Regarding some members' comments that existing medical and dental services provided to CSEPs were similar to those for members of the public, the Administration pointed out at the Panel meeting on 17 February 2014 that the medical services received by CSEPs and the general public were not the same. CSEPs could apply to DH for reimbursement of medical expenses if the attending HA/DH doctors certified that the drugs, equipment and services concerned were prescribed in accordance with medical necessity and were chargeable by HA or not available in HA/DH. CSEPs therefore had free access to the necessary drugs for treatment even though such drugs were classified as self-financed items in HA's Drug Formulary. Furthermore, government dental service was not generally available to the public but CSEPs could enjoy such service.

20. The Administration also advised that improvements had been made over the past years regarding the provision of medical and dental benefits for CSEPs. For example, enhanced specialist out-patient services and an imaging

centre in HA for the exclusive use by CSEPs had been provided to shorten their waiting time for such services.⁶

21. As regards the suggestion to extend the service hours of Families Clinics for CSEPs to the evening in order to obviate the need of CSEPs to take leave from their work to receive treatment at these clinics, the Administration advised at the Panel meeting on 15 February 2016 that it might not be feasible for DH to extend the service hours of Families Clinics to the evening due to the recruitment difficulties of healthcare professionals. Due consideration would also need to be given to the cost-effectiveness of extending the service hours of the aforesaid clinics to the evening. Instead, the Administration would strive to improve the geographical coverage of Families Clinics, which in turn would increase their accessibility so as to better meet the needs of CSEPs.

Post-retirement medical protection for civil servants appointed on or after 1 June 2000

22. Members noted that civil servants appointed on or after 1 June 2000 ceased to enjoy civil service medical benefits upon their departure from the Government. Members were concerned that such revised civil service terms and conditions could no longer attract candidates of high calibre to join the civil service which had caused succession problem in the civil service.

23. The Administration responded that in order to keep abreast of time, the terms and conditions of employment for civil servants had been revised from time to time over the years, and civil servants appointed at different periods might be subject to different terms and conditions of service. In response to demands from the public and the Legislative Council in the latter half of the 1990's, a series of reforms were carried out in the civil service at the turn of the century. These reforms included revision of the terms and conditions of service for civil servants. Civil servants appointed on or after 1 June 2000 were not eligible for medical benefits for themselves and their eligible dependants after leaving the civil service. The decision was made after careful consideration and consultation with stakeholders concerned, and the revised fringe benefits package had been clearly explained to the civil servants concerned upon their joining the civil service. In the light of the aforesaid and having regard to the facts that the Government had not encountered any significant recruitment or retention problem after the implementation of the new package of fringe and retirement benefits in 2000 and that pension or post-retirement medical protection for employees was not prevalent in the private sector, the Administration had no plan to change the arrangement.

⁶ Please see paragraphs 6 to 9 above for the current provision of medical and dental benefits for CSEPs and the new initiative in the Chief Executive's 2017 Policy Address.

Provision of civil service medical benefits to non-civil service contract staff

24. Members were of the view that as non-civil service contract ("NCSC") staff were employed under less favourable terms and conditions than their civil service counterparts, the Administration should offer appropriate medical benefits to NCSC staff, in particular those NCSC staff who had been employed for a long time.

25. The Administration explained that as the civil service and NCSC appointments were two different types of employment, it was inappropriate to make direct comparison between them. NCSC staff were employed on fixed term contracts with an all-inclusive pay package. As such, no separate medical and dental benefits were provided. That said, in determining the remuneration package for NCSC staff, heads of department would take into account all the relevant factors, including nature of their duties, conditions of the employment market, recruitment results and cost of living, etc., to ensure that the pay was set at a rate that was competitive with the market level.

Latest position

26. The Administration will brief members on the latest overview on the provision of civil service medical benefits at the meeting of the Panel on 20 March 2017.

Relevant papers

27. A list of relevant papers is set out in the **Appendix**.

Appendix

Medical and dental benefits for civil servants, pensioners and eligible dependants

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	19 May 2008	Administration's paper Minutes Administration's follow-up response to issues raised at the Panel meeting
	16 March 2009	Administration's paper Background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting
	19 April 2010	Administration's paper Background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting

Meeting	Date of meeting	Paper
Panel on Public Service	16 March 2011	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting
	19 March 2012	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting
	18 March 2013	Administration's paper Background brief prepared by the Legislative Council Secretariat Motion passed at the meeting Minutes Administration's response to the passed motion

Meeting	Date of meeting	Paper
	20 January 2014 (Policy Address)	Administration's paper Minutes
Panel on Public Service	17 February 2014	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Motion passed at the meeting Minutes Administration's response to the passed motion
	19 January 2015 (Policy Address)	Administration's paper Minutes
	16 March 2015	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
	18 January 2016 (Policy Address)	Administration's paper Minutes

Meeting	Date of meeting	Paper
	15 February 2016	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
	25 January 2017 (Policy Address)	Administration's paper

Council Business Division 4
Legislative Council Secretariat
14 March 2017