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Panel on Home Affairs

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 27 May 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

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.

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 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 28 January 2019, members noted that CCF had launched 47 assistance programmes, which involved a total commitment of more than \$9.5 billion and benefitted about 1.64 million cases. Furthermore, 12 of these programmes had been regularized. As at the end of December 2018, the balance of CCF stood at about \$19.759 billion.

Members' deliberations

Operation of CCF

6. 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.

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.

7. 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. The 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.

8. At the Panel meeting on 28 January 2019, some members enquired whether the funding requirements of CCF assistance programmes were mainly met by the investment returns and interest income generated by CCF. The CCF Task Force explained that as at the end of December 2018, CCF had disbursed around \$6.629 billion to implement its assistance programmes, which had exceeded the total investment return generated by CCF (\$4.568 billion). This meant that some of the seed capital of CCF had been used. The CCF Task Force stressed that in deciding whether a new assistance programme should be implemented, consideration would be given to the merits of the relevant proposal, rather than the financial implications.

Existing CCF assistance programmes

Cervical Cancer Vaccination Pilot Scheme

9. Some members expressed concern that as at 31 December 2018, only \$41.93 million of the total funding provision (\$98.75 million) had been disbursed since the commencement of the Cervical Cancer Vaccination Pilot Scheme in October 2016. They raised concern as to whether those who missed the cut-off date for accepting new cases and for receiving the first dose of vaccine under the aforementioned Scheme at the end of September 2019 would still have the chance to receive the vaccine for free in the future.

10. The CCF Task Force reckoned that the relatively small number of beneficiaries under the Cervical Cancer Vaccination Pilot Scheme might be due to the mixed perceptions of the cervical cancer vaccine among the public, and called on all eligible teenage girls to receive the vaccine under the Scheme before the cut-off date. The CCF Task Force advised that the Chief Executive announced in her 2018 Policy Address that starting from the 2019-2020 school year, free cervical cancer vaccination would be introduced for school girls in Primary Five and Six. This was why the above Pilot Scheme would conclude after extension for six months.

Medical Assistance Programmes

11. 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.

12. 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").

13. 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.

14. 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.

15. 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

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.

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 (LC Paper No. CB(2)1997/17-18(01)).

16. At the meeting on 28 January 2019, some members expressed concern that the CCF Medical Assistance Programmes were only implemented on a pilot basis and might be discontinued in the future. The CCF Task Force reassured members that the Medical Assistance Programmes would only be discontinued when the relevant drugs or medical devices were brought into the Samaritan Fund safety net or covered by the Government's regular assistance programmes. As such, the patients concerned would not be affected.

Elderly dental assistance

17. Members noted that the eligibility criteria for the Elderly Dental Assistance ("EDA") Programme included non-CSSA recipients aged 60 or above who were users of the "Integrated Home Care Services", the "Enhanced Home and Community Care Services" or the "Home Help Service" and were paying level 1 or level 2 fee charges of the said services. Some members raised concern that persons aged between 60 and 65 were subject to more stringent eligibility criteria under the EDA Programme. They urged CCF to review it and ensure that recipients of the Old Age Living Allowance ("OALA") aged between 60 and 65 could also benefit from the EDA Programme.

18. The CCF Task Force explained that the main bulk of needy elders eligible for EDA were those receiving OALA, and the age requirement would be lowered to 65 or above from February 2019 onwards. The target beneficiaries had been expanded to other age groups progressively having regard to factors such as the supply of dental services in Hong Kong.

19. Some members enquired whether CCF anticipated a surge in demand for dental services after the EDA Programme was expanded to cover elderly persons aged 65 or above and receiving OALA. They took the view that if adequate dental service was provided in the community, the demand for dentures among the elderly might drop, and enquired whether there were any plans to increase the supply of dentists in Hong Kong.

20. The CCF Task Force advised that 150 000 additional elders were expected to become eligible to apply for the EDA Programme. However, not all of the eligible elders had a need for dentures. As regards the supply of dentists, the CCF Task Force advised that the Faculty of Dentistry of The University of Hong Kong would increase its student intake in 2019 with a view to addressing the shortage of dentists in Hong Kong.

Subsidy for CSSA recipients living in rented private housing

21. 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.

22. 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)).

Subsidy for persons with severe disabilities

23. Some members expressed grave concern that the Special Care Subsidy for the Severely Disabled Programme did not cover persons with severe disabilities who were aged 60 or above. The CCF Task Force explained that persons with severe disabilities aged 60 or above might receive support from the existing subvented community support services for the elderly provided by the Government. Meanwhile, such services for those aged below 60 were gradually improving and therefore the Special Care Subsidy was provided in the form of cash assistance. At the Panel's request, the Administration provided supplementary information on the rationale and justifications for setting the eligible age for receiving the Special Care Subsidy to persons below 60 in May 2019 (**Appendix I**).

Subsidy for purchasing and constructing modular housing

24. While members in general supported launching the Subsidy to Purchase and Construct Modular Housing as a Pilot Scheme to facilitate the Hong Kong Council of Social Service to implement their Modular Social Housing Scheme - Nam Cheong Street, some members took the view that the Administration/CCF should strive to encourage non-governmental organizations ("NGOs") and property developers to propose more similar projects, and provide them with information on how to initiate such projects. Members considered that more suitable sites should be identified for this purpose.

25. 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.

Suggestions on CCF assistance programmes

26. Some members suggested that CCF should consider subsidizing patients for treating age-related macular degeneration ("AMD") and the costs of the related screening. According to the representative of HA, the common drugs used to treat wet AMD had already been provided by HA through a special drug programme and more local evidence on the optional treatment regime of the drugs was being accumulated. Under exceptional circumstances, self-financed drugs might be prescribed to AMD patients with specific indications. At the Panel's request, the Administration provided supplementary information on whether or not the drugs used for treatment of AMD were included in HA's Drug Formulary and covered by the standard fees and charges in public hospital and clinics in May 2019 (Appendix I).

27. 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.

28. 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 public rental housing ("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.

29. 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.

Latest development

30. The Administration will brief the Panel on the work progress of CCF at the next meeting on 27 May 2019.

Relevant papers

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

Information provided by the Social Welfare Department: the "Special Care Subsidy for the Severely Disabled"

The main objective of the CCF is to provide assistance to people facing financial difficulties, in particular those who fall outside the social safety net or those within the safety net but still have some special circumstances that are not covered. One of the operating principles of the CCF is that programmes should complement the assistance and services provided by the Government or other charitable funds and duplication of efforts should be avoided as far as practicable. Based on the above considerations, the "Special Care Subsidy for the Severely Disabled" Programme is targeted for persons with severe disabilities aged below 60 who are living in the community as those aged 60 or above may receive support from the existing subvented community support services for the elderly and for persons with disabilities.

Information provided by HA: Drugs used for treatment of macular degeneration

Two drugs, namely Aflibercept (Eylea) and Ranibizumab (Lucentis) are included in the HA Drug Formulary as self-financed items for treatment of neovascular (wet) age-related macular degeneration. To enhance the financial support for needy patients, HA liaises with pharmaceutical companies from time to time on setting up risk sharing programmes for certain suitable self-financed drugs. Under the special drug programme for the above-mentioned drugs, HA patients who fulfil the specified clinical conditions according to the clinical protocol are provided with the drug treatment at standard fees and charges for two years.

*Source: The Administration's supplementary information on "Community Care Fund"
[Annex to LC Paper No. CB(2)1446/18-19(01)]*

Appendix II

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 27 to 37
HA Panel	28 January 2019 (Item III)	Agenda
Legislative Council	30 January 2019	Official Record of Proceedings Pages 105 to 110
	27 February 2019	Official Record of Proceedings Pages 69 to 74
	3 April 2019	Official Record of Proceedings Pages 86 to 88

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