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Panel on Public Service

Meeting on 16 November 2020

**Updated background brief on medical and dental benefits for
civil servants, pensioners and eligible persons**

Purpose

This paper provides background information on the provision of medical and dental benefits for civil service eligible persons ("CSEPs").¹ It also summarizes the major concerns expressed by members when the subject was discussed at meetings of the Panel on Public Service ("the Panel").

Background

2. The Government, as the employer of civil servants, has a contractual obligation to provide medical and dental benefits for CSEPs ("civil service medical benefits"). The scope of such benefits is set out in the relevant Civil Service Regulations ("CSRs"), Civil Service Bureau Circulars and Circular Memoranda. These provisions form part of the terms and conditions of employment of civil servants.

3. Since 1979, the Civil Service Bureau ("CSB") has established the Standing Committee on Medical and Dental Facilities for Civil Servants

¹ CSEPs consist of:

- (a) monthly paid civil servants and their eligible dependants;
- (b) retired civil servants living in Hong Kong and in receipt of a pension or an annual allowance and their eligible dependants living in Hong Kong;
- (c) eligible dependants of civil servants killed on duty and living in Hong Kong;
- (d) eligible dependants living in Hong Kong and in receipt of a pension under the Widows and Orphans Pension Scheme or the Surviving Spouses' and Children's Pension Scheme following the death of civil servants while in service or after retirement; and
- (e) other persons who are eligible for civil service medical benefits by way of their terms of appointment.

("SCMDF") to provide a forum to discuss matters on civil service medical benefits. SCMDF comprises representatives from the staff sides of the four Central Consultative Councils,² CSB, the Department of Health ("DH"), the Hospital Authority ("HA") and the Food and Health Bureau.

Scope of benefits

4. Under the existing policy, CSEPs are entitled to medical and dental treatment and services that are provided by DH or HA free of charge, save for the charges applicable to hospital maintenance, dentures and dental appliances as provided for in CSRs.³ CSEPs may also apply to DH for reimbursement/direct payment of medical expenses, including those drugs which are classified as self-financed items in HA's Drug Formulary, if the attending HA/DH doctors certify that the drugs, equipment and services concerned are prescribed as medical necessity and are chargeable by HA or not available in HA/DH.

5. Financial provisions of about \$1,070 million and \$1,350 million were earmarked in the 2020-2021 Draft Estimates of Expenditure for providing medical and dental services at Families Clinics and Government Dental Clinics, and the payment and reimbursement of medical fees and hospital charges for CSEPs respectively.⁴

Medical and dental services for civil service eligible persons

6. DH is at present operating six Families Clinics for the dedicated use by CSEPs, and it is planning for the establishment of the seventh Families Clinic in Tseung Kwan O and the eighth Families Clinic in Kwun Tong. The Integrated Care Programme (formerly known as Risk Assessment and Management Programme) and Stable Drug Use Pilot Programme⁵ have been launched from March 2020 at Families Clinics to release doctor consultation

² They are the Senior Civil Service Council, Disciplined Services Consultative Council, Model Scale 1 Staff Consultative Council and Police Force Council.

³ CSR Annex 6.1 sets out the hospital maintenance fees applicable to all CSEPs. CSR Annex 6.2 sets out the schedule of charges for dentures, dental appliances and other restorations in accordance with a civil servant's monthly salary at specified Master Pay Scale ("MPS") pay points or equivalent. For pensioners, their monthly pension will be benchmarked against the MPS pay points for determining the applicable level of charges.

⁴ See the speaking notes of Secretary for the Civil Service at the Special Meeting of the Finance Committee of the Legislative Council on 7 April 2020 for details.

⁵ The former Programme is aimed at improving the quality of care for patients with diabetes mellitus and identifying early complications so that the extra consultation time arising from complications can be reduced, and the latter one seeks to enhance drug safety for patients with chronic diseases and stable conditions who are required to take multiple types of drugs, and to minimize their needs for follow-up consultations with doctors.

quota for allocation to other CSEPs in need.⁶ The attendances of CSEPs at Families Clinics were around 281 000 in 2019. The total expenditure incurred by Families Clinics in 2018-2019 was \$166.1 million and the revised estimate for 2019-2020 is \$191.5 million.⁷

7. Besides the Families Clinics, CSEPs may also visit 72 General Outpatient Clinics⁸ ("GOPCs") under the management of HA for episodic diseases free of charge. Most of these GOPCs have specified varying numbers of priority discs during normal day clinic sessions for serving civil servants who need medical treatment. In addition, dedicated clinic sessions for specialist outpatient services for the exclusive use of CSEPs are available at L Block of the Queen Elizabeth Hospital, 9H Specialist Clinic in the Prince of Wales Hospital and Saturday Specialist Out-patient Clinic in the Queen Mary Hospital. Moreover, an imaging centre was set up at the Queen Elizabeth Hospital to provide dedicated general computed tomography, magnetic resonance imaging and ultrasound scanning services for the use of CSEPs.

8. There are currently 40 General Dental Clinics, two Orthodontic Clinics and a Prosthodontic Clinic under DH providing dental services to CSEPs. The seven new dental surgeries have commenced full operation.⁹ DH is operating a total close to 260 general dental surgeries for the exclusive use by CSEPs. The attendances of CSEPs at Government Dental Clinics (including Oral and Maxillofacial Surgery and Dental Units in hospitals) were 756 500 in 2019.¹⁰ With a view to shortening the waiting time of CSEPs at Dental Clinics with higher service demands, DH has, among others, redeployed resources for specialized and general dental services in the light of the service demand in individual Dental Clinics. To further enhance the dental services for CSEPs, the DH will create more Dental Hygienist posts by phases starting from 2019-2020. The duties of the additional manpower will focus mainly on the provision of oral cleansing treatment and oral care education for patients with a view to fostering good habits of dental care and hygiene among CSEPs. The actual expenditure on dental services provided for CSEPs in 2018-2019 was \$708.5 million, and the revised estimate for 2019-2020 is \$766.5 million.¹¹

⁶ Administration's paper on the policy measures of the Civil Service Bureau in the 2019 Policy Address ([LC Paper No. CB\(4\)8/19-20\(01\)](#))

⁷ [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2020-2021 \(Reply Serial No. CSB066\)](#).

⁸ The clinic service of Tsing Yi Cheung Hong General Out-patient Clinic is temporarily relocated to Tsing Yi Town GOPC for renovation from 2 March 2020 onwards. Clinic service is expected to resume at original site in 1st quarter of 2021.

⁹ [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2020-2021 \(Reply Serial No. CSB110\)](#).

¹⁰ [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2020-2021 \(Reply Serial No. CSB066\)](#).

¹¹ [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2020-2021 \(Reply Serial No. CSB108\)](#).

9. A pilot scheme for provision of Chinese Medicine ("CM") services for CSEPs has launched on 2 March 2020. Under the pilot scheme, free CM services, including general consultation and acupuncture services for treatment purpose, will be provided at two Civil Service Chinese Medicine Clinics located at the Chinese Medicine Clinic cum Training and Research Centre in Pamela Youde Nethersole Eastern Hospital and Yan Chai Hospital respectively to CSEPs. On provision of general consultation, depending on the clinical condition of patients, up to a maximum of five doses of CM products (Chinese herbal medicine or Chinese medicine granules) will be provided to patients per attendance. Decoction service is not covered in the free CM service. As for acupuncture service, no CM products will be provided.

Past discussions

10. The major views and concerns expressed by Panel members in previous meetings and the Administration's responses are summarized below.

Provision of Chinese medicine services

11. Noting that a pilot scheme for provision of CM services for CSEPs would be launched, some members enquired whether the Administration would consider setting up more service points in other districts, such as at the new Tseung Kwan O Chinese Medicine Hospital or on Kowloon side. There was also suggestion of engaging medical organizations to provide mobile clinics in the vicinity of government offices to facilitate civil servants' convenient access to Chinese medicine services and allowing CSEPs to claim reimbursement for procuring Chinese medicine services in the private market. The Administration explained that its preliminary inclination was to provide Chinese medicine services for CSEPs at dedicated clinic facilities. The Administration responded that the pilot scheme would be reviewed about one year after its commencement, and then consider the long-term arrangements. For the proposed reimbursement, the Administration stated that it would not pursue the suggestion for the time being as it would be difficult to control the cost and quality of service provided by the private healthcare sector.

Taking out medical insurance for civil servants

12. In response to the suggestion about taking out medical insurance for civil servants, the Administration advised that it would involve fundamental changes in the policy relating to civil service medical benefits and give rise to significant financial implications, hence the Administration had to make thorough and careful consideration.

Provision of Families Clinic, medical and dental services for civil service eligible persons

13. In response to the enquiry on whether the Families Clinics had enhanced the provision of clinical psychological services to civil servants, the Administration advised that Families Clinics had been providing clinical psychological services, including offering individual counselling and organizing health talks to enhance mental health education, since 2016. In 2018, the attendances of CSEPs for clinical psychology services at Families Clinics was around 2 200 and about 100 mental health talks were organized. Separately, the Christian Family Service Centre was commissioned to provide hotline counselling service on stress management to government staff. The service included telephone and face-to-face counselling and referral for clinical psychological and psychiatric services. CSB had also organized training to help staff handle work stress.

14. Some members concerned whether the general dental surgeries and specialized dental surgeries could catch up with the needs of CSEPs, the Administration advised that the number of general dental surgeries for the exclusive use by CSEPs had an around 45% increase from 2008-2009 to 2018-2019, and the percentage of increase in the number of orthodontic surgeries in the same period was around 31%. The Panel was informed that the waiting time of CSEPs for periodontal service and prosthodontic service had been shortened.

15. The Administration advised that it would strive to provide more dedicated medical and dental facilities in different geographic locations for exclusive use by CSEPs and in the context of HA's "10-year Hospital Development Plan", and such facilities would be incorporated into new Government buildings where practicable at the initial planning stage of the buildings. Moreover, the Administration would focus on enhancing the dedicated specialist out-patient services for CSEPs with a view to shortening the waiting time of new cases and follow-up cases. CSB had also been following up with HA on the issue of providing priority discs for CSEPs in evening sessions of GOPCs and would report the progress to members as appropriate.

16. Panel members expressed concern on whether the arrangement of reserving priority discs at GOPCs for serving civil servants would prolong the waiting time of members of the public. The Administration advised that reserving priority discs for serving civil servants at GOPCs was an established arrangement to enable civil servants to receive medical treatment and return to work, if considered fit, as early as possible to maintain normal workforce. The number of priority discs reserved for civil servants was only around 10% of the total number of quota available in GOPCs, in which only about 64% of the reserved total was attended by civil servants.

Reimbursement of medical expenses

17. In response to members' concern on the substantial increase in the expenditure on reimbursement of medical expenses from 2017-2018 to 2019-2020, the Administration explained that under the existing policy, CSEPs might apply to the Government for reimbursement of expenses on drugs/equipment/services which formed an essential part of the medical treatment as prescribed and certified by the attending HA doctors on medical grounds but were either chargeable by or not available in HA. The payment/reimbursement of medical fee and hospital charges was largely demand-driven, and the estimated provision for the reimbursement was worked out on the basis of the relevant actual expenses incurred in the previous years.

Post-retirement medical protection for civil servants appointed on or after 1 June 2000

18. Panel members expressed grave concern that civil servants appointed on or after 1 June 2000 on the New Permanent Terms ("NPT") of Appointment would cease to enjoy civil service medical benefits upon retiring from the civil service. They were worried that this would affect the job stability and morale of these civil servants who would gradually make up the whole civil service. Members called on the Administration to explore the feasibility of providing post-retirement medical benefits for these civil servants. Some members further suggested reviewing the overall terms and conditions of service of these civil servants, having regard to the current economic condition.

19. The Administration explained that due to financial austerity in the late-1990s, a series of civil service reforms were carried out in the civil service. These reforms included revision of the terms and conditions of service for civil servants, such as their medical and dental benefits, leave entitlement and retirement schemes. According to the new terms and conditions of service for civil servants appointed on or after 1 June 2000 on NPT, they would no longer enjoy civil service medical benefits after retirement. This new package had been drawn up after extensive consultation. The Administration advised that it was open-minded on whether a review on the terms of employment of civil servants on NPT should be carried out, but this might cause repercussions in the society and must be dealt with in a cautious manner. Due attention should also be given to the prospect of opening up a comprehensive examination of discrepancy between pay packages received by civil servants under different terms of employment.

Provision of civil service medical benefits to non-civil service contract staff

20. Members were of the view that the Administration should at least provide all non-civil service contract ("NCSC") staff and outsourced workers

with medical protection by taking out group-based medical insurance as they were employed under less favourable terms and conditions than their civil service counterparts.

21. The Administration explained that as the civil service and NCSC appointments were two different types of employment, it was inappropriate to make direct comparison between them. NCSC staff was employed on fixed term contracts with an all-inclusive pay package. As such, no separate medical and dental benefits were provided. That said, in determining the remuneration package for NCSC staff, Heads of Departments would take into account all the relevant factors, including nature of their duties, conditions of the employment market, recruitment results and cost of living, etc., to ensure that the pay was set at a rate that was competitive with the market level.

Relevant questions raised/motion passed at Council meetings

22. Council questions relating to civil service medical benefits were raised at the meetings on 8 February and 6 December 2017 and a motion was passed by the Council at the meeting on 5 June 2019, among other things, improving the employment terms of civil servants, including expeditiously providing Chinese medicine services for all civil servants; and providing post-retirement medical and dental benefits for civil servants on NPT and their eligible dependants. The wording of the motion is in **Appendix I**. Hyperlinks to these questions/motion and the Administration's responses are in **Appendix II**.

Latest position

23. The Administration will brief members on the latest overview on the provision of civil service medical benefits at the meeting of the Panel on 16 November 2020.

Relevant papers

24. A list of relevant papers as set in Appendix II.

(Translation)

**Motion on
“Improving the employment terms of civil servants,
enhancing the efficiency of policy implementation and
promoting creativity and innovation”
moved by Hon Tony TSE
at the Council meeting of 5 June 2019**

Motion as amended by Hon HO Kai-ming and Hon Charles Peter MOK

That as the civil service will face the peak period of civil servants' retirement, the problem of manpower shortage in the civil service will gradually surface; in this connection, this Council urges the Government to adopt effective measures to improve the employment terms, manpower, working environment and continuing education and training of civil servants, so as to attract and retain talents; raise the Government's efficiency of decision-making, decision execution and vetting and approval process, and strengthen inter-bureau and inter-departmental cooperation and coordination; and enhance middle and senior civil servants' creative mindset and capacity to manage changes, and promote the application and research and development of innovative technology in various government departments; specific measures to improve the employment terms and manpower problem of civil servants are as follows:

- (1) increasing the number of permanent posts to attract more people to join the civil service;
- (2) reviewing the deduction of payroll cost of increments arrangement under the pay adjustment mechanism of the civil service;
- (3) extending the option to extend service to civil servants under the old scheme, so that they can choose to retire at the age of 65 (for civilian grades) or 60 (for disciplined services grades);
- (4) comprehensively implementing five-day week to enable the remaining 20% of civil servants who have yet to work on a five-day week pattern to expeditiously benefit from the measure;
- (5) increasing the number of annual leave days of civil servants under the new scheme;

- (6) expeditiously providing Chinese medicine services for all civil servants; and
- (7) providing post-retirement medical and dental benefits for civil servants under the new scheme and their eligible dependants;

Other specific measures include:

- (8) training civil servants to effectively use new technology to address the changes in the demand for and expectations of government services in the community, so as to deliver better public services to the people in a more efficient and innovative way;
- (9) improving the establishment of civil servants, including exploring the inclusion of the information technology ('IT') profession in the list of civil service professional grades and reviewing afresh the arrangement of employing IT staff through the 'body-shopping' contract (i.e.'T-contract'), so as to raise the professional status of IT staff; and
- (10) drawing reference from overseas places such as the United Kingdom and Singapore to provide courses for frontline civil servants on data analytics and science, artificial intelligence, user-oriented design, agile delivery, etc., so as to systematically train civil servants' capacity to use innovative technology.

Appendix II

Medical and dental benefits for civil servants, pensioners and eligible persons

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	15 February 2016	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
	20 March 2017	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
	21 April 2017	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
	19 March 2018	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes

Meeting	Date of meeting	Paper
	15 October 2018 (Policy Address)	Administration's paper Minutes
	4 November 2019 (Policy Address)	Administration's paper
	16 December 2019	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
Council Meeting	8 February 2017	Question raised by Hon CHAN Han-pan on "Medical and dental benefits for civil servants and eligible persons"
	6 December 2017	Question raised by Dr Hon Elizabeth QUAT on "Welfare for staff members of the disciplined services"
	5 June 2019	Record of Proceedings Pages 223 - 346 (motion raised by Hon Tony TSE and the amendments to the motion moved by Hon HO Kai-ming, Hon Charles Peter MOK, Hon Jeremy TAM and Hon Holden CHOW)