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**Panel on Public Service**

**Meeting on 19 March 2018**

**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").<sup>1</sup> 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

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<sup>1</sup> 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,<sup>2</sup> 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.<sup>3</sup>

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.

6. Financial provisions of \$888.5 million and \$633.4 million were earmarked in the Original Estimate for 2017-2018 for providing medical and dental services at Families Clinics and Government Dental Clinics, and the payment and reimbursement of medical fees and hospital charges for CSEPs respectively.<sup>4</sup>

### Medical and dental services for CSEPs

7. 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. DH has provided clinical psychology service in Families Clinics on a small scale since 2016 and has planned to enhance this service in 2017-2018 by increasing the number of clinical psychologists from one to three. The attendances of CSEPs at Families Clinics were 273 000 in 2016 and the actual expenditure of Families Clinics for 2015-2016 was \$124.8 million.<sup>5</sup>

8. Besides the Families Clinics, CSEPs may also visit 73 General Outpatient Clinics ("GOPCs") under the management of HA for episodic

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

<sup>3</sup> 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.

<sup>4</sup> See [the speaking notes of the Secretary for the Civil Service at the Special Meeting of the Finance Committee in the Legislative Council on 3 April 2017](#) for details.

<sup>5</sup> See [the Secretary for the Civil Service's written reply to a question raised at the Legislative Council meeting on 8 February 2017 \(LCQ21\)](#) for details.

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

9. DH also operates 40 Government 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. The Administration has also commenced the preparatory work for establishing three additional periodontal surgeries, which are expected to come into operation by 2019. The attendances of CSEPs at Government Dental Clinics were 708 000 in 2016 and the actual expenditure of Government Dental Clinics for 2015-2016 was \$597.5 million.<sup>6</sup>

### **Past discussions**

10. The Panel met with representatives of civil service staff unions/associations and members of the public on 17 February 2014 and 21 April 2017 to gauge their views on the subject. The major views and concerns expressed by Panel members and the Administration's responses are summarized below.

#### Inclusion of Chinese medicine

11. Panel members had repeatedly called on the Administration to consider including traditional Chinese medicine ("TCM") service 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 meetings 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.

12. At the Panel meeting on 20 March 2017, some members suggested that the Administration should explore the feasibility of allocating resources to conduct pilot programmes with local universities in providing TCM service to

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<sup>6</sup> See [the Secretary for the Civil Service's written reply to a question raised at the Legislative Council meeting on 8 February 2017 \(LCQ21\)](#) for details.

CSEPs. Alternatively, a policy review should be conducted to include TCM as a mainstream public medical service in Hong Kong so that if the service was regarded as a standard service of DH or HA, it would fall within the scope of the civil service medical benefits. Some members also suggested that the Administration should take the opportunity of commissioning the new Tseung Kwan O Chinese medicine hospital to explore the feasibility of providing a full range of TCM service for CSEPs at the new hospital.

13. The Administration explained that CSB was fully aware of the demand and suggestions of the civil service staff unions/associations on the provision of TCM service. At present, TCM service was not provided by DH or HA as a standard service, nor did they operate any Chinese medicine clinics ("CMCs"). Existing public CMCs were operated on a tripartite collaboration model involving HA, a non-governmental organization and a local university. They provided a limited scope of service and could not be regarded as part of HA's standard services. Having regard to service quality and service coverage vis-a-vis service demand, the Administration considered that if TCM service was to be provided to CSEPs in future, it would be more cost-effective and appropriate to provide it within the public healthcare system. Regarding the construction of a Chinese medicine hospital in Tseung Kwan O, depending on the future role of DH or HA in the provision of TCM service, CSB would discuss with the Food and Health Bureau on the provision of TCM for CSEPs at this new hospital.

#### Enhancing medical and dental services for CSEPs

14. At the Panel meeting on 21 April 2017, members noted that a majority of the deputations from civil service unions/associations considered the waiting time for medical and dental services provided under the civil service medical benefits, in particular the specialist dental service, too long. They requested the Administration to implement various immediate measures to reduce the waiting time of such services and to provide more dedicated medical and dental facilities in the future for exclusive use by CSEPs.

15. The Administration advised that despite the improvements in the provision of civil medical service medical benefits, the current situation might not be very satisfactory due to a lack of a strategic long-term planning in the past. In future, the Administration would strive to provide more dedicated medical and dental facilities in different geographic locations for exclusive use by CSEPs and in the context of HA's "10-year Hospital Development Plan". Moreover, the Administration would focus on enhancing the dedicated specialist out-patient services for CSEPs with a view to shortening the waiting time of new cases and follow-up cases.

16. In response to the request that the Government should engage the private healthcare sector in the provision of civil service medical benefits, the Administration advised at the Panel meeting on 17 February 2014 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 service 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.

17. 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 for CSEPs was not generally available to the public.

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

18. Panel members expressed grave concern that civil servants appointed on or after 1 June 2000 on the New Permanent Terms ("NPT") of Appointment would cease to enjoy civil service medical benefits upon retiring from the civil service. They were worried that this would affect the job stability of these civil servants who would gradually make up the whole civil service. At the Panel meeting on 21 April 2017, members called on the Administration to explore the feasibility of providing post-retirement medical benefits for these civil servants, such as engaging the private healthcare sector or taking out group medical insurance. Some members further suggested that the Administration should conduct a review on the overall terms and conditions of service of these civil servants, having regard to the current economic condition.

19. The Administration explained that due to financial austerity in the late-1990s, a series of civil service reforms were carried out in the civil service. These reforms included revision of the terms and conditions of service for civil servants, such as their medical and dental benefits, leave entitlement and retirement schemes. According to the new terms and conditions of service for civil servants appointed on or after 1 June 2000 on NPT, they would no longer

enjoy civil service medical benefits after retirement. This new package had been drawn up after extensive consultation and any modifications to the present arrangement would call for thorough deliberations.

20. The Administration further advised that it was open-minded on whether a review on the terms of employment of civil servants on NPT should be carried out but this notion might cause repercussions in the society and must be dealt with in a cautious manner. Furthermore, due attention should be given to the prospect of opening up a comprehensive examination of discrepancy between pay packages received by civil servants under different terms of employment.

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

21. 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.

22. 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**

23. The Administration will brief members on the latest overview on the provision of civil service medical benefits at the meeting of the Panel on 19 March 2018.

#### **Relevant papers**

24. 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	<a href="#">Administration's paper</a>  <a href="#">Minutes</a>  <a href="#">Administration's follow-up response to issues raised at the Panel meeting</a>
	16 March 2009	<a href="#">Administration's paper</a>  <a href="#">Background brief prepared by the Legislative Council Secretariat</a>  <a href="#">Minutes</a>  <a href="#">Administration's follow-up response to issues raised at the Panel meeting</a>
	19 April 2010	<a href="#">Administration's paper</a>  <a href="#">Background brief prepared by the Legislative Council Secretariat</a>  <a href="#">Minutes</a>  <a href="#">Administration's follow-up response to issues raised at the Panel meeting</a>

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



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

Meeting	Date of meeting	Paper
Panel on Public Service	15 February 2016	<a href="#">Administration's paper</a>  <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a>  <a href="#">Minutes</a>
	25 January 2017 (Policy Address)	<a href="#">Administration's paper</a>  <a href="#">Minutes</a>
	20 March 2017	<a href="#">Administration's paper</a>  <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a>  <a href="#">Minutes</a>
	21 April 2017	<a href="#">Minutes</a>
	16 October 2017 (Policy Address)	<a href="#">Administration's paper</a>  <a href="#">Minutes</a>
Council Meeting	8 February 2017	<a href="#">Question raised by Hon CHAN Han-pan on "Medical and dental benefits for civil servants and eligible persons"</a>