

HOSPITAL AUTHORITY ANNUAL REPORT 2008-2009

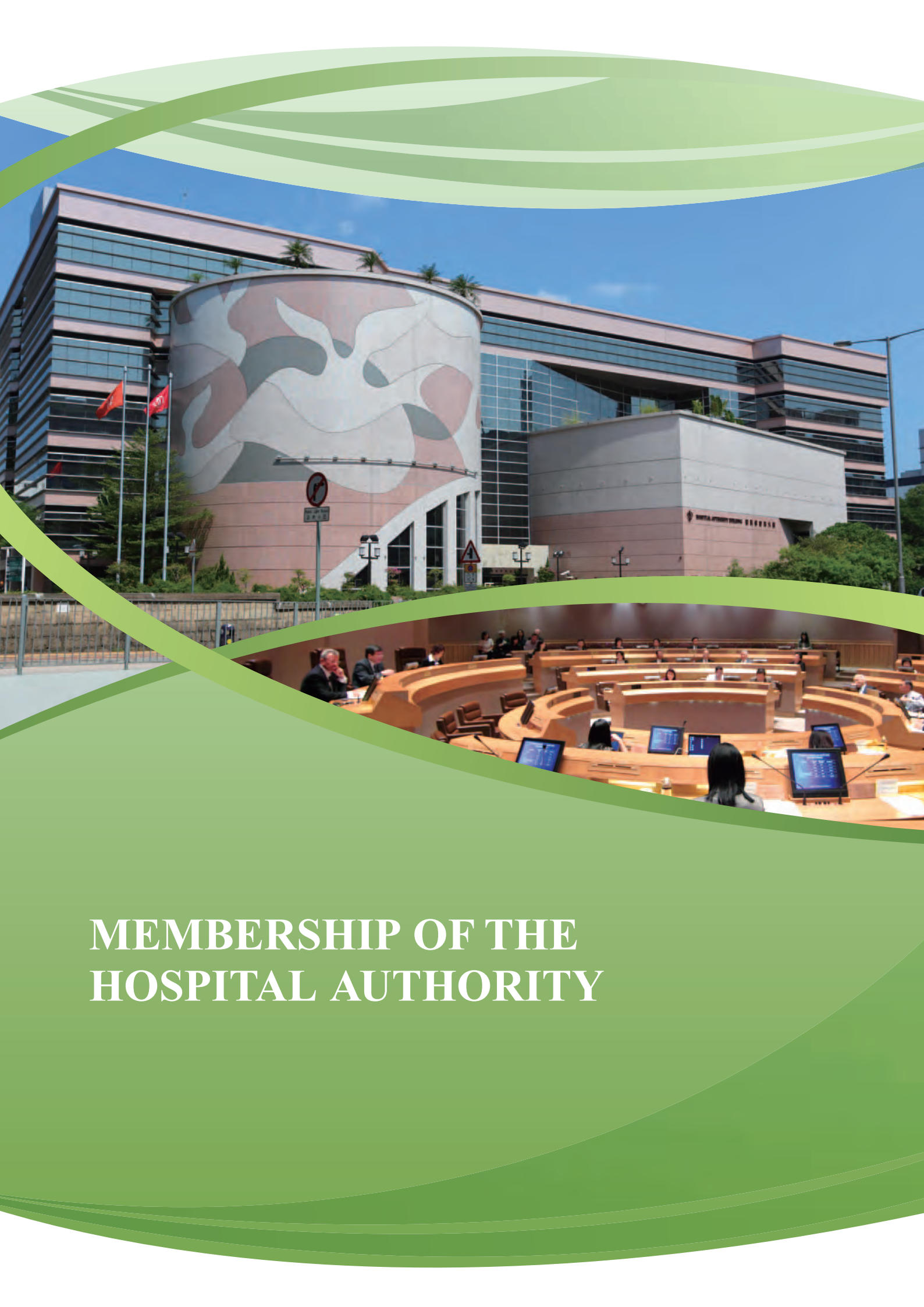


醫院管理局
HOSPITAL
AUTHORITY



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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 (from 1.12.2008)**

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.



**Dr Margaret CHUNG
Wai-ling**

Appointed on 1 December 2005, Dr Chung is an expert in Biomedicine who has widely participated 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, JP**

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



**Mr Edward HO
Sing-tin, SBS, JP
(up to 30.11.2008)**

Appointed on 1 December 2002, Mr Ho is a professional architect with extensive public service experiences.



**Mr Benjamin HUNG
Pi-cheng**

Appointed on 1 December 2007, Mr Hung is a banker. He is a member of the Insurance Advisory Committee.

MEMBERSHIP OF THE HOSPITAL AUTHORITY



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 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.



Dr Polly LAU Mo-ye, JP
(up to 30.11.2008)

Appointed on 1 December 2005, Dr Lau is the Cluster Manager (Physiotherapy) of Kowloon Central Cluster and is currently the President of the Hong Kong Physiotherapy Association.



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 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
(from 1.12.2008)

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 (from 1.12.2008)

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, JP

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



Ms Bernadette LINN
Deputy Secretary for Financial Services and the Treasury (from 3.11.2008)

Ms Linn has been representing the Secretary for Financial Services and the Treasury as a member of the Authority since 3 November 2008.



Mr Peter LO Chi-lik

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



Mr Charles Peter MOK

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

MEMBERSHIP OF THE HOSPITAL AUTHORITY



Mr Greg SO, JP
(up to 19.5.2008)

Appointed on 1 April 2006,
Mr So is a solicitor.



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.



Miss Amy TSE, JP
Deputy Secretary for
Financial Services and the
Treasury (up to 2.11.2008)

Miss Tse had been representing
the Secretary for Financial
Services and the Treasury as
a member of the Authority since
3 April 2006.



Prof Thomas WONG, JP
(up to 31.7.2008)

Prof Wong was first appointed on
1 December 1999 and then
re-appointed on 1 December 2005
in his capacity as the Dean of
Faculty of Health & Social
Sciences, the Hong Kong
Polytechnic University.



Prof George WOO
(from 1.12.2008)

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



**Mr Stephen YIP
Moon-wah, JP** (from 1.12.2008)

Appointed on 1 December 2008,
Mr Yip is a professional surveyor and
also the Senior Vice-President of the
Hong Kong Institute of Surveyors.
Mr Yip has also served on other
public services.



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

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



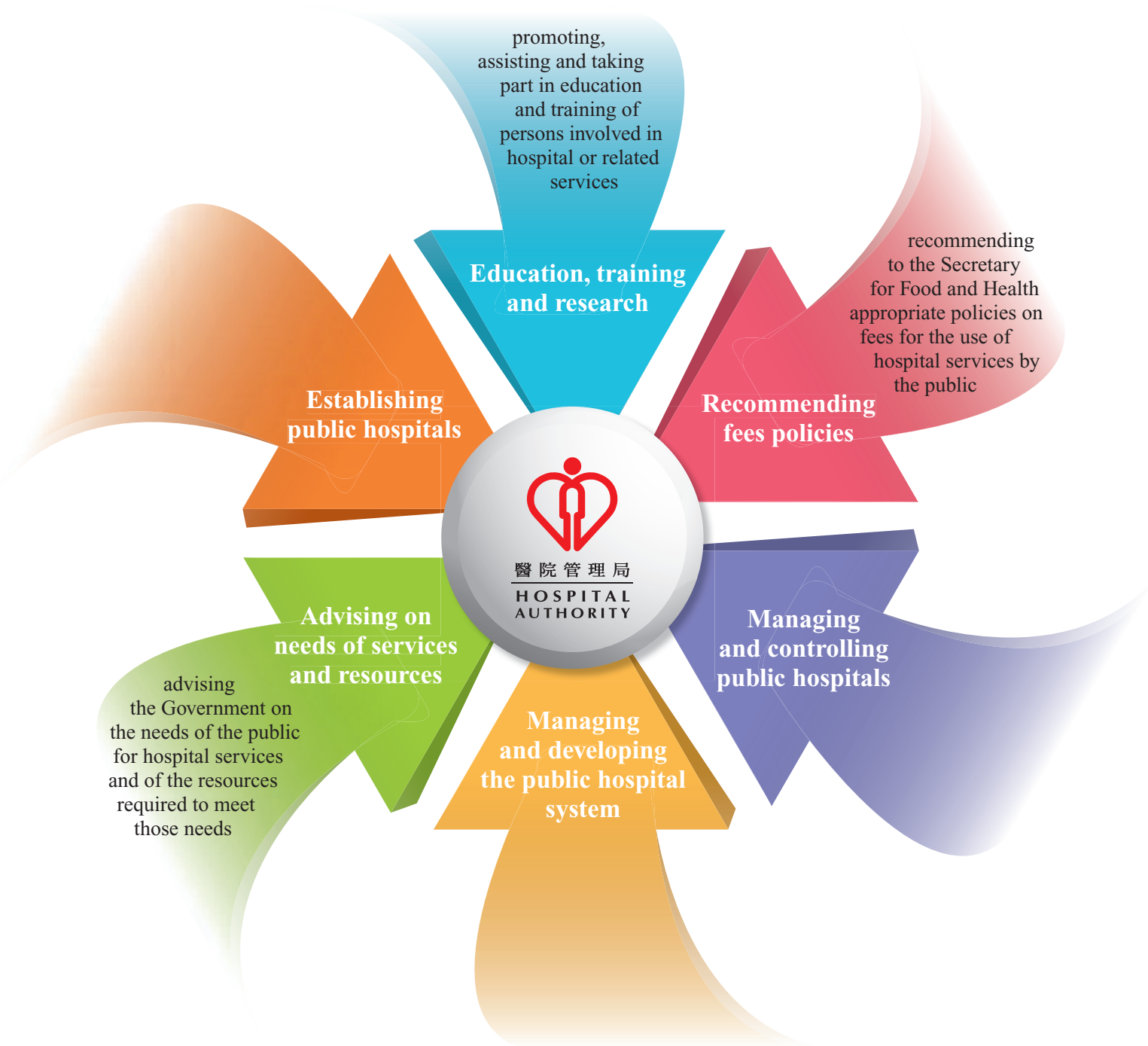
ROLE, CORPORATE VISION, MISSION & VALUES, STRATEGIES AND GOVERNANCE

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 & values, corporate strategies and corporate governance practices of HA.

Role of the Hospital Authority

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



Corporate Vision, Mission and Values

The previous corporate vision, mission and values (VMV) of the HA have been in use for eighteen years. After years of establishment and coupled with both internal and external changes, it was considered necessary for the HA to refresh its VMV so that the organization can better define its goals in the coming years. It was against this background that the HA kicked off the “Refreshing the Corporate Vision” corporate flagship project in 2007 to come up with a revised corporate VMV which reflects the aspirations of the HA management and those of the HA staff in general. A Working Group was formed in January 2008 to take forward the project.



To ensure open and transparent communication, different key stakeholders, including an external consultant was engaged to facilitate the deliberation process during which the HA’s Board members, senior executives as well as different grades and ranks of staff were engaged. Research and consultation were carried out and views from the key stakeholders were collected. Having considered all the comments, the following new VMV was approved by the HA Board:



A series of publicity programmes targeting at both the staff and the community have been launched. The programmes started off with a soft launch of the new VMV at the HA Spring Gathering on 5 February 2009, followed by publicity programmes including the production of promotional visuals and materials, internal and external communication, and many more throughout 2009/10.

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 around 170 improvement targets for 2008/09, of which all but seven were achieved. The notable events occurring during the year are mentioned in the cluster reports in Chapter 6 of this report.

Corporate Governance

Principles

Recognising 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 HKSAR appoints members to the Authority Board. The 2008/09 Board consists of 26 members (including the Chairman) whose details are given in the 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 2008/09, it met 14 times. In addition, 17 Board papers covering urgent matters 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 the following committees: Audit Committee, Emergency Executive Committee, Finance Committee, Human Resources Committee, Information Technology Governing Committee, Main Tender Board, Medical Services Development Committee, Public Complaints

Committee, Staff Committee (renamed as Executive Committee on 18 December 2008 with terms of reference enriched and the functions of the Emergency Executive Committee subsumed under it), Staff Appeals Committee and Supporting Services Development Committee (Appendix 2a). Membership of the committees, their terms of reference and focus of work in 2008/09 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 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 126 meetings in 2008/09.

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 three Regional Advisory Committees and their respective memberships are presented in Appendix 5. Each Regional Advisory Committee meets four times a year.

In 2008/09, the three Regional Advisory Committees discussed the progress of the development of electronic patient record, enhancement of the Doctor Work Reform, strategic plan to retain and train nurses, security and privacy measures of patient data protection, treatment for patients affected by melamine-tainted milk products, and Tin Shui Wai Primary Care Partnership Project.



In addition, the Regional Advisory Committees deliberated on the annual plan targets of individual clusters and gave advice to the Authority on the healthcare needs of local communities such as psychiatric and mental health services, 24-hour acute stroke service, service demand during winter surge, as well as the work and function of the Primary Care Co-ordinating Committee and the Cluster Injury Surveillance System.

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 senior executives, each case is considered and endorsed by the Authority Board through its Staff Committee (renamed as Executive Committee).





CHAIRMAN'S REVIEW



Like most developed countries in the world, Hong Kong's public healthcare system is facing tough challenges. The year 2008/09 was no exception to the Hospital Authority (HA). It was a year of challenges but at the same time a year of achievements!

The Sichuan earthquake in May 2008 was one of the most deadly and devastating earthquakes in the century. Although it was miles and miles away from Hong Kong, the call within us to help our compatriots was overwhelming. Every minute counts and every effort helps. Within days, we sent a team of over 60 staff to Chengdu to help with the rescue operations and to provide rehabilitation



services thereafter. In parallel, a lot of our colleagues in Hong Kong provided the corresponding supporting services as well. The excellent job of our staff was highly praised by the Central and Provincial Governments. At the present moment, we are working for the Administration for the construction of the Sichuan-Hong Kong Rehabilitation Centre which will become the landmark of the Mainland's Rehabilitation services.

8 August 2008 was one of the most memorable days in the history of our country and also of Hong Kong. It was the first time in history that the Olympics were held in China. The challenge to Hong Kong was not only on the organization of the 2008 Olympic and Paralympic Equestrian Events, but also to see that high standard of services was provided for all participating athletes, staff and guests. HA as the public hospital service provider was tasked to provide medical support. All our staff who were enthusiastic and professional worked very long hours over the period, from early hours in the morning to late night. The honour of being able to participate in this historical event gave more impetus for our staff and our efforts won ample local and international recognition and praises, including those from the Beijing Organizing Committee for the Games of the XXIX Olympiad; the Federation Equestre Internationale; and the Hong Kong Government etc.



In September 2008, public concerns over the melamine-tainted milk product incidents called for HA to provide free health screening and assessment services to all children in Hong Kong who were suspected to have been affected by the tainted milk and provide appropriate medical care to them. HA had set up the necessary structure and protocols within days to oversee the contingency response and the provision of

the necessary services to the children. We mobilized 18 Designated Clinics (DCs) to provide screening tests and during the critical period, the DCs were opened seven days in a week. The contaminated drug incidents in March 2009 exerted additional pressure on our staff who worked round the clock to replace drugs for patients; to source alternative drugs; and to liaise with various parties to refine the system. Our staff demonstrated commitment, dedication and professionalism in handling crises.

It certainly has not been an easy year for HA against the backdrop of all these challenges and threats. Thanks to the dedication and commitment of our most valued staff, we have been able to sail through all these difficult times. All of our staff have vividly exemplified the new values of HA – People-centred Care, Professional Service, Committed Staff and Teamwork, through which HA will be able to put its new vision of “Healthy People, Happy Staff, Trusted by the Community” and new mission of “Helping People Stay Healthy” into practice!



In meeting the challenges, I would like to express my most heartfelt thanks to the Government of the Hong Kong Special Administrative Region (HKSAR). We are very grateful that amidst the financial tsunami, the Administration has given us a three-year funding arrangement for 2009 to 2012 that will allow us to expand and enhance our services. We would like to express our heartiest gratitude to the Chief Executive of the HKSAR for his pledge to increase Government expenditure on healthcare to 17% of recurrent Government expenditure by 2012 and also to the Secretary for Food and Health for his visionary leadership and his unwavering support to HA. The Government has also announced its commitment to set aside \$50 billion from the fiscal reserves for the healthcare reform. We are committed to continue to work with the Government in taking forward the healthcare reform initiatives.

I would also like to thank and pay a special tribute to Dr Lily Chiu, who had been the Cluster Chief Executive of the Kowloon West Cluster until her retirement in March 2009. Dr Chiu had shown total commitment and dedication to the organization and had led the cluster through very difficult times, especially during SARS period. The cluster is the largest amongst the seven in terms of bed number and all the achievements were made amongst many sweating blood experience that Dr Chiu and her team had gained throughout the years!



There had also been changes in the membership of the HA Board. I would like to take this opportunity to thank Mr Edward Ho, Dr Polly Lau, Mr Greg So, Ms Amy Tse and Professor Thomas Wong who retired from the Board during 2008/09. I also want to welcome our new Board members, Mr Chan Bing-woon, Professor Lee Sum-ping, Ms Queenie Leung, Ms Bernadette Linn, Professor George Woo and Mr Stephen Yip. My deepest appreciation goes to all members of the Board, the Regional Advisory Committees and the Hospital Governing Committees, as well as the co-opted members of the functional committees. It is difficult to express my gratitude and appreciation to them for their invaluable advice and unfailing support to the executives and myself in formulating the strategic directions and policies of the Authority



all year round. There are of course many others who have served HA in different ways. HA would not have been successful in carrying out our roles and functions without the involvement and input from the community, patient groups, District Boards, Legislative Council etc and, most importantly, the volunteers who work selflessly in our hospitals.

I would also extend my congratulations to two of our outstanding professionals – Professor Benjamin Wong and Professor Sophia Chan of the University of Hong Kong. Professor Wong and his team were awarded the State Scientific and Technological Progress Award first-class honour for their achievement and innovation in the treatment of gastric cancer while Professor Chan is the first in Hong Kong being granted International Fellowship by the American Academy of Nursing for her contribution in academic leadership in nursing education and smoking cessation

CHAIRMAN'S REVIEW

programmes. I also want to congratulate Dr N T Cheung, our Chief Medical Informatics Officer, who was named by a Beijing IT magazine – CEOCIO in January 2009 as one of Greater China's top five Chief Information Officers.

Last but not the least, I wish to congratulate all winners who won this year's outstanding staff and team awards. Their outstanding contributions to HA and to the healthcare system in Hong Kong are highly recognized. My heartiest appreciation to the staff concerned for their excellent performance! I know there are many others in the HA family who have also been working equally well quietly and wonderfully. To them, I must also say THANK YOU!



With this strong workforce working diligently and professionally; the members of the Board directing HA selflessly and earnestly; as well as the Government supporting us unfailingly and unwaveringly, I am confident that HA will be able to meet our challenges and continue to provide patient care to the Hong Kong community with the highest quality.



Anthony T Y WU, GBS, JP
Chairman



CHIEF EXECUTIVE'S REPORT



2008/09 has been a challenging and demanding year for the Hospital Authority (HA), with a wide range of projects and events taking place concurrently. It has also been an extra-special year when we had responded to a few major crises, such as the Sichuan earthquake; the melamine-tainted milk product incident; and the spate of drug manufacturing problems requiring drug recall, as detailed by our Chairman in his review in this annual report.

Against the eventful backdrop, safe and quality care is always at the top of HA's agenda. We continued to introduce programmes and systems to improve quality. Risk mitigation initiatives were put in place in areas such as medication safety; positive patient identification; surgical and procedural safety; and hospital security and privacy. Through the publication of the bi-monthly newsletter Risk Alert and a six-monthly Report on Sentinel Events, we continued to bring incidents out in the open for learning. This is the HA's "just culture", emphasizing learning rather than blaming to encourage staff to understand, report and learn from experience. I am pleased to note that staff at various levels also shared lessons learnt at their cluster forums and I am sure this "learning culture" will continue in HA.



To double our efforts on continuous quality improvement, we started to prepare for a pilot programme of external accreditation of our hospitals. An international accreditation agency, The Australian Council on Healthcare Standards, has been appointed as our partner for this programme. The pilot programme will get underway in five of our hospitals during 2009/10. The long-term aim is to have one set of accreditation standards that applies to all our hospitals and to ensure the delivery of cost-effective healthcare in a safe environment.

During the year, we kept modernizing HA. Besides modernizing corporate management systems, we have developed a new internal resource allocation system called "Pay for Performance" (P4P) to improve fairness and tie funding to patient workload. The P4P system started operating from 2009/10. I believe that the allocation of resources will become more transparent and fair as the

new system evolves and that it will contribute to improving the quality of our services.

Further efforts to modernize HA have covered the replacement of medical equipment; an enhanced governance structure of healthcare technology management; and the introduction of an international scoring system for prioritization of replacement needs. Thanks to the increasing funding support from the Government, we have been able to bring the age profile of some expensive and mission critical equipment to international standards. Modern technology is essential to keep improving our quality of services.



It is equally important to move with the times on service culture. We encourage staff to think “patients first”. As part of our efforts to be more responsive to patients’ needs, we have refreshed our corporate vision, mission and values (VMV) after an extensive consultation process involving

front-line staff, executives and members of the HA Board. The new VMV will provide further impetus for our service planning and development. A series of activities will take place in the coming months to promote the new VMV.



As our Chairman has said, a number of senior executives retired from HA during the year. While losing many years of experience and an immeasurable amount of knowledge and expertise, we

introduced a system for rotating Hospital Chief Executives (HCEs). Six HCEs have subsequently moved on to other hospitals. In addition, six clinical leaders have moved up into HCE positions. It was pleasing to see them starting the new chapters of their careers and bring new perspectives and experience to the hospitals concerned. We will continue to refresh leadership when needs or opportunities arise.

At the same time, it is necessary to create a significant pool of potential talent from which we can draw new leaders for many years to come. After a successful pilot run, the Executive Leadership Programme commenced its second run with 30 participants from different disciplines in November 2008. We have also kicked off an HA Leadership Pipeline – Accelerated Development Programme. It aims to help younger middle managers and senior clinical staff develop the skills and competence that are critical to their and HA’s future. Both programmes have been well received. I am confident that they will provide a pool of future leaders, creating the future culture of HA.

The Government completed the first stage of public consultation on healthcare reform in June 2008. In view of the broad consensus among the public on the need for the service reform, the Government has commissioned HA to implement reform initiatives supporting the directions stated in its consultation document, “Your Health, Your Life”. These include programmes that build up primary care; promote public-private partnership; and contribute to the development of patients’ electronic health records.

In addition to the funding for the reform initiatives, we were fortunate enough to secure a funding arrangement from the Government for 2009/10 to 2011/12. This has enabled us to develop a strategic service plan that sets out the service directions and strategies of HA for the next three years. Most important of all, we can make resources available for the front line to do their job. We thank the Government for placing great trust in HA and rely on the commitment of our staff to achieve the expansion and enhancement of our services.



I should also mention HA's role of overall co-ordinator and provider of medical services for the 2008 Olympic and Paralympic Equestrian Events. It was a great honour for HA and a possible once-in-a-lifetime experience for all our staff who were involved. They have exemplified the “one more step” spirit and made the rest of the HA family proud.

Our immediate and organised response to the melamine-tainted milk product incident was yet another example of our staff's willingness to go the extra mile. The establishment of more than 20 fully functioning designated clinics and special assessment centres within a few days in September 2008 was, no doubt, a remarkable achievement. I was so impressed with the commitment; professionalism; and positive attitude of front-line staff who had given up their time on weekends and public holidays to serve the community.

The important message I want to leave you with here is: Let's apply the HA values (People-centred care, Professional service, Committed staff and Teamwork) every day! They will set us on the right course towards our vision of “Healthy People, Happy Staff, Trusted by the Community”.

We all know that a lot of work needs to be done. There will be challenges ahead. The



HA family, from front-line to management, is a great team. I thank my ‘blue team’ which meets every Wednesday morning to steer HA’s operation with their wisdom and commitment. With my second tenure beginning in March 2009, that gives me confidence for the future should we experience difficult times again.

In closing, I want to say a sincere THANK YOU to every member of the wide HA family, particularly members of the Regional Advisory Committees and Hospital Governing Committees. They have all been asked to work harder than ever in this very busy year, but have done so with good grace and the same dedication as always.

May I also express my special thanks to the Secretary for Food and Health and our Chairman and Board members for their staunch support during the past year. United as one, we will be able to move towards our mission of “Helping People Stay Healthy” and rise to whatever challenges that come our way.



Shane D. Solomon

Shane SOLOMON
Chief Executive



CALENDAR OF THE YEAR

April 2008

Cataract Surgeries Programme, a public-private partnership programme initiated by the Authority, has been well-received by the public. More public patients will be invited to join the programme to receive cataract surgeries with subsidies.



The first batch of nurses from Guangdong province completed their ten months' professional training with the Authority, in which they gained fruitful experience and were inspired by the healthcare services provided by HA.

May 2008

A photo cum painting exhibition was held in Princess Margaret Hospital to initiate the "Heart to Heart" Care Services programme which aimed to promote art therapy for its patients. The artists, including a doctor and a patient from the hospital, bring joy and hope to the audience through their artwork.



Love embraces all! A medical team, comprising dedicated and caring doctors, nurses and allied health professionals from the Hospital Authority, volunteered to serve and provide relief to the earthquake victims in Sichuan.

June 2008

HA recognizes the importance of maintaining confidentiality of patients' data. A Task Force on Patient Data Security and Privacy, membership of which included independent experts in the areas of privacy, computing and healthcare services, was set up to conduct a review on the HA's personal data system for handling patients' data and make recommendations on specific immediate, medium and longer term actions to be taken. These helped HA improve its information security and privacy measures.



The Queen Mary Hospital launched the “Community Volunteer Network” in collaboration with eight community partners. This Network offered extra community support to post-discharge chronically ill patients and helped lower the re-admission rate.

July 2008

Prevention is always better than cure! To reduce the risk of contracting streptococcus pneumonia, North District Hospital and Hong Kong Young Women's Christian Association Ellen Li District Elderly Community Centre co-organised a pilot programme to arrange pneumococcal vaccination for senior citizens living in remote areas in Northern District.



Healthcare professionals from the Authority participated in a charitable photo exhibition, which helped raise funds for the Hong Kong Society for Rehabilitation. Through the camera lenses, in their masterpieces they captured the special moments in life, which echoed the theme of the exhibition – “Love Your Life, Show Your Life”.

August 2008

Well done! Having gone through various training and drills, our healthcare professionals were able to provide with confidence the best medical care to the athletes, the Olympic Family and the spectators from all over the world during the 2008 Olympic and Paralympic Equestrian Events. The HA family has once again showcased its professionalism, commitment, teamwork and world class medical services.



What a beautiful piece of artwork! There was a good chance for the general public to learn the inner world and the artistic talents of the patients from Castle Peak Hospital in the Art-to-Heart Exhibition.

September 2008

With a heart to bring warmth and encouragement to the children and adolescent patients in Queen Mary Hospital, around eighty volunteers from Hang Seng Bank participated in the "Art in Hospital" programme and finished a mural painting in just three weekends' time.



As a milestone in the reform of Hong Kong's healthcare services, the Tin Shui Wai Primary Care Partnership Project has successfully offered more choices of care to the patients through a new approach of pooling the expertise and resources from the public and private healthcare sectors to enhance the primary care services for local residents.

October 2008

Hahal meals were introduced in four hospitals in the New Territories West Cluster to cater for the special needs and difference in dietary culture of muslim patients.



Congratulations to United Christian Hospital! It has been honoured with the Gold Certificate of the Quality Water Recognition Scheme implemented by the Water Supplies Department. This signified the community's recognition of the efforts made by the hospital to provide quality services to the patients.

November 2008

The full implementation of cook-chill technology in Queen Elizabeth Hospital has helped enhance the food quality as well as the deployment of scarce resources. Having meals at hospital wards can now be a yummy experience!



It was announced that in 2009/10, a new funding model, Pay for Performance, would be implemented with an aim to encourage public hospitals to provide better and more efficient healthcare services to the general public.

December 2008

What a fruitful year for the Kowloon West Cluster! In the Hong Kong Occupational Safety and Health Awards, it won one Gold and two Silver Awards in “The Safety Promotion Award”, “Best Presentation Award” and “Safety Enhancement Programme Award” respectively.



Tuen Mun Hospital, Queen Elizabeth Hospital and Caritas Medical Centre re-opened the Higher Diploma Programme in Nursing Studies in order to train up more nurses to cope with the increasing demand for nursing staff in hospitals.

January 2009

Out on the field, the chilly weather could hardly deter the enthusiastic and determined sports players from striving for the championship in the Hospital Authority Sports Meet.



The New Territories East Cluster, collaborated with Hong Kong Medical Association and various Non Government Organisations, rolled out the community programme “Your Health Our Concern” which aimed to provide timely professional assessment to help substance abusers in the local community.

February 2009

Let's greet the multi-disciplinary professionals in the Surgical Virtual Reality Laboratory at the Pamela Youde Nethersole Eastern Hospital with applause on their winning the Best Public Service Application Grand Award and the Best Public Service Application (Transformation) Gold Award in the Hong Kong Information and Communications Technology Awards 2008. They invented a way to “see through” patients’ bodies with a pair of tailor-made goggles so as to help surgeons in performing operations.



The Signing Ceremony of Memorandum of Understanding among Assistance Publique – Hôpitaux de Paris, Hospital Authority, The Chinese University of Hong Kong and Tung Wah Group of Hospitals signified the development of Chinese Medicine in public hospitals in Europe for the first time.

March 2009

Our team of spirited staff participated in the Leisure and Cultural Services Department's Corporate Games; and with their outstanding performances, they won the Group A Overall Championship. Congratulations!



Health InfoWorld of HA, collaborated with its community partners, organised the “Ideal BMI” health programme to educate the public of the importance of keeping track of their Body Mass Index so as to help live with a healthy lifestyle and prevent obesity-related diseases.



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 five 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.

Art-in-CPH Project Team

Castle Peak Hospital (New Territories West Cluster)



Established in 2004, the Art-in-CPH Project Team makes use of art to achieve the following goals:

- to visualize a public image of art and humanity at Castle Peak Hospital (CPH);
- to incorporate art into its décor;
- to integrate art in the clinical services and holistic care it delivers; and
- to help overcome prejudice against mental health service users and the hospital.

Since its launch, the Project Team members have established an art studio, art gallery and art garden at CPH to allow patients to bring their artistic talents into full play. Their creations are also exhibited regularly in other New Territories West Cluster hospitals, which helps to brighten up the lives of the patients, staff and visitors.



Art as a tool to enhance the quality of life of mental health service users

The Project Team has introduced various forms of creative art, including paintings, music, dancing, sculptures and Cantonese opera singing, to enhance the quality of life of mental health service users. It also organises performances, exhibitions and public mental health activities in various public venues. As a next step, it plans to include some of the works of the hospital artists in calendars and commercial products as a form of community participation.

Another extraordinary achievement of the Project has seen its success in reducing the social stigma against CPH and mental health service users through public activities and media coverage. At the same time, its Team has built up excellent partnerships with government departments, non-government organisations, professional bodies and commercial enterprises.

Hepatobiliary Pancreatic Surgery & Liver Transplant Nursing Team Queen Mary Hospital (Hong Kong West Cluster)



Hepatobiliary Pancreatic Surgery & Liver Transplant Nursing Team at Queen Mary Hospital (QMH) is the only team in the Hospital Authority (HA) looking after liver transplant patients. All its 44 members, including Ward Managers, nursing and supporting staff, share a common vision of achieving sustainable quality patient-centred care in the daily clinical practices.

Advances in hepatobiliary pancreatic surgery and liver transplantation services at QMH pose formidable challenges for the Team. The new treatments of liver cancer and liver transplantation create countless new problems, which require an enormous amount of nursing work on top of the daily care provided to hepatobiliary pancreatic surgery patients. However, with a critical mind and prompt effective measures, the Team members conscientiously fulfill their duties through a systematic approach that aims to improve patient care by identifying, analysing and addressing problems as they arise.



Enhancing medical knowledge through communication and co-ordination

To maintain quality services, the Team publishes educational pamphlets and promotes general medical knowledge among patients and their families through notice-board displays. At the same time, it voluntarily organises outdoor activities with patient groups, such as the Hong Kong Liver Transplant Patients' Association, to develop better communication and stronger bond with them. It plays an active role in clinical trials for drugs and equipment as well. In addition, the Team forms an integral part of the medical structure, working closely with other disciplines to ensure that medical measures are smoothly implemented.

Hong Kong East Cluster Quality & Risk Management Office

Hong Kong East Cluster



The Hong Kong East Cluster Quality & Risk Management (CQ&RM) Office was established in 2006 under the leadership of the Cluster Service Director, Senior Nursing Officer and Senior Hospital Administrator of the Cluster. Its role is to build an integrated management structure to formulate and drive quality and safety initiatives and to increase clinical and organisational effectiveness. To achieve this, it engages the key stakeholders at all levels who are responsible for quality standards and high-risk areas.

The Office has succeeded in creating clear reporting lines, a well-defined reporting format and a multi-communication flow among senior management, the CQ&RM Committee, and Functional and Divisional Committees. These have facilitated the efficient and systematic flow of information on quality and risk management issues among all parties.



Participation and communication help to raise standards of quality and safety

The Office has already scored significant improvements in the following areas:

1. Strengthening the role of doctors by increasing their participation

To increase their involvement in incident and complaint management, a number of clinicians have been appointed as Department Quality & Risk Management Co-ordinators and Panel

Specialists to participate in case reviews. This form of empowerment encourages clinicians to take ownership of quality and safety issues and to play a greater role in addressing the issues.

2. Enhancing learning and experience sharing

A Cluster Incident Review Panel has been set up to strengthen the management's focus on systems and processes in identified high-risk cases. A multi-channel communication system has also been put in place so that lessons learnt can be shared with colleagues at different levels.

3. Training leaders for transformation

Doctors now actively participate in designing, developing and implementing improvement programmes, such as correct patient identification, clinical handover and credentialing. During the change, it is expected that leaders at all levels are nurtured to help make our vision translate into operational realities.



Service Load Integrated Management Programme Team

United Christian Hospital (Kowloon East Cluster)



The Department of Medicine and Geriatrics at United Christian Hospital (UCH), under the leadership of its Consultant, Dr Ho Yiu-wing, initiated the Service Load Integrated Management (SLIM) Programme Team in 2006. SLIM team was formed in response to the need to mobilise medical beds for satisfying the growing demand for the Hospital's obstetric beds. This has been achieved by radically revamping the Hospital's ambulatory services in order to avoid unnecessary hospitalization.

Working together with UCH's Administrative Department, the Team has consolidated its palliative and rehabilitative services into one integrated ward, thereby making way for the creation of two new Ambulatory Centres: the Renal Ambulatory Care Centre (RACC) and United Ambulatory Care Centre (UACC). Together, these centres provide one-stop ambulatory services, and have significantly reduced the demand for inpatient beds.



SLIM is helping to nurture a culture of timely management and supportive infrastructure for early follow-ups, so as to ensure that patients are discharged safely and speedily. It also collaborates with the Accident & Emergency Department in arranging direct subspecialty admissions and early discharge programmes. Its other initiatives include Outpatient Parenteral Antibiotic Therapy and post-discharge support, the Integrated Discharge Support Programme (IDSP) and EXPedited Discharge Programme for Respiratory IllnESS (EXPRESS).

Pioneering new services to reduce the length of hospitalisation

As a result of the Team's efforts, the patients' average length of stay has remarkably decreased by 18%. Meanwhile, since the implementation of SLIM two to three years ago, the number of inpatient bed days occupied has been reduced by 11.6% despite a 12.7% increase in Accident & Emergency Department admissions during the same period.

Tin Shui Wai Primary Care Partnership Project Working Group

New Territories West Cluster



The Tin Shui Wai Primary Care Partnership Project (TSWPPP) Programme in the New Territories West Cluster is a milestone in the reform of Hong Kong's healthcare services, as it offers an innovative model for the private and public healthcare sectors to join forces in providing primary care to the local residents.

Apart from increasing the number of choices available to patients, the Programme redirects the flow of patients from public to private healthcare providers, thereby easing the burden on public hospitals and enhancing the quality of their general outpatient clinic services. Moreover, the Programme helps to foster the family medicine model in community care.

An innovative healthcare partnership

To ensure smooth launch of the Programme, the team members first worked in close partnership with private healthcare providers and Hospital Authority Head Office. Besides, much effort has been made to enhance co-ordination and communication, set up logistical arrangements, and maintain data-updating and support. Afterwards, the TSWPPP Working Group was established to conduct population analysis and marketing activities, design the Programme's logistics, and enrol private medical practitioners and patients. In addition, it has been evaluating the Programme's clinical performance by continuously monitoring the outcome indicators.



The TSWPPP pools the expertise and resources from both the public and private sectors to provide primary care services to local patients. Its successful implementation is the result of the concerted efforts and full co-operation of all the colleagues involved in it.



CLUSTER REPORTS

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

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

Each Cluster Chief Executive gives below an overview of their cluster and highlights key achievements of the past year, under the five corporate strategic directions.

Hong Kong East Cluster



Dr Loretta YAM, BBS

Cluster Chief Executive

The Hong Kong East Cluster (HKEC) serves an estimated population of 0.8 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, 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, Accident & Emergency, ambulatory, allied health and community-based healthcare services. In addition, the Hong Kong Tuberculosis, Chest & Heart Diseases Association supports the Cluster by providing health education programmes for primary and secondary prevention.

To celebrate the 15th anniversary of PYNEH in 2008, commemorative events were organised to engage its staff and the community.

Key Achievements

To operate under a relatively low bed-to-age-adjusted population ratio, the Cluster pursues strategic measures to prevent avoidable hospitalization and reduce the length of hospital stay. Three major programmes, providing early interventions to high risk patients, saved over 8,000 actual bed-days in their second year of implementation. Fourteen Emergency Medicine Ward beds were added in PYNEH to further



reduce inpatient admissions from its Accident and Emergency Department. A Working Group, charged by the Cluster Management to ensure appropriate care and timely discharge, formulated



a multi-disciplinary and co-ordinated approach to safeguard an optimal use of beds. Meanwhile, community care models in specialties and patient engagement continued to take prime positions in the Cluster's strategies towards managing service demand. The fourth HKEC Symposium on Community Engagement has forged tighter links with community partners in supporting patients in the community.



gaps in Obstetrics Services were addressed by the enhancement of equipment capacity, addition of staff on midwifery training and recruitment of required nursing and supporting manpower.

Quality and safety have always been high on the Cluster's agenda. Patient identification was reinforced through the Correct Patient Identification Campaign, "Time-out" Policy, standardisation of body release process and implementation of the new 2-Dimensional barcode technology for blood transfusion. A robust clinical handover system using MEWS (Modified Early Warning Score) and SBAR (Situation Background Assessment Recommendation) was piloted in PYNEH to promote safe and effective clinical practice. To enhance professional competency, a credentialing framework and scope of practice system in Minimal Access Surgery were developed and piloted in the Department of Surgery of PYNEH. Other major quality improvement initiatives included the application of department-specific clinical indicators to monitor the outcome of care and performance effectiveness, medication safety programme and management restructuring of mortuary services.



To cope with the increasing workload and high staff turnover, a major focus of the Cluster this year was to re-engage its workforce. An intensive Staff Communication Plan was launched; and new career progression model for nurses and allied health staff were implemented. The Cluster had also rationally used casemix dividends to improve the senior-to-junior ratio of medical staff, strengthen cluster clinical psychology service and modernize non-clinical services. Nurses were recruited from all possible sources and innovative measures were introduced to relieve their workload. The Special Honorarium Scheme was applied to nurses working extra sessions in magnetic resonance imaging, operation theatres and selected wards. Such nursing mobilization enabled the Cluster to manage its doctors' work hours through two weekly extended evening operating theatre sessions to reduce night time surgery.

In the face of capacity constraints, the Cluster keeps modernizing its facilities and services. It had successfully piloted and implemented the Enterprise Resource Planning (ERP) modules on Procurement & Supply Chain Management and Finance. New laboratory automation system and digital mammographic system were installed as well. Pharmacy service in the Cluster was rationalized; nursing workflow was modernized; and wound management was specialized under the leadership of a Nurse Consultant. PYNEH also embarked on its journey to become a part of a filmless HA.

The Cluster keeps exploring new opportunities to generate non-government revenue to maintain financial sustainability. A PYNEH Charitable Trust was established to generate and manage donations in order to help the needy patients and support technology advancement towards achieving efficiency of care.

Hong Kong West Cluster



Dr Lawrence LAI, BBS, JP

Cluster Chief Executive

The Hong Kong West Cluster serves an estimated population of 0.53 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 (DKCH), Fung Yiu King Hospital (FYKH), MacLehose Medical Rehabilitation Centre (MMRC) and Tsan Yuk Hospital. The six satellite institutions are David Trench Rehabilitation Centre and five general outpatient clinics. 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 its close collaboration with Li Ka Shing Faculty of Medicine of The University of Hong Kong (HKU) in supporting undergraduate and postgraduate medical education and training, research and development, and innovations in healthcare technology and services. Once again, QMH received the Gold Award in Reader's Digest Asia Trusted Brands Survey in 2009, following its winning the Award in two consecutive years since 2007. Winning the Award three years in a row 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-based ophthalmology service supported by the Eye Institute of HKU has set up five ophthalmic subspecialty services, namely, Cornea and External Eye Diseases, Glaucoma, Paediatric Ophthalmology and Strabismus, Retina and Uveitis, Oculoplastics and Orbital Diseases, to



provide a full range of ophthalmic services to patients in need, enhance service quality and training, and reduce the waiting time of first appointment for outpatients. QMH also opened two more Neonatal Intensive Care beds to meet the territory-wide growing demand for the subspecialty service.

To manage service demand, the Cluster placed much emphasis on reducing avoidable hospitalization. A number of measures were introduced, including the setting up of a Palliative Care Day Centre in GH to provide holistic palliative care and traditional Chinese medicine inpatient service in FYKH to offer alternative treatment choices to patients. Furthermore, TWH expanded its Day Surgery service to shorten the waiting time for elective day surgeries and set up a multi-disciplinary Breast Care Centre to improve service quality and outcome to breast cancer patients.

The Cluster continued to place strategic emphasis on community-based healthcare delivery and to strengthen its collaboration with community partners. The launching of Community Volunteer Network to provide well co-ordinated community support to post-discharge chronically ill

patients since April 2008 has helped reduce Accident & Emergency attendances and unplanned readmissions. In addition, the Community Psychogeriatric Outreach Programme was introduced to enhance psychogeriatric support to Residential Care Homes For Elderly and help reduce avoidable hospitalization.

During the year, the Cluster implemented a number of improvement initiatives to improve its service quality, safety and outcome. The relocation of Cardiothoracic Surgery, Paediatric Cardiology and Cardiothoracic Anaesthetic Services from GH to QMH in July 2008 represented a great step forward in the provision of integrated multi-disciplinary care to cardiac surgical patients. With this initiative, the service quality and safety for patients with severe and complex disease conditions or co-morbidities have been enhanced.

Apart from setting up an Acute Stroke Unit with upgraded facilities to provide prompt and efficient care to acute stroke patients, QMH opened an Integrated Endoscopy Centre with modernized equipment and facilities, streamlined work flow and closer collaboration of various clinical specialties to provide endoscopy service of the highest standards for the benefits of its patients.

To enhance medication support by pharmacy staff to strengthen clinical operations, the Cluster implemented centralized reconstitution of biological substances for chemotherapy to ensure patient and staff safety in chemotherapy service. FYKH and GH implemented Medication

Reconciliation Service which resulted in enhancement of patients' drug compliance, as well as reduction in drug wastage, Accident & Emergency visits and unplanned readmissions. TWH also pioneered "Ward Medication Management by Pharmacy" which alleviated the workload of ward nurses and promoted drug safety.



On the launching of new service, the pilot project of Integration of Chinese Medicine

and Western Medicine in Acute Rehabilitation of Traumatic Brain Injury and Other Neurological Disorders was conducted in collaboration with experts on traditional Chinese medicine and acupuncture from HKU. Suitable paediatric and adult cases were recruited and treated in DKCH and MMRC respectively.

The Cluster kept modernizing hospital environment and facilities by completing major refurbishment of the Haemodialysis Centre, Renal Ward and Day Care Centre; and setting up a new specialist outpatient clinic in TWH to enhance operational efficiency and increase patients' comfort. In other hospitals of the Cluster, renovation works were carried out in wards and staff facilities to provide a safe and supportive environment to staff members and the public.

In support of the Build People First Culture, the Cluster increased recruitment of support staff and extended the operation hours of Central Phlebotomy Service to alleviate the workload of doctors and nurses at the frontline; rolled out a Succession Management



and Development Programme by appointing deputies to senior management positions to afford experienced staff career development opportunities; re-opened the Enrolled Nurse Training School in GH to train up additional qualified nurses; introduced Nurse-led Clinic in Diabetic Mellitus, Renal and Wound Care to improve the quality of patient care; and reinforced the drive on occupational safety and health.

Training and development continued to be a key focus for building staff capability. To enhance training opportunities and foster a learning culture, the “One Staff One Training Plan” initiative was implemented. Apart from training and development programmes, internal communication network was strengthened to improve the overall organisational effectiveness.

To further promote staff health and wellness, the first Staff Health Day was held to provide health assessment, education and support to colleagues and their family members. Riding on its success, the Staff Health Check & Awareness Programme for all serving staff and other health promotion programmes were organised to care for the carers.

Kowloon Central Cluster



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, Hong Kong Red Cross Blood Transfusion Services, Hong Kong Eye Hospital, Kowloon Hospital 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.

Key Achievements

In 2008/09, the Cluster implemented many initiatives to facilitate the provision of right care for the right patient at the right place. To implement planned responses to growing service demand, hospital beds at the right intensity of care were made available. Two additional High Dependency Unit beds and





three Neonatal Intensive Care Unit beds were opened in QEH to strengthen the intensive care services for the needy in the Cluster. On building up services to increase bed availability, the Hospital Admission Risk Reduction Programme for High Risk Elderly (HARRPE) entered its second year with a 15% reduction in total acute hospital admissions and 20% reduction in Accident & Emergency attendances. The HIV/AIDS service capacity based in QEH, which included laboratory support, clinical management and information system, has been scaled up. With the implementation of e-health programmes and skill-based carers' programmes through the internet platform, the patients' empowerment has been enhanced.

To continuously improve service quality and safety, the pharmacy service at the Accident & Emergency Department in QEH was enhanced by extending the opening hours of its Pharmacy to round-the-clock in September 2008. The establishment of a Virtual "Critical & Major Incident

Information Centre” via the Cluster’s intranet for timely retrieval, dissemination and sharing of information has facilitated the efficient updates of Cluster/Hospital contingency plans and manuals. In line with the Cluster’s “Years of Safety” theme, patient safety and staff safety have been enhanced in cytotoxic drug administrations by centralizing cytotoxic drug reconstitution. The acute stroke services have been improved by pioneering the provision of 24-hour emergency intravenous thrombolytic therapy for acute ischaemic stroke patients with encouraging results.

The Cluster was put to the test with the incidents of melamine-tainted milk products and drug replacement but responded rapidly. For the incident of melamine-tainted milk products in September 2008, the Cluster set up two Designated Clinics and an Assessment Centre to provide assessment and treatment to patients concerned with a total of 7,957 attendances (figure as at

31 March 2009). With the decline in demand for these services, the Designated Clinics and Assessment Centre were closed eventually. For the incidents about drug replacement, namely the replacement of Allopurinol tablets and Frusemide tablets due to contamination, the Pharmacy operated extended hours to cater for drug replacement, and the arrangement had been conducted smoothly.



To keep modernizing HA, a new IT system has been implemented to support the operations of Blood Transfusion Service in donor recruitment, blood collection, processing, testing, product management and distribution. Apart from that, QEH was proud to be one of the Designated Hospitals to provide medical support for the Equestrian Games of the Olympics and Paralympics 2008. Furthermore, a Haematopoietic Stem Cells (HSC) Collection Centre has been developed for the collection of HSC by apheresis from matched unrelated adult donors identified through the Hong Kong Bone Marrow Donor Registry.

Under the Build People First Culture, the work pressure of doctors has been relieved as support has been provided to Doctor Work Reform. In addition, the implementation of the automatic dispatch system helped enhance the inter-departmental patient flow and door-to-door delivery service. The overall productivity of the porter service was improved, of which each porter could complete 30% more orders per day and 73% of the orders could be attended to within five minutes. The implementation of Occupational Medicine care service for the Cluster’s staff has enhanced Occupational Medicine Care.

To maintain financial sustainability, better budget planning and control were achieved by adopting the Cluster-based cost centre budget.

Kowloon East Cluster



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. Apart from the hospitals and general outpatient clinics, the Cluster manages the outpatient and day patient facilities in Yung Fung Shee Memorial Centre and Pamela Youde Polyclinic as well. The Cluster also provides a full range of comprehensive inpatient, day patient, outpatient, Accident & Emergency, as well as general, specialist, allied health, and community-based healthcare services.

Key Achievements

Facing the challenge of rising service demands in the highest priority areas, the Cluster has enhanced both its ambulatory and outpatient services. Initiatives taken included the consolidation of the service of TKOH Ambulatory Surgery Centre to provide 900 day surgeries per annum, the establishment of the Integrated Ambulatory Ear Nose Throat (ENT) Centre to provide day services and to increase the outpatient attendances, as well as the enhancement of antenatal outpatient service in TKOH to provide an additional 1,200 attendances per annum.

To improve the quality of patient care, the Cluster has launched a series of improvement programmes, which addressed the end-to-end patient care process from admission to discharge.

For the better care of the stroke patients, designated acute stroke beds were set up in 2008/09 to provide organised clinical care, including early computed tomography examinations, so as to facilitate timely and appropriate treatments for these patients. Psychiatric consultation liaison service was also introduced at the Accident



CLUSTER REPORTS



Haven of Hope Hospital



Tseung Kwan O Hospital



United Christian Hospital

& Emergency Departments to provide timely assessment and psychiatric consultations to those in need. To enhance the safety and quality of life of discharged patients, the Cluster also implemented an Integrated Discharge Support Programme, which aimed to serve over 3,000 high risk elderly patients a year.

Cancer service has always been very limited in the Cluster. In view of this, a series of programmes have been launched, including the opening of the Oncology Clinic and the setting up of the Breast Centre to provide outpatient and breast operation services. With the generous support of the Li Ka Shing Foundation Hospice Service Programme, the Kowloon East Cluster United Christian Hospital Hospice Centre was established to provide hospice care to cancer patients in 2008/09.



A number of quality and risk management initiatives were introduced last year to improve service quality and to enhance patient safety. These included the use of tracer methodology to audit the

use of patient restraints and other patient care processes; the addition of Advanced Practice Nurses to strengthen clinical supervision; and the provision of 24-hour pharmacy service to patients of Accident & Emergency Department as well as the inpatients of UCH.



The Cluster not only cares about the patients but also the well-being of its staff members. In 2008/09, a number of initiatives were carried out. The

establishment of the Occupational Medicine Care Service has played a significant role in helping the staff to recover from their injuries and illnesses as well as to re-integrate to their workplace. To alleviate the doctors' heavy workload and long work hours, the Cluster developed the 24-hour designated phlebotomist team at UCH and TKOH last year, and launched the extended operating theatre service as part of the Doctor Work Reform Programmes. Moreover, a Behaviour Based Safety Programme was rolled out in 2008/09 to address the common work hazards and to improve the health and safety of its staff.

Kowloon West Cluster



Dr Lily CHIU, BBS

Cluster Chief Executive

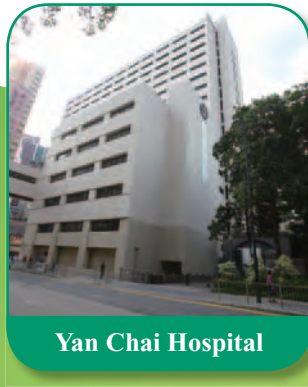
The Kowloon West Cluster serves a population of 1.9 million in Wong Tai Sin, Mongkok, Shamshuipo, Kwai Chung, Tsing Yi, Tsuen Wan and Tung Chung districts. The Cluster comprises seven hospitals and 23 general outpatient clinics. The seven hospitals include Caritas Medical Centre (CMC), Kwai Chung Hospital (KCH), Kwong Wah Hospital (KWH), Princess Margaret Hospital (PMH), Our Lady of Maryknoll Hospital (OLMH), Tung Wah Group of Hospitals Wong Tai Sin Hospital (WTSH) 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

“Care for the Elderly” was one of the Cluster’s significant initiatives in 2008/09. PMH has piloted the Integrated Discharge and Support Programme to provide support services to the high-risk elderly patients who have difficulties in taking care of themselves after discharge. The multidisciplinary Hospital Discharge Planning Team (HDT) provided a wide spectrum of caring services including discharge planning, transitional rehabilitation and home-based community care for the frail elderly. The HDT, in collaboration with the Home Support Team commissioned with Po Leung Kuk, has trained over 600 home carers to render substantial community support to 1,500 elderly discharged patients so as to improve their quality of life, and to reduce their unplanned readmission to hospitals.



The psychiatric out-reach service has moved further. KCH has expanded its services to private old-aged homes to assess the mental wellness of the hidden elders, and to make timely intervention if required.



Yan Chai Hospital



Kwai Chung Hospital



TWGHs Wong Tai Sin Hospital



Princess Margaret Hospital



Caritas Medical Centre



Our Lady of Maryknoll Hospital



Kwong Wah Hospital

The Cluster has also rolled out the Comprehensive Child Development Service (CCDS) in Tung Chung, Sham Shui Po, Kwai Tsing and Tsuen Wan Districts targeted at high-risk families with the tendency for child abuse. Through the collaborated efforts of the multi-disciplinary team comprising paediatricians, psychiatrists, medical social workers and non-government organisations, the CCDS has helped parents and families in child rearing.

YCH has strengthened its ambulatory day services since the opening of its Paediatrics and Adolescent Day Service Centre in February 2008. The Breast Wellness Centre, funded by the YCH Board, also commenced service in December 2008 to provide comprehensive breast services for residents of Tsuen Wan District.

The Doctor Work Reform initiatives continued. An Emergency Medicine Ward in YCH opened 32 beds in February 2009 to support the diagnosis, treatment and discharge of designated disease groups.



Enhanced programmes for life-threatening diseases have been implemented. The use of new cancer drugs for breast cancer patients was supported for better survival rate and treatment outcome. The Home Care Palliative Care Service in CMC and OLMH was further developed with the generous support from the Li Ka Shing Foundation.

Acute Stroke Units were set up in PMH, CMC, YCH and KWH; and posts for Advanced Practice Nurse (Stroke) were created. Clinical protocols were standardised as well.

Improvement programmes to enhance medical safety have been carried out. The Correct Site Surgery Policy was implemented in all operating theatres in the Cluster to minimize the risk in patient identification. The storage of high risk dangerous drugs such as heparin and muscle relaxants in the Cluster was standardized to enhance drug safety.

“Build People First Culture” has always been our major concern. In October 2008, when a “3-year Higher Diploma in Nursing” course was launched in CMC Nursing School, 110 Year One student nurses were recruited. In addition, new career progression models have been developed. Ultrasonographer posts and additional posts for Advanced Practice Nurse were also created in the hospitals within the Cluster. Apart from that, various initiatives to alleviate work pressure of nurses at wards have been given the green light. The “total solution of auto-refill mode for general supplies” was implemented in YCH, CMC and KWH. Technical support staff were assigned to perform sterilization of instrument in the operation theatres of PMH, KWH, CMC, YCH and OLMH to release nurses for higher level duties of patient care.



Emergency preparedness has continued to be our focal concern. The HA Infectious Disease Centre (HAIDC) at PMH, which is equipped with the state-of-the-art isolation facilities, has opened 86 isolation beds. The Infectious Disease Conference 2009, jointly organised by the HAIDC Training Centre, the HAIDC at PMH and the Johns Hopkins University, USA, was successfully launched during 20 to 23 February 2009. It received an overwhelming response with over 1,000 attendances and was a great event in the year.

New Territories East Cluster



Dr FUNG Hong, JP

Cluster Chief Executive

The New Territories East Cluster (NTEC) serves a population of 1.32 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 (SH), Cheshire Home Shatin (SCH) and Bradbury Hospice (BBH). 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 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 the great challenges of increasing staff turnover and shortage in nursing workforce in 2008/09. Strategies were developed to improve staff morale and staff retention. To better the work life quality of the nurses, the Cluster implemented the “One Ward, One Clerk” programme to enhance clerical support in wards. The cleansing, portering and other domestic services were strengthened to support the nurses in the acute and convalescent hospitals. Career pathways were set and documented for care-related workers to enhance their career prospects.



For Doctor Work Reform, the Cluster introduced the “Evening Operation Theatre Programme” in NDH. The programme has cut down the number of emergency operations performed during 10pm to 8am. The work hours of doctors in the Department of Surgery and the Orthopaedic and Traumatology (O&T) Department were all lowered. In AHNH, with the rolling out of 24-hour phlebotomist and electrocardiography services, the average working hours of 65 hours per week has been achieved for all medical officers on-call in the Department of Medicine since April 2008.

CLUSTER REPORTS



North District Hospital



Tai Po Hospital



Cheshire Home Shatin



Alice Ho Miu Ling
Nethersole Hospital



Prince of Wales Hospital



Bradbury Hospice



Shatin Hospital

The Cluster ran a series of People Workshops to enhance staff engagement. A total of 35 People Workshops was conducted, covering over 1,500 nursing staff ranging from Department Operation Managers to Ward Managers, Advanced Practice Nurses and Registered Nurses with over ten years' experience. Several People Workshops have also been run for clinical management teams of the clinical departments. All workshops were completed with good responses.

An objective assessment tool, "Gallup Q12", was commissioned to assess and monitor levels of staff engagement in all departments. The response of the pilot run was very encouraging. "Gallup Q12" will be put to full blown implementation in 2009/10.

To improve equipment reliability and safety at work, an equipment replacement strategy was mapped out on a 3-year rolling plan. Major equipment items, electric beds and other equipment items were replaced. The Computed Tomography Scanner in NDH, and the Linear Accelerator, Angiographic Fluoroscopic Unit, and Treatment Planning Computer in PWH were replaced to enhance service quality and efficiency.



On the promotion of patient safety, the Cluster strengthened its clinical governance with clear accountability structure established in each clinical department. A patient safety management team was formed with the appointment of patient safety officers and a safety pharmacist.

The team co-ordinated the execution of patient safety strategies and initiatives. A dedicated web site, iQRM, was set up to strengthen communication on quality and risk management among departments, hospitals and the Cluster. The use of iQRM platform for communication and discussion has been very successful.

The Cluster also reviewed and improved eight core clinical processes and protocols using the Failure Mode and Effect Analysis methodology. The processes involved extensive staff participation from all seven hospitals. The initial findings and experiences were shared in the Cluster's Quality and Patient Safety Week in October 2008 and the Senior Executive Roundtable Meeting in April 2009. The Unique Patient Identification (UPI) project (2-Dimensional barcode scanning and printing of labels) has been extended to all laboratory specimen collection in inpatient wards at PWH, AHNH and NDH since June 2008. After the implementation, the number of incidents on mislabeling was drastically reduced. This project will be rolled out to Accident & Emergency Departments (AEDs), and all extended care hospitals in 2009/10. Moreover, to ease the identification risk and congestion, the capacity of mortuary chambers has been greatly increased.

The Cluster continued to enhance its psychiatric services. The "Post-discharge Community Support Programme" has been started. This programme aimed to reduce the readmission rate of frequently readmitted patients. The number of day patient places for child and adolescent was also increased. The psychogeriatric service has been improved with the opening of a 20-place psychogeriatric day hospital in NDH. More specialist outpatient clinic sessions have also been added to reduce waiting time. The psychogeriatric outreach service was provided to subvented residential homes and further extended to private residential homes for the elderly.

The Cluster opened an Emergency Medicine Ward (EMW) in AHNH to reduce hospital stay and inter-facility transfer of patients. The AHNH EMW operated on an innovative "owl ward" concept and showed immediate positive results in reducing overnight hospital admissions. An

O&T rehabilitation ward in TPH was also opened to relieve pressure on demand for O&T beds and shorten the length of stay of the acute patients in the three acute hospitals. An infirmary ward in SCH was opened at the same time to accommodate patients transferred from TPH.

The gate-keeping function of Family Medicine Clinics and general outpatient clinics (GOPCs) was reinforced by strengthening their triage clinic role to reduce avoidable specialist referrals and providing complication screening for patients with Diabetic Mellitus. These triage clinics are located in all three districts and serve to provide holistic assessment to patients instead of fragmented referrals to various specialist outpatient clinics. Nurse-led Clinic service also commenced operation to provide Diabetic Mellitus complication screening sessions to GOPC patients.

Two pilot schemes were introduced in AED and specialist outpatient clinics (SOPCs) in Surgery of PWH to engage patients and their family members as partners and advocates to improve the process of care. A patient satisfaction survey was conducted in the latter half of 2008 in PWH to monitor the feedback of patients on the quality of services provided by the hospital on an ongoing basis.

To strengthen public-private partnership with the primary care doctors in the community, the Primary Care Co-ordinating Committee was set up in collaboration with the Hong Kong Medical Association Community Networks. The “New Territories East Health Choices” web site providing information on the choice of healthcare services in the Cluster was set up with an open zone for the general public. To offer patients more choices and facilitate cross-referrals, the district-based doctor lists including Tai Po, Shatin and North District were distributed to AEDs, GOPCs and SOPCs in all hospitals within the Cluster and posted on the Health Choices web site for easy access by the public. The Cluster also actively participated in the “Your Health Our Concern” community programme, which was organised in collaboration with Hong Kong Medical Association Tai Po Community Network and various local non-government organisations for early detection and intervention of substance abusers in Tai Po.



New Territories West Cluster



Dr Albert LO

Cluster Chief Executive

The New Territories West Cluster serves a population of 1.06 million in Tuen Mun and Yuen Long districts. It comprises four hospitals and eight general outpatient clinics. The four hospitals are Castle Peak Hospital (CPH), Pok Oi Hospital (POH), Siu Lam Hospital (SLH) and Tuen Mun Hospital (TMH). The Cluster also manages Tuen Mun Ambulatory Care Centre, Tuen Mun Mental Health Centre, Tuen Mun Eye Centre and the Butterfly Bay Laundry. Apart from providing a comprehensive range of general and psychiatric inpatient services, the Cluster also provides a full range of acute, general and specialist outpatient, allied health and community-based healthcare services.

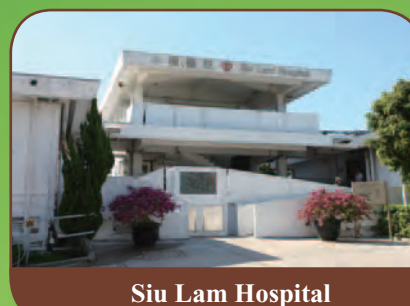
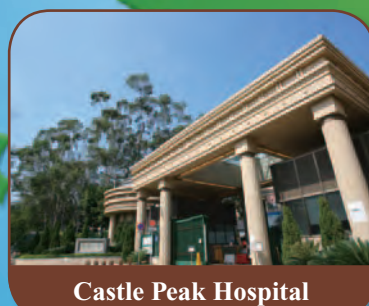
Key Achievements

The Cluster made remarkable progress throughout 2008/09. It expanded considerably its inpatient, day patient and ambulatory services in POH. The Cluster has the highest day and same day surgery rate. It also has significant increase in allied health outpatient attendances. For acute services, the Cluster maintains the shortest average length of stay for general inpatients.

To cope with the increasing demand for medical services arising from the growing and aging population, the acute medical and surgical services at POH were further enhanced in 2008/09. A new acute ward and an additional operating theatre suite commenced service in September 2008. Six additional acute medical beds and two High Dependency Unit beds were opened to strengthen the provision of higher

level individual care and monitoring to patients. At the same time, ambulatory services were also augmented with the establishment of Wai Yin Association Ambulatory Gynaecology Centre and Rheumatology Assessment and Treatment Centre.





The drive to serve the elderly is always one of the Cluster's priorities. With the support of generous donation, the Well Elderly Clinic was set up at POH since August 2008 to provide services to patients with Total Knee Replacements and Cataract Surgeries.

Ongoing efforts are made to meet the growing service demand and enhance the operational efficiency of haemodialysis (HD) service for renal patients. A new renal centre was set up at TMH with 24 HD stations and modernized facilities for the provision of additional HD sessions. A transplant co-ordinator was recruited in August 2008 to improve and augment organ donation in the catchment area. As at the end of March 2009, there were 40 referrals with 10 successful organ donations. The number of successful organ donations has 2.3-fold increase after the recruitment of the transplant co-ordinator.



In line with the community needs of general outpatient services in Tin Shui Wai North (TSWN), primary care services were purchased from private medical practitioners (PMPs) in TSWN in a public-private partnership (PPP) model for patients with chronic and stable medical conditions. As reported by the Patient and PMP Satisfaction Survey done in February 2009, most of the participating patients were satisfied with their selected PMPs.

For psychiatric services, the Yuen Long Community Mental Health Centre was set up at POH and commenced service in January 2009. It facilitated the re-integration of discharged mental patients into the community by operating day service programmes to improve the quality of life of the mentally-ill patients in the community. Outreach services were also provided to psychogeriatric patients and patients with intellectual disabilities. Additional psychiatric specialist outpatient clinic sessions were added, which resulted in shortened average waiting time for psychiatric specialist outpatient service from about two years to one.

In pursuit of delivering sustainable improvement in service, multi-professional training focusing on clinical crisis management, bench work, laparoscopic training, Manikin and pseudo-on-site training was conducted at the Clinical Skills Training Centre.

The Cluster has achieved its 2008/09 plan because it has put people, including patients, local community and staff, into its heart in shaping what it is doing. It has devised schemes for staff training and career development to strengthen the workforce. Furthermore, it has put in place measures to improve the working environment. The nursing training and development plan was consolidated and training courses were conducted.

A three-year career development programme was worked out and commenced in May 2008 for the managers in the Human Resources and Administrative Departments. Use of modern medical equipment and facilities, such as electric beds and medication trolleys, also helped improve the working environment.



INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

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羅兵咸永道會計師事務所

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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 65 to 117, which comprise the consolidated and HA balance sheets as at 31 March 2009, and the consolidated statement of income and expenditure, 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.

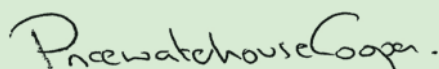
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements 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 2009 and of the Group's deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

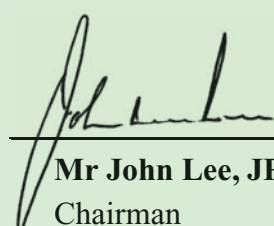


PricewaterhouseCoopers
Certified Public Accountants


Hong Kong, 27 August 2009

Consolidated Balance Sheet

	Note	Balance at 31 March 2009 HK\$ '000	Balance at 31 March 2008 HK\$ '000
Non-Current Assets			
Property, plant and equipment	5	2,671,525	2,415,537
Intangible assets	6	153,068	75,787
Loans receivable	7	22,864	27,300
Fixed income instruments	8	280,001	415,994
		<u>3,127,458</u>	<u>2,934,618</u>
Current Assets			
Inventories	9	863,808	839,118
Loans receivable	7	2,535	2,616
Accounts receivable	10	153,901	143,293
Other receivables	11	67,134	69,922
Deposits and prepayments	12	234,133	309,308
Fixed income instruments	8	1,335,925	738,897
Bank deposits with maturity over three months	13	2,308,109	3,943,280
Cash and cash equivalents	13	3,510,196	2,028,349
		<u>8,475,741</u>	<u>8,074,783</u>
Current Liabilities			
Creditors and accrued charges	14	3,102,310	2,701,193
Deposits received	15	213,711	206,873
		<u>3,316,021</u>	<u>2,908,066</u>
Net Current Assets		<u>5,159,720</u>	<u>5,166,717</u>
Total Assets Less Current Liabilities		8,287,178	8,101,335
Non-Current Liabilities			
Death and disability liabilities	16	133,690	117,689
Deferred income	17	527,533	508,008
Net Assets		<u>7,625,955</u>	<u>7,475,638</u>
Capital subventions and donations	18	2,824,593	2,491,324
Designated fund	19	5,077,369	5,077,369
Revenue reserve		(276,007)	(93,055)
Capital Subventions and Donations, Designated Fund and Reserves		<u>7,625,955</u>	<u>7,475,638</u>



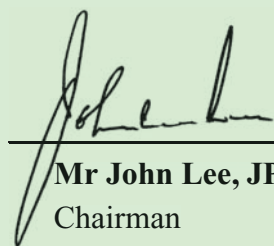
Mr John Lee, JP
Chairman
Finance Committee



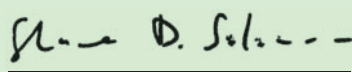
Mr Shane Solomon
Chief Executive

Balance Sheet

	Note	Balance at 31 March 2009 HK\$ '000	Balance at 31 March 2008 HK\$ '000
Non-Current Assets			
Property, plant and equipment	5	2,670,292	2,413,777
Intangible assets	6	151,842	75,787
Loans receivable	7	22,864	27,300
Fixed income instruments	8	280,001	415,994
		<u>3,124,999</u>	<u>2,932,858</u>
Current Assets			
Inventories	9	863,808	839,118
Loans receivable	7	2,535	2,616
Accounts receivable	10	153,901	143,293
Other receivables	11	67,134	69,922
Deposits and prepayments	12	234,133	309,308
Fixed income instruments	8	1,335,925	738,897
Bank deposits with maturity over three months	13	2,308,109	3,943,280
Cash and cash equivalents	13	3,510,196	2,028,349
		<u>8,475,741</u>	<u>8,074,783</u>
Current Liabilities			
Creditors and accrued charges	14	3,102,316	2,701,199
Deposits received	15	213,711	206,873
		<u>3,316,027</u>	<u>2,908,072</u>
Net Current Assets		<u>5,159,714</u>	<u>5,166,711</u>
Total Assets Less Current Liabilities		8,284,713	8,099,569
Non-Current Liabilities			
Death and disability liabilities	16	133,690	117,689
Deferred income	17	527,533	508,008
Net Assets		<u>7,623,490</u>	<u>7,473,872</u>
Capital subventions and donations	18	2,822,134	2,489,564
Designated fund	19	5,077,369	5,077,369
Revenue reserve		(276,013)	(93,061)
Capital Subventions and Donations, Designated Fund and Reserves		<u>7,623,490</u>	<u>7,473,872</u>



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 2009 HK\$'000	For the year ended 31 March 2008 HK\$'000
Income			
Recurrent Government subvention	20	31,007,311	28,942,257
Capital Government subvention		379,204	425,638
Hospital/clinic fees and charges	21	2,526,791	2,296,477
Donations		35	51
Transfers from:			
Designated donation fund	17	111,903	108,093
Training and Welfare Fund	17	17,525	7,937
Capital subventions	18	511,042	538,990
Capital donations	18	98,131	92,834
Investment income		179,744	333,614
Other income		274,127	230,426
		<u>35,105,813</u>	<u>32,976,317</u>
Expenditure			
Staff costs		(26,386,966)	(24,467,826)
Drugs		(2,811,995)	(2,596,291)
Medical supplies and equipment		(1,210,604)	(1,104,615)
Utilities charges		(913,307)	(863,770)
Repairs and maintenance		(1,086,622)	(1,053,772)
Building projects funded by the Government as set out in note 2(h)(ii) and (iii)		(379,204)	(425,638)
Operating lease expenses - office premises and equipment		(38,897)	(29,251)
Depreciation and amortisation	5, 6	(601,718)	(630,991)
Other operating expenses	22	(1,859,452)	(1,543,504)
		<u>(35,288,765)</u>	<u>(32,715,658)</u>
(Deficit)/Surplus for the year		<u>(182,952)</u>	<u>260,659</u>

Consolidated Cash Flow Statement

	Note	For the year ended 31 March 2009 HK\$'000	For the year ended 31 March 2008 HK\$'000
Net cash from operating activities	26	127,967	253,009
Investing activities			
Investment income received		179,744	333,614
Purchases of property, plant and equipment	5	(812,146)	(877,300)
Purchases of intangible assets	6	(130,296)	(116,864)
Net decrease/(increase) in bank deposits with maturity over three months		1,635,171	(3,748,105)
Net (increase)/decrease in fixed income instruments		(461,035)	67,785
Net cash from/(used in) investing activities		411,438	(4,340,870)
Net cash before financing		539,405	(4,087,861)
Financing activities			
Capital subventions	18	843,298	910,225
Capital donations	18	99,144	83,939
Net cash from financing		942,442	994,164
Increase/(decrease) in cash and cash equivalents		1,481,847	(3,093,697)
Cash and cash equivalents at beginning of year		2,028,349	5,122,046
Cash and cash equivalents at end of year	13	3,510,196	2,028,349

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 2007	2,128,984	5,077,369	(353,714)	6,852,639
Additions during the year	994,164	—	—	994,164
Transfers to statement of income and expenditure	(631,824)	—	—	(631,824)
Net gains not recognised in statement of income and expenditure	362,340	—	—	362,340
Surplus for the year	—	—	260,659	260,659
At 31 March 2008	2,491,324	5,077,369	(93,055)	7,475,638
Additions during the year	942,442	—	—	942,442
Transfers to statement of income and expenditure	(609,173)	—	—	(609,173)
Net gains not recognised in statement of income and expenditure	333,269	—	—	333,269
Deficit for the year	—	—	(182,952)	(182,952)
At 31 March 2009	2,824,593	5,077,369	(276,007)	7,625,955

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 14 non-governmental organisations ("NGOs") to operate 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 2009, the subvention paid to these NGOs amounted to HK\$21,332,000 (2008: HK\$18,241,000).

(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
 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

Notes to the Financial Statements

1. The Hospital Authority (Continued)

(b) Hospitals and other institutions (Continued)

Schedule 1 Hospitals and Schedule 2 Hospitals:

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

Notes to the Financial Statements

1. The Hospital Authority (Continued)

(b) Hospitals and other institutions (Continued)

Standalone Specialist Clinics:

Central Kowloon Health Centre
David Trench Rehabilitation Centre
East Kowloon Polyclinic
Ha Kwai Chung Polyclinic
Tuen Mun Eye Centre
Yan Oi General Outpatient Clinic
Yaumatei Jockey Club Clinic
Yaumatei Specialist Clinic Extension
Yuen Long Madam Yung Fung Shee Health Centre
Yung Fung Shee Memorial Centre

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
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\$276,007,000 as at 31 March 2009. 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 will increase recurrent budget allocation to the Group over the next three years by nearly \$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) utilize the allocated resources in an efficient manner, and explore various options of service rationalization and other incentives to further improve the efficiency and cost effectiveness of services; 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.

The financial statements are presented in units of thousands of Hong Kong dollars (HK\$’000) unless otherwise stated.

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.

At as 31 March 2009, 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

The HKICPA has issued a number of new / revised HKFRSs which become effective in the current year. These new / revised HKFRSs are not applicable to the Group and have no effect on the Group's financial statements.

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(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.

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.

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(g) Donations (Continued)

(i) Donated assets (Continued)

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.

(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 utilized 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).

Notes to the Financial Statements

2. Principal accounting policies (Continued)

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

- (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.
- (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:

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(i) Depreciation (Continued)

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.

(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.

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(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.

(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.

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(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.

(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.

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(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.

(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.

Notes to the Financial Statements

2. Principal accounting policies (Continued)

(r) Employee benefits (Continued)

(iv) Other employee benefits costs

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

(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.

(w) Recently issued accounting standards

The HKICPA has 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 2009.

The Group has not early adopted these new / revised HKFRSs in the financial statements for the year ended 31 March 2009. The Group is in the process of making an assessment of the impact of these new / revised HKFRSs but is not yet in a position to quantify the impact of these new / revised HKFRSs on its results of operations and financial position.

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.

Notes to the Financial Statements

3. Financial risk management (Continued)

(a) Financial risk factors (Continued)

With regard to investments, the primary objective is to meet liquidity requirements and to protect capital while investing excess funds to match cash flows. In accordance with the Group's policies and guidelines, investments are placed to provide reasonable returns. The investment portfolio ("Portfolio") as at 31 March 2009 consists entirely of bank deposits and debt instruments. Based on the risk control measures as summarised below, the risk of default by the counterparty is considered minimal and the Portfolio has no significant concentration of credit risk. The Group manages its cash flow requirements and risk as disclosed in note 3(c).

(i) Bank Deposits

Bank deposits are placed with the Group's approved banks which are of investment grade with Standard and Poors 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. As at 31 March 2009, all deposits are of maximum one year maturity i.e. March 2010 which are within the period of protection of the Scheme.

(ii) Debt Instruments

Debt instruments is subject to the debt instrument price risk inherent in debt instruments i.e. the value of holdings may fall as well as rise. All transactions in debt instruments are settled / paid for upon delivery through approved banks. The credit rating of issuers is based on external ratings determined by Standard and Poors or Moody's. Investment in debt instruments (i.e. certificate of deposits or bonds) should be with issuers of credit rating not lower than Moody's A3 or equivalent. Where the maturity is over 2 years, the credit rating should not be lower than Moody's Aa or equivalent at the time of investment.

Notes to the Financial Statements

3. Financial risk management (Continued)

(ii) Debt Instruments (Continued)

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, give 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 regards to interest rate risk at 31 March 2009. If interest rates had been increased or decreased by 50 basis point, 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 surplus and net assets is insignificant.

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.

(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.

(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 2009 HK\$'000	31 March 2008 HK\$'000	31 March 2009 HK\$'000	31 March 2008 HK\$'000
Fixed Income Instruments	<u>1,615,926</u>	<u>1,154,891</u>	<u>1,623,859</u>	<u>1,164,367</u>

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.

Notes to the Financial Statements

3. Financial risk management (Continued)

(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 2009, the capital of the Group was HK\$8,153,488,000 (2008: HK\$7,983,646,000).

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 2008/09. Having considered the resource requirements to meet the growing service demand and other cost pressure areas as well as other saving initiatives, 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.

Notes to the Financial Statements

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. The trial on liability in respect of three lead plaintiffs against HA for such claims was heard in the court. The judgment by the court on 1 March 2006 dismissed the lead plaintiffs' case for overtime but found in favour of the lead plaintiffs for rest days, statutory days and public holidays. Assessment of damages has not yet been dealt with.

Following the decision of the court on 1 March 2006, HA implemented a package for eligible doctors in settlement of claims for rest days, holidays and overtime. The settlement package offered is without prejudice to HA's rights and position in High Court Action No. 1924 of 2002 or any other legal proceedings on similar issues and does not amount to any admission of liability on the part of HA to claims in respect of rest days, statutory holidays, public holidays or overtime. 4,819 eligible doctors had accepted the settlement package and a total of HK\$525,434,000 was paid out to these doctors during the financial year 2006/07.

Meanwhile, the lead plaintiffs had appealed against the court judgment of 1 March 2006. The Court of Appeal in January 2008 affirmed the order of the court below which dismissed the lead plaintiffs' claim for overtime and found that they were entitled to claim for lost rest days, statutory holidays and public holidays. However, the Court of Appeal judges differed on their respective views with the court below on the methodology on assessment for lost rest days and holidays. The appeal by HA and the lead plaintiffs to the Court of Final Appeal will be heard in September 2009. Pending this appeal, the other claims by doctors against HA in the Labour Tribunal for lost rest days, statutory holidays, public holidays and overtime have been adjourned.

Presently, HA's liability for claims by doctors against HA for rest days and holidays cannot be assessed with certainty. A provision of HK\$104,000,000 has been made in the financial statements for those doctors who have not accepted the settlement package. This provision is based on management's best estimate after making reference to an independent qualified actuary.

Notes to the Financial Statements

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 <i>HK\$ '000</i>	Furniture, fixtures and equipment <i>HK\$ '000</i>	Motor vehicles <i>HK\$ '000</i>	Computer equipment <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
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 <i>HK\$ '000</i>	Furniture, fixtures and equipment <i>HK\$ '000</i>	Motor vehicles <i>HK\$ '000</i>	Computer equipment <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
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

5. Property, plant and equipment (Continued)

The Group

	Building and improvements <i>HK\$ '000</i>	Furniture, fixtures and equipment <i>HK\$ '000</i>	Motor vehicles <i>HK\$ '000</i>	Capital expenditure in progress <i>HK\$ '000</i>	Computer equipment <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Cost						
At 1 April 2007	1,028,556	6,094,682	118,476	19,916	1,144,052	8,405,682
Reclassifications	–	704	–	(19,900)*	8,283	(10,913)
Additions	13,449	761,194	39,110	–	63,547	877,300
Disposals	(2,333)	(287,422)	(20,858)	(16)	(1,100)	(311,729)
At 31 March 2008	1,039,672	6,569,158	136,728	–	1,214,782	8,960,340
Accumulated depreciation						
At 1 April 2007	209,703	5,018,042	108,311	–	993,526	6,329,582
Reclassifications	–	492	–	–	–	492
Charge for the year	22,475	426,286	7,469	–	69,395	525,625
Disposals	(2,333)	(286,658)	(20,858)	–	(1,047)	(310,896)
At 31 March 2008	229,845	5,158,162	94,922	–	1,061,874	6,544,803
Net book value						
At 31 March 2008	809,827	1,410,996	41,806	–	152,908	2,415,537

* Includes HK\$10,913,000 of computer software and system development costs which have been reclassified to intangible assets

Notes to the Financial Statements

5. Property, plant and equipment (Continued)

HA

	Building and improvements <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Capital expenditure in progress <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost						
At 1 April 2007	1,028,556	6,094,682	118,476	19,916	1,142,302	8,403,932
Reclassifications	—	704	—	(19,900)*	8,283	(10,913)
Additions	13,449	761,194	39,110	—	62,659	876,412
Disposals	(2,333)	(287,422)	(20,858)	(16)	(1,099)	(311,728)
At 31 March 2008	1,039,672	6,569,158	136,728	—	1,212,145	8,957,703
Accumulated depreciation						
At 1 April 2007	209,703	5,018,042	108,311	—	993,176	6,329,232
Reclassifications	—	492	—	—	—	492
Charge for the year	22,475	426,286	7,469	—	68,868	525,098
Disposals	(2,333)	(286,658)	(20,858)	—	(1,047)	(310,896)
At 31 March 2008	229,845	5,158,162	94,922	—	1,060,997	6,543,926
Net book value						
At 31 March 2008	809,827	1,410,996	41,806	—	151,148	2,413,777

* Includes HK\$10,913,000 of computer software and system development costs which have been reclassified to intangible assets

Notes to the Financial Statements

6. Intangible assets

	The Group	
	Computer software and systems	
	2009	2008
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Cost		
At 1 April	1,135,966	1,009,444
Reclassifications	–	10,913
Additions	130,296	116,864
Disposals	(438)	(1,255)
At 31 March	1,265,824	1,135,966
Accumulated amortisation		
At 1 April	1,060,179	956,560
Reclassifications	–	(492)
Charge for the year	52,842	105,366
Disposals	(265)	(1,255)
At 31 March	1,112,756	1,060,179
Net book value		
At 31 March	153,068	75,787

	HA	
	Computer software and systems	
	2009	2008
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Cost		
At 1 April	1,131,905	1,006,995
Reclassifications	–	10,913
Additions	128,958	115,252
Disposals	(438)	(1,255)
At 31 March	1,260,425	1,131,905
Accumulated amortisation		
At 1 April	1,056,118	954,111
Reclassifications	–	(492)
Charge for the year	52,730	103,754
Disposals	(265)	(1,255)
At 31 March	1,108,583	1,056,118
Net book value		
At 31 March	151,842	75,787

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 2.632% as at 31 March 2009 (2008: 3.382%). 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 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Repayable within one year	2,535	2,616
Repayable after one year	22,864	27,300
	<u>25,399</u>	<u>29,916</u>

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 2.1% and 3.8% (2008: between 2.6% and 4.2%).

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 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Maturing within one year	1,335,925	738,897
Maturing in the second to fifth year, inclusive	280,001	415,994
	<u>1,615,926</u>	<u>1,154,891</u>

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 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Drugs	679,914	638,656
Medical consumables	158,930	178,613
General consumables	24,964	21,849
	<u>863,808</u>	<u>839,118</u>

Notes to the Financial Statements

10. Accounts receivable

	The Group and HA	
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Bills receivable [note 10(a)]	162,605	148,370
Accrued income	25,060	31,657
	<u>187,665</u>	<u>180,027</u>
Less: Provision for doubtful debts [note 10(b)]	(33,764)	(36,734)
	<u>153,901</u>	<u>143,293</u>

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

	The Group and HA	
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Past due by:		
0 - 30 days	61,946	61,173
31 - 60 days	20,429	23,145
61 - 90 days	39,470	19,780
Over 90 days	40,760	44,272
	<u>162,605</u>	<u>148,370</u>

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 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Past due by:		
0 - 30 days	35,689	28,608
31 - 60 days	10,479	11,587
61 - 90 days	32,454	12,270
Over 90 days	17,213	15,144
	<u>95,835</u>	<u>67,609</u>

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 2009, bills receivable of HK\$66,770,000 (2008:HK\$80,761,000) were impaired by HK\$33,764,000 (2008: HK\$36,734,000) of which HK\$5,608,000 (2008: HK\$8,172,000) 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\$28,156,000 (2008: HK\$28,562,000) 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	
	2009 HK\$'000	2008 HK\$'000
At 1 April	36,734	61,079
Provision for impairment of receivables	30,946	38,019
Uncollectible amounts written off	(33,916)	(62,364)
At 31 March	33,764	36,734

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 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Donations receivable	1,504	23,684
Interest receivable	12,429	27,850
Receivable from the Government for reimbursement of expenditure incurred on capital projects	38,675	5,604
Other receivables	14,526	12,784
	67,134	69,922

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.

Notes to the Financial Statements

12. Deposits and prepayments

	The Group and HA	
	Balance at 31 March 2009	Balance at 31 March 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Utility and other deposits	6,208	5,732
Prepayments to Government departments	103,214	180,159
Maintenance contracts and other prepayments	124,711	123,417
	<u>234,133</u>	<u>309,308</u>

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 2009	Balance at 31 March 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash at bank and in hand	270,572	106,629
Bank deposits with maturity within three months	3,239,624	1,921,720
Cash and cash equivalents	3,510,196	2,028,349
Bank deposits with maturity over three months	2,308,109	3,943,280
	<u>5,818,305</u>	<u>5,971,629</u>

The effective interest rate on short term bank deposits is between 0.01% and 2.60% (2008: 0.01% to 6.91%). These deposits have an average maturity of 48 days (2008: 34 days).

Notes to the Financial Statements

14. Creditors and accrued charges

The Group		
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Trade payable [note 14 (a)]	335,079	170,685
Accrued charges and other payables [note 14 (b)]	2,442,546	2,227,640
Current account with the Government	324,685	302,868
	<u>3,102,310</u>	<u>2,701,193</u>

HA		
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Trade payable [note 14 (a)]	334,891	170,685
Accrued charges and other payables [note 14 (b)]	2,441,042	2,227,640
Current account with the Government	324,685	302,868
Current account with a subsidiary	1,698	6
	<u>3,102,316</u>	<u>2,701,199</u>

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

The Group		
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
0 - 30 days	300,099	138,481
31 - 60 days	29,896	31,039
61 - 90 days	4,238	676
Over 90 days	846	489
	<u>335,079</u>	<u>170,685</u>

HA		
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
0 - 30 days	299,949	138,481
31 - 60 days	29,886	31,039
61 - 90 days	4,210	676
Over 90 days	846	489
	<u>334,891</u>	<u>170,685</u>

Notes to the Financial Statements

14. Creditors and accrued charges (Continued)

All trade payable as at 31 March 2009 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 include accrual for unutilised annual leave of HK\$1,151,994,000 (2008: HK\$994,988,000) and contract gratuity accrual of HK\$414,991,000 (2008: HK\$351,117,000). The balance also includes an estimated liability for doctors' claims of HK\$104,000,000 (2008: HK\$104,000,000) as described in note 4(a).

15. Deposits received

	The Group and HA	
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Patient deposits	167,220	162,169
Deposits received from the Government in respect of building projects	1,732	3,287
Other deposits	44,759	41,417
	<u>213,711</u>	<u>206,873</u>

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 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Present value of funded obligations	138,357	124,086
Fair value of plan assets	(633)	(1,319)
	<u>137,724</u>	<u>122,767</u>
Unrecognised actuarial losses	(4,034)	(5,078)
Death and disability liabilities in the balance sheet	<u>133,690</u>	<u>117,689</u>

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	
	2009 HK\$'000	2008 HK\$'000
At 1 April	117,689	77,973
Total expense	20,356	42,698
Net premiums and benefits paid	(4,355)	(2,982)
At 31 March	133,690	117,689

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

	The Group and HA	
	2009 HK\$'000	2008 HK\$'000
At 1 April	1,319	1,260
Actuarial losses	(2,909)	(439)
Employer contributions	4,355	2,982
Benefits paid	(2,132)	(2,484)
At 31 March	633	1,319

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

	For the year ended 31 March 2009 HK\$'000	For the year ended 31 March 2008 HK\$'000
Current service cost	14,616	5,630
Interest cost	3,662	3,280
Past service cost	—	24,354
Actuarial losses recognised	2,078	9,434
Total, included in staff costs	20,356	42,698

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 2009 %	For the year ended 31 March 2008 %
Discount rate	2.00	3.00
Assumed rate of future salary increases	2.80	3.30

Historical information:

	The Group and HA	
	2009 HK\$'000	2008 HK\$'000
Present value of death and disability liability obligations	138,357	124,086
Fair value of plan assets	(633)	(1,319)
Experience adjustments arising on plan liabilities – gain	9,183	1,950
Experience adjustments arising on plan assets – loss	2,909	439

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 2007	323,096	1,807	136,195	55,261	516,359
Additions during the year	138,803	—	—	3,130	141,933
Utilisation during the year	—	—	(4,757)	—	(4,757)
Transfers to statement of income and expenditure	(108,093)	—	—	(7,937)	(116,030)
Return of unspent funds to the Government	—	—	(29,497)	—	(29,497)
At 31 March 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 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

Notes to the Financial Statements

17. Deferred income (Continued)

(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.

(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 2007	1,107,037	1,021,947	2,128,984
Additions during the year	910,225	83,939	994,164
Transfers to statement of income and expenditure	(538,990)	(92,834)	(631,824)
At 31 March 2008	1,478,272	1,013,052	2,491,324
Additions during the year	843,298	99,144	942,442
Transfers to statement of income and expenditure	(511,042)	(98,131)	(609,173)
At 31 March 2009	1,810,528	1,014,065	2,824,593

	HA		
	Capital subventions [Note 2(s)]	Capital donations [Note 2(g)]	Total
	HK\$ '000	HK\$ '000	HK\$ '000
At 1 April 2007	1,105,637	1,021,947	2,127,584
Additions during the year	907,725	83,939	991,664
Transfers to statement of income and expenditure	(536,850)	(92,834)	(629,684)
At 31 March 2008	1,476,512	1,013,052	2,489,564
Additions during the year	841,960	99,144	941,104
Transfers to statement of income and expenditure	(510,403)	(98,131)	(608,534)
At 31 March 2009	1,808,069	1,014,065	2,822,134

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 2008/09, the Group allocated HK\$128,333,000 (2008: HK\$251,063,000), 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 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 2009 and 2008, 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 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 2009 amounted to HK\$497,218,000 (2008: HK\$510,535,000).

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 2009, other operating expenses included an accrual for auditor's remuneration of HK\$3,990,000 (2008: HK\$2,970,000).

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 2009

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

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 unutilized annual leave of HK\$398,000.

Notes to the Financial Statements

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

For the year ended 31 March 2008

Current Position / Name of Executives	Basic pay, allowance, retirement scheme contribution and other benefits <i>HK\$'000</i>
Chief Executive Mr Shane SOLOMON	4,250
Cluster Chief Executive (New Territories East) Dr Hong FUNG	3,719
Director (Cluster Services) Dr Wai Lun CHEUNG	3,673
Cluster Chief Executive (Hong Kong West) Dr Lawrence LAI	3,651
Cluster Chief Executive (Hong Kong East) Dr Loretta YAM	3,651
	<u>18,944</u>

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

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 2009, the total membership was 35,316 (2008: 35,814). During the financial year 2008/09, the Group contributed HK\$2,002,322,000 (2008: HK\$1,915,204,000) to the scheme, which is included in the staff costs for the year. The scheme’s net asset value as at 31 March 2009 was HK\$26,384,099,000 (2008: HK\$35,413,795,000).

(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 2009, the total membership was 19,456 (2008: 15,998). During the financial year 2008/09, total members' contributions were HK\$136,049,000 (2008: HK\$113,971,000). The Group's contributions to the scheme, including a contribution payable of HK\$16,986,000 as at 31 March 2009 (2008: HK\$14,304,000), totalled HK\$193,217,000 (2008: HK\$159,825,000) which is included in the staff costs for the year. The net asset value as at 31 March 2009, including assets transferred from members' previous employment, was HK\$1,618,702,000 (2008: HK\$1,785,580,000).

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\$587,573,000 (2008: HK\$581,996,000). Other services provided by the EMSD for the year (e.g. routine maintenance and improvement works) were approximately HK\$330,606,000 (2008: HK\$270,910,000).
- (b) HA has entered into agreements with the Correctional Services Department of the Government for providing linen products and laundry services to the Group. According to the terms of the agreements, the amounts incurred for purchases of goods and services for the year amounted to HK\$44,077,000 (2008: HK\$36,714,000).
- (c) 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 2009, revenue foregone in respect of medical services provided to these persons amounted to HK\$280,640,000 (2008: HK\$272,439,000). 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)

(d) 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 2009 HK\$'000	For the year ended 31 March 2008 HK\$'000
Basic pay and other short term employee benefits	47,090	42,951
Post-employment benefits	4,089	3,820
	<u>51,179</u>	<u>46,771</u>

- (e) 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.
- (f) Outstanding balances with the Government as at 31 March 2009 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) / surplus for the year to net cash from operating activities

	The Group	
	For the year ended 31 March 2009 HK\$'000	For the year ended 31 March 2008 HK\$'000
(Deficit) / surplus for the year	(182,952)	260,659
Investment income	(179,744)	(333,614)
Income transferred from capital subventions and donations	(609,173)	(631,824)
Loss on disposal of property, plant and equipment and intangible assets	7,455	833
Depreciation and amortisation	601,718	630,991
Increase in death and disability liabilities	16,001	39,716
Increase / (decrease) in deferred income	19,525	(8,351)
Increase in inventories	(24,690)	(80,708)
Decrease in loans receivable	4,517	8,050
(Increase) / decrease in accounts receivable	(10,608)	7,807
Decrease / (increase) in other receivables	2,788	(14,300)
Decrease / (increase) in deposits and prepayments	75,175	(61,935)
Increase in creditors and accrued charges	401,117	372,523
Increase in deposits received	6,838	63,162
Net cash from operating activities	127,967	253,009

27. Funds in trust

At 31 March 2009, funds held in trust (including accrued interest income) for the Government are set out below:

	The Group and HA	
	Balance at 31 March 2009 HK\$'000	Balance at 31 March 2008 HK\$'000
Health Care and Promotion Fund	58,128	59,657
Health Services Research Fund	1,783	2,199
	59,911	61,856

Notes to the Financial Statements

28. Donations from the Hong Kong Jockey Club Charities Trust

During the financial year 2008/09, the Hong Kong Jockey Club Charities Trust made donations totalling HK\$23,100,000 (2008: HK\$17,671,000) to the following project:

	<i>HK\$'000</i>
Replacement of 32 vehicles for the Non-emergency Ambulance Transfer Service (various hospitals)	23,100

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

29. Commitments

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

(a) Capital commitments

	The Group	
	At 31 March 2009 <i>HK\$'000</i>	At 31 March 2008 <i>HK\$'000</i>
Authorised but not contracted for	3,172,887	3,266,537
Contracted for but not provided	385,938	361,169
	<u>3,558,825</u>	<u>3,627,706</u>

	HA	
	At 31 March 2009 <i>HK\$'000</i>	At 31 March 2008 <i>HK\$'000</i>
Authorised but not contracted for	3,168,254	3,242,277
Contracted for but not provided	384,335	358,157
	<u>3,552,589</u>	<u>3,600,434</u>

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 2009 HK\$'000	At 31 March 2008 HK\$'000
Buildings		
Within one year	7,252	7,690
In the second to fifth year, inclusive	3,110	3,788
	<u>10,362</u>	<u>11,478</u>
Equipment		
Within one year	7,317	7,650
In the second to fifth year, inclusive	4,617	2,262
	<u>11,934</u>	<u>9,912</u>

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 and the Secretary for Food and Health, challenging 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.

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 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 will be heard by the Court of Appeal in March 2010.

Notes to the Financial Statements

30. Judicial Review (Continued)

In April 2009, another Mainland woman, married to a Hong Kong permanent resident, and her two Hong Kong born daughters made an application for judicial review in the Court of First Instance of the High Court of Hong Kong against HA and the Secretary for Food and Health, challenging 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 together with the underlying policy to exclude from the category of eligible persons (EP) spouses of HKID holders who themselves are not HKID holders even though the spouses have become ordinarily resident in Hong Kong. The case was dismissed by the Court on 27 August 2009.

Since the Court of First Instance has dismissed the first of the above judicial review cases and the Appeal against such dismissal will only be heard by the Court of Appeal in March 2010, no liability has so far been established against HA. 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 27 August 2009.

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Appendix 1

Membership of the Hospital Authority

Name	No. of plenary meetings attended in 2008/09	Committee participation in 2008/09*
Mr Anthony WU Ting-yuk, GBS, JP <i>Chairman</i>	14/14	Chairman of plenary meetings, EC, EEC, HACF, Taskforce on Legal Matters and Task Force on Doctors' Work Hours.
Mr CHAN Bing-woon, SBS, JP <i>(from 1.12.2008)</i>	6/6	Member of HRC and PCC; Rotating Member of MTB; and HGC Member of Pamela Youde Nethersole Eastern Hospital.
Ms Vivien CHAN, BBS, JP	6/14	Vice-chairman of AC; Member of SSDC; Rotating Member of MTB; and HGC Member of Prince of Wales Hospital.
Dr Margaret CHUNG Wai-ling	12/14	Member of MSDC and PCC <i>(up to 21.1.2009)</i> ; Chairman of NRAC <i>(from 29.5.2008)</i> ; and HGC Chairman of Shatin Hospital <i>(from 12.8.2008)</i> .
Prof FOK Tai-fai, SBS, JP	11/14	Chairman of MSDC; Member of EC, EEC and FC; and HGC Member of Prince of Wales Hospital.
Dr Anthony HO Yiu-wah, JP	13/14	Chairman of HAPFS, HRC and SAC; Member of EC, EEC, MSDC, Taskforce on Legal Matters and Taskforce on Doctors' Work Hours; HGC Chairman of Queen Mary Hospital/Tsan Yuk Hospital; HGC Member of Yan Chai Hospital; and Chairman of HRAC.
Mr Edward HO Sing-tin, SBS, JP <i>(up to 30.11.2008)</i>	6/8	Chairman of SSDC, Member of AC, EC and EEC, and Rotating Member of MTB <i>(all up to 30.11.2008)</i> ; and HGC Chairman of Prince of Wales Hospital.

Name	No. of plenary meetings attended in 2008/09	Committee participation in 2008/09*
Mr Benjamin HUNG Pi-cheng	10/14	Vice-chairman of FC (<i>from 18.12.2008</i>); and Member of FC (<i>up to 17.12.2008</i>).
Prof LAI Kar-neng, JP	11/14	Member of HRC and MSDC; and Rotating Member of MTB.
Dr LAM Ping-yan, JP <i>Director of Health</i>	14/14	Member of MSDC.
Ms Ka-shi LAU	10/14	Member of HRC and MSDC.
Dr Polly LAU Mo-yee, JP (<i>up to 30.11.2008</i>)	6/8	Member of HRC, MSDC and SSDC.
Mrs Yvonne LAW SHING Mo-han	14/14	Member of HRC and Taskforce on Doctors' Work Hours (<i>from 14.7.2008</i>); and Rotating Member of MTB (<i>from 30.9.2008</i>).
Mr Lawrence LEE Kam-hung, JP	13/14	Chairman of AC (<i>from 18.12.2008</i>); Vice-chairman of FC (<i>up to 17.12.2008</i>) and MTB; Member of EC, EEC and FC (<i>all from 18.12.2008</i>), MSDC, PCC (<i>up to 21.1.2009</i>) and Taskforce on Legal Matters; and HGC Chairman of Pamela Youde Nethersole Eastern Hospital and HGC Member of Grantham Hospital.
Dr Hon Joseph LEE Kok-long, SBS, JP	13/14	Member of HRC and MSDC; Rotating Member of MTB (<i>from 25.7.2008</i>); and HGC Member of Kwai Chung Hospital and Princess Margaret Hospital.
Mr John LEE Luen-wai, JP	13/14	Chairman of FC and MTB; Member of EC, EEC (<i>from 18.12.2008</i>), HAPFS and Taskforce on Legal Matters; and HGC Chairman of Queen Elizabeth Hospital.

Name	No. of plenary meetings attended in 2008/09	Committee participation in 2008/09*
Ms Sandra LEE, JP <i>Permanent Secretary for Health</i>	14/14	Member of EEC, FC, HRC, MSDC, SSDC and Taskforce on Legal Matters.
Prof LEE Sum-ping <i>(from 1.12.2008)</i>	5/6	Member of MSDC and PCC <i>(both from 18.12.2008)</i> ; and HGC Member of Queen Mary Hospital/ Tsan Yuk Hospital <i>(from 12.8.2008)</i> .
Ms Queenie LEUNG Pik-man <i>(from 1.12.2008)</i>	6/6	Member of HRC and MSDC <i>(both from 18.12.2008)</i> .
Dr Donald LI Kwok-tung, JP	12/14	Vice-chairman of MSDC <i>(from 18.12.2008)</i> ; and Member of AC, MSDC <i>(up to 17.12.2008)</i> and Task Force on Doctors' Work Hours <i>(from 14.7.2008)</i> .
Mr David LIE Tai-chong, JP	3/14	Member of AC and MSDC.
Ms Bernadette LINN <i>Deputy Secretary for Financial Services and the Treasury</i> <i>(from 3.11.2008)</i>	6/7	Member of FC and MSDC.
Mr Peter LO Chi-lik	7/14	Chairman of PCC; Vice-chairman of HRC <i>(from 18.12.2008)</i> ; and Member of EC, EEC, SSDC, Taskforce on Legal Matters and Taskforce on Doctors' Work Hours.
Mr Charles Peter MOK	14/14	Vice-chairman of SSDC; Member of HRC, ITGC and MSDC; and Rotating Member of MTB.
Mr Greg SO, JP <i>(up to 19.5.2008)</i>	1/1	Member of HRC, ITGC, MSDC and Taskforce on Doctors' Work Hours.

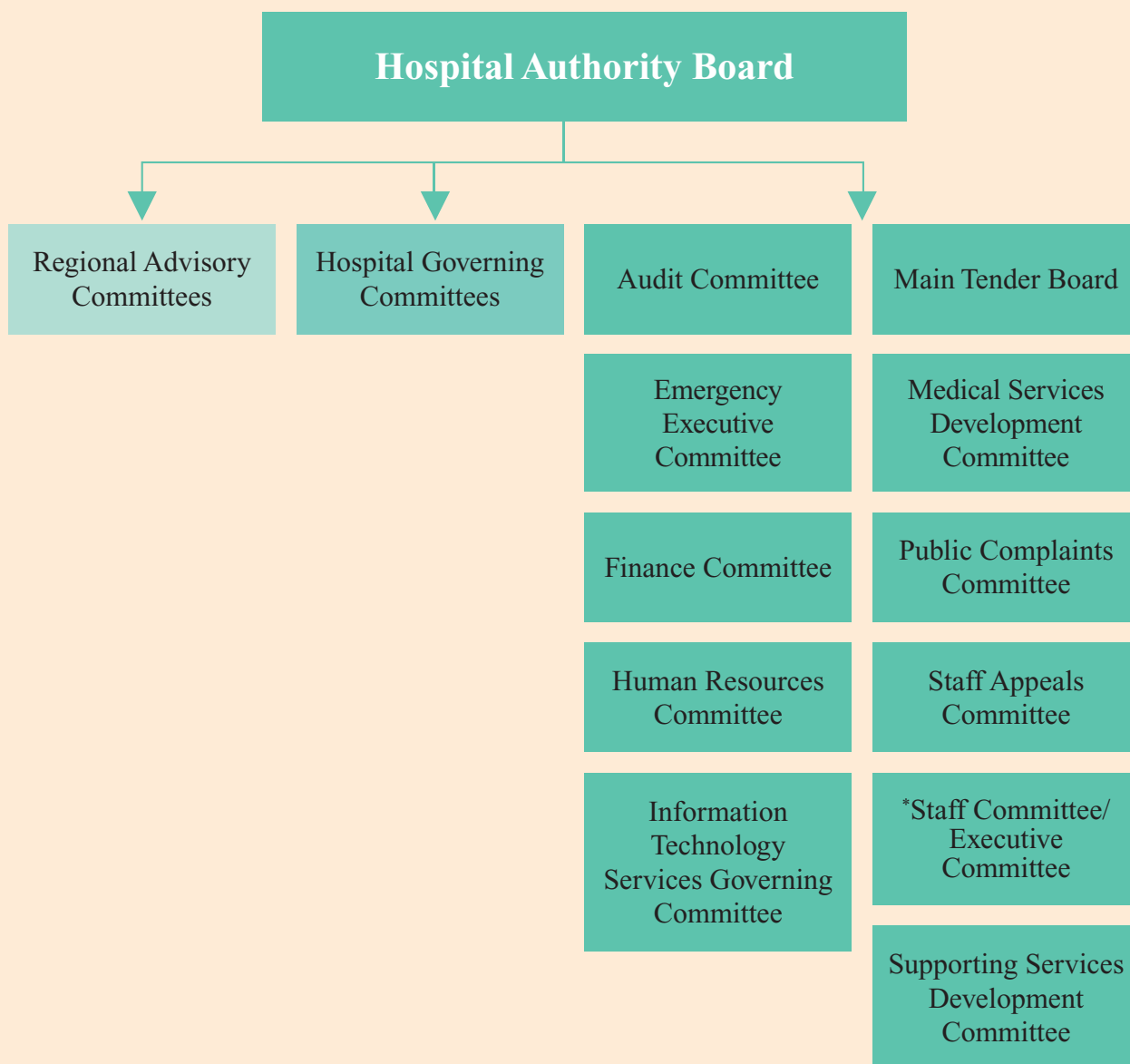
Name	No. of plenary meetings attended in 2008/09	Committee participation in 2008/09*
Mr Shane SOLOMON <i>Chief Executive, HA</i>	14/14	Chairman of ITGC; and Member of EC, EEC, FC, HAPFS, HRC, MTB, MSDC, SSDC, all RACs and HGCs and Taskforce on Legal Matters.
Ms Amy TSE, JP <i>Deputy Secretary for Financial Services and the Treasury</i> <i>(up to 2.11.2008)</i>	7/7	Member of FC and MSDC.
Prof Thomas WONG Kwok-shing, JP <i>(up to 31.7.2008)</i>	3/4	Vice-chairman of MSDC; Member of HRC, SAC and Taskforce on Doctors' Work Hours; Rotating Member of MTB; HGC Chairman of Shatin Hospital; and Co-opted Member of HRC and SAC <i>(both from 1.8.2008)</i> .
Prof George WOO <i>(from 1.12.2008)</i>	4/6	Member of HRC and MSDC <i>(both from 18.12.2008)</i> .
Mr Stephen YIP, JP <i>(from 1.12.2008)</i>	5/6	Member of ITGC and SSDC; and Rotating Member of MTB <i>(all from 18.12.2008)</i> .
Mr Paul YU Shiu-tin, BBS, JP	12/14	Chairman of AC <i>(up to 17.12.2008)</i> and SSDC <i>(from 18.12.2008)</i> ; Member of AC <i>(from 22.1.2009)</i> , EC, EEC and MSDC; Rotating Member of MTB; Chairman of KRAC; 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

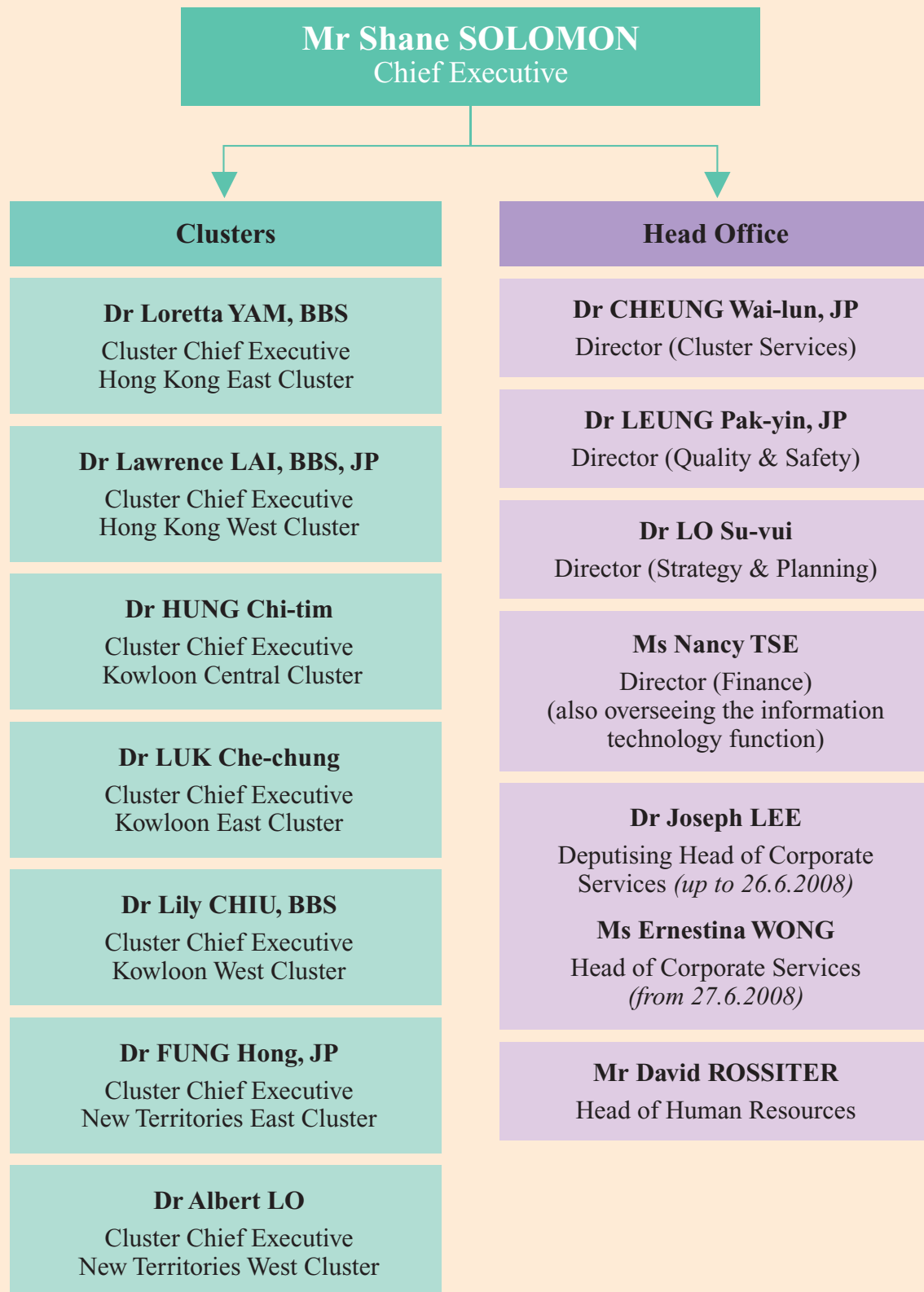


Membership lists of the various committees are set out in Appendices 3, 4 and 5.

* The Authority Board at its Board meeting on 18 December 2008 agreed to change the name of the Staff Committee to Executive Committee and enrich its Terms of Reference by convening as the Emergency Executive Committee (EEC) consistent with HA's Emergency Contingency Plan (supplemented by a senior Food and Health Bureau official when meeting as EEC) and for the Executive Committee to oversee the self-assessment of the Board.

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 (<i>from 18.12.2008</i>) Mr Paul YU Shiu-tin, BBS, JP (<i>up to 17.12.2008</i>)
Vice-Chairman:	Ms Vivien CHAN, BBS, JP
Members:	Mr Edward HO Sing-tin, SBS, JP (<i>up to 30.11.2008</i>) Dr Donald LI Kwok-tung, JP Mr David LIE Tai-chong, JP Ms Estella Y K NG Mr Paul YU Shiu-tin, BBS, JP (<i>from 22.1.2009</i>)
In attendance:	Ms Sandra LEE, JP, <i>Permanent Secretary for Health</i> Mr Shane SOLOMON, <i>Chief Executive</i>

Terms of Reference

- Exercise an active oversight of the internal audit function to ensure that its:
 - mandate, resources and organisational 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;
- 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;
- 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;
- 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 2008/09

The Audit Committee met five times in 2008/09 with each 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 2008/09 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 "Legal Compliance with Employment Ordinance for Statutory Holidays and Rest Days for Doctors", "Management of High Risk Medications", "Management of Outstanding Medical Fee (Director of Audit) Follow-up", "Long Stay Patient Management", "Medical Equipment Management", "Single-use Devices Management", "Community Nursing Service", "Goods Receiving/Inspection Control (Drugs and Medical consumables)", "Electrical and Mechanical Services Department (EMSD) Trading Fund", and "Public Private Interface – Purchase of General Practitioner's Service – Tin Shui Wai". 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 opinions 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 Enterprise Resource Planning (ERP) risk management and implementation, measures to minimize patient misidentification risk, as well as measures to enhance patient data security and privacy and medication safety. The Committee reviewed and discussed a progress update on corruption risk prevention and measures to promote clinical staff competency through a review of effectiveness of Process Indicators. The Committee also received and discussed the issues raised in the Director of Audit's Report on governance matters of Hong Kong Tourism Board and their relevance to the HA. In addition, the Committee reviewed its Terms of Reference with respect to further define "purely clinical risks", an area specifically excluded from the Committee's Terms of Reference, in order to increase clarity in this aspect.

Emergency Executive Committee

Membership List

Chairman:	Mr Anthony WU Ting-yuk, GBS, JP <i>(in his absence, the Emergency Executive Committee chairmanship should be elected among its standing members)</i>
Members:	Prof FOK Tai-fai, SBS, JP Mr Edward HO Sing-tin, SBS, JP <i>(up to 30.11.2008)</i> Dr Anthony HO Yiu-wah, JP Mr Lawrence LEE Kam-hung, JP <i>(from 18.12.2008)</i> Mr John LEE Luen-wai, JP <i>(from 18.12.2008)</i> Mr Peter LO Chi-lik Mr Patrick NIP, JP <i>(representing Permanent Secretary for Health)</i> Mr Shane SOLOMON, Chief Executive <i>(in his absence, the Deputising CE)</i> Mr Paul YU Shiu-tin, BBS, JP

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 2008/09

The Committee met twice in 2008/09. At the pre-meeting on 13 June 2008, the Committee reviewed the preparation of HA for providing medical services for the 2008 Olympic and Paralympic Equestrian Events as well as the related contingency plans and risk management measures. High risk areas, preparation and enhancement measures were examined to ensure smooth provision of medical services for the Events.

In response to the drug incidents in early 2009, the Committee met again on 13 March 2009. The Committee was briefed on the status update of the incidents and examined the follow-up actions taken by HA including the suspension of supply of the contaminated drugs and their replacement to affected patients; possible alternative sources of supply of drugs; and the necessary communication with the public and staff. The Committee also assessed the possible risks to patients and HA due to the incidents; the possible impact on the HA's services as well as the long term measures to ensure drug safety. In order to ensure continuous drug supply to patients, the Committee also approved the setting up of a Sub-committee to approve urgent procurement decisions due to the incidents.

Executive Committee (Formerly known as Staff Committee. Please refer to Appendix 2(a))

Membership List

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

Members: Prof FOK Tai-fai, JP
 Mr Edward HO Sing-tin, SBS, JP (*up to 30.11.2008*)
 Dr Anthony HO Yiu-wah, JP
 Mr Lawrence LEE Kam-hung, JP (*from 18.12.2008*)
 Mr John LEE Luen-wai, JP
 Mr Peter LO Chi-lik
 Mr Shane SOLOMON, *Chief Executive*
 Mr Paul YU Shiu-tin, BBS, JP

Terms of Reference

1. Advise the Board on the organisation 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 2008/09

In 2008/09, the terms of reference of the Executive Committee (renamed from the previous Staff Committee in December 2008) was expanded to include the responsibility to “oversee self-assessment of the (Hospital Authority) Board and advise on changes to Board structure and processes”, as part of the Board's on-going mission of enhancing corporate governance. During the year, the Committee met six times to discuss the following issues:

- appointment and remuneration matters of senior executives as well as those of chiefs of clusters and hospitals;
- succession management for senior positions and key roles;
- Cluster Structure Review;
- enhancing the HA's corporate governance structure and process; and
- Hospital Governing Committee membership.

Finance Committee

Membership List

Chairman:	Mr John LEE Luen-wai, JP
Vice-Chairman:	Mr Benjamin HUNG Pi-cheng (<i>from 18.12.2008</i>) Mr Lawrence LEE Kam-hung, JP (<i>up to 17.12.2008</i>)
Members:	Prof FOK Tai-fai, SBS, JP Mr Benjamin HUNG Pi-cheng (<i>up to 17.12.2008</i>) Mr Lawrence LEE Kam-hung, JP (<i>from 18.12.2008</i>) Mr Patrick NIP, JP (<i>representing Permanent Secretary for Health</i>) Mr Shane SOLOMON, <i>Chief Executive</i>

Mr Michael N SOMERVILLE

Miss Amy TSE, JP (*up to 2.11.2008*) / Mr Bobby CHENG
Ms Bernadette LINN (*from 3.11.2008*) / Mr Bobby CHENG
(*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 2008/09

In 2008/09, 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 2009/10 HA budget and the progress on development of casemix and application of casemix information to resource allocation, and “Pay for Performance”—application of a new internal resource allocation system for 2009/10 clusters’ budget allocation; and reviewed monthly financial reports, the mid-year financial report and the financial statements of HA. It also received reports on financial risk assessment on HA investments, banks and insurers, insurance risk financing arrangements and 2009/10 insurance approach and direction, the financial position of Home Loan Interest Subsidy Scheme (HLISS) and outsourcing of surplus HLISS funds, Enterprise Resource Planning System implementation, and financial position of the Samaritan Fund.

During the year, the Finance Committee also reviewed the Authority’s proposed revision on Financial and Accounting Regulations, delegation of authority for the finance function and procurement function, and HA accounting policies. It also considered updates on the development of Next Generation Patient Billing System and the Annual Work Plan of HA Head Office’s Finance Division.

Human Resources Committee

Membership List

Chairman:	Dr Anthony HO Yiu-wah, JP
Vice-Chairman:	Mr Peter LO Chi-lik (<i>from 18.12.2008</i>)
Members:	Mr CHAN Bing-woon, SBS, JP (<i>from 18.12.2008</i>) Mr Billy KONG Churk-hoi, BBS, JP Prof LAI Kar-neng, JP Ms LAU Ka-shi Dr Polly LAU Mo-yee, JP (<i>up to 30.11.2008</i>) Mrs Yvonne LAW SHING Mo-han Dr Hon Joseph LEE Kok-long, SBS, JP Ms Queenie LEUNG Pik-man (<i>from 18.12.2008</i>) Miss Gloria LO (<i>representing Permanent Secretary for Health</i>) Dr Kim MAK Mr Charles Peter MOK Mr Greg SO, JP (<i>up to 19.5.2008</i>) Mr Shane SOLOMON, <i>Chief Executive</i> Prof Thomas WONG Kwok-shing, JP Prof George WOO (<i>from 18.12.2008</i>)

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 2008/09

In 2008/09, the Human Resources Committee met five times to discuss and review human resources (HR) issues relating to staff management, training and development, remuneration and benefits, as well as HR plans and projects.

On staff management, training and development, the Committee deliberated upon and endorsed two proposals concerning healthcare professionals, including the retention strategies and packages for nurses, and the pilot new career progression model and training framework for Allied Health professionals. Moreover, it examined and commented on the findings of an external review of the occupational safety and health (OSH) training needs of the HA; and endorsed the corresponding initiatives on OSH priorities for implementation in 2008/09. It also noted the report on staff complaints received in 2007.

On remuneration and benefits, the Committee carefully considered and endorsed the proposed enhancement of HA's medical benefits regarding the provision of oncology drugs to HA staff. Furthermore, after a thorough discussion, it approved the introduction of a deputizing allowance for deputizing appointments. Apart from that, it received the progress report on HA Mandatory Provident Fund Scheme and noted its performance.

In addition, the Committee reviewed and commented on HR plans and projects that helped create conducive atmosphere and environment for recruiting and retaining staff with high calibre, and strengthening staff's acquaintance to HA as a whole. Meanwhile, it noted the progress update of Enterprise Resources Planning Project, and goals achieved by the Human Resources Division.

Information Technology Services Governing Committee

Membership List

Chairman: Mr Shane SOLOMON, *Chief Executive*

Members: Mr Thomas CHAN, JP
Deputy Secretary for Food & Health (Health)
 Mr Jeremy Richard GODFREY (*from 26.2.2009*)
Government Chief Information Officer
 Mr Stephen LAU Ka-men, JP (*from 26.2.2009*)
 Mr Stephen MAK, JP (*up to 25.2.2009*)
Deputy Government Chief Information Officer (Consulting & Operations)
 Mr Charles Peter MOK
 Mr Greg SO, JP (*up to 19.5.2008*)
 Mr Stephen YIP Moon-wah, JP (*from 18.12.2008*)

In Attendance: Dr P Y Leung, JP (*from 2.11.2008*)
Ms Nancy TSE (*from 1.2.2008*)

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 2008/09

The Information Technology Services Governing Committee met three times in 2008/09 to discuss various issues relating to the strategic development of information technology/information systems in HA.

During this period, members discussed and deliberated the interim report and recommendations of the Expression of Interest Consultancy Study to explore the feasibility of commercialising the IT assets of HA; the roles, functions and implications for the HA IT Services (ITS) to support the Government's electronic Health Record (eHR) initiative; and measures to ensure patient data security and privacy in HA.

To better prepare and position the HA IT services to meet the growing demand for information technology/information systems to support the operation of the organization and enhance the provision of health care services in the community as mentioned above, members also discussed and deliberated the proposed service organization of the HA ITS, results and recommendations of the IT grade review, IT facilities plan and corporate data centres strategy.

To support HA's business needs and accountability reporting, the Committee also endorsed the IT Services Annual Work Plan and the IT Block Vote submission for 2009/10 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

Vice-Chairman: Mr Lawrence LEE Kam-hung, JP

Ex-officio members: Mr Shane SOLOMON (*Chief Executive or his nominated representative*)
Ms Nancy TSE (*Director (Finance) or her nominated representative*)

Members: Two of the following rotating members:
Mr CHAN Bing-woon, SBS, JP (*from 22.12.2008*)
Ms Vivien CHAN, BBS, JP
Mr Edward HO Sing-tin, SBS, JP (*up to 30.11.2008*)
Prof LAI Kar-neng, JP
Mrs Yvonne LAW SHING Mo-han (*from 30.9.2008*)
Dr Hon Joseph LEE Kok-long, SBS, JP (*from 25.7.2008*)
Mr Charles Peter MOK
Prof Thomas WONG Kwok-shing, JP (*up to 31.7 2008*)
Mr Stephen YIP Moon-wah, JP (*from 22.12.2008*)
Mr Paul YU Shiu-tin, BBS, JP

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 2008/09

In 2008/09, the Main Tender Board met 24 times to consider a total of 357 tender proposals 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 (*from 17.12.2008*)
Prof Thomas Wong Kwok-shing, JP (*up to 31.7.2008*)

Members: Dr Margaret Chung Wai-ling
Dr Anthony HO Yiu-wah, JP
Prof LAI Kar-neng, JP
Dr P Y LAM, JP, *Director of Health*
Ms LAU Ka-shi
Dr Polly LAU Mo-yee, JP (*up to 30.11.2008*)
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 (*from 18.12.2008*)
Ms Queenie LEUNG Pik-man (*from 18.12.2008*)
Mr David LIE Tai-chong, JP
Mr Charles Peter MOK
Mr Greg SO, JP (*up to 19.5.2008*)
Mr Shane SOLOMON, *Chief Executive*
Miss Amy TSE, JP (*up to 2.11.2008*) / Mr Bobby CHENG
Ms Bernadette LINN (*from 3.11.2008*) / Mr Bobby CHENG
(*representing Secretary for Financial Services and the Treasury*)
Prof George WOO (*from 18.12.2008*)
Mr Paul YU Shiu-tin, BBS, JP

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 organisation;

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 2008/09

The Medical Services Development Committee met four times in 2008/09 to review issues relating to clinical services planning, development and management.

The Committee received progress reports of various clinical programmes including the Cataract Surgeries and Tin Shui Wai Primary Care Public-Private Partnership projects, Development of Integrative Medicine and Enhancement of Renal Services to end stage renal disease patients.

On clinical services development and management, the Committee considered and deliberated on the strategies and future directions of a number of initiatives, namely, Training of Minimal Access Surgery, a Three-year Pilot Scheme of Accreditation in Public Hospitals and Healthcare Technology Management.

Furthermore, the Committee noted a Review of Patient Care Related Risks in the Hospital Authority, the implementation of a Hand Hygiene Campaign and the Interim Pilot Review Report on Doctor Work Reform. It also endorsed the Development of a Centre of Excellence in Neuroscience and inclusion of new drugs under the Samaritan Fund.

Public Complaints Committee

Membership List

Chairman: Mr Peter LO Chi-lik

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

Members: Mr CHAN Bing-woon, SBS, JP (*from 18.12.2008*)
 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
 Mr Antonio CHU Lok-sang

Dr Margaret CHUNG Wai-ling (*up to 21.1.2009*)
Prof Joanne CHUNG Wai-yee
Mr Andy LAU Kwok-fai
Dr Robert LAW Chi-lim* (*from 1.12.2008*)
Mr Lawrence LEE Kam-hung, JP (*up to 21.1.2009*)
Prof LEE Sum-ping (*from 18.12.2008*)
Mr Carlos LEUNG Sze-hung*
Dr Pamela LEUNG, JP*
Mr Lawrence LI Shu-fai, SBS, JP
Mrs Pauline NG CHOW May-lin, JP (*up to 30.11.2008*)
Prof WAN Chin-chin
Dr WONG Kwok-chun (*from 1.12.2008*)
Mr Anthony WONG Luen-kin, JP
Mrs Elizabeth WONG YEUNG Po-wo, MBE
Sr Catherine WU Boon-biam
Ms Virginia WU Wei-kin
Ms Lisa YIP Sau-wah, JP (*from 1.12.2008*)
Dr YU Yuk-ling* (*up to 30.11.2008*)

* 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 (listed below) 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 2 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 2008/09

In 2008/09, the Public Complaints Committee held 17 meetings and handled a total of 226 cases, of which 139 were related to medical services, 40 related to administrative procedure, 23 related to staff attitude and 24 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 11,592 feedback cases from patients and complainants and was tasked to take up 59 cases referred by The Ombudsman, and 2,555 complaint cases directed to the Hospital Authority Head Office.

Staff Appeals Committee

Membership List

Chairman: Dr Anthony HO Yiu-wah, JP

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 2008/09

The Staff Appeals Committee was set up on 19 December 2002 as an independent authority for handling staff appeals, which have already exhausted the normal staff complaint channels within the HA operation. The Committee considered and handed down its decision on two staff appeal cases in the year 2008/09.

Supporting Services Development Committee

Membership List

Chairman:	Mr Edward HO Sing-tin, SBS, JP (<i>up to 30.11.2008</i>) Mr Paul YU Shiu-tin, BBS, JP (<i>from 18.12.2008</i>)
Vice-Chairman:	Mr Charles Peter MOK
Members:	Ms Vivien CHAN, BBS, JP Dr Polly LAU Mo-yee, JP (<i>up to 30.11.2008</i>) Mr Peter LO Chi-lik Miss Gloria LO (<i>representing Permanent Secretary for Health</i>) Mr Stephen YIP Moon-wah, JP (<i>from 18.12.2008</i>) Mr Shane SOLOMON, <i>Chief Executive</i>

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 2008/09

In 2008/09, the Supporting Services Development Committee met four times to fulfil 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 the Hospital Authority. It considered reports on Enterprise Resource Planning System implementation – Procurement and Supply Chain Management, outsourcing of advertising services in HA hospitals, reorganization of Non-Emergency Ambulance Transfer Service, replacement of aging medical and engineering equipment, and inventory management of non-drug items. In addition, it reviewed the clinical waste management in HA hospitals and a preliminary report on Product Tracking and Tracing System. It also reviewed the progress of major capital works projects, and considered reports on managing risks of capital works contractors and performance review of Term Contract System. It considered HA's submission for 2008 capital works resource allocation exercise as well as the quality enhancement initiatives on Improvement Block Vote 8100MX.

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 CHENG Ngok

Mr Deacon FUNG Sau-chung

Dr George H C HUNG

Ms KO Siu-wah, SBS, JP

Dr Pamela LEUNG, JP
(from 12.8.2008)

Mr LEUNG Wo-ping, JP

Mr LI Fook-hing (up to 2.10.2008)

Mrs June LI (up to 2.10.2008)

Mr John LI Kwok-heem
(from 30.10.2008)

Rev Dr LI Ping-kwong

Mr Wilson MOK Yu-sang
(from 30.10.2008)

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

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 Amy CHOW Yin-man

Mrs Caroline COURTAULD

Dr Ben FONG Yuk-fai

Sister Helen KENNY

Prof Joyce MA

Father John RUSSELL, S.J.

Dr TUNG Yuk

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-ao

Dr Laurence SHEK Siu-lam

Mr William WONG Kuen-wai, BBS

Mr Anthony WONG Luen-kin, JP

Rev Michael M C YEUNG, VG

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 TANG Siu-wa

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

Mr Hilbert KA

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

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

Dr LAM Cho-yee

Prof LAM Tai-hing, JP

Dr Edward LEUNG Man-fuk

Prof Mark MACALPINE

(from 6.6.2008)

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 Johnsman AU Chung-man, JP
(up to 5.11.2008)

Mr CHEUNG Tat-tong

Dr Daniel FANG Tak-sang

Mrs FOK Mei-ling

Prof LAU Yu-lung

Mr Gordon Gilbert LOCH Han-van

Prof Keith LUK Dip-kei

Mrs Elizabeth WONG YEUNG Po-wo

Dr Arthur C M C YAU

Grantham Hospital

Chairman:

Mr PANG Yuk-ling, JP

Ex-officio members:

Hospital Authority Chief Executive or
his representative

Hospital Chief Executive

Members:

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 SUEN Lai-sang

Prof John WONG, SBS (up to 24.2.2009)

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 HO Wai-ip

Mr Leroy KUNG Lin-yuen

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, MH
Ms Kelly CHAN Yuen-sau
(from 6.6.2008)
Ms Elaine CHUNG Lai-kwok, BBS, JP
Mr HO Tak-sum, MH
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:

Dr Steven CHOW
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 Vincent LO Wing-sang, BBS, JP

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
Ms Ada LAM
Mrs Patricia LING WOO Sau-ha, JP
Mr Philip TSAI Wing-chung
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, 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

Dr TSAO Yen-chow

Prof WONG Chack-kie, MH

Kwong Wah Hospital/ TWGHs Wong Tai Sin Hospital

Chairman:

Mr Patrick MA Ching-hang, 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,
BBS, JP

Dr William HO Shiu-wei, JP
(up to 20.10.2008)

Dr John LEE Sam-yuen

Mr Billy LEUNG Ting-yu

Mr MOK Ying-fan

Mr Stephen NG Chi-wing
(from 25.11.2008)

Mr Peter ONG Ka-lueng, BBS

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:

Prof Cecilia CHAN Lai-wan, JP

Ms Barbara CHAN

Ms Mabel CHAU Man-ki

Dr Eric CHIEN Ping

Prof CHOW Shew-ping, JP

Dr Daniel FANG Tak-sang

Prof Keith LUK Dip-kei

Mr David MONG Tak-yeung

Dr POON Tak-lun

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 LAI Hin-wa, BBS

Mr LAU Hou-ting

Mr David LI Ka-fai

Mr MA Ching-nam, JP (*from 22.1.2009*)

Mr Paul C N MAK

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

Mr Lester Garson HUANG

Sister Helen KENNY

Mrs Marigold LAU, JP

Sister Marilu LIMGENCO

Mrs Pauline NG CHOW May-lin, JP

Mrs Beverly TONG

Dr Gene TSOI Wai-wang

Dr David YIP Chi-pang
(*up to 21.2.2009*)

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 LI Fook-hing (*up to 27.8.2008*)

Mr John LI Kwok-heem
(*from 30.10.2008*)

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 LAM Kwok-hing, MH

Ex-officio members:

Hospital Authority Chief Executive or
his representative

Hospital Chief Executive

Members:

Dr Alfred CHAN Kwok-chiu, MH

Ms Yvonne CHUA

Dr Linus IP Yiu-man

Mrs Josephine KAN CHAN Kit-har

Mr Matthew LAM Kin-hong, MH

Mr LEUNG Che-cheung, MH, JP

Mr POON Chin-hung, JP

Mr Henry POON Shiu-man

Mr SIU Shing-choi

Dr Sam WONG Chun-sing, MH

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:

Ms Vivien CHAN, BBS, JP
Mrs Annie LIANG BENTLEY
Prof FOK Tai-fai, SBS, JP
Mr James B HAYBYRNE
Ms Nancy KIT, JP
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:

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

Queen Mary Hospital/ Tsan Yuk Hospital

Chairman:

Dr Anthony HO Yiu-wah, JP

Ex-officio members:

Hospital Authority Chief Executive or
his representative
Hospital Chief Executive

Members:

Prof LEE Sum-ping (*from 12.8.2008*)
Prof Raymond LIANG Hin-suen
(*up to 31.7.2008*)
Prof J G MALPAS
Mr Lincoln TSO
Prof Judy TSUI LAM Sin-lai
Ms Ada WONG Ying-kay, JP
Dr Richard YU Yue-hong

Rehabaid Centre

Chairman:

Mr Thomas J MULVEY, JP

Ex-officio members:

Hospital Authority Chief Executive or
his representative
Hospital Chief Executive

Members:

Dr Joseph BOSCO
Hon Judge Kevin Anthony BROWNE
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 (*from 6.6.2008*)

Mr PANG Yuk-ling, JP

Mrs Purviz Rusy SHROFF

Mr SHUM Choi-sang, SBS, JP

Ms Anna TANG King-yung, MH

Mr Richard TANG Yat-sun, BBS, JP

Dr George TSENG Hing-chuen
(*up to 26.5.2008*)

Shatin Hospital

Chairman:

Prof Thomas WONG Kwok-shing, JP
(*up to 31.7.2008*)

Dr Margaret CHUNG Wai-ling
(*from 12.8.2008*)

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 Edward LEE Chi-shing

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

Mr Raymond CHAN Wai-man

Dr Joseph KWAN Kai-cho

Mr Henry LAI Hin-wing

Sister Ophelia Marie LUI Woon-hing
(up to 14.7.2008)

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
(from 6.6.2008)

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:

Mr Patrick MA Ching-hang, 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

Mr FUNG Wing-chung, BBS

Dr William HO Shiu-wei, JP
(up to 20.10.2008)

Dr HUNG Wing-tat

Mr Andy LAU Kam-kwok, BBS

Dr John LEE Sam-yuen

Mr Billy LEUNG Ting-yu

Mr Stephen LIU Wing-ting, JP

Mr John MA Hung-ming, BBS

Mr Stephen NG Chi-wing
(from 25.11.2008)

Mr Peter ONG Ka-lueng, BBS

United Christian Hospital

Chairman:

Mr John LI Kwok-heem

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
(from 22.1.2009)

Mr Clifford King CHIU

Mr Roland CHOW Kun-chee

Rev Paul KAN Kei-piu

Ms Sophia KAO, SBS, JP

Mr Patrick LAI Shu-ho, MH, JP

Rev Ralph LEE Ting-sun

Mr Eddy LEE Wai-man

Rev Lincoln LEUNG Lam-hoi

Mr LI Fook-hing (up to 27.8.2008)

Mrs June LI (up to 27.8.2008)

Mr Kenneth NG Kin

Rev PO Kam-cheong

Mrs Winnie POON YAM Wai-chun, MH

Prof TAM Sheung-wai, GBS, JP

Mr Thomas TSANG Fuk-chuen

Mr Herbert TSOI Hak-kong, BBS, JP
(from 22.1.2009)

Rt Rev Louis TSUI Tsan-sang

Dr Hayles WAI Heung-wah

Dr WONG Bing-lai (up to 12.12.2008)

Mr David WONG Tat-kee
(from 22.1.2009)

Mr WU Kwok-cheung, MH

Dr Alice YUK Tak-fun, JP

Yan Chai Hospital

Chairman:

Miss Elizabeth LAW Kar-shui, MH

Ex-officio members:

Hospital Authority Chief Executive or
his representative

Hospital Chief Executive

Members:

Mr CHAN Wai-ming, MH, JP

Dr Anthony HO Yiu-wah, JP

Mr Alex LAN Khong-poh

Mr Edmond LEE Man-bun

Prof LEE Shiu-hung, SBS, JP

Mr Raymond LEUNG

Mr Wilfred NG Sau-kei, MH, JP

Mr Joshua PANG Suk-ping

Mr Wilson TSANG Churk-ming

Mrs Christy TUNG NG Ling-ling

Appendix 5

Membership of Regional Advisory Committees

Hong Kong Regional Advisory Committee

Chairman:

Dr Anthony HO Yiu-wah, JP

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

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 Billy LEUNG Ting-yu

Mr Tommy LI Ying-sang, MH, JP

Prof LO Chung-mau

Mr PANG Yuk-ling, JP

Dr TOM Kam-tim (*up to 30.6.2008*)

Mr Lincoln TSO

Prof WONG Hoi-kwok, BBS, JP

Mrs Linda WONG LEUNG Kit-wah

Dr WONG Yau-tak

Mr YUNG Chi-ming, MH

Kowloon Regional Advisory Committee

Chairman:

Mr Paul YU Shiu-tin, BBS, JP

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, MH, 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

Miss Elizabeth LAW Kar-shui, MH

Dr John LEE Sam-yuen

Mr John LI Kwok-heem

Dr Danny MA Ping-kwan

Mr TSANG Chiu-kwan

Mr WONG Kam-kuen, MH

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
(from 29.5.2008)

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

Dr Amy CHOW Yin-man
(from 29.5.2008)

Mr Richard FUNG Lap-chung

Prof Suzanne C HO

Ms Nancy KIT, JP

Mr LAM Kwok-hing, MH

Prof LAU Tze-kin

Mr LEUNG Wo-ping, JP

Mr LI Kwok-ying, BBS, JP

Mrs Rita LIU, BBS

Mr Paul C N MAK

Mr Thomas PANG Cheung-wai, BBS, JP

Mr Philip WONG Chak-piu

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, JP

Trustees: Mr Luke CHIA Chi-keung
Mr George CHIU (*up to 11.8.2008*)
Dr Gordan JAN Siu-kei (*from 16.9.2008*)
Mr John LEE Luen-wai, JP
Mr Lincoln LEONG Kwok-kuen
Mr Raymond LEUNG Ho-kwan (*from 16.9.2008*)
Mr LO Kam-shing
Mr Patrick NIP, JP
Mr Alan Howard SMITH, JP
Mr Shane SOLOMON
Ms Nancy TSE
Dr WONG Tak-cheung (*up to 19.8.2008*)
Ms Amy YIP Yok-tak, BBS (*up to 17.4.2008*)

Appendix 7

Public Feedback Statistics

Complaints / Appreciation Received (1.4.2008 – 31.3.2009)

Public Complaints Committee

Nature of Cases	Number of Appeal Cases
Medical Services	139
Staff Attitude	23
Administrative Procedure	40
Others	24
Total Number of Appeal Cases Handled	226

Hospital Complaints / Appreciation Statistics

Nature of Complaint/Appreciation Cases	Complaints Received	Appreciation Received
Medical Services	1,018	10,701
Staff Attitude	531	5,879
Administrative Procedure	324	636
Overall Performance	9	9,856
Others	296	2,610
Total Number of Complaints/Appreciation Received	2,178	29,682

Appendix 8

Statistics of the Controlling Officer's Report

The Hospital Authority generally achieved its performance targets in 2008/09. The volume of patient care activities across the full range of services in 2008/09 is comparable to the level in 2007/08.

The key statistics of the Controlling Officer's Report used by the Government to measure the Authority's performance in 2007/08 and 2008/09 were:

	2007/08	2008/09
(I) No. of hospital beds (as of end March)		
General (acute and convalescence)	20,324	20,416
Infirmery	2,151	2,041
Mentally ill	4,400	4,000
Mentally handicapped	680	660
Total	27,555	27,117
(II) Delivery of services		
<i>Inpatient services</i>		
No. of discharges & deaths		
General (acute and convalescence)	878,778	890,479
Infirmery	4,124	3,272
Mentally ill	15,830	15,540
Mentally handicapped	286	295
Overall	899,018	909,586
No. of patient days		
General (acute and convalescence)	5,324,500	5,293,308
Infirmery	554,823	525,421
Mentally ill	1,042,177	988,037
Mentally handicapped	231,536	227,419
Overall	7,153,036	7,034,185
Bed occupancy rate		
General (acute and convalescence)	83%	83%
Infirmery	92%	91%
Mentally ill	73%	73%
Mentally handicapped	93%	93%
Overall	82%	82%
Average length of stay (days)*		
General (acute and convalescence)	6.0	6.0
Infirmery	114.0	132.0
Mentally ill	101.0	79.0
Mentally handicapped	674.0	569.0
Overall	8.5	8.0

	2007/08	2008/09
<i>Ambulatory diagnostic & therapeutic services</i>		
Day patient		
No. of discharges & deaths	325,625	365,222
No. of day patients as % of total inpatient & day patient discharges and deaths	27%	29%
Accident & emergency services		
No. of attendances	2,087,902	2,116,509
Outpatient services		
No. of specialist outpatient (clinical) attendances **	5,912,383	6,070,631
No. of general outpatient attendances ***	4,841,927	4,968,586
No. of family medicine specialist clinic attendances	205,235	235,546
No. of primary care attendances #	5,047,162	5,204,132
<i>Rehabilitation & outreach services</i>		
No. of home visits by community nurses	798,054	799,324
Psychiatric services		
No. of psychiatric outreach attendances	95,344	104,753
No. of psychiatric day hospital attendances	183,385	189,208
No. of psychogeriatric outreach attendances	51,485	66,617
Geriatric services		
No. of outreach attendances	543,054	555,124
No. of older persons assessed for infirmary care service	1,575	1,474
No. of geriatric day hospital attendances	125,367	135,184
No. of Visiting Medical Officer attendances @	104,168	105,223
No. of allied health outpatient attendances	1,771,971	1,904,870
(III) Quality of services		
<i>No. of hospital deaths per 1000 population</i> ^	3.7	3.7
<i>Unplanned readmission rate within 28 days for general inpatients</i>	10.4%	10.7%
<i>Accident and Emergency (A&E) services</i>		
% of A&E patients within the target waiting time:		
Triage I (critical cases – 0 minutes)	100	100
Triage II (emergency cases – 15 minutes)	97	98
Triage III (urgent cases – 30 minutes)	86	89
<i>Specialist outpatient services</i>		
Median waiting time for first appointment at specialist clinics†		
First priority patients	<1 week	<1 week
Second priority patients	5 weeks	5 weeks
(IV) Cost of Services		
<i>Cost distribution</i>		
Cost distribution by service types (%)		
Inpatient	61.6%	59.8%
Ambulatory & outreach	38.4%	40.2%
Cost by service types per 1000 population (\$m)		
Inpatient	2.9	3.0
Ambulatory & outreach	1.8	2.0
Cost of services for persons aged 65 or above		
Share of cost of services (%)	46.2%	45.4%
Cost of services per 1000 population (\$m)	17.2	18.2

	2007/08	2008/09
Unit costs		
Cost per inpatient discharged (\$)		
General (acute and convalescence)	19,550	20,230
Infirmary	138,990	174,650
Mentally ill	113,400	120,360
Mentally handicapped	830,650	809,000
Cost per patient day (\$)		
General (acute and convalescence)	3,440	3,650
Infirmary	1,030	1,090
Mentally ill	1,720	1,890
Mentally handicapped	1,030	1,050
Cost per accident & emergency attendance (\$)	750	820
Cost per specialist outpatient attendance (\$) ⁺⁺	790	840
Cost per general outpatient attendance (\$)	270	280
Cost per family medicine specialist clinic attendance (\$) ⁺⁺	720	750
Cost per outreach visit by community nurse (\$)	310	330
Cost per psychiatric outreach attendance (\$)	1,090	1,110
Cost per geriatric day hospital attendance (\$)	1,490	1,450
Waivers ~		
% of Comprehensive Social Security Assistance (CSSA) waiver (%)	20.8	19.4
% of non-CSSA waiver (%)	3.6	3.3

(V) Manpower (no. of FTE staff ##)

Medical		
Doctor	4,722	4,863
Intern	329	292
Dentist	6	6
Medical total	5,057	5,161
Nursing		
Qualified staff	19,004	19,124
Trainee	269	398
Nursing total	19,273	19,522
Allied health total	5,063	5,231
Others	24,696	25,998
Total	54,089	55,911

- * Derived by dividing the sum of length of stay of inpatient by the corresponding number of inpatient discharged/treated.
- ** Specialist outpatient (clinical) attendances include nurse clinic attendances.
- *** General outpatient attendances include nurse clinic attendances.
- # Primary care attendances are comprised of the number of general outpatient attendances and family medicine specialist clinic attendances.
- @ Refers to the services provided to elderly persons living in Residential Care Homes for the Elderly under the Visiting Medical Officers Scheme introduced in 2003/04.
- ^ Refers to the standardised 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.
- ++ A new indicator on unit cost of family medicine specialist clinic attendance is added in 2008/09 and the 2007/08 unit cost of specialist outpatient attendance has been adjusted accordingly.
- ~ 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.

Appendix 9

Statistics on Number of Beds, Inpatient, Accident & Emergency and Outpatient Services in 2008/09

Institution	No. of beds (as at end March 2009)	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	246	88.8	316.0	–	–	–	129	–
Pamela Youde Nethersole Eastern Hospital	1,531	105,915	82.8	5.9	151,895	505,195	51,059	91,355	298,838
Ruttonjee & Tang Shiu Kin Hospitals	669	22,863	83.0	7.9	84,759	114,802	7,616	96,573	100,116
St John Hospital	87	2,916	71.2	5.0	9,703	116	–	6,398	33,622
Tung Wah Eastern Hospital	282	7,480	83.6	13.3	–	100,022	–	25,782	27,882
Wong Chuk Hang Hospital	160	180	93.9	337.2	–	–	–	–	–
Sub-total	2,969	139,600	84.0	8.1	246,357	720,135	58,675	220,237	460,458
Hong Kong West Cluster									
Duchess of Kent Children's Hospital	130	2,407	45.6	11.9	–	19,202	–	27,006	–
TWGHs Fung Yiu King Hospital	276	2,602	74.7	25.7	–	470	–	4	–
Grantham Hospital	395	10,090	72.1	14.1	–	40,114	–	1,940	–
MacLehose Medical Rehabilitation Centre	110	842	60.5	28.7	–	184	–	4,129	–
Queen Mary Hospital	1,690	111,498	71.7	4.9	121,482	566,171	19,527	122,410	283,572
Tung Wah Hospital	558	22,598	78.9	16.0	–	41,015	–	4,349	26,127
Tsan Yuk Hospital	4	1,052	–	–	–	31,907	–	4,968	–
Sub-total	3,163	151,089	71.8	7.6	121,482	699,063	19,527	164,806	309,699

Institution	No. of beds (as at end March 2009)	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	10,118	87.8	13.8	–	12,190	–	3,828	32,250
Hong Kong Eye Hospital	45	6,513	61.9	4.6	–	207,333	–	14,056	–
Kowloon Hospital	1,355	16,064	83.2	24.4	–	84,757	–	107,314	–
Queen Elizabeth Hospital	1,841	148,801	84.7	5.1	203,032	609,177	9,834	157,515	447,251
Rehabaid Centre	–	–	–	–	–	118	–	11,760	–
Sub-total	3,565	181,496	84.2	7.9	203,032	913,575	9,834	294,473	479,501
Kowloon East Cluster									
Haven of Hope Hospital	425	5,991	91.7	23.9	–	8,090	–	3,127	–
Tseung Kwan O Hospital	425	27,649	84.2	5.4	102,633	150,952	1,875	69,113	246,470
United Christian Hospital	1,385	102,143	80.4	4.9	192,154	465,013	47,664	176,618	484,571
Sub-total	2,235	135,783	83.5	6.2	294,787	624,055	49,539	248,858	731,041
Kowloon West Cluster									
Caritas Medical Centre	1,183	50,381	83.7	7.7	131,612	329,976	801	60,409	243,837
Kwai Chung Hospital	1,000	3,401	64.7	78.6	–	175,510	–	19,042	–
Kwong Wah Hospital	1,201	83,865	70.8	4.5	143,084	336,636	2,545	138,753	210,316
Our Lady of Maryknoll Hospital	236	8,181	77.4	10.2	–	64,001	533	26,060	365,837
Princess Margaret Hospital	1,761	108,818	89.0	5.8	136,424	359,789	6,369	100,894	386,591
TWGHs Wong Tai Sin Hospital	511	7,179	93.2	26.7	–	–	–	568	–
Yan Chai Hospital	800	45,931	79.6	5.1	138,595	181,609	2,070	65,994	238,570
Sub-total	6,692	307,756	79.2	7.4	549,715	1,447,521	12,318	411,720	1,445,151

APPENDICES – APPENDIX 9

Institution	No. of beds (as at end March 2009)	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	44,466	83.9	4.4	119,149	201,928	1,170	96,165	203,308
Bradbury Hospice	28	608	87.1	13.6	–	52	–	513	–
North District Hospital	607	35,057	83.7	5.4	117,823	159,419	1,520	63,303	234,256
Prince of Wales Hospital	1,425	108,952	83.9	5.1	145,030	586,169	35,208	168,403	386,679
Cheshire Home, Shatin	296	141	77.6	401.8	–	–	–	557	–
Shatin Hospital	545	7,558	86.9	20.7	–	702	–	1,495	–
Tai Po Hospital	1,000	9,136	83.4	28.4	–	288	–	443	–
Sub-total	4,514	205,918	83.7	7.6	382,002	948,558	37,898	330,879	824,243
New Territories West Cluster									
Castle Peak Hospital	1,437	2,498	77.0	220.4	–	107,654	–	17,058	–
Pok Oi Hospital	369	24,291	84.3	6.0	99,317	47,396	30,072	40,867	–
Siu Lam Hospital	350	135	98.5	705.7	–	–	–	–	–
Tuen Mun Hospital	1,823	126,242	93.2	5.9	219,817	562,674	17,683	175,972	718,493
Sub-total	3,979	153,166	87.6	11.7	319,134	717,724	47,755	233,897	718,493
GRAND TOTAL	27,117	1,274,808	81.9	8.0	2,116,509	6,070,631	235,546	1,904,870	4,968,586

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 2009 is based on the Annual Survey on Hospital Beds in Public Hospitals, 2008/09.
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 2009.

Abbreviations:

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

Appendix 10

Statistics on Community and Rehabilitation Services in 2008/09

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	—	—	—	—	—	57	—	—	—
Pamela Youde Nethersole Eastern Hospital	94,845	12,672	7,876	—	—	735	1,506	9,787	26,426
Ruttonjee & Tang Shiu Kin Hospitals	—	—	—	111,456	18,102	1,452	6,928	14,106	—
St John Hospital	4,266	—	—	—	—	3	—	—	—
Tung Wah Eastern Hospital	—	—	—	—	—	86	30,758	—	—
Wong Chuk Hang Hospital	—	—	—	—	—	2	—	2,098	—
Sub-total	99,111	12,672	7,876	111,456	18,102	2,335	39,192	25,991	26,426
Hong Kong West Cluster									
Duchess of Kent Children's Hospital	—	—	—	—	—	21	—	—	—
TWGHs Fung Yiu King Hospital	—	—	—	35,102	5,764	1,349	—	4,515	—
Grantham Hospital	—	—	—	—	—	123	2,811	—	—
MacLehose Medical Rehabilitation Centre	—	—	—	—	—	175	14,711	—	—
Queen Mary Hospital	49,718	5,085	8,903	—	—	321	—	—	14,526
Tung Wah Hospital	—	—	—	—	—	198	6,885	3,048	—
Sub-total	49,718	5,085	8,903	35,102	5,764	2,187	24,407	7,563	14,526

APPENDICES – APPENDIX 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
Kowloon Central Cluster									
Hong Kong Buddhist Hospital	–	–	–	–	–	9	–	–	–
Kowloon Hospital	61,843	7,338	5,684	42,739	5,590	1,095	610	–	10,444
Queen Elizabeth Hospital	–	–	–	32,438	7,546	438	–	9,261	–
Rehabaid Centre	–	–	–	–	–	1,246	–	–	–
Sub-total	61,843	7,338	5,684	75,177	13,136	2,788	610	9,261	10,444
Kowloon East Cluster									
Haven of Hope Hospital	29,531	–	–	5,140	1,282	397	1,628	3,368	–
Tseung Kwan O Hospital	–	–	–	–	–	42	–	–	–
United Christian Hospital	127,251	10,222	6,736	31,586	8,082	1,114	1,325	19,980	30,146
Sub-total	156,782	10,222	6,736	36,726	9,364	1,553	2,953	23,348	30,146
Kowloon West Cluster									
Caritas Medical Centre	76,474	–	–	22,744	5,047	118	1,291	8,925	–
Kwai Chung Hospital	–	27,704	16,700	–	–	2,666	–	–	60,890
Kwong Wah Hospital	34,486	–	–	40,600	9,899	815	–	5,068	–
Our Lady of Maryknoll Hospital	41,959	–	–	–	–	76	1,035	–	–
Princess Margaret Hospital	74,120	–	–	31,259	4,941	724	343	10,959	–
TWGHs Wong Tai Sin Hospital	–	–	–	–	–	65	–	9,615	–
Yan Chai Hospital	–	–	–	26,203	6,773	75	–	–	–
Sub-total	227,039	27,704	16,700	120,806	26,660	4,539	2,669	34,567	60,890

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	31,031	—	—	23,808	6,116	2,072	240	9,812	10,139
Bradbury Hospice	—	—	—	—	—	63	394	—	—
Cheshire Home, Shatin	—	—	—	—	—	6	—	—	—
North District Hospital	33,141	8,174	5,806	32,554	7,810	1,345	—	5,588	7,838
Prince of Wales Hospital	—	—	—	—	—	82	—	—	—
Shatin Hospital	48,954	7,957	4,771	18,782	7,725	1,975	4,166	8,310	15,269
Tai Po Hospital	—	—	—	—	—	29	—	—	—
Sub-total	113,126	16,131	10,577	75,144	21,651	5,572	4,800	23,710	33,246
New Territories West Cluster									
Castle Peak Hospital	—	25,601	10,141	—	—	632	—	—	13,530
Pok Oi Hospital	—	—	—	1,845	—	242	—	—	—
Tuen Mun Hospital	91,705	—	—	100,342	10,546	2,668	1,984	10,744	—
Sub-total	91,705	25,601	10,141	102,187	10,546	3,542	1,984	10,744	13,530
GRAND TOTAL	799,324	104,753	66,617	556,598	105,223	22,516	76,615	135,184	189,208

* 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 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 Residential 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 activity performed in different centres/teams are grouped under the respective hospital management.

Appendix 11(a)

Manpower Position of the Hospital Authority - by Cluster by Institution

Institution	No. of Full-time Equivalent (FTE) Staff (as at 31.3.2009) ^(Note)				
	Medical	Nursing	Allied Health	Others	Total
Hong Kong East Cluster	554.00	2,012.26	591.98	3,136.30	6,294.54
Cheshire Home, Chung Hom Kok	3.00	53.00	9.00	104.00	169.00
HK Tuberculosis, Chest & Heart Diseases Association	—	—	—	8.00	8.00
Hong Kong East Cluster Office	1.00	11.98	—	200.21	213.19
Pamela Youde Nethersole Eastern Hospital	423.25	1,300.24	372.98	1,742.60	3,839.07
Ruttonjee & Tang Shiu Kin Hospitals	82.75	404.20	134.00	605.49	1,226.44
St John Hospital	6.00	32.08	8.00	64.00	110.08
Tung Wah Eastern Hospital	36.00	168.14	54.00	286.00	544.14
Wong Chuk Hang Hospital	2.00	42.62	14.00	126.00	184.62
Hong Kong West Cluster	607.91	2,375.03	711.62	2,914.69	6,609.25
Duchess of Kent Children's Hospital	8.00	65.93	43.00	123.00	239.93
Grantham Hospital	27.58	190.72	54.00	247.00	519.30
Hong Kong West Cluster Office	—	—	—	5.00	5.00
MacLehose Medical Rehabilitation Centre	2.00	32.00	33.00	76.00	143.00
Queen Mary Hospital	515.33	1,697.27	500.62	1,968.69	4,681.91
TWGHs Fung Yiu King Hospital	15.00	80.46	17.00	155.00	267.46
Tung Wah Hospital	40.00	308.65	64.00	340.00	752.65

No. of Full-time Equivalent (FTE) Staff (as at 31.3.2009)^(Note)

Institution	Medical	Nursing	Allied Health	Others	Total
Kowloon Central Cluster	649.90	2,752.06	749.64	3,350.24	7,501.84
HK Red Cross Blood Transfusion Service	3.00	71.92	50.00	197.88	322.80
Hong Kong Buddhist Hospital	11.00	126.60	24.00	144.20	305.80
Hong Kong Eye Hospital	35.00	62.60	15.00	124.25	236.85
Kowloon Central Cluster Office	1.00	—	—	9.00	10.00
Kowloon Hospital	59.54	740.82	151.23	773.14	1,724.73
Queen Elizabeth Hospital	540.36	1,750.12	497.41	2,088.77	4,876.66
Rehabaid Centre	—	—	12.00	13.00	25.00
Kowloon East Cluster	575.79	1,978.20	525.21	2,482.63	5,561.83
Haven of Hope Hospital	17.89	234.47	43.13	302.00	597.49
Kowloon East Cluster Office	—	—	—	7.00	7.00
Tseung Kwan O Hospital	119.60	414.06	121.54	439.30	1,094.50
United Christian Hospital	438.30	1,329.67	360.54	1,734.33	3,862.84
Kowloon West Cluster	1,228.65	4,651.70	1,135.28	5,701.35	12,716.98
Caritas Medical Centre	236.24	727.21	186.41	977.50	2,127.36
Kowloon West Cluster Office	—	—	—	5.00	5.00
Kwai Chung Hospital	63.00	516.00	69.00	503.00	1,151.00
Kwong Wah Hospital	310.51	1,063.00	258.41	1,253.63	2,885.55
Our Lady of Maryknoll Hospital	54.23	198.12	54.08	263.65	570.08
Princess Margaret Hospital	383.67	1,343.03	390.38	1,665.57	3,782.65
TWGHs Wong Tai Sin Hospital	25.00	233.00	38.00	287.48	583.48
Yan Chai Hospital	156.00	571.34	139.00	745.52	1,611.86

No. of Full-time Equivalent (FTE) Staff (as at 31.3.2009) ^(Note)					
Institution	Medical	Nursing	Allied Health	Others	Total
New Territories East Cluster	877.85	3,193.72	870.00	4,035.44	8,977.01
Alice Ho Miu Ling Nethersole Hospital	127.97	472.00	155.00	571.00	1,325.97
Bradbury Hospice	2.20	25.00	3.00	20.00	50.20
Cheshire Home, Shatin	2.00	72.00	7.00	108.00	189.00
New Territories East Cluster Office	2.00	100.21	—	371.02	473.23
North District Hospital	157.80	552.00	137.00	621.00	1,467.80
Prince of Wales Hospital	493.88	1,398.51	453.00	1,571.42	3,916.81
Shatin Hospital	41.00	281.00	55.00	381.00	758.00
Tai Po Hospital	51.00	293.00	60.00	392.00	796.00
New Territories West Cluster	656.42	2,528.81	597.33	3,267.81	7,050.37
Castle Peak Hospital	61.00	515.12	53.00	562.20	1,191.32
New Territories West Cluster Office	—	—	—	1.00	1.00
Pok Oi Hospital	76.82	268.87	81.00	331.53	758.22
Siu Lam Hospital	4.00	86.13	5.00	220.00	315.13
Tuen Mun Hospital	514.60	1,658.69	458.33	2,153.08	4,784.70
* Total	5,150.52	19,491.78	5,181.06	24,888.46	54,711.82

Note:

* This figure excludes 1,199.52 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)	2004/05	2005/06	2006/07	2007/08	2008/09
Medical					
Consultant	486.3	488.0	502.7	530.9	563.4
Senior Medical Officer/Associate Consultant	926.8 [#]	977.8	1,010.0	1,085.4	1,172.9
Medical Officer/Resident (excluding Visiting Medical Officer)	3,113.2	3,086.3	3,087.9	3,091.4	3,110.5
Visiting Medical Officer	–	16.5	16.3	14.7	16.3
Intern	328.0	325.0	313.0	329.0	292.0
Senior Dental Officer/Dental Officer	4.5	4.5	5.5	5.5	5.5
Medical Total	4,858.8	4,898.1	4,935.4	5,057.0	5,160.5
Nurses					
Senior Nursing Officer and above	68.0	65.0	66.0	69.0	83.0
Department Operations Manager	143.0	147.0	156.0	157.0	158.0
General					
Ward Manager/Nurse Specialist/Nursing Officer/Advanced Practice Nurse	2,308.5	2,374.0	2,409.4	2,521.5	3,038.4
Registered Nurse	11,509.3	11,712.6	11,787.6	11,731.0	11,478.1
Enrolled Nurse	2,948.0	2,907.6	2,718.2	2,541.9	2,375.4
Midwife/Others	43.5	42.0	40.7	37.7	35.3
Student Nurse/Pupil Nurse/Temporary Undergraduate Nursing Student	271.0	103.2	121.6	260.7	397.8
Psychiatric					
Ward Manager/Nurse Specialist/Nursing Officer/Advanced Practice Nurse	318.0	319.5	330.5	347.0	397.7
Registered Nurse	967.5	1,002.7	1,015.6	1,107.7	1,061.5
Enrolled Nurse	584.9	532.4	544.3	491.7	496.4
Student Nurse/Pupil Nurse	0.0	42.0	22.0	8.0	0.0
Nursing Total	19,161.7	19,248.0	19,212.0	19,273.3	19,521.6

No. of Full-time Equivalent (FTE) Staff ^(Note)	2004/05	2005/06	2006/07	2007/08	2008/09
Allied Health					
Audiology Technician	9.0	9.0	9.0	9.0	9.0
Clinical Psychologist	74.0	75.0	78.0	85.0	92.0
Dietitian	78.8	80.7	84.5	84.0	85.7
Dispenser	851.6	857.6	863.0	886.8	919.0
Medical Technologist/ Medical Laboratory Technician	1,058.0	1,048.0	1,070.0	1,081.0	1,106.1
Mould Technologist/ Mould Laboratory Technician	27.0	27.0	27.0	27.0	27.0
Optometrist	28.0	29.0	29.0	29.0	29.0
Orthoptist	12.0	12.0	12.0	12.0	12.0
Occupational Therapist	457.0	462.5	469.5	480.5	498.6
Pharmacist/Resident Pharmacist	304.2	318.7	321.7	330.7	353.7
Physicist/Resident Physicist	41.0	45.0	50.0	51.0	55.0
Physiotherapist	686.0	697.0	701.9	709.0	729.2
Podiatrist	17.5	21.1	17.1	19.1	22.2
Prosthetist-Orthotist	96.0	93.0	97.0	98.0	100.2
Radiographer	817.0	834.1	843.6	853.5	869.7
Scientific Officer (Medical)	54.6	59.6	59.6	65.6	64.6
Speech Therapist	50.0	52.0	54.0	54.0	58.0
Medical Social Worker	166.0	171.0	177.0	186.0	198.0
Dental Technician	2.0	2.0	2.0	2.0	2.0
Allied Health Total	4,829.6	4,894.3	4,965.8	5,063.1	5,231.1
Care-related Support Staff					
Health Care Assistant	3,937.0	3,857.0	3,728.0	3,598.0	3,465.0
Ward Attendant	856.0	799.0	743.0	668.0	599.0
General Services Assistant/ Technical Services Assistant (Care-related)/Theatre Technical Assistant	2,095.3	2,425.7	2,780.1	3,503.6	4,265.9
Care-related Support Staff Total	6,888.3	7,081.7	7,251.1	7,769.6	8,329.9
Direct Patient Care Total	35,738.4	36,122.1	36,364.3	37,163.0	38,243.1

No. of Full-time Equivalent (FTE) Staff ^(Note)	2004/05	2005/06	2006/07	2007/08	2008/09
Others					
Chief Executive/Director/Deputy Director/ Head	11.0	10.0	7.0	7.0	7.0
Cluster Chief Executive/Hospital Chief Executive	28.0	27.0	25.0	23.0	27.0
Chief Manager/Senior Manager/Executive Manager/General Manager	80.0	86.0	88.0	89.0	86.6
Other Professionals/Administrative - Accountant, Hospital Administrator, Systems Manager, Analyst Programmer etc	882.0	913.5	938.6	1,032.4	1,213.7
Other Supporting Staff - Clerical, Secretarial, Workman, Artisan, Property Attendant etc	15,385.2	15,484.0	15,499.3	15,774.8	16,333.9
Non-direct Patient Care Total	16,386.2	16,520.5	16,557.9	16,926.2	17,668.2
HA Total	52,124.6	52,642.6	52,922.2	54,089.2	55,911.3

This figure includes 11.7 Visiting Medical Officers.

Note:

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

Up to 03/04, all full-time staff are counted as one and all part-time staff counted as 0.5.

(Exceptions based on actual / estimated service sessions:

Medical: Each part-time Family Medicine Consultant/Visiting Medical Officer counted as 0.33FTE/0.15FTE respectively;

Nursing: Each temporary part-time nurse/undergraduate nursing student counted as 0.4FTE/0.17FTE respectively.)

From 04/05 onwards, all FTE manpower counting are based on actual service sessions.

Appendix 12(a)

Resource Utilisation by Hospital Clusters for 2008/09

Clusters	2008/09 Resource Utilisation (\$Mn)
Hong Kong East Cluster	3,360.6
Hong Kong West Cluster	3,588.6
Kowloon Central Cluster	4,178.9
Kowloon East Cluster	3,025.0
Kowloon West Cluster	7,038.4
New Territories East Cluster	4,994.9
New Territories West Cluster	3,889.7
Hospital Authority Head Office & Others ^{Note}	704.8
Total	30,780.9

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 2008/2009

Hospital / Institution	Amount \$
Hong Kong East Cluster	\$3,238,208
Hong Kong West Cluster	\$4,147,573
Kowloon Central Cluster	\$3,519,250
Kowloon East Cluster	\$2,805,853
Kowloon West Cluster	\$5,432,746
New Territories East Cluster	\$4,537,341
New Territories West Cluster	\$7,487,000
Hospital Authority Head Office	\$1,804,811
Total	\$32,972,782

Central Programmes	Amount \$
Consultants' Continuous Education	\$1,549,446
Commissioned Training	\$4,924,147
Management & Staff Development Programmes	\$5,848,721
HA eLearning Centre	\$503,072
Vocational Skills Training for Supporting Staff	\$320,000
Total	\$13,145,386

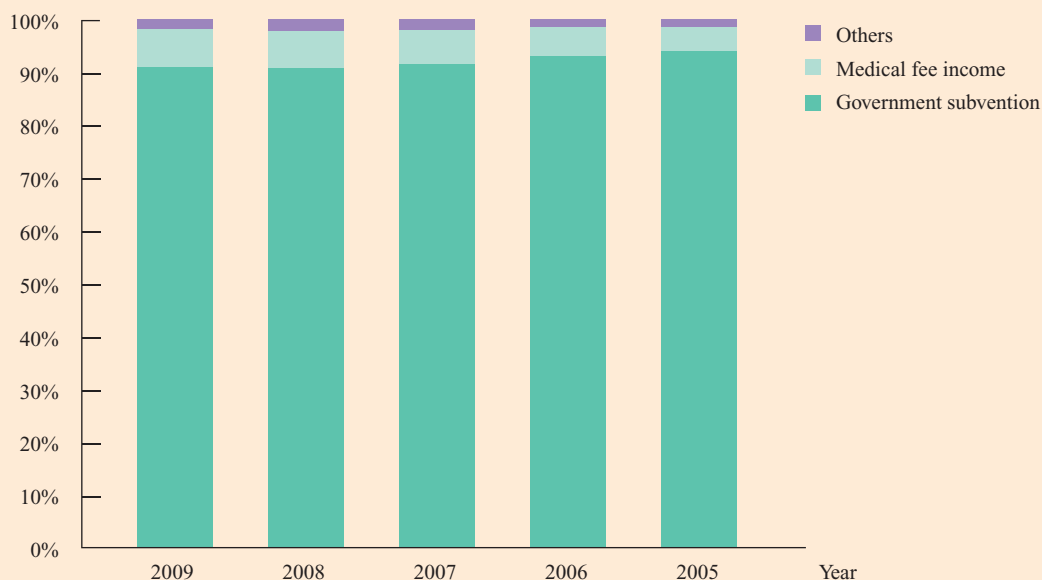
Appendix 13

Hospital Authority - Five-year Financial Highlights

Financial Results (for the Year ended 31 March)

	2009 HK\$Mn	2008 HK\$Mn	2007 HK\$Mn	2006 HK\$Mn	2005 HK\$Mn
Income					
Government subvention (recurrent and capital)	31,915	29,915	28,041	28,019	28,417
Medical fee income (net of waivers)	2,527	2,296	1,987	1,628	1,386
Non-medical fee income	454	564	487	310	285
Designated donations	112	108	76	83	98
Capital donations	98	93	89	90	81
	<u>35,106</u>	<u>32,976</u>	<u>30,680</u>	<u>30,130</u>	<u>30,267</u>
Expenditure					
Staff costs	(26,387)	(24,468)	(23,047)	(23,044)	(23,412)
Drugs	(2,812)	(2,596)	(2,340)	(2,167)	(2,002)
Medical supplies and equipment	(1,211)	(1,105)	(979)	(966)	(935)
Other operating expenses (include depreciation)	(4,879)	(4,546)	(4,116)	(5,184)	(4,256)
	<u>(35,289)</u>	<u>(32,715)</u>	<u>(30,482)</u>	<u>(31,361)</u>	<u>(30,605)</u>
Surplus/(Deficit) for the Year	(183)	261	198	(1,231)	(338)

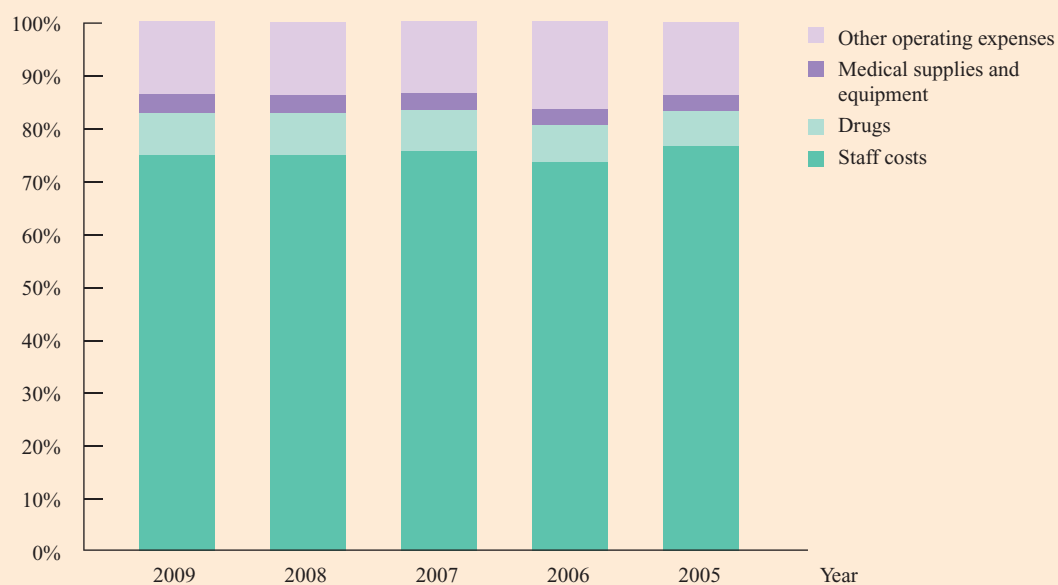
Income by Source (in % of Total Income)



Key Financial Indicators

	2009 HK\$Mn	2008 HK\$Mn	2007 HK\$Mn	2006 HK\$Mn	2005 HK\$Mn
Medical fee income					
Inpatient fees	1,169	1,110	986	899	813
Outpatient fees	1,083	1,046	1,040	1,039	1,046
Itemised charges	711	590	429	187	55
Other medical fees	61	61	56	49	42
	3,024	2,807	2,511	2,174	1,956
Less: Waivers	(497)	(511)	(524)	(546)	(570)
Medical fee income (net of waivers)	2,527	2,296	1,987	1,628	1,386
Write-off of medical fees	34	62	70	44	51

Expenditure by Category (in % of Total Expenditure)



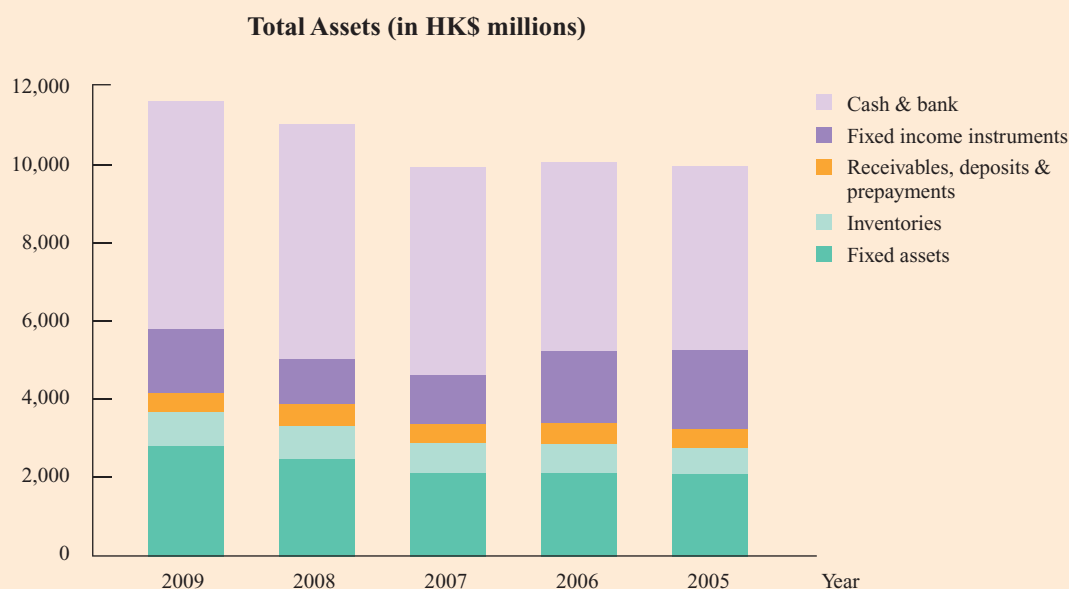
Financial Position (as at 31 March)

	2009 HK\$Mn	2008 HK\$Mn	2007 HK\$Mn	2006 HK\$Mn	2005 HK\$Mn
Non-current assets	3,127	2,935	2,918	3,395	3,696
Current assets	8,476	8,075	7,001	6,650	6,261
Current liabilities	(3,316)	(2,908)	(2,472)	(2,757)	(1,986)
Net current assets	5,160	5,167	4,529	3,893	4,275
Non-current liabilities	(661)	(626)	(594)	(635)	(646)
Net assets	7,626	7,476	6,853	6,653	7,325
Capital subventions and donations	2,825	2,492	2,129	2,128	2,104
Designated fund	5,077	5,077	5,077	5,077	4,542
Revenue reserve	(276)	(93)	(353)	(552)	679
	7,626	7,476	6,853	6,653	7,325

Key Financial Indicators

Inventories					
Drugs	680	639	530	482	416
Other medical and general consumable	184	200	228	240	238
	864	839	758	722	654

Average stock holding period (weeks)					
Drugs	12.5	12.8	11.9	11.9	11.1
Other medical and general consumable	7.2	8.0	9.9	10.8	10.3



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 recognised 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 2009 is HK\$33,764,000 (as at 31 March 2008: HK\$36,734,000).

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:

	2008/2009			2007/2008		
	HK\$'000	HK\$'000	(%)	HK\$'000	HK\$'000	(%)
Net hospital/clinic fees and charges		2,495,845	(82.5%)		2,258,458	(80.5%)
Hospital/clinic fees written-off and changes in provision for doubtful debts						
Actual write-off	33,916			62,364		
Decrease in provision	(2,970)			(24,345)		
		30,946	(1.0%)		38,019	(1.4%)
Waiver of hospital/clinic fees for:						
Eligible Persons		482,228	(16.0%)		492,284	(17.5%)
Non-Eligible Persons		14,990	(0.5%)		18,251	(0.6%)
Total hospital/clinic fees and charges		3,024,009	(100%)		2,807,012	(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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醫院管理局

HOSPITAL
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