

**For information
on 19 March 2019**

Legislative Council Panel on Health Services

**Corporate Governance and Manpower Situation of
the Hospital Authority**

Purpose

This paper briefs Members on the initiatives being pursued by the Hospital Authority (“HA”) to address the manpower shortage and to enhance the corporate governance of HA.

Corporate Governance

2. HA is a statutory body established under the Hospital Authority Ordinance (Cap. 113) (“the HA Ordinance”) in December 1990 for managing all public hospitals in Hong Kong. Currently, HA manages 43 hospitals and institutions, 49 Specialist Outpatient Clinics and 73 General Outpatient Clinics, which are operated and managed by a total workforce of over 78 000 staff members (as at 31 December 2018) from a wide range of professions. As at 31 March 2018, HA has some 28 000 beds, catering for nearly 90% of our city’s inpatient healthcare needs.

3. Membership of the HA Board is appointed by the Chief Executive under the HA Ordinance (Cap.113), currently comprising 24 non-public officers, three public officers and one principal officer (the HA Chief Executive). As a managing board with statutory functions, the HA Board gives leadership and strategic direction, manages and controls the HA corporate governance and public hospitals, supervises the executive management, and reports on the HA’s stewardship and performance. To deliver the tasks, the HA Board holds about 11 to 12 monthly meetings a year to discuss, approve and receive reports on various administrative and operational matters of HA, plus four quarterly Board meetings which are open to the public. For optimal performance of its roles and exercise of powers, the HA Board has established 11 functional committees to undertake detailed discussions on matters pertinent to specific functional areas,

such as human resources, medical services development, audit and risk management, supporting services and capital works, main tenders, public complaints etc.

4. Under the HA Board's governance structure, HA has established three Regional Advisory Committees ("RAC") in accordance with the HA Ordinance to provide HA with advice on the healthcare needs for specific regions, namely Hong Kong Island, Kowloon and the New Territories. Each RAC holds four meetings a year. At the hospital level, HA, in accordance with the HA Ordinance, has established 33 Hospital Governing Committees ("HGCs") for its hospitals/institutions for enhancing community participation and governance of the public hospitals. An HGC normally holds four meetings in a year to discuss and receive reports on management matters of the hospital.

5. The HA Board's and the RACs' meetings mainly involve the executive management of HA at the corporate and cluster levels, while the quarterly HGC meetings mainly involve the hospital management.

Annual Planning System

6. The HA Chief Executive is accountable to the HA Board for the overall performance of HA and implementation of the Board's policies and decisions. Under HA's clustering arrangement, the HA Head Office ("HAHO") plays a leading, policy and strategic planning, coordination and supporting role for the seven clusters as well as on the frontline delivery of healthcare services.

7. To outline the directions and strategies that the HA will be pursuing to address various key challenges over a span of five years ahead, the HA Board has formulated an overarching document as the five-year Strategic Plan for guiding HA's service development and planning. The aim is to usher the entire HA family towards achieving the vision and mission of the organisation. Each year, an Annual Plan is drawn up to set out the action plan for achieving the objectives of the Strategic Plan in a financial year, including major goals, work plans and targets of the HAHO and the clusters. The targets set out in the Annual Plan are the measurable terms for monitoring and accountability reporting. The Board monitors the progress of the programme targets on a quarterly basis. With its vast organisation and complex operation, HA adopts a broadly participative approach in drawing up the annual plan, involving HAHO, all clusters and hospitals, various service specialties, and grade management of the respective

healthcare professions, as well as other internal and external stakeholders.

8. The HA Annual Planning process itself is a participative exercise with bottom-up and top-down contributions throughout the HA organisation. Views are collected from the frontline clinical staff and cluster management to HAHO executives. Every year, resource requirements for new services and specific pressure areas are deliberated at the Annual Planning fora with inputs from stakeholders across all clusters. Following the HA Review, HA has simplified the procedures of resource bidding through system enhancements. HA will consider whether further measures can be introduced to save some of the meetings whilst balancing the need for accountability.

Clinical Management

9. Policy formulation and implementation in HA involves input from the clinical specialties. Meetings are arranged to deliberate on strategy and policy discussions, and inter-departmental coordination of service development and service models. HA places quality and safety as top priorities in the planning and running of its services, by establishing governance structure and systems to ensure high clinical standards. To coordinate various services, the HA currently has set up some 25 Coordinating Committees (“COCs”) for each individual specialty or clinical grade, and some 20 Central Committees (“CCs”) of respective services for clinical leaders to deliberate and advise on issues relating to manpower, training, service quality, technology and therapeutics. The COCs/CCs are playing important leading and advisory role in HA for their respective specialty/service, setting clinical standards in HA and advising on strategic service planning. They also perform a crucial role in conducting clinical audits, pursuing best practice and developing innovative quality improvement programmes. With that, input from clinicians is essential and pivotal in the COCs/CCs. Through the COC/CC meetings, clinical leaders regularly discuss the related issues to enhance clinical governance which in turn will bring benefits to patients.

10. Following the HA Review completed in 2015, HA has further enhanced the roles and responsibilities of COCs/CCs on clinical governance to achieve a more standardised service quality and treatment and to ensure safety, specifically in setting service standards, developing clinical practice guidelines, education and training, conducting clinical audits, managing clinical risk management and introduction of new technology and service development.

11. Other corporate-wide management structures include the Cluster Management Meetings for regular monitoring of each cluster's performance, and the various Service Management Meetings for monitoring of the performance and management of issues of respective services. Similarly at the cluster level, different management and clinical committees and task groups are necessary in the administration of the cluster and its hospitals, as well as the development and collaboration of the respective services.

Manpower Situation

12. Human resources are the most important asset in the healthcare industry. Being the major public healthcare service provider in Hong Kong, HA has made every effort to attract, develop and retain talents to ensure provision of quality public healthcare services. Up to 31 December 2018, the full-time equivalent strength of doctors, nurses, allied health professionals and supporting (care-related) staff in HA is 6 045, 26 955, 8 008 and 15 215 respectively, with a total strength of around 56 220.

13. With a growing and ageing population, HA has been facing increasing healthcare service demand against a reduced supply of local medical graduates for over 10 years. HA is all along very concerned about the doctor and nurse manpower situation and has exerted continuous efforts and various measures to retain and attract doctors, so as to support the service needs and relieve the workload of frontline doctors.

Measures for Staff Retention and Strengthening Manpower

14. Taking into account the growing service demand and the manpower situation, HA has formulated a series of short, medium and long term measures to retain staff and strengthen its manpower.

Short-term Measures

Recruitment of Local Graduates

15. Starting from 2018-19, 420 local medical graduates completing internship training with full registration by the Medical Council of Hong Kong

(“MCHK”) are available for recruitment by HA annually. The number of local graduating interns available for recruitment by HA will be further increased to 470 in 2023 and 530 in 2026. The number of Resident Trainee (“RT”) posts in the HA is accordingly increased to recruit and provide specialist training to all qualified local medical graduates for building up the HA medical workforce.

16. HA’s 2019-20 Central Recruitment Exercise for RTs is in progress to recruit local graduating interns and doctors with full registration in Hong Kong in order to fill existing vacancies and support the implementation of new service programmes in 2019-20. The recruited RTs will report duty in July 2019.

17. Altogether, HA targets to recruit 520 doctors and 2 270 nurses in 2019-20, which literally include almost all supply of doctors and nurses in Hong Kong and available to HA, covering all graduating medical interns and other registered doctors available in the market who are willing to work in public hospitals, as well as all fresh graduate nurses and non-fresh graduate nurses available in the market and willing to work in HA.

Special Honorarium Scheme

18. The Special Honorarium Scheme (“SHS”) aims to address the issue of short-term manpower constraint, and to facilitate operation of extra service sessions to meet operational needs. Staff including doctors who join the SHS to work extra service session on a voluntary basis will be paid a special honorarium. In the last and current winter surge, HA, with the HA Board’s support, adjusted the rate of SHS allowance by a 10% increase for 12 February to 31 May 2018, and 28 January to 30 April 2019 respectively.

Active Recruitment of Part-time Staff

19. HA continues to recruit part-time staff and introduce further flexibility in recruitment strategies, including the setting up of Locum Office to adopt flexible and efficient approach in employing part-time staff for short-term flexible engagement on need and ad-hoc basis to supplement HA full-time workforce for relieving the pressure of manpower shortage and addressing the demand surge. The Locum Office has simplified the recruitment processes by consolidating the job requirements of different departments and standardising the hourly pay rate of locum staff according to their years of relevant experience. Recruitment and

offering of locum jobs for locum doctors in the ranks of Non-specialist and Specialist, as well as locum nurses in the ranks of Enrolled Nurses and Registered Nurses have started since 1 December 2018. As at 4 March 2019, 112 locum staff had been deployed to clusters for providing services to the patients in public hospital, including 10 Specialist Doctors, 10 Non-specialist Doctors, 51 Registered Nurses and 41 Enrolled Nurses. It is anticipated that the Locum Office will build up a talent pool of healthcare professionals who are credentialed and flexible for deployment in public hospitals.

Special Retired and Rehire Scheme

20. HA has implemented the Special Retired and Rehire Scheme (“SRRS”) since 2015-16 to rehire suitable serving doctors, nurses, allied health professionals and supporting grades staff upon their retirement or completion of contract at/beyond their normal retirement age. It is a special measure intended to retain suitable expertise for training and knowledge transfer, and to help alleviate manpower issues. As at 31 December 2018, there were 61 doctors, 57 nurses, 7 allied health professionals and 1 546 supporting staff working under the scheme at the HA. In 2019-20, HA will continue the Scheme to attract more retired staff to rejoin HA to provide specialised service and help in training.

Fixed Rate Honorarium for Doctors

21. A Fixed Rate Honorarium (“FRH”) on a monthly basis is granted to eligible doctors to give recognition to doctors who are required to work consistently long hours by nature of their duties, and to recompense the substantial amount of overtime work performed by them in order to maintain adequate medical service for patients. HA has planned to uplift the rates of FRH to recognise and to recompense the substantial amount of overtime work performed by doctors.

Medium-term Measures

Pilot Run of Fractional Work Arrangement

22. Fractional work arrangement is a special arrangement for existing full-time frontline professional staff who have temporary special needs and compassionate reasons, such as health or family reasons, to work fractionally for

a fixed period of time and thereafter resume their full-time duties. The arrangement will be piloted in the first quarter of 2019 for medical staff in Accident & Emergency and Family Medicine departments, with a view to exploring feasibility of rolling out to other specialties for medical staff and other grades if considered appropriate.

Recruiting Non-locally trained Doctors under Limited Registration

23. Since 2011-12, HA has resorted to recruitment of non-locally trained doctors with limited registration (“LR”) as an additional and interim measure to supplement local recruitment. Up to January 2019, the MCHK has approved 39 applications, with 10 non-locally trained doctors working in HA hospitals under LR as at January 2019 for relieving manpower pressure and alleviating the workload pressure of frontline doctors. HA will continue to recruit non-locally trained doctors under LR.

24. Upon commencement of the Medical Registration (Amendment) Ordinance 2018, the validity period and renewal period of limited registration have been extended from not exceeding one year to not exceeding three years. HA is actively implementing a series of enhancements, including creation of supernumerary posts with additional funding for LR recruitment and improved overall recruitment and communication strategies on LR. Career prospects for non-locally trained doctors under LR will be enhanced, and HA will continue to communicate and further liaise with various stakeholders, including MCHK and Hong Kong Academy of Medicine, to facilitate the arrangement of specialist training and internship training of LR doctors.

Enhancement of Promotion Prospects

25. A centrally coordinated additional promotion mechanism for frontline doctors has been launched since 2011-12 to recognise meritorious doctors who have served in HA for five years or more after obtaining fellowship. Under the mechanism, additional Associate Consultants are appointed to meet the operational needs while improving the promotion prospects of doctors. As at October 2018, a total of 503 doctors have been promoted under the mechanism. HA will continue the exercise to help address the issue of doctors’ manpower shortage and retain expertise.

26. Enhancement of advancement opportunities for Nursing Grade also continues. HA has a five-year plan to enhance night supervision, through planned creation of additional 625 recurrent Advanced Practice Nurse posts for acute general ward and extended care wards in the clusters in coming five years. To further enhance clinical leadership in development and management of clinical processes and nursing practice, HA also plans to create additional 10 recurrent Nurse Consultant posts in clusters in 2019-20.

27. Apart from the above, HA plans to increase the number of promotional posts for pharmacists with a view to improving the senior to junior ratio.

Better Training Opportunities for Medical Staff

28. In addition to the ongoing initiatives in organising commissioned training programmes for individual specialties, overseas training opportunities is enhanced through the HA Corporate Scholarship programme and cluster-initiated overseas training programmes. More simulation training programmes are also developed to support professional development and to address the training needs for service development in HA. HA will continue to strengthen the training support with the aim of enhancing staff competency and addressing potential expertise gaps while building stronger sense of belonging amongst HA doctors.

Review on Manpower Issues of Supporting Staff

29. HA has engaged an external Consultant to review and recommend strategies and initiatives to help address the supporting staff issues. HA is currently actively working on the findings and recommendations under Phase 1 of the study to address recruitment and retention difficulties of Patient Care Assistant / Operation Assistant / Executive Assistant (“PCA”/“OpA”/“EA”) at Level III, PCA (In-patient Services), OpA (In-patient Services) and EA (Ward), and has been consulting staff representatives, before a formal proposal is put to the HA Board for approval.

30. At the same time, a total of 420 additional EA (Wards) will be recruited gradually from 2019-20 to 2021-22 to enhance the clerical support to ward operations and relieve the administrative duties of nurses, who could then concentrate more on bedside clinical care for better patient services.

Long-term Measures

Development of Long Term Manpower Plan

31. To facilitate long-term healthcare manpower planning, HA will, under the HA integrated planning model framework, conduct manpower requirement projections having regard to a set of service workload projections across the spectrum of HA services. All clinical grades, including doctor, nurse, allied health and pharmacy professionals, are covered in the HA manpower requirement projection to develop recruitment strategies for the respective healthcare professions in close communication with the Food and Health Bureau.

Flexible Work Arrangements

32. To retain experienced hands, HA is actively considering the introduction of more flexible options in work arrangements without compromising service quality and safety while meeting the operational needs.

Vocational Training for Supporting Staff

33. In the longer run, HA plans to further enhance the vocational training for supporting staff by establishment of a training institute with structured training as well as accreditation of training courses to strengthen supporting staff's vocational competencies and operation capabilities in support of clinical professionals to meet the increasing service needs and career progression of supporting staff.

Triennium Funding to HA

34. In 2018-19, the Government has introduced a new arrangement by undertaking to increase the recurrent funding for HA progressively on a triennium basis having regard to population growth and demographic changes. This enables HA to address the staffing issue and service demands arising from a growing and ageing population in a more effective and sustained manner.

35. In 2019-20, the financial provision for HA totals \$69.9 billion, representing an increase of 8.5% over the 2018-19 revised estimate of \$64.4 billion. Healthcare services are labour-intensive. Past statistics indicate that staff costs account for around 70% of HA's total recurrent expenditure and

over 75% of the staff costs are on medical, nursing and allied health staff.

Allocation of Resources in the 2019-20 Budget

36. In the 2019-20 Budget, the Government has announced the provision of additional recurrent funding of \$721 million for HA to implement enhancement measures to boost staff morale and retain talents. With the dedicated resources, HA is working out the details of the enhancement measures, with a view to striving for early implementation in 2019-20 to benefit frontline staff. The measures include:

- (a) continuation of SRRS for doctors, nurses and allied health staff;
- (b) enhancement of FRH for doctors;
- (c) enhancement of promotion prospect for nurses (upgrade more Advanced Practice Nurse posts for enhancing senior coverage and supervision to wards at night);
- (d) implementation of Specialty Nurse Increment;
- (e) enhancement of promotion prospect for allied health professionals and pharmacists;
- (f) measures to attract and retain supporting staff (pay enhancement for supporting staff and recruit additional EA in wards); and
- (g) measures for alleviating service demand surge (further uplift the rate of SHS allowance so as to facilitate more staff participation).

37. Individual enhancement measures are intended, where applicable and practicable, to be effective earliest possible from 1 April 2019, although the roll-out date will depend on operational readiness.

Striving for Continuous Improvement

38. Staff and stakeholders have expressed concerns on the HA governance in respect of the involvement of clinical staff in meetings. In view of the pressure faced by frontline clinical staff, HAHO as well as the management of the clusters and hospitals have made arrangements to reschedule some of the meetings, where practicable, during the winter surge months.

39. As a public organisation, HA has to ensure effective corporate governance and prudent use of public funds. That said, HA would remain vigilant on any practicable scope to further streamline with a view to enhancing

efficiency in its governance pathway. For continuous improvement, HA will revisit and explore scope for streamlining, having regard to the need for overall coordination across HA on service development and minimising inconsistencies; the importance of clinical governance; and the need for transparency and participation while ensuring easy administration in resource bidding and allocation in the annual planning processes etc.

40. HA would continue to drive for improvements in operational efficiency from time to time, striving to provide a sustainable and quality maintenance service to sustain the public medical services, whilst minimising the related administrative work. Where appropriate, enhancement to corporate information technology systems will also be pursued to improve the efficiency of the various administrative and management functions of HA.

41. At the HA Board level, HA would also take the opportunity to explore further delegations from the Board to functional committees, while maintaining the Board's governance and accountability and role as a managing Board.

Advice Sought

42. Members are invited to note the content of the paper.

**Food and Health Bureau
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