

**Speaking Note for Secretary for Food and Health
at the Special Meeting of the Finance Committee
on 11 April 2019**

Health

Chairman and Honourable Members,

In 2019-20, the estimated recurrent government expenditure on healthcare is \$80.6 billion, which accounts for 18.3% of the Government's total recurrent expenditure and represents an increase of about \$7.9 billion or 10.9% as compared with the previous year.

2. New and additional resources available in this financial year are mainly used for various enhanced or newly introduced public medical and health services, including:

(1) A recurrent provision of \$68.8 billion allocated to the Hospital Authority (HA), representing an increase of 8.3% over the 2018-19 revised estimate, for the implementation of various initiatives to strengthen manpower and improve services, including:

- providing an additional \$700 million or so for enhancing staff retention measures;
- providing an additional \$400 million or so for widening the scope of the HA drug formulary;

- providing about 500 additional hospital beds;
 - strengthening the services for chronic diseases, e.g. cancer; and
 - setting up the HA Data Collaboration Lab and enhancing the Big Data Analytics Platform, etc.
- (2) A non-recurrent provision of \$5 billion earmarked for enhancing technology adoption, for the HA to procure equipment and implement computerisation projects.
- (3) On the other hand, we will allocate an additional amount of about \$2.4477 billion to the Department of Health for enhancing services and implementing key measures, including:
- providing a one-off additional \$1,000 voucher amount for eligible elderly persons in 2019 and increasing the accumulation limit from \$5,000 to \$8,000, which will involve an estimated expenditure of about \$1.024 billion;
 - setting up the Office for Regulation of Private Healthcare Facilities to undertake the relevant registration and enforcement work under the new regulatory regime for private healthcare facilities;
 - extending the School Outreach Vaccination Programme to cover more primary schools, kindergartens and child care centres; and
 - providing school girls in Primary 5 and Primary 6 with HPV vaccination to prevent cervical cancer, etc.

Public Healthcare Services

3. In view of the importance of public healthcare and to prepare for unforeseen circumstances, the Government will earmark \$10 billion to set up a public healthcare stabilisation fund for meeting the financial need of HA in case of unexpected circumstances.

Healthcare Reform

4. The Voluntary Health Insurance Scheme has been fully implemented since 1 April 2019. Under the scheme, indemnity hospital insurance plans offered to individuals are regulated so as to allow the public to choose with confidence. Starting from 1 April 2019, taxpayers who pay insurance premiums for themselves and their specified relatives will be eligible for tax deduction.

Primary Healthcare

5. The Chief Executive announced in her 2017 Policy Address that district health centres (DHCs) would be set up with a brand new operation mode. Preparatory work is now well underway for the establishment of Hong Kong's first DHC, which is located in Kwai Tsing District and is expected to commence operation in the third quarter of this year. The Financial Secretary announced in his 2019-20 Budget that he had earmarked over \$150 million to meet the relevant expenditure and would continue to provide resources needed for the future expansion of the network of DHCs.

6. Apart from Kwai Tsing District, we will continue to actively look for suitable government properties or sites in other districts for the establishment of more DHCs in the coming few years.

Development of Chinese Medicine

7. The Government is actively planning for the development of the first Chinese medicine hospital in Hong Kong. We expect to conduct a tender exercise in the second half of the year to identify a non-profit-making organisation to operate the hospital, which is targeted to commence operation in phases in late 2024. The Government will increase the recurrent subvention for the Chinese Medicine Centres for Training and Research in the 18 districts. The dedicated Chinese Medicine Development Fund of \$500 million, aimed at subsidising projects to promote the development of Chinese medicine, will soon be launched.

Hong Kong Genome Project

8. To promote the development of genomic medicine, we will allocate about \$1.2 billion to establish the Hong Kong Genome Institute and take forward the Hong Kong Genome Project, under which 40 000 to 50 000 whole genome sequencing will be performed in the next six years.

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