

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 9 November 2020

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

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.

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 8 June 2020, members noted that CCF had launched 57 assistance programmes, which involved a total commitment of about \$17 billion and benefitted over 1.77 million cases. Furthermore, 13 of these programmes had been regularized. As at the end of April 2020, the balance of CCF stood at about \$18.869 billion, consisting mainly of the placement of \$15.301 billion at the Hong Kong Monetary Authority ("HKMA") and bank deposits of around \$3.553 billion.

Members' deliberations

One-off Allowance for New Arrivals from Low-income Families

6. At the Panel meeting on 8 June 2020, members noted that CCF would launch the One-off Allowance for New Arrivals from Low-income Families ("One-off Allowance for New Arrivals") to provide a one-off allowance of \$10,000 to eligible new arrivals to facilitate their integration into the community. Some members considered that CCF should expedite the launch of the programme and streamline the relevant application procedures. Some other members considered that CCF should endeavour to reduce the administrative cost for implementing the programme.

7. The CCF Task Force advised that the One-off Allowance for New Arrivals would be open for application in around September 2020. It was not desirable to roll out the Cash Payout Scheme³ and the One-off Allowance for New

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.

³ The Cash Payout Scheme is an initiative for disbursing \$10,000 to each eligible Hong Kong permanent resident. The Scheme was open for registration on 21 June 2020.

Arrivals concurrently in order to avoid causing confusion to the public. As regards the administrative cost for the One-off Allowance for New Arrivals, the CCF Task Force explained that CCF had to pay an administrative fee to the implementing agencies to cover their staffing and administrative expenses in relation to the programme concerned (such as the setting up of a dedicated programme secretariat and deployment of staff to check and vet the applications). In addition, the vetting procedures of the One-off Allowance for New Arrivals were more complicated than the Cash Payout Scheme due to the differences in the eligibility criteria.

Existing CCF assistance programmes

Living subsidies for "N-have nots"

8. Members in general welcomed the launch of two rounds of the One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA Programme ("the One-off Living Subsidy Programme") to provide subsidies to the "N have- nots" in 2020 and 2021 respectively. Some members suggested that the CCF Task Force should streamline the relevant application procedures in the light of implementation experience.

9. The CCF Task Force advised that the above one-off subsidy had already been offered thrice in December 2013, January 2015 and January 2016 respectively. The CCF Task Force had not received any feedback that the application procedures were too cumbersome. Nevertheless, the CCF Task Force would keep the procedures under review to seek any necessary improvements. The CCF Task Force further advised that more than 200 service units operated by non-governmental organizations ("NGOs") would be enlisted to reach out to the "N have-nots" and render assistance to them in applying for the subsidies.

10. At the Panel meeting on 3 December 2019, members noted that the Administration aimed to complete its study on devising a scheme to provide a cash allowance to the "N have-nots" on a regular basis by the end of 2020. Some members called on the Administration to avoid the cash allowance scheme from pushing up the rent levels of private housing. There was also a suggestion that the study should cover the feasibility of implementing tenancy control.

11. The CCF Task Force advised that the CCF Secretariat had contacted some previous beneficiary households to understand their rent payment situation. It was noted that there was no obvious statistical evidence suggesting that landlords had raised the rent as a result of tenants receiving the one-off living subsidy from CCF.

Medical Assistance Programmes

12. 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 Programmes ("the First Phase Programme")⁴. 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.

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

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 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)).

⁴ 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.

16. Some members considered that CCF should relax the assessment criteria for the First Phase Programme in order to benefit more cancer patients. The CCF Task Force explained that the financial assessment criteria were aligned with that of the Samaritan Fund. It was noted that the maximum ratio for a patient's contribution to the drug cost had been reduced from 30% to 20% of his/her annual disposable financial resources.

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 expressed concern about the low usage rate of the EDA Programme. They urged the CCF Task Force to further promote the EDA Programme to eligible elders and questioned whether the application procedures were user-friendly. The CCF Task Force explained that not all of the eligible elders had a need for dentures and this might account for the low usage rate of the EDA Programme. The CCF Task Force further advised that the application procedures for the EDA Programme were relatively user-friendly and elderly centres operated by NGOs would also provide the necessary assistance to the applicants.

Subsidies for transitional housing projects

20. At the Panel meeting on 8 June 2020, members noted that CCF would launch the Subsidy for Refurbishment of Property of the MTR Corporation Limited for "T-Home" Transitional Housing Scheme – Trackside Villas to assist the Hong Kong Housing Society ("HKHS") to refurbish Trackside Villas for transitional housing. As the Trackside Villas were only let to HKHS for a period of five years for use as transitional housing, some members raised concern about what arrangements would be made for tenants concerned who were not yet

allocated public rental housing ("PRH") flats upon the end of the five-year period or expiry of their tenancy agreement. The CCF Task Force explained that since eligible applicants for transitional housing should generally have queued up for PRH for not less than three years, most tenants of Trackside Villas were expected to have received their first PRH flat offer by the time they had to move out of the transitional housing.

21. Some members considered that the Administration should secure funding through the established mechanism in taking forward transitional housing projects instead of tapping into CCF. The CCF Task Force explained that in view of the time required to seek funding approval from FC, CCF had provided funding support for six transitional housing projects with a view to facilitating their early implementation to meet urgent needs. That said, with FC's approval in March 2020 of a commitment of \$5 billion to implement the funding scheme to support transitional housing projects by NGOs, further funding support from CCF for other transitional housing projects would not be required.

22. Members sought details of the eligibility criteria under the allocation mechanism for transitional housing. The Administration informed members that for transitional housing projects funded by the Government, a major portion of the units should be open for application by applicants who had queued for PRH for not less than three years. The relevant NGOs implementing the transitional housing schemes might reserve the remaining units for other types of applicants to meet their organizational aims.

Suggestions on CCF assistance programmes

23. Some members suggested that CCF should introduce programmes to assist those who were not able to benefit from the relief measures launched under the Anti-epidemic Fund ("AEF"). They also called on CCF to introduce measures to provide short-term assistance to the unemployed amidst the prevailing economic downturn. The CCF Task Force advised that a contingency sum was available in AEF for the Steering Committee of AEF to respond to the needs that fell within the ambit of AEF but could not be anticipated at the time of funding approval. Regarding the suggested provision of short-term unemployment benefits by CCF, the CCF Task Force advised that this would duplicate the efforts of CSSA's unemployment support scheme. In addition, it would be very costly for CCF to implement such a programme.

24. 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)).

25. 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.

26. 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.

Financial position of the Community Care Fund

27. At the Panel meeting on 8 June 2020, members noted that CoP agreed an early withdrawal of CCF's \$7 billion principal from HKMA in late 2020 to meet the required cash flow of CCF's assistance programmes to be implemented from the second half of 2020. Some members enquired whether the early withdrawal would affect the investment returns on the seed capital of CCF and whether a further injection of funds into the seed capital would be necessary. They hoped that CCF and the Administration could strengthen their coordination in future to facilitate better cash flow management of CCF.

28. The CCF Task Force explained that a number of new large-scale assistance programmes would be implemented from the second half of 2020. However, such a situation could not be envisaged at the time CCF extended the placement of \$7 billion with HKMA in July 2019 upon maturity of the previous placement. CCF would liaise with HKMA regarding the withdrawal arrangements, which would likely be made in phases with reference to the cash flow requirement. The CCF Task Force advised that the financial position of CCF remained healthy and the Administration had no plan to inject additional funding into CCF's seed money.

Latest development

29. The Administration will brief the Panel on the work progress of CCF at the next meeting on 9 November 2020.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
3 November 2020

Relevant papers on Community Care Fund

Committee	Date of meeting	Paper
House Committee	20 May 2016	Report of the Subcommittee on Poverty
Panel on Home Affairs	21 December 2016 (Items III and IV)	Agenda Minutes
	26 June 2017 (Item III)	Agenda Minutes
	22 January 2018 (Item III)	Agenda Minutes
	25 June 2018 (Item III)	Agenda Minutes
	28 January 2019 (Item III)	Agenda Minutes
	27 May 2019 (Item IV)	Agenda Minutes
Legislative Council	30 October 2019	Official Record of Proceedings Pages 107 to 113
Panel on Home Affairs	3 December 2019 (Item III)	Agenda Minutes
Legislative Council	26 February 2020	Official Record of Proceedings Pages 42 to 46 and 104 to 108
	22 April 2020	Official Record of Proceedings Pages 127 to 134
	13 May 2020	Official Record of Proceedings Pages 32 to 37
	27 May 2020	Official Record of Proceedings Pages 48 to 58
Panel on Home Affairs	8 June 2020 (Item III)	Agenda Minutes

Committee	Date of meeting	Paper
Legislative Council	24 June 2020	Official Record of Proceedings Pages 230 to 242

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