

立法會 *Legislative Council*

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Panel on Home Affairs

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 11 November 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 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

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.

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 27 May 2019, members noted that CCF had launched 47 assistance programmes, which involved a total commitment of more than \$9.5 billion and benefitted over 1.68 million cases. Furthermore, 13 of these programmes had been regularized. As at the end of April 2019, the balance of CCF stood at about \$19.379 billion.

Members' deliberations

Proposed assistance programme to improve the living environment of low-income households residing in sub-divided units

6. At the meeting on 27 May 2019, the Panel was briefed of the CCF Task Force's proposal to launch a new assistance programme to provide one-off subsidy to low-income households residing in sub-divided units ("SDUs") to improve their living environment ("the proposed programme") through carrying out minor improvement/repair works, purchasing furniture or equipment and pest control services, etc.

7. While members in general expressed support for the proposed programme, some members called on the CCF Task Force to ensure that the amount of subsidy for SDU households was sufficient to meet their actual needs. They considered it unnecessary to prescribe an upper subsidy limit. Some other members raised concern that the difference was too small between the proposed upper subsidy limits for one-person households (\$8,500) and for two-or-more-person households (\$10,000). They also considered that it was inappropriate to impose the same upper subsidy limit on all SDU households of two persons or more, and suggested that the subsidy limits should be increased

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.

according to the household size. At the above meeting, a motion for this purpose was passed by the Panel (see **Appendix I**).

8. The CCF Task Force explained that two-tier subsidy limits were initially proposed having regard to the general circumstances of SDUs and the fact that their sizes did not vary much. The Administration's written response to the above motion is attached in **Appendix II**. Nevertheless, members may wish to note that on 15 September 2019, the Chief Secretary for Administration announced in his blog post that the Administration finally decided to add two more subsidy levels with the upper subsidy limits for a three-person household and a four-or-more-person household set at \$11,500 and \$13,000 respectively.

9. At the meeting on 27 May 2019, some members also expressed concern that the proposed funding scope might not be equally suitable for all SDU households. They suggested that consideration should be given to allowing eligible households to use the subsidy to procure any other items/services to meet their specific needs. The CCF Task Force explained that the proposed programme was not a cash-based programme and all items/services to be funded by the proposed programme would have to be procured by the participating NGOs for the SDU households concerned. NGOs would mobilize volunteers to provide necessary assistance to and support for the needy households. Moreover, a balance had to be struck between flexibility in meeting the needs of SDU households and prudent use of public funds.

Existing CCF assistance programmes

Medical Assistance Programmes

10. 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.

11. 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 "Subsidy for eligible patients to purchase ultra-expensive drugs (including those

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.

for treating uncommon disorders)" Programme ("the Ultra-expensive Drugs Programme") in August 2017 for needy patients of the Hospital Authority ("HA").

12. 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.

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

14. 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.

15. Some members expressed concern that only 23 person-times had benefited from the Ultra-expensive Drugs Programme between its launch in August 2017 and the end of April 2019. They enquired whether the publicity about the Programme and the relevant funding provision (\$203.44 million) were adequate. The CCF Task Force advised that the number of beneficiaries would depend on the number of needy patients who met the specified clinical criteria. If the funding provision was inadequate to meet demands, HA would submit proposals to the CCF Task Force to apply for additional funding.

Elderly dental assistance

16. 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.

17. 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.

18. 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.

19. 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 purchasing and constructing modular housing

20. 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 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.

21. 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

22. 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 (LC Paper No. CB(2)1446/18-19(01)).

23. 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.

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 public rental housing ("PRH") but did not receive CSSA. At the meeting on 27 May 2019, the Panel passed a motion urging the authorities to, among others, provide rent allowance to PRH applicants living in rented private housing who had been on the waiting list for PRH for over three years and had passed the asset test (see Appendix I). 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. The Administration's written response to the above motion is attached in Appendix II.

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.

Latest development

26. The Administration will brief the Panel on the work progress of CCF at the next meeting on 11 November 2019.

Relevant papers

27. A list of the relevant papers on the Legislative Council website is in **Appendix III**.

民政事務委員會

在2019年5月27日會議上就議程項目IV
"關愛基金"通過的議案

本會促請政府透過關愛基金，為居住於劏房的低收入住戶提供改善家居環境津貼時，必須簡化申請程序，豁免資產審查，讓更多的劏房居民受惠。有關津貼應根據住戶人數提升資助金額上限，而非籠統以一人及兩人以上住戶劃分。此外，本會促請當局為輪候公屋超過三年，並通過資產審查而租住私人住宅單位的申請人，提供租金津貼。

動議人：鄭泳舜議員, MH
和議人：柯創盛議員, MH
劉國勳議員, MH

(Translation)

Panel on Home Affairs

**Motion passed under agenda item IV "The Community Care Fund"
at the meeting on 27 May 2019**

This Panel urges that in providing subsidy under the Community Care Fund to low-income households residing in sub-divided units ("SDU") to improve their living environment, the Government must streamline the application procedures and waive the asset test, so as to benefit more SDU households. Instead of setting the subsidy limits broadly on the basis of one-person households and households with two persons or more, the subsidy limits should be increased according to the household size. Besides, this Panel urges the authorities to provide rent allowance to public rental housing ("PRH") applicants living in rented private housing who have been on the waiting list for PRH for over three years and have passed the asset test.

Moved by: Hon Vincent CHENG, MH
Seconded by: Hon Wilson OR, MH
Hon LAU Kwok-fan, MH

Response from the Social Welfare Department

The Community Care Fund (CCF) Assistance Programme to Improve the Living Environment of Low-income Subdivided Unit Households (the Programme) aims at improving the living environment of low-income households living in subdivided units (SDU) and strengthening their connection with community services/resources. For the Programme to provide effective assistance to needy SDU households, the Social Welfare Department (SWD) will carefully consider a host of factors, such as the needs, household size and living area of SDU households and the reference prices of relevant services and goods, in drawing up the details of the Programme (including the eligibility criteria and the amount of subsidy). The application procedures will also be streamlined as far as possible. The SWD will also review the Programme in terms of design, operation and feedback from beneficiaries, etc. in a timely manner. The SWD has taken note of the views of the Panel on Home Affairs, and will discuss the arrangements of the Programme in the meeting of the CCF Task Force to be held later.

Response from the Housing Department

There are views that the Government should provide rent subsidy to public rental housing (PRH) applicants living in rented private housing who have been on the waiting list for PRH for over three years and have passed the asset test. Nevertheless, the Government is concerned that such measure may not be effective in alleviating the housing burden of these households as intended by the advocates. In the midst of the present tight housing supply, providing rent subsidy to tenants may prompt the landlords to increase rent, thereby indirectly turning the rent subsidy into additional rent, leaving the tenants with no effective assistance. Furthermore, providing rent subsidy to a selected group of tenants may increase the demand for rented accommodation, thereby triggering a rise in rental level and increasing the burden of households who are unable to receive the subsidy due to various reasons.

The Government believes that the continued increase in housing supply remains the fundamental solution to the problems of surging rent caused by insufficient supply. The Government will continue to increase housing land supply in the short, medium and long term through a multi-pronged approach, so as to effectively address the long term housing needs of low-income households.

Source : The Administration's response to the motion passed at the meeting on 27 May 2019 [Annex to LC Paper No. CB(2)1685/18-19(01)].

Appendix III

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 Minutes
Legislative Council	30 January 2019	Official Record of Proceedings Pages 105 to 110
	27 February 2019	Official Record of Proceedings Pages 84 to 92
	3 April 2019	Official Record of Proceedings Pages 105 to 106
	8 May 2019	Official Record of Proceedings Pages 81 to 84
HA Panel	27 May 2019 (Item IV)	Agenda
Legislative Council	30 October 2019	The Administration's reply to Hon YUNG Hoi-yan's written question