

**For information on
19 March 2012**

LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE

**OVERVIEW OF MEDICAL AND DENTAL BENEFITS
FOR CIVIL SERVANTS, PENSIONERS AND ELIGIBLE DEPENDANTS**

PURPOSE

This paper provides Members with the latest overview on the provision of medical and dental benefits (hereafter referred to as “civil service medical benefits”) to civil service eligible persons¹.

BACKGROUND

2. The Government, as the employer of civil servants, has a contractual obligation to provide 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. Those provisions form part of the terms and conditions of employment of civil servants.

¹ Civil service eligible persons 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.

3. In general, civil service eligible persons are entitled to medical and dental treatment and services that are provided by the Department of Health (DH) or the Hospital Authority (HA) free of charge, save for the charges applicable to hospital maintenance, dentures and dental appliances as provided for in the CSRs². They may also apply to DH for reimbursement of medical expenses if the attending HA doctors certify that the drugs, equipment and services concerned are prescribed in accordance with medical necessity and are chargeable by HA or not available in HA³.

IMPROVEMENT MEASURES SCHEDULED FOR IMPLEMENTATION IN 2011-12

4. We last briefed Members at the Panel meeting on 16 March 2011 vide LC Paper No. CB(1)1544/10-11(05) on measures planned for implementation in 2011-12 to improve civil service medical benefits. A brief update on the implementation of those measures are set out in paragraphs 5 to 11 below.

(i) Reimbursement of medical expenses

5. A provision of \$380 million was previously earmarked in the Original Estimates for 2011-12 to meet the anticipated increase in applications for reimbursement of medical expenses from civil service eligible persons. Based on the actual expenditure position up to the end of 2011, we have proposed to adjust the provision downward to \$320 million in the Revised Estimates for 2011-12. The revised estimated expenditure for 2011-12 represents an increase of 20% over the actual expenditure of \$267 million in 2010-11.

6. For the first nine months of 2011-12 (i.e. 1 April 2011 to 31 December 2011), DH has approved 30 506 applications for reimbursement of medical expenses from civil service eligible persons, amounting to \$203 million. The major reimbursement items included drugs, medical equipment and services. They accounted for 68%, 24% and 5% of the total reimbursement expenditure respectively.

7. We have also implemented a direct payment arrangement with HA for selected drugs, medical items and treatment⁴. Under this arrangement, HA will provide the required items to civil service eligible persons first and DH will settle the payment with

² CSR Annex 6.1 sets out the hospital maintenance fees applicable to all civil service eligible persons. 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.

³ Similar reimbursement arrangement also applies to drugs prescribed by the attending doctors of DH's families clinics which form an essential part of the medical treatment to the patients concerned on medical ground but not available in DH's dispensaries.

⁴ These include percutaneous transluminal coronary angioplasty (PTCA) procedures, intraocular lens operation, non-PTCA consumables for interventional cardiology, positron emission tomography (PET) service, and cancer drugs provided by HA.

HA direct. As at 31 December 2011, around 57% of the total reimbursement expenditure in 2011-12 was covered by the direct payment arrangement. A working group comprising representatives of DH, HA and Civil Service Bureau was formed in 2011 to examine the feasibility of further extending the coverage of the direct payment arrangement to all drugs provided by HA to civil service eligible persons and to work out the detailed logistics.

8. DH has introduced a new performance pledge, namely to process at least 90% of applications for reimbursement of medical expenses within four weeks with effect from January 2011. For the calendar year of 2011, DH more than met the above pledge as it was able to process 98% of the reimbursement applications within four weeks.

(ii) Dental service

9. DH has opened eight new general dental surgeries between July 2011 and February 2012 and plans to open another eight general dental surgeries by phases from March 2012 onwards. These additional general dental surgeries will provide a total of 28 000 service hours annually, representing an increase of about 9.2% of DH's total general dental service hour capacity in 2010-11.

10. Separately, two new orthodontic dental surgeries are scheduled to commence operation in Q4 2012. These additional orthodontic dental surgeries will provide a total of 3 500 service hours annually, representing an increase of about 15% of DH's total orthodontic service hour capacity in 2010-11.

(iii) Enhanced specialist out-patient services

11. With the provision of additional resources, we are working in collaboration with HA to set up a dedicated specialist out-patient clinic at the Prince of Wales Hospital to serve civil service eligible persons. The new facility will provide general specialist out-patient services in seven specialist areas, and is scheduled to commence operation this month (i.e. March 2012).

IMPROVEMENT MEASURES TO BE IMPLEMENTED IN 2012-13

12. Subject to approval of the 2012-13 Draft Estimates of Expenditure by the Legislative Council, we will further improve the provision of civil service medical benefits in 2012-13 as follows –

- (a) increase the provision for reimbursement of medical expenses from the Revised Estimate of \$320 million in 2011-12 to \$410 million in 2012-13 to meet an anticipated increase in applications from civil service eligible persons. This represents an increase of 28%;
- (b) continue to work with HA and DH to extend the direct payment arrangement to cover all drugs provided by HA to civil service eligible

persons;

- (c) provide 17 additional general dental surgeries with a total capacity of 29 750 service hours annually. This represents an increase of 9.7% of DH's total general dental service hour capacity in 2010-11;
- (d) work with DH to improve the dispensary service at the Hong Kong Families Clinic; and
- (e) work with HA to explore ways to further enhance the provision of specialist out-patient services to civil service eligible persons.

ADVICE SOUGHT

13. Members are invited to note the information in this paper.

Civil Service Bureau
March 2012