

**Community Care Fund  
Medical Assistance Programmes  
(First and Second Phases) Evaluation Report and Proposal on Regularisation**

**BACKGROUND**

The Steering Committee on the Community Care Fund (CCF), at its meeting on 20 April 2011, granted approval for the Hospital Authority (HA) to administer the First and Second Phases of the CCF Medical Assistance Programmes under the supervision of the Food and Health Bureau. The First Phase Programme provides subsidy for needy HA patients to use specified self-financed (SFI) cancer drugs which have not yet been brought into the Samaritan Fund (SF) safety net. It adopts the mode of operation of the SF. The Second Phase Programme provides subsidy to needy HA patients who marginally fall outside the SF safety net for the use of SFI drugs subsidised by the SF or the First Phase Programme. It also adopts the mode of operation of SF, except that the contribution ratio of all patients is reduced from the maximum of 30% to 20% of their household annual disposable financial resources (ADFR). Applications for the First Phase and Second Phase Programmes commenced on 1 August 2011 and 16 January 2012 respectively.

**PREDETERMINED EVALUATION ARRANGEMENT**

2. The HA had, at the 3<sup>rd</sup> meeting of the CCF Medical Sub-committee held on 23 June 2011, reported progress on the preparation for the implementation of the Medical Assistance Programmes and elaborated on the programme evaluation arrangement and the specific evaluation indicators to be adopted in future evaluation. It was proposed that evaluation work would be conducted one year after programme implementation.

**PROPOSED INCORPORATION OF THE CCF ASSISTANCE PROGRAMMES INTO THE GOVERNMENT'S REGULAR ASSISTANCE**

3. Government departments and organizations entrusted to implement the CCF assistance programmes were exploring the feasibility of incorporating individual programmes into the government's regular assistance having regard to the progress of implementation. For HA, consideration had been given to exploring the feasibility of incorporating the Medical Assistance Programmes First and Second Phases into the SF. In order to explore the feasibility and prepare for the transition, the HA had advanced the evaluation of these two Programmes based on statistics as at 31 March 2012. Besides, both Programmes had adopted the same evaluation arrangement because they have adopted the SF financial assessment mechanism on SFI drug subsidy and resembled to the SF operation. The evaluation result serves as an important reference for the HA and CCF to determine the feasibility of regularizing the two Programmes.

## EVALUATION INDICATORS

4. This section mainly analyses the evaluation indicators, for example, number of patients benefited. Information was sourced from the information management system of the SF which handles both SF and CCF applications. The evaluation would analyse the following evaluation indicators :

### (a) **The First Phase Programme**

#### Types of patients benefited

Patients using specified SFI cancer drugs which have not yet been brought into the SF safety net

#### Evaluation indicators

- ◆ Number of patients benefited
- ◆ Average amount of subsidy granted for individual patients
- ◆ Average amount of subsidy granted for different groups of patients with reference to their financial conditions

Please refer to **Appendix 1** for details.

### (b) **The Second Phase Programme**

#### (i) Patients outside the SF safety net <sup>Note</sup>

##### Evaluation indicators

- ◆ Number of patients benefited
- ◆ Average amount of subsidy granted for individual patients
- ◆ Average amount of subsidy granted for different groups of patients with reference to their financial conditions

<b>Group</b>	<b>ADFR (\$)</b>	<b>Patients' annual maximum contribution (\$) / Patient contribution ratio (%) based on the SF mechanism</b>
1	Patients who originally fell outside the SF safety net	

Note : Including patients who marginally failed the SF means test, or those whose initial patient contribution exceeded the drug cost and hence, were ineligible for subsidy.

#### (ii) Patients in the SF safety net

##### Evaluation indicators

- ◆ Number of patients benefited
- ◆ Average amount of subsidy granted for individual patients
- ◆ Average amount of subsidy granted for different groups of patients with reference to their financial conditions

<b>Group</b>	<b>ADFR (\$)</b>	<b>Patients' annual maximum contribution (\$) / Patient contribution ratio (%) based on the SF mechanism</b>
1	200,001 – 220,000	22.5%
2	220,001 – 240,000	25%
3	240,001 – 260,000	27.5%
4	260,001 or above	30%

Please refer to **Appendix 2** for details.

## **EVALUATION REPORT**

5. The HA had collected, analysed and reviewed the beneficiaries' information and relevant data with reference to the evaluation indicators of the two Programmes.

### **(a) The First Phase Programme**

6. Applications for the First Phase Programme commenced on 1 August 2011. Up to 31 March 2012 (8 months), 202 applications were received and all of them were approved. Based on the funding commitment for approved cases in the next 12 months, the amount of subsidy granted was \$15.9 million. Average amount of subsidy per application is around \$79,000.

7. To facilitate statistical analysis of the applications, patients are classified into ten groups according to their financial conditions. Among these groups, the average amount of subsidy granted per application ranged from around \$45,000 to \$93,000. The top three groups, i.e. household ADFR above \$140,000, received relatively less subsidies on average, which ranged from around \$45,000 to \$65,000.

8. Among the applications, the proportion of Comprehensive Social Security Assistance (CSSA) to non-CSSA recipients is 32.7% and 67.3%. CSSA recipients or patients with household ADFR equal to or below \$20,000 can receive full assistance without paying for patient contribution. The average amount of subsidy for this patient group is around \$84,000. Patients receiving full assistance accounted for 59.4% of applications. Details of the applications are at **Appendix 1**.

### **(b) The Second Phase Programme**

9. Applications for the Second Phase Programme commenced on 16 January 2012. It supports HA patients whose contribution ratio on drug costs exceeds 20% of household ADFR to use the SFI drugs covered by the SF or the CCF First Phase Programme. The drug cost contribution ratio of all patients is reduced from the maximum ratio of 30% to 20%.

10. The Second Phase Programme is inapplicable to CSSA recipients because they can receive full assistance without paying for patient contribution if they met the eligibility criteria of SF or the CCF First Phase Programme.

11. Up to 31 March 2012 (about 2 months), there were 162 applications and all of them were approved. Average amount of subsidy per application is around \$23,000. The cases concerned are divided into two categories:

(i) Patients who originally fell outside the SF safety net

12. Patients under this group include those who have marginally failed the SF means test, or whose patient contribution has exceeded the drug cost and hence are unable to benefit from the SF. Five applications had been approved under this group, with an average subsidy of around \$2,000.

(ii) Patients originally in the SF safety net

13. The maximum patient contribution ratio for all these patients are reduced from 30% to 20%. Patients benefited are those whose household ADFR are above \$200,000. Average amount of subsidy received by these patients is around \$23,000. Under this evaluation, patients who were in the SF safety net were divided into 4 groups based on their financial condition. Average amount of subsidies for patients in the 4 groups ranged from around \$4,000 to \$30,000.

14. Among the 157 applications, the original drug cost contribution ratio of 110 cases (around 70%) reached the maximum rate of 30%. The subsidies provided by the Second Phase Programme were equivalent to a reduction of 10% points of patients' drug cost contribution ratio. The average amount of subsidy is around \$30,000.

15. Details of the applications are at **Appendix 2**.

**(c) Applications not approved**

16. Under this evaluation, all applications of the two Programmes were approved. In the event that applications were not approved in future, the HA would report on such cases, or explain the statistical information and reasons of not approving applications in evaluation reviews.

**(d) 2011-2012 Income and Expenditure Statement and 2012-13 cashflow requirement forecast**

17. Please refer to **Appendix 3** for the Income and Expenditure Statement of the two Programmes for 2011-12 and **Appendix 4** for the 2012-13 cashflow requirement forecast.

**CONCLUSION OF THE EVALUATION**

**(a) The First Phase Programme**

18. The First Phase Programme provides financial assistance to needy HA patients to use six types of specified SFI cancer drugs for treatment of seven types of cancer. These

drugs have not yet been brought into the SF safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy. Notwithstanding that the HA has been providing alternative drugs and treatment to these patients at standard fees and charges, many of them still wish to use the SFI cancer drugs. The CCF provides financial assistance to them so that they can use those drugs as early as possible.

19. All 202 applications were approved and nearly 60% of which received full assistance. The average amount of full subsidy is around \$84,000. For patients under the group with the highest household ADFR, they were still able to receive an average subsidy of around \$45,000. The HA considered that the objectives of the First Phase Programme had been achieved in view that all patients meeting the eligibility criteria had received financial assistance. Yet, the number of approved cases was lower than the target of some 660 (the projected target number as at 31.3.2012). This is because the actual number of beneficiaries hinges on whether patients fulfill the designated clinical criteria as well as whether they are able to pass the means test with regard to their financial conditions.

#### **(b) The Second Phase Programme**

20. The Second Phase Programme provides subsidy to needy HA patients who could not benefit from the SF to use the SFI drugs covered by the SF or the CCF First Phase Programme. There were five cases and the Programme had successfully brought the patients back to the safety net.

21. The Second Phase Programme also adopted the mode of operation of the SF. It had provided further financial assistance to patients who were already in the safety net by reducing their drug cost contribution from the maximum ratio of 30% to 20%. Around 70% of patients received the highest level of subsidy which was equivalent to a reduction of 10% points of patients' drug cost contribution ratio.

22. Findings of the statistical analysis indicated that the objectives of the Second Phase Programme had also been successfully achieved. As the evaluation had only covered a two-month period since the commencement of the Programme on 16 January 2012 and up to 31 March 2012, the HA might conduct the statistical analysis based on a longer implementation period in future.

23. Despite the short implementation period of the Second Phase Programme, the amount of subsidy granted under the Programme had reached 40% of the budget, and double the year-to-date target. These figures revealed that the subsidies received by patients were higher than the budgeted amount.

24. Overall speaking, both Programmes had been able to achieve the objective of the CCF in providing assistance to people facing economic difficulties, in particular those who fall outside the social safety net.

## **ANALYSIS AND PROPOSAL ON REGULARISATION**

### **PROPOSED INCORPORATION OF THE SECOND PHASE PROGRAMME INTO THE SF**

25. Based on the analysis below, the HA recommended that the CCF Medical Second Phase Programme be incorporated into the SF :

(a) Affinity with the operation of SF

26. The HA had made reference to the mode of operation of the SF when designing the Medical Assistance Programmes, the aspects of which are as follows :

- (i) Clinical referral procedure
- (ii) Application procedures and relevant documentation
- (iii) Assessment and approving procedures
- (iv) Mechanism for evaluating the drug coverage
- (v) Channels for patients to express opinions

Given that the mode of operation of the CCF Medical Assistance Programmes is similar to that of the SF, the incorporation of the Second Phase Programme into the SF could be implemented by making administrative adjustments. For instance, since the application documents have already been standardized, only minor textual changes of the documents are required to tie in with the regularisation.

(b) Financial assessment criteria

27. Both phases of the Medical Assistance Programmes are modeled on the SF financial assessment mechanism. There are two aspects of financial assessment criteria for drug subsidy, namely the calculation of household ADFR and the sliding scale for contribution ratio on drug cost. As the Second Phase Programme aims to subsidise patients on drug cost contribution ratio, i.e. a uniform reduction from the maximum ratio of 30% to 20%, it would be complementary to and compatible with the SF. Therefore, if the Second Phase Programme is to be incorporated into the SF, it would meet the SF's objectives and be compatible with SF's operation.

(c) Application statistics

28. Furthermore, since applications for the First and Second Phases Programmes are managed by the information system of the SF, only minimal enhancement of the system would be required. In capturing data from the system for projecting service demand, the HA might select suitable cases for analysis based on the identified needs e.g. number of applications and approved cases, drugs or items involved, amount of subsidies, etc. The analysis can be based on different groups to facilitate projection on future demand.

#### (d) Cashflow and budget arrangement

29. The Government had proposed in the 2012-13 Budget to provide a \$10 billion grant to sustain the operation of the SF, as well as to meet the increased expenditure due to the addition of more new drugs, increased subsidy provided to patients and increase in the number of eligible patients. The HA anticipated that the government grant is able to sustain the operation of SF for about 10 years. The first year budget for the Second Phase Programme was \$9 million. The SF will be able to absorb the financial implications arising from the regularisation of the CCF Medical Second Phase Programme.

#### Proposed implementation details for regularisation

30. Since under the Second Phase Programme, patients' contribution ratio on drug costs would be reduced from 30% to 20%, and that its financial assessment criteria are the same as SF, only a short period of time would be required to prepare for the regularisation of the Programme. If the proposed regularisation of the Medical Second Phase Programme was approved, the HA recommends that the Second Phase Programme be incorporated into the SF in the second half of 2012 the earliest.

#### **HA's recommendation on the First Phase Programme**

31. The HA does not recommend incorporating the First Phase Programme into the SF because the drug selection criteria of the First Phase Programme are different from those of the SF. Drugs supported by the SF are those which had accumulated sufficient medical scientific evidence and with proven efficacy, whereas those supported by the First Phase Programme are SFI cancer drugs which have not yet been brought into the SF safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy. Therefore, it is considered that the First Phase Programme is unsuitable for regularisation. Under the existing mechanism, drugs will automatically be covered by the SF safety net when they have accumulated sufficient scientific and clinical evidence.

32. If necessary, the First Phase Programme could interface with the SF. For example, if there was a need for the gradual cessation of the First Phase Programme, the HA could take the following measures to facilitate the interface with SF:

- (a) stop introducing new cancer drugs into the First Phase Programme; and
- (b) review the drug coverage of the First Phase Programme. With time, drugs currently supported by the First Phase programme might be repositioned and incorporated into the safety net after accumulating sufficient scientific and clinical evidences in future.

Hospital Authority  
April 2012

## Community Care Fund Medical Assistance Programmes – First Phase Programme

Number and proportion of applications approved, and application statistics on different groups of patients (as at 31 March 2012)

Group	Annual Disposable Financial Resources (\$)	Maximum annual contribution from patient (\$) / Patient contribution ratio (%)	No. of applications approved	Total amount of subsidy granted (\$'000)	Average amount of subsidy granted per patient (\$'000)
1	0 – 20,000 or CSSA recipients (exempted from financial assessment)	–	120	10,075	84
2	20,001 – 40,000	1000	9	695	77
3	40,001 – 60,000	2000	9	778	86
4	60,001 – 80,000	5%	15	1,379	92
5	80,001 – 100,000	7.5%	5	414	83
6	100,001 – 120,000	10%	6	389	65
7	120,001 – 140,000	12.5%	6	560	93
8	140,001 – 160,000	15%	4	260	65
9	160,001 – 180,000	17.5%	7	411	59
10	180,001 or above	20%	21	944	45
<b>Total</b>			<b>202</b>	<b>15,905</b>	<b>79</b>

CSSA <sup>1</sup> / non-CSSA recipients	No. of applications approved	Total amount of subsidy granted (\$'000)
CSSA	66	5,677
Non-CSSA	136	10,228
<b>Total</b>	<b>202</b>	<b>15,905</b>

No. of applications received	No. of applications approved	Proportion of applications approved (%)
202	202	100.0%

<sup>1</sup> Comprehensive Social Security Assistance Scheme



## Community Care Fund Medical Assistance Programmes – Second Phase Programme

Number and proportion of applications approved, and application statistics on different groups of patients (as at 31 March 2012)

Group	Annual Disposable Financial Resources (\$)	Patient contribution ratio (%)	No. of applications approved	Total amount of subsidy granted (\$'000)	Average amount of subsidy granted per patient (\$'000)
1	(A) Patients originally outside the Samaritan Fund (SF) safety net <sup>1</sup>		5	8	2
	(B) Patients originally in the SF safety net :				
1	200,001 – 220,000	22.5%	18	76	4
2	220,001 – 240,000	25%	12	107	9
3	240,001 – 260,000	27.5%	17	222	13
4	260,001 or above	30%	110	3,309	30
<b>Sub-total</b>			157	3,714	24
<b>Total</b>			<b>162</b>	<b>3,722</b>	<b>23</b>

CSSA <sup>2</sup> / non-CSSA recipients	No. of applications approved	Total amount of subsidy granted (\$'000)
CSSA	–	–
Non-CSSA	162	3,722
<b>Total</b>	<b>162</b>	<b>3,722</b>

No. of applications received	No. of applications approved	Proportion of applications approved (%)
162	162	100.0%

<sup>1</sup> Include patients who marginally failed the SF means test, or patients whose patient contribution amount exceeded the drug cost and hence ineligible for subsidy.

<sup>2</sup> Comprehensive Social Security Assistance Scheme

**Community Care Fund Medical Assistance Programmes**  
**Income & Expenditure Statement**  
**2011-12**

	<b>Actual</b> <b>August 2011 -</b> <b>March 2012</b>
	<b>HK\$'000</b>
<b>Income</b>	
Amount received from the Community Care Fund (CCF) (Note)	21,364
<b>Expenditure</b>	
Drug Costs for the CCF First Phase Programme	
Cetuximab	1,487
Pegylated Liposomal Doxorubicin	900
Lapatinib	1,314
Pemetrexed	5,983
Rituximab	850
Sunitinib (for renal cell carcinoma)	3,072
Sunitinib (for gastrointestinal tumour)	2,299
Drug Costs for the CCF Second Phase Programme	3,722
Total subsidy of drug costs approved for beneficiaries	19,627
<u>Administrative fees</u>	
Staff costs	1,726
Other administrative fees	11
Total administrative fees	1,737
<b>Total Expenditure</b>	<b>21,364</b>
<b>Excess of income over expenditure</b>	<b>-</b>

**Statement of Fund Utilisation**

	<b>August 2011 -</b> <b>March 2012</b>
	<b>HK\$'000</b>
Amount received from Community Care Fund	27,195
Fund utilised	(10,558)
Outstanding commitment for approved subsidy	16,637
Closing fund balance (Deferred Income) (Note)	(10,806)
	5,831

Note : Funds from the CCF are deferred and recognised in the income and expenditure account to match with the costs they are intended to compensate. Deferred income as at 31 March 2012 is HK\$5,831,000, based on total funds received from the CCF (HK\$27,195,000) from August 2011 to March 2012.

## 2012-13 cashflow requirements forecast

	Cashflow requirements forecast (Note 1)				Total
	April - June 2012	July - September 2012	October - December 2012	January - March 2013	
	HK\$	HK\$	HK\$	HK\$	HK\$
<b>CCF Medical Assistance Programmes (First Phase)</b>					
Subsidy of drug costs to beneficiaries	6,156,192	6,156,192	6,156,192	6,156,192	24,624,768
<b>CCF Medical Assistance Programmes (Second Phase)</b>					
Subsidy of drug costs to beneficiaries	1,687,908	1,687,908	1,687,908	1,687,908	6,751,632
Administrative fees (Note 2)					
Staff costs	870,000	870,000	870,000	870,000	3,480,000
Other administrative fees	18,300	18,300	800	800	38,200
Total administrative fees	888,300	888,300	870,800	870,800	3,518,200
<b>Total</b>	<b>8,732,400</b>	<b>8,732,400</b>	<b>8,714,900</b>	<b>8,714,900</b>	<b>34,894,600</b>

## Notes :

## 1. Basis of 2012-13 cashflow requirements forecast :

- (i) Estimated subsidies of drug costs to beneficiaries for the First and Second Phase Programmes with reference to the average monthly subsidy of 2011-12
- (ii) Estimated administrative fees for the First and Second Phase Programmes are determined based on the approved budget of HK\$3.75 million

## 2. Administrative fees are combined for the First and Second Phase Programmes.