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## **Panel on Health Services**

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

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 4 May 2020**

### **Development of Chinese Medicine Hospital**

#### **Purpose**

This paper provides background information and summarizes the concerns of members of the Panel on Health Services ("the Panel") and the two Subcommittees on Issues Relating to the Development of Chinese Medicine ("the Subcommittee") appointed by the Panel in the Fifth and Sixth Legislative Council ("LegCo") on the development of Chinese Medicine Hospital ("CMH").

#### **Background**

##### Development of Chinese Medicine Hospital

2. It was announced in the 2014 Policy Address that the Government had, on the recommendations of the Chinese Medicine Development Committee,<sup>1</sup> reserved a site in Tseung Kwan O for setting up a CMH. CMH is positioned as a flagship Chinese medicine institution steering and promoting the development of Chinese medicine and Chinese medicine drugs in Hong Kong. It will lead

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<sup>1</sup> Chaired by the Secretary for Food and Health, the Chinese Medicine Development Committee was established in 2013 to give recommendations to the Government concerning the direction and long-term strategy of the future development of Chinese medicine in Hong Kong. Its areas of study include (a) development of Chinese medicine services; (b) personnel training and professional development; (c) research and development; and (d) development of the Chinese medicines industry (including Chinese medicines testing).

the development of Chinese medicine services, education and training, as well as innovation and scientific research. Housing around 400 beds, CMH will provide outpatient, inpatient, day-patient and community services covering pure Chinese medicine services and Chinese medicine-based Integrated Chinese-Western Medicine ("ICWM") services in the areas of health maintenance, preventive health care, episodic and chronic diseases, complicated diseases, convalescence, rehabilitation, palliative care, etc. In addition, a special disease centre will be set up in the Hospital to identify specific priority disease areas with the advantages and strengths of Chinese medicine for strategic development and to meet local medical needs. It will collaborate with the Schools of Chinese Medicine of the three universities in Hong Kong<sup>2</sup> and also educational institutions in Hong Kong and other places to support clinical training, teaching and scientific research and assist in enhancing the professional training and the quality of scientific research in the field of Chinese medicine. Facilities including a clinical trial and research centre will be set up in CMH for conducting clinical trials at different stages and to serve as a development platform for research on new proprietary Chinese medicines and enhancing the treatment efficacy of registered proprietary Chinese medicines.

#### Initiatives to cater for the development of CMH

3. Launched in June 2019, the \$500 million Chinese Medicine Development Fund ("the CM Fund") promotes the development of Chinese medicine through financial assistance given to Chinese medicine practitioners ("CMPs") and the Chinese medicine drug sector for upgrading the overall standard of the industry including, among others, nurturing talents necessary for the development of CMH. Separately, the Chinese Medicine Practice Subcommittee under the Chinese Medicine Development Committee has commenced discussion about developing Chinese medicine specialization to, among others, tie in with the development of CMH. As announced in the Chief Executive's 2019 Policy Address, the Administration will subsidize studies on the accreditation mechanism of Chinese medicine pharmacists through the CM Fund to cater for the development of Chinese medicine and CMH.

4. The above apart, the Administration is working with the Hospital Authority ("HA") on further expanding the disease areas and the scope of services under the ICWM inpatient services. It is in this way that experience

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<sup>2</sup> The three local universities offering Chinese medicine undergraduate programmes accredited by the Chinese Medicine Practitioners Board of the Chinese Medicine Council of Hong Kong are the Hong Kong Baptist University, The Chinese University of Hong Kong and The University of Hong Kong. There are around 80 undergraduates enrolled each year.

relating to the operation of Chinese medicine and ICWM inpatient services can be gained and professionals with experience in providing Chinese medicine inpatient and clinical services can be nurtured to cater for the need of CMH.

### **Deliberations of the Panel and the Subcommittees**

5. The development of CMH was discussed by the Panel at a number of meetings and by the two Subcommittees. The Panel also received views of deputations on the above issue at two meetings held in 2014 and 2017. The deliberations and concerns of members are summarized in the following paragraphs.

#### Clinical framework

6. Members were supportive of the development of CMH which would be the first of its kind in Hong Kong. However, they were concerned about the clinical practice of the Hospital at which Chinese medicine would play a predominant role. Some members considered that the Hospital should be solely managed and operated by the Chinese medicine personnel. Some other members urged the Administration to devise clear operational models for collaboration between CMPs and Western medicine doctors, the clinical pathways, and the arrangements for transferring and following up patients at different stages of illness under the ICWM approach. Question was raised on the need to amend the laws to clearly delineate the respective medical practice and clinical accountability of CMPs and Western medicine doctors, in particular in the handling of acute cases, to facilitate the future operation of CMH. There was also a concern over the professional indemnity issue involved in the operation of the hospital for protecting patients' interests.

7. The Administration advised that it would not be feasible that CMH in Hong Kong provided only Chinese medicine services without resorting to western medical equipment and treatment for some acute cases and complex illnesses. A hospital providing ICWM services with Chinese medicine having the predominant role was considered the most feasible mode of operation of the hospital under the existing legal and administrative frameworks. CMH would be subject to regulation under the Private Healthcare Facilities Ordinance (Cap. 633). However, there were complicated legal and insurance matters which required thorough study. The ICWM Pilot Programme would shed light on the development of a clinical framework for CMH. Separately, the Chinese Medicine Practitioners Board of the Chinese Medicine Council of Hong Kong had taken note of the need to strengthen training relating to Western medicine in

the Chinese medicine programme and review the restriction imposed on the practice of CMPs. Members were subsequently advised at the meeting of the Subcommittee on 20 January 2020 that with the mission to develop services focusing on Chinese medicine, CMH would not provide accident and emergency services, general anesthetic surgical services, intensive care services and child delivery services.

### Operational model

8. Noting the Administration's original proposal that CMH would be run by a non-profit-making organization on a self-financing basis, members surmised that the high capital cost for the construction and maintenance of the hospital building and the operating cost would be levied upon patients who would have to pay high consultation fees while CMPs employed by the hospital would be given low pay. Some members considered that CMH should be run by the Administration and HA with recurrent government subvention to ensure that it would not focus on making profit and undermine its role of supporting Chinese medicine-related scientific research and training. Question was raised as to the reason why CMH would not be a teaching hospital in Chinese medicine. There was also a view that the support to be provided by the hospital in the areas of teaching, clinical internships and scientific research would be limited if the three local universities offering full-time degree programmes in Chinese medicine would have no involvement in the operation of the hospital. The Panel passed a motion at its meeting on 19 May 2014 urging the Administration to, among others, incorporate CMH into the public healthcare system with the provision of recurrent funding from the Government.

9. Members were subsequently advised that after thorough consideration of the views received in a non-binding expression of interest exercise launched from January to May 2016 and in consultation with the Chinese Medicine Practice Subcommittee, the Administration decided in January 2017 to finance the construction of CMH and HA was invited to assist in identifying a suitable non-profit-making organization by tender to operate the hospital. HA had also commissioned an international consultant to conduct a two-stage consultation exercise with local stakeholders and overseas experts on the mode of development of CMH covering governance structure, business model, operational model, financial model and contract management. It was expected that the consultant would finalize the analysis report by the first half of 2018. Upon completion of the consultation and the analysis report, the Administration would announce the development framework for major areas of CMH.

10. At the meeting of the Panel on 15 October 2018 to receive briefing from the Secretary for Food and Health on the Chief Executive's 2018 Policy Address,

members were advised that recurrent funding would be provided to support the defined Chinese medicine services, training and research of CMH. The Hospital would also be allowed to flexibly invest in and offer add-on market-oriented Chinese medicine services. Members were further advised at the meeting of the Subcommittee on 20 January 2020 that CMH would be operated under a public-private partnership model.

11. Some members enquired the positioning of and collaboration among CMH, Chinese Medicine Centres for Training and Research ("CMCTRs")<sup>3</sup> and the ICWM Pilot Programme. According to the Administration, CMH would focus on subsidized inpatient and market-oriented Chinese medicine services, whereas CMCTRs would concentrate on subsidized outpatient services. CMCTRs would network closely with CMH as satellite clinics in service provision and as training and research centres. The feasibility of making referrals between CMH and CMCTRs would be explored.

#### Fees and charges

12. Members sought information on the level of fees and charges of CMH and the adjustment mechanism in this regard. The Administration advised that the fees and charges of the services would be set nearer the time of service commencement and due regard would be made to the relevant rates of CMCTRs and the private sector.

#### Service commencement and manpower requirement

13. Question was raised about the timetable for the construction and service commencement of CMH. According to the Administration, it had commenced the pre-qualification exercise in September 2019 to invite interested and qualified organizations to submit applications for pre-qualification to be the operator of CMH. It was expected that no more than four non-profit-making organizations which were pre-qualified tenderers would be invited to participate in the official tender process to be held in around mid-2020 and the selection was expected to be finalized by the end of 2020. As regards the construction of CMH, the invitation to tender would be conducted in mid-2020. The services of CMH was targeted to commence in phases by the end of 2024 the earliest.

14. There was a concern that the service commencement of CMH might drain experienced CMPs currently working in CMCTRs and sought information on the Administration's medium and long-term plan to attract more talents to serve

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<sup>3</sup> The Chinese Medicine Centres for Training and Research were renamed as Chinese Medicine Clinics cum Training and Research Centres on 1 March 2020.

as CMPs. Question was also raised about the respective roles of Western medicine nurses and nurses who had received training in Chinese medicine nursing care in CMH and if the training element of Western medicine in the Chinese medicine programmes would be further strengthened. Some members voiced concern about the manpower planning and professional development of Chinese medicine pharmacists alongside the service commencement of CMH. Referring to the Direct Investigation Report on Government's Regulation of proprietary Chinese medicines released by Office of The Ombudsman on 13 December 2018 ("the Ombudsman report"), some members were concerned that there was currently no registration or certification system in Hong Kong for Chinese medicine pharmacists, whom had a vital role to play in the development of Chinese medicine.

15. According to the Administration, it was projected that CMH would require about 120 to 150 CMPs of various ranks and about 200 to 250 nurses upon full scale operation. It was expected that the opening of CMH would enhance the career development of CMPs. The Administration also assured members that it would look into the professional development of Chinese medicine pharmacists by making reference to the relevant recommendations put forth in the Ombudsman report.

16. Noting that CMH would collaborate with the three local universities offering undergraduate degree courses in Chinese medicine to provide clinical training for undergraduates and postgraduates, members enquired whether these students would still need to undertake clinical clerkship at the universities' affiliated teaching hospitals in the Mainland. The Administration advised that it was expected that some clinical training would continue to take place in the Mainland.

### **Relevant papers**

17. A list of the relevant papers on the LegCo website is in the **Appendix**.

## Appendix

### Relevant papers on the development of Chinese Medicine Hospital

Committee	Date of meeting	Paper
Panel on Health Services	21.1.2013 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	18.3.2013 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	20.1.2014 (Item III)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	17.3.2014 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	19.5.2014 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	19.1.2015 (Item III)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Subcommittee on Issues Relating to the Development of Chinese Medicine	2.2.2016 *	<a href="#">Report</a>
Panel on Health Services	26.1.2017 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	16.10.2017 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	6.11.2017 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	12.2.2018 (Item VI)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	30.4.2018 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
	15.10.2018 (Item III)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	17.12.2018 (Item III)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	21.10.2019 (Item I)	<a href="#">Agenda</a>
Subcommittee on Issues Relating to the Development of Chinese Medicine	20.1.2020 (Item I)	<a href="#">Agenda</a>

\* Issue date

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