

**For information on
18 March 2013**

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 2012-13

4. We last briefed Members at the Panel meeting on 19 March 2012 vide LC Paper No. CB(1)1217/11-12(05) on measures planned for implementation in 2012-13 to improve civil service medical benefits. A brief update on the implementation of those measures are set out in paragraphs 5 to 12 below.

(i) Reimbursement of medical expenses

5. A provision of \$410 million was earmarked in the Original Estimates for 2012-13 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 2012, we have proposed to adjust the provision to \$350 million in the Revised Estimates for 2012-13. The revised estimated expenditure for 2012-13 still represents an increase of 21% over the actual expenditure of \$289.9 million in 2011-12.

6. For the first nine months of 2012-13 (i.e. 1 April 2012 to 31 December 2012), DH has approved 32,403 applications for reimbursement of medical expenses from civil service eligible persons, amounting to \$218.4 million. The major reimbursement items included drugs, medical equipment and services. They accounted for 68%, 24% and 6% of the total reimbursement expenditure respectively.

7. As at 31 December 2012, around 57% of the total reimbursement expenditure in 2012-13 was covered by the direct payment arrangement for specified drugs/service/equipment, including: percutaneous transluminal coronary angioplasty (PTCA) procedures, intraocular lens operation, non-PTCA consumables for interventional cardiology, positron emission tomography (PET) service and cancer drugs

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.

provided by HA. Under this arrangement, HA will provide the required items to civil service eligible persons first and DH will settle the payment with HA direct. As an improvement measure, we will further extend the direct payment arrangement to cover all drugs provided by HA by end March 2013.

8. DH has pledged to process at least 90% of applications for reimbursement of medical expenses within four weeks. For the calendar year of 2012, DH more than met the above pledge, with 98% of the reimbursement applications processed within four weeks.

(ii) Dental service

9. DH has opened eight new general dental surgeries between March 2012 and October 2012 and plans to open another 17 general dental surgeries by phases from May 2013 onwards. These 25 additional general dental surgeries will provide a total of 43,750 service hours annually, representing an increase of about 14.1% of DH's total general dental service hour capacity in 2011-12.

10. Separately, two new orthodontic dental surgeries commenced operation in October 2012. These additional orthodontic dental surgeries will provide a total of 3,500 service hours annually, representing an increase of about 15.4% of DH's total orthodontic service hour capacity in 2011-12.

(iii) Families Clinic Services

11. DH will set up a new dispensary at the Tang Chi Ngong Specialist Clinic Building to serve the department's clinics thereat, including the Hong Kong Families Clinic. We expect the new dispensary to commence service by end 2014.

(iv) Enhanced specialist out-patient (SOP) services

12. The 9H Specialist Clinic (9HSC) in the Prince of Wales Hospital and the Saturday Specialist Out-patient (SSOP) Clinic in the Queen Mary Hospital commenced operation in March and September 2012 respectively to provide dedicated general SOP service for the exclusive use of civil service eligible persons. 9HSC and the SSOP Clinic serve as a bridging measure to supplement HA's existing provision of SOP services to civil service eligible persons by helping to shorten the waiting time for civil service eligible persons' new SOP cases. For the month of December 2012, the waiting time for first appointment for the various general specialties in 9HSC and SSOP Clinic ranged from one to two weeks, while the average reduction in waiting times (i.e. difference in waiting time between appointment date at 9HSC or SSOP Clinic and appointment date at the original HA SOP clinic) ranged from several months to over a year.

IMPROVEMENT MEASURES TO BE IMPLEMENTED IN 2013-14

13. Subject to approval of the 2013-14 Draft Estimates of Expenditure by the Legislative Council, we will further improve the provision of civil service medical benefits in 2013-14 as follows –

- (a) increase the provision for reimbursement of medical expenses from the Revised Estimates of \$350 million in 2012-13 to \$420 million in 2013-14 to meet an anticipated increase in applications from civil service eligible persons. This represents an increase of 20%. We will also continue to work with HA and DH to explore the feasibility of covering more medical items and services in the direct payment arrangement;
- (b) provide 17 additional general dental surgeries with a total capacity of 29,750 service hours per annum. This represents an increase of 9.6% of DH's total general dental service hour capacity in 2011-12; and
- (c) increase the number of consultation rooms in Kowloon Families Clinic from six to ten upon its relocation to the Joint-user Complex at Bailey Street.

CHINESE MEDICINE

14. We are fully aware of the suggestion that Chinese medicine service should be provided as part of civil service medical benefits. As mentioned in paragraph 3 above, the scope of medical benefits for civil service eligible persons is defined as those medical services provided by DH or HA.

15. Presently, DH does not operate any Chinese medicine clinics (CMCs). HA has adopted a tripartite collaboration model, under which it and non-governmental organisations and local universities operate public 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, the CMCs are distinguished from the Government-funded medical services provided by the HA. As such, Chinese medicine service does not fall within the scope of civil service medical benefits and falls outside the Government's contractual obligation in its capacity as an employer. The Government has no plan to expand the scope of civil service medical benefits to include CMCs at this stage. But we would keep in view of any significant changes to the nature and mode of service delivery of the CMCs in future that would merit a review of their implications on civil service medical benefits.

WAY FORWARD

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

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

Civil Service Bureau
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