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Panel on Home Affairs

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 18 June 2021

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. When the Panel was last briefed on the work progress of CCF on 9 November 2020, members noted that CCF had launched 57 assistance programmes, which involved a total commitment of about \$17 billion and benefitted over 1.89 million cases. Furthermore, 15 of these programmes had been regularized. As at the end of September 2020, the balance of CCF stood at around \$17.955 billion, consisting mainly of the placement of \$15.301 billion at the Hong Kong Monetary Authority ("HKMA") and bank deposits of around \$2.63 billion.

Members' deliberations

Existing CCF assistance programmes

Living subsidies for "N-have nots"

5. 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. Members also enquired whether or not CCF would launch a third round of the One-off Living Subsidy Programme.

6. 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. The CCF Task Force further advised that the vetting procedure to establish the eligibility of applicants for the One-off Living Subsidy Programme had been kept to the minimum necessary. Moreover, 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. The CCF Task Force advised that it currently had no plan to implement a third round of the One-off Living Subsidy Programme.

Living allowances for carers of elderly persons and persons with disabilities ("PWDs")

7. Some members considered that the Pilot Scheme on Living Allowance for Carers of Elderly Persons from Low-income Families and the Pilot Scheme on Living Allowance for Low-income Carers of PWDs ("the two Pilot Schemes") should be enhanced. In these members' view, CCF should relax the eligibility criteria of the two Pilot Schemes in order to benefit more carers, and consider increasing the living allowances provided under the two Pilot Schemes with a view to encouraging more carers to take care of the elderly persons and PWDs.

8. The CCF Task Force explained that while the Administration had provided various support services to carers of elderly persons and PWDs, the living allowances provided under the two Pilot Schemes were a form of financial assistance aiming to supplement the living expenses of carers with difficulties. The CCF Task Force further advised that the Labour and Welfare Bureau had launched a study on support for carers to explore the needs of carers with a view to formulating a more comprehensive policy. A multi-disciplinary consulting team of the Hong Kong Polytechnic University had been commissioned to assist in carrying out the study. Pending the completion of the study in 2021, the two Pilot Schemes had been extended for 36 months until end-September 2023 to continue to provide living allowances for carers in need.

Medical Assistance Programmes

9. 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")². 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.

10. 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").

² 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.

11. Some members considered that as families with members suffering from uncommon diseases were often under huge financial pressure, more drugs for curing such diseases should be covered under CCF's Medical Assistance Programmes. They enquired about the criteria for selecting new drugs to be covered in these programmes. Members also enquired whether measures would be taken to shorten the lead time for the introduction of new drugs under these programmes.

12. The CCF Task Force advised that new drugs were selected to be covered under CCF's Medical Assistance 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 these 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 of these programmes. 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 those 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

13. 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.

14. 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. The CCF Task Force advised that it had no plan to change the eligibility criteria of the EDA Programme but would closely monitor the implementation of the programme when formulating future plans. Furthermore, while free removable dentures were provided to eligible elderly persons under the EDA Programme, elderly persons could make use of the vouchers provided under the Elderly Health Care Voucher Scheme for other dental treatments as necessary.

Subsidies for transitional housing projects

15. 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.

16. 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 public rental housing 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

17. Some members suggested that CCF should introduce short-term assistance programmes to help individuals with imminent needs and especially the unemployed to tide over the difficulties arising from the Coronavirus Disease 2019 ("COVID-19") epidemic. The CCF Task Force advised that the Administration had already introduced three rounds of measures under the Anti-epidemic Fund ("AEF") to provide targeted relief to sectors and individuals hard hit by the epidemic or affected by the Government's anti-epidemic measures. The Administration would also utilize the unspent balance of AEF to introduce enhancements or new assistance measures as needed having regard to the development of the epidemic and the situations of different sectors. Considering the scale of impact caused by COVID-19 on the community and the available resources of CCF, the Administration considered it more appropriate to deploy the financial resources of the Government instead of CCF to introduce the relevant relief measures.

18. 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)).

19. 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.

20. 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

21. 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.

22. 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

23. The Administration will brief the Panel on the work progress of CCF at the next meeting on 18 June 2021.

Relevant papers

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

Council Business Division 4
Legislative Council Secretariat
11 June 2021

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
	3 December 2019 (Item III)	Agenda Minutes
	8 June 2020 (Item III)	Agenda Minutes
Legislative Council	24 June 2020	Official Record of Proceedings Pages 230 to 242
Panel on Home Affairs	9 November 2020 (Item VI)	Agenda Minutes
Legislative Council	18 November 2020	Official Record of Proceedings Pages 96 to 100
	2 December 2020	Official Record of Proceedings Pages 6 to 16
	9 December 2020	Official Record of Proceedings Pages 82 to 84

Committee	Date of meeting	Paper
	13 January 2021	Official Record of Proceedings Pages 106 to 113
	24 February 2021	Official Record of Proceedings Pages 98 to 103
	5 May 2021	Official Record of Proceedings Pages 102 to 109

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