# HOSPITAL AUTHORITY

## ANNUAL REPORT

# 2009–2010

醫院管理局
HOSPITAL AUTHORITY


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# Membership of the Hospital Authority

## Mr Anthony WU Ting-yuk, GBS, JP

Mr Wu has been appointed as Chairman of the Authority since 7 October 2004. He is an experienced accountant with a distinguished public service record.

## Mr CHAN Bing-woon, SBS, JP

Appointed on 1 December 2008, Mr Chan is a solicitor. He has also served on a number of public advisory boards.

## Ms Vivien CHAN, BBS, JP

Appointed on 1 December 2004, Ms Chan is a solicitor who is active in public and community services.

## Mr CHENG Yan-kee, JP

*(from 1.12.2009)*

Appointed on 1 December 2009, Mr Cheng is the managing director of a consulting engineering company.

## Dr Margaret CHUNG Wai-ling

Appointed on 1 December 2005, Dr Chung is an expert in Biomedicine who has participated widely in healthcare advisory services.

## Prof FOK Tai-fai, SBS, JP

Prof Fok was first appointed on 1 December 2004 and then re-appointed on 1 December 2008 in his capacity as the Dean of Faculty of Medicine of the Chinese University of Hong Kong.

## Dr Anthony HO Yiu-wah, BBS, JP

*(up to 30.11.2009)*

Appointed on 1 December 2001, Dr Ho is a legal consultant who has been active in public and community services.

## Mr Benjamin HUNG Pi-cheng

Appointed on 1 December 2007, Mr Hung is the Executive Director and Chief Executive Officer of a commercial bank. He is a member of the Insurance Advisory Committee.

## Prof LAI Kar-neng, JP

Appointed on 1 April 2005, Prof Lai is a chair professor of Li Ka Shing Faculty of Medicine of the University of Hong Kong and the Cluster Chief of Service (Medicine) of Queen Mary Hospital.

## Dr LAM Ping-yan, JP
Director of Health

Dr Lam has been a member of the Authority in his capacity as the Director of Health since 21 August 2003.

## Ms Alice LAU, JP
Deputy Secretary for Financial Services and the Treasury *(from 31.3.2010)*

Ms Lau has been representing the Secretary for Financial Services and the Treasury as a member of the Authority since 31 March 2010.

## Ms LAU Ka-shi

Appointed on 1 April 2008, Ms Lau is the Managing Director and Chief Executive Officer of a pension and trust service provider.

## Mrs Yvonne LAW SHING Mo-han

Appointed on 1 December 2007, Mrs Law is an accountant. She has also served on other public services.

## Mr Lawrence LEE Kam-hung, JP

Appointed on 1 April 2005, Mr Lee is a solicitor and is also the chairman and a partner of a legal firm.

## Dr Hon Joseph LEE Kok-long, SBS, JP

Appointed on 1 December 2004, Dr Lee is an Associate Professor at the Open University of Hong Kong. He is a member of the Legislative Council from the health services functional constituency.

## Mr John LEE Luen-wai, JP

Appointed on 1 December 2004, Mr Lee is a professional accountant and the managing director of a listed company.

## Ms Sandra LEE, JP
Permanent Secretary for Health

Appointed on 8 May 2006, Ms Lee is a member of the Authority in her capacity as the Permanent Secretary for Health.

## Prof LEE Sum-ping

Appointed on 1 December 2008, Prof Lee is a member of the Authority in his capacity as the Dean of Li Ka Shing Faculty of Medicine of the University of Hong Kong.

## Ms Queenie LEUNG Pik-man

Appointed on 1 December 2008, Ms Leung is a nursing professional and currently working as a Department Operations Manager in the New Territories West Cluster of the Hospital Authority.

## Dr Donald LI Kwok-tung, JP

Appointed on 1 December 2006, Dr Li is a private medical practitioner.

## Mr David LIE Tai-chong, SBS, JP

Appointed on 1 April 2006, Mr Lie is a businessman.

## Ms Bernadette LINN
Deputy Secretary for Financial Services and the Treasury *(up to 30.3.2010)*

Ms Linn had been representing the Secretary for Financial Services and the Treasury as a member of the Authority from 3 November 2008 to 30 March 2010.

## Mr Peter LO Chi-lik

Appointed on 1 April 2005, Mr Lo is a solicitor and currently a Council Member of the Law Society of Hong Kong.

## Mr Patrick MA Ching-hang, BBS
*(from 1.12.2009)*

Appointed on 1 December 2009, Mr Ma is the Director and General Manager of a commercial bank and Deputy Chairman of a listed real estate group.

## Mr Charles Peter MOK

Appointed on 1 April 2005, Mr Mok is currently the Director of an information technology consultancy firm.

## Mr Shane SOLOMON
Chief Executive, HA

Appointed on 1 March 2006, Mr Solomon has been a member of the Authority in his capacity as the Chief Executive of the Hospital Authority.

## Prof George WOO

Appointed on 1 December 2008, Prof Woo is a member of the Authority in his capacity as the Dean of Faculty of Health and Social Sciences of the Hong Kong Polytechnic University.

## Mr Stephen YIP Moon-wah, BBS, JP

Appointed on 1 December 2008, Mr Yip is a professional surveyor. He has also served on other public services.

## Mr Paul YU Shiu-tin, BBS, JP

*(up to 30.11.2009)*

Appointed on 1 December 2001, Mr Yu is a businessman who has been actively involved in community services.


# Chapter 1

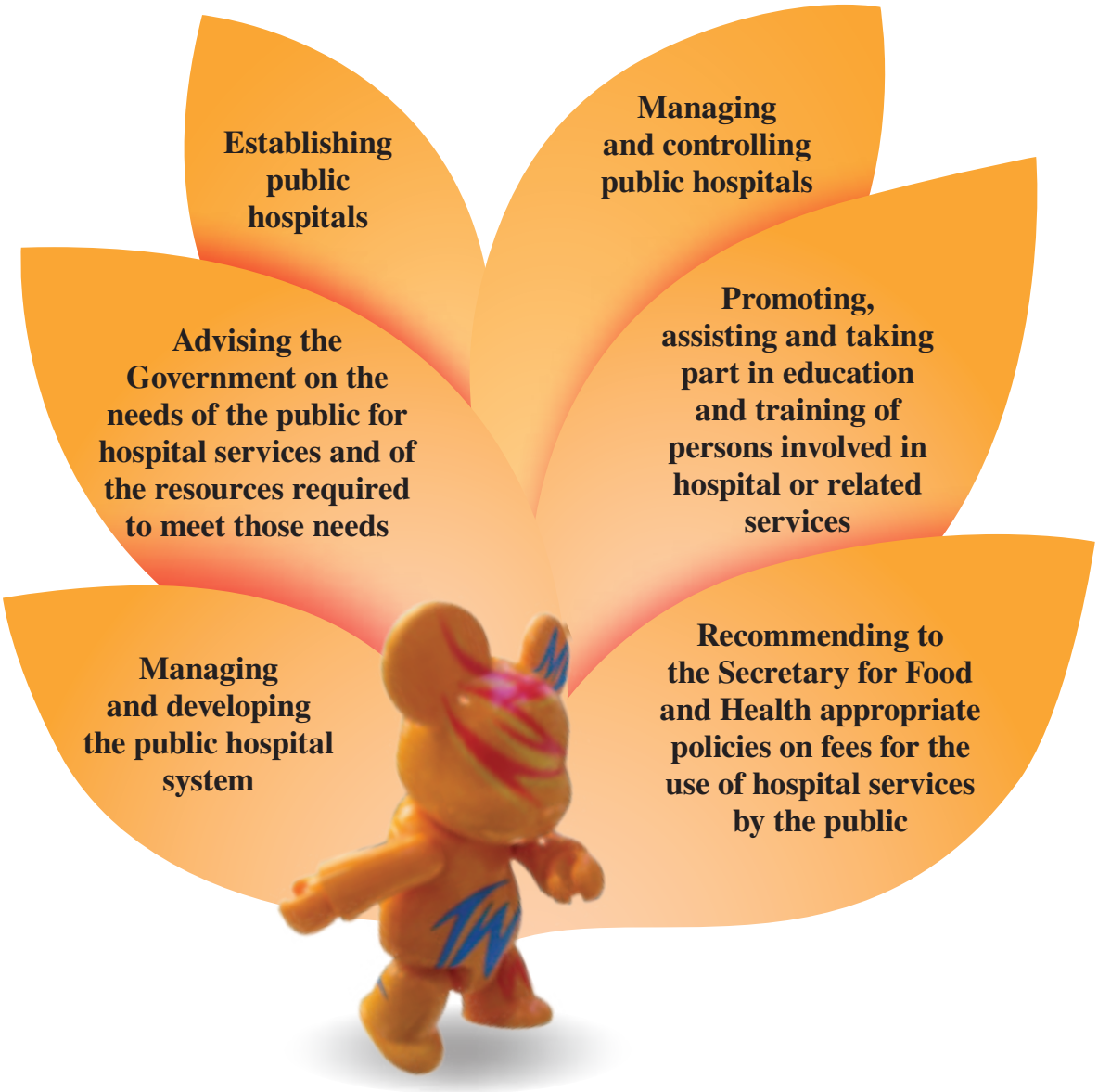
# Role, Corporate Vision, Mission and Values, Strategies and Governance

**The Hospital Authority ("HA") is a body corporate in the Hong Kong Special Administrative Region. Its functions are stipulated in Section 4 of the Hospital Authority Ordinance (Chapter 113).**

**This section outlines the role, corporate vision, mission and values, strategies and governance practices of HA.**

## Role of the Hospital Authority

The Hospital Authority ("HA") is a body corporate in the Hong Kong Special Administrative Region. It is responsible for:



## Corporate Vision, Mission and Values

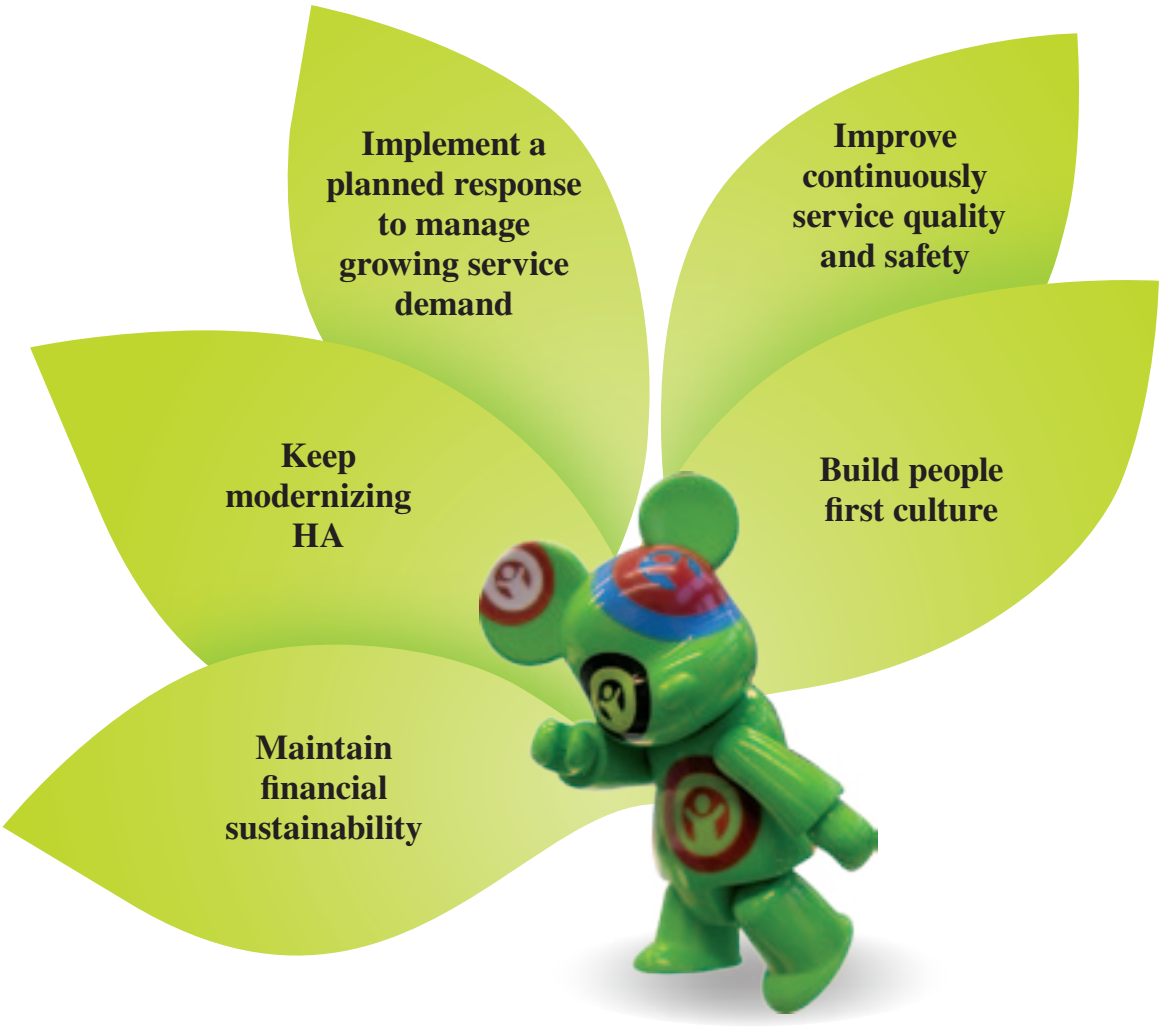
After years of establishment and coupled with both internal and external changes, the corporate vision, mission and values ("VMV"), reflecting the aspirations of the HA management and those of the HA staff, was refreshed in 2009:


Following a soft launch at the HA Spring Gathering in February 2009, the new VMV of HA was formally launched on 20 September 2009. The Ceremony was officiated by Professor CHEN Zhu, Minister of Health of the People's Republic of China; Dr York CHOW, Secretary for Food and Health; Mr Anthony WU, Chairman of HA and Mr Shane SOLOMON, Chief Executive of HA; and joined by over 200 other participants including staff members, community partners and patient groups.

Guided by the above mission and values and through joining hands with the community partners, HA will strive for continued success and work towards the vision of "Healthy People, Happy Staff, Trusted by the Community"!

## Corporate Strategies

The Authority aims to achieve its corporate VMV by adopting the following five strategic priorities:




In his report of the year presented in Chapter 3, the Chief Executive set out some of the major achievements of the Authority under these strategies. In total, the Authority set some 140 improvement targets for 2009/10, of which all except nine were achieved. The notable events occurring during the year are summarized in the head office and cluster reports in Chapter 6 of this report.

# Corporate Governance

## Principles

Recognizing that the Authority's stakeholders expect the highest standards of performance, accountability and ethical behaviour, the Board acknowledges its responsibility for and commitment to corporate governance principles.

The following outlines the Authority's approach to corporate governance and how it was practised during the year.

## Hospital Authority Board

Under the Hospital Authority Ordinance, the Chief Executive of the Hong Kong Special Administrative Region appoints members to the Authority Board. The 2009/10 Board consists of 26 members (including the Chairman) whose details are set out in Membership and Appendix 1 of this report. Membership of the Authority comprises 22 non-public officers, three public officers and one principal officer (the Hospital Authority Chief Executive). Apart from the principal officer, other members are not remunerated in the capacity as Board members.

The Authority Board meets formally about 12 times a year and any other times as required. In 2009/10, it met 16 times. In addition, one Board paper covering an urgent matter had been circulated for approval between meetings.

## Board Committees

For the optimal performance of its roles and exercise of its powers, the HA Board has established 11 functional committees: Audit Committee, Emergency Executive Committee, Executive Committee, Finance Committee, Human Resources Committee, Information Technology Services Governing Committee, Main Tender Board, Medical Services Development Committee,

Public Complaints Committee, Staff Appeals Committee and Supporting Services Development Committee (Appendix 2(a)). Membership of the committees, their terms of reference and focus of work in 2009/10 are presented in Appendix 3.

## Hospital Governing Committees

To enhance community participation and governance of the public hospitals in accordance with the Hospital Authority Ordinance, 31 Hospital Governing Committees have been established in 38 hospitals/institutions (Appendix 4). During the year, these committees received regular management reports from Cluster Chief Executives and Hospital Chief Executives, monitored operational and financial performance of the hospitals, participated in human resources and procurement functions, as well as hospital and community partnership activities. In total, the 31 Hospital Governing Committees held 134 meetings in 2009/10.

## Regional Advisory Committees

In accordance with the Hospital Authority Ordinance and to provide the Authority with advice on the healthcare needs for specific regions of Hong Kong, the Authority has established three Regional Advisory Committees. These committees and their respective memberships are presented in Appendix 5. Each Regional Advisory Committee meets four times a year.

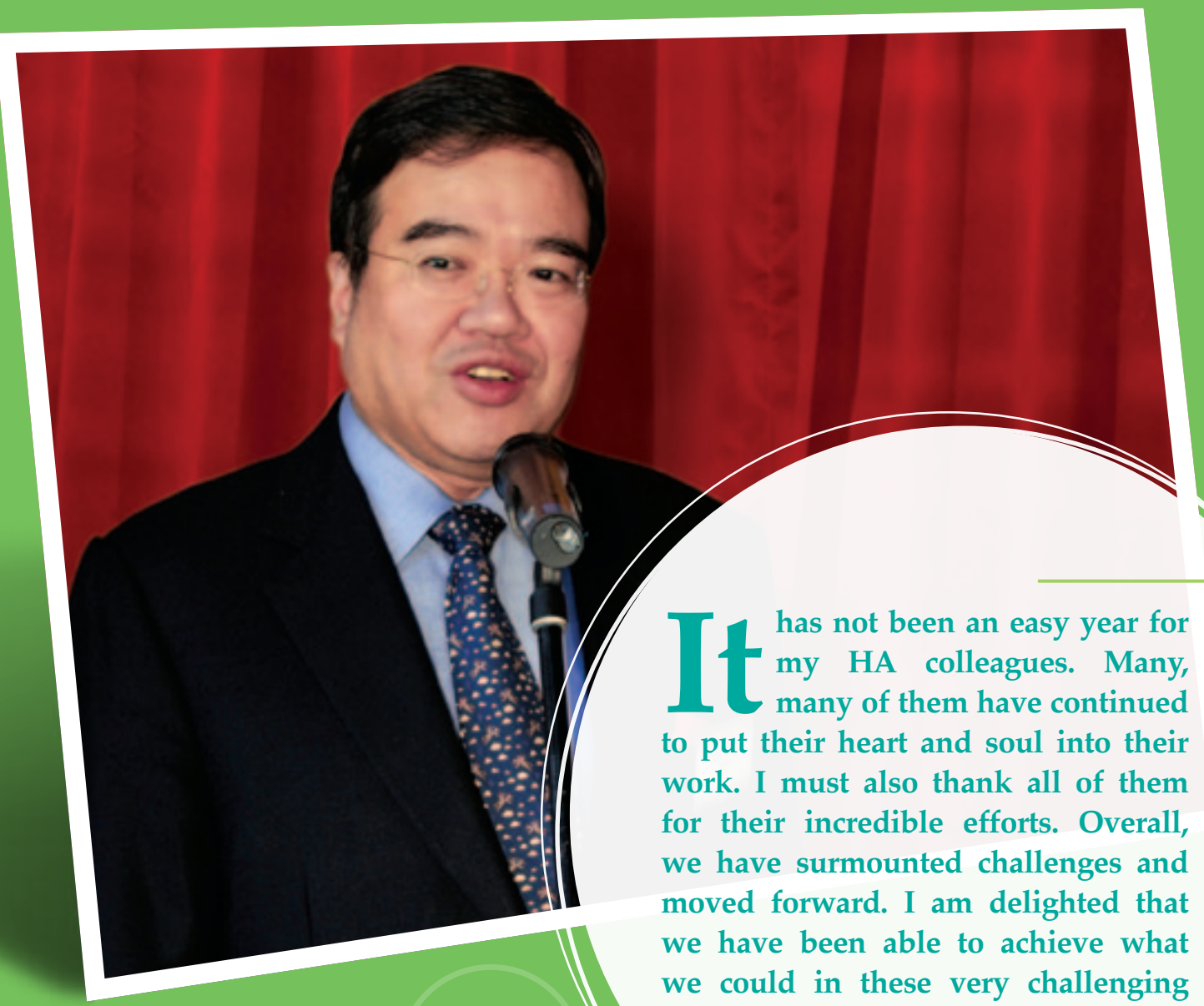
In 2009/10, the three Regional Advisory Committees discussed, amongst others, the 3-year pilot scheme of hospital accreditation in public hospitals; key initiatives in enhancing the procurement system for pharmaceutical products; the filmless radiology project; and the patient satisfaction survey. Turnover of medical and nursing staff as well as enhancement measures adopted for retention, career progression and training for staff were also discussed at the meetings.

The Regional Advisory Committees also deliberated on the annual plan targets of individual clusters and gave advice to the Authority on the healthcare needs of local communities in the areas of cataract operation; patient support services; drug abuse community care projects; and the one-stop Community Health Call Centre pilot programme.

## Executive Management


The executive management team is shown in Appendix 2(b). The executives are charged by the Hospital Authority Board with the responsibility for managing and administering the Authority's day-to-day business and operations. To ensure that the management can discharge its duties in an effective and efficient manner, the Board has set out certain clear delegated authorities, policies and codes of conduct. The Board also approves an annual plan that is prepared by the executives in accordance with the Board's direction. The executives make regular accountability reports to the Board, which include agreed performance indicators and progress against established targets (See Appendix 8).

Under the powers stipulated in the Hospital Authority Ordinance, the Authority determines the remuneration and terms and conditions of employment for all of its employees. Remuneration packages of executive directors and other senior managers are aimed at attracting, motivating and retaining high-calibre individuals in a competitive international market. With regard to the senior executives, each of their remuneration packages is considered and endorsed by the Authority Board through its Executive Committee.



It has not been an easy year for my HA colleagues. Many, many of them have continued to put their heart and soul into their work. I must also thank all of them for their incredible efforts. Overall, we have surmounted challenges and moved forward. I am delighted that we have been able to achieve what we could in these very challenging circumstances.

# Chapter 2

# Chairman's Review

Against the backdrop of the outburst of new widespread disease elsewhere around the world and the growing demand on healthcare service, the public healthcare system was put under tremendous pressure in 2009/2010, and Hong Kong was no exception. Thanks to the additional funding provided by the Government and the unwavering support of its staff and the community, the Hospital Authority ("HA") was able to face these tough challenges and made considerable progress on all fronts in 2009/10.

Following the drug manufacturing problems, we were faced with the Human Swine Influenza ("HSI") pandemic. HA swiftly stepped up its vigilance and response in the management of the pandemic. We put in place a wide range of contingency measures, including the opening of Designated Flu Clinics. Frontline colleagues and others in the HA community have all been quietly and wonderfully supporting our response to these emergencies. I am especially proud of how we have worked together as a great team to contain the spread of HSI and to protect the health of the Hong Kong citizens.

HA staff's professionalism has again been brought into full play when we made an all-out effort to provide medical support to the 5th East Asian Games ("EAG") hosted by Hong Kong in December 2009. 130 doctors and nurses volunteered to join the medical team and contributed a total of more than 2,300 hours of voluntary service to the EAG, with many other staff members from hospitals and the Head Office also supporting the event. Thanks to our ambassadors for making HA part of the legend!

Crises and events have tested HA, challenged our staff and sometimes forced us to make difficult decisions. Yet we have not lost sight of the need to address the rising expectations of the community of our services. The formal announcement of our new vision, mission and values in September 2009 signifies a new era for HA. I understand that many colleagues are already practicing what we preach by incorporating the new service culture into their daily work in order to serve the best interests of patients.

Despite internal and external challenges, HA continued to make good progress on many fronts during the year. The HA Head Office and Clusters have achieved a great deal along our five key objectives, i.e. implement a planned response to manage growing service demand; improve continuously service quality and safety; keep modernizing HA; build people first culture; and maintain financial sustainability.

To achieve all these, a secure source of funding is essential. The Government pledged to increase the recurrent subvention for HA over 2009–2012 by about HK$870 million a year. Equally encouraging is the Government's commitment to an allocation of some HK$840 million for the same period to implement various complementary measures to strengthen primary care services and the support to chronic patients, promote public-private partnership, and develop a territory-wide electronic record system. We would like to express our heartfelt gratitude to the Government for its continued commitment to additional funding to expand and enhance our services and also to the Secretary for Food and Health for his visionary leadership and unwavering support to HA. We will continue to spare no efforts in implementing the Government's healthcare reform initiatives. We also look forward to contributing to the development of healthcare as one of the major pillars of Hong Kong's economy, particularly through supporting public-private partnership.


I would also like to pay tribute to Dr Lawrence Lai, who retired in December 2009 as Cluster Chief Executive of Hong Kong West Cluster and Hospital Chief Executive of Queen Mary Hospital. Dr Lai's commitment, expertise and leadership are exemplary. He has dedicated his working life to the betterment of Hong Kong's public healthcare in ways too many to mention. We are fortunate enough to have retained him in a new capacity to advise the HA on medical affairs.

There have been changes to the membership of the HA Board. I wish to take this opportunity to thank Dr Anthony Ho and Mr Paul Yu who retired from the Board in 2009/10 after eight years' dedicated and committed services to HA.

I also want to welcome our new Board members, Mr Cheng Yan-kee and Mr Patrick Ma. My deepest appreciation goes to all members of the Board, the Regional Advisory Committees, the Hospital Governing Committees, as well as the co-opted members of the functional committees. I am particularly grateful to them for their invaluable advice and sterling support to the executives and myself in formulating the strategic directions and policies of HA throughout the year.

There are, of course, many others who have contributed to HA in other ways. HA could not have successfully carried out its roles and functions without the involvement and input from the community, patient groups, District Councils, the Legislative Council, and last but not the least, the volunteers who work selflessly in our hospitals and institutions.

In 2009, about 60 HA staff were awarded the Chief Executive's Commendation for Community Service or the Chief Executive's Commendation for Government or Public Service in recognition of their significant contribution to Sichuan earthquake relief efforts or the 2008 Olympic and Paralympic Equestrian Events. I wish to extend my congratulations to every one of them. They have all done us proud. What is more, Kwong Wah Hospital, Queen Mary Hospital, Tuen Mun Hospital and the Hong Kong West Cluster scooped a total of five awards in the Asian Hospital Management Awards 2009. The teams involved have been recognized for their outstandingly successful projects in areas such as customer service, departmental service, human resources and patient safety.

I would also like to congratulate all the recipients of this year's Outstanding Staff and Teams Award. They are all role models of professional service, teamwork, leadership and personal character. It has not been an easy year for my HA colleagues. Many, many of them have continued to put their heart and soul into their work. I must also thank all of them for their incredible efforts.

Overall, we have surmounted challenges and moved forward. I am delighted that we have been able to achieve what we could in these very challenging circumstances. Once again I should thank my fellow members of the HA community for their unflinching support and pay tribute to the commitment and dedication of all my colleagues, from front line to management, who have on many occasions freely given their time beyond the call of duty.

We will be celebrating our 20th anniversary in the coming year. This provides us with an opportunity to reflect on what we have achieved over the past 20 years. No matter what lies ahead, with all HA staff working as a team and with the support of the whole community, we will continue to serve Hong Kong the best we can.

**Anthony T Y WU, GBS, JP**
Chairman

2009/10 was a year of significant achievements in addressing the three inter-related key challenges faced by the Hospital Authority. Of course these accomplishments were only possible due to the good will of all HA staff and our common shared vision of best serving the health needs of the people of Hong Kong. I am grateful for all they have achieved.

# Chapter 3

# Chief Executive's Report

2009/10 was a year of significant achievements in addressing the three inter-related key challenges faced by the Hospital Authority ("HA"): (i) manage growing service demand; (ii) ensure service quality and safety; and (iii) maintain an adequate workforce. Thanks to the generous support from the Government, the three-year funding arrangement commencing 2009 has enabled us to expand and enhance our services. With contribution from frontline staff, senior executives and members of the HA Board and Committees, a three-year strategic service plan was formulated to chart the directions and strategies that HA will be pursuing in the coming years.

In September, HA's new era of service culture was launched in the presence of Professor Chen Zhu (Minister of Health of the People Republic's of China), Dr York Chow (Secretary for Food and Health) and over 200 community partners, patient group representatives, staff members of the head office and clusters. The vision, mission and values ("VMV") statements guide our everyday behaviour and define our strategic priorities. A series of service programmes have been put forward in pursuit of a common vision "Healthy People, Happy Staff, Trusted by the Community".

To manage growing service demand, we placed much emphasis on keeping people healthy, reducing avoidable hospitalization and diverting demand. A new patient empowerment website called "Smart Patient Website" has been launched. Patients and their families could access accurate information which enhances their knowledge of disease and community resources, so as to improve their self-care skills and strengthen their ability on disease management. A Community Health Call Centre has been piloted in Hong Kong East, Kowloon Central and New Territories East Clusters to provide disease management, referral, triage and counselling for high-risk discharged elderly patients. Results showed a dramatic reduction in hospital use. HA continued to support the government's healthcare reform initiative in promoting public-private partnership. A new "Shared Care Programme" was implemented this

year to enhance support for diabetic and hypertensive patients in their community. The pilot Haemodialysis ("HD") shared care programme encouraged self-care and social integration of end stage renal disease patient by offering them an option of receiving HD in centres managed by the private sector or non-governmental organizations. In addition, the Cataract Surgeries Programme was well received by the public. Over 7,000 surgeries have been completed, as originally targeted.

Safety and quality remains the highest priority for HA. To promulgate learning and experience sharing, a periodic publication called "Quality Times" was introduced to keep staff updated on the quality initiatives at both hospital and corporate level within HA and the relevant international comparisons. Various initiatives were created and implemented to enable us to move toward our vision of being trusted by the community. The 2-dimensional barcode system has been created to mitigate the risk of misidentification in patient specimen collection and will be implemented in all HA hospitals. The first report of the Surgical Outcomes Improvement Programme has been released providing information on the service variations and deficiency gaps which in turn directs hospitals to learn from best practising hospitals and ultimately brings to a global improvement in surgical operations. The pilot hospital accreditation programme has commenced in five hospitals. HA, in collaboration with private hospitals and the Australian Council on Healthcare Standards, has developed the Hong Kong Surveyor System and appointed 21 local surveyors who will participate in both local and overseas accreditation surveys.

HA continues to embrace health information technology to improve patient safety and efficiency. Building on our internationally recognized Clinical Management System ("CMS") II, we are now developing our CMS III which is based on modern open architecture. It is a key part of the Electronic Health Record Project, where HA is working with the Food and Health Bureau and private sector to build a seamless patient record system across the public and private sectors. This is one of the world's first and patients will be able to access their own personal health records through the system. In addition, filmless radiology service was successfully launched in Princess Margaret Hospital. We aim to implement this in all of our hospitals within four years. The new Inpatient Medication Order Entry system is now funded and will be put into service in 2011.

HA is highly concerned with staff wellness at all times. As you may recall, the Doctor Work Reform was started in October 2006 with the objective of improving doctors' working conditions while ensuring the quality of care and patient safety. The final report was released in February 2010. Good improvement has been made in doctors' working conditions as evidenced in the drop of doctors working for over 65 hours per week on average from 18% in September 2006 to 4.8% in December 2009. HA will continue to address doctors' prolonged work hour issues and bring down their continuous work hours to reasonable levels in the long run. For nurses, we have devised measures to ease the heavy workload through increasing care-related supporting staff and installing work-saving equipment. We have also introduced a "Management 101" programme that focuses on management skills and tools for our newly appointed frontline managers. As of March 2010, 36 classes were held and over 3,000 attendances were recorded.

After a year of development of our pay-for-performance ("P4P") funding system, significant technical improvements have been made. The framework was adopted in the 2009/10 cluster budget planning process to allocate resources for service growth in areas of need and programmes that enhance patient safety and service improvement. In spite of deductions for some reclassification of service from outpatient to inpatient, we have recorded an extra 28,000 patients treated. To provide a balanced focus between quantity and quality, a Quality Incentive Programme is being introduced and $50 million is earmarked in 2010/11 to reward clusters with improvement or good performance in a number of Quality Performance Indicators.

2009 was also a year of pandemic. Yet, our staff were very capable of controlling the Human Swine Influenza threat. Through their exemplary professionalism and seamless teamwork, the mortality and morbidity have been kept to one of the lowest in the world despite our crowded conditions in Hong Kong.

The professional excellence demonstrated by our staff has also earned recognition at the East Asian Games, the largest multi-sports event ever hosted by Hong Kong. HA has provided full support to the Government in the areas of professional expertise, equipment and manpower resources. I would like to thank my team again for all of their hard work in making this occasion a memorable success.


In the next two years the Government aim to increase healthcare funding from its current 16.1% to 17%. I would like to express my heartfelt gratitude to the Government for its commitment to increasing funding for HA and the Secretary for Food and Health for his able leadership.

Last but not the least, I wish to extend my heartfelt appreciation to members of our Board, Regional Advisory Committees, and Hospital Governing Committees for their hard work and dedication. My special thanks goes to our Chairman for his unwavering commitment to HA.

Of course these accomplishments were only possible due to the good will of all HA staff and our common shared vision of best serving the health needs of the people of Hong Kong. I am grateful for all they have achieved.

**Shane SOLOMON**
Chief Executive


# Chapter 4

# Calendar of the Year

# April 2009

A record-breaking 1,000-plus participants from Kwun Tong attended the "Community Cardio Pulmonary Resuscitation Training" organized by United Christian Hospital ("UCH") as part of its 35th anniversary celebration programmes. Committed to promoting public health education, UCH plans to make this an annual event and train up to 10,000 people in 10 years.


Queen Mary Hospital ("QMH") won a vote of confidence once again as it received the Gold Award in the 2009 Reader's Digest Asia Trusted Brands Survey in the category of hospital in Hong Kong, testifying the trust of the community in the quality and value of its healthcare services.

# MAY 2009

The Australian Council on Healthcare Standards, an international hospital accreditation agency, was engaged by HA in a pilot hospital accreditation scheme, which benchmarks the healthcare services of public hospitals against international standards. The scheme is currently being piloted in Queen Mary Hospital, Pamela Youde Nethersole Eastern Hospital, Tuen Mun Hospital, Queen Elizabeth Hospital and Caritas Medical Centre with the ultimate objective of enhancing patient care.

The Authority and the Office of Privacy Commissioner for Personal Data jointly launched the "Care for Patients – Protect their Personal Data" campaign to instil and strengthen the culture of privacy awareness among HA staff, stressing on the prevention of data loss and leakage.

# JUNE 2009


What a spectacular game! The Hong Kong Renal Patients Gateball Competition 2009 was successfully concluded in Kowloon Park Sports Centre. Contesting alongside fellow sportsmen from Macau, energetic players from major local renal units, including those from public hospitals, showed spectators not only their unbeatable team spirit, but also their passion for life.

The eight Designated Flu Clinics for Human Swine Influenza ("HSI") operated smoothly and orderly on its first day of service. HA Chairman and Chief Executive met and praised the frontline staff at the clinics for their hard work in helping patients with flu-like symptoms in face of the threat of HSI.

# JULY 2009

Upon funding approval by the Legislative Council, the Authority was entrusted by the Government to engage in the development of a territory-wide electronic health record ("eHR") system to facilitate access of patients' medical records for both public and private sectors, which will help reduce errors and enhance service efficiency and quality.

With financial support from the Elderly Commission, Tuen Mun Hospital launched a two-year Integrated Discharge Support Programme. Nurses and other healthcare professionals will visit high-risk discharged elderly patients in Tuen Mun and Yuen Long, helping them stay healthy and avoid unnecessary readmission to hospitals.

# AUGUST 2009

Giving blood not only helps others in need but also keeps one "cool" in the hot summer! The Hong Kong Red Cross Blood Transfusion Service ("BTS") is giving out a "Q-Blood Donation Mini Fan" and a buffet discount coupon to donors. This was one of the many promotional campaigns organized by BTS to recruit blood donors throughout the year.


With generous support from Wai Hung Charitable Foundation, the "Well Elderly Clinic" was officially opened at Pok Oi Hospital. Providing a wide range of educational materials and group activities on healthy lifestyle and disease management, the Clinic helps the elderly from the local community to stay fit physically, psychologically and socially.

# SEPTEMBER 2009

HA has entered a new era of service culture! With great honour of having the Minister of Health, Professor Chen Zhu, and Secretary for Food and Health, Dr York Chow, as officiating guests, the Authority launched a new set of "Vision, Mission and Values" with an emphasis on balancing the interests of people, staff and the community.

The Health InfoWorld made a great stride in patient empowerment with the launch of the Smart Patient Website, a one-stop online platform designed for patients and their families to access comprehensive information about disease management and community resources.

# OCTOBER 2009

Love has no boundary! Professor Chan Kai-ming, founder of the charitable organization "Stand TALL" and the Chairman of the Authority officiated the opening ceremony of "Tele-Medicine Rehabilitation Training Centre". Equipped with an advanced tele-conferencing system, the Centre offers rehabilitative support to earthquake victims and provides training to medical staff in Sichuan.

Pamela Youde Nethersole Eastern Hospital launched the Crew Resource Management training programme with a kick-off ceremony, signifying the Authority's determination to enhancing staff communication and resource deployment in pursuit of a higher level of service quality and patient safety.

# NOVEMBER 2009

"A New Chapter for Corneal Donation in Hong Kong: the Ceremony cum Forum on the New Technology for Corneal Transplantation Surgery" was jointly organized by Lions Eye Bank of Hong Kong and the Authority, promoting corneal donation and introducing a new surgical technology, DSAEK, that substantially reduces surgery and recovery time.

"We are READY!" More than 100 enthusiastic HA staff volunteers and representatives took oath at the Flag Presentation Ceremony, pledging to render professional and quality medical support to participants and guests in the 2009 East Asian Games.

# DECEMBER 2009


As an initiative for quality improvement to meet patients' needs, the Authority launched its first HA-wide Patient Satisfaction Survey. The School of Public Health and Primary Care of the Chinese University of Hong Kong was engaged in this flagship project to collect and gauge patients' views in an objective and systematic approach.


Pamela Youde Nethersole Eastern Hospital launched the world's first endo-laparoscopy operating room equipped with the most cutting-edge surgical system. Boasting four flexible robotic arms and 3-dimensional, high-density imaging capacity, the facility enables much greater operation precision in complicated and minimal access surgeries.

# JANUARY 2010

As a designated training centre appointed by the International Trauma and Disaster Institute, Alice Ho Miu Ling Nethersole Hospital participated in a cross-departmental drill on biohazard incidents to develop contingency awareness among healthcare workers and ensure safety in the community.


Big applause to the Occupational Safety and Health/Occupational Medicine Care Service team of the New Territories East Cluster for winning a bronze medal in the Occupational Health Promotion Award 2009/10, which reflected the continuous efforts of the cluster management.

# FEBRUARY 2010

Fear not of the chilling winter, as Secretary of Food and Health, Dr York Chow, and HA Chairman, Mr Anthony Wu, delivered warmth and gifts to patients, and gratitude to the dedicated staff, at Duchess of Kent Children's Hospital during the Chinese New Year.

Closing with a record high number of participants, the HA Happy New Year Run 2010 was a magnificent success. Over 800 determined participants tried their best in the races in spite of the adverse weather, showcasing the unwavering spirit of our fellow colleagues in face of difficult times.

# MARCH 2010

The Authority launched a brand new corporate website with thoroughly revamped design and structure, providing stakeholders with a one-stop and user-friendly online platform for quick and easy access to a wide variety of useful information.

The Food and Health Bureau launched the Pilot Shared Care Programme, under which diabetic and hypertensive patients may freely choose to have their disease managed in the public or private sector. As a new model of public-private partnership, the programme can better serve chronic patients with the objectives of enhancing primary care services and facilitating the establishment of long-term doctor-patient relationships.


# Chapter 5

# Teamwork, Values and Innovations

**The core values the Authority promotes to improve staff morale and service to the community include: people-centred care, professional service, committed staff and teamwork. The eight winners of this year's team excellence awards all clearly demonstrated the value of effective teamwork. They also demonstrated the Authority's other key values, making them all excellent exemplars of the superb work that goes on in teams throughout the organization.**

# The Community Health Call Centre Team

***Hong Kong East Cluster***

The Community Health Call Centre is a perfect example of a community-based service model to help high-risk elderly patients stay healthy after discharge from hospital.

Formerly the Telephone Nursing Consultation Service started in the Hong Kong East Cluster in 2003, the Community Health Call Centre Team has been providing a comprehensive, integrated support service through a world-class hi-tech and hi-touch proactive tracking telephone support system. More than 15,000 discharged high-risk elderly patients have benefitted from the Team's support since then.

**One-stop service**

The telephone support system is backed up by clinicians, nurses, information technology professionals, statisticians and ambulatory clinics in the HA, as well as non-governmental organizations and private doctors. This one-stop service bridges service gaps, monitors the situation of patients, provides timely interventions and referrals, and empowers patients and their caregivers to undertake self-management at home.

Three well-designed evaluation studies have been conducted to find out whether the system met its objectives in detecting problems of patients at the earliest stage and reducing recurrent and unnecessary hospitalization. A massive 25 to 50% drop in hospital utilization and a decline in mortality have been consistently observed. In view of the encouraging results and positive feedback from patients, the system will be extended to eventually cover all seven clusters in HA in the coming two years. There are also plans to expand the programme to benefit other patient groups.


# Filmless PMH Implementation Team

***Princess Margaret Hospital (Kowloon West Cluster)***

For a hospital to go filmless, it involves not only changing how radiology images are managed and shared, but also re-engineering of the clinical practice of healthcare professionals.

This was exactly what the Filmless PMH Implementation Team faced when they started the project in January 2008. They were confronted with challenges such as the healthcare professionals' traditional reliance on films; the lack of infrastructure support in the 35-year-old Princess Margaret Hospital ("PMH"); the crowded ward environment and the absence of local experience and reference.

Yet, the Team was determined to achieve its vision despite all the challenges. Apart from exploring various technical options, the Team empowered work group leaders and actively engaged users in the process. By now it has successfully transformed the way clinical staff handle radiology images in PMH, with digital systems implemented in all clinical specialties.

**A milestone for HA-wide filmless project**

Filmless operation in hospitals can help improve healthcare delivery by providing quick and easy access to diagnostic images. It also brings about financial and environmental benefits. PMH can now spare 270,000 films a year, equivalent to a saving of HK$2 million. There are also associated reductions in plastic and chemical wastes, as well as a saving of 500$m^2$ of storage space.

PMH serves as a role model for filmless implementation in other hospitals under the HA. The evaluation results and the standards developed in this successful case have become the major guiding principles for the HA-wide filmless project.

# HA Rapid Diagnostic Laboratory Network on Influenza

***Hospital Authority Head Office and Clusters***

HA Rapid Diagnostic Laboratory Network on Influenza shoulders an important responsibility in combating influenza pandemics by providing solid support to frontline clinical teams.

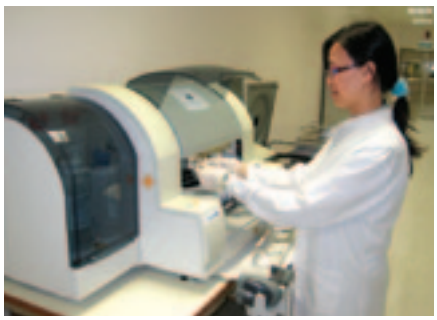
The Network was established in 2004 in preparation for outbreak of emerging infections, H5N1 avian influenza in particular. Its goal is to provide a specific etiological diagnosis for patient management and disease containment. Equipment, manpower and training, protocol development, reagents stockpile and quality of results have all been properly addressed.

**Rising to the Human Swine Influenza challenge**

The real challenge to the Network came in April 2009 when Human Swine Influenza ("HSI"), with its unknown transmissibility and virulence, was spreading worldwide. The Network soon faced a sudden surge in requests for a specific diagnosis of HSI with a short turnaround time.

To meet this unprecedented service need, laboratories in the Network ran tests, virtually non-stop during the pandemic. They constantly shared experience, reagents and even equipment to ensure a high standard of performance. The number of laboratories under the Network grew from five to seven.

Members of the Network truly believe that a rapid and accurate etiological diagnosis is the single most important element in shaping a positive outcome in patient management as well as the pandemic. With high morale and a high degree of professionalism, the Network will continue to contribute to the control of any upcoming pandemic.



# Microbiology and Infection Control Team

***Queen Mary Hospital (Hong Kong West Cluster)***

2009 has been a challenging year for the Microbiology and Infection Control Team of Queen Mary Hospital. Facing the outbreak of intestinal mucormycosis and the spread of Human Swine Influenza ("HSI"), the Team has displayed tremendous professionalism and commitment in stopping the diseases from raging.

**People-centred and professional service**

An unprecedented outbreak of intestinal mucormycosis in the severely immunocompromised haematology patients has resulted in severe morbidity and mortality. With an extensive and thorough investigation, the Microbiology and Infection Control Team finally tracked down the source to a contaminated drug called allopurinol. The finding will help to save at least 16 lives a year. It also alerted the Government to rectify the drug safety issue by improving the regulatory measures for the pharmaceutical industry.

When the HSI pandemic spread to Hong Kong in May 2009, the Microbiology and Infection Control Team made an all-out effort in promoting infection control bundle measures including "just-in-time" education, training, rapid tests, coordination and monitoring. Despite the fact that more than 60% (about 250 cases) of the laboratory confirmed cases were from patients admitted to the general wards, the number of patient-to-patient and patient-to-staff transmission cases was extremely low in the Hong Kong West Cluster.

# NTWCare Ward Team

***Tuen Mun Hospital and Pok Oi Hospital (New Territories West Cluster)***

The Care Ward Programme, a hospital-based initiative in the New Territories West Cluster, is the first of its kind in HA. It puts together different specialities in meeting such objectives as providing a safe and caring environment for patients and staff, preserving the time of doctors and nurses for direct patient care, enhancing clinical competency of ward staff and boosting staff morale and team spirit.

**Healthy patients, happy staff**

The NTWCare Ward Team is pioneering structural and cultural changes in wards by rolling out an integrated care system to enhance service quality. Under its Care Ward Programme, the Team has put in place a series of measures to enhance the line of management, manpower, staff professionalism, as well as resources, ward environment and equipment in hospital wards. In addition to these initiatives, a top-down and bottom-up cultural approach has been adopted to engage frontline staff in decision-making.

When the NTWCare Ward Team first started the Care Ward Programme in October 2008, 12 care wards adopted the model. The programme has now been extended to cover 25 wards, comprising a total of seven specialties. “Healthy patients, happy staff” is what the Team would like to achieve under the Programme. It will continue to make progress and move towards this goal.

# Orthopaedic Rehabilitation Team

***Tai Po Hospital (New Territories East Cluster)***

The Orthopaedic Rehabilitation Team at Tai Po Hospital ("TPH") advocates a collaborative and integrated rehabilitation model for Orthopaedics and Traumatology patients. Comprising orthopaedic doctors, nurses, physiotherapists, occupational therapists, prosthetist-orthotists and administrative staff, the Team works towards maximizing and sustaining the rehabilitative outcomes for patients, optimizing the potential of recovery by facilitating patients' re-integration into the community, as well as triaging them to the Spastics Association of Hong Kong Jockey Club New Page Inn.

**A "join up" approach**

This cluster-based unit was established in 2001. In providing patient-centred care and professional service, it initiates rehabilitation projects with emphasis on re-integration into the community and spearheads health programmes catering for the needs of not only patients but also hospital colleagues.

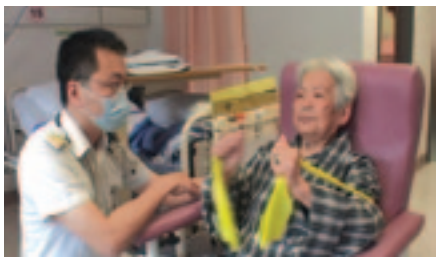
Thanks to the concerted efforts of the Team, specialized units and clinics were established, various clinical service items rolled out and evidence-based medicine promoted to enhance service quality. The Team has made valuable contributions in areas ranging from injury rehabilitation, health education, risk assessment, environmental modification to training for caregivers and staff.

Members of the Orthopaedic Rehabilitation Team at TPH are also generous in rendering their professional service and shouldering social responsibility. Since June 2008, they have been offering extensive voluntary support to victims of the Sichuan earthquake.

# Respiratory Collaborative Care Team

***North District Hospital (New Territories East Cluster)***

Chronic obstructive pulmonary disease ("COPD") consistently poses a challenge to public healthcare due to its high hospitalization rate. In January 2009, the Respiratory Collaborative Care Team was established in North District Hospital ("NDH") to meet the impending surge in service demand. Taking a comprehensive approach, the Team transcends boundaries, and relies on cooperation across disciplines and between hospital and the community, to develop a Hospital at Home programme.



**A comprehensive care model to bridge service gaps**

The Team emphasises cross-boundary collaboration of different healthcare disciplines to support early hospital discharge of patients and self-care at home. In nurturing a skilled healthcare workforce, training on how to manage patients is given to community nurses and other hospital staff. Apart from the opportunity to acquire new knowledge and skills, nurses and allied health staff take part in clinical decision-making, share their experience and give suggestions to doctors for improvement.

Through mutual support and learning, team members empower patients with disease self-management skills, provide them with crisis management packs and pay them timely home visits. Members also coach volunteers tending to elderly patients so that patients can be further supported in the community.

With patients' confidence in self-care restored, the hospitalization rate of COPD patients in NDH has decreased accordingly. The model of the Respiratory Collaborative Care Team has been shared with hospitals in the New Territories East Cluster and other clusters to further develop new approaches to meet the demands of patients and the community.


# UROK Clinic

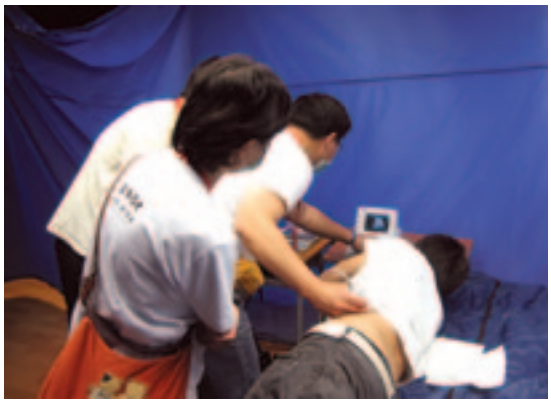
***North District Hospital (New Territories East Cluster)***

The UROK (yoU aRe OK) Clinic is a heart-warming example of how medical professionals care for the community and fulfill their social responsibility. The outreach clinic is run by a team of staff volunteers of North District Hospital to encourage young people to quit drugs. In view of the alarming situation of youth drug abuse in the district, UROK members, including urologists, psychiatrists, nurses and physiotherapists, share the goal of using their professional knowledge and skills to help young drug abusers.

With great commitment and dedication, UROK members reach out to the community when they are off duty. The mobile clinic operates at community centres at around midnight when young people usually hang out. They conduct health checks for young people and persistently communicate the message that "You are OK if you stay away from drugs."

**An innovative, caring approach to help young drug abusers**

For the UROK members, their efforts have borne fruit. More than 76 teenagers have attended the Clinic since its establishment in July 2009. So far about one-third of them have stopped taking drugs or reduced usage in terms of dose or frequency. Support from staff of other healthcare disciplines is growing. With these encouraging results, the UROK Clinic will continue to work closely with non-governmental organizations to help young people lead a drug-free life.



# Chapter 6

# Head Office and Cluster Reports

The Hospital Authority ("HA") provides public healthcare services to the people of Hong Kong through the Head Office and the following seven hospital clusters:

- Hong Kong East
- Hong Kong West
- Kowloon Central
- Kowloon East
- Kowloon West
- New Territories East
- New Territories West

HA Head Office and each cluster give below an overview of their work and highlight key achievements of the past year, under the five corporate strategic directions.

# Head Office

*"To accomplish HA's Mission 'Helping People Stay Healthy', we support the hospitals in delivering patient services valued by the community."*

**Dr CHEUNG Wai-lun, JP**
*Director (Cluster Services)*

*"The Helen Keller quote: 'Alone we can do so little; together we can do so much.' – My appreciation to all my staff for their dedicated and professional support!"*

**Ms Ernestina WONG**
*Head of Corporate Services*

*"In supporting HA values in Quality People-Centred Care, Finance delivers professional services to achieve annual plan targets through committed staff and teamwork. We continue to excel through continuous improvement and innovations."*

**Ms Nancy TSE**
*Director (Finance)*

*"I am proud of the hard work and professional commitment of the Human Resources team as we strive to improve the lives of our frontline colleagues."*

**Mr David ROSSITER**
*Head of Human Resources*

*"2009/10 was both an eventful and fruitful year. Thanks to colleagues' dedication and support, we could take forward many programmes and have dealt with a number of major incidents."*

**Dr LEUNG Pak-yin, JP**
*Director (Quality & Safety)*

*"Strategic planning in HA aspires to improve the care we provide to our patients. I am grateful to all our colleagues for their ideas and innovations, which have enhanced the quality of planning in HA."*

**Dr LO Su-vui**
*Director (Strategy & Planning)*

The HA Head Office ("HAHO") comprises six divisions delineated according to its key functions, namely Cluster Services, Corporate Services, Finance (& Information Technology), Human Resources, Quality & Safety and Strategy & Planning. These key functions, through interactive collaboration, play a pivotal role in leading corporate development and supporting hospital clusters. The HAHO serves to align the whole organization to common values and directions. In 2009/10, the HAHO has initiated and led some 70 corporate targets corresponding to the five overarching Key Objectives.

## Key Achievements

### *Implement a Planned Response to Manage Growing Service Demand*

To facilitate planned responses in demand management, an integrated service demand projection model across the spectrum of HA services was built, together with specialty-based workforce projection models which were incorporated in the planning of healthcare workforce with the Government.

To meet rising service demand, service capacity in priority areas was enhanced and clinical programmes were introduced, e.g. the capacity of radiotherapy services was expanded to meet the growing demand in cancer services; triage clinics at Psychiatric Specialist Outpatient Departments were set up for timely assessment and management of patients with less severe mental problem; HIV/AIDS services were enhanced to cover cocktail therapy costs; and cytogenetic services were increased to improve the diagnosis and prognostication of leukaemia.

As part of the Government's Healthcare Reform, a number of Public-Private Partnership ("PPP") projects have been piloted with the aim of providing more choices to patients. A Shared Care Programme was kicked off and piloted in the New Territories East Cluster for patients suffering from chronic diseases such as diabetes and hypertension with stable medical conditions. Under the PPP Cataract Surgeries Programme, over 7,000 cataract surgeries have been completed with the participation of 81 private ophthalmologists. Patients requiring haemodialysis service have also been offered the choice of receiving the service in the community under a piloted haemodialysis shared care programme.

To keep people healthy and minimize avoidable hospitalization, nine multi-disciplinary teams were built to deliver proactive Risk Assessment and Management Programme for over 10,000 patients. Nurse and allied health clinics were established in 40 general outpatient clinics ("GOPCs") with 47,000 attendances. The Smart Patient Website was enhanced with self management courses and a smoking cessation programme was piloted for high risk patients.

To provide medical support to the 2009 East Asian Games, contingency plans were developed and medical teams were mobilized. The Human Swine Influenza Pandemic has put the preparedness of HA and its contingency plans to rigorous test. To combat the pandemic, enhanced primary care training for 160 primary care doctors was organized and eight Designated Flu Clinics were set up. With professionalism and devotion, our staff has delivered unfailing support to meet the expectations of the public.

***Improve Continuously Service Quality and Safety***

Quality and safety are always on the top of our agenda. Numerous programmes have been implemented to improve patient safety. The re-use of Single Use Devices was reduced. A 2-dimensional barcode system was implemented in HA hospitals for laboratory tests to facilitate correct patient identification. Aligned with the World Health Organization's "Safe Surgery" programme, a system for safety checks was introduced to enhance safety culture and risk management in operating theatres. To further improve patient safety and reduce potential medication errors, a project was commenced to develop and implement an Inpatient Medication Order Entry solution. With this new funding, work will accelerate over the next two years.

System-wide programmes were introduced to improve quality. The pilot hospital accreditation programme has commenced in five public hospitals, in partnership with an international accrediting agent. An HA-wide Patient Satisfaction Survey was kicked off to gauge patient feedback on public hospital services, and for formulation of quality improvement action plans. To ensure service quality, an audit on GOPC diabetic care and Trent bereavement audit in 10 hospice and six oncology units were conducted.

In response to the drug quality incidents, a Drug Quality Assurance Office was set up for implementation of a number of enhancement initiatives including introduction of multi-source supplies, sample testing by both supplier and HA, documentation and compliance reinforcements and automation and IT support in dispensing systems.

Learning and sharing are essential for driving continuous quality improvement. In addition to the publication of "HA Risk Alert", the first issue of the "Quality Times" was published to share good practices within HA and learn from international comparisons. An annual report on Quality and Risk Management was also issued to share the good programmes in clusters. As part of the surgical quality monitoring system, the first report of the Surgical Outcomes Improvement Programme was released providing information on surgical outcomes.

***Keep Modernizing HA***

Enhancing corporate governance practices was a major focus of work. Through collaboration of various HAHO divisions and the seven hospital clusters, progressive steps have been taken to enhance the good corporate governance practices which will be monitored and reviewed periodically. The progress of key performance indicators was regularly reported to the management and the HA Board for monitoring purposes.

A Senior Executive Workshop, participated by the Chief Executive, all HAHO Division Heads and Cluster Chief Executives, was held to review the work done by HA and identify key areas of development. Following that, a Strategic Planning Workshop was organized to engage members of the HA Board in developing future strategic directions of HA.

To spell out HA's overall direction and lead strategic and integrated planning of services, facilities and workforce, the Strategic Service Plan 2009–2012 was published. Further, service plans such as the Clinical Services Plan for the redevelopment of Kwong Wah Hospital were completed. A consultation document on the development of adult mental health service plan, and two consultation studies for the proposed Centres of Excellence in Paediatrics and Neuroscience were formulated to guide major capital projects and clinical programmes.

Important emphasis was given to enhancing accountability to the community by utilizing media communication channels and platforms to promote public understanding of healthcare issues. During the year, a total of 380 media events were organized, 550 press releases were issued and 2,800 media enquiries were handled. Increased media coverage of our professional and caring staff members also helped promote HA's people first culture.

To enhance internal and external communication, the corporate website (www.ha.org.hk) has been revamped with a new design and information architecture.

A project for the development of electronic referral system has been taken forward. "Filmless HA" project has been initiated to build an infrastructure for filmless viewing across all public hospitals in four years. As a means to modernize the information system on complaint management, a pilot electronic Patient Relations System was rolled out to clusters.

Apart from building new models of care and facilities, other modernizing achievements include drawing up a ten-year engineering equipment replacement requirement plan; and updating the design standards for clinics, emergency services, operating theatres, and diagnostic and interventional radiology.

The Capital Block Vote of $500 million has enabled HA to keep modernizing the medical equipment by installing a total of 246 pieces of major medical equipment to replace those near-obsolescent items and completing 31 engineering equipment projects in order to provide quality services to patients.

Leveraging information technology and technological refreshment for continuous improvement is another key focus. The successful implementation of an Enterprise Resource Planning ("ERP") system for the Finance function in 2009/10 has not only enhanced internal controls and operational efficiency, but also strengthened reporting capability for compliance with statutory reporting requirements. The configuration of the ERP System for the Human Resources and Payroll functions was completed with the scheduled go-live in 2010/11. Stage 1 of the Patient Billing and Revenue Collection System Revamp project was successfully rolled out in July 2009, with billing for private patients expedited and internal control tightened.

The world-class HA-developed Clinical Management System and related Clinical Departments Supporting Systems have incorporated new technologies to establish a modern and agile platform to further improve care delivery efficiency. The Government has engaged HA as the Technical Agent for the development and implementation of Hong Kong's territory-wide Electronic Health Record Sharing Platform and related systems which will support the Government's future Healthcare Reform initiatives and promote public-private interface for the continuum of care.

***Build People First Culture***

The year has seen the development and implementation of important initiatives aimed at driving sustainable change in the way HA attracts, retains and motivates employees.

HA's new service culture espoused in the newly refreshed Vision, Mission and Values was formally announced in September 2009. To support the launch of the new service culture, the HA Code of Conduct has been reviewed and updated. Extensive reviews of the mechanisms for Staff Consultation as well as the Staff Disciplinary procedures aiming at ensuring enhanced fairness, transparency and ultimately trust were also conducted.

Management 101, a modular programme introducing new managers to the fundamentals of management, was implemented. HA Leadership Pipeline and the Executive Leadership Programme aiming at enhancing leadership capability of the organization with a focus on the "next generation" of senior leaders was further rolled out. Executive Development Positions were also used to place senior leaders for a 12-month period into new roles to expand their learning in preparation for more senior roles in the future.

Various pilot work reform programmes to improve doctors' working conditions and supportive measures to further relieve their workload without compromising the quality of care were put in place. The proportion of doctors working for more than 65 hours per week on average dropped from around 18% in September 2006 to 4.8% by December 2009. To relieve nurses of non-nursing duties, vocational training for frontline supporting staff was provided which has resulted in more skilled staff at ward level to support nurses.

The new career progression models for nurses and allied health ("AH") staff have been implemented to strengthen human resources capability. Nurse Consultants have been appointed in five specialty areas while the AH career progression model has been piloted in diagnostic radiographer, occupational therapist and physiotherapist grades.

Various new training initiatives were implemented to enhance professional competencies of doctors, nurses and AH professionals in support of HA's strategic directions and the new career progression models. During the year, 30 commissioned programmes for doctors; 65 programmes for AH professionals and pharmaceutical staff; and 17 specialty courses as well as 179 competency enhancement programmes for nurses were conducted.

***Maintain Financial Sustainability***

With the Government's annual subvention reaching $32 billion for 2009/10, and to fulfill the key responsibility of HA as a guardian of the public purse, strong financial integrity and vigilance were maintained to ensure optimal utilization of resources with good value for money to support the delivery of quality healthcare services.

As a key strategy to ensure long term financial sustainability, a new Pay-for-Performance internal resource allocation model was introduced to provide incentives for productivity and quality improvement through a fair and transparent funding mechanism. By targeting additional resources to high demand areas, the number of patients treated by HA has increased by over 4% when compared to the previous year.

In the face of the unsettled aftermath of the financial tsunami and global economic downturn, a prudent approach in cash and investment management was continued to meet liquidity requirements while obtaining reasonable returns amidst a low interest rate environment. With prudent risk management, HA's capital has remained intact notwithstanding the volatile market.

# Hong Kong East Cluster ("HKEC")

*"My deepest appreciation to the dedicated and committed colleagues in HKEC for happily contributing to the health of our patients: A sure way to earn the trust of our community."*

***Dr Loretta YAM, BBS***

*Cluster Chief Executive*

The Hong Kong East Cluster serves an estimated population of 0.83 million covering the Eastern and Wanchai Districts of the Hong Kong Island as well as the Outlying Islands (excluding North Lantau). The Cluster comprises six hospitals and 12 general outpatient clinics. The six hospitals are Pamela Youde Nethersole Eastern Hospital ("PYNEH"), Ruttonjee & Tang Shiu Kin Hospitals ("RHTSK"), Tung Wah Eastern Hospital, Wong Chuk Hang Hospital, Cheshire Home (Chung Hom Kok) and St. John Hospital. The general outpatient clinics include seven in the urban areas and five on the outlying islands of Cheung Chau, Lamma and Peng Chau. The Cluster provides a full range of comprehensive inpatient, outpatient, ambulatory, Accident & Emergency, allied health and community-based healthcare services. In addition, the Hong Kong Tuberculosis, Chest & Heart Diseases Association supports the Cluster by promoting health education programmes for primary and secondary prevention.

## Key Achievements

To operate under a relatively low bed-to-age-adjusted population ratio, the Cluster placed strategic emphasis on managing growing service demand and optimizing efficiency. Ambulatory and community-based service models were utilized to prevent avoidable hospitalization and reduce the duration of hospital stay. The Ambulatory Cancer Care Enhancement Programme at

**St. John Hospital**

PYNEH enabled more complex chemotherapy regimens to be handled in a day centre setting. Psychiatric services were enhanced in July 2009 with the establishment of a triage clinic in the psychiatric specialist outpatient clinic to deliver timely ambulatory care and the additional outreach services to strengthen community-based support and enable early intervention. Cluster-wide patient flow projects were also initiated to increase bed utilization through streamlining patient flow and enhancing discharge planning.

Service demand in pressure areas was duly addressed. To manage the outbreak of Human Swine Influenza, more isolation wards were opened by temporarily closing one general ward to enable staff deployment. Two additional Cardiac Care Unit beds were opened in PYNEH in June

2009 to strengthen cardiac care services. Over 480 additional surgeries on cataract, colorectal cancer, breast cancer and hip replacement were operated to relieve surgery backlogs. Magnetic Resonance Imaging service was extended to 12 hours from July 2009 to shorten the waiting time. To enhance palliative care services, the Palliative Care Centre at RHTSK, built with a donation from the Board of Management of the Chinese Permanent Cemeteries, was officially opened in November 2009.

Quality and safety have always been high on the Cluster's agenda. All Class III critical items of Single Use Devices and 8% of Class II items were taken out from the re-use list. Medication reconciliation service was piloted in the acute medical admission wards of PYNEH to enhance continuity of care and reduce medication risks. New clinical policies were formulated in PYNEH to set clear guidance on clinical practice. To improve patient safety, a Crew Resources Management ("CRM") Model adapted from the aviation industry was piloted to raise risk awareness and enhance communication within clinical teams through the CRM training programme. Being one of the five HA hospitals to pilot Hospital Accreditation conducted by the Australian Council on Healthcare Standards, PYNEH has undergone a Consultancy Survey in early December 2009 and received positive feedback from the survey team. It is now preparing for the Organization-wide Survey to be held in June 2010.

Another focus of the Cluster was to modernize its facilities and services to keep up with modern clinical practice, improve patient experience and sustain quality service. On patient service, the new 3-tier wound management model successfully speeded up the healing of 33% of chronic wounds and reduced 8% wound dressing in the General Outpatient Clinics and the Community Nursing Services. On medical technology, the filmless hospital project and robotic surgery service were started in May 2009. Being one of the three pilot filmless hospitals, PYNEH will be in the last phase of filmless implementation in its operating theatres by end of 2010. The Robotic Endolap Operating Room, equipped with a Robotic Surgical System funded by donation, was officially opened in December 2009. On capital facilities, the Chai Wan Laundry service was fully recovered from the damage of fire in December 2009.

Faced with increasing workload and high staff turnover, the Cluster has made continuous and concerted efforts during the year to build a healthier and happier workforce so as to re-engage staff. The expanded team of Staff Communication Ambassadors held regular luncheons with the Cluster Chief Executive and underwent training to help promote an effective communication culture. A new training programme to develop soft skills like communication, change management and team building tailor-made to the receiving unit was successfully delivered to the Clinical Pathology Department and will be further rolled out. The Special Honorarium Scheme continued to be utilized for staff groups with recruitment difficulties in order to support service demand and manage doctors' work hours. Recruitment for Registered Nurse posts was also flexibly processed to increase the intake rate.

The opening of additional Special Accommodation Ward beds and private beds continues to be a standing planning item of the Cluster, serving to provide options to patients and maintain financial sustainability.

# Hong Kong West Cluster ("HKWC")

*"The achievements of HKWC to-date would not have been possible without the professionalism, dedication and teamwork of our colleagues. I am honoured and privileged to have been associated with HKWC all these years."*

***Dr Lawrence LAI, BBS, JP***

*Cluster Chief Executive*

The Hong Kong West Cluster serves an estimated population of 0.55 million covering the Central, Western and Southern Districts of the Hong Kong Island. The Cluster comprises seven hospitals and six satellite institutions. The seven hospitals are Queen Mary Hospital ("QMH"), Tung Wah Hospital ("TWH"), Grantham Hospital ("GH"), Duchess of Kent Children's Hospital, Fung Yiu King Hospital, MacLehose Medical Rehabilitation Centre and Tsan Yuk Hospital. The six satellite institutions are David Trench Rehabilitation Centre and five general outpatient clinics ("GOPCs"). Apart from providing a comprehensive range of healthcare services to the residents in its catchment area, the Cluster is well known for its tertiary and quaternary services that serve the whole population of Hong Kong.

The Cluster continued to maximize its partnership with Li Ka Shing Faculty of Medicine of the University of Hong Kong in supporting undergraduate and postgraduate medical education and training, research and development, and innovations in healthcare technology and services. QMH won the Reader's Digest Trusted Brands Gold Award four years in a row from 2007 to 2010. This has amply reflected the trust and confidence of the community in the service contribution of the Hospital in the past years.

## Key Achievements

Facing the challenge of growing demand in the high priority areas, the Cluster has strengthened the liver transplant service to cope with an increasing number of liver patients. 86 liver transplants were performed in 2009/10, including 35 from deceased donors and 51 from living donors, that is an average of 7.2 liver transplants per month. The outcome of transplant remained excellent with three hospital mortalities (3.5%).

To shorten waiting time, a Cataract Centre was set up in GH to cater for the growing demand. QMH performed over 100 additional hip and knee replacement operations. Nurse and allied health clinics on wound care, continence care and medication management were set up at TWH, Sai Ying Pun and Aberdeen GOPCs to provide targeted management to post-discharge and chronic patients.

The Cardiothoracic Surgery, Paediatric Cardiology and Cardiothoracic Anaesthetic Services relocated from GH to QMH have achieved around 50% increase in heart transplant operations with excellent clinical outcome. The team carried out the first paediatric heart transplant in Hong Kong in April 2009 with resounding success.


To manage service demand, the Cluster placed much emphasis on reducing avoidable hospitalization. The Recovery Support Programme for discharged mental patients was implemented to provide additional outreach attendances and the Community Psychogeriatric Outreach Programme was introduced to enhance psychogeriatric support to private old age home residents. The newly renovated Emergency Medicine Ward of Accident & Emergency Department ("AED") has commenced operation. Benefitting from the proximity and 24-hour coverage of a new computed tomography scanner installed at AED as well as closer multi-disciplinary collaboration, the AED was in a much better position to diagnose and treat patients who did not need to be admitted.

The HKWC continued to place strategic emphasis on community-based healthcare delivery and community partnership. A satellite Community Centre at Wah Fu Estate was officially opened in December 2009 to provide comprehensive multi-disciplinary community service to local residents on prevention of and care for chronic diseases. The continuous implementation of Community Volunteer Service has provided regular home visits and phone contacts to over 600 post-discharge chronically ill patients. The programme has helped reduce attendances at AED and unplanned admissions.

During the year, the Cluster implemented a number of improvement initiatives to improve its service quality, safety and outcome. QMH embarked on pilot hospital accreditation by an international accrediting agent with the aim of achieving a higher level of service quality and standard. The accreditation process facilitated the Hospital to have an overview of the current practices, benchmark with international standards and improve quality through changes in system and practices where appropriate.

To further enhance the quality of end-of-life care, the modified Liverpool Care Pathway in Palliative Care was implemented at GH. A review was conducted following the full-scale system implementation with the aim of improving documentation, reducing diagnostic interventions, and enhancing pain and symptom control.

To move towards a filmless hospital, QMH has launched a new filmless project with a smooth pilot run in two wards. The project has enabled easy record retrieval, reduced generation of film waste, and minimized the risks of record loss and patient personal data disclosure. It will be rolled out to other wards in phases with target completion date in 2010/11.

In the pursuit of efficient and quality outcomes, the e-Hospital Care initiative was promoted to help staff work smart and turn their workplace into a more efficient, effective, e-based, enriched and empowered working environment by applying the "Lean Management" methodology, reviewing and streamlining work flow and practices as well as reducing waste and non-value added work.

In support of the Build People First Culture, the Cluster strengthened the Staff Recognition Scheme to foster a culture of service excellence by revamping the Spot Award Scheme and presenting 5S Awards. To enhance operational efficiency and patient comfort, renovation works were carried out in wards, clinical areas and staff facilities to ensure a safe and supportive environment to staff members and the public.

To further promote staff health and wellness, the first Staff Health Week with the theme of "Staying Healthy • Happy Staff" in line with HA's new Vision, Mission and Values was held to promote a healthy lifestyle and strengthen care/support to colleagues and their family members. The Staff Health Screening and Awareness Programme has been launched to enhance staff awareness of their own health and to identify subclinical diseases for early intervention. To advocate a balanced work life and foster team spirit in the Cluster, various sports activities and interest classes were also organized.

# Kowloon Central Cluster ("KCC")

*"With our concerted efforts, a lot of achievements were scored last year. The KCC will join hands with our partners to continue to provide quality health services to the community."*

***Dr HUNG Chi-tim***
*Cluster Chief Executive*

The Kowloon Central Cluster serves an estimated population of 0.5 million covering the Yau Tsim and Kowloon City districts. The Cluster comprises six hospitals/institutions and six satellite institutions. The six hospitals/institutions are Queen Elizabeth Hospital ("QEH"), Hong Kong Buddhist Hospital ("HKBH"), Hong Kong Red Cross Blood Transfusion Services, Hong Kong Eye Hospital ("HKEH"), Kowloon Hospital ("KH") and Rehabaid Centre. The Cluster provides a full range of ambulatory, acute, convalescent, rehabilitation and extended care patient services to the public.

The Cluster launched the new Cluster Vision, Mission and Values in October 2007. The Vision is "To pursue excellence in health services – in life we share, in health we care and in excellence we fare". Emphasis is on the RESPECT values (**R**espect, **E**mpathy, **S**haring, **P**rofessionalism, **E**fficiency, **C**reativity, and **T**rust) and our mission statements are:

- We deliver quality health service to our clients.
- We partner with the community to provide holistic care.
- We train healthcare professionals to pursue excellence.
- We promote learning culture, research and innovations.

Building on our Cluster core values of RESPECT, we have, since 2008/09, earmarked the following three consecutive years as "Years of Safety", with a specific theme each year – patient safety, staff safety and quality. As one of the pilot hospitals of the Hospital Accreditation Programme, QEH participated in the consultancy survey in December 2009.

## Key Achievements

In 2009/10, the Cluster implemented a variety of initiatives to facilitate the provision of right care for the right patient at the right place. To implement planned responses to growing service demand, six operating theatre sessions per week and cataract surgery output were increased in QEH and HKEH to shorten the waiting time for surgical procedures of neurological, cancer, orthopaedic, Ear Nose Throat and cataract surgeries. Allied health services namely occupational therapy, physiotherapy and dietetic services were enhanced in HKBH to reduce the length of stay; and multi-disciplinary clinical pathways have been introduced to review the length

of stay. A triage system has been developed and implemented to enhance management for patients with chronic lung diseases, reinforcing the right patient, right place and right care concept. To improve diabetic control, the KCC Diabetes Mellitus Review Clinic was established. To meet the growing demand, an additional doctor session has been provided weekly at the Substance Abuse Clinic at KH. Blood services have been enhanced by opening a new blood donor centre in Kwun Tong with overall donor recruitment and blood collection exceeding the target.


To continuously improve service quality and safety, clinical pathways were formulated to enhance Acute Pain Service and Chronic Pain Service. Such services were strengthened by providing routine assessment for all postoperative patients and additional chronic pain procedure sessions. The Integrated Palliative Care Services have also been expanded to provide a full continuum of palliative care. In preparing for hospital accreditation, an external consultancy has been engaged to review business processes and documentation in QEH. Cytotoxic reconstitution services in the Pharmacy at QEH have been centralized to improve safety and save nursing manpower.

To keep modernizing HA, Deep Brain Stimulation services were provided to three patients with Advanced Parkinson's Disease.

Under the Build People First Culture, a book called "拆走醫院的炸彈" was published to enhance communication and relationship between staff and patients. The Book Launch Ceremony was held on 21 September 2009 and response to the book was overwhelmingly positive. As at 31 March 2010, topping up service for medical consumable items had been implemented in 39 wards at QEH which exceeded the target. Ward staff appreciated the service tremendously.


To maintain financial sustainability, ongoing focused projects were conducted and strategies on efficient bed utilization were implemented to reduce length of stay in acute care setting. These strategies will help the Cluster in the coming years.

# Kowloon East Cluster ("KEC")

*"We are committed to the service philosophy of 'Treating Patients as Our Beloved Ones'. It is also a driving force for us to serve even better with passion and vigour."*

***Dr LUK Che-chung***
*Cluster Chief Executive*

The Kowloon East Cluster serves an estimated population of 0.98 million covering the districts of Kwun Tong, Tseung Kwan O and Sai Kung. The Cluster comprises three hospitals and eight general outpatient clinics. The three hospitals are United Christian Hospital ("UCH"), Tseung Kwan O Hospital ("TKOH") and Haven of Hope Hospital ("HHH"). Apart from the hospitals and general outpatient clinics, the Cluster also manages the outpatient and day patient facilities in Yung Fung Shee Memorial Centre and Pamela Youde Polyclinic. The Cluster provides a full range of comprehensive inpatient, day patient, outpatient, Accident & Emergency, as well as general, specialist, allied health, and community-based healthcare services.

The major initiatives of KEC Annual Plan 2009/10 were to fully utilize the existing resources to meet community needs and the growing demand in specific areas including eye, oncology, and obstetric services. Apart from that, ambulatory and community care was also the strategic direction of the Cluster to prevent avoidable hospitalization and reduce the length of hospital stay. To align with the long term service development, the Cluster placed much emphasis on the two major capital projects of Re-provisioning of Infirmary, Community Interface and Carers' Support Services in HHH and the Expansion of TKOH.

## Key Achievements

With a higher proportion of elderly people in the district, there was a rising demand for eye service in the community. The Cataract Surgery Centre at TKOH has been put into operation and recorded a tremendous twofold increase in the number of cataract surgeries. The setting up of a 36-bed surgical ward in TKOH has helped shorten the waiting time for elective cases. KEC will continuously

enhance the haemodialysis service and on-site chemotherapy services to benefit more patients. Moreover, antenatal and postnatal services in UCH and TKOH have been expanded to meet community needs.

Quality and safety remains the highest priority in the Cluster service plan. An Acute Stroke Unit in TKOH was set up to provide prompt and efficient care to acute stroke patients. The Cluster also established a structured quality and safety audit system using patient tracer methodology to conduct projects for improving patient support services. Projects completed included Non-emergency Ambulance Transfer Service, patient transfer, outpatient drug dispensing and medical record security. These projects have enhanced the quality and efficiency of patient service in a comprehensive approach.

The Cluster has installed the baby tagging system in paediatric wards. Other security improvement measures included the installation of close circuit television system in high risk areas such as the Accident & Emergency Department. In addition, a series of measures to modernize hospital functions were implemented, including the establishment of a cluster-based equipment management centre to enhance asset management within KEC, and the setting up of cluster management structure for health informatics.

To further enhance ward service, the Cluster implemented a pilot scheme of extended clerical service to strengthen business support to clinical and ward staff for them to concentrate on direct patient care.

The Cluster not only focuses on patient service, but also emphasizes "People-Centred Care". A holistic care programme was launched to promote staff wellness. Occupational safety and health activities were also enhanced by conducting environmental scanning at different work sites as well as identifying occupational and ergonomic hazards in manual handling and use of display screens.

To embrace the philosophy of "Treating Patients as Our Beloved Ones", UCH launched a Patient Support Service Programme to strive for improving patient services. The Cluster identified opportunities for further improvement in different service areas through on-site assessment as well as patient and staff feedback survey in order to draw up proposals for improvement. Successfully implemented programmes included establishing a lobby management team to serve the needs of patients or visitors such as answering enquiries, showing directions and finding patient locations. The setting up of a customer telephone service team helped provide accurate information to clients and improve patient experience in telephone enquiry.

KEC takes pride in its long-term close partnership with the community. In 2009/10, the Cluster planned and participated in a variety of activities which attracted wide publicity, such as "Networking the Neighbour Project" promoted by Kwun Tong community, Community Cardio Pulmonary Resuscitation Training and the 'Warmth-giving' activities with over 200 volunteers participating.


Through understanding the needs of patients, the Cluster has established service directions to enable the efficient use of newly allocated resources. The philosophy of "People-Centred Care" and "Treating our Patients as Our Beloved Ones" will be further reinforced. In this regard, staff of the Cluster will collaborate with community partners to work towards the common goal of serving the community.

# Kowloon West Cluster ("KWC")

*"My salute to all our staff for their dedication and whole-hearted commitment to serve our community. We shall stay strong as a team to help people stay healthy."*

***Dr Nancy TUNG***

*Cluster Chief Executive*

The Kowloon West Cluster serves an estimated population of 1.9 million covering the Wong Tai Sin, Mongkok, Shamshuipo, Kwai Chung, Tsing Yi, Tsuen Wan and Tung Chung districts. The Cluster comprises seven hospitals and 23 general outpatient clinics. The seven hospitals include Caritas Medical Centre ("CMC"), Kwai Chung Hospital ("KCH"), Kwong Wah Hospital ("KWH"), Princess Margaret Hospital ("PMH"), Our Lady of Maryknoll Hospital, Tung Wah Group of Hospitals Wong Tai Sin Hospital and Yan Chai Hospital ("YCH"). The Cluster provides a full range of inpatient, day patient, outpatient, Accident & Emergency as well as general, specialist and allied health services.

## Key Achievements

In 2009/10, the Cluster strengthened its services in key priority areas. To address increased service demands, comprehensive cancer care to oncology patients was enhanced. The Cluster Oncology Centre at PMH has expanded its radiotherapy capacity with the installation of one additional linear accelerator. The number of day chemotherapy attendances was increased to serve more cancer patients. Extra operating theatre sessions were opened at acute hospitals to manage the demand for cancer surgery such as breast and colorectal cancers.

The Cluster has strengthened its support to end-stage renal failure patients. The capacity for hospital haemodialysis at PMH, CMC and KWH and home haemodialysis at PMH was increased. Service capacity of obstetrics and neonatology was also expanded.

To shorten the waiting time for urology services and other elective surgery, the Cluster has increased the number of urological surgery/investigations and hip and knee replacement surgery accordingly.

To cope with the increasing number of Human Immunodeficiency Virus ("HIV") patients in Hong Kong, an HIV Clinic was set up at PMH. KCH has also strengthened its substance abuse service to shorten the waiting time for new cases.

Care for the elderly was strengthened through wider service coverage. The coverage of the Community Geriatric Assessment Team service was extended to 50 more private old aged homes. The comprehensive mental health services were further enhanced through the launch of recovery support programmes by KCH, the set up of a Triage Clinic at the West Kowloon General Out-patient Clinic, and the expansion of our Community Psychiatric Assessment Team service.

Efforts to promote a quality culture and roll out various patient safety and risk management initiatives continued. These included reducing the re-use of Single Use Devices and implementing 2-dimensional barcode system for laboratory tests in all KWC hospitals. Medication Reconciliation Service at KWH was introduced to enhance medication safety. A Centralized Compounding Centre for the preparation of Total Parenteral Nutrition and Cytotoxic Drug Reconstitution products was set up at PMH to attain standardization and quality. The scope of the HA Drug Formulary has been widened to cover Fibrionolytics, Statins and Bisphosphonates for enhanced drug provision at Cluster hospitals and general outpatient clinics.

To improve the accessibility and efficiency on diagnostic imaging services, PMH has successfully piloted the Radiology Image Digitalization and Distribution System in all clinical departments. The S K YEE Critical Care Trauma Centre was opened at the newly renovated PMH Intensive Care Unit in February 2010. This Centre, equipped with upgraded Clinical Information System and physiologic monitors, has provided state-of-the-art critical care service for the Cluster. YCH has launched the Automated Dispatching System at its Central Supporting Services Department to enhance the efficiency of portering service.

Staff is our most valuable asset. The Cluster has implemented a series of initiatives to recruit and retain staff in particular nurses. The School of Central Nursing at CMC has continued the intake for the three-year Higher Diploma in Nursing programme to address the shortage of nurses. An additional 100 nursing students were recruited by September 2009. Workflow in the wards has been streamlined for nurses to focus their work on patient care.

Modernized equipment has been put to use in wards to minimize staff injury caused by manual handling. Over 400 electric beds were purchased to enhance patient care and reduce work strain on ward staff.

The HA Infectious Disease Centre ("HAIDC") at PMH continued to develop its role as the training and research centre on infectious disease and infection control. A simulation laboratory equipped with high technology programmable simulation of various clinical scenarios was set up to train healthcare workers. In June 2009, a large-scale Paediatric Infectious Disease and Immunology Course was organized by the HAIDC. It received an overwhelming response with hundreds of healthcare workers attending to share and update their knowledge and skills on the subject.

In line with HA's "Pay for Performance" internal resource allocation system, the Cluster has set up its Casemix Office to standardize clinical coding.

# New Territories East Cluster ("NTEC")

*"Thanks to the dedication from colleagues, we made major improvements in waiting time and community services in 2009/10. We will continue to strive for the best for our patients."*

***Dr FUNG Hong, JP***

*Cluster Chief Executive*

The New Territories East Cluster serves an estimated population of 1.27 million covering the districts of Shatin, Tai Po, North District and part of Sai Kung. It comprises seven hospitals and 11 general outpatient clinics ("GOPCs"). The seven hospitals are Prince of Wales Hospital ("PWH"), North District Hospital ("NDH"), Alice Ho Miu Ling Nethersole Hospital ("AHNH"), Tai Po Hospital ("TPH"), Shatin Hospital, Cheshire Home Shatin ("SCH") and Bradbury Hospice. The Cluster provides a full range of acute, convalescent, rehabilitation and extended care, inpatient and specialist outpatient services to the public. There are three Accident & Emergency ("A&E") centres serving the three major districts. Apart from the GOPCs, the Cluster also provides ambulatory care services in a number of day hospitals/centres, as well as a large network of community outreach services including the community geriatric assessment teams and the community nursing service.

## Key Achievements

The Cluster faced great demand for its services not only from local residents, but also from residents living immediately across the border and travelers commuting between Hong Kong and the mainland every day. The Cluster provides a broad range of tertiary and quaternary services serving the whole territory in association with the Chinese University of Hong Kong. Although there has been strengthening of the inpatient, ambulatory and community services over the past few years, the Cluster continues to face three main challenges in the provision of services for the public: (a) access block for emergency admissions during the winter surge or influenza peak season; (b) long waiting time for specialist outpatient services for some high demand specialties; and (c) long waiting time for elective and emergency surgeries partly attributable to increasing complexities of surgery.

To address the challenges, the Cluster focused on three key strategies in 2009/10: (a) optimized the utilization of inpatient wards to reduce bed capacity problems; (b) managed the waiting time of specialist outpatient clinics ("SOPCs") to ensure timely accessibility; and (c) increased the capacity of operating theatres to reduce waiting time for cancer and emergency surgeries. These strategies underpinned the development of the cluster annual plan for 2009/10.

On access block for emergency admissions, the Cluster developed the iACCESS system through the intranet platform in 2008/09 to manage bed utilization among hospitals in the Cluster. It supported rapid response to the need for hospital beds and eliminated the "bottleneck" for emergency admissions. More proactive efforts were made to increase the acute bed capacity by re-organizing the hospital beds, enhancing geriatric assessment and support to A&E and emergency medical patients, implementing multi-disciplinary care pathways for common emergency medical conditions, and increasing referrals to community nursing services. The Cluster also opened an additional 33 medical rehabilitation beds in TPH and transferred 33 infirmary beds to SCH.

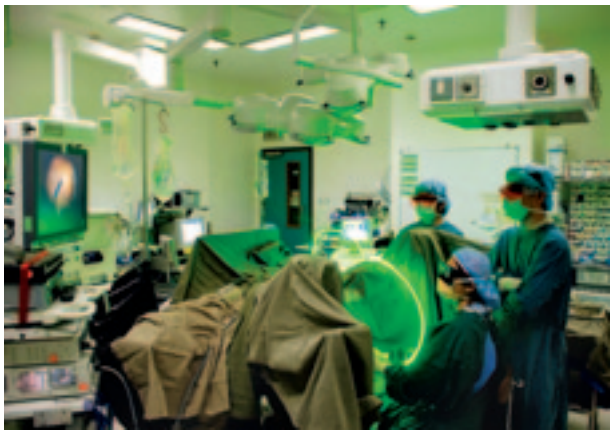
To expand the capacity of the chemotherapy service at PWH, the Cluster implemented the ambulatory cancer care enhancement programme for chemotherapy day centre. This allowed better chemotherapy safety and enabled more complex treatment regimens to be handled on a day centre basis. The Cluster also re-provided one linear accelerator in February 2010 and extended existing service hours to enhance oncology services and radiotherapy capacity.

On specialist outpatient clinic waiting time, the Cluster improved demand management by streamlining the internal referral sources and enhancing the role and capacity of the primary care and Family Medicine specialist services. This entailed service reconfiguration, incorporating multi-specialty collaboration and public-private partnership to reduce the reliance on public hospitals.

To strengthen the role of primary care service, holistic assessment was arranged for patients referred from A&E Departments to relieve demand pressure on SOPCs and non-urgent consultation, selecting patients with chronic medical diseases from medical specialist outpatient clinics for follow up attendances in Family Medicine Clinic and setting rollout plan for the Chronic Disease Management Shared Care Programme ("CDMSCP").

The Cluster also introduced comprehensive multidisciplinary risk assessment and targeted management programmes for patients with selected chronic diseases in the family medicine and GOPCs. The Risk Assessment & Management Programme at Yuen Chau Kok Clinic was started in January 2010. On the other hand, preparatory work and planning for the rollout of CDMSCP has started since July 2009. Pilot Diabetic Mellitus assessment with Joint Asia Diabetes Evaluation portal has been carried out in PWH and NDH since August 2009.

The Cluster continued to allocate additional resources to further enhance psychiatric services, especially on the child and adolescent psychiatric services. A community oriented outpatient team was formed to provide extra sessions for routine psychiatric referrals. Triage clinic service at psychiatric SOPCs has been started asince August 2009. The recovery support programme for discharged psychiatric patients, psychogeriatric outreach services to private old aged homes as well as the service of Substance Abuse Clinic have been enhanced with additional attendances.



On operation theatre ("OT") utilization, the Cluster opened additional extended hour and evening OT sessions, converted local anaesthetic sessions into general anaesthetic sessions to shorten the waiting time for cancer surgery and hip fracture operations. There was expansion of the pre-operative assessment and admission services. To enhance intensive support to elective surgeries, a 4-bedded Chronic Ventilation Unit was opened in AHNH and four High-dependency Unit beds were upgraded to two Intensive Care Unit beds.

To enhance patient safety, the Cluster started the programme on safe surgery practices in October 2009. A cluster-wide audit was conducted in March 2010 to evaluate the result. Modified Early Score was adopted in 40 wards to facilitate clinical communication. The Unique Patient Identification programme was rolled out to all inpatient wards in the Cluster with satisfactory results.

Under the Build People First Culture, strategies were developed to enhance support to clinical areas and nursing staff. The supervision in clinical areas was strengthened with the appointment of Advanced Practice Nurses. The workforce of the phlebotomist team was expanded. The staffing level of supporting staff in the general ward areas was enhanced with additional General Services Assistants (Patient Care) being appointed to relieve the workload of nursing staff. The Cluster also provided 300 additional electric beds in wards to improve the support to nurses. Besides, 105 Pupil Nurses were recruited for Enrolled Nurse training in February 2010. In view of the shortage of nursing manpower, midwifery training was provided to 71 nurses.

# New Territories West Cluster ("NTWC")

*"I would like to thank all our staff for their hard work, enthusiasm and endeavour in providing quality service in NTWC over the past year."*

***Dr Albert LO***

*Cluster Chief Executive*

The New Territories West Cluster serves an estimated population of 1.04 million covering the Tuen Mun and Yuen Long districts. It comprises four hospitals and eight general outpatient clinics. The four hospitals are Castle Peak Hospital, Pok Oi Hospital ("POH"), Siu Lam Hospital and Tuen Mun Hospital ("TMH"). Apart from the hospitals and general outpatient clinics, the Cluster also manages Tuen Mun Ambulatory Care Centre, Tuen Mun Mental Health Centre, Tuen Mun Eye Centre and the Butterfly Bay Laundry. The Cluster provides a full range of comprehensive general, psychiatric, inpatient, outpatient, acute, convalescent, rehabilitation, ambulatory, allied health and community-based healthcare services.

## Key Achievements

In 2009/10, the Cluster made significant progress and achieved all the key pledges. The Cluster has expanded its services to address the challenges of an ageing population; and pursued strategic measures to tackle the population's health problems related to the special socioeconomic influences and cope with the demand for general and psychiatric services.

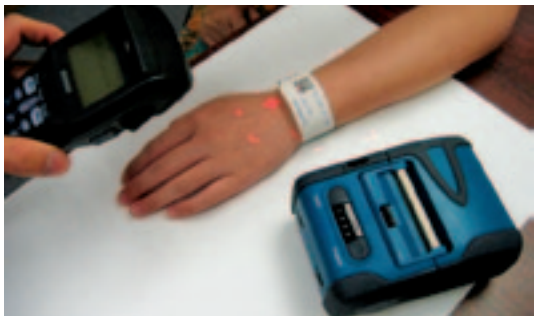
The Cluster has the highest bed occupancy rate and shortest average length of stay for general inpatients amongst all clusters. To relieve the shortage of hospital beds, 82 beds were opened at POH. In addition, three High Dependency Unit beds were opened to strengthen the provision of higher level individual care to cater for the growing complexity of patient conditions in POH. At the same time, 37 rehabilitation beds were opened in TMH Rehabilitation Block to support the rehabilitation needs of patients in the whole cluster.

To meet community needs for ambulatory cancer service, Chemotherapy Day Centre service has been further enhanced starting from the second quarter of 2009 at TMH with an increase of 35.2%

in throughput up to 8,000 attendances per year. With the aim of helping people stay healthy in the community, the Integrated Discharge Support Programme was rolled out to provide comprehensive community support for high-risk elderly patients discharged from TMH. A multi-disciplinary team was formed to coordinate the discharge plan and ensure that appropriate care was given to high-risk elderly patients when they returned to the community. A total of 2,266 high-risk elderly patients were recruited in the programme and 921 carers benefited from the carer training provided by the Home Support Team.

For psychiatric services, a triage clinic was set up in Tuen Mun Mental Health Centre, which served 2,245 new patients a year. A new psychogeriatric outreach service was started in 2010 for early identification of mental health problems and timely clinical intervention to geriatric patients in the community. A total of 11,472 psychogeriatric outreach attendances were provided.

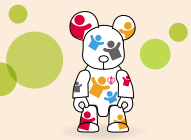
With the aim of improving operational efficiency, modernization of Clinical Pathology Department was one of the cluster priorities. The Blood Bank and General Haematology Laboratory of TMH was integrated into a new Core Laboratory in 2009. Internal communication between clinical departments and pathology service was further enhanced. There has been a steady demand for specialized radiological imaging service. To this end, an old Magnetic Resource Imaging machine was replaced with a state-of-the-art machine at TMH. Moving forward to benchmarking our clinical outcomes with international standard, the Cluster installed a comprehensive database system for data entry of upper gastrointestinal and colorectal cancer surgery. Clinical outcomes will be made available for devising ways to improve the service quality.



We witnessed a big leap forward in patient safety in 2009. The policy of not reusing Class III Single Use Devices was enforced with 100% compliance rate. The 2-dimensional bar-coding system was implemented for all blood, histopathology and microbiology tests. Error due to patient misidentification has been eliminated.

To achieve the corporate vision of "Happy Staff", the Cluster designed different training programmes to strengthen the competency of staff to work in modern healthcare settings. Lean Management Training was the focus area for all staff in the Cluster. In 2009/10, a total of 3,660 frontline staff underwent basic Level I training on lean healthcare and 416 staff underwent higher Level II training. Another 16 staff completed the top Level III training in 2009. Through involving staff in all ranks in reviewing and redesigning clinical processes, over 300 Kaizen activities were carried out in various departments. These measures have substantially improved service quality and enhanced patient experience.

# Independent Auditor's Report and Audited Financial Statements



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# Independent Auditor's Report

## To The Members of the Hospital Authority

We have audited the consolidated financial statements of the Hospital Authority ("HA") and its subsidiaries (together, the "Group") set out on pages 76 to 131, which comprise the consolidated and HA balance sheets as at 31 March 2010, and the consolidated statement of income and expenditure, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## The Hospital Authority's responsibility for the financial statements

The Hospital Authority is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 10 of the Hospital Authority Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of HA and of the Group as at 31 March 2010 and of the Group's deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

**PricewaterhouseCoopers**
Certified Public Accountants

Hong Kong, 16 September 2010

# Consolidated Balance Sheet

| | Note | Balance at 31 March 2010 *HK$'000* | Balance at 31 March 2009 *HK$'000* |
|---|---|---|---|
| **Non-Current Assets** | | | |
| Property, plant and equipment | 5 | 2,854,590 | 2,671,525 |
| Intangible assets | 6 | 235,530 | 153,068 |
| Loans receivable | 7 | 17,772 | 22,864 |
| Fixed income instruments | 8 | 1,430,966 | 280,001 |
| | | 4,538,858 | 3,127,458 |
| **Current Assets** | | | |
| Inventories | 9 | 823,316 | 863,808 |
| Loans receivable | 7 | 2,250 | 2,535 |
| Accounts receivable | 10 | 176,336 | 153,901 |
| Other receivables | 11 | 118,779 | 67,134 |
| Deposits and prepayments | 12 | 160,856 | 234,133 |
| Fixed income instruments | 8 | 280,000 | 1,335,925 |
| Bank deposits with maturity over three months | 13 | 4,248,746 | 2,308,109 |
| Cash and cash equivalents | 13 | 2,121,093 | 3,510,196 |
| | | 7,931,376 | 8,475,741 |
| **Current Liabilities** | | | |
| Creditors and accrued charges | 14 | 3,776,289 | 3,102,310 |
| Deposits received | 15 | 230,231 | 213,711 |
| | | 4,006,520 | 3,316,021 |
| **Net Current Assets** | | 3,924,856 | 5,159,720 |
| **Total Assets Less Current Liabilities** | | 8,463,714 | 8,287,178 |
| **Non-Current Liabilities** | | | |
| Death and disability liabilities | 16 | 135,928 | 133,690 |
| Deferred income | 17 | 464,524 | 527,533 |
| **Net Assets** | | 7,863,262 | 7,625,955 |
| **Capital subventions and donations** | 18 | 3,090,120 | 2,824,593 |
| **Designated fund** | 19 | 5,077,369 | 5,077,369 |
| **Revenue reserve** | | (304,227) | (276,007) |
| **Capital Subventions and Donations, Designated Fund and Reserves** | | 7,863,262 | 7,625,955 |

**Mr John Lee, JP**
Chairman
Finance Committee

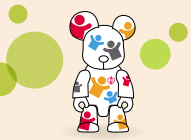
**Mr Shane Solomon**
Chief Executive

# Balance Sheet

| | Note | Balance at 31 March 2010 *HK$'000* | Balance at 31 March 2009 *HK$'000* |
|---|---|---|---|
| **Non-Current Assets** | | | |
| Property, plant and equipment | 5 | 2,853,885 | 2,670,292 |
| Intangible assets | 6 | 235,530 | 151,842 |
| Loans receivable | 7 | 17,772 | 22,864 |
| Fixed income instruments | 8 | 1,430,966 | 280,001 |
| | | 4,538,153 | 3,124,999 |
| **Current Assets** | | | |
| Inventories | 9 | 823,316 | 863,808 |
| Loans receivable | 7 | 2,250 | 2,535 |
| Accounts receivable | 10 | 176,336 | 153,901 |
| Other receivables | 11 | 118,779 | 67,134 |
| Deposits and prepayments | 12 | 160,856 | 234,133 |
| Fixed income instruments | 8 | 280,000 | 1,335,925 |
| Bank deposits with maturity over three months | 13 | 4,248,746 | 2,308,109 |
| Cash and cash equivalents | 13 | 2,121,093 | 3,510,196 |
| | | 7,931,376 | 8,475,741 |
| **Current Liabilities** | | | |
| Creditors and accrued charges | 14 | 3,776,295 | 3,102,316 |
| Deposits received | 15 | 230,231 | 213,711 |
| | | 4,006,526 | 3,316,027 |
| **Net Current Assets** | | 3,924,850 | 5,159,714 |
| **Total Assets Less Current Liabilities** | | 8,463,003 | 8,284,713 |
| **Non-Current Liabilities** | | | |
| Death and disability liabilities | 16 | 135,928 | 133,690 |
| Deferred income | 17 | 464,524 | 527,533 |
| **Net Assets** | | 7,862,551 | 7,623,490 |
| **Capital subventions and donations** | 18 | 3,089,415 | 2,822,134 |
| **Designated fund** | 19 | 5,077,369 | 5,077,369 |
| **Revenue reserve** | | (304,233) | (276,013) |
| **Capital Subventions and Donations, Designated Fund and Reserves** | | 7,862,551 | 7,623,490 |

**Mr John Lee, JP**
Chairman
Finance Committee

**Mr Shane Solomon**
Chief Executive

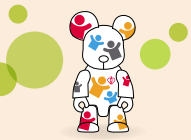


# Consolidated Statement of Income and Expenditure

| | Note | For the year ended 31 March 2010 *HK$'000* | For the year ended 31 March 2009 *HK$'000* |
|---|---|---|---|
| **Income** | | | |
| Recurrent Government subvention | 20 | 32,025,104 | 31,007,311 |
| Capital Government subvention | | 467,123 | 379,204 |
| Hospital/clinic fees and charges | 21 | 2,725,548 | 2,526,791 |
| Donations | | 1,093 | 35 |
| Transfers from: | | | |
| Designated donation fund | 17 | 132,214 | 111,903 |
| Training and Welfare Fund | 17 | 26,527 | 17,525 |
| Capital subventions | 18 | 578,591 | 511,042 |
| Capital donations | 18 | 109,656 | 98,131 |
| Investment income | | 112,349 | 179,744 |
| Other income | | 365,816 | 274,127 |
| | | 36,544,021 | 35,105,813 |
| **Expenditure** | | | |
| Staff costs | | (26,680,461) | (26,386,966) |
| Drugs | | (3,208,677) | (2,811,995) |
| Medical supplies and equipment | | (1,210,197) | (1,210,604) |
| Utilities charges | | (870,925) | (913,307) |
| Repairs and maintenance | | (1,078,233) | (1,086,622) |
| Building projects funded by the Government as set out in note 2(h)(ii) and (iii) | | (467,123) | (379,204) |
| Operating lease expenses – office premises and equipment | | (38,523) | (38,897) |
| Depreciation and amortisation | 5, 6 | (686,280) | (601,718) |
| Other operating expenses | 22 | (2,331,822) | (1,859,452) |
| | | (36,572,241) | (35,288,765) |
| **Deficit for the year** | | (28,220) | (182,952) |

# Consolidated Statement of Comprehensive Income

| | Note | For the year ended 31 March 2010 *HK$'000* | For the year ended 31 March 2009 *HK$'000* |
|---|---|---|---|
| **Deficit for the year** | | (28,220) | (182,952) |
| Other comprehensive income | | | |
| Additions to capital subventions and donations | 18 | 953,774 | 942,442 |
| Transfers to consolidated statement of income and expenditure | 18 | (688,247) | (609,173) |
| **Total comprehensive income for the year** | | 237,307 | 150,317 |

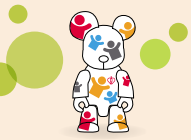


# Consolidated Cash Flow Statement

| | Note | For the year ended 31 March 2010 *HK$'000* | For the year ended 31 March 2009 *HK$'000* |
|---|---|---|---|
| Net cash from operating activities | 26 | 534,225 | 127,967 |
| Investing activities | | | |
| Investment income received | | 112,349 | 179,744 |
| Purchases of property, plant and equipment | 5 | (804,858) | (812,146) |
| Purchases of intangible assets | 6 | (148,916) | (130,296) |
| Net (increase)/decrease in bank deposits with maturity over three months | | (1,940,637) | 1,635,171 |
| Net increase in fixed income instruments | | (95,040) | (461,035) |
| Net cash (used in)/from investing activities | | (2,877,102) | 411,438 |
| Net cash before financing | | (2,342,877) | 539,405 |
| Financing activities | | | |
| Capital subventions | 18 | 832,305 | 843,298 |
| Capital donations | 18 | 121,469 | 99,144 |
| Net cash from financing | | 953,774 | 942,442 |
| (Decrease)/increase in cash and cash equivalents | | (1,389,103) | 1,481,847 |
| Cash and cash equivalents at beginning of year | | 3,510,196 | 2,028,349 |
| Cash and cash equivalents at end of year | 13 | 2,121,093 | 3,510,196 |

# Consolidated Statement of Changes in Net Assets

| | Capital Subventions and Donations *HK$'000* [Note 18] | Designated Fund *HK$'000* | Revenue Reserve *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|
| At 1 April 2008 | 2,491,324 | 5,077,369 | (93,055) | 7,475,638 |
| Total comprehensive income for the year | 333,269 | – | (182,952) | 150,317 |
| At 31 March 2009 | 2,824,593 | 5,077,369 | (276,007) | 7,625,955 |
| Total comprehensive income for the year | 265,527 | – | (28,220) | 237,307 |
| At 31 March 2010 | 3,090,120 | 5,077,369 | (304,227) | 7,863,262 |



# Notes to the Financial Statements

## 1. The Hospital Authority

### (a) Background

The Hospital Authority ("HA") and its subsidiaries are collectively referred to as the "Group" in the consolidated financial statements. HA is a statutory body established in Hong Kong on 1 December 1990 under the Hospital Authority Ordinance. The Hospital Authority Ordinance provides HA with the powers to manage and control the delivery of public hospital services in Hong Kong. Under the Hospital Authority Ordinance, HA is responsible for the following:

- advising the Government of the needs of the public for hospital services and of the resources required to meet those needs;
- managing and developing the public hospital system;
- recommending to the Secretary for Food and Health appropriate policies on fees for the use of hospital services by the public;
- establishing public hospitals; and
- promoting, assisting and taking part in education and training of HA staff and research relating to hospital services.

Pursuant to an arrangement, detailed in a draft Memorandum of Administrative Arrangement ("MAA") with the Hong Kong Government (the "Government"), the Government passed the management and control of the ex-Government hospitals (the "Schedule 1 Hospitals") to HA. Under this arrangement, certain specified assets were transferred to HA. The ownership of other assets was retained by the Government.

HA has also entered into agreements with the individual governing bodies of the ex-subvented hospitals (the "Schedule 2 Hospitals") which allowed HA to assume ownership of some operating assets as at 1 December 1991 and to manage and control other assets, the ownership of which remains with the individual governing bodies.

As a result, HA has assumed full responsibility for the management of the hospital operations since 1 December 1991. Also, all operating and capital commitments outstanding as at 1 December 1991 were assumed by HA, except for the capital works projects funded under the Capital Works Reserve Fund of the Government.

# Notes to the Financial Statements

## 1. The Hospital Authority (Continued)

### (a) Background (Continued)

As part of the Government's healthcare reform plan, HA has taken over the management and operation of all general outpatient clinics ("GOPCs") from the Department of Health since July 2003. Under the arrangement, the title and ownership in respect of the related operating assets of the GOPCs were retrospectively transferred to HA in July 2003 after receiving formal approval from the Government in June 2006. These assets were transferred at nil value.

In order to promote the development and research of Chinese medicine in Hong Kong, HA's subsidiary, HACM Limited entered into agreements with 9 non-governmental organisations ("NGOs") to operate 14 Chinese medicine clinics. Under the agreements with the NGOs, the Group has provided an annual subvention to the NGOs for operating Chinese medicine clinics in Hong Kong. These NGO clinics have provided Chinese medicine outpatient services including the prescription of Chinese herbal medicine and related services. For the year ended 31 March 2010, the subvention paid to these NGOs amounted to HK$25,469,000 (2009: HK$21,332,000).

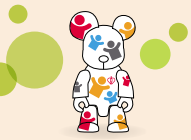
In order to support the Government-led electronic health record ("e-HR") sharing programme, which is a 10-year-programme and an essential part of the healthcare reform, HA has been engaged to serve as the technical agency to the Government, leveraging its experience and know-how in the Clinical Management System ("CMS"). With this role, HA undertakes multiple streams of e-HR related projects, which are funded by the recurrent subvention and other designated funding from the Government. During the financial year 2009/10, HA recognised HK$51,564,000 as other income to match with the expenditure incurred in relation to the e-HR and related programmes.

### (b) Hospitals and other institutions

At the balance sheet date, HA had under its management and control the following hospitals and institutions:

**Schedule 1 Hospitals and Schedule 2 Hospitals:**

Alice Ho Miu Ling Nethersole Hospital
Bradbury Hospice
Caritas Medical Centre
Castle Peak Hospital



## Notes to the Financial Statements

**1. The Hospital Authority (Continued)**

**(b) Hospitals and other institutions (Continued)**

**Schedule 1 Hospitals and Schedule 2 Hospitals (Continued):**

Cheshire Home, Chung Hom Kok
Cheshire Home, Shatin
The Duchess of Kent Children's Hospital at Sandy Bay
Grantham Hospital
Haven of Hope Hospital
Hong Kong Buddhist Hospital
Hong Kong Eye Hospital
Kowloon Hospital
Kwai Chung Hospital
Kwong Wah Hospital
MacLehose Medical Rehabilitation Centre
North District Hospital
Our Lady of Maryknoll Hospital
Pamela Youde Nethersole Eastern Hospital
Pok Oi Hospital
Prince of Wales Hospital
Princess Margaret Hospital
Queen Elizabeth Hospital
Queen Mary Hospital
Ruttonjee & Tang Shiu Kin Hospitals
Shatin Hospital
Siu Lam Hospital
St. John Hospital
Tai Po Hospital
Tsan Yuk Hospital
Tseung Kwan O Hospital
Tuen Mun Hospital
Tung Wah Eastern Hospital
Tung Wah Group of Hospitals Fung Yiu King Hospital

# Notes to the Financial Statements

## 1. The Hospital Authority (Continued)

### (b) Hospitals and other institutions (Continued)

**Schedule 1 Hospitals and Schedule 2 Hospitals (Continued):**

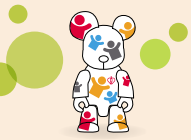
Tung Wah Group of Hospitals Wong Tai Sin Hospital
Tung Wah Hospital
United Christian Hospital
Wong Chuk Hang Hospital
Yan Chai Hospital

**Other Institutions:**

HACare (ceased operation of the long stay care home on 31 December 2004 and has remained inactive thereafter)
HACM Limited
Hong Kong Red Cross Blood Transfusion Service
Rehabaid Centre
Specialist outpatient clinics
General outpatient clinics
Other clinics and associated units

### (c) Principal office

The address of the principal office of the Hospital Authority is Hospital Authority Building, 147B Argyle Street, Kowloon, Hong Kong.



# Notes to the Financial Statements

## 2. Principal accounting policies

### (a) Basis of preparation of financial statements

The Group has a negative revenue reserve of HK$304,227,000 as at 31 March 2010. In preparing the financial statements, the members of the HA Board have given careful consideration to cash flow requirements and believe HA could manage its cash flow to meet its financial obligations. In addition, the Government has increased recurrent budget allocation to the Group for financial years 2009/10 to 2011/12 by nearly HK$870,000,000 a year. In order to ensure the long term sustainability of the public healthcare system, the Group will continue to (i) refine its new "Pay for Performance" internal resource allocation system with reference to cost benchmarking and performance measurement to offer incentives for improving productivity and quality; (ii) improve efficiency and cost effectiveness of HA's services in ensuring the best use of public resources and exploring various initiatives on service rationalisation and other incentives to improve efficiency; and (iii) support the Government in the planning and co-ordination of future healthcare services delivery. Accordingly, the financial statements have been prepared on a going concern basis.

### (b) Basis of presentation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as appropriate to Government subvented and not-for-profit organisations. They have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets which are stated at fair value. The more significant accounting policies are set out below. These policies have been consistently applied to the two years presented, unless otherwise stated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying HA's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (c) Basis of consolidation

The financial statements of the Group include the income and expenditure of the Head Office, subsidiaries, all Schedule 1 Hospitals and Schedule 2 Hospitals, Specialist Clinics, General Outpatient Clinics and other institutions made up to 31 March.

The financial statements reflect the recorded book values of those assets owned by the Group and the liabilities assumed by the Group. Those assets under the management and control of HA, but not owned by HA, are not accounted for in these financial statements.

### (d) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date that control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions within the Group have been eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. The accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

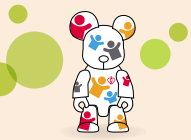
As at 31 March 2010, the principal subsidiary of HA comprises:

| Name | Principal activities | Place of incorporation/ operation | Effective percentage held by the Group |
|---|---|---|---|
| HACM Limited (limited by guarantee) | To steer the development and delivery of Chinese medicine services | Hong Kong | 100 |

### (e) Adoption of new / revised HKFRSs

In the current year, the Group has adopted the revised HKFRSs below, which is appropriate to its operations:

| | |
|---|---|
| HKAS 1 (Revised) | Presentation of Financial Statements |
| HKFRSs Amendments | Improvements to HKFRSs (2008) |



# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (e) Adoption of new / revised HKFRSs (Continued)

The HKAS 1 (Revised) – Presentation of Financial Statements prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in net assets, requiring "non-owner changes in equity" to be presented separately from the statement of changes in net assets in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in net assets all owner changes in net assets, whereas all non-owner changes in net assets are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it is also in conformity with the revised standard.

The adoption of other amendments does not have any significant impact on the Group's financial statements.

The HKICPA has also issued a number of new / revised HKFRSs, including interpretations, amendments or improvements to the existing standards, which are effective for accounting periods beginning on or after 1 January 2010. The Group has not early adopted these new / revised HKFRSs in the financial statements for the year ended 31 March 2010, except HKAS 24 (Revised) – Related Party Disclosures.

The early adoption of HKAS 24 (Revised) does not have any financial impact to the Group as it only affects the extent of disclosure of significant related party transactions. For other new / revised HKFRSs, the Group is in the process of making an assessment but is not yet in a position to quantify the impact of these new / revised HKFRSs on its results of operations and financial position.

### (f) Recognition of income

Recurrent grants are recognised on an accruals basis. Non-recurrent grants that are spent on expenditure which does not meet the capitalisation policy of property, plant and equipment or intangible assets as set out in note 2(h)(i) and note 2(j) respectively are recognised when incurred.

Hospital / clinic fees and charges are recognised when services are provided.

# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (f) Recognition of income (Continued)

Designated donations are recognised as income when the amounts have been received or are receivable from the donors and the related expenditure is charged to the statement of income and expenditure. Other donation income is recognised upon receipt of non-designated cash or donations-in-kind not meeting the capitalisation policy of property, plant and equipment or intangible assets as set out in note 2(h)(i) and note 2(j) respectively.

Transfers from the designated donation fund are recognised when the designated donation fund is utilised and the expenditure does not meet the capitalisation policy of property, plant and equipment or intangible assets as set out in note 2(h)(i) and note 2(j) respectively.

Transfers from the Training and Welfare Fund are recognised when the related expenditure is charged to the statement of income and expenditure.

Transfers from capital subventions and capital donations are recognised when depreciation or amortisation and net book value of assets disposed / written off are charged to the statement of income and expenditure.

Investment income from fixed income instruments is recognised as set out in note 2(k).

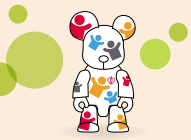
Investment income from bank deposits is recognised on a time proportion basis using the effective interest method.

### (g) Donations

(i) Donated assets

Properties, computer software and systems donated to the Group with a value below HK$250,000 each and other donated assets with a value below HK$100,000 each are recorded as income and expenditure in the year of receipt of the assets.

Properties, computer software and systems donated to the Group with a value of HK$250,000 or more each and other donated assets with a value of HK$100,000 or more each are capitalised on receipt of assets according to the policy set out in note 2(h)(i) and note 2(j). The amount of the donated assets is credited to the capital donations account. Each year, an amount equal to the depreciation or amortisation charge for these assets and the net book value of assets disposed is transferred from the capital donations account and credited to the statement of income and expenditure.



# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (g) Donations (Continued)

(ii) Cash donations

Cash donations for specific use as prescribed by the donor are accounted for in the designated donation fund. When the fund is utilised and spent for expenditure not meeting the capitalisation policy as set out in note 2(h)(i) or note 2(j), they are accounted for as expenditure of the designated donation fund and, in the case of capital expenditure, in accordance with the policy for donated assets outlined above.

Non-specified donations for general operating purposes are recorded as donations in the statement of income and expenditure upon receipt of cash donations.

### (h) Capitalisation of property, plant and equipment

(i) Effective from 1 December 1991, the following types of assets owned by the Group have been capitalised:

Building projects costing HK$250,000 or more; and
All other assets costing HK$100,000 or more on an individual basis.

The accounting policy for depreciation of property, plant and equipment is set out in note 2(i).

(ii) For properties which are funded by the Government through HA but are owned by an ex-subvented governing body, the associated expenditure is charged to the statement of income and expenditure in the year as incurred. Under the agreements with ex-subvented governing bodies, the ownership of building projects, although funded by the Government through HA, is vested with the governing bodies. The same accounting policy has been adopted for the North District Hospital and the Tseung Kwan O Hospital, which are both funded by the Government through HA.

(iii) For expenditure on subsequent improvement to properties the ownership of which has not been vested with HA, the amount spent is capitalised only if the improvement does not form part of the properties and can be re-used by HA when re-located. Otherwise, the expenditure is charged to the statement of income and expenditure in the year as incurred.

# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (h) Capitalisation of property, plant and equipment (Continued)

(iv) Expenditure on furniture, fixtures, equipment, motor vehicles and computer hardware is capitalised (subject to the minimum expenditure limits set out in note 2(h)(i) above) and the corresponding amounts are credited to the capital subventions and capital donations accounts for capital expenditure funded by the Government and donations respectively.

(v) Property, plant and equipment transferred from the hospitals to HA at 1 December 1991 was recorded at nil value.

### (i) Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. Additions represent new or replacement of specific components of an asset. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

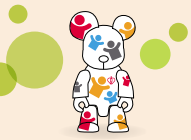
The historical cost of assets acquired and the value of donated assets received by the Group since 1 December 1991 are depreciated using the straight-line method over the expected useful lives of the assets as follows:

| | |
|---|---|
| Leasehold improvements | Over the life of the lease to which the improvement relates |
| Buildings | 20 – 50 years |
| Furniture, fixtures and equipment | 3 – 10 years |
| Motor vehicles | 5 – 7 years |
| Computer equipment | 3 – 6 years |

The useful lives of assets are reviewed and adjusted, if appropriate, at each balance sheet date.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income and expenditure.

Capital expenditure in progress is not depreciated until the asset is placed into commission.



# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (j) Intangible assets

Computer software and systems including related development costs costing HK$250,000 or more each, which give rise to economic benefits are capitalised as intangible assets. Intangible assets are stated at cost less accumulated amortisation and are amortised on a straight line basis over the estimated useful lives of 1 to 3 years.

### (k) Fixed income instruments

Fixed income instruments are classified as held-to-maturity investments on the basis that the Group has the positive intention and ability to hold the investments to maturity.

Fixed income instruments are recognised on a trade-date basis and stated at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of fixed income instruments is aggregated with other investment income receivable over the term of the instrument using the effective interest method.

### (l) Inventories

Inventories, which comprise drugs, other medical and general consumable stores, are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Where applicable, provision is made for obsolete and slow-moving items. Inventories are stated net of such provision in the balance sheet. Net realisable value is determined with reference to the replacement cost.

# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (m) Accounts receivable

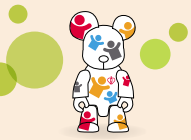
Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount of the accounts receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the accounts receivable is reduced through the use of an allowance account, and the amount of the loss is recognised as an expense in the statement of income and expenditure. Decrease in the previously recognised impairment loss shall be reversed by adjusting the allowance account. When an accounts receivable is uncollectible and eventually written off, the respective uncollectible amount is offset against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited against the current year's expense in the statement of income and expenditure.

### (n) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and cash investments with a maturity of three months or less from the date of investment.

### (o) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation. They are tested for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.



# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (p) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### (q) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

### (r) Employee benefits

(i) Retirement benefits costs

Payments to the Group's defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to the Mandatory Provident Fund Scheme are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan. The retirement benefit costs charged in the statement of income and expenditure represent the contributions payable in respect of the current year to the Group's defined contribution retirement benefit plan and the Mandatory Provident Fund Scheme.

# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (r) Employee benefits (Continued)

(ii) Termination benefits costs

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement age or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits costs when there is an obligation to make such payments without possibility of withdrawal.

(iii) Death and disability benefits costs

The cost of the Group's obligations in respect of death and disability benefits provided to employees is recognised as staff costs in the statement of income and expenditure with reference to annual actuarial valuations performed by an independent qualified actuary.

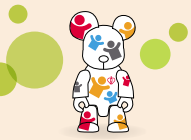
The death benefits for eligible employees are accounted for as post employment defined benefits. Any cumulative unrecognised actuarial gains and losses exceeding 10% of the greater of the present value of the Group's obligations and the fair value of any qualifying insurance policies are recognised in the statement of income and expenditure over the expected average remaining service lives of the employees.

The disability benefits are accounted for as other long-term employee benefits. Actuarial gains and losses are recognised immediately in the statement of income and expenditure.

Further details of the death and disability liabilities are set out in note 16.

(iv) Other employee benefits costs

Other employee benefits such as annual leave and contract gratuity are accounted for as they accrue.



# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (s) Government grants

Subvention grants approved for the year less amounts spent on property, plant and equipment and intangible assets during the year are classified as recurrent grants.

Government subventions of a capital nature ("capital subventions") are credited to the capital subventions account and the corresponding amounts are capitalised as property, plant and equipment or intangible assets as set out in note 2(h)(iv) and note 2(j) respectively. This includes capital expenditure on furniture, fixtures, equipment, motor vehicles, computer hardware, software and systems. Each year, an amount equal to the depreciation or amortisation charge for these assets and net book value of assets disposed is transferred from the capital subventions account and credited to the statement of income and expenditure.

### (t) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as expenses in the statement of income and expenditure on a straight line basis over the period of the lease.

### (u) Translation of foreign currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Hong Kong dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of income and expenditure.

# Notes to the Financial Statements

## 2. Principal accounting policies (Continued)

### (v) Related parties

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties also include key management personnel having authority and responsibility for planning, directing and controlling the activities of the Group.

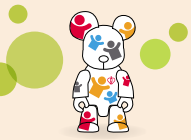
For the purpose of these financial statements, transactions between the Group and Government departments, agencies or Government controlled entities, other than those transactions such as the payment of rent and rates, fees etc. that arise in the normal dealings between the Government and the Group, are considered to be related party transactions.

## 3. Financial risk management

### (a) Financial risk factors

The Group's activities of providing healthcare services to patients, the administration of drugs, the employment of a large workforce and the investment activities are primary areas of risk being mitigated by the Group's financial management process. The Group's underlying principles of financial risk management are to transfer the cost of financing risks of significant level through insurance by a diversity of insurers and to self insure for the operational risks and to comply with regulatory insurance requirements as an employer and owner of a motor fleet.

With regard to investments, in accordance with the Group's policies and guidelines, the primary objectives are to meet liquidity requirements, to protect capital and to provide a reasonable return. The investment portfolio ("Portfolio") as at 31 March 2010 consisted entirely of bank deposits and debt instruments. Based on the risk control measures as summarised below, the risk of default by the counterparties is considered minimal and the Portfolio has no significant concentration of credit risk. Besides, the Portfolio has no significant currency risk because substantially all assets and liabilities are denominated in Hong Kong dollars, the Group's functional and presentation currency. The Group manages its cash flow requirements and risk as disclosed in note 3(c).



# Notes to the Financial Statements

## 3. Financial risk management (Continued)

### (a) Financial risk factors (Continued)

(i) Bank Deposits

Bank deposits are placed with the Group's approved banks which are of investment grade as determined by Standard and Poor's and Moody's. For bank deposits, banks must meet the minimum credit rating not lower than Moody's Baa3 or equivalent. As confirmed by all approved banks, deposits which have been placed or may be placed in the future are covered by the Deposit Protection Scheme ("Scheme") of the Government until the end of 2010. As at 31 March 2010, the majority of the deposits are within the period of protection under the Scheme.

(ii) Debt Instruments

Debt instruments are subject to the price risk caused by the changes in the market interest rates and perceived credit risks of the issuers. All transactions in debt instruments are settled / paid for upon delivery through approved banks. The credit risks of the issuers are assessed based on the credit ratings determined by Standard and Poor's or Moody's. Investments in debt instruments (i.e. certificate of deposits or bonds) should be with issuers of credit ratings not lower than Moody's A3 or equivalent. Where the maturity is over 2 years, the credit ratings should not be lower than Moody's Aa or equivalent at the time of investments.

The Portfolio's interest rate risk arises from interest bearing cash at bank, bank deposits and debt instruments. Cash at bank, which earns interest at variable rates, gives rise to cash flow interest rate risk. Fixed rate bank deposits and debt instruments expose the Portfolio to fair value interest rate risk. Sensitivity analyses have been performed by the Group with regard to interest rate risk as at 31 March 2010. If interest rates had been increased or decreased by 50 basis points, which represent management's assessment of a reasonably possible change in those rates, and all other variables were held constant, the effect on the Group's deficit and net assets is insignificant.

(iii) Other financial assets and liabilities

Other financial assets and liabilities are substantially denominated in Hong Kong dollars, the Group's functional and presentation currency, and hence will not be exposed to significant currency risk.

# Notes to the Financial Statements

## 3. Financial risk management (Continued)

### (b) Fair values of financial assets and liabilities

The fair values of fixed income instruments (including Hong Kong Dollar Bonds and Exchange Fund Notes) are determined based on quoted market prices at the balance sheet date and are summarised as follows:

| | The Group and HA | | | |
|---|---|---|---|---|
| | Carrying Value [Note 8] | | Fair Value | |
| | 31 March 2010 | 31 March 2009 | 31 March 2010 | 31 March 2009 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Fixed Income Instruments** | 1,710,966 | 1,615,926 | 1,779,159 | 1,623,859 |

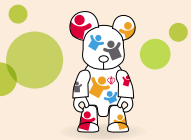
The carrying values of other financial assets and liabilities such as cash and bank balances, loans receivable, accounts receivable and trade payable approximate their fair values and accordingly, no disclosure of fair values for these items is presented.

### (c) Capital management

Under the Hospital Authority Ordinance, the resources of the Group consist of the following:

- All money paid by the Government to HA and appropriated for that purpose by the Legislative Council and otherwise provided to HA by the Government; and
- All other money and property, including gifts, donations, fees, rent, interest and accumulations of income received by HA.

In this regard, the capital of the Group comprises revenue reserve, designated fund, capital subventions and donations and deferred income as shown in the consolidated balance sheet. As at 31 March 2010, the capital of the Group was HK$8,327,786,000 (2009: HK$8,153,488,000).



# Notes to the Financial Statements

## 3. Financial risk management (Continued)

### (c) Capital management (Continued)

The Group's objective for managing capital is to safeguard the Group's ability to continue as a going concern to ensure sustainability of the public health care system. As in previous years, the Group undertook a budget planning process to work out a viable budget plan for financial year 2009/10. In preparing for the financial budget for the year, a framework has been adopted taking into account the sources of funding available and financial requirement to deliver the baseline activities and the "Pay for Performance" ("P4P") initiatives in the delivery of hospital services in accordance with the HA annual plan. The Group targeted to achieve a balanced budgetary position by containing the overall expenditure within the annual subvention provided by the Government. To enhance accountability for the appropriate use of resources, key performance indicators have been developed to measure performance of hospitals / clusters and monitor the spending level against budget on an ongoing basis.

## 4. Critical accounting estimates and judgments

In preparing the financial statements, management is required to exercise significant judgments in the selection and application of accounting policies, including making estimates and assumptions. The following is a review of the more significant accounting policies that are impacted by judgments and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

### (a) Provision for doctors' claims

165 doctors filed claims against HA for alleged failure to grant rest days, statutory holidays, public holidays and overtime worked over a period going back to 1996 in High Court Action No. 1924 of 2002. In the judgment of the Court of Final Appeal ("CFA") on 20 October 2009, the doctors' claim for overtime was dismissed. The court declared that doctors and interns are entitled to be granted rest days and statutory holidays in accordance with the Employment Ordinance as well as public holidays and doctors rostered on call on such day are entitled to compensation for an alternative day whether they have worked or not on that day or for how long. Assessment of damages has not yet been dealt with. In addition, HA is liable for part of the Plaintiffs' costs and accordingly, a provision of HK$16,000,000 has been made in the financial statements at this stage (subject to negotiation).

# Notes to the Financial Statements

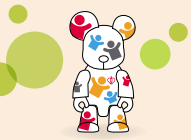
## 4. Critical accounting estimates and judgments (Continued)

### (a) Provision for doctors' claims (Continued)

HA had in 2006 implemented a package for eligible doctors in settlement of claims for rest days, holidays and overtime. HK$525,434,000 was paid out during the financial year 2006/07 to 4,819 eligible doctors who had accepted the settlement package. For those doctors who have not accepted the settlement package, a provision of HK$104,000,000 has been made in the financial statements by making reference to an independent qualified actuary.

Between 2006 and 2010, other doctors filed claims against HA in the Labour Tribunal for alleged lost rest days, statutory holidays, public holidays and / or overtime. These claims were adjourned by the Labour Tribunal.

Following the 2009 CFA judgment, a Doctors Reference Group comprising representatives nominated by the Doctors' Staff Group Consultative Committee was set up to discuss the principles of an offsite call settlement package to doctors. Subsequently, the HA Board approved a proposal on 24 June 2010 to offer a settlement package to eligible serving and other eligible doctors in full and final settlement of all claims and potential claims against HA in relation to the CFA judgment. The HA Board also agreed to reopen the 2006 settlement offer to eligible doctors in the 373 plaintiffs and Labour Tribunal claimants as well as other existing doctors who had received offers in 2006. An additional provision of HK$322,000,000, representing management's best estimate after making reference to an independent qualified actuary, has been made in the financial statements as at 31 March 2010. It is targeted that individual letters will be issued to all eligible doctors around the end of August 2010 and they will be given one month to consider the settlement package. To the extent that the settlement package is not accepted by eligible doctors or to the extent that doctors resort to pursue their claims in the court / tribunal, this may lead to a change in the estimate provided.





## 4. Critical accounting estimates and judgments (Continued)

### (b) Provision for medical malpractice claims

The Group co-insures and retains a designated sum for each claim. For those claims in excess of the retained sum, the claims will be borne by the insurer. In view of the complex nature and long development period of the claims, a Claims Review Panel consisting of the participating medical malpractice insurers, the external panel law firms appointed by the insurers and HA's in-house experts review the status of potential and active claims semi-annually and assess the provision required on each significant case. With reference to the Claims Review Panel assessments, management reviews the claims exposure and determines the provision required to cover the Group's exposure at each balance sheet date.

### (c) Death and disability liabilities

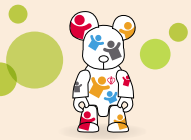
The Group has engaged an independent qualified actuary to assess the present value of obligations for its death and disability scheme at each balance sheet date. Major actuarial assumptions include the discount rate and salary inflation rate which are set out in note 16. The present value of the Group's obligations is discounted with reference to market yields on Hong Kong Exchange Fund Notes, which have terms to maturity approximating the terms of the related obligations. The long-term salary inflation is generally based on the market's long-term expectation of price inflation.

# Notes to the Financial Statements

## 5. Property, plant and equipment

### The Group

| | Building and improvements *HK$'000* | Furniture, fixtures and equipment *HK$'000* | Motor vehicles *HK$'000* | Computer equipment *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 April 2009 | 1,039,892 | 6,878,799 | 147,801 | 1,278,197 | 9,344,689 |
| Reclassifications | – | 12,799 | – | – | 12,799 |
| Additions | 5,233 | 725,761 | 7,706 | 66,158 | 804,858 |
| Disposals | – | (563,213) | (8,238) | (164,255) | (735,706) |
| At 31 March 2010 | 1,045,125 | 7,054,146 | 147,269 | 1,180,100 | 9,426,640 |
| **Accumulated depreciation** | | | | | |
| At 1 April 2009 | 251,823 | 5,217,727 | 89,960 | 1,113,654 | 6,673,164 |
| Charge for the year | 22,123 | 541,331 | 15,619 | 53,552 | 632,625 |
| Disposals | – | (561,421) | (8,238) | (164,080) | (733,739) |
| At 31 March 2010 | 273,946 | 5,197,637 | 97,341 | 1,003,126 | 6,572,050 |
| **Net book value** | | | | | |
| At 31 March 2010 | 771,179 | 1,856,509 | 49,928 | 176,974 | 2,854,590 |



# Notes to the Financial Statements

## 5. Property, plant and equipment (Continued)

### HA

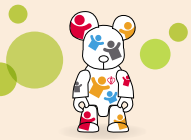
| | Building and improvements *HK$'000* | Furniture, fixtures and equipment *HK$'000* | Motor vehicles *HK$'000* | Computer equipment *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 April 2009 | 1,039,892 | 6,878,799 | 147,801 | 1,275,560 | 9,342,052 |
| Reclassifications | – | 12,799 | – | – | 12,799 |
| Additions | 5,233 | 725,761 | 7,706 | 66,158 | 804,858 |
| Disposals | – | (563,213) | (8,238) | (164,255) | (735,706) |
| At 31 March 2010 | 1,045,125 | 7,054,146 | 147,269 | 1,177,463 | 9,424,003 |
| **Accumulated depreciation** | | | | | |
| At 1 April 2009 | 251,823 | 5,217,727 | 89,960 | 1,112,250 | 6,671,760 |
| Charge for the year | 22,123 | 541,331 | 15,619 | 53,024 | 632,097 |
| Disposals | – | (561,421) | (8,238) | (164,080) | (733,739) |
| At 31 March 2010 | 273,946 | 5,197,637 | 97,341 | 1,001,194 | 6,570,118 |
| **Net book value** | | | | | |
| At 31 March 2010 | 771,179 | 1,856,509 | 49,928 | 176,269 | 2,853,885 |

# Notes to the Financial Statements

## 5. Property, plant and equipment (Continued)

### The Group

| | Building and improvements *HK$'000* | Furniture, fixtures and equipment *HK$'000* | Motor vehicles *HK$'000* | Computer equipment *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 April 2008 | 1,039,672 | 6,569,158 | 136,728 | 1,214,782 | 8,960,340 |
| Reclassifications | – | 150 | (150) | – | – |
| Additions | 220 | 716,917 | 29,461 | 65,548 | 812,146 |
| Disposals | – | (407,426) | (18,238) | (2,133) | (427,797) |
| At 31 March 2009 | 1,039,892 | 6,878,799 | 147,801 | 1,278,197 | 9,344,689 |
| **Accumulated depreciation** | | | | | |
| At 1 April 2008 | 229,845 | 5,158,162 | 94,922 | 1,061,874 | 6,544,803 |
| Reclassifications | – | 25 | (25) | – | – |
| Charge for the year | 21,978 | 459,684 | 13,301 | 53,913 | 548,876 |
| Disposals | – | (400,144) | (18,238) | (2,133) | (420,515) |
| At 31 March 2009 | 251,823 | 5,217,727 | 89,960 | 1,113,654 | 6,673,164 |
| **Net book value** | | | | | |
| At 31 March 2009 | 788,069 | 1,661,072 | 57,841 | 164,543 | 2,671,525 |



# Notes to the Financial Statements

## 5. Property, plant and equipment (Continued)

### HA

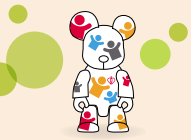
| | Building and improvements *HK$'000* | Furniture, fixtures and equipment *HK$'000* | Motor vehicles *HK$'000* | Computer equipment *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 April 2008 | 1,039,672 | 6,569,158 | 136,728 | 1,212,145 | 8,957,703 |
| Reclassifications | – | 150 | (150) | – | – |
| Additions | 220 | 716,917 | 29,461 | 65,548 | 812,146 |
| Disposals | – | (407,426) | (18,238) | (2,133) | (427,797) |
| At 31 March 2009 | 1,039,892 | 6,878,799 | 147,801 | 1,275,560 | 9,342,052 |
| **Accumulated depreciation** | | | | | |
| At 1 April 2008 | 229,845 | 5,158,162 | 94,922 | 1,060,997 | 6,543,926 |
| Reclassifications | – | 25 | (25) | – | – |
| Charge for the year | 21,978 | 459,684 | 13,301 | 53,386 | 548,349 |
| Disposals | – | (400,144) | (18,238) | (2,133) | (420,515) |
| At 31 March 2009 | 251,823 | 5,217,727 | 89,960 | 1,112,250 | 6,671,760 |
| **Net book value** | | | | | |
| At 31 March 2009 | 788,069 | 1,661,072 | 57,841 | 163,310 | 2,670,292 |

# Notes to the Financial Statements

## 6. Intangible assets

| | The Group | |
|---|---|---|
| | Computer software and systems | |
| | 2010 | 2009 |
| | *HK$'000* | *HK$'000* |
| **Cost** | | |
| At 1 April | 1,265,824 | 1,135,966 |
| Reclassifications | (12,799) | – |
| Additions | 148,916 | 130,296 |
| Disposals | (106,471) | (438) |
| At 31 March | 1,295,470 | 1,265,824 |
| **Accumulated amortisation** | | |
| At 1 April | 1,112,756 | 1,060,179 |
| Charge for the year | 53,655 | 52,842 |
| Disposals | (106,471) | (265) |
| At 31 March | 1,059,940 | 1,112,756 |
| **Net book value** | | |
| At 31 March | 235,530 | 153,068 |

| | HA | |
|---|---|---|
| | Computer software and systems | |
| | 2010 | 2009 |
| | *HK$'000* | *HK$'000* |
| **Cost** | | |
| At 1 April | 1,260,425 | 1,131,905 |
| Reclassifications | (12,799) | – |
| Additions | 148,916 | 128,958 |
| Disposals | (106,471) | (438) |
| At 31 March | 1,290,071 | 1,260,425 |
| **Accumulated amortisation** | | |
| At 1 April | 1,108,583 | 1,056,118 |
| Charge for the year | 52,429 | 52,730 |
| Disposals | (106,471) | (265) |
| At 31 March | 1,054,541 | 1,108,583 |
| **Net book value** | | |
| At 31 March | 235,530 | 151,842 |



# Notes to the Financial Statements

## 7. Loans receivable

Certain eligible employees under the Home Loan Interest Subsidy Scheme are offered downpayment loans for the purchase of their residential properties. The repayment period of the loans is the lesser of the mortgage life or 20 years. Interest charged on the downpayment loans is determined by the Group from time to time and is set at 2.099% as at 31 March 2010 (2009: 2.632%). New applications for the downpayment loans have been suspended since April 2002.

As at the balance sheet date, the downpayment loans advanced to eligible staff which are fully secured by charges over the properties are as follows:

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Repayable within one year | 2,250 | 2,535 |
| Repayable after one year | 17,772 | 22,864 |
| | 20,022 | 25,399 |

The loans receivable is neither past due nor impaired. The maximum exposure to credit risk at the reporting date is the carrying value of receivable mentioned above. According to the terms and conditions of the scheme, the monthly principal repayment and payment of interest in respect of the downpayment loans are deducted from the employees' wages and that any benefits to which an employee will be entitled to receive under the HA Provident Fund Scheme shall stand charged with repayment of downpayment loan and interest thereon if such debt has not been paid by the employee upon resignation or on an agreed date. On this basis, the receivable balance is considered to be fully recoverable.

# Notes to the Financial Statements

## 8. Fixed income instruments

The fixed income instruments represent Hong Kong Dollar Bonds and Exchange Fund Notes with maturity periods of no more than 5 years. The overall expected yield of instruments held by the Group is between 1.9% and 3.2% (2009: between 2.1% and 3.8%).

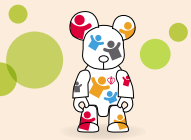
As at the balance sheet date, the fixed income instruments held by the Group and HA are as follows:

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Maturing within one year | 280,000 | 1,335,925 |
| Maturing in the second to fifth year, inclusive | 1,430,966 | 280,001 |
| | 1,710,966 | 1,615,926 |

The above financial assets are neither past due nor impaired. The credit quality of these assets is disclosed in note 3(a) while the maximum exposure to credit risk at the reporting date is the fair value of these assets as stated in note 3(b). The Group does not hold any collateral as security.

## 9. Inventories

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Drugs | 640,496 | 679,914 |
| Medical consumables | 144,880 | 158,930 |
| General consumables | 37,940 | 24,964 |
| | 823,316 | 863,808 |



# Notes to the Financial Statements

## 10. Accounts receivable

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Bills receivable [note 10(a)] | 176,058 | 162,605 |
| Accrued income | 34,749 | 25,060 |
| | 210,807 | 187,665 |
| Less: Provision for doubtful debts [note 10(b)] | (34,471) | (33,764) |
| | 176,336 | 153,901 |

**(a)** Aging analysis of bills receivable is set out below:

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Past due by: | | |
| 0 – 30 days | 80,981 | 61,946 |
| 31 – 60 days | 31,122 | 20,429 |
| 61 – 90 days | 18,621 | 39,470 |
| Over 90 days | 45,334 | 40,760 |
| | 176,058 | 162,605 |

The Group's policy in respect of patient billing is as follows:

(i) Patients attending outpatient and accident and emergency services are required to pay fees before services are performed.

(ii) Private patients and non-eligible persons are required to pay deposit on admission to hospital.

(iii) Interim bills are sent to patients during hospitalisation. Final bills are sent if the outstanding amounts have not been settled on discharge.

# Notes to the Financial Statements

## 10. Accounts receivable (Continued)

(iv) Administrative charge is imposed on late payments of medical fees and charges for medical services provided on or after 1 July 2007. The administrative charge is imposed at 5% of the outstanding fees overdue for 60 days from issuance of the bills, subject to a maximum charge of $1,000 for each bill. An additional 10% of the outstanding fees are imposed if the bills remain outstanding 90 days from issuance of the bills, subject to a maximum additional charge of $10,000 for each bill.

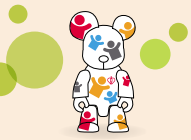
(v) Legal action will be instituted for outstanding bills where appropriate. Patients who have financial difficulties may be considered for waiver of fees charged.

An aging analysis of receivables that are past due but not impaired is as follows:

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Past due by: | | |
| 0 – 30 days | 50,145 | 35,689 |
| 31 – 60 days | 21,443 | 10,479 |
| 61 – 90 days | 12,329 | 32,454 |
| Over 90 days | 20,726 | 17,213 |
| | 104,643 | 95,835 |

Receivables that are past due but not impaired include outstanding debts to be settled by government departments, charitable organisations or other institutions for whom the credit risk associated with these receivables is relatively low. The Group does not hold any collateral over these balances.

**(b)** At 31 March 2010, bills receivable of HK$71,415,000 (2009: HK$66,770,000) were impaired by HK$34,471,000 (2009: HK$33,764,000) of which HK$12,457,000 (2009: HK$5,608,000) was related to receivables individually determined to be impaired. These were mainly related to non-eligible persons, the recoverability of which are considered to be low after taking all possible debt recovery actions. Remaining allowance for impairment of HK$22,014,000 (2009: HK$28,156,000) was made by reference to historical past due recovery patterns. It was assessed that a portion of the receivables is expected to be recovered.



# Notes to the Financial Statements

## 10. Accounts receivable (Continued)

Movements in the provision for impairment of accounts receivable are as follows:

| | The Group and HA | |
|---|---|---|
| | **2010** | **2009** |
| | *HK$'000* | *HK$'000* |
| At 1 April | 33,764 | 36,734 |
| Provision for impairment of receivables | 37,095 | 30,946 |
| Uncollectible amounts written off | (36,388) | (33,916) |
| At 31 March | 34,471 | 33,764 |

The maximum exposure to credit risk at the reporting date is the fair value of receivable mentioned above. The Group does not hold any collateral as security.

## 11. Other receivables

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Donations receivable | 15,512 | 1,504 |
| Interest receivable | 41,512 | 12,429 |
| Receivable from the Government for reimbursement or refund of expenditure incurred on capital projects | 10,804 | 38,675 |
| Other receivables [note 11(a)] | 50,951 | 14,526 |
| | 118,779 | 67,134 |

Other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

**(a)** The balance as at 31 March 2010 included receivables of HK$29,840,000, being the HA's claims of losses against two drug suppliers in connection with the contamination of drug products and additional expenditure incurred by HA for obtaining alternative supplies. According to the settlement proposal, the suppliers will settle the claims by cash and supplies of free goods to HA during April to December 2010.

# Notes to the Financial Statements

## 12. Deposits and prepayments

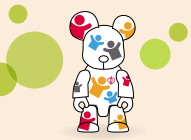
| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Utility and other deposits | 7,280 | 6,208 |
| Prepayments to Government departments | 81,925 | 103,214 |
| Maintenance contracts and other prepayments | 71,651 | 124,711 |
| | 160,856 | 234,133 |

The above balances do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of the assets mentioned above. The Group does not hold any collateral as security.

## 13. Cash and bank balances

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Cash at bank and in hand | 300,180 | 270,572 |
| Bank deposits with maturity within three months | 1,820,913 | 3,239,624 |
| Cash and cash equivalents | 2,121,093 | 3,510,196 |
| Bank deposits with maturity over three months | 4,248,746 | 2,308,109 |
| | 6,369,839 | 5,818,305 |

The effective interest rate on short term bank deposits is between 0.01% and 3.51% (2009: 0.01% to 2.60%). These deposits have an average maturity of 39 days (2009: 48 days).



# Notes to the Financial Statements

## 14. Creditors and accrued charges

| | The Group | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Trade payable [note 14 (a)] | 406,451 | 335,079 |
| Accrued charges and other payables [note 14 (b)] | 2,928,816 | 2,442,546 |
| Current account with the Government | 441,022 | 324,685 |
| | 3,776,289 | 3,102,310 |

| | HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Trade payable [note 14 (a)] | 406,444 | 334,891 |
| Accrued charges and other payables [note 14 (b)] | 2,928,790 | 2,441,042 |
| Current account with the Government | 441,022 | 324,685 |
| Current account with a subsidiary | 39 | 1,698 |
| | 3,776,295 | 3,102,316 |

**(a)** Aging analysis of trade payable is set out below:

| | The Group | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| 0 – 30 days | 324,505 | 300,099 |
| 31 – 60 days | 64,960 | 29,896 |
| 61 – 90 days | 5,634 | 4,238 |
| Over 90 days | 11,352 | 846 |
| | 406,451 | 335,079 |

| | HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| 0 – 30 days | 324,498 | 299,949 |
| 31 – 60 days | 64,960 | 29,886 |
| 61 – 90 days | 5,634 | 4,210 |
| Over 90 days | 11,352 | 846 |
| | 406,444 | 334,891 |

# Notes to the Financial Statements

## 14. Creditors and accrued charges (Continued)

All trade payable as at 31 March 2010 are expected to be settled within one year. The Group has maintained adequate cash flows and banking facilities for settlement of trade payable.

**(b)** Accrued charges and other payables included accrual for unutilised annual leave of HK$1,181,905,000 (2009: HK$1,151,994,000) and contract gratuity accrual of HK$514,141,000 (2009: HK$414,991,000). The balance also included a provision for doctors' claims of HK$442,000,000 (2009: HK$104,000,000) as described in note 4(a).

## 15. Deposits received

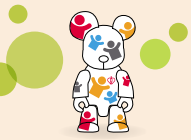
| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Patient deposits | 171,115 | 167,220 |
| Deposits received from the Government in respect of building projects | 534 | 1,732 |
| Other deposits | 58,582 | 44,759 |
| | 230,231 | 213,711 |

## 16. Death and disability liabilities

Under their terms of employment, HA employees are entitled to death and disability benefit cover. This is funded by HA through the recurrent subvention from the Government.

The amounts recognised in the balance sheet are as follows:

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Present value of funded obligations | 132,261 | 138,357 |
| Fair value of plan assets | (5,241) | (633) |
| | 127,020 | 137,724 |
| Unrecognised actuarial gains/(losses) | 8,908 | (4,034) |
| Death and disability liabilities in the balance sheet | 135,928 | 133,690 |



# Notes to the Financial Statements

## 16. Death and disability liabilities (Continued)

Movements in the liabilities recognised in the balance sheet are as follows:

| | The Group and HA | |
|---|---|---|
| | **2010** | **2009** |
| | *HK$'000* | *HK$'000* |
| At 1 April | 133,690 | 117,689 |
| Total expense | 5,707 | 20,356 |
| Net premiums and benefits paid | (3,469) | (4,355) |
| At 31 March | 135,928 | 133,690 |

The movement in the fair value of plan assets in the year is as follows:

| | The Group and HA | |
|---|---|---|
| | **2010** | **2009** |
| | *HK$'000* | *HK$'000* |
| At 1 April | 633 | 1,319 |
| Actuarial gains/(losses) | 3,774 | (2,909) |
| Employer contributions | 3,469 | 4,355 |
| Benefits paid | (2,635) | (2,132) |
| At 31 March | 5,241 | 633 |

The amounts recognised in the consolidated statement of income and expenditure have been calculated by reference to an actuarial valuation and are as follows:

| | **For the year ended 31 March 2010** | **For the year ended 31 March 2009** |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Current service cost | 16,920 | 14,616 |
| Interest cost | 2,721 | 3,662 |
| Actuarial (gains)/losses recognised | (13,934) | 2,078 |
| Total, included in staff costs | 5,707 | 20,356 |

# Notes to the Financial Statements

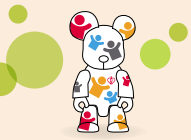
## 16. Death and disability liabilities (Continued)

Principal actuarial assumptions used in the actuarial valuation are as follows:

| | The Group and HA | |
|---|---|---|
| | **For the year ended 31 March 2010** | **For the year ended 31 March 2009** |
| | % | % |
| Discount rate | 2.80 | 2.00 |
| Assumed rate of future salary increases | 2.80 | 2.80 |

Historical information:

| | The Group and HA | |
|---|---|---|
| | **2010** | **2009** |
| | *HK$'000* | *HK$'000* |
| Present value of death and disability liability obligations | 132,261 | 138,357 |
| Fair value of plan assets | (5,241) | (633) |
| Experience adjustments arising on plan liabilities – gains | 12,312 | 9,183 |
| Experience adjustments arising on plan assets – gains/(losses) | 3,774 | (2,909) |



# Notes to the Financial Statements

## 17. Deferred income

| | The Group and HA | | | | |
|---|---|---|---|---|---|
| | Designated Donation Fund [Note 2(g)] | North District Hospital Fund [Note 17(a)] | Tseung Kwan O Hospital Fund [Note 17(b)] | Training and Welfare Fund [Note 17(c)] | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 April 2008 | 353,806 | 1,807 | 101,941 | 50,454 | 508,008 |
| Additions during the year | 148,826 | – | – | 984 | 149,810 |
| Utilisation during the year | – | – | (585) | (272) | (857) |
| Transfers to consolidated statement of income and expenditure | (111,903) | – | – | (17,525) | (129,428) |
| At 31 March 2009 | 390,729 | 1,807 | 101,356 | 33,641 | 527,533 |
| Additions during the year | 110,188 | – | – | 64 | 110,252 |
| Utilisation during the year | – | – | (11,365) | (3,155) | (14,520) |
| Transfers to consolidated statement of income and expenditure | (132,214) | – | – | (26,527) | (158,741) |
| At 31 March 2010 | 368,703 | 1,807 | 89,991 | 4,023 | 464,524 |

### (a) North District Hospital Fund

During the financial year 1993/94, the Government advanced to HA a sum of HK$1,690,350,000 for the construction of the North District Hospital. The sum is held by HA in trust for the Government to meet the construction costs of the North District Hospital which are managed by HA as an agent for the Government. All interest earned from this grant is repaid annually to the Government. The hospital was commissioned in the financial year 1997/98. Subsequently, advances totalling HK$188,400,000 and the balance payable to the Government as at 31 March 2006 of HK$26,800,000 were returned to the Government during the financial year 2002/03 and 2006/07 respectively. The remaining fund balance will be used for construction costs and any unspent balance will be repaid to the Government.

# Notes to the Financial Statements

## 17. Deferred income (Continued)

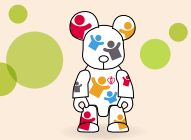
### (b) Tseung Kwan O Hospital Fund

During the financial year 1995/96, the Government advanced HK$2,047,290,000 to HA for the construction of Tseung Kwan O Hospital. All interest earned from this grant is repaid annually to the Government. The hospital was commissioned in the financial year 1999/2000. Subsequently, an amount of HK$373,000,000 was returned to the Government during the financial year 2002/03 and the balance payable of HK$29,497,000 as at 31 March 2008 was returned to the Government during the financial year 2008/09. The remaining fund balance will be used for construction costs and any unspent balance will be repaid to the Government.

### (c) Training and Welfare Fund

During the financial year 2003/04, the Government made a special grant of HK$200,000,000 to HA for setting up a Training and Welfare Fund to provide (i) its health care staff with additional training to maintain and enhance their expertise in infectious disease control in the hospital setting, (ii) special recuperation grant and additional compensation for those health care staff who contracted Severe Acute Respiratory Syndrome ("SARS") while on duty, and (iii) for the implementation of other staff welfare initiatives.

The Training and Welfare Fund is maintained in designated bank accounts which are included under cash and bank balances.



# Notes to the Financial Statements

## 18. Capital subventions and donations

| | The Group | | |
|---|---|---|---|
| | **Capital subventions [Note 2(s)]** | **Capital donations [Note 2(g)]** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 April 2008 | 1,478,272 | 1,013,052 | 2,491,324 |
| Additions during the year | 843,298 | 99,144 | 942,442 |
| Transfers to consolidated statement of income and expenditure | (511,042) | (98,131) | (609,173) |
| At 31 March 2009 | 1,810,528 | 1,014,065 | 2,824,593 |
| Additions during the year | 832,305 | 121,469 | 953,774 |
| Transfers to consolidated statement of income and expenditure | (578,591) | (109,656) | (688,247) |
| At 31 March 2010 | 2,064,242 | 1,025,878 | 3,090,120 |

| | HA | | |
|---|---|---|---|
| | **Capital subventions [Note 2(s)]** | **Capital donations [Note 2(g)]** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 April 2008 | 1,476,512 | 1,013,052 | 2,489,564 |
| Additions during the year | 841,960 | 99,144 | 941,104 |
| Transfers to consolidated statement of income and expenditure | (510,403) | (98,131) | (608,534) |
| At 31 March 2009 | 1,808,069 | 1,014,065 | 2,822,134 |
| Additions during the year | 832,305 | 121,469 | 953,774 |
| Transfers to consolidated statement of income and expenditure | (576,837) | (109,656) | (686,493) |
| At 31 March 2010 | 2,063,537 | 1,025,878 | 3,089,415 |

# Notes to the Financial Statements

## 19. Designated Fund – Home Loan Interest Subsidy Scheme

The Group offers eligible employees under the scheme an interest subsidy to finance the purchase of a residence in Hong Kong. Eligibility under the scheme is primarily determined by the employee's length of service. The amount of subsidy generally represents half of the interest rate payable by the eligible employee up to a maximum of 6% per annum. However, eligibility and the maximum amount of subsidies granted are subject to a number of restrictions as further defined in the scheme.

The scheme is funded by HA through the recurrent subvention from the Government. A designated fund has been set aside for the scheme and is maintained in designated bank and investment accounts which are included under cash and bank and fixed income instruments balances respectively.

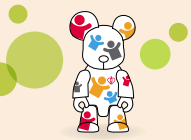
During the financial year 2009/10, the Group allocated HK$106,212,000 (2009: HK$128,333,000), out of its recurrent subvention from the Government, for meeting the related expenditure of the scheme. This amount is included within the recurrent Government subvention for the year in the consolidated statement of income and expenditure and has been fully utilised.

## 20. Recurrent Government subvention

The Group receives annual operating grants from the Government to provide hospital services in Hong Kong. The draft MAA, described in note 1, provides a formula for the claw back of the excess of income over expenditure in the reporting period. For the years ended 31 March 2010 and 2009, no provision for claw back was required under the terms of the draft MAA.

## 21. Hospital/clinic fees and charges

The charges for hospital services provided by the Group are levied in accordance with those stipulated in the Gazette. Since the Government has established a set of policies and procedures on granting fee waivers to the needy patients, the hospital/clinic fees and charges recognised as income in the consolidated statement of income and expenditure are stated net of such waivers. The amount of hospital/clinics fees and charges waived for the financial year ended 31 March 2010 amounted to HK$523,139,000 (2009: HK$497,218,000).



# Notes to the Financial Statements

## 22. Other operating expenses

Other operating expenses comprise office supplies, hospital supplies, non-capitalised project expenditure and other administrative expenses. For the financial year ended 31 March 2010, other operating expenses included an accrual for auditor's remuneration of HK$3,100,000 (2009: HK$3,990,000). The balance also included a provision for liability of HK$322,000,000, being the estimated settlement package to doctors, together with a provision of HK$16,000,000 for the Plaintiffs' costs, arising from the 2009 CFA judgment as described in note 4(a) (2009: nil).

## 23. Remuneration of Members of the Board and Five Highest Paid Executives

**(a)** No Board members are remunerated in the capacity as Board members.

**(b)** The remuneration of the five highest paid executives, which is included in the staff costs for the year, is as follows:

For the year ended 31 March 2010

| **Current Position/Name of Executives** | **Basic pay, allowance, retirement scheme contribution and other benefits** *HK$'000* |
|---|---|
| Chief Executive<br>Mr Shane, SOLOMON | 4,528 |
| Cluster Chief Executive (New Territories East)<br>Dr Hong FUNG | 3,890 |
| Director (Cluster Services)<br>Dr Wai Lun CHEUNG | 3,831 |
| Cluster Chief Executive (Hong Kong East)<br>Dr Loretta YAM | 3,830 |
| Director (Finance)<br>Ms Nancy TSE | 3,830 |
| | 19,909 |

Note: All executives do not receive any variable remuneration related to performance.

# Notes to the Financial Statements

## 23. Remuneration of Members of the Board and Five Highest Paid Executives (Continued)

For the year ended 31 March 2009

| Current Position / Name of Executives | Basic pay, allowance, retirement scheme contribution and other benefits *HK$'000* |
|---|---|
| Cluster Chief Executive (Kowloon West)<br>Dr Lily CHIU [^] | 4,768 |
| Chief Executive<br>Mr Shane, SOLOMON | 4,448 |
| Hospital Chief Executive (Kwong Wah Hospital & Wong Tai Sin Hospital)<br>Dr Chang Hung TANG [^^] | 3,981 |
| Cluster Chief Executive (New Territories East)<br>Dr Hong FUNG | 3,942 |
| Director (Cluster Services)<br>Dr Wai Lun CHEUNG | 3,889 |
| | 21,028 |

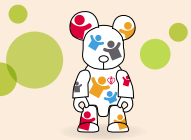
Note: All executives do not receive any variable remuneration related to performance.

[^] Dr Lily CHIU was on pre-retirement leave from 24 June 2008 under Civil Service terms and took up the appointment under HA terms on the same date until 23 March 2009. During this period, Dr Lily CHIU received remuneration from both the Government and HA.

[^^] The remuneration had included a one-off encashment of unutilised annual leave of HK$398,000.

## 24. Retirement schemes

The Group operates an occupational retirement scheme, the Hospital Authority Provident Fund Scheme ("HAPFS"). In accordance with the Mandatory Provident Fund ("MPF") Schemes Ordinance, the Group set up a MPF Scheme on 1 December 2000 by participating in a master trust scheme provided by INVESCO Strategic MPF Scheme ("MPFS"). Permanent employees can choose between the HAPFS and the MPFS while contract and temporary employees are required to join the MPFS unless otherwise exempted.



# Notes to the Financial Statements

## 24. Retirement schemes (Continued)

### (a) HA Provident Fund Scheme

The HAPFS is a defined contribution scheme. The scheme was established and governed by its Trust Deed and Rules dated 22 October 1991, and registered under section 18 of the Hong Kong Occupational Retirement Schemes Ordinance ("ORSO"), and was terminated on 1 April 2003 for the purpose of establishing a new provident fund scheme ("the New HAPFS"), with effect from that date. All the funds, assets and monies of the HAPFS as at 1 April 2003 were transferred to the New HAPFS. The New HAPFS was established under a Trust Deed and Rules dated 29 January 2003 and registered under section 18 of the ORSO.

Most employees who have opted for HA terms of employment are eligible to join the HAPFS on a non-contributory basis. The HAPFS is a defined contribution scheme as all benefits are defined in relation to contributions except that a minimum death benefit equating to twelve months' salary applies on the death of a member. However, when the member's account balance is less than his twelve months' scheme salary, the difference will be contributed by the Death and Disability Scheme of the Group.

The monthly normal contribution by the Group is currently set at 15% of each member's monthly basic salary. The percentage of benefit entitlement, receivable by the employee on resignation or retirement, increases with the length of service.

At 31 March 2010, the total membership was 34,717 (2009: 35,316). During the financial year 2009/10, the Group contributed HK$1,990,888,000 (2009: HK$2,002,322,000) to the scheme, which is included in the staff costs for the year. The scheme's net asset value as at 31 March 2010 was HK$37,906,470,000 (2009: HK$26,384,099,000).

### (b) Mandatory Provident Fund Scheme

Effective from the MPF commencement date of 1 December 2000, HA joined the INVESCO Strategic MPF Scheme which has been registered with the Mandatory Provident Fund Schemes Authority and authorised by the Securities and Futures Commission.

The Group's contributions to MPFS are determined according to each member's terms of employment. Members' mandatory contributions are fixed at 5% of monthly salary up to a maximum of HK$1,000 per month.

# Notes to the Financial Statements

## 24. Retirement schemes (Continued)

### (b) Mandatory Provident Fund Scheme (Continued)

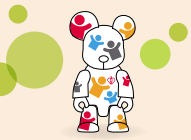
At 31 March 2010, the total membership was 22,835 (2009: 19,456). During the financial year 2009/10, total members' contributions were HK$157,051,000 (2009: HK$136,049,000). The Group's contributions to the scheme, including a contribution payable of HK$18,927,000 as at 31 March 2010 (2009: HK$16,986,000), totalled HK$219,924,000 (2009: HK$193,217,000) which is included in the staff costs for the year. The net asset value as at 31 March 2010, including assets transferred from members' previous employment, was HK$2,424,023,000 (2009: HK$1,618,702,000).

## 25. Related party transactions

Significant related party transactions entered into by the Group include the following:

**(a)** HA has entered into agreements with the Electrical and Mechanical Services Department ("EMSD") of the Government for providing biomedical and general electronics engineering services, hospital engineering services and health building maintenance services to the Group. According to the terms of agreements, the amounts incurred for these services for the year amounted to HK$611,360,000 (2009: HK$587,573,000). Other services provided by the EMSD for the year (e.g. routine maintenance and improvement works) were approximately HK$230,702,000 (2009: HK$330,606,000).

**(b)** HA has entered into an agreement with the Government to provide serving and retired civil servants, their eligible dependants and other eligible persons with the services and facilities at all public hospitals and clinics free of charge or at the prevailing rates as prescribed in the Civil Service Regulations. For the year ended 31 March 2010, revenue foregone in respect of medical services provided to these persons amounted to HK$292,617,000 (2009: HK$280,640,000). The cost of such services has been taken into account in the Government's subvention to the Group.



# Notes to the Financial Statements

## 25. Related party transactions (Continued)

**(c)** Remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. It comprises the Chief Executive, Cluster Chief Executives, Directors and other division heads of the Head Office.

Total remuneration of the key management personnel is shown below:

| | For the year ended 31 March 2010 | For the year ended 31 March 2009 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Basic pay and other short term employee benefits | 45,344 | 47,090 |
| Post-employment benefits | 4,266 | 4,089 |
| | 49,610 | 51,179 |

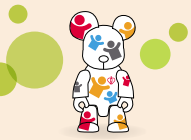
**(d)** Other significant related party transactions with the Government include annual recurrent grants (note 20), capital subventions (note 18) and designated funds (notes 17 and 19). Details of transactions relating to the Group's retirement schemes are included in note 24.

**(e)** Outstanding balances with the Government as at 31 March 2010 are disclosed in note 11, 12, 14 and 15. The current account with a subsidiary, HACM Limited, is disclosed in note 14.

# Notes to the Financial Statements

## 26. Reconciliation of the deficit for the year to net cash from operating activities

| | The Group | |
|---|---|---|
| | For the year ended 31 March 2010 | For the year ended 31 March 2009 |
| | *HK$'000* | *HK$'000* |
| Deficit for the year | (28,220) | (182,952) |
| Investment income | (112,349) | (179,744) |
| Income transferred from capital subventions and donations | (688,247) | (609,173) |
| Loss on disposal of property, plant and equipment and intangible assets | 1,967 | 7,455 |
| Depreciation and amortisation | 686,280 | 601,718 |
| Increase in death and disability liabilities | 2,238 | 16,001 |
| (Decrease)/increase in deferred income | (63,009) | 19,525 |
| Decrease/(increase) in inventories | 40,492 | (24,690) |
| Decrease in loans receivable | 5,377 | 4,517 |
| Increase in accounts receivable | (22,435) | (10,608) |
| (Increase)/decrease in other receivables | (51,645) | 2,788 |
| Decrease in deposits and prepayments | 73,277 | 75,175 |
| Increase in creditors and accrued charges | 673,979 | 401,117 |
| Increase in deposits received | 16,520 | 6,838 |
| Net cash from operating activities | 534,225 | 127,967 |



# Notes to the Financial Statements

## 27. Funds in trust

At 31 March 2010, funds held in trust (including accrued interest income) for the Government are set out below:

| | The Group and HA | |
|---|---|---|
| | **Balance at 31 March 2010** | **Balance at 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Health Care and Promotion Fund | 56,447 | 58,128 |
| Health Services Research Fund | 1,402 | 1,783 |
| | 57,849 | 59,911 |

## 28. Donations from the Hong Kong Jockey Club Charities Trust

During the financial year 2009/10, the Hong Kong Jockey Club Charities Trust made donations totalling HK$56,028,000 (2009: HK$23,100,000) to the following institutions:

| | *HK$'000* |
|---|---|
| Hospital Authority Head Office | 22,986 |
| Haven of Hope Hospital | 1,569 |
| Kwong Wah Hospital | 4,896 |
| Princess Margaret Hospital | 20,118 |
| Queen Mary Hospital | 463 |
| Tuen Mun Hospital | 5,996 |
| | 56,028 |

The donations were accounted for in the designated donation fund in accordance with the accounting policy set out in note 2(g)(ii).

# Notes to the Financial Statements

## 29. Commitments

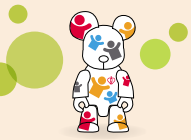
As at the balance sheet date, the Group and HA had the following commitments:

### (a) Capital commitments

| | The Group | |
|---|---|---|
| | **At 31 March 2010** | **At 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Authorised but not contracted for | 3,184,611 | 3,172,887 |
| Contracted for but not provided | 886,376 | 385,938 |
| | 4,070,987 | 3,558,825 |

| | HA | |
|---|---|---|
| | **At 31 March 2010** | **At 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| Authorised but not contracted for | 3,180,495 | 3,168,254 |
| Contracted for but not provided | 886,150 | 384,335 |
| | 4,066,645 | 3,552,589 |

The capital commitments disclosed above include both costs to be capitalised under property, plant and equipment or intangible assets and also costs which are to be charged to the statement of income and expenditure in accordance with the accounting policy set out in note 2(h).



# Notes to the Financial Statements

## 29. Commitments (Continued)

### (b) Operating lease commitments

As at the balance sheet date, the Group and HA had commitments for future minimum payments under non-cancellable operating leases which fall due as follows:

| | The Group and HA | |
|---|---|---|
| | **At 31 March 2010** | **At 31 March 2009** |
| | *HK$'000* | *HK$'000* |
| **Buildings** | | |
| Within one year | 5,287 | 7,252 |
| In the second to fifth year, inclusive | 1,359 | 3,110 |
| | 6,646 | 10,362 |
| **Equipment** | | |
| Within one year | 5,371 | 7,317 |
| In the second to fifth year, inclusive | 1,015 | 4,617 |
| | 6,386 | 11,934 |

## 30. Judicial Review

In November 2007, a Hong Kong permanent resident married to a Mainland woman who held a Two-Way Permit made an application for judicial review against HA. Later, the Secretary for Food and Health was joined as a Respondent and the Mainland woman also joined as a party. The application for judicial review challenged, among others, the decision (effective 28 March 2003) to reclassify spouses of HKID holders, who were not themselves HKID holders, as non-eligible persons ("NEP") for services at hospitals and clinics of HA; the decision to introduce an Obstetric Package charge for NEP at HK$20,000 effective 1 September 2005; and the decision to increase the Obstetric Package charge for NEP to HK$39,000 for booked cases and HK$48,000 for non-booked cases effective 1 February 2007.

# Notes to the Financial Statements

## 30. Judicial Review (Continued)

The application for judicial review was heard in May and September 2008 in the Court of First Instance of the High Court of Hong Kong. The Court of First Instance gave judgment in December 2008 dismissing the application for judicial review. In February 2009, the Hong Kong permanent resident and his Mainland wife lodged an appeal to the Court of Appeal. The appeal was heard in March 2010 and the Court of Appeal handed down its judgment on 10 May 2010. The Court of Appeal rejected the challenge to the current definition of "Eligible Person" and "Non-eligible Person", and the related charging policy applied in the provision of obstetric services in public hospitals. The appellant has obtained legal aid and applied for permission to appeal to the Court of Final Appeal on 19 July 2010, which will be heard on 4 May 2011.

In view of the judgment of the Court of Appeal, no liability has so far been established against HA and accordingly, no provision for liability has been made in the financial statements.

## 31. Taxation

No taxation is provided as HA is exempt from taxation under the Hospital Authority Ordinance.

## 32. Approval of financial statements

The financial statements were approved by members of HA on 16 September 2010.

# Appendices

# Appendix 1

## Membership of the Hospital Authority

| Name | No. of plenary meetings attended in 2009/10 | Committee participation in 2009/10 * |
|---|---|---|
| Mr Anthony WU Ting-yuk, GBS, JP<br>*Chairman, HA* | 16/16 | Chairman of plenary meetings, EC, EEC, HACF, Taskforce on Legal Matters and Taskforce on Doctors' Work Hours. |
| Mr CHAN Bing-woon, SBS, JP | 14/16 | Member of HRC and PCC; Rotating Member of MTB; and HGC Member of Pamela Youde Nethersole Eastern Hospital. |
| Ms Vivien CHAN, BBS, JP | 5/16 | Vice-chairman of AC; Member of SSDC; Rotating Member of MTB; and HGC Member of Prince of Wales Hospital. |
| Mr CHENG Yan-kee, JP<br>*(from 1.12.2009)* | 5/6 | Member of ITGC, MSDC and SSDC *(all from 17.12.2009)*, and Rotating Member of MTB *(from 5.1.2010)*. |
| Dr Margaret CHUNG Wai-ling | 15/16 | Chairman of PCC and Member of EC and EEC *(from 1.12.2009)*; Member of MSDC; Chairman of NTRAC; HGC Chairman of Shatin Hospital; and HGC Member of Haven of Hope Hospital. |
| Prof FOK Tai-fai, SBS, JP | 13/16 | Chairman of MSDC, Member of EC, EEC and FC; and HGC Member of Prince of Wales Hospital. |
| Dr Anthony HO Yiu-wah, BBS, JP<br>*(up to 30.11.2009)* | 6/10 | Chairman of HAPFS *(up to 18.11.2009)*; Chairman of HRC, SAC, HRAC; and Member of EC, EEC, MSDC, Taskforce on Legal Matters, Taskforce on Doctors' Work Hours *(all up to 30.11.2009)*; HGC Chairman of Queen Mary Hospital/Tsan Yuk Hospital; and HGC Member of Yan Chai Hospital. |
| Mr Benjamin HUNG Pi-cheng | 12/16 | Vice-chairman of FC. |

| Name | No. of plenary meetings attended in 2009/10 | Committee participation in 2009/10 * |
|---|---|---|
| Prof LAI Kar-neng, JP | 12/16 | Member of HRC and MSDC; and Rotating Member of MTB. |
| Dr LAM Ping-yan, JP<br>*Director of Health* | 16/16 | Member of MSDC. |
| Ms LAU Ka-shi | 14/16 | Vice-chairman of HRC *(from 1.12.2009)*; and Member of HRC *(up to 30.11.2009)*, HAPFS *(from 1.3.2010)* and MSDC. |
| Mrs Yvonne LAW SHING Mo-han | 13/16 | Member of HRC and Taskforce on Doctors' Work Hours; and Rotating Member of MTB. |
| Mr Lawrence LEE Kam-hung, JP | 13/16 | Chairman of AC; Chairman *(from 22.10.2009)* and Vice-chairman *(up to 21.10.2009)* of MTB; Member of EC, EEC, FC, MSDC and Taskforce on Legal Matters; HGC Chairman of Pamela Youde Nethersole Eastern Hospital; and HGC Member of Grantham Hospital. |
| Dr Hon Joseph LEE Kok-long, SBS, JP | 12/16 | Member of HRC and MSDC; Rotating Member of MTB; and HGC Member of Kwai Chung Hospital and Princess Margaret Hospital. |
| Mr John LEE Luen-wai, JP | 13/16 | Chairman of FC; Member of EC, EEC and Taskforce on Legal Matters; Chairman of HAPFS *(from 19.11.2009)* and MTB *(up to 21.10.2009)*; Member of HAPFS *(up to 18.11.2009)*; and HGC Chairman of Queen Elizabeth Hospital. |
| Ms Sandra LEE, JP<br>*Permanent Secretary for Health* | 16/16 | Member of EEC, FC, HRC, MSDC, SSDC and Taskforce on Legal Matters. |

| Name | No. of plenary meetings attended in 2009/10 | Committee participation in 2009/10 * |
|---|---|---|
| Prof LEE Sum-ping | 10/16 | Member of MSDC *(up to 30.11.2009)* and PCC; and HGC Member of Queen Mary Hospital/Tsan Yuk Hospital. |
| Ms Queenie LEUNG Pik-man | 14/16 | Member of HRC and MSDC. |
| Dr Donald LI Kwok-tung, JP | 13/16 | Vice-chairman of MSDC; and Member of AC and Taskforce on Doctors' Work Hours. |
| Mr David LIE Tai-chong, SBS, JP | 6/16 | Member of AC and MSDC. |
| Ms Bernadette LINN *(up to 30.3.2010)* / Ms Alice LAU, JP *(from 31.3.2010) Deputy Secretary for Financial Services and the Treasury* | 16/16 | Member of FC and MSDC. |
| Mr Peter LO Chi-lik | 16/16 | Chairman of HRC and SAC *(from 1.12.2009)* and PCC *(up to 30.11.2009)*; Vice-chairman of HRC *(up to 30.11.2009)*; Member of HAPFS *(from 1.2.2010)*, EC, EEC, SSDC, Taskforce on Legal Matters and Taskforce on Doctors' Work Hours. |
| Mr Patrick MA Ching-hang, BBS *(from 1.12.2009)* | 6/6 | Member of AC and FC *(from 17.12.2009)*, HAPFS *(from 1.3.2010)*; and HGC Member of Kwong Wah Hospital/Wong Tai Sin Hospital and Tung Wah Hospital/Tung Wah Eastern Hospital/TWGHs Fung Yiu King Hospital. |
| Mr Charles Peter MOK | 13/16 | Vice-chairman of ITGC and SSDC; Member of HRC and MSDC; and Rotating Member of MTB. |

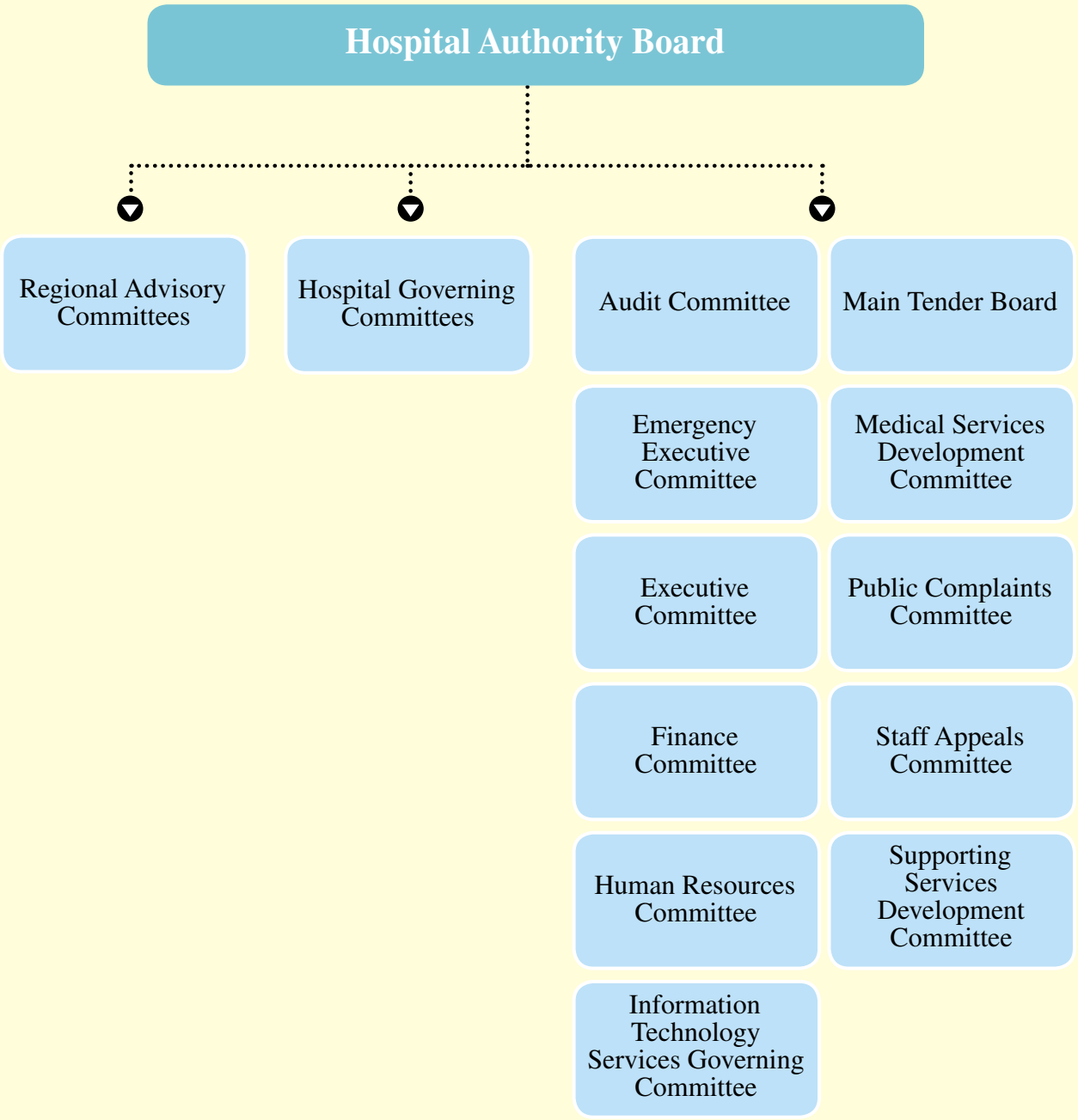
| Name | No. of plenary meetings attended in 2009/10 | Committee participation in 2009/10 * |
|---|---|---|
| Mr Shane SOLOMON<br>*Chief Executive, HA* | 16/16 | Chairman of ITGC; and Member of EC, EEC, FC, HAPFS *(up to 28.2.2010)*, HRC, MTB, MSDC, SSDC, all RACs and HGCs and Taskforce on Legal Matters. |
| Prof George WOO | 8/16 | Member of HRC and MSDC. |
| Mr Stephen YIP Moon-wah, BBS, JP | 16/16 | Vice-chairman of MTB *(from 22.10.2009)*; Chairman of SSDC *(from 1.12.2009)*; Member of EC and EEC *(from 1.12.2009)*, ITGC *(up to 18.1.2010)* and SSDC *(up to 30.11.2009)*; and Rotating Member of MTB *(up to 21.10.2009)*. |
| Mr Paul YU Shiu-tin, BBS, JP<br>*(up to 30.11.2009)* | 10/10 | Chairman of SSDC and KRAC; Member of EC, EEC and MSDC; and Rotating Member of MTB *(all up to 30.11.2009)*; Member of AC; HGC Chairman of Tuen Mun Hospital; and HGC Member of Kwong Wah Hospital/Wong Tai Sin Hospital. |

* Apart from the principal officer (the Hospital Authority Chief Executive), other members are not remunerated in the capacity as Board members. They participate in the governance of the Authority through formulating policies/directions and overseeing executive performance at Board meetings, as well as taking part in steering the work of various committees of the Authority including:

AC – Audit Committee
EC – Executive Committee
EEC – Emergency Executive Committee
FC – Finance Committee
HAPFS – Hospital Authority Provident Fund Scheme
HACF – Hospital Authority Charitable Foundation
HGC – Hospital Governing Committee
HRAC – Regional Advisory Committee of Hong Kong
HRC – Human Resources Committee
ITGC – Information Technology Services Governing Committee
KRAC – Regional Advisory Committee of Kowloon
MSDC – Medical Services Development Committee
MTB – Main Tender Board
NRAC – Regional Advisory Committee of the New Territories
PCC – Public Complaints Committee
SAC – Staff Appeals Committee
SSDC – Supporting Services Development Committee

# Appendix 2(a)

**Hospital Authority Committee Structure**




Membership lists of the various committees are set out in Appendices 3, 4 and 5.

# Appendix 2(b)

## Executive Structure of the Hospital Authority

# Appendix 3

## Membership and Terms of Reference of Functional Committees

### Audit Committee

**Membership List**

| | |
|---|---|
| **Chairman:** | Mr Lawrence LEE Kam-hung, JP |
| **Vice-Chairman:** | Ms Vivien CHAN, BBS, JP |
| **Members:** | Dr Donald LI Kwok-tung, JP |
| | Mr David LIE Tai-chong, SBS, JP |
| | Mr Patrick MA Ching-hang, BBS *(from 17.12.2009)* |
| | Ms Estella Y K NG |
| | Mr Paul YU Shiu-tin, BBS, JP |
| **In attendance:** | Ms Sandra LEE, JP, *Permanent Secretary for Health* |
| | Mr Shane SOLOMON, *Chief Executive* |

**Terms of Reference**

1. Exercise an active oversight of the internal audit function to ensure that its:
   - mandate, resources and organizational status are appropriate;
   - plans and activities are adequate to provide systematic coverage of the internal control and risk management systems put in place by the Management; and
   - findings are actioned appropriately and timely;
2. Recommend the appointment of the external auditor and the audit fee to the Board, endorse any non-audit services to be provided by the external auditor, and to consider any questions of resignation or dismissal;
3. Consult with the External Auditor on all relevant matters including the:
   - nature and scope of the audit;
   - audited financial statements and the audit opinion;
   - management letter and management's response; and
   - matters of which the External Auditor may wish to draw attention;
4. Gain reasonable assurance on the completeness, accuracy, and fairness of audited financial statements, including appropriateness of accounting policies and standards, adequacy of disclosures and significant audit adjustments (in collaboration with the Finance Committee);

5. Monitor HA's financial and administrative control processes, including those designed to ensure the safeguarding of resources and operational efficiency, through the results of internal and external audit; and

6. Oversee the processes implemented by the Management for monitoring:
   - compliance with pertinent statutes and regulations;
   - compliance with HA's Code of Conduct; and
   - effectiveness of controls against conflicts of interest and fraud.

Note: It should be noted that although the functions of the Audit Committee cover a wide area, matters that are of a pure clinical nature (such as medical ethics) are not within its purview.

**Focus of Work in 2009/10**

The Audit Committee met six times in 2009/10 with every meeting considering a planned agenda to cover the Committee's Terms of Reference. To exercise an active oversight of internal audit function, the Committee approved the Annual Internal Audit Plan for 2009/10 and directly received quarterly progress reports from the Chief Internal Auditor on completed audit results and follow-up actions. The internal audits reviewed during the year included "Security – Measures to minimize risk of baby/infant abduction within HA hospitals", "Sensitive Expenditure – Overseas Business Travel and Entertainment", "Capital Block Vote (Electrical and Mechanical)", "Sponsorship Acceptance (Overseas Travel)", "IT System Availability Management", "Workplace Violence", "Mortuary Management", "Sentinel Event Policy Implementation", "Treasury Management", "Follow-up on Implementation of Office of the Privacy Commissioner for Personal Data and HA Taskforce recommendations on Patient Data Security and Privacy", "Management of Accident & Emergency Services", "Single Tender, Single Bid, Single Complying Bid", "Special Honorarium", and "Progress update – Enterprise Resources Planning ("ERP") and Patient Billing and Revenue Collection". In terms of external audit, the Committee reviewed the external auditor's Audit Strategy Memorandum, including their audit risk assessment and planned programme of audit work. The Committee subsequently received and discussed their audit opinion on HA's financial statements in a joint meeting with the Finance Committee.

The Committee considered accountability reports from responsible subject officers to monitor the financial and administrative control processes in place such as governance and risk management for the Electronic Health Record Programme, ERP risk management and implementation, measures to mitigate supply chain risk on medical supplies, patient data security and privacy risk and strategies for risk mitigation of Public-Private Partnership and Public-Private Interface programmes, as well as measures to monitor HA's Code of Conduct and to enhance safety of high-risk medications. The Committee also received and discussed the issues raised in Director of Audit's Report No. 52 and their relevance to the Hospital Authority. In addition, the Committee conducted a self-assessment exercise together with a key stakeholders' survey on the Committee's fulfilment of its Terms of Reference and reviewed HA's Internal Audit Charter with revisions on the internal audit dual reporting arrangements to executive management and the Committee.

## Emergency Executive Committee

### Membership List

**Chairman:** Mr Anthony WU Ting-yuk, GBS, JP
*(in his absence, the Emergency Executive Committee chairmanship should be elected among its standing members)*

**Members:**

Dr Margaret CHUNG Wai-ling *(from 1.12.2009)*

Prof FOK Tai-fai, SBS, JP

Dr Anthony HO Yiu-wah, BBS, JP *(up to 30.11.2009)*

Mr Lawrence LEE Kam-hung, JP

Mr John LEE Luen-wai, JP

Mr Peter LO Chi-lik

Mr Patrick NIP, JP *(up to 26.7.2009)*
Mrs Susan MAK, JP *(from 27.7.2009)*
*(representing Permanent Secretary for Health)*

Mr Shane SOLOMON, *Chief Executive*
*(in his absence, the Deputising CE)*

Mr Paul YU Shiu-tin, BBS, JP *(up to 30.11.2009)*

Mr Stephen YIP Moon-wah, BBS, JP *(from 1.12.2009)*

Note: The Emergency Executive Committee was set up by the Board on 15 January 2004. It will automatically be called into action when the Authority activates the Tier-three Strategic Response to a major incident, which is defined as an incident with prolonged and territory-wide implications, such as the Serious Level (S2) or Emergency Level Response (E1 and E2) to influenza pandemic.

### Terms of Reference

1. To act for the Hospital Authority Board and exercise its powers and functions, including:
   (a) altering, amending or overriding existing Hospital Authority policies, standards, guidelines and procedures; and
   (b) the establishment of sub-committees or task forces to tackle particular matters at hand;
2. To identify the objectives and assess the risks facing Hospital Authority in the emergency situation;
3. To approve the strategies and policies for managing the emergency formulated by the Hospital Authority Central Command Committee, and monitor implementation progress in all HA hospitals and institutions;
4. To coordinate activities of the other Hospital Authority committees including Hospital Governing Committees;

5. To ensure effective communication of clear and concise messages to key stakeholders, including staff, patients, Government and the public; and

6. To be accountable to the Authority Board and the making of regular reports to Hospital Authority Members as soon as practicable.

**Focus of Work in 2009/10**

The Committee met three times in 2009/10 in response to the drug incident and Human Swine Influenza ("HSI"). At the meeting on 23 April 2009, the Committee was briefed on the drug incident and examined the risk impact as well as follow-up actions taken by HA including suspension of supply of the contaminated drug; their replacement programme as well as urgent procurement from alternative sources of supply. The Committee also noted the progress of the long term key initiatives to ensure drug safety and approved the mechanism for subsequent urgent procurement of drugs to support the replacement programme and normal operation of the hospitals.

Following the large number of HSI cases reported in other parts of the world, Hong Kong confirmed its first local human case of HSI on 1 May 2009. At its meeting on 2 May 2009, the Committee noted and commented on HA's corresponding response plan; admission status of HA hospitals; manpower deployment and other human resources related issues; as well as the latest position of personal protective equipment and drugs in HA. In response to the changes in the HSI situation in June 2009, the Committee had a meeting on 15 June 2009. At the meeting, the Committee was briefed on the latest development of the HSI situation; the Government's vaccination programme and HA's coping strategy; and the operation of the Designated Flu Clinics.

In 2009/10, the Sub-Committee of EEC had approved two EEC papers on urgent procurement of drugs and surgical masks respectively through circulation.

## Executive Committee

### Membership List

**Chairman:** Mr Anthony WU Ting-yuk, GBS, JP

**Members:**
Prof FOK Tai-fai, SBS, JP
Dr Margaret CHUNG Wai-ling *(from 1.12.2009)*
Dr Anthony HO Yiu-wah, BBS, JP *(up to 30.11.2009)*
Mr Lawrence LEE Kam-hung, JP
Mr John LEE Luen-wai, JP
Mr Peter LO Chi-lik

Mr Shane SOLOMON, *Chief Executive*

Mr Stephen YIP Moon-wah, BBS, JP *(from 1.12.2009)*

Mr Paul YU Shiu-tin, BBS, JP *(up to 30.11.2009)*

**Terms of Reference**

1. Advise the Board on the organization structure and functions of the HA Head Office and its Divisions;
2. Advise the Board on the appointment, remuneration changes, contract variation of Directors and Cluster Chief Executives;
3. Approve the appointment, remuneration changes, and contract variation of Hospital Chief Executives, Deputy Directors and Heads of Division;
4. Review the performance of Chief Executive, Directors and Cluster Chief Executives;
5. Convene as the Emergency Executive Committee ("EEC") consistent with HA's Emergency Contingency Plan (supplemented by a senior Food & Health Bureau official when meeting as EEC); and
6. Oversee self-assessment of the Board and advise on changes to Board structure and processes.

**Focus of Work in 2009/10**

In 2009/10, the Executive Committee met two times and discussed and approved 13 papers covering issues on appointment and remuneration matters of senior executives and those of chiefs of clusters and hospitals as well as membership of Regional Advisory Committees and Hospital Governing Committees.

## Finance Committee

### Membership List

**Chairman:** Mr John LEE Luen-wai, JP

**Vice-Chairman:** Mr Benjamin HUNG Pi-cheng

**Members:** Prof FOK Tai-fai, SBS, JP

Mr Lawrence LEE Kam-hung, JP

Mr Patrick NIP, JP *(up to 26.7.2009)*
Mrs Susan MAK, JP *(from 27.7.2009)*
*(representing Permanent Secretary for Health)*

Mr Patrick MA Ching-hang, BBS *(from 17.12.2009)*

Mr Shane SOLOMON, *Chief Executive*

Mr Michael N SOMERVILLE

Ms Bernadette LINN *(up to 30.3.2010)*/Ms Alice LAU, JP *(from 31.3.2010)*/
Mr Bobby CHENG *(up to 25.6.2009)*/Miss Katy FONG *(from 6.7.2009)*
*(representing Secretary for Financial Services and the Treasury)*

**Terms of Reference**

1. To advise and make recommendations on the financial aspects of the Hospital Authority Corporate Plan and Annual Plan;
2. To advise and make recommendations on the financial planning, control, performance, monitoring and reporting aspects of the Hospital Authority;
3. To advise on policy guidelines for all financial matters, including investment, business and insurance;
4. To advise and make recommendations on the resource allocation policies;
5. To advise and recommend to the Hospital Authority on the financial statements (audited and unaudited) of the Hospital Authority;
6. To liaise with the Trustees of the Hospital Authority Provident Fund Scheme and the Hospital Authority Mandatory Provident Fund Scheme and make recommendations to the Hospital Authority; and
7. To monitor the financial position of the Authority.

**Focus of Work in 2009/10**

In 2009/10, the Finance Committee met five times to advise and make recommendations to the Board on the financial planning, control, performance, monitoring and reporting aspects of the Authority. It considered the 2010/11 HA budget and resource allocation, and an update on casemix costing development and "Pay for Performance"; and reviewed monthly financial reports, the audited financial statements for 2008/09, the mid-year financial review, and the unaudited financial statements for the six months ended 30 September 2009. It also received updates on HA's investments and banking arrangements, treasury operations and the findings and recommendations of their external review, major uninsured areas review and strategy update, 2010/11 insurance approach and direction, and the financial position of both the Home Loan Interest Subsidy Scheme and the Samaritan Fund. In addition, it also reviewed the proposals to enhance financial performance reporting and monitoring, an update on the development of the Next Generation Patient Billing System and the Annual Work Plan of the Finance Division.

## Human Resources Committee

### Membership List

| | |
|---|---|
| **Chairman:** | Dr Anthony HO Yiu-wah, BBS, JP *(up to 30.11.2009)* |
| | Mr Peter LO Chi-lik *(from 1.12.2009)* |
| **Vice-Chairman:** | Mr Peter LO Chi-lik *(up to 30.11.2009)* |
| | Ms LAU Ka-shi *(from 1.12.2009)* |
| **Members:** | Mr CHAN Bing-woon, SBS, JP |
| | Mr Billy KONG Churk-hoi, BBS, JP |
| | Prof LAI Kar-neng, JP |
| | Ms LAU Ka-shi *(up to 30.11.2009)* |
| | Mrs Yvonne LAW SHING Mo-han |
| | Dr Hon Joseph LEE Kok-long, SBS, JP |
| | Ms Queenie LEUNG Pik-man |
| | Miss Gloria LO Kit-wai<br>*(representing Permanent Secretary for Health)* |
| | Dr Kim MAK |
| | Mr Charles Peter MOK |
| | Mr Shane SOLOMON, *Chief Executive* |
| | Prof Thomas WONG Kwok-shing, JP |
| | Prof George WOO |

### Terms of Reference

1. To advise on staff training and development matters;
2. To advise on manpower planning;
3. To advise, review and make recommendations on human resources policies and related issues;
4. To advise, review and make recommendations to the Hospital Authority on the terms and conditions of employment for staff;
5. To advise, review and make recommendations to the Hospital Authority on staff pay awards and overall staffing structure; and

6. To advise, review and make recommendations to the Hospital Authority on any other staff related matters.

**Focus of Work in 2009/10**

The Human Resources Committee met six times in 2009/10. The discussions were on various human resources ("HR") matters relating to staff management; remuneration and benefits; training and development; and review of HR policies and practices.

On staff management, the Committee noted the nature and observations of staff complaints received in 2008. It also gave comments on the measures for enhancement of the prevailing staff complaint and appeal procedures; proposed new cluster structure, as well as proposed review of the HA staff disciplinary mechanism.

On remuneration and benefits, the Committee considered and endorsed the proposed strategy for the 2009/10 pay adjustment for HA employees; the proposal to abolish the guarantor requirement under the Paid Study Leave with a Deed of Undertaking arrangement; and the proposed special payment to overseas recruits. Furthermore, the Committee considered the proposed career model for information technology staff and its implementation strategies. It also noted the enhancement measures for overseas recruitment, and issues related to the Dental Officer grade and Resident Physicist Programme.

In relation to HR policies and practices for boosting staff morale, the Committee commented on the staff wellness plan, as well as the staff consultation and communication mechanism in HA. It also noted and paid attention to the progress of the Enterprise Resources Planning Project, including Human Capital Management. The HR measures during outbreak of Human Swine Influenza were also discussed.

Besides, the Committee also considered and discussed training and development matters such as the People Plan, Management 101 for New Leaders and HA's Leadership Pipeline Programme.

## Information Technology Services Governing Committee

### Membership List

| | |
|---|---|
| **Chairman:** | Mr Shane SOLOMON, *Chief Executive* |
| **Vice-Chairman:** | Mr Charles Peter MOK |
| **Members:** | Mr Thomas CHAN, JP<br>*Deputy Secretary for Food and Health (Health)* |
| | Mr CHENG Yan-kee, JP *(from 17.12.2009)* |
| | Mr Jeremy Richard GODFREY<br>*Government Chief Information Officer* |
| | Mr Stephen LAU Ka-men, JP |
| | Mr Stephen YIP Moon-wah, BBS, JP *(up to18.1.2010)* |
| **In attendance:** | Dr P Y LEUNG, JP |
| | Ms Nancy TSE |

### Terms of Reference

1. Approve corporate policies and standards for Information Technology/Information Systems;
2. Approve and monitor the overall progress of the implementation of the Information Technology/Information Systems Strategic Plan;
3. Approve and monitor the execution of the Information Technology/Information Systems Annual Business Plan;
4. Receive recommendations on the priorities for Information Technology systems development and implementation;
5. Receive advice from the Information Technology Advisory Committee;
6. Receive performance and status reports; and
7. Provide periodic progress report to the Hospital Authority Board.

### Focus of Work in 2009/10

The Information Technology ("IT") Services Governing Committee met four times in 2009/10 to discuss various issues relating to the strategic development of information technology/ information systems in HA.

During this period, members discussed and deliberated the HA sourcing strategies to implement the current IT Strategic Plan; the institutional arrangements and resources for HA to support

the Government's electronic Health Record ("eHR") initiatives; measures to further strengthen the IT governance and management with respect to the cluster and other local IT system; and the strategy to explore collaboration opportunities with other healthcare delivery organizations, universities and/or the IT sector in developing and implementing future clinical IT solutions.

To meet the growing demand for IT systems to support the operation of the organization, members also discussed and deliberated the training proposal to help cultivate the health informatics capacity in Hong Kong; the future development plans of HA IT Services for responding to challenges in continuing existing service delivery and delivering the major strategic IT enabled projects; and the progress on information security and privacy action plan.

To support HA's business needs and accountability reporting, the Committee also endorsed the IT Services Annual Work Plan; the IT Block Vote submission for 2010/11 and IT Services Performance Reports and Clinical Management System Phase III Progress Reports.

## Main Tender Board

### Membership List

| | |
|---|---|
| **Chairman:** | Mr John LEE Luen-wai, JP *(up to 21.10.2009)* |
| | Mr Lawrence LEE Kam-hung, JP *(from 22.10.2009)* |
| **Vice-Chairman:** | Mr Lawrence LEE Kam-hung, JP *(up to 21.10.2009)* |
| | Mr Stephen YIP Moon-wah, BBS, JP *(from 22.10.2009)* |
| **Ex-officio members:** | Mr Shane SOLOMON<br>*(Chief Executive or his nominated representative)* |
| | Ms Nancy TSE<br>*(Director (Finance)* or her nominated representative) |
| **Members:** | Two of the following rotating members: |
| | Mr CHAN Bing-woon, SBS, JP |
| | Ms Vivien CHAN, BBS, JP |
| | Mr CHENG Yan-kee, JP *(from 5.1.2010)* |
| | Prof LAI Kar-neng, JP |
| | Mrs Yvonne LAW SHING Mo-han |
| | Dr Hon Joseph LEE Kok-long, SBS, JP |
| | Mr Charles Peter MOK |
| | Mr Stephen YIP Moon-wah, BBS, JP *(up to 21.10.2009)* |
| | Mr Paul YU Shiu-tin, BBS, JP *(up to 30.11.2009)* |

**Terms of Reference**

1. To review and assess the recommendations made by the assessment panel;
2. To review the procedures and criteria adopted by the assessment panel in the course of its selection; and
3. To approve the selection made by the assessment panel after satisfying itself that (1) and (2) are in order and such approval should be final.

**Focus of Work in 2009/10**

In 2009/10, the Main Tender Board met 23 times to consider a total of 341 tender papers for procurement of supplies and services with value of above $1 million for Hospital Authority Head Office and above $4 million for clusters and hospitals. Tenders for procurement of supplies mainly covered purchases of pharmaceutical products, medical equipment and consumables, while domestic service contracts formed the bulk of service tenders. Capital works tenders were mainly related to hospital maintenance and redevelopment projects.

## Medical Services Development Committee

### Membership List

**Chairman:** Prof FOK Tai-fai, SBS, JP

**Vice-Chairman:** Dr Donald Li Kwok-tung, JP

**Members:**
Dr Margaret Chung Wai-ling
Mr CHENG Yan-kee, JP *(from 17.12.2009)*
Dr Anthony HO Yiu-wah, BBS, JP *(up to 30.11.2009)*
Prof LAI Kar-neng, JP
Dr LAM Ping-yan, JP, *Director of Health*
Ms LAU Ka-shi
Mr Lawrence LEE Kam-hung, JP
Dr Hon Joseph LEE Kok-long, SBS, JP
Ms Sandra LEE, JP
*Permanent Secretary for Health*
Prof LEE Sum-ping *(up to 30.11.2009)*
Ms Queenie LEUNG Pik-man
Mr David LIE Tai-chong, SBS, JP
Mr Charles Peter MOK

Ms Bernadette LINN *(up to 30.3.2010)*/Ms Alice LAU, JP *(from 31.3.2010)*/
Mr Bobby CHENG *(up to 25.6.2009)*/Miss Katy FONG *(from 6.7.2009)*
*(representing Secretary for Financial Services and the Treasury)*

Mr Shane SOLOMON, *Chief Executive*

Prof George WOO

Mr Paul YU Shiu-tin, BBS, JP *(up to 30.11.2009)*

**Terms of Reference**

1. To examine, review and make recommendations on the changing needs of the community in respect of clinical services provided by public hospitals and institutions;
2. To advise and make recommendations on the overall policies, directions and strategies relating to the provision, planning and development of the public hospitals and related services, having regard to the availability of technology, staff and other resources and the need to provide a patient-centred, outcome-focused quality healthcare service by a knowledge-based organization;
3. To consider and make recommendations on the overall priorities for the planning and development of the public hospitals and related services in order to ensure an optimal utilisation of available resources; and
4. To consider, review and make recommendations on any other matters related to the planning and development of the public hospitals and related services.

**Focus of Work in 2009/10**

The Medical Services Development Committee met four times in 2009/10 to review current issues relating to the planning, development and management of clinical services.

The Committee received progress reports of various clinical programmes including the management and treatment of HIV/AIDS patients; Chronic Disease Management/Shared Care Programmes; and an Interim Evaluation Survey on Tin Shui Wai Primary Care Partnership Project.

On the area of clinical services development and management, the Committee considered and deliberated on the strategies and future planning of the Filmless HA Project; Surgical Safety Policy to enhance surgical safety in the operation theatre; and HA Guidance on Advance Directives for Clinical Staff. It also received update reports on the development of the Centres of Excellence in Paediatrics and Neuroscience; and Clinical Services Plan for Kwong Wah Hospital Redevelopment.

The Committee also noted the Controlling Officer's Report 2009/10 which set out the budget estimate and service targets for the HA; the Pilot Programme for Quality Incentive under the Pay for Performance mechanism; the Final Report on Doctor Work Reform; and endorsed a proposal on introducing New Drugs to be covered under the Samaritan Fund.

## Public Complaints Committee

### Membership List

**Chairman:** Mr Peter LO Chi-lik *(up to 30.11.2009)*
Dr Margaret CHUNG Wai-ling *(from 1.12.2009)*

**Vice-Chairman:** Dr LAM Ching-choi, BBS, JP *

**Members:**
Mr CHAN Bing-woon, SBS, JP
Rev Canon Dr Alan CHAN Chor-choi *(from 1.12.2009)*
Mr CHAN Shu-ying, SBS, JP
Mrs Jennifer CHEUNG NG Chui-yiu
Mr CHOI Chi-sum
Dr Eric CHONG Chee-min
Ms Sandra CHOW Mun-yuk *(passed away in December 2009)*
Mr Antonio CHU Lok-sang
Prof Joanne CHUNG Wai-yee
Mr Andy LAU Kwok-fai
Dr Robert LAW Chi-lim *
Prof LEE Sum-ping
Mr Carlos LEUNG Sze-hung *
Dr Pamela LEUNG, JP *
Mr Lawrence LI Shu-fai, SBS, JP
Prof WAN Chin-chin
Dr WONG Kwok-chun
Mr Anthony WONG Luen-kin, JP
Mrs Elizabeth WONG YEUNG Po-wo, MBE
Sr Catherine WU Boon-biam
Ms Virginia WU Wei-kin

Ms Lina YAN Hau-yee, MH, JP *(from 1.12.2009)*

Ms Lisa YIP Sau-wah, JP

* denotes Panel Chairman

**Terms of Reference**

1. The Public Complaints Committee ("PCC") is the final complaint redress and appeal body of the Hospital Authority ("HA").

2. The PCC shall independently:

   (a) consider and decide upon complaints from members of the public who are dissatisfied with the response of the HA/hospital to which they have initially directed their complaints; and

   (b) monitor HA's handling of complaints;

3. Pursuant to Para 2 above, the PCC shall independently advise and monitor the HA on the PCC's recommendations and their implementation;

4. In handling complaint cases, the PCC shall follow the PCC Complaint Handling Guidelines which may be amended from time to time; and

5. The PCC shall from time to time and at least once a year, make reports to the HA Board and public, including statistics or raising important issues where applicable.

**PCC Complaint Handling Guidelines**

1. The PCC is an appeal body within the Hospital Authority ("HA") to consider appeals made by the public relating to its services. Based on its Terms of Reference, the following are guidelines set by the PCC to facilitate the handling of complaints.

2. The PCC shall not normally handle a complaint:

   (a) if the complaint relates to services provided by the HA more than two years before the date of the lodging of the complaint, unless the PCC is satisfied that in the particular circumstances it is proper to conduct an investigation into such complaint not made within that period;

   (b) if the complaint is made anonymously and/or the complainant cannot be identified or traced;

   (c) if the complainant has failed to obtain the proper consent of the patient, to whom the services were provided, in the lodging of the complaint (this restriction will not be applicable if the patient has died or is for any reason unable to act for himself or herself);

   (d) if the subject matter of the complaint has been referred to or is being considered by the coroner;

(e) if the complaint relates to a matter for which a specific statutory complaint procedure exists;

(f) if the complainant or the patient concerned has instituted legal proceedings, or has indicated that he/she will institute legal proceedings, against the HA, the hospital or any persons who provided the services (in any event, the Committee shall not entertain any request for compensation);

(g) if the complaint relates to dispute over the established policies of HA, for example, fees charging policy of the HA in respect of its services;

(h) if the complaint relates to an assessment made by a medical staff pursuant to any statutory scheme whereas such scheme provides for a channel of appeal, for example, the granting of sick leave under the provisions of the Employees' Compensation Ordinance, Cap. 282;

(i) if the complaint relates to personnel matters or contractual matters and commercial matters;

(j) if the PCC considers that the complaint is frivolous or vexatious or is not made in good faith; or

(k) if the complaint, or a complaint of a substantially similar nature, has previously been the subject matter of a complaint which had been decided upon by the PCC.

3. Taking into account the following:

(a) the disclosure of legal privileged documents in an open hearing;

(b) the disclosure of personal data in an open hearing;

(c) the PCC is not a judicial or quasi-judicial body;

(d) an aggrieved party has other channels to seek redress; and

(e) the PCC should not duplicate the functions of other institutions such as the courts or the Medical Council;

the PCC considers that its meetings shall not be open to the public.

4. In considering the merits of a complaint, the PCC may from time to time obtain expert opinion by medical professionals or other experts relating to the subject matter of the complaint. If the PCC considers appropriate, it may also invite the complainant, the patient, the medical staffs or any other relevant persons to attend an interview.

(The above Guidelines on the handling of complaint cases may be amended from time to time as appropriate.)

**Focus of work in 2009/10**

In 2009/10, the Public Complaints Committee held 18 meetings and handled a total of 275 cases, of which 197 were related to medical services, 38 related to administrative procedure, 24 related to staff attitude and 16 others. In addition to the handling of appeal cases, the Committee also formulated complaint handling policies to improve the efficiency and effectiveness of the Authority's complaints system, and make recommendations for system change and improvement of healthcare services. Regular internal and external communication programmes were conducted to enhance the transparency and credibility of the Authority's complaint system and the Committee as the final appeal body. Through its Secretariat, the Committee also shared important lessons learned for risk management and enhanced the complaint handling skills of frontline staff through regular specialist complaint management training. The Public Complaints Committee Secretariat also handled a total of 13,372 feedback cases from patients and complainants and was tasked to take up 86 cases referred by The Ombudsman, and 2,718 complaint cases directed to the Hospital Authority Head Office.

## Staff Appeals Committee

### Membership List

**Chairman:** Dr Anthony HO Yiu-wah, BBS, JP *(up to 30.11.2009)*
Mr Peter LO Chi-lik *(from 1.12.2009)*

**Members:** Mr Billy KONG Churk-hoi, BBS, JP
Dr Kim MAK
Prof Thomas WONG Kwok-shing, JP

**Terms of Reference**

1. To consider and decide upon appeals from staff members who have raised a grievance through the normal internal complaint channels and who wish to appeal against the decision made;

2. The Committee shall:
   - consider whether the appeal cases need further investigation by the management;
   - direct the appeal cases to be investigated;
   - have access to all the relevant information required from the management for making a decision;
   - ensure that appropriate action is taken; and
   - reply to the appellant;

3. The Committee's decision shall represent the Hospital Authority's decision and shall be final; and

4. The Committee shall make annual reports to the Hospital Authority Board.

**Focus of Work in 2009/10**

The Committee received three staff appeal cases in 2009/10 from medical, nursing and allied health staff respectively. The Committee considered and handed down its decision on one of these cases within the year. The other two cases were also considered during the year and decisions were handed down in April 2010.

## Supporting Services Development Committee

### Membership List

| | |
|---|---|
| **Chairman:** | Mr Paul YU Shiu-tin, BBS, JP *(up to 30.11.2009)* |
| | Mr Stephen YIP Moon-wah, BBS, JP *(from 1.12.2009)* |
| **Vice-Chairman:** | Mr Charles Peter MOK |
| **Members:** | Ms Vivien CHAN, BBS, JP |
| | Mr CHENG Yan-kee, JP *(from 17.12.2009)* |
| | Mr Peter LO Chi-lik |
| | Miss Gloria LO Kit-wai<br>*(representing Permanent Secretary for Health)* |
| | Mr Shane SOLOMON, *Chief Executive* |
| | Mr Stephen YIP Moon-wah, BBS, JP *(up to 30.11.2009)* |

**Terms of Reference**

1. To advise on the directions and policies related to the development of Business Support Services and Environmental Protection to best support clinical services delivery in the Hospital Authority;

2. To review and advise on the implementation and monitoring of Capital Works Projects in the Hospital Authority;

3. To review and advise on the new initiatives in Business Support Services such as improvements in supply chain management, equipment management, strategic outsourcing and public-private partnership of non-core functions, and the development of supporting services for revenue generation; and

4. To advise on the adoption of better practices and industry innovations related to the planning and delivery of Business Support Services and implementation of Capital Works Projects in the Hospital Authority.

**Focus of Work in 2009/10**

In 2009/10, the Supporting Services Development Committee met four times to fulfill its Terms of Reference, mainly to advise on the directions and policies related to the development of Business Support Services and Environmental Protection to best support clinical service delivery in HA. It considered reports on the post-implementation review of Enterprise Resources Planning System implementation – Procurement and Supply Chain Management; replacement of medical and engineering equipment; improvement of inventory management for non-drug items; performance review of Non-Emergency Ambulance Transfer Service; and a cost effectiveness study of patient food services under Public-Private Partnership and in-house operations. In addition, it reviewed the implementation of key initiatives to enhance the pharmaceutical products procurement system; laundry service; hospital security service; advertising services in HA hospitals; the enhancement of quality assurance on supply of medical consumables; and development of Product Classification and Codification Standard in HA to enhance supply chains.

During the year, it also reviewed the progress of major capital works projects; energy conservation initiatives; Term Contract for minor works system; performance appraisal system of contractors and consultants for capital works projects. It considered the development of a strategic capital works plan; a review on fire services installations; the management of project progress and expenditure; and the development of design standards.

# Appendix 4

## Membership of Hospital Governing Committees

### Alice Ho Miu Ling Nethersole Hospital

**Chairman:**

Mr Roland CHOW Kun-chee

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Dr Bonba CHIU Sik-ho

Mr Deacon FUNG Sau-chung

Dr George H C HUNG

Ms KO Siu-wah, SBS, JP

Dr Pamela LEUNG, JP

Mr John LI Kwok-heem

Rev Dr LI Ping-kwong

Mr Wilson MOK Yu-sang

Rev Eric SO Shing-yit

Rt Rev Dr Thomas SOO Yee-po, JP

Bishop Nicholas TAI Ho-fai

Prof TAM Sheung-wai, GBS, JP

Ms Wendy TSANG Wan-man

Rev Josephine TSO Shiu-wan

Ms Peggy WONG Pik-kiu, MH

Miss Nora WONG Pui-ha, JP

### Bradbury Hospice

**Chairman:**

Dr Geoffrey LIEU Sek-yiu

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Dr Hubert CHAN Chung-yee

Dr Amy CHOW Yin-man

Dr Ben FONG Yuk-fai

Sister Helen KENNY

Dr KWAN Wing-hong

Father John RUSSELL, S.J.

Mr SHUM Si-ki

Prof Dr Dominic WONG Shing-wah, GBS, JP

Prof WONG Hoi-kwok, BBS, JP

## Caritas Medical Centre

**Chairman:**

Prof David CHEUNG Lik-ching

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr Denis CHANG, JP

Mr Stephen CHENG Po-hong, JP

Dr Benedict CHUNG Yat-ki

Dr Daniel FANG Tak-sang

Dr Conrad LAM Kui-shing, JP

Mr LEUNG Kam-tao

Mr William WONG Kuen-wai, BBS

Mr Anthony WONG Luen-kin, JP

Rev Michael M C YEUNG, VG

Rev Joseph YIM Tak-lung *(from 25.6.2009)*

## Castle Peak Hospital

**Chairman:**

Prof John LEONG Chi-yan, SBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHOONG Yin-lee

Dr CHOW Chun-bong, BBS, JP

Dr CHUNG See-yuen

Mr Lothar LEE Hung-sham

Mrs Rita LIU, BBS

Prof SHAM Pak-chung

## Cheshire Home, Chung Hom Kok

**Chairman:**

Dr Albert WONG Chi-chiu

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mrs Shelley M CHOW

Mr Alan CRAWLEY *(up to 25.11.2009)*

Mr Hilbert KA

Mr Peter LI

Ms Janice MORTON

Dr WONG Chun-por

Mrs Linda WONG LEUNG Kit-wah

Mr Paul YOUNG Tze-kong, JP

## Cheshire Home, Shatin

**Chairman:**

Mr Alan CRAWLEY *(up to 25.11.2009)*

Mrs Linda WONG LEUNG Kit-wah *(from 28.1.2010)*

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mrs Shelley M. CHOW

Prof Suzanne C HO

Mr JONG Koon-sang *(up to 13.12.2009)*

Prof LAM Tai-hing, JP

Dr Edward LEUNG Man-fuk

Dr Pamela LEUNG, JP *(from 28.1.2010)*

Prof Mark MACALPINE

Ms Janice MORTON

Mr Alfred POON Sun-biu

## Duchess of Kent Children's Hospital at Sandy Bay

**Chairman:**

Mr Vivian LEE Wai-man

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHEUNG Tat-tong

Dr Daniel FANG Tak-sang

Mrs FOK Mei-ling

Prof LAU Yu-lung

Mr Renny LIE Ken-jie

Mr Gordon Gilbert LOCH Han-van

Prof Keith LUK Dip-kei

Mrs Elizabeth WONG YEUNG Po-wo

Dr Arthur Charles YAU Meng-choy

## Grantham Hospital

**Chairman:**

Mr PANG Yuk-ling, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Prof FAN Sheung-tat

Prof Karen LAM Siu-ling

Mr Steve Y F LAN

Mr Sebastian LAU Ki-chit

Mr Lawrence LEE Kam-hung, JP

Mr Edwin LEUNG Chung-ching

Dr Vitus LEUNG Wing-hang

Mrs Elizabeth LI

Prof MOK Che-keung

Mrs Purviz Rusy SHROFF

Mr Rocco YIM Sen-kee, JP

## Haven of Hope Hospital

**Chairman:**

Mr Charles C Y CHIU

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Dr Thomas CHAN Sze-tong, JP

Dr Margaret CHUNG Wai-ling

Dr HO Wai-ip

Dr Joseph KWAN Kai-cho

Dr LAM Ching-choi, BBS, JP

Mr Eddie NG Ping-yiu

Mr Edward PONG Chong, BBS, JP

Mr Peter WONG Chun-kow

Mr WONG Kai-man, BBS, JP

## Hong Kong Buddhist Hospital

**Chairman:**

Mr Keith LAM Hon-keung, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr AU Kit-ming, BBS

Ms Kelly CHAN Yuen-sau

Ms Elaine CHUNG Lai-kwok, BBS, JP

Ms Pearl HO Chung-yee

Mr HO Tak-sum, MH

Mr HO Yin-fai

Dr KAO Park-ming

Ven KOK Kwong, GBS

Mr LAI Sze-nuen, BBS, JP

Mr Anthony LAM Chi-tat

Ms Mavis LEE Ming-pui

Mr LI Ka-cheung

Ven SIK Hin-hung

Ven SIK Ku-tay

Ven SIK To-ping

Ven SIK Wing-sing

Ms Maria YEUNG Kam-chun

## Hong Kong Eye Hospital & Kowloon Hospital

**Chairman:**

Dr Eliza C H CHAN, BBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr Philip FAN Yan-hok

Mr IP Che-kin, MH

Prof Joseph KWOK Kin-fun, BBS, JP

Mr Louis LOONG Hon-biu

Mrs Delia PEI CHEN Chi-kuen, BBS, JP

Dr Victor WOO Chi-pang

Mr James YIP Shiu-kwong

## Hong Kong Red Cross Blood Transfusion Service

**Chairman:**

Mr Philip TSAI Wing-chung

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHAN Kai-ming

Prof Gregory CHENG

Mr Ambrose HO, JP

Dr HO Chung-ping, MH, JP

Ms Ada LAM Wai-ming

Mr Vincent LO Wing-sang, BBS, JP

Ms Clara SHEK

Mr Luke WONG Sui-kwong

Mrs Irene YAU, JP

## Kwai Chung Hospital & Princess Margaret Hospital

**Chairman:**

Hon Vincent FANG Kang, SBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHAN How-chi

Mr CHAU How-chen, GBS, JP

Dr Sylvia CHEN Chia-lu, JP

Dr Andy CHIU Tin-yan

Mrs Alice CHIU TSANG Hok-wan, BBS, JP

Mr CHOW Yick-hay, BBS, JP

Mr Larry KWOK Lam-kwong, BBS, JP

Mr Alan LEE Chi-keung, MH

Dr Hon Joseph LEE Kok-long, SBS, JP

Mr Henry TONG Sau-chai

Dr TSAO Yen-chow

Prof WONG Chack-kie, MH

## Kwong Wah Hospital/ TWGHs Wong Tai Sin Hospital

**Chairman:**

Dr John LEE Sam-yuen, BBS

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mrs Viola CHAN MAN Yee-wai

Dr Ina CHAN Un-chan

Mr Charles CHANG Juo-hwa

Mr CHOW Chun-fai, BBS, JP

Dr Stephen CHOW Chun-kay, SBS, JP

Mr Billy LEUNG Ting-yu

Mr Patrick MA Ching-hang, BBS

Mr MOK Ying-fan

Mr Stephen NG Chi-wing

Mr Ivan SZE Wing-hang

Mr Eddie WANG, BBS

Mr Senta WONG, BBS

Mr Ricky YEUNG Chiu-sing, BBS

Mr Paul YU Shiu-tin, BBS, JP

Dr YU Yuk-ling

## MacLehose Medical Rehabilitation Centre

**Chairman:**

Dr David FANG, SBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Ms Barbara CHAN

Ms Mabel CHAU Man-ki

Dr Eric CHIEN Ping

Prof CHOW Shew-ping, JP

Dr Daniel FANG Tak-sang

Mr Martin HE

Prof Keith LUK Dip-kei

Mr David MONG Tak-yeung

Dr POON Tak-lun

Mr Adrian WONG Koon-man, JP

Mr David YAU Po-wing

## North District Hospital

**Chairman:**

Mrs Gloria NG WONG Yee-man, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr HAU Kam-lam, MH, JP

Mr HUNG Siu-ling

Mr LAU Hou-ting

Mr David LI Ka-fai

Mr MA Ching-nam, JP

Mr Paul MAK Chun-nam

Mr George PANG Chun-sing

Dr Annie YEUNG Shou-fong

## Our Lady of Maryknoll Hospital

**Chairman:**

Dr Conrad LAM Kui-shing, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr Vincent CHANG

Mr Michael CHENG Tak-kin, JP

Ms Carlye CHU Fun-ling

Rev CHU Yiu-ming

Dr Nancy FOK

Mr Lester Garson HUANG, JP

Mrs Marigold LAU, JP

Sister Marilu LIMGENCO

Sister Susan Kanuu NCHUBIRI

Mrs Pauline NG CHOW May-lin, JP

Mrs Beverly TONG

Dr Gene TSOI Wai-wang

Dr YU Wing-kwong

Sister Marya ZABOROWSKI

## Pamela Youde Nethersole Eastern Hospital

**Chairman:**

Mr Lawrence LEE Kam-hung, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHAN Bing-woon, SBS, JP

Ms Ophelia CHAN

Mr Roland CHOW Kun-chee

Rev CHU Yiu-ming

Ms KO Siu-wah, SBS, JP

Mr Peter LEE Kwok-wah

Mr John LI Kwok-heem

Dr Yvonne LUI Lai-kwan

Rt Rev Dr Thomas SOO Yee-po, JP

Prof TAM Sheung-wai, GBS, JP

Mr YEUNG Po-kwan, JP

Dr Dominic YOUNG Ying-nam

## Pok Oi Hospital

**Chairman:**

Mr Henry POON Shiu-man, MH

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Prof Chetwyn CHAN Che-hin

Dr Alfred CHAN Kwok-chiu, MH

Dr CHONG Man-yuk

Ms Yvonne CHUA

Mr LAM Kwok-hing, MH

Mr LEUNG Che-cheung, MH, JP

Dr Sam WONG Chun-sing, MH

Mr WONG Fan-foung

Mr Victor WONG Kai-tai, MH

Dr Bernard WONG Kar-mau

Mr WONG Kei-yuen

## Prince of Wales Hospital

**Chairman:**

Mr Edward HO Sing-tin, SBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mrs Annie LIANG BENTLEY

Ms Vivien CHAN, BBS, JP

Prof FOK Tai-fai, SBS, JP

Mr James B HAYBYRNE

Ms Nancy KIT, JP

Mr Peter LEE Kwok-wah

Mr Stephen LIU Wing-ting, JP

Mr Philip WONG Chak-piu

## Queen Elizabeth Hospital

**Chairman:**

Mr John LEE Luen-wai, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Dr Eliza C H CHAN, BBS, JP

Mrs Sheilah CHENG CHATJAVAL

Dr Steven CHOW

Mr Emmanuel KAO Chu-chee

Dr LEE Kin-hung

Mr David MUI Ying-yuen

Mr NG Kin-sun

Ms Winnie NG

Dr Victor WOO Chi-pang

Mr John WU Man-keung, BBS

## Queen Mary Hospital/ Tsan Yuk Hospital

**Chairman:**

Dr Anthony HO Yiu-wah, BBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Prof Joseph LEE Hun-wei

Prof LEE Sum-ping

Mrs Margaret LEUNG, JP

Ms Winnie NG

Mr Lincoln TSO

Prof Judy TSUI LAM Sin-lai

Dr Richard YU Yue-hong, SBS

## Rehabaid Centre

**Chairman:**

Hon Judge Kevin Anthony BROWNE

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Dr Joseph BOSCO

Ms Kelly CHAN Yuen-sau

Ms CHOW Lai-ying

Mrs Shelley M CHOW

Mrs Kimberley LAM KWONG Lan-heung

Dr Leonard LI Sheung-wai

Mrs Anne MARDEN, BBS, JP

Dr Kenneth SO Hop-shing

Mr TSANG Chiu-kwan

## Ruttonjee & Tang Shiu Kin Hospitals

**Chairman:**

Mr Edwin LEUNG Chung-ching

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Ms Lillian CHAN Lit-yee

Mr Raymond CHOW Wai-kam, JP

Mrs Peggy LAM, GBS, JP

Mr Steve Y F LAN

Mr Sebastian LAU Ki-chit

Prof John LEONG Chi-yan, SBS, JP

Dr Vitus LEUNG Wing-hang

Dr LIU Ka-ling

Mr PANG Yuk-ling, JP

Mrs Purviz Rusy SHROFF

Mr SHUM Choi-sang, SBS, JP

Ms Anna TANG King-yung, BBS

Mr Richard TANG Yat-sun, BBS, JP

## Shatin Hospital

**Chairman:**

Dr Margaret CHUNG Wai-ling

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHEUNG Tak-hai

Mr Joseph KEUNG Shu-hoi

Mrs Molly LEE

Mr Arthur LI Ka-tat

Mr Thomas PANG Cheung-wai, BBS, JP

Mr Peter SUEN Yiu-chan

## Tai Po Hospital

**Chairman:**

Dr Lily CHIANG

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mrs Gladys CHEN CHO Wai-han

Mr CHEUNG Wing-fai

Mr Richard FUNG Lap-chung

Mr LEUNG Wo-ping, JP

Mr MAN Chen-fai, MH

Dr Sammy POONE, SBS, JP

Dr SHUM Chi-wang

## Tseung Kwan O Hospital

**Chairman:**

Mr LO Chung-hing, SBS

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Miss Iris CHAN Sui-ching, BBS *(up to 14.6.2009)*

Mr Raymond CHAN Wai-man

Dr Joseph KWAN Kai-cho

Mr Henry LAI Hin-wing

Dr Danny MA Ping-kwan

Ms Nancy TSANG Lan-see

Mr WAN Yuet-cheung, MH

## Tuen Mun Hospital

**Chairman:**

Mr Paul YU Shiu-tin, BBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHAN How-chi

Mr Michael CHAN Kee-huen

Prof Sophia CHAN Siu-chee

Dr Eddie CHAN Tat

Mr KU Moon-lun

Mr Edward PONG Chong, BBS, JP

Dr Jimmy WONG Chi Ho, BBS, JP

Mr Jonathan YU Hoy-gin, JP

## Tung Wah Hospital/ Tung Wah Eastern Hospital/ TWGHs Fung Yiu King Hospital

**Chairman:**

Dr John LEE Sam-yuen, BBS

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mrs Viola CHAN MAN Yee-wai

Dr Ina CHAN Un-chan

Mr Christopher CHAN Yiu-chong, BBS, JP

Mr Charles CHANG Juo-hwa

Ms CHENG Lai-king

Dr CHU Chor-lup

Dr HUNG Wing-tat

Mr Andy LAU Kam-kwok, BBS

Mr Billy LEUNG Ting-yu

Mr Stephen LIU Wing-ting, JP

Mr Patrick MA Ching-hang, BBS

Mr John MA Hung-ming, BBS

Mr Stephen NG Chi-wing

Mr Peter ONG Ka-lueng, BBS

Mr Ivan SZE Wing-hang

## United Christian Hospital

**Chairman:**

Mr John LI Kwok-heem *(up to 27.1.2010)*

Prof TAM Sheung-wai, GBS, JP *(from 28.1.2010)*

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr Bunny CHAN Chung-bun, SBS, JP

Mr Derek CHAN Man-foon

Mr Clifford King CHIU

Mr Roland CHOW Kun-chee

Rev Paul KAN Kei-piu

Ms Sophia KAO, SBS, JP

Mr Patrick LAI Shu-ho, BBS, JP

Mr Eddy LEE Wai-man *(up to 8.12.2009)*

Rev Lincoln LEUNG Lam-hoi

Mr John LI Kwok-heem *(from 28.1.2010)*

Mr Kenneth NG Kin

Rev PO Kam-cheong

Mrs Winnie POON YAM Wai-chun, MH

Rev Eric SO Shing-yit

Prof TAM Sheung-wai, GBS, JP *(up to 27.1.2010)*

Mr Thomas TSANG Fuk-chuen

Mr Herbert TSOI Hak-kong, BBS, JP

Rt Rev Louis TSUI Tsan-sang

Dr Hayles WAI Heung-wah

Mr David WONG Tat-kee

Mr WU Kwok-cheung, MH

Dr Alice YUK Tak-fun, JP

## Yan Chai Hospital

**Chairman:**

Mr Wilfred NG Sau-kei, SBS, JP

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

**Members:**

Mr CHAN Wai-ming, MH, JP

Prof Edwin CHENG Shing-lung

Dr Anthony HO Yiu-wah, BBS, JP

Mr Alex LAN Khong-poh

Mr Edmond LEE Man-bun

Prof LEE Shiu-hung, SBS, JP

Mr Raymond LEUNG Cheong-ming

Mrs Susan SO CHAN Wai-hang

Mrs Christy TUNG NG Ling-ling

Mr Alfred WONG Wai-kin *(from 26.5.2009)*

# Appendix 5

## Membership of Regional Advisory Committees

### Hong Kong Regional Advisory Committee

**Chairman:**

Dr Anthony HO Yiu-wah, BBS, JP
*(up to 30.11.2009)*

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Director of Health or his/her representative

**Members:**

Mr AU Lap-sing
Ms Ophelia CHAN
Mr Charles CHANG Juo-hwa
Dr David FANG, SBS, JP
Mr KONG Chack-ho, MH
Ms Kenny LEE Kwun-yee
Mr Vivian LEE Wai-man
Mr Edwin LEUNG Chung-ching
Mr Tommy LI Ying-sang, BBS, JP
Prof LO Chung-mau
Mr PANG Yuk-ling, JP
Mr TSANG Wing-wah
Mr Lincoln TSO
Prof WONG Hoi-kwok, BBS, JP
Mrs Linda WONG LEUNG Kit-wah
Dr Loretta YAM Yin-chun, BBS
Mr YUNG Chi-ming, MH

### Kowloon Regional Advisory Committee

**Chairman:**

Mr Paul YU Shiu-tin, BBS, JP
*(up to 30.11.2009)*

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Director of Health or his/her representative

**Members:**

Dr Eliza C H CHAN, BBS, JP
Mr Simon CHAN Siu-man
Ms CHAU Chuen-heung, BBS, JP
Mr Francis CHAU Yin-ming, MH
Mr Michael CHENG Tak-kin, JP
Mr CHEUNG Yan-hong
Mr Charles C Y CHIU
Mr CHOW Chun-fai, BBS, JP
Mr CHOW Yick-hay, BBS, JP
Mr Keith LAM Hon-keung, JP
Mr LAM Ka-keung
Mr Billy LEUNG Ting-yu
Mr John LI Kwok-heem
Dr Danny MA Ping-kwan
Mr Wilfred NG Sau-kei, SBS, JP
Mr TSANG Chiu-kwan
Mr WONG Kam-kuen, MH, JP
Mr WONG Kwok-yan
Mr Anthony WONG Luen-kin, JP
Mr Luke WONG Sui-kwong
Mr WONG Wai-kit
Dr Victor WOO Chi-pang

## New Territories Regional Advisory Committee

**Chairman:**

Dr Margaret CHUNG Wai-ling

**Ex-officio members:**

Hospital Authority Chief Executive or his representative

Director of Health or his/her representative

**Members:**

Mr Daniel CHAM Ka-hung, MH, JP

Mr CHAN How-chi

Ms Josephine CHAN Shu-ying

Mr Richard FUNG Lap-chung

Prof Suzanne C HO

Ms Nancy KIT, JP

Prof LAU Tze-kin

Mr LI Kwok-ying, BBS, JP

Dr Geoffrey LIEU Sek-yiu

Mrs Rita LIU, BBS

Mr Paul MAK Chun-nam

Mr Thomas PANG Cheung-wai, BBS, JP

Mr Henry POON Shiu-man, MH

Mr Philip WONG Chak-piu

Miss Nora WONG Pui-ha, JP

Mr Chris YIP Yiu-shing, MH

# Appendix 6

## Membership of the Board of Trustees of the Hospital Authority Provident Fund Scheme

**Chairman:**

Dr Anthony HO Yiu-wah, BBS, JP *(up to 18.11.2009)*
Mr John LEE Luen-wai, JP *(from 19.11.2009)*

**Trustees:**

Mr Luke CHIA Chi-keung *(up to 15.9.2009)*
Dr Gordon JAN Siu-kei
Ms LAU Ka-shi *(from 1.3.2010)*
Mr John LEE Luen-wai, JP *(up to 18.11.2009)*
Mr Lincoln LEONG Kwok-kuen
Mr Raymond LEUNG Ho-kwan, MH
Mr Peter LO Chi-lik *(from 1.2.2010)*
Mr LO Kam-shing
Mr Patrick MA Ching-hang, BBS *(from 1.3.2010)*
Mrs Susan MAK LOK Suet-ling, JP *(from 27.7.2009)*
Mr Patrick NIP Tak-kuen, JP *(up to 26.7.2009)*
Mr Alan Howard SMITH, JP
Mr Shane SOLOMON *(up to 28.2.2010)*
Ms Nancy TSE Sau-ling
Dr WONG Chi-keung *(from 16.9.2009)*

# Appendix 7

## Public Feedback Statistics
## Complaints/Appreciation Received (1.4.2009 – 31.3.2010)

### Public Complaints Committee

| Nature of Cases | Number of Appeal Cases |
|---|---|
| Medical Services | 197 |
| Staff Attitude | 24 |
| Administrative Procedure | 38 |
| Others | 16 |
| **Total Number of Appeal Cases Handled** | **275** |

### Hospital Complaints/Appreciation Statistics

| Nature of Complaint/Appreciation Cases | Complaints Received | Appreciation Received |
|---|---|---|
| Medical Services | 987 | 12,184 |
| Staff Attitude | 547 | 7,539 |
| Administrative Procedure | 379 | 610 |
| Overall Performance | 77 | 10,624 |
| Others | 238 | 2,560 |
| **Total Number of Complaints/Appreciation Received** | **2,228** | **33,517** |

# Appendix 8

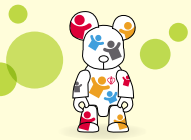
## Statistics of the Controlling Officer's Report

The Hospital Authority generally achieved its performance targets in 2009/10. The volume of patient care activities across the full range of services in 2009/10 is comparable to the level in 2008/09.

The key statistics of the Controlling Officer's Report used by the Government to measure the Authority's performance in 2008/09 and 2009/10 were:

| | 2008/09 | 2009/10 |
|---|---|---|
| **(I) No. of hospital beds (as of end March)** | | |
| General (acute and convalescence) | 20,416 | 20,516 |
| Infirmary | 2,041 | 2,041 |
| Mentally ill | 4,000 | 3,607 |
| Mentally handicapped | 660 | 660 |
| Total | 27,117 | 26,824 |
| **(II) Delivery of services** | | |
| ***Inpatient services*** | | |
| No. of discharges & deaths | | |
| General (acute and convalescence) | 890,479 | 928,609 |
| Infirmary | 3,272 | 3,340 |
| Mentally ill | 15,540 | 16,018 |
| Mentally handicapped | 295 | 347 |
| Overall | 909,586 | 948,314 |
| No. of patient days | | |
| General (acute and convalescence) | 5,293,308 | 5,314,224 |
| Infirmary | 525,421 | 520,405 |
| Mentally ill | 988,037 | 1,010,256 |
| Mentally handicapped | 227,419 | 221,649 |
| Overall | 7,034,185 | 7,066,534 |
| Bed occupancy rate | | |
| General (acute and convalescence) | 83% | 82% |
| Infirmary | 91% | 90% |
| Mentally ill | 73% | 77% |
| Mentally handicapped | 93% | 92% |
| Overall | 82% | 82% |
| Average length of stay (days) * | | |
| General (acute and convalescence) | 6.0 | 5.8 |
| Infirmary | 132 | 135 |

| | 2008/09 | 2009/10 |
|---|---|---|
| Mentally ill | 79 | 74 |
| Mentally handicapped | 569 | 838 |
| Overall | 8.0 | 7.7 |
| ***Ambulatory diagnostic & therapeutic services*** | | |
| Day patient | | |
| No. of discharges & deaths | 365,222 | 416,885 |
| No. of day patients as % of total inpatient & day patient discharges and deaths | 29% | 31% |
| Accident & emergency services | | |
| No. of attendance | 2,116,509 | 2,214,422 |
| Outpatient services | | |
| No. of specialist outpatient (clinical) attendances ** | 6,070,631 | 6,392,410 |
| No. of general outpatient attendances | 4,968,586 | 4,700,543 |
| No. of family medicine specialist clinic attendances | 235,546 | 272,146 |
| No. of primary care attendances *** | 5,204,132 | 4,972,689 |
| ***Rehabilitation & outreach services*** | | |
| No. of home visits by community nurses | 799,324 | 823,907 |
| Psychiatric services | | |
| No. of psychiatric outreach attendances | 104,753 | 135,927 |
| No. of psychiatric day hospital attendances | 189,208 | 211,675 |
| No. of psychogeriatric outreach attendances | 66,617 | 83,003 |
| Geriatric services | | |
| No. of outreach attendances | 555,124 | 626,287 |
| No. of older persons assessed for infirmary care service | 1,474 | 1,417 |
| No. of geriatric day hospital attendances | 135,184 | 140,332 |
| No. of Visiting Medical Officer attendances | 105,223 | 114,876 |
| No. of allied health outpatient attendances | 1,904,870 | 2,024,568 |
| **(III) Quality of services** | | |
| ***No. of hospital deaths per 1000 population*** ^ | 3.7 | 3.6 |
| ***Unplanned readmission rate within 28 days for general inpatients*** | 10.7% | 11.0% |
| ***Accident and Emergency (A&E) services*** | | |
| % of A&E patients within the target waiting time: | | |
| Triage I (critical cases – 0 minute) | 100 | 100 |
| Triage II (emergency cases – 15 minutes) | 98 | 98 |
| Triage III (urgent cases – 30 minutes) | 89 | 90 |
| ***Specialist outpatient services*** | | |
| Median waiting time for first appointment at specialist clinics † | | |
| First priority patients | <1 week | <1 week |
| Second priority patients | 5 weeks | 5 weeks |



| | 2008/09 | 2009/10 |
|---|---|---|
| **(IV) Cost of services** | | |
| ***Cost distribution*** | | |
| Cost distribution by service types (%) | | |
| Inpatient | 59.8% | 57.2% |
| Ambulatory and outreach | 40.2% | 42.8% |
| Cost by service types per 1000 population ($m) | | |
| Inpatient | 3.0 | 2.9 |
| Ambulatory and outreach | 2.0 | 2.2 |
| Cost of services for persons aged 65 or above | | |
| Share of cost of services (%) | 45.4% | 44.9% |
| Cost of services per 1000 population ($m) | 18.2 | 18.1 |
| ***Unit costs*** | | |
| Cost per inpatient discharged ($) | | |
| General (acute and convalescence) | 20,230 | 18,920 |
| Infirmary | 174,650 | 175,290 |
| Mentally ill | 120,360 | 112,420 |
| Mentally handicapped | 809,000 | 682,100 |
| Cost per patient day ($) | | |
| General (acute and convalescence) | 3,650 | 3,590 |
| Infirmary | 1,090 | 1,130 |
| Mentally ill | 1,890 | 1,780 |
| Mentally handicapped | 1,050 | 1,070 |
| Cost per accident & emergency attendance ($) | 820 | 800 |
| Cost per specialist outpatient attendance ($) | 840 | 880 |
| Cost per general outpatient attendance ($) | 280 | 290 |
| Cost per family medicine specialist clinic attendance ($) | 750 | 820 |
| Cost per outreach visit by community nurse ($) | 330 | 320 |
| Cost per psychiatric outreach attendance ($) | 1,110 | 1,100 |
| Cost per geriatric day hospital attendance ($) | 1,450 | 1,500 |
| ***Waivers*** [~] | | |
| % of Comprehensive Social Security Assistance (CSSA) waiver (%) | 19.4 | 19.6 |
| % of non-CSSA waiver (%) | 3.3 | 3.8 |
| **(V) Manpower (no. of FTE staff as at 31 March [##])** | | |
| **Medical** | | |
| Doctor | 4,863 | 4,995 |
| Intern | 292 | 277 |
| Dentist | 6 | 6 |
| **Medical total** | 5,161 | 5,278 |

| | 2008/09 | 2009/10 |
|---|---|---|
| **Nursing** | | |
| Qualified staff | 19,124 | 19,370 |
| Trainee | 398 | 496 |
| **Nursing total** | 19,522 | 19,866 |
| **Allied health total** | 5,231 | 5,447 |
| **Others** | 25,998 | 27,121 |
| **Total** | 55,911 | 57,713 |

Notes:

* Derived by dividing the sum of length of stay of inpatient by the corresponding number of inpatient discharged/ treated.

** Number of specialist outpatient attendances includes number of nurse clinic attendances.

*** Number of primary care attendances comprises of the number of general outpatient ("GOP") attendances and family medicine specialist clinic attendances. GOP attendances include nurse clinic attendances. Eight GOP clinics were designated as Designated Flu Clinics for human swine influenza (H1N1 Influenza A) between 13 June 2009 and 23 May 2010. The attendances of the Designated Flu Clinics are not included in the figure for 2009/10.

^ Refers to the standardized mortality rate covering all deaths in HA hospitals. This is derived by applying the age-specific mortality rate in HA in a particular year to a "standard" population which is the 2001 Hong Kong mid-year population.

† Refers to median waiting time of major clinical specialties which include Ear, Nose and Throat, Gynaecology, Medicine, Ophthalmology, Orthopaedics & Traumatology, Paediatrics and Adolescent Medicine, Psychiatry and Surgery.

~ Refers to the amount waived as percentage to total charge.

## All staff in workforce (permanent, contract and temporary terms) are included in the reported figures on full-time equivalent ("FTE") basis. Figures may not add up to total due to rounding.

# Appendix 9

## Statistics on Number of Beds, lnpatient, Accident & Emergency and Outpatient Services in 2009/10

| Institution | No. of beds (as at end March 2010) | Total IP & DP Discharges and Deaths | Inpatient Occupancy Rate (%) | Inpatient Average Length of Stay (days) | Total A&E Attendances | Total SOP Attendances (clinical) | Family Medicine Specialist Clinic Attendances | Total Allied Health Outpatient Attendances | General Outpatient Attendances |
|---|---|---|---|---|---|---|---|---|---|
| **Hong Kong East Cluster** | | | | | | | | | |
| Cheshire Home, Chung Hom Kok | 240 | 293 | 87.0 | 326.8 | – | – | – | 157 | – |
| Pamela Youde Nethersole Eastern Hospital | 1,544 | 115,664 | 83.1 | 5.7 | 153,546 | 527,627 | 55,262 | 99,796 | 276,124 |
| Ruttonjee & Tang Shiu Kin Hospitals | 656 | 24,021 | 81.2 | 7.0 | 87,265 | 119,639 | 8,851 | 97,627 | 99,837 |
| St John Hospital | 87 | 3,270 | 83.0 | 6.4 | 10,024 | 110 | – | 6,248 | 34,296 |
| Tung Wah Eastern Hospital | 282 | 8,162 | 83.1 | 12.5 | – | 104,323 | – | 28,883 | 26,618 |
| Wong Chuk Hang Hospital | 160 | 165 | 92.4 | 290.4 | – | – | – | – | – |
| **Sub-total** | **2,969** | **151,575** | **83.6** | **7.7** | **250,835** | **751,699** | **64,113** | **232,711** | **436,875** |
| **Hong Kong West Cluster** | | | | | | | | | |
| Duchess of Kent Children's Hospital | 130 | 2,741 | 45.0 | 10.5 | – | 20,481 | – | 27,176 | – |
| TWGHs Fung Yiu King Hospital | 272 | 2,822 | 69.8 | 20.5 | – | 516 | – | 273 | – |
| Grantham Hospital | 372 | 9,669 | 74.0 | 12.0 | – | 34,195 | – | 1,684 | – |
| MacLehose Medical Rehabilitation Centre | 110 | 897 | 56.0 | 25.7 | – | 259 | – | 3,855 | – |
| Queen Mary Hospital | 1,698 | 119,781 | 73.2 | 4.7 | 125,661 | 597,872 | 18,773 | 129,496 | 231,707 |
| Tung Wah Hospital | 550 | 23,168 | 82.9 | 14.1 | – | 43,001 | – | 5,010 | 27,211 |
| Tsan Yuk Hospital | 3 | 843 | – | – | – | 29,752 | – | 4,453 | – |
| **Sub-total** | **3,135** | **159,921** | **72.7** | **6.8** | **125,661** | **726,076** | **18,773** | **171,947** | **258,918** |

| Institution | No. of beds (as at end March 2010) | Total IP & DP Discharges and Deaths | Inpatient Occupancy Rate (%) | Inpatient Average Length of Stay (days) | Total A&E Attendances | Total SOP Attendances (clinical) | Family Medicine Specialist Clinic Attendances | Total Allied Health Outpatient Attendances | General Outpatient Attendances |
|---|---|---|---|---|---|---|---|---|---|
| **Kowloon Central Cluster** | | | | | | | | | |
| Hong Kong Buddhist Hospital | 324 | 9,226 | 89.9 | 16.4 | – | 12,957 | – | 4,198 | 33,065 |
| Hong Kong Eye Hospital | 45 | 7,409 | 56.6 | 4.4 | – | 222,133 | – | 18,319 | – |
| Kowloon Hospital | 1,335 | 16,580 | 87.4 | 25.6 | – | 89,159 | – | 116,102 | – |
| Queen Elizabeth Hospital | 1,841 | 152,188 | 83.8 | 4.9 | 211,528 | 630,227 | 10,447 | 168,771 | 392,053 |
| Rehabaid Centre | – | – | – | – | – | 123 | – | 19,595 | – |
| **Sub-total** | **3,545** | **185,403** | **85.6** | **8.0** | **211,528** | **954,599** | **10,447** | **326,985** | **425,118** |
| **Kowloon East Cluster** | | | | | | | | | |
| Haven of Hope Hospital | 425 | 6,467 | 90.5 | 23.8 | – | 8,806 | – | 2,858 | – |
| Tseung Kwan O Hospital | 461 | 34,855 | 87.6 | 4.4 | 112,980 | 167,947 | 2,582 | 76,370 | 249,881 |
| United Christian Hospital | 1,385 | 109,798 | 76.8 | 4.5 | 202,731 | 491,428 | 49,771 | 195,832 | 448,790 |
| **Sub-total** | **2,271** | **151,120** | **81.7** | **5.6** | **315,711** | **668,181** | **52,353** | **275,060** | **698,671** |
| **Kowloon West Cluster** | | | | | | | | | |
| Caritas Medical Centre | 1,183 | 51,102 | 81.3 | 8.2 | 133,737 | 337,671 | 664 | 61,369 | 262,520 |
| Kwai Chung Hospital | 920 | 3,425 | 70.2 | 72.4 | – | 188,867 | – | 20,842 | – |
| Kwong Wah Hospital | 1,201 | 87,090 | 67.9 | 4.3 | 150,879 | 342,880 | 2,573 | 143,326 | 194,707 |
| Our Lady of Maryknoll Hospital | 236 | 8,637 | 74.6 | 9.4 | – | 68,853 | 236 | 27,349 | 372,433 |
| Princess Margaret Hospital | 1,731 | 113,996 | 88.9 | 5.6 | 145,209 | 372,556 | 11,083 | 105,201 | 369,823 |
| TWGHs Wong Tai Sin Hospital | 511 | 7,157 | 93.4 | 26.1 | – | – | – | 646 | – |
| Yan Chai Hospital | 800 | 48,967 | 82.4 | 4.9 | 140,994 | 189,898 | 1,939 | 68,672 | 242,689 |
| **Sub-total** | **6,582** | **320,374** | **79.5** | **7.1** | **570,819** | **1,500,725** | **16,495** | **427,405** | **1,442,172** |

| Institution | No. of beds (as at end March 2010) | Total IP & DP Discharges and Deaths | Inpatient Occupancy Rate (%) | Inpatient Average Length of Stay (days) | Total A&E Attendances | Total SOP Attendances (clinical) | Family Medicine Specialist Clinic Attendances | Total Allied Health Outpatient Attendances | General Outpatient Attendances |
|---|---|---|---|---|---|---|---|---|---|
| **New Territories East Cluster** | | | | | | | | | |
| Alice Ho Miu Ling Nethersole Hospital | 613 | 46,658 | 80.8 | 4.4 | 121,626 | 220,120 | 6,905 | 98,010 | 209,090 |
| Bradbury Hospice | 28 | 620 | 83.2 | 12.9 | – | 41 | – | 561 | – |
| North District Hospital | 607 | 35,656 | 84.3 | 5.4 | 122,376 | 169,449 | 7,524 | 63,712 | 196,323 |
| Prince of Wales Hospital | 1,425 | 126,490 | 83.9 | 5.0 | 150,878 | 620,971 | 41,522 | 165,956 | 372,060 |
| Cheshire Home, Shatin | 304 | 133 | 76.9 | 618.2 | – | – | – | 517 | – |
| Shatin Hospital | 545 | 7,355 | 87.3 | 22.3 | – | 403 | – | 814 | – |
| Tai Po Hospital | 992 | 9,674 | 83.9 | 28.5 | – | 407 | – | 557 | – |
| **Sub-total** | **4,514** | **226,586** | **83.5** | **7.8** | **394,880** | **1,011,391** | **55,951** | **330,127** | **777,473** |
| **New Territories West Cluster** | | | | | | | | | |
| Castle Peak Hospital | 1,144 | 2,572 | 79.3 | 196.9 | – | 119,853 | – | 25,837 | – |
| Pok Oi Hospital | 454 | 31,382 | 87.2 | 5.9 | 113,378 | 62,679 | 34,576 | 46,235 | – |
| Siu Lam Hospital | 350 | 148 | 98.8 | 1,092.1 | – | – | – | – | – |
| Tuen Mun Hospital | 1,860 | 136,118 | 92.3 | 5.9 | 231,610 | 597,207 | 19,438 | 188,261 | 661,316 |
| **Sub-total** | **3,808** | **170,220** | **88.3** | **11.4** | **344,988** | **779,739** | **54,014** | **260,333** | **661,316** |
| **GRAND TOTAL** | **26,824** | **1,365,199** | **82.2** | **7.7** | **2,214,422** | **6,392,410** | **272,146** | **2,024,568** | **4,700,543** |

Notes:

1. Rehabaid Centre and Hong Kong Red Cross Blood Transfusion Service are Hospital Authority institutions with specific functions but no hospital beds.
2. The number of beds as at end March 2010 is based on the Annual Survey on Hospital Beds in Public Hospitals, 2009/10.
3. The outpatient attendances for different clinics are grouped under respective hospital management.
4. Total SOP attendances (clinical) and General Outpatient attendances include Nurse Clinic attendances.
5. Total Allied Health Outpatient attendances exclude follow-up consultations provided by the Medical Social Service Department and joint clinic consultations provided by the Optometry & Orthoptics Department with doctors.
6. Data prepared in June 2010.

**Abbreviations:**

IP — Inpatient
DP — Day Patient
A&E — Accident & Emergency
SOP — Specialist Outpatient

# Appendix 10

## Statistics on Community and Rehabilitation Services in 2009/10

| Institution | Community Nursing Service* | Community Psychiatric Service# | Psychogeriatric Service# | Community Geriatric Assessment Service@ | Visiting Medical Officer Attendances++ | Community Allied Health Attendances** | Rehabilitation Day & Palliative Care Day Attendances | Geriatric Day Hospital Attendances | Psychiatric Day Hospital Attendances |
|---|---|---|---|---|---|---|---|---|---|
| **Hong Kong East Cluster** | | | | | | | | | |
| Cheshire Home, Chung Hom Kok | – | – | – | – | – | 45 | – | – | – |
| Pamela Youde Nethersole Eastern Hospital | 93,951 | 13,845 | 9,717 | – | – | 746 | 1,087 | 10,389 | 30,111 |
| Ruttonjee & Tang Shiu Kin Hospitals | – | – | – | 114,725 | 20,850 | 1,389 | 9,257 | 15,551 | – |
| St John Hospital | 4,699 | – | – | – | – | 6 | – | – | – |
| Tung Wah Eastern Hospital | – | – | – | – | – | 78 | 31,870 | – | – |
| Wong Chuk Hang Hospital | – | – | – | – | – | – | – | 2,016 | – |
| **Sub-total** | **98,650** | **13,845** | **9,717** | **114,725** | **20,850** | **2,264** | **42,214** | **27,956** | **30,111** |
| **Hong Kong West Cluster** | | | | | | | | | |
| Duchess of Kent Children's Hospital | – | – | – | – | – | 16 | – | – | – |
| TWGHs Fung Yiu King Hospital | – | – | – | 35,908 | 9,796 | 1,378 | – | 4,516 | – |
| Grantham Hospital | – | – | – | – | – | 179 | 3,821 | – | – |
| MacLehose Medical Rehabilitation Centre | – | – | – | – | – | 150 | 14,540 | – | – |
| Queen Mary Hospital | 54,750 | 7,351 | 10,817 | – | – | 564 | – | – | 16,138 |
| Tung Wah Hospital | – | – | – | – | – | 203 | 7,246 | 3,094 | – |
| **Sub-total** | **54,750** | **7,351** | **10,817** | **35,908** | **9,796** | **2,490** | **25,607** | **7,610** | **16,138** |

| Institution | Community Nursing Service* | Community Psychiatric Service# | Psychogeriatric Service# | Community Geriatric Assessment Service@ | Visiting Medical Officer Attendances++ | Community Allied Health Attendances** | Rehabilitation Day & Palliative Care Day Attendances | Geriatric Day Hospital Attendances | Psychiatric Day Hospital Attendances |
|---|---|---|---|---|---|---|---|---|---|
| **Kowloon Central Cluster** | | | | | | | | | |
| Hong Kong Buddhist Hospital | – | – | – | – | – | 12 | – | – | – |
| Kowloon Hospital | 65,961 | 8,679 | 6,374 | 43,725 | 5,362 | 2,031 | 784 | – | 10,710 |
| Queen Elizabeth Hospital | – | – | – | 31,030 | 7,256 | 503 | – | 8,707 | – |
| Rehabaid Centre | – | – | – | – | – | 1,484 | – | – | – |
| **Sub-total** | **65,961** | **8,679** | **6,374** | **74,755** | **12,618** | **4,030** | **784** | **8,707** | **10,710** |
| **Kowloon East Cluster** | | | | | | | | | |
| Haven of Hope Hospital | 29,076 | – | – | 5,960 | 1,234 | 517 | 1,369 | 3,569 | – |
| Tseung Kwan O Hospital | – | – | – | – | – | 59 | – | – | – |
| United Christian Hospital | 128,651 | 11,672 | 8,486 | 31,972 | 8,159 | 1,410 | 2,130 | 21,299 | 32,081 |
| **Sub-total** | **157,727** | **11,672** | **8,486** | **37,932** | **9,393** | **1,986** | **3,499** | **24,868** | **32,081** |
| **Kowloon West Cluster** | | | | | | | | | |
| Caritas Medical Centre | 78,402 | – | – | 37,374 | 4,266 | 159 | 1,246 | 9,382 | – |
| Kwai Chung Hospital | – | 37,130 | 20,766 | – | – | 2,560 | – | – | 63,794 |
| Kwong Wah Hospital | 34,954 | – | – | 48,937 | 12,027 | 931 | – | 5,798 | – |
| Our Lady of Maryknoll Hospital | 43,536 | – | – | 16,440 | – | 67 | 779 | – | – |
| Princess Margaret Hospital | 79,063 | – | – | 38,632 | 5,981 | 711 | 366 | 9,732 | – |
| TWGHs Wong Tai Sin Hospital | – | – | – | – | – | 71 | – | 9,904 | – |
| Yan Chai Hospital | – | – | – | 38,545 | 5,830 | 99 | – | – | – |
| **Sub-total** | **235,955** | **37,130** | **20,766** | **179,928** | **28,104** | **4,598** | **2,391** | **34,816** | **63,794** |

| Institution | Community Nursing Service* | Community Psychiatric Service# | Psychogeriatric Service# | Community Geriatric Assessment Service@ | Visiting Medical Officer Attendances++ | Community Allied Health Attendances** | Rehabilitation Day & Palliative Care Day Attendances | Geriatric Day Hospital Attendances | Psychiatric Day Hospital Attendances |
|---|---|---|---|---|---|---|---|---|---|
| **New Territories East Cluster** | | | | | | | | | |
| Alice Ho Miu Ling Nethersole Hospital | 31,373 | – | 687 | 25,897 | 6,619 | 2,049 | 194 | 9,976 | 10,273 |
| Bradbury Hospice | – | – | – | – | – | 37 | 419 | – | – |
| Cheshire Home, Shatin | – | – | – | – | – | 1 | – | – | – |
| North District Hospital | 33,540 | 8,837 | 8,822 | 28,678 | 7,345 | 1,998 | – | 6,687 | 12,060 |
| Prince of Wales Hospital | – | – | – | – | – | 63 | – | – | – |
| Shatin Hospital | 58,309 | 10,781 | 5,465 | 23,270 | 9,028 | 3,240 | 4,271 | 10,100 | 16,761 |
| Tai Po Hospital | – | 3,352 | 295 | – | – | 32 | – | – | 1,561 |
| **Sub-total** | **123,222** | **22,970** | **15,269** | **77,845** | **22,992** | **7,420** | **4,884** | **26,763** | **40,655** |
| **New Territories West Cluster** | | | | | | | | | |
| Castle Peak Hospital | – | 34,280 | 11,574 | – | – | 919 | – | – | 18,186 |
| Pok Oi Hospital | – | – | – | 1,997 | – | 259 | – | – | – |
| Tuen Mun Hospital | 87,642 | – | – | 104,614 | 11,123 | 3,850 | 2,153 | 9,612 | – |
| **Sub-total** | **87,642** | **34,280** | **11,574** | **106,611** | **11,123** | **5,028** | **2,153** | **9,612** | **18,186** |
| **GRAND TOTAL** | **823,907** | **135,927** | **83,003** | **627,704** | **114,876** | **27,816** | **81,532** | **140,332** | **211,675** |

* For Community Nursing Service, the activity refers to the number of home visits made.

\# For Community Psychiatric Service and Psychogeriatric Service, the activity refers to the total number of outreach attendances and home visits. The activity of Community Psychiatric Service also includes Recovery Support Programme attendances, while the activity of Psychogeriatric Service also includes consultation-liaison attendances.

@ For Community Geriatric Assessment Service, the activity refers to the total number of outreach attendances and infirmary care service assessments performed.

++ Visiting Medical Officer attendances refer to the services provided to elderly persons living in Resident Care Homes for the Elderly under the Visiting Medical Officers Scheme introduced in 2003/04.

** Community Allied Health attendances exclude follow-up consultations provided by the Medical Social Service Department.

Note: The activities performed in different centers/teams are grouped under the respective hospital management.

# Appendix 11 (a)

## Manpower Position of the Hospital Authority – by Cluster by Institution

| | No. of Full-time Equivalent ("FTE") Staff (as at 31.3.2010)[Note] | | | | |
|---|---|---|---|---|---|
| **Institution** | **Medical** | **Nursing** | **Allied Health** | **Others** | **Total** |
| **Hong Kong East Cluster** | **562.95** | **2,049.01** | **615.28** | **3,232.56** | **6,459.80** |
| Cheshire Home, Chung Hom Kok | 3.00 | 53.00 | 9.00 | 110.00 | 175.00 |
| HK Tuberculosis, Chest & Heart Diseases Association | 0.00 | 0.00 | 0.00 | 8.00 | 8.00 |
| Hong Kong East Cluster Office | 1.00 | 22.01 | 3.00 | 244.45 | 270.46 |
| Pamela Youde Nethersole Eastern Hospital | 433.20 | 1,329.45 | 396.28 | 1,781.11 | 3,940.04 |
| Ruttonjee & Tang Shiu Kin Hospitals | 81.75 | 407.91 | 139.00 | 610.00 | 1,238.66 |
| St John Hospital | 6.00 | 30.15 | 10.00 | 65.00 | 111.15 |
| Tung Wah Eastern Hospital | 36.00 | 164.57 | 54.00 | 290.00 | 544.57 |
| Wong Chuk Hang Hospital | 2.00 | 41.92 | 4.00 | 124.00 | 171.92 |
| **Hong Kong West Cluster** | **615.48** | **2,366.12** | **726.88** | **3,040.12** | **6,748.60** |
| Duchess of Kent Children's Hospital | 9.00 | 63.93 | 40.00 | 116.00 | 228.93 |
| Grantham Hospital | 26.00 | 190.85 | 51.00 | 252.00 | 519.85 |
| Hong Kong West Cluster Office | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| MacLehose Medical Rehabilitation Centre | 2.00 | 33.00 | 30.00 | 79.00 | 144.00 |
| Queen Mary Hospital | 525.17 | 1,687.61 | 519.88 | 2,092.12 | 4,824.78 |
| TWGHs Fung Yiu King Hospital | 13.31 | 85.54 | 20.00 | 153.00 | 271.85 |
| Tung Wah Hospital | 40.00 | 305.19 | 66.00 | 347.00 | 758.19 |

| Institution | No. of Full-time Equivalent ("FTE") Staff (as at 31.3.2010)[Note] | | | | |
|---|---|---|---|---|---|
| | Medical | Nursing | Allied Health | Others | Total |
| **Kowloon Central Cluster** | **670.03** | **2,786.61** | **782.23** | **3,505.35** | **7,744.22** |
| HK Red Cross Blood Transfusion Service | 4.00 | 68.36 | 51.00 | 205.44 | 328.80 |
| Hong Kong Buddhist Hospital | 11.00 | 125.60 | 25.00 | 154.20 | 315.80 |
| Hong Kong Eye Hospital | 38.10 | 67.06 | 18.00 | 137.00 | 260.16 |
| Kowloon Central Cluster Office | 1.00 | 0.00 | 0.00 | 9.00 | 10.00 |
| Kowloon Hospital | 60.54 | 729.60 | 158.23 | 785.42 | 1,733.79 |
| Queen Elizabeth Hospital | 555.39 | 1,795.99 | 518.00 | 2,201.29 | 5,070.67 |
| Rehabaid Centre | 0.00 | 0.00 | 12.00 | 13.00 | 25.00 |
| **Kowloon East Cluster** | **592.23** | **2,018.05** | **549.78** | **2,624.57** | **5,784.63** |
| Haven of Hope Hospital | 17.89 | 235.14 | 46.02 | 307.33 | 606.38 |
| Kowloon East Cluster Office | 0.00 | 0.00 | 0.00 | 6.00 | 6.00 |
| Tseung Kwan O Hospital | 122.02 | 436.97 | 126.54 | 475.42 | 1,160.95 |
| United Christian Hospital | 452.32 | 1,345.94 | 377.22 | 1,835.82 | 4,011.30 |
| **Kowloon West Cluster** | **1,244.97** | **4,734.78** | **1,173.18** | **5,880.40** | **13,033.33** |
| Caritas Medical Centre | 242.04 | 718.53 | 187.41 | 988.42 | 2,136.40 |
| Kowloon West Cluster Office | 0.00 | 0.00 | 0.00 | 6.00 | 6.00 |
| Kwai Chung Hospital | 67.00 | 520.52 | 76.31 | 522.00 | 1,185.83 |
| Kwong Wah Hospital | 310.49 | 1,071.78 | 265.87 | 1,290.98 | 2,939.12 |
| Our Lady of Maryknoll Hospital | 51.59 | 227.31 | 54.38 | 266.54 | 599.82 |
| Princess Margaret Hospital | 392.08 | 1,385.03 | 406.21 | 1,731.48 | 3,914.80 |
| TWGHs Wong Tai Sin Hospital | 25.00 | 231.00 | 39.00 | 293.50 | 588.50 |
| Yan Chai Hospital | 156.77 | 580.61 | 144.00 | 781.48 | 1,662.86 |

| Institution | No. of Full-time Equivalent ("FTE") Staff (as at 31.3.2010)[Note] | | | | |
|---|---|---|---|---|---|
| | Medical | Nursing | Allied Health | Others | Total |
| **New Territories East Cluster** | **904.02** | **3,254.33** | **911.00** | **4,080.82** | **9,150.17** |
| Alice Ho Miu Ling Nethersole Hospital | 135.97 | 490.00 | 154.00 | 599.80 | 1,379.77 |
| Bradbury Hospice | 3.23 | 25.50 | 3.00 | 18.00 | 49.73 |
| Cheshire Home, Shatin | 2.00 | 81.00 | 8.00 | 115.16 | 206.16 |
| New Territories East Cluster Office | 2.00 | 137.78 | 0.00 | 363.02 | 502.80 |
| North District Hospital | 151.30 | 554.54 | 143.00 | 640.00 | 1,488.84 |
| Prince of Wales Hospital | 513.52 | 1,391.51 | 484.00 | 1,565.84 | 3,954.87 |
| Shatin Hospital | 45.00 | 280.00 | 56.00 | 370.00 | 751.00 |
| Tai Po Hospital | 51.00 | 294.00 | 63.00 | 409.00 | 817.00 |
| **New Territories West Cluster** | **677.26** | **2,618.67** | **633.05** | **3,491.73** | **7,420.71** |
| Castle Peak Hospital | 64.00 | 512.65 | 59.00 | 568.20 | 1,203.85 |
| New Territories West Cluster Office | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Pok Oi Hospital | 98.38 | 334.94 | 94.51 | 446.53 | 974.36 |
| Siu Lam Hospital | 4.00 | 89.08 | 5.00 | 229.00 | 327.08 |
| Tuen Mun Hospital | 510.88 | 1,682.00 | 474.54 | 2,247.00 | 4,914.42 |
| ***Total** | **5,266.94** | **19,827.57** | **5,391.40** | **25,855.55** | **56,341.46** |

Note:

* This figure excludes 1,371.36 staff in the Hospital Authority shared/agency services and the Head Office.

Manpower on full-time equivalent ("FTE") basis. Includes all staff in HA's workforce i.e. permanent, contract and temporary.

# Appendix 11 (b)

## Manpower Position of the Hospital Authority – by Staff Group

| No. of Full-time Equivalent ("FTE") Staff [Note] | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|---|---|---|---|---|
| **Medical** | | | | | |
| Consultant | 488.0 | 502.7 | 530.9 | 563.4 | 590.1 |
| Senior Medical Officer/Associate Consultant | 977.8 | 1,010.0 | 1,085.4 | 1,172.9 | 1,241.5 |
| Medical Officer/Resident (excluding Visiting Medical Officer) | 3,086.3 | 3,087.9 | 3,091.4 | 3,110.5 | 3,147.4 |
| Visiting Medical Officer | 16.5 | 16.3 | 14.7 | 16.3 | 15.6 |
| Intern | 325.0 | 313.0 | 329.0 | 292.0 | 277.0 |
| Senior Dental Officer/Dental Officer | 4.5 | 5.5 | 5.5 | 5.5 | 6.3 |
| **Medical Total** | **4,898.1** | **4,935.4** | **5,057.0** | **5,160.5** | **5,277.9** |
| **Nurses** | | | | | |
| Senior Nursing Officer and above | 65.0 | 66.0 | 69.0 | 83.0 | 81.0 |
| Department Operations Manager | 147.0 | 156.0 | 157.0 | 158.0 | 163.0 |
| General | | | | | |
| Ward Manager/Nurse Specialist/Nursing Officer/Advanced Practice Nurse | 2,374.0 | 2,409.4 | 2,521.5 | 3,038.4 | 3,161.6 |
| Registered Nurse | 11,712.6 | 11,787.6 | 11,731.0 | 11,478.1 | 11,780.1 |
| Enrolled Nurse | 2,907.6 | 2,718.2 | 2,541.9 | 2,375.4 | 2,199.4 |
| Midwife/Others | 42.0 | 40.7 | 37.7 | 35.3 | 28.6 |
| Student Nurse/Pupil Nurse/Temporary Undergraduate Nursing Student | 103.2 | 121.6 | 260.7 | 397.8 | 487.0 |
| Psychiatric | | | | | |
| Ward Manager/Nurse Specialist/Nursing Officer/Advanced Practice Nurse | 319.5 | 330.5 | 347.0 | 397.7 | 415.3 |
| Registered Nurse | 1,002.7 | 1,015.6 | 1,107.7 | 1,061.5 | 1,067.5 |
| Enrolled Nurse | 532.4 | 544.3 | 491.7 | 496.4 | 473.8 |
| Student Nurse/Pupil Nurse | 42.0 | 22.0 | 8.0 | 0.0 | 9.0 |
| **Nursing Total** | **19,248.0** | **19,212.0** | **19,273.3** | **19,521.6** | **19,866.3** |

| No. of Full-time Equivalent ("FTE") Staff [Note] | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|---|---|---|---|---|
| **Allied Health** | | | | | |
| Audiology Technician | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| Clinical Psychologist | 75.0 | 78.0 | 85.0 | 92.0 | 92.3 |
| Dietitian | 80.7 | 84.5 | 84.0 | 85.7 | 92.2 |
| Dispenser | 857.6 | 863.0 | 886.8 | 919.0 | 949.0 |
| Medical Technologist/Medical Laboratory Technician | 1,048.0 | 1,070.0 | 1,081.0 | 1,106.1 | 1,148.0 |
| Mould Technologist/Mould Laboratory Technician | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 |
| Optometrist | 29.0 | 29.0 | 29.0 | 29.0 | 32.0 |
| Orthoptist | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Occupational Therapist | 462.5 | 469.5 | 480.5 | 498.6 | 531.6 |
| Pharmacist/Resident Pharmacist | 318.7 | 321.7 | 330.7 | 353.7 | 375.7 |
| Physicist/Resident Physicist | 45.0 | 50.0 | 51.0 | 55.0 | 56.0 |
| Physiotherapist | 697.0 | 701.9 | 709.0 | 729.2 | 755.0 |
| Podiatrist | 21.1 | 17.1 | 19.1 | 22.2 | 24.0 |
| Prosthetist-Orthotist | 93.0 | 97.0 | 98.0 | 100.2 | 107.0 |
| Radiographer | 834.1 | 843.6 | 853.5 | 869.7 | 898.0 |
| Scientific Officer (Medical) | 59.6 | 59.6 | 65.6 | 64.6 | 65.6 |
| Speech Therapist | 52.0 | 54.0 | 54.0 | 58.0 | 61.0 |
| Medical Social Worker | 171.0 | 177.0 | 186.0 | 198.0 | 210.0 |
| Dental Technician | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| **Allied Health Total** | **4,894.3** | **4,965.8** | **5,063.1** | **5,231.1** | **5,447.4** |
| **Care-related Support Staff** | | | | | |
| Health Care Assistant | 3,857.0 | 3,728.0 | 3,598.0 | 3,465.0 | 3,283.0 |
| Ward Attendant | 799.0 | 743.0 | 668.0 | 599.0 | 537.0 |
| General Services Assistant/Technical Services Assistant(Care-related)/Theatre Technical Assistant | 2,425.7 | 2,780.1 | 3,503.6 | 4,265.9 | 5,133.2 |
| **Care-related Support Staff Total** | **7,081.7** | **7,251.1** | **7,769.6** | **8,329.9** | **8,953.2** |
| **Direct Patient Care Total** | **36,122.1** | **36,364.3** | **37,163.0** | **38,243.1** | **39,544.9** |

| No. of Full-time Equivalent ("FTE") Staff [Note] | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|---|---|---|---|---|
| **Others** | | | | | |
| Chief Executive/Director/Deputy Director/Head | 10.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Cluster Chief Executive/Hospital Chief Executive | 27.0 | 25.0 | 23.0 | 27.0 | 27.0 |
| Chief Manager/Senior Manager/Executive Manager/ General Manager | 86.0 | 88.0 | 89.0 | 86.6 | 87.6 |
| Other Professionals/Administrator, Systems Manager, Analyst Programmer etc | 913.5 | 938.6 | 1,032.4 | 1,213.7 | 1,407.4 |
| Other Supporting Staff – Clerical, Secretarial, Workman, Artisan, Property Attendant etc | 15,484.0 | 15,499.3 | 15,774.8 | 16,333.9 | 16,638.9 |
| **Non-direct Patient Care Total** | **16,520.5** | **16,557.9** | **16,929.2** | **17,668.2** | **18,167.9** |
| **HA Total** | **52,642.6** | **52,922.2** | **54,089.2** | **55,911.3** | **57,712.8** |

Note:

Manpower on full-time equivalent ("FTE") includes all staff in HA's workforce i.e. permanent, contract and temporary.

All FTE manpower counting is based on actual service sessions.

# Appendix 12(a)

## Resource Utilization by Hospital Clusters for 2009/10

| Clusters | 2009/10 Resource Utilization ($Mn) |
|---|---|
| Hong Kong East Cluster | 3,452.8 |
| Hong Kong West Cluster | 3,653.5 |
| Kowloon Central Cluster | 4,277.6 |
| Kowloon East Cluster | 3,085.4 |
| Kowloon West Cluster | 7,137.0 |
| New Territories East Cluster | 5,085.9 |
| New Territories West Cluster | 3,978.5 |
| Hospital Authority Head Office & Others [Note] | 910.9 |
| **Total** | **31,581.6** |

Note : Others include resources for hospital services (e.g. intern) and corporate programmes (e.g. insurance premium, legal costs/claims and information technology/information systems services etc) and others.

# Appendix 12(b)

## Hospital Authority Training and Development Expenditure 2009/10 (Note)

| Clusters | Amount |
|---|---|
| Hong Kong East Cluster | $5,320,280 |
| Hong Kong West Cluster | $2,666,603 |
| Kowloon Central Cluster | $6,328,407 |
| Kowloon East Cluster | $2,097,014 |
| Kowloon West Cluster | $6,934,861 |
| New Territories East Cluster | $7,144,455 |
| New Territories West Cluster | $10,022,402 |
| Hospital Authority Head Office | $40,040,790 |
| **Total** | **$80,554,812** |

Note:

Expenditure in providing training and development for HA workforce with items including course/conference fees, passages and travel, scholarships, subsistence allowances, teaching aids and devices, publications, trainer fees and other relevant charges.

# Appendix 13

## Hospital Authority – Five-Year Financial Highlights

### Financial Results (for the Year ended 31 March)

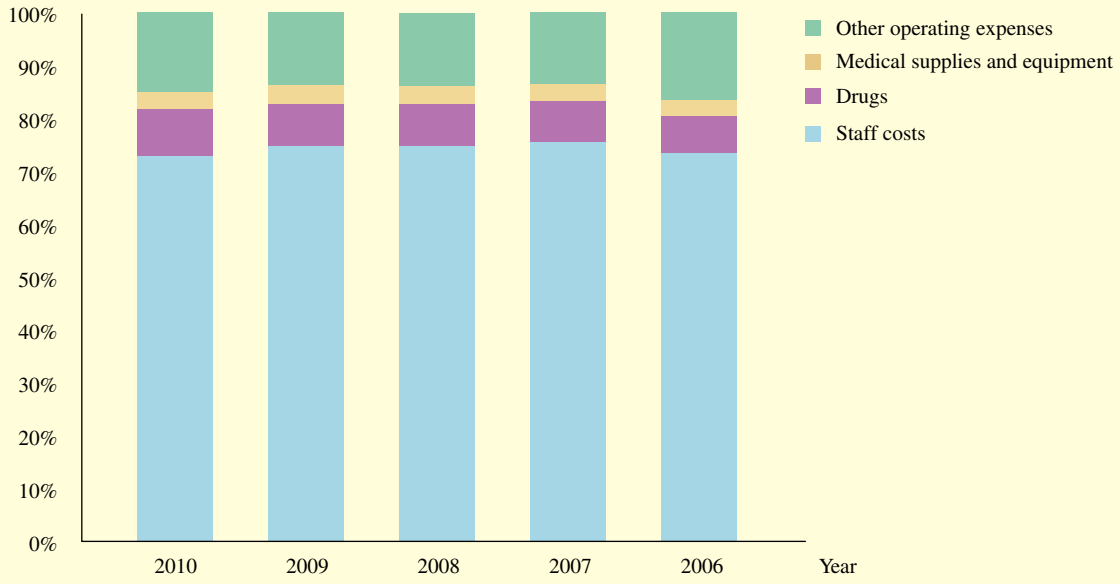
| | 2010<br>HK$Mn | 2009<br>HK$Mn | 2008<br>HK$Mn | 2007<br>HK$Mn | 2006<br>HK$Mn |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Government subvention (recurrent and capital) | 33,098 | 31,915 | 29,915 | 28,041 | 28,019 |
| Medical fee income (net of waivers) | 2,726 | 2,527 | 2,296 | 1,987 | 1,628 |
| Non-medical fee income | 478 | 454 | 564 | 487 | 310 |
| Designated donations | 132 | 112 | 108 | 76 | 83 |
| Capital donations | 110 | 98 | 93 | 89 | 90 |
| | 36,544 | 35,106 | 32,976 | 30,680 | 30,130 |
| **Expenditure** | | | | | |
| Staff costs | (26,680) | (26,387) | (24,468) | (23,047) | (23,044) |
| Drugs | (3,209) | (2,812) | (2,596) | (2,340) | (2,167) |
| Medical supplies and equipment | (1,210) | (1,211) | (1,105) | (979) | (966) |
| Other operating expenses (include depreciation) | (5,473) | (4,879) | (4,546) | (4,116) | (5,184) |
| | (36,572) | (35,289) | (32,715) | (30,482) | (31,361) |
| **Surplus/(Deficit) for the Year** | **(28)** | **(183)** | **261** | **198** | **(1,231)** |

**Income by Source (in % of Total Income)**

## Key Financial Indicators

| | 2010<br>HK$Mn | 2009<br>HK$Mn | 2008<br>HK$Mn | 2007<br>HK$Mn | 2006<br>HK$Mn |
|---|---|---|---|---|---|
| **Medical fee income** | | | | | |
| Inpatient fees | 1,174 | 1,169 | 1,110 | 986 | 899 |
| Outpatient fees | 1,128 | 1,083 | 1,046 | 1,040 | 1,039 |
| Itemised charges | 887 | 711 | 590 | 429 | 187 |
| Other medical fees | 60 | 61 | 61 | 56 | 49 |
| | 3,249 | 3,024 | 2,807 | 2,511 | 2,174 |
| Less: Waivers | (523) | (497) | (511) | (524) | (546) |
| **Medical fee income (net of waivers)** | **2,726** | **2,527** | **2,296** | **1,987** | **1,628** |
| **Write-off of medical fees** | **36** | **34** | **62** | **70** | **44** |

**Expenditure by Category (in % of Total Expenditure)**



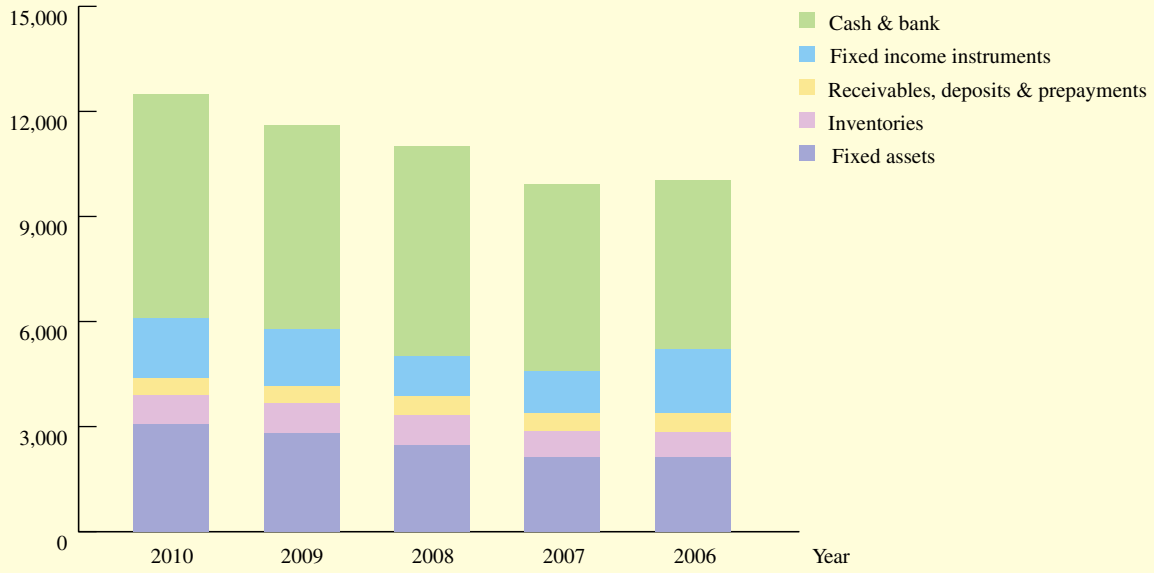
## Financial Position (as at 31 March)

| | 2010<br>HK$Mn | 2009<br>HK$Mn | 2008<br>HK$Mn | 2007<br>HK$Mn | 2006<br>HK$Mn |
|---|---|---|---|---|---|
| **Non-current assets** | **4,539** | **3,127** | **2,935** | **2,918** | **3,395** |
| Current assets | 7,931 | 8,476 | 8,075 | 7,001 | 6,650 |
| Current liabilities | (4,007) | (3,316) | (2,908) | (2,472) | (2,757) |
| **Net current assets** | **3,924** | **5,160** | **5,167** | **4,529** | **3,893** |
| **Non-current liabilities** | **(600)** | **(661)** | **(626)** | **(594)** | **(635)** |
| **Net assets** | **7,863** | **7,626** | **7,476** | **6,853** | **6,653** |
| Capital subventions and donations | 3,090 | 2,825 | 2,492 | 2,129 | 2,128 |
| Designated fund | 5,077 | 5,077 | 5,077 | 5,077 | 5,077 |
| Revenue reserve | (304) | (276) | (93) | (353) | (552) |
| | **7,863** | **7,626** | **7,476** | **6,853** | **6,653** |

## Key Financial Indicators

| | | | | | |
|---|---|---|---|---|---|
| **Inventories** | | | | | |
| Drugs | 640 | 680 | 639 | 530 | 482 |
| Other medical and general consumable | 183 | 184 | 200 | 228 | 240 |
| | **823** | **864** | **839** | **758** | **722** |
| **Average stock holding period (weeks)** | | | | | |
| Drugs | 10.0 | 12.5 | 12.8 | 11.9 | 11.9 |
| Other medical and general consumable | 8.2 | 7.2 | 8.0 | 9.9 | 10.8 |

**Total Assets (in HK$ millions)**



# Appendix 14

## Analysis of Hospital/Clinic Fees and Charges

The fees and charges for medical services provided by the Hospital Authority are levied in accordance with those stipulated in the Gazette. The fees and charges are recognized as income in the Statement of Income and Expenditure when services are provided. Different charge rates are applicable for Eligible Persons and Non-Eligible Persons. Eligible Persons of public health services are holders of Hong Kong Identity Card issued under the Registration of Persons Ordinance or children under 11 years of age with Hong Kong resident status. Persons who are not Eligible Persons are classified as Non-Eligible Persons.

Fees and charges that are uncollectible after all possible attempts have been made are written off in the Statement of Income and Expenditure for the year. In addition, provision is made for outstanding fees and charges. Such provision is assessed based on both the aging as well as the recoverability rate of outstanding hospital fees and charges as at the end of the financial year. The amount of provision for doubtful debts as at 31 March 2010 is HK$34,471,000 (as at 31 March 2009: HK$33,764,000).

Fees and charges for public medical services are waived for recipients of Comprehensive Social Security Assistance ("CSSA"). Other patients who have financial difficulties in paying fees and charges for medical services can approach the Medical Social Workers to apply for waivers which may be granted after assessment of the patients' financial condition.

The analysis of the hospital/clinic fees and charges of the Hospital Authority is as follows:

| | **2009/2010** | | | **2008/2009** | | |
|---|---|---|---|---|---|---|
| | HK$'000 | HK$'000 | (%) | HK$'000 | HK$'000 | (%) |
| Net hospital/clinic fees and charges | | 2,688,453 | (82.8%) | | 2,495,845 | (82.5%) |
| Hospital/clinic fees written-off and changes in provision for doubtful debts | | | | | | |
| Actual write-off | 36,388 | | | 33,916 | | |
| Increase/(Decrease) in provision | 707 | | | (2,970) | | |
| | | 37,095 | (1.1%) | | 30,946 | (1.0%) |
| Waiver of hospital/clinic fees for: | | | | | | |
| Eligible Persons | | 493,459 | (15.2%) | | 482,228 | (16.0%) |
| Non-Eligible Persons | | 29,680 | (0.9%) | | 14,990 | (0.5%) |
| **Total hospital/clinic fees and charges** | | **3,248,687** | **(100%)** | | **3,024,009** | **(100%)** |

To live out our commitment to environmental protection,
this Report can be found on our website at **www.ha.org.hk**

**Hospital Authority**

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Designed by: iMedia Design & Printing

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