

## **COMMISSION ON POVERTY**

### **Ad Hoc Group on the Elderly in Poverty**

#### **Medical Fee Waiver Mechanism**

#### **PURPOSE**

This paper briefs Members on the operation of the medical fee waiver mechanism.

#### **BACKGROUND**

2. It is a long-established principle of the Government that no one would be denied adequate medical treatment due to a lack of means. Public medical services are heavily subsidised. At present, the overall level of public subsidy for medical services provided in public hospitals and clinics operated by the Hospital Authority (HA) is over 95%. In other words, patients are only required to contribute less than an average of \$5 for every \$100 of the cost of medical service they received.

3. Assistance is available under the medical fee waiver mechanism for patients who cannot afford public medical fees. Such a mechanism has been in place since the days of the former Medical and Health Department. It remains a key feature of the public medical system today, covering services provided by both the HA and the Department of Health (DH). In 2005-06, the amount of fees waived was about \$464.3 million.

## **OPERATION OF THE WAIVER MECHANISM**

4. The HA and Social Welfare Department (SWD) have jointly issued a set of guidelines on the granting of medical fee waivers. Under these guidelines, all recipients of Comprehensive Social Security Assistance (CSSA) are given waivers for their medical fees and charges at public hospitals and clinics without the need of further assessment.

### Assessment Criteria for Non-CSSA Recipients

5. Non-CSSA recipients, who cannot afford public medical fees, may apply for a waiver. Applications can be made with medical social workers (MSWs) at public hospitals or with social workers (SWs) at nearby Integrated Family Service Centres and Family & Child Protective Services Units operated by the SWD. To cater for the special needs of frail elderly persons and persons with limited physical mobility, there are designated staff at each General Outpatient Clinic<sup>1</sup> (GOPC) to assess their waiver applications.

6. The guidelines contain a set of criteria for assessing applications filed by non-CSSA recipients. Applicants who satisfy the financial criteria on their household income and asset are eligible for a waiver. Applicants who do not may still apply. MSWs/SWs will assess their applications on a case-by-case basis taking into account the non-financial criteria, which include the patient's clinical condition (e.g. chronic illness) and disability, the needs of certain vulnerable groups (e.g. the elderly and single parents), and relevant social factors (e.g. family problems). A waiver may be granted at the discretion of the MSWs/SWs. A summary of the assessment criteria is at the Annex.

### Waiving Period

7. Fee waivers can be issued for a specific attendance (one-off waivers) or for a specific validity period (period waivers), depending on the actual medical needs of the patients. Under the existing guidelines, only one-off waivers would be issued for hospitalisation or for unscheduled attendances at GOPCs and Accident and Emergency Departments (A&EDs). Nevertheless, MSWs/SWs have the discretion to issue period waivers (usually

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<sup>1</sup> Unlike Specialist Outpatient Clinics which are mainly located in public hospitals, GOPCs are located away from hospitals with no MSW staff.

valid for a maximum of 6 months) to patients with confirmed need of frequent follow-up medical care within a period of time, such as multiple pre-scheduled appointments at Specialist Outpatient Clinics (SOPCs), frequent day hospital admissions (e.g. for renal dialysis) and pre-booked appointments for physiotherapy.

## ACCESS OF FEE WAIVERS BY ELDERLY PERSONS

8. Elderly persons are one of the major beneficiary groups of the medical fee waiver mechanism. In terms of dollar amount, elderly patients accounted for \$231.3 million of waived fees in 2005-06, or 49.9% of the total amount waived that year. Over 14 100 elderly persons were given fee waivers in 2005-06, of whom around 9 500 were non-CSSA recipients. These non-CSSA receiving elderly patients were granted some 19 500 one-off waivers and 10 200 period waivers. The above figures are summarised in the table below –

	Non-CSSA Recipients	CSSA Recipients <sup>2</sup>
Number of Elderly Patients who were granted a fee waiver(s)	9 500	4 600
Number of One-off Waivers granted	19 500	-
Number of Period Waivers granted	10 200	-

9. To make the medical fee waiver mechanism more accessible to elderly patients, the HA and SWD have made a number of improvement measures over past few years. These include –

- (a) setting a higher asset limit for elderly persons at \$150,000 per person (as opposed to \$30,000 per person for people below 65 of age) since March 2003, in recognition that many elderly persons would no longer earn any income and had to depend on their personal savings;
- (b) making it explicit in the non-financial assessment criteria that

<sup>2</sup> Since CSSA recipients are granted fee waivers without any need of assessment, no differentiation is made on the type of waiver given.

MSWs and SWs have the discretion to take into account the specific needs of the elderly when assessing waiver applications since March 2003;

- (c) extending the maximum validity period of period waivers from six months to 12 months for chronically ill or elderly patients who require frequent use of medical services since March 2003; and
- (d) extending the coverage of period waivers to prescheduled follow-up appointments at GOPCs for chronically ill or elderly patients since December 2005.

### **ADVICE SOUGHT**

- 10. Members are invited to note the content of this paper.

**Health, Welfare and Food Bureau  
Hospital Authority  
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**Assessment Criteria for Non-CSSA Recipients**

Non-CSSA recipients who could not afford medical fees may apply for a fee waiver subject to assessment based on the criteria set out below. Medical Social Workers (MSWs) and Social Workers (SWs) would assess the applications having regard to the financial, social and medical condition of the applicants on a household basis.

Financial considerations

2. Patients who meet both of the following two financial criteria are eligible to apply for a fee waiver (patients who do not meet these financial criteria may raise relevant non-financial factors for consideration by MSWs/SWs) –

- (a) the patient’s monthly household income not exceeding 75% of the Median Monthly Domestic Household Income (MMDHI) applicable to the patient’s household size; and
- (b) the value of the patient’s household asset not exceeding the specified limit applicable to their household size. Residential property owned and occupied by the patient’s household will not be counted towards this asset limit, and households with elderly members will enjoy a higher asset limit than those without.

**Median Monthly Domestic Household Income (MMDHI)  
By Household Size – 2<sup>nd</sup> Quarter 2006**

<b>Household Size</b>	<b>MMDHI</b>	<b>75% of the MMDHI</b>	<b>50% of the MMDHI</b>
1	\$6,000	\$4,500	\$3,000
2	\$12,700	\$9,525	\$6,350
3	\$16,500	\$12,375	\$8,250
4	\$20,200	\$15,150	\$ 10,100
5	\$26,200	\$19,650	\$13,100
6	\$26,500	\$19,875	\$13,250
7	\$31,500	\$23,625	\$15,750
8 or above	\$33,800	\$25,350	\$16,900

*Source: General Household Survey, Census and Statistics Department.*

## Asset Limit for Waiving of Medical Charges

Household Size	Asset Limit (with no elderly member)	Asset Limit (with 1 elderly member)	Asset Limit (with 2 elderly members)
1	\$30,000	\$150,000	-
2	\$60,000	\$180,000	\$300,000
3	\$90,000	\$210,000	\$330,000
4	\$120,000	\$240,000	\$360,000
5	\$150,000	\$270,000	\$390,000

Note: The asset limit is raised by \$120,000 for each elderly member (i.e. age >65) in the patient's family.

3. For applicants with monthly household income less than 50% of the MMDHI and asset value below the prescribed limits, MSWs/SWs will consider waiving the full amount of their medical fees at public clinics/hospitals.

### Non-financial considerations

4. Apart from the financial consideration, MSWs/SWs will also consider the following non-financial factors in assessing waiver applications –

- (a) the patient's clinical condition (e.g. severity of the illness and the patient's frequency of use of the different public medical services);
- (b) whether the patient is a disabled person, single parent with dependent children, or from other vulnerable groups;
- (c) whether a fee waiver could provide incentive and support to solve the patient's family problems;
- (d) whether the patient has any special expenses that diminish his/her ability to pay for the medical fees at public hospitals/clinics; or
- (e) other justifiable social factors.

5. MSWs/SWs would consider the above factors to ensure that elderly or chronically ill patients, who require frequent use public medical services, can obtain a fee waiver if needed. The list of non-financial factors is not exhaustive and MSWs/SWs may exercise their discretion to grant waivers, where appropriate, to patients with special difficulties (even if they fail to meet the financial criteria) on a case-by-case basis.