

立法會 *Legislative Council*

LC Paper No. CB(2)678/18-19(04)

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Panel on Home Affairs

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 28 January 2019

Community Care Fund

Purpose

This paper summarizes the past discussions held by the Panel on Home Affairs ("the Panel") on the 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 2011.¹ 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 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

¹ 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.

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 former Subcommittee on Poverty² ("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 25 June 2018, members noted that CCF had launched 47 assistance programmes, which involved a total commitment of more than \$8.5 billion and benefitted about 1.59 million cases. Furthermore, 12 of these programmes had been regularized. As at the end of May 2018, the balance of CCF stood at about \$19.521 billion.

Members' deliberations

Implementation of the pilot scheme on subsidy for purchasing and constructing modular housing

6. At the Panel meeting on 25 June 2018, members in general supported launching the "Pilot scheme on subsidy for purchasing and constructing modular housing" ("the Modular Housing Pilot Scheme"). Some members enquired about the Transport and Housing Bureau's ("THB") role in the Modular Housing Pilot Scheme and details of the implementation of the Scheme.

7. The CCF Task Force advised that as mentioned in the 2017 Policy Address, the Administration had sought to increase the supply of transitional housing by supporting non-governmental organizations ("NGOs") to explore the feasibility of constructing pre-fabricated modular housing on idle sites. To this end, THB, in collaboration with the Labour and Welfare Bureau and the Development Bureau, had taken forward a proposal submitted by the Hong Kong Council of Social Service ("HKCSS") to implement its Modular Social Housing Scheme at the Nam Cheong Street site to cater for those residing in unfit dwellings. The modular housing units purchased and constructed under the Modular Housing Pilot Scheme would be owned by HKCSS. The Administration advised that THB provided

² The Subcommittee 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 CoP and make timely recommendations.

policy support and advice to HKCSS on the project. THB would also render administrative support when the Modular Housing Pilot Scheme was rolled out. The site concerned was leased to HKCSS by the property developer owning the site for a token fee of \$1. The construction works of the modular housing were expected to commence by the end of 2018 for completion in 2019.

8. Some members took the view that the Administration/CCF should strive to encourage NGOs and property developers to propose more modular housing projects, and provide them with information on how to initiate such projects. Members considered that more suitable sites should be identified for this purpose.

9. The CCF Task Force advised that it welcomed any proposals on new assistance programmes from organizations. If any interested NGOs had concrete proposals to develop any sites, they could approach the relevant government departments for assistance. The Administration advised that to facilitate NGOs to use vacant government sites and school premises through short-term tenancies, it was announced in the 2018-2019 Budget that \$1 billion would be set aside to subsidize the costs of basic works of eligible projects, and co-ordinate the efforts of government departments in providing technical advice to the user organizations to make better use of these vacant government sites and school premises.

Operation of CCF

10. 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.

11. 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.

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 First Phase Programme of the CCF Medical Assistance Programmes³ ("the First Phase Programme"). 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 under the First Phase 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 (including those for treating uncommon disorders)" Programme ("the Ultra-expensive Drugs Programme") in August 2017 for needy patients of the Hospital Authority ("HA").

14. At the meeting on 22 January 2018, some members enquired whether CCF would increase the amount of commitment to the the Ultra-expensive Drugs Programme 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.

15. At the meeting on 25 June 2018, the Panel was informed that the CCF Task Force would recommend CoP to consider the endorsement of three new drugs (i.e. Nivolumab, Obinutuzumab and Nusinersen) to be covered in the First Phase Programme and the Ultra-expensive Drugs Programme. Some members enquired about the criteria for selecting new drugs to be covered in these programmes. They also enquired whether measures would be taken to shorten the lead time for the introduction of new drugs under these programmes.

³ Under the First Phase Programme, financial assistance is provided to Hospital Authority patients to purchase 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.

16. The CCF Task Force advised that new drugs were selected to be covered under CCF's drug subsidy programmes based on expert advice of medical professionals of HA and their clinical experience. The representative of HA advised that from 2018 onwards, the frequency of reviewing the drugs supported by the CCF Medical Assistance Programmes had been increased from once to twice a year, so as to shorten the lead time for introduction of new drugs to the safety net coverage. The three aforementioned new drugs were expected to be introduced by the end of 2018, and the costs involved would not form part of the \$500 million earmarked in the 2018-2019 Budget for extending the scope of the programme to subsidize individual patients with special clinical needs in using specific drugs. At the Panel's request, the Administration provided information on the costs for subsidizing the aforementioned drugs in September 2018 (**Appendix I**).

Elderly dental assistance

17. Noting that starting from July 2017, the target beneficiaries of the expanded Elderly Dental Assistance ("EDA") Programme had been 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.

18. 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 Food and Health Bureau was currently conducting a review of the EDA programme which was expected to be completed later in 2018. Meanwhile, CoP had already endorsed the extension of the EDA Programme to the end of February 2019.

Subsidy for CSSA recipients living in rented private housing

19. 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. There was also a view that the Subsidy for CSSA Recipients Living in RPH should be regularized to relieve the financial difficulties encountered by the target recipients.

20. 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)).

Suggestions on CCF assistance programmes

21. Some members were concerned about the long waiting time for child assessment service in public medical institutions for children with developmental problems. They called on the CCF Task Force to provide a one-off subsidy for these children to procure such service in the private medical sector. The CCF Task Force advised that while the Department of Health had been seeking to open more child assessment centres, it was experiencing a shortage of medical staff due to recruitment difficulties. CCF, however, had no plan to provide subsidies for the procurement of such assessment service in the private medical sector at the present stage.

22. Some members suggested that the Administration/CCF should consider subsidizing children from poor families to attend summer learning courses to enable these children to make better use of the summer holidays. In their view, similar subsidies should also be provided to needy children participating in extra-curricular activities. The Administration advised that at present, with the support of the Direct Cash Assistance under the Social Welfare Department, needy children were receiving a subsidy to attend extra-curricular activities.

23. 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.

24. 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.

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 28 January 2019.

Relevant papers

29. A list of the relevant papers on the Legislative Council website is in **Appendix II**.

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Legislative Council Secretariat
22 January 2019

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10 September 2018

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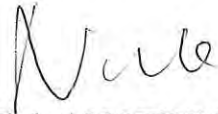
Dear Mr HO,

Panel on Home Affairs
Follow-up to the Meeting on 25 June 2018

At the meeting of the Panel on Home Affairs held on 25 June 2018, the Chairman requested for information on the costs for subsidising the three drugs (i.e., Nivolumab, Obinutuzumab and Nusinersen) covered by the First phase programme of medical assistance programmes and the Subsidy for eligible patients to purchase ultra-expensive drugs (including those for treating uncommon disorders) programme respectively. According to information provided by the Hospital Authority, the estimated amount of subsidies for the above-mentioned drugs in the first 12 months of introduction is as follows -

Drug	Estimated amount of subsidies
Nivolumab	\$3.11 million
Obinutuzumab	\$2.28 million
Nusinersen	\$70.3 million

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nick". The signature is fluid and cursive, with a large initial "N" and a trailing "ck".

(Nick AU YEUNG)
for Secretary for Home Affairs

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 23 to 34
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
	6 June 2018	Official Record of Proceedings Pages 28 to 35

Committee	Date of meeting	Paper
HA Panel	25 June 2018 (Item III)	Agenda Minutes
Legislative Council	4 July 2018	Official Record of Proceedings Pages 83 to 89
	21 November 2018	Official Record of Proceedings Pages 26 to 32

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