

**For information on  
16 March 2011**

## **LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE**

### **MEDICAL AND DENTAL BENEFITS FOR SERVING CIVIL SERVANTS, PENSIONERS AND ELIGIBLE DEPENDANTS**

#### **PURPOSE**

This paper updates Members on the provision of medical and dental benefits to civil service eligible persons<sup>1</sup> (hereafter referred to as “civil service medical benefits”).

#### **BACKGROUND**

2. The Government, as the employer, has a contractual obligation to provide medical benefits to civil service eligible persons. 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.

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<sup>1</sup> 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.

Civil servants appointed on or after 1 June 2000 on new terms and their eligible dependants enjoy civil service medical and dental benefits while the civil servants are in service by virtue of (a) above. As these civil servants are covered by the Mandatory Provident Fund Scheme or the Civil Service Provident Fund Scheme and are not eligible for pension benefits, they and their dependants cease to enjoy civil service medical and dental benefits upon their departure from the Government. The only exception is those civil servants on new terms whose service is terminated as a result of injury on duty or occupational disease. They (but not their dependants) will continue to be eligible for civil service medical and dental benefits (in addition to incapacity benefits) after they leave the service and until they die.

3. Civil service eligible persons are entitled to medical 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 CSRs<sup>2</sup>. 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 the medical necessity of the patients and are chargeable by HA or not available in HA<sup>3</sup>.

## **IMPROVEMENT MEASURES**

### **(A) Improvement measures implemented in 2010-11**

4. Since we last briefed Members at the Panel meeting on 19 April 2010, we have implemented the improvement measures set out in paragraphs 5 to 13 below in 2010-2011.

#### ***(i) Reimbursement of medical expenses***

5. To meet the anticipated increase of applications from civil service eligible persons, the provision for reimbursement of medical expenses was increased to \$335.4 million in the original estimate for 2010-11. Based on the latest actual expenditure position, we have proposed to adjust the provision downward to \$290 million in the revised estimates for 2010-11. The revised estimated expenditure represents an increase of 30% over the actual expenditure of \$222.6 million in 2009-10.

6. For the first nine months of 2010-11 (i.e. 1 April 2010 to 31 December 2010), DH has approved 30 210 applications for reimbursement of medical expenses from civil service eligible persons, amounting to \$195.9 million. The major reimbursement items included drugs, medical equipment and services. They accounted for 67%, 25% and 6% of the total reimbursement expenditure respectively.

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<sup>2</sup> 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.

<sup>3</sup> 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.

7. We have also implemented a direct payment arrangement with HA for selected drugs, medical items and treatment<sup>4</sup>. Under this arrangement, HA will purchase the required items on behalf of the patient and DH will settle the payment with HA direct. As at 31 December 2010, around 55.5% of the total reimbursement expenditure in 2010-11 was covered by the direct payment arrangement.

8. In addition, we have strengthened the administrative and accounting support in processing reimbursement of medical fees and payment of hospital charges with a view to shortening the processing time as far as practicable.

**(ii) Dental service**

9. We secured additional provision in 2009-10 to open eleven additional general dental surgeries to cope with the increasing demand from civil service eligible persons for dental services. Four of them have already commenced operation in 2009-10, and the remaining seven will commence operation in Q3/Q4 2011 by phases upon completion of the necessary building and refurbishment works. Upon the commissioning of all the additional surgeries, an additional 12 250 service hours will be provided annually, representing an increase of about 3.8% of DH's total general dental service hours available in 2009-10.

10. We have also secured additional provision in 2010-11 to provide three additional orthodontic dental surgeries. Upon their commissioning in Q1/Q2 2012, they will bring about an increase of 5 250 service hours annually, representing an increase of 22.2% of the total orthodontic service hours available in 2009-10.

**(iii) Families clinics**

11. We secured additional provision in 2009-10 to expand the families clinics service for civil service eligible persons. A new clinic, the New Territories Families Clinic, which commenced partial operation in March 2010, has been operating in full swing since November 2010 after all the required medical staff have been recruited. Coupled with the expansion of the Hong Kong Families Clinic effected since February 2010, the overall service capacity of DH's families clinic has increased by 40%, from 20 consultation rooms to 28 consultation rooms.

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<sup>4</sup> 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.

***(iv) Enhancement of diagnostic services***

12. With the provision of additional resources, we introduced in January 2010 an interim arrangement under which extra sessions of Computed Tomography (CT), Magnetic Resonance Imaging (MRI) and ultrasound scanning services were provided at two HA hospitals to enhance the diagnostic services for civil service eligible persons. With effect from January 2011, we have replaced the interim arrangement with a new Imaging Centre at a HA hospital for civil service eligible persons. The new Centre provides an additional avenue for civil service eligible persons to receive CT, MRI or ultrasound scanning services as prescribed by the attending HA specialist doctor, in addition to the existing diagnostic services available at other HA facilities. The enhanced measure has improved the waiting time of civil service eligible persons for the concerned diagnostic services without affecting the services provided to the public.

***(v) Enhanced specialist out-patient services***

13. With the provision of additional resources, we have increased specialist out-patient services for civil service eligible persons since October 2010, through adding one clinic session each per week in the areas of medicine, surgery, and family medicine at a HA hospital. The enhanced services can bring about an increase of around 1 600 attendances in the first year and 2 000 attendances annually in subsequent years.

**(B) Improvement measures to be implemented in 2011-12**

14. Subject to approval of the 2011-12 Draft Estimates of Expenditure by the Legislative Council, we will further improve the provision of civil service medical benefits in 2011-12 as follows –

- (a) increase the provision for reimbursement of medical expenses from the revised estimate of \$290 million in 2010-11 to \$380 million in 2011-12 to meet the anticipated increase in applications from civil service eligible persons. This represents an increase of 31%. In the 2011-12 Draft Estimates of Expenditure, Director of Health has introduced a new performance pledge, namely to process at least 90% of applications for reimbursement of medical expenses within four weeks;
- (b) establish a new dedicated specialist out-patient clinic for civil service eligible persons at a HA hospital;
- (c) provide nine additional general dental surgeries. This will bring about an increase of 15 750 service hours annually, representing an increase of 4.8% of the projected total general dental service hours available in 2010-11; and
- (d) continue to work with HA and DH to further streamline the procedures on reimbursement of medical expenses by extending the direct payment arrangement to cover all drugs provided by HA.

## **CHINESE MEDICINE**

15. The scope of medical benefits for civil service eligible persons is defined as those medical services provided by the Government or HA. As DH and HA do not offer any standard Chinese medicine general outpatient service, Chinese medicine does not fall within the scope of civil service medical benefits.

16. In connection with the above, we note that HA is involved in a tripartite collaboration, under which it and non-governmental organisations and local universities operate public Chinese medicine clinics (CMCs) to promote the development of “evidence-based” Chinese medicine practice through clinical research, develop standards in Chinese medicine practice, improve Chinese medicine training and develop models of interface between western and Chinese medicine. Having regard to the main purpose of these CMCs and to the fact that they are operated on a self-financing basis, they are distinguished from the Government-funded medical services provided by the HA. Should there be significant changes to the nature and mode of service delivery of the CMCs in future, we will review their implications on civil service medical benefits.

## **WAY FORWARD**

17. We will continue to work closely with HA and DH to further enhance the medical and dental services for civil service eligible persons, taking into account the Government’s contractual obligation, the financial implications and cost-effectiveness of any proposed improvement measures.

18. Members are invited to note the contents of this paper.

Civil Service Bureau  
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