

**For discussion
on 20 January 2020**

Panel on Health Services

**Subcommittee on Issues Relating
to the Development of Chinese Medicine**

**Latest Progress of the Government's Initiatives on the Development
of Chinese Medicine**

Purpose

This paper briefs Members and reports on the latest progress of the Government's initiative on the development of Chinese medicine (CM) as well as other related issues.

Latest progress

2. The Government has announced in the 2018 Policy Address that CM would be incorporated into the healthcare system in Hong Kong and would implement a development framework with increased recurrent resources to develop CM services. Major policy initiatives include:

- (i) offer a combination of Government-subsidised out-patient and in-patient services in the future CM Hospital (CMH);
- (ii) offer Government-subsidised out-patient services in the 18 CM clinics at district level and to enhance the remuneration package of and training for CM practitioners (CMPs) at all levels;
- (iii) continue to develop Integrated Chinese-Western Medicine (ICWM) in-patient services at designated public hospitals of the Hospital Authority (HA) with increased Government subsidy to reduce the additional daily charges for participating patients;
- (iv) establish a dedicated fund of \$500 million to promote the development of CM through financial assistance given to CMPs and the CM drug sector for upgrading the overall standard of the industry including nurturing talent for the CMH, promoting CM-related studies and research as well as enhancing public knowledge and understanding of CM; and

- (v) establish the Government Chinese Medicines Testing Institute (GCMTI) to be managed by the Department of Health (DH) which will be located next to the CMH. The GCMTI will specialise in the testing of and scientific research on CM drug, with a view to setting reference standards for the safety, quality and testing methods of CM drug.

Progress of the CMH development

3. The Government will fund the construction of the first CMH in Hong Kong and identify a suitable non-profit-making organisation through open tendering to operate the CMH under a public-private partnership model. The mission of the CMH is to steer the development of CM in Hong Kong. It will provide pure CM and ICWM out-patient and in-patient services. The CMH will also support the work of teaching, clinical training and scientific research of the CM industry as well as the three local universities with School of CM. The CMH will consist of around 400 beds providing out-patient, in-patient, day-patient and community services covering pure CM services and CM-based ICWM services, and will cover services relating to health maintenance, preventive health care, episodic (general) and chronic diseases, complicated diseases, convalescence, rehabilitation, palliative care and other disease categories. The CMH will also set up a special disease centre which aims to identify specific priority disease areas with the advantages and strengths of CM for strategic development and to address the medical needs of the Hong Kong population. With the mission to develop services focusing on CM, the CMH will not provide accident and emergency services, general anesthetic surgical services, intensive care services and child delivery services.

4. The Food and Health Bureau (FHB) commenced the prequalification exercise on 13 September 2019 to invite interested and qualified organisations to submit applications for pre-qualification to be the operator of CMH. It is expected that a suitable non-profit-making organisation will be selected by the end of 2020. On the other hand, the invitation to tender for the construction of CMH is also expected to be conducted in mid-2020. The CMH is targeted to commence services in phases by the end of 2024.

Government-subsidised CM out-patient services and ICWM in-patient services

18 CM clinics at the district level

5. The Government will increase recurrent resources for the 18 CM clinics administered by the HA¹. With CM being incorporated as an integral part of the healthcare system in Hong Kong, the existing 18 CM Centres for Training and Research (CMCTRs) will be transformed into CM clinics at district level to provide newly Government-subsidised CM out-patient services in addition to their original functions as teaching and research centres. Starting from March 2020, the Government will provide an annual quota of 620 000 for subsidised out-patient services in these 18 district CM clinics. These out-patient services will include CM general consultation as well as the newly added bone-setting/tui-na treatments and acupuncture services. The subsidised out-patient fee will be \$120 per visit (including consultation fee and at least two doses of CM drugs) which is applicable to eligible Hong Kong citizens. Recipients of the Comprehensive Social Security Assistance and the new Higher Old Age Living Allowance who have reached 75 years old and above are exempted from charges.

6. The 18 CM clinics will continue its role for training of local CM talents. To cater for CM policies and development, the CM clinics will launch a new structured training programme in March 2020 for those CMP trainees working in the 18 CM clinics. The aim of the training programme is to comprehensively enhance the clinical ability and professional standard of CMP trainees by adopting “evidence-based” medicine as an approach to develop solid clinical capability. This programme is structured by a progressive training curriculum led by a senior CMP in the clinic. Local full-time CM undergraduates can apply for this 3-year on-the-job training programme if selected as CMP trainees. As at 31 December 2018, there were a total of 403 CMPs (of which 256 are local CM graduates) at all levels working at CMCTRs, accounting for about 4% of CMPs in Hong Kong.

7. Moreover, the Government has increased recurrent resources for improving the remuneration packages and training opportunities for CMPs

¹ To promote the development “evidence-based” CM as well as to provide training placements for local CM undergraduates, a CMCTR has been established in each of the 18 districts. The CMCTRs are operated under a tripartite collaboration model involving the HA, non-governmental organisations (NGOs) and local universities, with NGOs being responsible for the day-to-day operation and running of the CMCTRs.

at all levels at the 18 CM clinics so as to further enhance their job prospect and to pave way for the development of CMH. The Government will continue to review the remuneration and advancement opportunities of employees at different levels at the CM clinics to improve their career prospect.

ICWM in-patient services

8. The HA will continue to provide ICWM in-patient services in public hospitals². Starting from March 2020, the Government will increase funding to reduce the additional daily fee for ICWM in-patient services from \$200 to \$120. Besides, we are exploring with the HA possibilities to further develop ICWM in-patient services in its hospitals and expand in terms of disease areas and scope.

CM Development Fund (CMDf)

9. The Government announced the establishment of a \$500 million dedicated fund to promote the development of CM in the 2018-19 Budget. The CMDf aims at enhancing the overall standard of the industry and nurturing talents in CM field through different funding programmes. The CMDf will benefit different levels of CMPs and the CM drug sector, as well as those non-profit-making and academic institutions to promote the development of CM in Hong Kong.

10. There are two types of support programmes under the CMDf. The Industry Support Programme provides funding for non-profit-making organisations, professional bodies, trade and academic associations and research institutions to support training programmes and courses to nurture talent for the CMH and facilitate development of CM, conduct applied or policy research on CM, and organise various CM promotional activities. The Enterprise Support Programme provides matching funds for individual CMPs and clinics, members of the CM industry and CM drug traders to enhance the professional and manufacturing standards as well as management quality of CM drug and help them with registration of proprietary Chinese medicines (pCms) in accordance with statutory requirements, such as offering technical and hardware support to manufacturers of pCms to assist them in conforming with the Good

² Currently, the HA provides in-patient services with ICWM treatment for patients of four selected disease areas (namely stroke, low back pain, shoulder and neck pain, and cancer palliative care) in seven HA hospitals, with the aim of gathering experience relating to the operation of ICWM and CM in-patient services.

Manufacturing Practices (GMP) standard. A CM resources platform has also been established under the CMDF to provide practical information to the industry. Since the launch of the CMDF in mid-2019, the programmes on CM-related training, research and promotional activity have received an overwhelming response from the industry. The Advisory Committee on the CMDF³ has already approved a number of funding projects. The first batch of funding was released in the fourth quarter of 2019. More programmes will be available for application by the industry in due course.

Regulation of CM drug and development of the industry

Transitional registration of pCm

11. According to section 119 of the CM Ordinance (Cap. 549) (CMO), all kinds of pCms must be registered by the CM Board (MB) under the CM Council of Hong Kong (CMCHK) before they can be imported, manufactured and sold in Hong Kong. According to section 128 of the CMO, for pCms manufactured or sold in Hong Kong on 1 March 1999, “Notice of Confirmation of Transitional Registration of pCm” (i.e. HKP) would be issued to eligible cases after verification.⁴

12. Since 2014, the MB had introduced various measures, including the provision of consultancy service as a pilot project, adjusting relevant technical requirements, allowing the use of statutory declarations to confirm information that is inconsistent with the registration applications and increasing the number of laboratories providing testing service etc., to assist the trade in completing the reports and other information required for completing registration of “Certificate of registration of pCm” (HKC) for HKP products.

13. The DH had increased its manpower since July 2015 to perform comprehensive evaluation against all HKP cases and to review cases with

³ The Secretary for Food and Health announced on 1 March 2019 the appointment of members to the Advisory Committee on the CMDF (the Advisory Committee) for a term of two years to advise and make recommendations to the Government on matters relating to the overall administration and operation of the CMDF. The Hong Kong Productivity Council, as the implementation agent for the CMDF, is responsible for operating the CMDF, conducting industry consultation, preparing support programmes and providing secretariat support for the Advisory Committee.

⁴ The MB received a total of 14 100 applications for transitional registration of pCm during the application period (i.e. from 19 December 2003 to 30 June 2004). The MB completed the evaluation in March 2008 and issued "Notice of Confirmation of Transitional Registration of pCm" to the applicants.

individual applicants who required assistance in order to devise the plan of submitting registration documents. With the additional manpower, the number of HKP cases reduced from 7 883 in December 2015 to 5 948 in December 2019. Among the 5 948 HKP cases being processed, 394 cases (about 7%) would be approved as HKC subject to payment of relevant fees from the applicants. Moreover, the safety, quality and efficacy documents of 2 025 HKP cases (about 34%) were verified where HKC could be issued with completion of product label and insert. The DH also established a designated team in January 2020 to handle the evaluation work of product label and insert for cases that had been verified with their safety, quality and efficacy documents, with a view to further expediting the processing of applications of pCm registration. In addition, through the \$500 million CMDF, the Government provides financial and technical assistance to local CM drug traders in the registration of pCm. The funding programme has been launched in 2019.

Amendment to the definition of pCm under the CMO

14. In order to enhance the regulation against certain orally consumed products containing both CM drug and non-CM drug as active ingredients in the market, the Government has started the legislative exercise to amend the definition of pCm under the CMO. The MB set up a working group in May 2017 comprising CM experts and representatives from the CM industry and the Government Laboratory to study the amendment proposal and provide professional advice in this regard. The amendment proposal was uploaded to the CMCHK website in March 2018 for reference by the trade.

15. The DH had also conducted more than 10 consultation sessions with the trade and other relevant stakeholders from March to May 2018. A total of about 300 submissions were received. The DH had consolidated the comments from various sectors and reported to the CMCHK. The proposal was endorsed by the CMCHK on 29 April 2019. The Government will introduce the amendment proposal to the Legislative Council Panel on Health Services in the next legislative session.

GCMTI

16. The Government is actively planning the establishment of the GCMTI to be managed by the DH. The GCMTI will specialise in the testing of and scientific research on CM drug, with a view to setting reference standards for the safety, quality and testing methods of CM drug.

The GCMTI will be located in Tseung Kwan O next to the CMH and will comprise a number of laboratories matching international standards and display CM drug specimens to support the testing, research and education work of the GCMTI. The GCMTI is expected to be commissioned by 2024 the earliest. Pursuant to the establishment of the permanent GCMTI, a temporary GCMTI has been set up in the Science Park and commenced related research work gradually since March 2017. Moreover, under the Hong Kong Chinese Materia Medica Standards (HKCMMS) Project, a total of 9 volumes of HKCMMS have been published, covering standards of 299 Chinese materia medica (CMM). Currently, the HKCMMS Project contributes to formulating standards for other CMM commonly used in Hong Kong.

Accreditation mechanism for CM pharmacists

17. Through subsidising studies relating to the accreditation system of CM pharmacists under the CMDF, the FHB will review the subject to cater for the development of CM and CMH. The research will cover issues including the qualification and academic requirements for CM pharmacists, their scope of duties and functions, as well as information on local training and employment situation. The trade and the relevant stakeholders will be consulted on the relevant issues.

Other related matters

Compositions and functions of CM regulatory and advisory bodies

CMCHK

18. The CMCHK is a statutory body established under the CMO on 13 September 1999. It is responsible for providing a regulatory regime applicable for CMPs and CM drug for the purpose of protecting public health and consumers' rights and safeguarding the professional standard of CMPs and the CM drug sector through self-regulation. The CMO stipulates that members of the CMCHK are appointed by the Chief Executive and members of the CMPs Board (PB) and MB are appointed by the Secretary for Food and Health. There are seven and three regular committees⁵ established under the PB and MB respectively and their

⁵ There are seven regular committees established under the PB: the Registration Committee, Examination Committee, Committee on Assessment of CM Degree Courses, Disciplinary Committee of CMPs, the Ethics Committee, Health Committee and Health Committee for Listed CMPs. There are three regular committees established under the MB: the Chinese Medicines Committee, Chinese Medicines Traders Committee and Regulatory Committee of Chinese Medicines Traders.

members are appointed by the CMCHK. Members of the CMCHK include CMPs and CM drug traders, representatives from educational or scientific research institutions, lay persons and government officials.

19. The CMO and the policies formulated by the CMCHK empower the PB and MB to carry out regulatory functions for CMPs and CM drug, such as licensing examination, registration and discipline of CMPs; the licensing and conduct of CM drug traders; and the registration of pCms. The CMCHK also coordinates and supervises the activities of the boards by examining the proposals, recommendations and reports from the boards; directs the boards to implement such policies and activities as it thinks fit and handles appeals against decisions of the boards as provided for under the CMO.

CM Development Committee

20. The Chief Executive announced in the 2013 Policy Address the establishment of the CM Development Committee (CMDC) to give recommendations to the Government concerning the direction and long-term strategy of the future development of CM in Hong Kong. The CMDC, chaired by the Secretary for Food and Health, comprises members who are representatives from CMPs and the CM drug sector, academia, and the research and healthcare sectors and lay persons. Two subcommittees have been set up under the CMDC, namely the CM Practice Subcommittee (CMPSC) and Chinese Medicines Industry Subcommittee (CMISC). The CMPSC focuses on studying the needs for the professional development of CMPs and offering advice on the development of the CMH, while the CMISC focuses on enhancing the quality of CM drug and promoting the status of the CM drug sector in Hong Kong.

21. As a key advisory body for the development of CM in Hong Kong, the CMDC and its two subcommittees have provided advice on various matters since their establishment in 2013, including the development of the CMH, ICWM services, the HKCMMS Project, establishment of the GCMTI, amendments to the CMO and establishment of the CMDF. As at January 2020, the CMDC has convened 10 meetings, and CMPSC and CMISC have convened 10 and 9 meetings respectively.

Role in primary healthcare

22. Enhancing primary healthcare services is one of the Government's priorities. Among these services, CM, with the very concept of

preventive treatment of disease, should play a more important role in the prevention of disease relapse and deterioration. The Primary Care Directory (PCD) is one of the initiatives of the Government to promote primary healthcare. Under the PCD, the CMPs sub-directory is equipped with information such as locations and opening hours of clinics, services provided, languages or dialects used and participation in government subsidy schemes (e.g. the Health Care Voucher Scheme), etc. so as to facilitate the public to search for suitable CMPs based on their needs. On the other hand, the Government is now setting up District Health Centres (DHCs) in all 18 districts across the territory to provide primary healthcare services through medical-social collaboration and public-private partnership with a view to enhancing the capability of the public in self-management of health and providing support for the chronically ill. DHCs provide comprehensive primary healthcare services through a network of multi-disciplinary healthcare service providers in the local community. Registered CMPs participating in the network may take part in providing services under the musculoskeletal disorder and stroke rehabilitation programmes. Besides, the Government will continue to provide subsidised CM primary healthcare services via the CM clinics in 18 districts.

CM co-operation between Hong Kong and the Mainland

23. A co-operation agreement on CM was signed between the FHB and the National Administration of Traditional CM (NATCM) as early as in 2007, which was subsequently updated in 2013. Recently, there are development and opportunities relating to CM in both places, such as the Belt and Road Initiative, the Greater Bay Area Development and the development of the CMH in Hong Kong. In this regard, the agreement was further updated on 26 October 2018 by the FHB and NATCM to consolidate mutual co-operation and exchanges on areas covering CM services and education, so as to strengthen scientific research and training co-operation in aspects such as treatment models, professional development, Chinese and Western medicine co-operation, hospital management and tertiary education. On this basis, the FHB, the Traditional CM Bureau of Guangdong Province and the Health Bureau of the Macao Special Administrative Region Government jointly signed a Memorandum on Guangdong-Hong Kong-Macao Greater Bay Area CM Co-operation on 5 December 2019, aiming to strengthen exchanges on CM between the three places, maximise the use of resources and promote the health of residents in the Greater Bay Area. The FHB also signed a co-operation agreement on clinical training for senior CMPs with the NATCM on 23 December 2019, which enables Hong Kong CMPs to upgrade their

clinical ability by following and learning from well-known CMPs in the Mainland.

24. On co-operation with the National Medical Products Administration (NMPA), two co-operation agreements with one on regulation of drugs and another on construction, research and management of Chinese medicines herbarium, were signed between the FHB and NMPA on 7 May 2019 for enhancing communication on the regulation of CM drug and exchanges in developing standards for CMM, and providing talent and technical support for the GCMTI. The DH and the then China Food and Drug Administration (the former NMPA) also signed an agreement on the notification mechanism for incidents concerning major product safety and a co-operation agreement on research for testing and standards of CM drug. Those agreements aimed at safeguarding public health by enhancing the quality and safety standards of CM drug, promoting the internationalisation of CM drug and enhancing safety of CM drug in both places through mutual co-operation in research, testing and standards of CM drug.

25. Under the framework of the above agreements, the FHB, DH and HA have regular meetings and liaison with the NATCM and NMPA to exchange information on the latest development of CM.

Advice sought

26. Members are invited to note the paper, and provide feedback on it.

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