

**For information on
17 February 2014**

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. Civil service eligible persons may also apply to DH for reimbursement of medical expenses if the attending HA/DH 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 HA/DH. A direct payment arrangement is in place for DH to settle payment with HA direct if HA has incurred expenses for drugs/medical items or treatment provided to civil service eligible persons on medical necessity.

IMPROVEMENT MEASURES SCHEDULED FOR IMPLEMENTATION IN 2013-14

4. We last briefed Members at the Panel meeting on 18 March 2013 vide LC Paper No. CB(4)465/12-13(04) on measures planned for implementation in 2013-14 to improve civil service medical benefits. A brief update on the implementation of those measures is set out in paragraphs 5 to 11 below.

(i) Reimbursement of medical expenses

5. A provision of \$420 million was earmarked in the Original Estimates for 2013-14 to meet the anticipated increase in applications for reimbursement of medical expenses from civil service eligible persons. The approved provision represents an increase of 20% over the Revised Estimates of \$350 million in 2012-13.

6. For the first nine months of 2013-14 (i.e. 1 April 2013 to 31 December 2013), DH has approved 42 159 applications for reimbursement of medical expenses from civil service eligible persons, amounting to \$260.6 million. The major reimbursement items included drugs, medical equipment and services. They accounted for 70%, 22% and 6% of the total reimbursement expenditure respectively.

7. We have extended the direct payment arrangement to cover all drugs provided by HA with effect from 25 March 2013. Other specified service/equipment items covered by the direct payment arrangement include percutaneous transluminal coronary angioplasty (PTCA) procedures, intraocular lens operation, non-PTCA consumables for interventional cardiology, and positron emission tomography service. As at 31 December 2013, around 80% of the total reimbursement expenditure in 2013-14 was covered by the direct payment arrangement, as compared with 57% for the

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.

same nine-month period in 2012-13.

8. DH has pledged to process at least 90% of applications for reimbursement of medical expenses within four weeks. For the calendar year of 2013, DH more than met the above pledge, with 99% of the reimbursement applications processed within four weeks.

(ii) Dental service

9. DH has opened 15 new general dental surgeries in 2013-14 and plans to open another 19 general dental surgeries by phases from March 2014 onwards. Upon their full operation, these 34 additional general dental surgeries will provide a total of 59 500 service hours annually, representing an increase of about 18.3% of DH's total general dental service hour capacity in 2012-13.

(iii) Families Clinic Services

10. Upon its relocation to the Kowloon City Health Centre in July 2013, the number of consultation rooms in Kowloon Families Clinic (KFC) has increased from six to ten. Two of the four additional rooms have already commenced service in 2013-14. Upon the full operation of KFC, the overall service capacity of DH's families clinics will increase by about 15% from 28 consultation rooms to 32 consultation rooms.

11. Ancillary support services to the Hong Kong Families Clinic will also be strengthened with the setting up of a new dispensary at the Tang Chi Ngong Specialist Clinic Building which will serve DH's clinics thereat. We expect the new dispensary to commence service on schedule by the end of 2014, with construction works commencing in February 2014.

IMPROVEMENT MEASURES TO BE IMPLEMENTED IN 2014-15

12. Subject to approval of the 2014-15 Draft Estimates of Expenditure by the Legislative Council, we will further improve the provision of civil service medical benefits in 2014-15 as follows –

- (a) start the preparatory work for setting up a new families clinic in the New Territories East to increase the service capacity of DH's families clinics;
- (b) enhance specialised dental service by setting up oral-maxillofacial and dental surgeries for the exclusive use by civil service eligible persons with a view to shortening their waiting time for the service; and
- (c) provide additional general dental surgeries to increase the service capacity of DH's general dental clinics.

CHINESE MEDICINE SERVICE

13. The Administration has explained at previous Panel meetings the reasons for not providing Chinese medicine service as part of civil service medical benefits.

14. Presently, DH does not operate any Chinese medicine clinics (CMCs) and its role is more of a regulatory body over the Chinese medicine industry. HA also does not operate any CMCs as part of its standard services, although 17 public CMCs operating on a tripartite collaboration model involving the HA, a non-governmental organisation (NGO) and a local university have been commissioned to promote the development of “evidence-based” Chinese medicine. The NGOs are responsible for the day-to-day operation of the public CMCs, and staff of these clinics are employed by them (i.e. they are not HA staff). Having regard to the main purpose of these CMCs and their mode of operation, CMC services do not form part of HA’s standard services, and fall outside the scope of civil service medical benefits under the prevailing policy.

15. While the Administration is committed to improving civil service medical benefits within its contractual obligations, the extension of the scope of such benefits to include Chinese medicine services would require substantial additional resources. The Government has to balance competing claims in considering improvements to civil service medical benefits. Currently, we are focusing our resources on improving families clinic services and dental services which are in great demand from civil service eligible persons. The Government has no plan to expand the scope of civil service medical benefits to include Chinese medicine services at this stage.

16. Separately, the Chief Executive has announced in his 2014 Policy Address that the Government has decided to reserve a site in Tseung Kwan O to set up a Chinese medicine hospital. In this connection, the Food and Health Bureau will work with the Chinese Medicine Development Committee to carry out studies on the feasible mode of operation and regulatory details for the Chinese medicine hospital. On this basis, it is pre-mature to consider whether the Chinese medicine services to be offered by the proposed Chinese medicine hospital should be included as civil service medical services. We would keep in view of any significant changes to the nature and mode of service delivery of the Chinese medicine services in future that would merit a review of their implications on civil service medical benefits.

WAY FORWARD

17. 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.

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

Civil Service Bureau
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