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Panel on Home Affairs

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 25 June 2018

Community Care Fund

Purpose

This paper summarizes the past discussions held by the former Subcommittee on Poverty¹ ("the Subcommittee") of the Fifth Legislative Council ("LegCo") and the Panel on Home Affairs ("the Panel") on Community Care Fund ("CCF").

Background

2. In the 2010-2011 Policy Address, the Chief Executive ("CE") announced the establishment of CCF to which the Government and the business sector would each contribute \$5 billion. CCF has been established since early 2011 as a trust fund under the Secretary for Home Affairs Incorporation Ordinance (Cap. 1044) with the Secretary for Home Affairs Incorporated as its trustee. The funding proposal of \$5 billion for injection into CCF was approved by the Finance Committee ("FC") in May 2011.² CCF aims at providing assistance for people facing financial difficulties, particularly those who fall outside the safety net, i.e. the Comprehensive Social Security Assistance ("CSSA") Scheme, or those within but are not covered by the safety net because of special circumstances. CCF may also implement measures on a pilot basis to help the Administration identify those measures that can be considered for incorporation into the Government's regular assistance and service programmes.

3. In November 2010, CE appointed the Steering Committee on CCF, which was chaired by the Chief Secretary for Administration, to oversee and co-ordinate the work of CCF. Following the re-establishment of the Commission on Poverty ("CoP") by the Government in December 2012, CCF has been integrated into the

¹ The Subcommittee on Poverty was appointed by the House Committee in October 2012 to study relevant policies and measures for easing the disparity between the rich and the poor as well as alleviating poverty, follow up the work of the Commission on Poverty and make timely recommendations. The Subcommittee completed work in May 2016.

² An additional injection of \$1.5 billion was approved by FC in July 2011 to implement a programme to provide a one-off allowance of \$6,000 for new arrivals.

work of CoP since 2013. The CCF Task Force, set up under CoP, is responsible for advising CoP on the CCF's various arrangements and the formulation of assistance programmes. It also co-ordinates and oversees the implementation of assistance programmes as well as reviews their effectiveness. To strengthen the poverty alleviation efforts of CCF, the Administration's funding proposal of an additional injection of \$15 billion into CCF was approved by FC in June 2013.

4. The Administration has undertaken to consult relevant Panels or the Subcommittee prior to launching any brand-new pilot CCF programmes with an estimated funding provision of over \$100 million. Since May 2013, the Administration/CCF Task Force have reported regularly to the Subcommittee on the financial position of CCF and the implementation progress of its programmes about every six months, and provided regularly evaluation reports of the assistance programmes.

5. After the Subcommittee completed work in May 2016, the Administration reports the work progress of CCF to the Panel. When the Panel was last briefed by the Administration on 22 January 2018, members noted that CCF had launched 45 assistance programmes, which involved a total commitment of more than \$8 billion and benefitted about 1.56 million cases.³ Furthermore, 12 of these programmes had been regularized. As at the end of December 2017, the balance of CCF stood at about \$19.838 billion.

Members' deliberations

Donations for and operation of CCF

6. Noting that as at December 2014, the pledged donations of about \$1.8 billion from the community had been received in full, some members asked whether CCF had any plan to appeal for new donations from the business sector. The Administration advised that as CCF was not set up on a matching basis, the Administration had no plan to appeal for new donations for CCF from the business sector but always welcomed the support of the community through donations.

7. Some members raised concerns about the relatively small amount of donation received by CCF in recent years, and urged CCF to step up efforts in appealing for new donations. Some members also expressed concern as to whether the number of assistance programmes launched by CCF would be affected by its balance. The Administration explained that as some of the large amount of pledged donations were made by yearly instalments in the first few years after the establishment of CCF, the amount of donations was considerably

³ Excluding about 200 000 people who have benefitted from the programme of providing an allowance to new arrivals.

larger in those few years. Besides, there was not a direct relationship between the balance of CCF and the number of new programmes launched each year. With its current balance of around \$20 billion, CCF had focused on identifying new worthy programmes to provide assistance to needy people. According to the CCF Task Force, the total amount of donations received by CCF in 2017 was some \$50,000. CCF had issued letters in January 2018 to past donors expressing that CCF welcomed donations from the community. Nevertheless, CCF currently had no plan to launch any fundraising campaign.

8. At the Panel meeting on 22 January 2018, some members noted that as at the end of December 2017, the total commitment of CCF had exceeded \$8 billion while only around \$5.7 billion had been disbursed to implementing agencies. They questioned whether the eligibility criteria of CCF assistance programmes were overly strict and, therefore, the number of successful applicants was much lower than expected. The CCF Task Force advised that the eligibility criteria of different CCF programmes varied. Generally speaking, the threshold would be set at 75% of the relevant Median Monthly Domestic Household Income ("MMDHI"), but the threshold was set at 150% of MMDHI for selected programmes, e.g. the "Subsidy for the severely disabled persons aged below 60 who are non-CSSA recipients requiring constant attendance and living in the community". If members identified any assistance programmes of which the eligibility criteria were too strict, CCF would look into that.

9. Some members suggested that in order to support more assistance programmes, CCF should consider devising a more active investment strategy to increase the investment return. CCF Task Force advised that as at the end of 2017, the balance of CCF consisted mainly of the placement of \$18.499 billion at the Hong Kong Monetary Authority ("HKMA") and bank deposits of around \$1.339 billion. The CCF Task Force considered it appropriate for HKMA to continue to manage the investment portfolio for CCF.

Abolition of One-off Living Subsidy for Low-income Households not Living in Public Housing and not Receiving CSSA Programme

10. A number of members expressed dissatisfaction with the decision of CCF not to re-launch the One-off Living Subsidy for Low-income Households not Living in Public Housing and not Receiving CSSA Programme ("the One-off Living Subsidy") for the fourth time in 2017. They expressed grave concern that in the face of high rental and hiking commodity prices, the "N have-nots" households encountered great hardship in livelihood. They urged the Administration to continue to disburse the One-off Living Subsidy or launch alternative assistance measures to relieve the financial burden of the "N have-nots", given that the rents of sub-divided units were rising incessantly and the waiting time for allocation of public rental housing ("PRH") still remained long. At the meeting on

21 December 2016, the Panel passed three motions urging the Administration to re-launch the One-off Living Subsidy. The Administration's response to the motions was issued vide LC Paper No. CB(2)1189/16-17(01).

11. The CCF Task Force explained that CCF was established to serve the functions of plugging gaps in the existing system and implementing pilot schemes. CCF launched the One-off Living Subsidy Programme in December 2013, January 2015 and January 2016 to provide a one-off cash subsidy for the "N have-nots" who could not benefit from the short-term relief measures introduced by the Budget released in the respective financial years. As fewer short-term relief measures were announced in the 2016-2017 Budget (e.g. no longer paying rent for PRH tenants), there was insufficient justification for CCF to re-launch the One-off Living Subsidy Programme. Nevertheless, CCF undertook that it would continue to explore ways to provide appropriate assistance to the "N have-nots". Some members, however, remained dissatisfied with the CCF Task Force's explanation and took the view that CCF should only consider whether the "N have-nots" had a genuine need for financial subsidies in deciding whether or not the One-off Living Subsidy should continue to be disbursed to them.

Existing CCF assistance programmes

Subsidies of drug costs

12. Some members considered that CCF should study ways to subsidize the drug costs borne by needy patients with rare diseases (e.g. paroxysmal nocturnal hemoglobinuria), such as by broadening the coverage of the "Subsidy for patients of Hospital Authority ("HA") for specified self-financed cancer drugs which have not yet been brought into the Samaritan Fund safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy" Programme ("the Subsidy for Drugs"). There was a view that the prevailing assessment requirements under the Samaritan Fund were too harsh and CCF should set up its own financial assessment mechanism.

13. The CCF Task Force advised that CCF would from time to time consider inclusion of new drugs which had been rapidly accumulating medical scientific evidence but had yet to be covered by the Samaritan Fund under the Subsidy for Drugs Programme. At the meeting on 26 June 2017, the Administration informed the Panel that CCF would launch the 20-month "Subsidy for eligible patients to purchase ultra-expensive drugs" Programme ("the Ultra-expensive Drugs Programme") in August 2017 for needy patients of HA.

14. At the meeting on 22 January 2018, the Administration updated the Panel that as at 31 December 2017, eight person-times had benefitted from the Ultra-expensive Drugs Programme with a disbursement of \$31.4 million. Some

members enquired whether CCF would increase the amount of commitment if eligible patients exceeded the expected number of beneficiaries (i.e. 11 to 19). They also enquired whether there was any plan for incorporating the Ultra-expensive Drugs Programme into the Government's regular assistance programmes. The CCF Task Force advised that the coverage of the Ultra-expensive Drugs Programme was mainly based on the clinical indication of the relevant drugs rather than financial consideration. If the programme was incorporated into the Government's regular assistance programmes, it was more likely to be incorporated into the Samaritan Fund rather than the HA Drug Formulary.

Elderly dental assistance

15. Noting that starting from July 2017, the target beneficiaries of the expanded Elderly Dental Assistance ("EDA") Programme would be further extended to elders who were Old Age Living Allowance ("OALA") recipients aged 70 or above, some members enquired whether CCF would further lower the age limit so that more needy elders could benefit. Some other members questioned whether the number of beneficiaries under the EDA Programme was too small compared to the number of eligible persons. The CCF Task Force explained that it had to consider expanding the target beneficiaries to other age groups progressively, having regard to the progress of implementation, the manpower situation in the local dental profession and the number of participating dentists and dental clinics. Besides, as the EDA Programme aimed to subsidize the needy elders with low income for dentures and other related necessary dental services, not all eligible persons had such needs and would submit applications.

16. Some members held the view that the EDA Programme had a long-term service demand and should be regularized. The CCF Task Force advised that the EDA Programme had not yet been completed. For the next phase of the programme, its coverage was planned to be extended to elders aged 65 or above who received OALA. Upon completion of the EDA Programme, the Food and Health Bureau ("FHB") would submit an evaluation report to the CCF Task Force.

Subsidy for CSSA recipients living in rented private housing and relocation allowance for residents of illegal domestic premises in industrial buildings

17. Some members expressed concern about the financial difficulty encountered by recipients of the "Subsidy for the CSSA recipients living in rented private housing ("RPH") and paying a rent exceeding the maximum rent allowance ("MRA") under the CSSA Scheme" ("Subsidy for CSSA Recipients Living in RPH"). They enquired why CCF, in relaunching the programme in November 2017, had set the monthly subsidy amount at either 50% of the portion of the rental amount exceeding the applicable MRA or 15% of the applicable MRA, whichever was less.

18. The CCF Task Force advised that introducing a certain ratio of co-payment would allow recipients to prudently make their choice of residence according to their needs. The adjustment was made after taking into consideration suggestions made by relevant community organizations. Upon completion of the programme, CCF would consider whether further adjustment was needed in the evaluation. In June 2018, the Administration provided the Panel with the evaluation report of the Subsidy for CSSA Recipients Living in RPH (LC Paper No. CB(2)1511/17-18(01)).

19. As regards the "Relocation allowance for residents of illegal domestic premises in industrial buildings who have to move out as a result of the Buildings Department's enforcement action" ("the Relocation Allowance"), some members considered it too strict to require that the applicant and his/her family members must hold a Hong Kong Identity Card/Hong Kong birth certificate. They pointed out that some of the households living in such premises consisted of parents who were holders of Two Way Permit and children who were holders of Hong Kong Identity Card/Hong Kong birth certificate. The CCF Task Force explained that the relevant eligibility requirement was common in the Government's regular assistance programmes. In May 2018, the Administration provided the Panel with the evaluation report of the Relocation Allowance (LC Paper No. CB(2)1405/17-18(01)).

Suggestions on CCF assistance programmes

20. Some members were concerned about the long waiting time for child assessment service in public medical institutions. They called on the CCF Task Force to provide a one-off subsidy for children with autism or attention deficit hyperactivity disorder ("ADHD") to procure such service in the private medical sector. Some other members called on the CCF Task Force to consider providing medical vouchers for low-income persons and their children. The CCF Task Force advised that FHB would consider the suggestion of providing medical vouchers for the needy. Separately, the CCF Task Force would explore the feasibility of providing a one-off subsidy to facilitate the children, who were at the age of zero to six with autism and ADHD, to procure child assessment service in the private medical sector.

21. Some members enquired about the progress made by the Education Bureau ("EDB") in respect of providing subsidy to needy secondary and primary students for purchasing tablet computers to conduct e-learning. The CCF Task Force advised that EDB was working on the details and would submit the programme proposal to the CCF Task Force for consideration shortly. In March 2018, EDB briefed the Panel on Education on the proposal to seek funding from CCF for provision of subsidy to implement the aforesaid programme for three school years starting from 2018-2019.

22. Some members noted with concern that some landlords requested tenants of sub-divided units to pay electricity fees at a rate which was higher than those charged by power companies. These members called on the CCF Task Force to provide a subsidy on electricity charges to relieve the financial burden of those tenants. The CCF Task Force advised that providing subsidies on electricity charges might trigger an increase in the rate of electricity fees charged by landlords of sub-divided units, and in the end, recipients of these subsidies might not benefit from the assistance.

23. Some members were of the view that CCF should consider providing rent allowance under a new programme to assist the "N have-nots", who were on the waiting list for PRH but did not receive CSSA. The CCF Task Force, however, advised that CCF programmes should not be in conflict with the Administration's policies. According to the Administration, providing rent allowance to those on the waiting list for PRH might trigger an increase in the rental level in private housing. In the end, recipients of this rent allowance might not benefit from the assistance. Furthermore, the eligibility of those on the waiting list for PRH would only be subject to assessment later. The Administration took the view that the housing needs of the "N have-nots" who were inadequately housed should ultimately be addressed through the provision of PRH.

24. Some members considered that both the "Pilot scheme on living allowance for carers of elderly persons from low-income families" and the "Pilot scheme on living allowance for low-income carers of persons with disabilities" had addressed the community needs, and enquired whether CCF would re-launch these two programmes. The CCF Task Force advised that the Social Welfare Department had commissioned a study centre to conduct the evaluation study of these two programmes, and would submit the evaluation report to the CCF Task Force and contemplate the way forward in due course.

25. As advised by the CCF Task Force, in deciding whether a new assistance programme should be rolled out, consideration would be given to (a) whether the proposed assistance programme would be in conflict with and have any read-across implications on the existing government policies; (b) implementation details, including ways to identify the target beneficiaries and means to help them; and (c) whether the proposed assistance programme was a one-off measure in response to special circumstances or should be regularized to provide assistance in the long run. In addition, members of the public or stakeholders might provide suggestions on new assistance programmes to CCF by post, email or telephone. The suggestions received would be provided to the CCF Task Force for reference, and those that were worth examination and deemed feasible would be followed up. The CCF Task Force advised that there was not an upper limit on the number of programmes launched each year.

Regularization of CCF assistance programmes

26. Some members considered that the CCF assistance programmes, which had been run for three years or more, should be incorporated into the Government's regular assistance and service programmes. Some other members took the view that instead of launching assistance programmes under CCF, the Administration should implement policies, such as policies on dental care for the elderly and pre-school rehabilitation services, to address the needs of the underprivileged in the long run.

27. The CCF Task Force advised that the time required for implementing assistance programmes could be reduced if they were launched by CCF. CCF pilot schemes, if proven effective, would facilitate smooth implementation of future policies or system changes. Considerations on regularization would vary for different CCF programmes. Programmes that were proven effective would be regularized and the schedule for regularizing these programmes would be determined after thorough and careful policy deliberations. The Administration would also consider whether the programmes could be articulated with the existing policy and operated smoothly.

Latest development

28. The Administration will brief the Panel on the work progress of CCF at the next meeting on 25 June 2018.

Relevant papers

29. A list of the relevant papers on the LegCo website is in the **Appendix**.

Relevant papers on Community Care Fund

Committee	Date of meeting	Paper
House Committee	20 May 2016	Report of the Subcommittee on Poverty
Legislative Council	23 November 2016	Official Record of Proceedings Pages 95 to 97
Panel on Home Affairs ("HA Panel")	21 December 2016 (Items III and IV)	Agenda Minutes
Legislative Council	11 January 2017	Official Record of Proceedings Pages 104 to 111
	15 February 2017	Official Record of Proceedings Pages 83 to 85
	10 May 2017	Official Record of Proceedings Pages 67 to 72
	24 May 2017	Official Record of Proceedings Pages 25 to 33
HA Panel	26 June 2017 (Item III)	Agenda Minutes
Legislative Council	28 June 2017	Official Record of Proceedings Pages 91 to 96
	1 November 2017	Official Record of Proceedings Pages 121 to 135
	17 January 2018	Official Record of Proceedings Pages 131 to 134
HA Panel	22 January 2018 (Item III)	Agenda Minutes
Legislative Council	24 January 2018	Official Record of Proceedings Pages 137 to 142