醫院管理局
HOSPITAL AUTHORITY

HOSPITAL AUTHORITY
ANNUAL REPORT 2007-2008

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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.

Ms Vivien CHAN, BBS, JP

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

Dr Margaret CHUNG Wai-ling

Appointed on 1 December 2005, Dr Chung is an expert in Biomedicine and is currently a member of the Health and Medical Development Advisory Committee and the Rehabilitation Advisory Committee.

MEMBERSHIP OF THE HOSPITAL AUTHORITY

Prof FOK Tai-fai, JP

Appointed on 1 December 2004, Prof Fok is the Dean of Faculty of Medicine of the Chinese University of Hong Kong.

Mr Edward HO Sing-tin, SBS, JP

Appointed on 1 December 2002, Mr Ho is a distinguished professional architect with extensive public service experiences. He was a former Member of the Executive Council (1991-92) and Legislative Council (1987-2000).

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 service for many years.

Mr Benjamin HUNG Pi-cheng
(from 1.12.2007)

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

Prof LAI Kar-neng

Appointed on 1 April 2005, Prof Lai is a chair professor of the 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.

Dr Polly LAU Mo-yee

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
(from 1.12.2007)

Appointed on 1 December 2007, Mrs Law is an accountant. She has served as a member of the Commission on Strategic Development and the Central Policy Unit.

MEMBERSHIP OF THE HOSPITAL AUTHORITY

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 Permanent Secretary for Health.

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, JP

Appointed on 1 December 2004, Dr Lee is an Assistant 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.

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 and a member of the Hong Kong General Chamber of Commerce. He is also a member of the Commission on Strategic Development.

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 Chief Executive Officer of a wireless information technology developer.

MEMBERSHIP OF THE HOSPITAL AUTHORITY

Mrs Gloria NG WONG Yee-man, JP

Appointed on 1 April 2002, Mrs Ng is a businesswoman who has been active in voluntary services in the health and welfare sectors.

Mr Greg SO, JP

Appointed on 1 April 2006, Mr So is a solicitor and a member of the Commission on Strategic Development.

Mr Shane SOLOMON
Chief Executive, HA

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

Miss Amy TSE, JP
Deputy Secretary for Financial Services and the Treasury

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

Prof Thomas WONG Kwok-shing, JP

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

Mr Paul YU Shiu-tin, BBS, JP

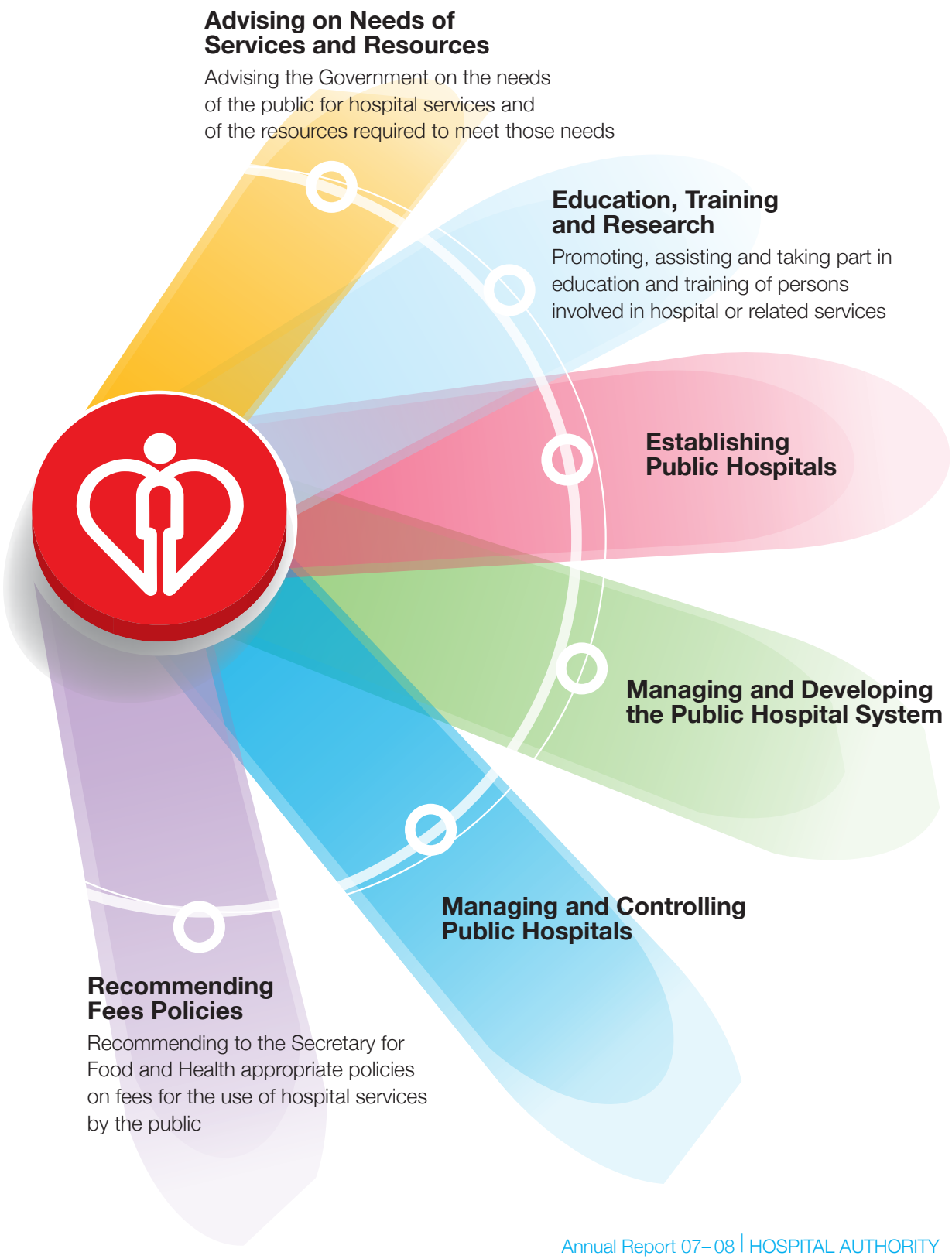
Appointed on 1 December 2001, Mr Yu is a businessman who has been actively involved in community services.

ROLE, MISSION, CORPORATE VISION & STRATEGIES AND CORPORATE GOVERNANCE

The Hospital Authority (HA) is a body corporate within the Hong Kong Special Administrative Region. Its functions are stipulated in Section 4 of the Hospital Authority Ordinance 1990. This Chapter outlines the role, mission, corporate vision and strategies, and corporate governance practices of HA.

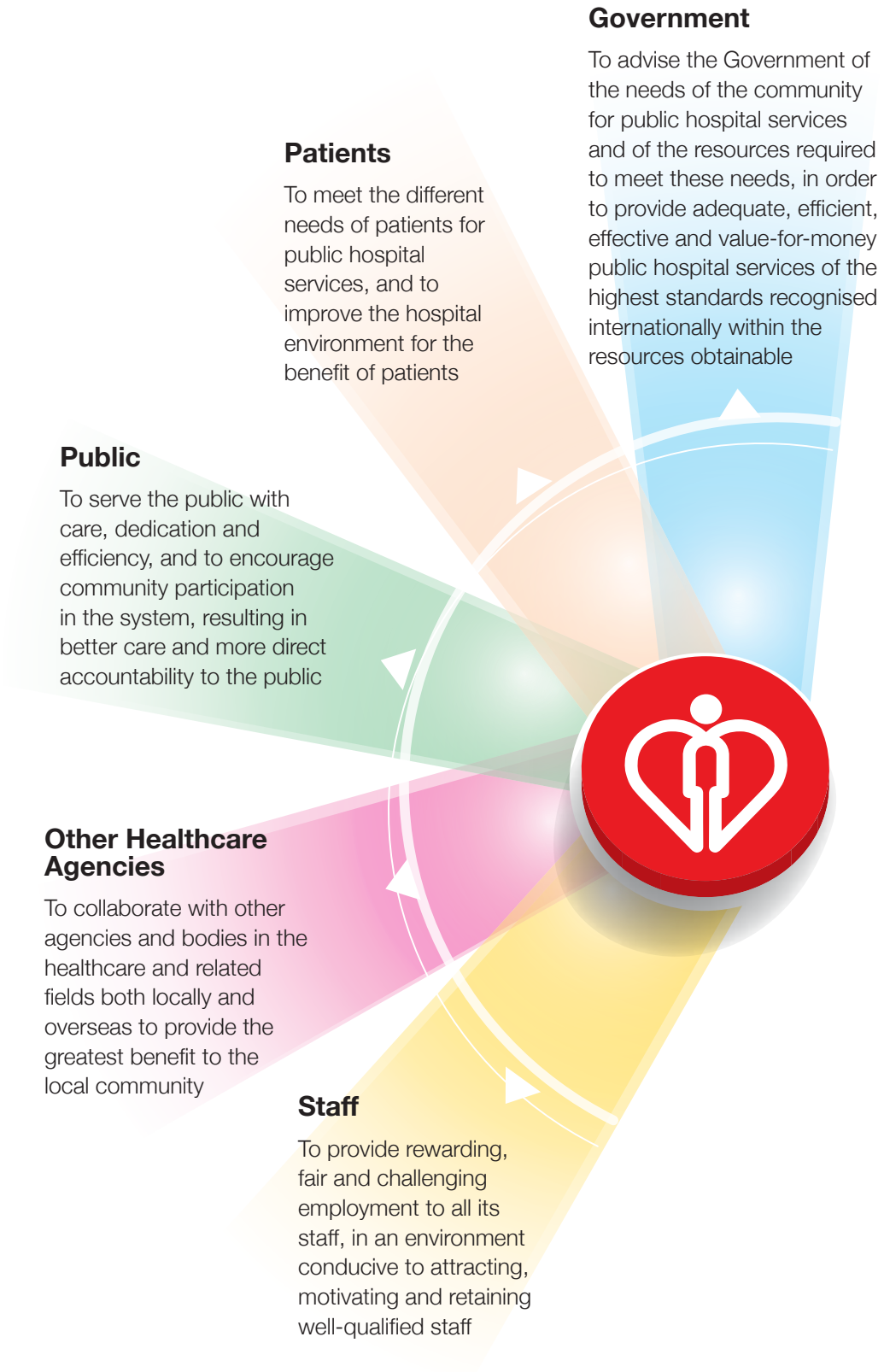
Role of the Hospital Authority

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



Mission Statement

The Mission of the Hospital Authority is:

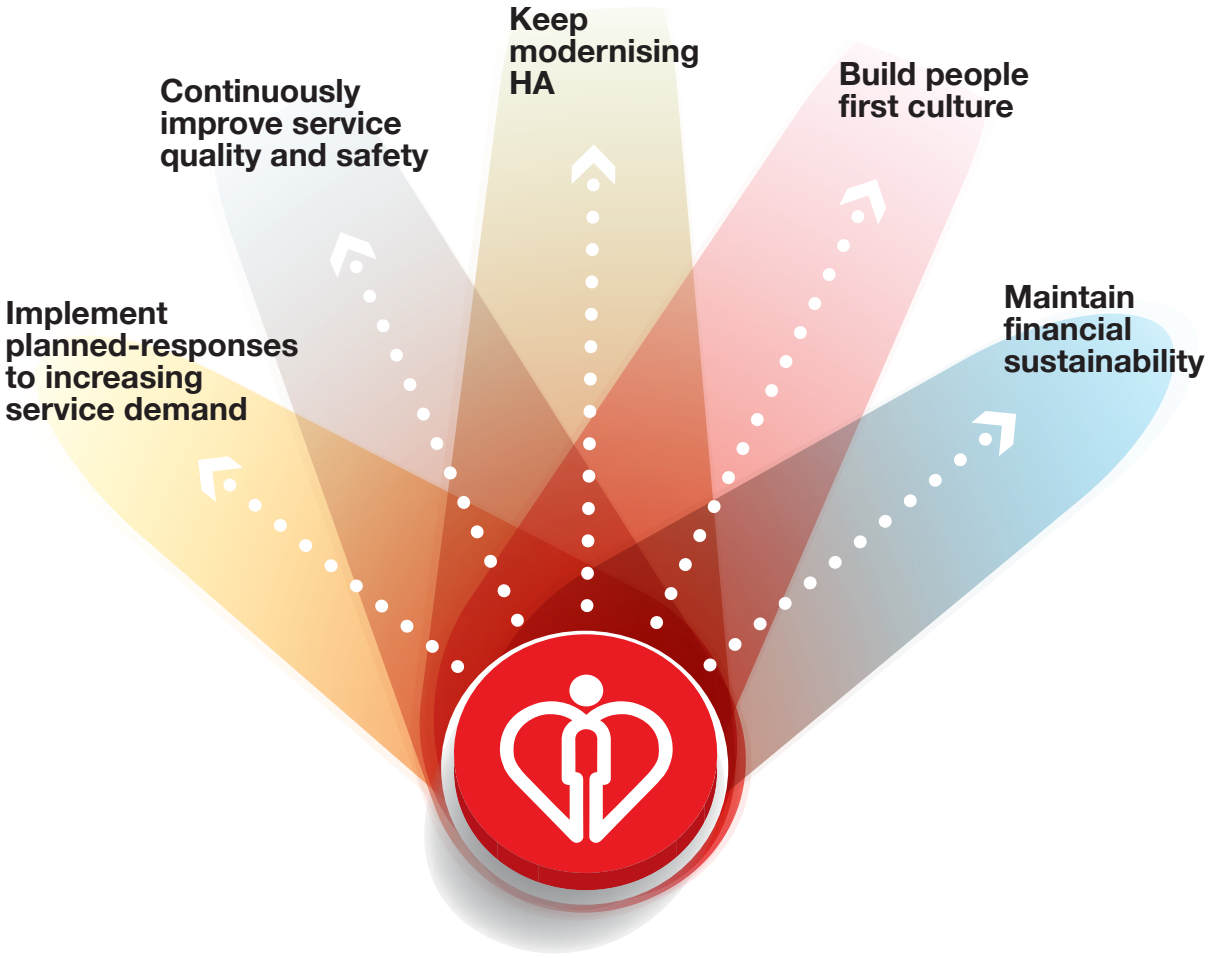


Corporate Vision and Strategies

To realise its mission, HA has developed the following Corporate Vision:

"The Hospital Authority will collaborate with other healthcare providers and carers in the community to create a seamless healthcare environment which will maximise healthcare benefits and meet community expectations."

The Authority aims to achieve this corporate vision 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 217 improvement targets for 2007/08, of which all but ten were achieved. The notable events occurring during the year are illustrated by photographs in Chapter 4 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 Hong Kong Special Administrative Region appoints members to the Authority Board. The 2007/08 Board consists of 25 members (including the Chairman) whose details are given in the Membership and Appendix 1 of this report. Membership of the Authority comprises 21 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 2007/08, it met 11 times. In addition, 14 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, Finance Committee, Human Resources Committee, Information Technology Governing Committee, Main Tender Board, Medical Services Development Committee, Public Complaints Committee, Staff Committee, Staff Appeals Committee, Supporting Services Development Committee, and Emergency Executive Committee (Appendix 2a). Membership of the committees, their terms of reference and focus of work in 2007/08 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). These committees held three to six meetings during the year to receive regular management reports from Hospital Chief Executives, monitor operational and financial performance of the hospitals, participate in human resources and procurement functions, as well as hospital and community partnership activities. In total, the 31 Hospital Governing Committees held 127 meetings in 2007/08.

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 2007/08, the three Regional Advisory Committees received reports on sentinel event reporting system for enhancement of patient safety, recommendation on doctors' work reform, progress report on the preparation for providing medical services to the 2008 Olympic & Paralympic Equestrian events, general outpatient clinic telephone booking system and enhancement of obstetrics services. The Regional Advisory Committees also deliberated on the annual plan targets of individual clusters and gave advice to the Authority on the healthcare needs of local communities.

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 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 that 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.

CHAIRMAN'S REVIEW



Three years had passed since my first Chairman's Review. 2007/08 was another challenging yet eventful and remarkable year for the Hospital Authority.

Hong Kong, like most cities in the world, is facing daunting challenges in healthcare provision: ageing population, early occurrence of chronic diseases, rapid advances in new drug discoveries and medical science inventions etc. Simply put, increasing service demand and public expectation exerted tremendous pressure on the already very tight financial situation of HA. On top of all these, we are facing staff shortages and retention problems. How to make the best use of the limited available resources to meet the ever-increasing and varied healthcare needs has put HA under continuous testing.

Yet, thanks to our valued staff for their tireless contribution, dedication, commitment and professionalism which I feel so proud of, HA has had considerable success over the past year on all fronts in attaining its set goals and strategic objectives.

To cope with the surge in service demand, we have increased service capacity in pressure areas and at the same time implemented service rationalisation and specialisation. To name a few of our achievements: public-private interface has been expedited to facilitate the flow of patients from public to private sector, and the electronic patient record system has been extended to residential care homes and private clinics for shared care. We also expanded the Chinese Medicine services. The demand for inpatient services has been effectively managed by close collaboration with other parties to strengthen the primary and community-based services and improve hospital discharge planning for elderly patients.

HA remained committed to providing quality services to the people of Hong Kong. Risk management initiatives, such as an enhanced risk management and communication system and a sentinel events report, were introduced to improve staff and patient safety. Early intervention to life-threatening conditions was implemented to improve survival rate and patient outcome. To keep pace with the fast changes in medical advancement, medical equipment and information systems were updated and replaced and new technologies, techniques and pharmaceuticals were also introduced. Redevelopment of old hospital buildings were also carried out to improve service provision. The Infectious Disease Centre at Princess Margaret Hospital enhanced preparedness for infectious disease outbreak.

CHAIRMAN'S REVIEW

We are most grateful to the Government of the Hong Kong Special Administrative Region (the Government) for the increased funding to HA in the past few years. Coupled with the Authority's implementation of stringent measures to control expenditure and monitor performance, improvement of the revenue collection mechanism, increase in revenue sources including better management of investment returns and collaboration through public-private partnership, the financial pressure on HA was relieved during the year and we were able to balance our budget in 2007/08 amidst the ever-increasing service demand.

All the major achievements in 2007/08 mentioned above would not have come into reality without the tireless commitment and dedicated services of our most valued staff. In recent years, heavy workload and financial stringency have had an adverse impact on career development and advancement as well as morale of the HA staff. Here, I wish to assure all HA staff that "Building People First Culture" has always remained my top concern. Much efforts have been put forth towards building this in HA. With the Government's staunch support, we were able to implement new starting salaries and other pay adjustments for various staff grades in 2007/08. Moreover, we have developed a flexible employment package to provide more flexible career opportunities for existing employees and to allow an adjustable mix of full-timers and part-timers to help bring in leading expertise from the private sector. We have also put in place a new career progression structure for our doctors and launched a number of pilot programmes of Doctor Work Reform to relieve the work pressure of our frontline medical staff. During the year, we also started a review on the career progression path for our nurses, which has now been finalised. We are committed to do more, especially in addressing highly pressurised areas and enhancing professional competencies.

As we all know, the viability of our healthcare system depends on whether we are able to continue to provide quality healthcare services which are financially sustainable, affordable and accessible to all members of the public. We are indeed at a point that we must change in order to continue to provide quality services to the community. In March 2008, the Healthcare Reform Consultation Document "Your Health Your Life" was launched by the Government. This reform document is an important step and is the beginning of a new chapter in our healthcare system. In this regard, HA had consolidated views of our Board and Hospital Governing Committee members, staff, patient groups and other stakeholders and put forward our response to the Government. In the coming year, HA will continue to support the Government's healthcare financing reform, ensure forward budget planning, explore funding allocation model for productivity and quality incentives, and enhance management accountability for the best use of resources.

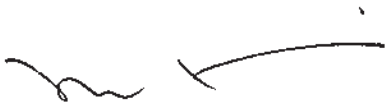
Before ending this review, I would like to express my heartfelt gratitude to the Government for its able leadership and increased funding to the Authority for which we are most grateful.

I would also like to thank and pay tribute to some of our very dear friends and colleagues. First, I would like to extend my very best wishes and heartfelt appreciation to Dr Vivian WONG, former Director (Strategy & Planning), who retired in August 2007. We are all impressed by her dedication and devotion to work and are most grateful for her invaluable contribution. We are fortunate to retain her expertise as she continues to advise HA on Integrative Medicine services. I also want to welcome our new Board members, Mr Benjamin HUNG and Mrs Yvonne LAW SHING Mo-han. My deepest appreciation goes to all members of the Board, the Regional Advisory Committees and the Hospital Governing Committees. I am greatly indebted to all of them for volunteering their valuable time, service and expertise and guided the executives and myself in formulating the strategies and policy directions of the Authority throughout the year.

Finally, I would like to congratulate Professor Joseph J Y SUNG of the Chinese University of Hong Kong, and his team who were awarded the 2007 State Scientific and Technological Progress Second-Class Award for their achievement and innovation in the treatment of peptic ulcer bleeding. I also wish to congratulate Caritas Medical Centre which received the Asian Hospital Management Award 2007 – Excellence Project, and Queen Mary Hospital which received the Gold Award again in this year's Reader's Digest Asia Trusted Brands Survey in the category of hospital in Hong Kong. These reflected the trust and confidence that the hospitals have been honoured with, and the wide recognition of the quality and value of their services to the community. My heartfelt congratulations to the staff members concerned!

I also wish to congratulate all winners who won this year's outstanding staff and team awards. Their significant contributions to HA and demonstration of exemplary behaviour in promoting the Authority's core values of respect, fairness, teamwork, professionalism and innovation, as well as in achieving the goals of the Authority have been well recognised across the organisation.

HA has experienced a wide range of new challenges and opportunities. There are still difficult challenges ahead including all the budgetary and human resources issues that need to be resolved. Nevertheless, with a strong team of dedicated healthcare professionals and staff, the unfailing support of our Board members and the concerted efforts from Government and community partners, I am confident that we will stand up to our challenges and sail through the storms in fulfilling our mission of providing highly professional and quality patient care to the people of Hong Kong.



Anthony WU, GBS, JP
Chairman

CHIEF EXECUTIVE'S REPORT

Introduction

Moving into my third year as the Chief Executive of the Hospital Authority (HA), I see that good progress in our five major directions have been achieved in 2007/08:

- Implement planned-responses to increasing service demand
- Continuously improve service quality and safety
- Keep modernizing HA
- Build people first culture
- Maintain financial sustainability.

I highlight below some of the major achievements of HA in 2007/08.

Planned Responses to Increasing Service Demand

Managing the increasing demand involves a mix of increasing service capacity modestly to meet growing demand in the highest priority areas, building up services to prevent avoidable hospitalization, and improving service planning.

New Territories West was one of the pressure areas as a result of population growth in recent years. To increase the service capacity in the area, a new Rehabilitation Block with 252 beds at Tuen Mun Hospital had been put into operation and fully functioning since September 2007. At Pok Oi Hospital, the Accident and Emergency Department as well as two acute Medical Wards and Emergency Medicine Wards were also opened.

We have reviewed and improved the mental health service, both in terms of quality and capacity. Thirty beds for acute psychiatric care were added in Kowloon Hospital in August 2007 to reduce overcrowding in response to growing demand. The community mental health intervention project was launched in October 2007 in all clusters in close collaboration with Social Welfare Department and District Offices.

Our obstetric and neo-natal intensive care services came under pressure from mainland mothers. The delivery capacity of United Christian Hospital, Queen Elizabeth Hospital and Princess Margaret Hospital was increased by 2,000 through addition of obstetric beds.

Alongside increasing our service capacity, keeping people healthy and out of hospital continues to be a high priority of HA and it starts from strengthening the primary and community care. In 2007/08, the clinical management and complication screening for Diabetic Mellitus patients were standardized and implemented in ten outpatient clinics. Standardized protocols for clinical

management and referral for hypertension were developed. Health promotion programmes were also launched in some 200 venues.

Emergency Medicine Wards were established in Princess Margaret Hospital, Pamela Youde Nethersole Eastern Hospital, Ruttonjee Hospital, Prince of Wales Hospital, Pok Oi Hospital and Caritas Medical Centre to reduce inappropriate inpatient admissions.

HA is committed to further improving the service capacity and quality of its Chinese Medicine (CM) service. On the hardware side, two CM clinics were opened in Eastern and Fanling districts. Pilot communication between CM and Western Medicine patient information systems had also been implemented at two centres in the New Territories West and Kowloon West Clusters. To familiarise Western Medicine healthcare professionals with basic CM theories, a CM certificate training programme, covering treatment modalities, use of Chinese herbs and acupuncture was organised for 54 participants.

Multi-disciplinary services for patients with chronic illness and high admission risks had been expanded in partnership with other service providers. The Public-Private-Interface – electronic Patient Record (PPI-ePR) pilot project was extended to various residential care homes for the elderly, private clinics, private hospitals, and non-government organisations to facilitate exchange of information on this group of high risk patients. Patient empowerment programmes on end stage renal failure, diabetes and stroke had been developed and implemented to strengthen support in the community in collaboration with non-government organisations.

Making accurate projection on service demand and healthcare workforce is an essential element of planning. HA has developed a health workforce projection model to identify gaps of supply and demand and make recommendations. A new Maternity Workload Monitoring System has helped monitor and project antenatal bookings in public hospitals and ensure priority service to local pregnant women. The central information database for cancer and trauma was also enhanced to better support service planning.

Continuously Improve Service Quality and Safety

Quality and safety have always been a major concern of healthcare providers. In 2007/08, we strived to have more timely intervention, upkeep emergency preparedness, enhance risk management and introduce quality and incentive systems.

Initiatives were implemented to provide early intervention to life-threatening conditions such as cancer and stroke to improve survival rate and patient outcome. The linac machine time in Prince of Wales Hospital and Queen Elizabeth Hospital had been extended to reduce the waiting time of cancer patients for radiotherapy. The new oncology centre at Princess Margaret Hospital and the day chemotherapy centre at Tuen Mun Hospital increased significantly the throughput in oncology services. To enhance the management of patients with acute stroke, standards were developed to shorten the neuro-imaging time from 24 to 12 hours after registration at the Accident and Emergency Department.

Initiatives were implemented to clear the existing backlog in all urology units in HA to reduce the operation waiting time for benign prostate hypertrophy patients with acute retention problem to less than eight weeks. Besides, a public-private partnership programme was successfully introduced to reduce waiting time for cataract surgeries by offering subsidies to invited patients who choose to have more speedy treatment in the private sector.

The threat of pandemic and civil disasters calls for quick and robust response and recovery plans. With the commissioning of the Infectious Disease Centre at Princess Margaret Hospital in April 2007, HA's preparedness of handling infectious diseases was greatly enhanced. The infection control provisions for autopsy facilities in ten public hospitals were upgraded. Besides, 15 cross-agencies drills covering various kinds of major incidents including aircraft accident, equestrian event, avian flu outbreak and poisoning were conducted in the year to enhance organisational preparedness for emergency situations.

With the increase in complexity in toxicology cases in recent years, the Hong Kong Poison Information Centre had started providing 24-hour service since 1 July 2007 to support clinicians in both the public and private sectors. Pharmacy support service for the Hong Kong Poison Control Network was also strengthened.

Two auditing improvement standards, one on medication safety and another on patient assessment and documentation, were upgraded. Strategies and programmes targeted at medication safety and quality improvement were developed and implemented in HA hospitals to reduce medication incidents associated with look-alike, sound-alike medications and high concentration intravenous medications. Guidelines on use of antibiotics in surgical prophylaxis were developed and existing practices consolidated. The use of barcode technology for correct patient identification was also rolled out to all HA hospitals.

To identity and prioritise clinical and healthcare audits, a Clinical Audit Register comprising two IT-based templates was developed. Corporate nursing audits were also conducted on the administration of medication, blood transfusion and fall prevention in 2007.

New systems had been introduced to measure and reward quality improvement outcomes. In 2007/08, we developed a set of clinical practice guidelines together with auditable indicators

for the management of four types of cancer, namely breast, colorectal, lung and ovarian cancer. In addition, selected quality indicators on mental health were formulated and promulgated for future benchmarking.

Keep Modernizing HA

With the increased funding support from the Government, HA was able to update its equipment. In 2007/08, we had purchased and installed 378 pieces of major medical equipment and 37 engineering equipment in our hospitals. More importantly, we had completed a review on the overall state of strategy, structure and system of health technology management and a comprehensive management strategy was formulated to keep HA abreast with the latest development in healthcare industry. A feasibility study on the use of radiofrequency identification to enhance management of ventilators and infusion pumps was conducted at two hospitals. A clinical dashboard system was installed in selected wards/units in nine hospitals to improve ward management and enhance clinical communication.

We had also embarked on programmes to enhance and rationalize our supporting services. Renovation work to pave the way for commissioning a new catering service with cook-chill cum cold-plating technology at Queen Elizabeth Hospital was completed. The 4 Non-Emergency Ambulance Transfer Service (NEATS) centres in Kowloon East, Kowloon West and Kowloon Central Clusters were rationalized and merged in October 2007 with installation of a computerized management system to improve efficiency in the provision of transport service to needy patients. With funding from the Hong Kong Jockey Club Charities Trust, 32 NEATS vehicles were replaced by environmentally friendly LPG vehicles in February 2008.

Modernization needs up-to-date information technology systems. The electronic Patient Record (ePR) Image Distribution System had been enhanced with resilience and high availability features to improve availability of reference quality images for clinicians to facilitate effective clinical decision making. The requirements for the future Inpatient Medication Order Entry System had also been defined to address the issues relating to technical and operational workflow, system and service management as well as risks and resources.

The Generic Clinical Request (Allied Health) System was rolled out to all allied health departments for both inpatient and outpatient services in New Territories East and Hong Kong East Clusters to facilitate continuity of patient care. The platform of the e-Knowledge Management Gateway (eKG) had been enhanced with 5 new infrastructure features to help frontline clinicians better deliver evidence-based care. To improve alignment between IT services and clinical requirements, the current business architecture and application architecture were reconstructed and made available in the Enterprise Architecture Portal to help develop a facilitating Clinical Application Platform.

Software configuration of the Enterprise Resource Planning (ERP) System Phase 1 was agreed and testing was commenced. All planned enhancement features for the existing Patient Billing and Revenue Collection System had been completed.

Build People First Culture

We treasure most our staff, yet, we are faced with challenges, both internal and external. In 2007/08, "Building People First Culture" remained high on our agenda. Our imminent need was to retain, attract and motivate well-qualified doctors, nurses and allied health staff.

Doctors have long been over-stretched with continuous long work hours. With the HA Board's endorsement on the Recommendation Report of Doctor Work Reform, pilot programmes to reduce workload, improve work pattern, reorganize hospital services and strengthen multi-disciplinary collaboration were implemented in seven hospitals. In order to meet professional training and service needs, 324 doctors were recruited.

Similar to most parts of the world, Hong Kong faces a nurse shortage problem. The turnover of nurses had increased in 2007/08, but HA managed to recruit sufficient nurses. Specifically, to increase the supply of registered and enrolled nurses, a 3-year Higher Diploma in Nursing Programme was launched in September 2007 in the Kowloon Central Cluster. In addition, a 2-year Enrolled Nurse Training Programme was organised in December 2007 to train more nurses for the welfare sector. Initiatives were implemented to manage the increasing workload in obstetrics and neonatal service units by enhancing professional competence through recruiting two intakes of 79 trainees for midwifery training, one intake of ten nurses for a return-to-practice midwifery training programme, and one intake of 24 trainees for neonatal intensive care training. More Advanced Practising Nurse posts were created. To strengthen the professional competence of the nursing workforce, we had sponsored 506 nurses to take part in the Registered Nurse Conversion Programme. To address the workload in pressure areas, Nurse Patient Dependency Study was completed to update benchmark reference for acute and extended care hospitals and institutions. According to an agreement between the Government and Guangdong's Health Department, the HA commenced a 4-year professional training programme for nurses from Guangdong in HA's hospitals to facilitate exchanges of medical skills and systems between the two cities.

Apart from recruiting 218 allied health staff to cope with increasing demand for allied health services, we had evaluated the pilot programme on theatre technician with a view to relieving the heavy workload.

HA needs effective management and leadership. Over 20 corporate management training programmes were

organised for different staff groups to enhance their management competency. In the year, we successfully rolled out the Executive Leadership Programme for 25 senior executives from different disciplines. For the senior managers in Head Office and senior healthcare professionals at cluster / hospital level to widen job exposure and facilitate career development, a rotation mechanism was mapped out and kick-started in the year.

The Institute of Advanced Allied Health Studies was established to meet the training and development needs of allied health professionals in HA. A team of Allied Health Training Officers had been in post to conduct training need analyses and to develop training programmes for allied health staff.

We attached lots of importance to retaining and motivating well-qualified staff. New career progression models had been developed for doctors, nurses and allied health professionals in the year to improve their career prospects in HA. Three additional initiatives were implemented for doctors, namely, enhanced contract period for training; enhanced recognition for achieving professional milestones through pay advancement; and conversion to permanent appointment. A new career structure for nurses was endorsed in principle, while the new allied health career progression model was developed.

To ensure a stable workforce providing quality service, HA had improved the employment conditions for staff on contract terms. A total of 664 contract staff were successfully converted to permanent terms from July 2006 to June 2007 under the conversion scheme. The programme will become an ongoing annual process in future.

Maintain Financial Sustainability

Thanks to the support from the Government, particularly the Secretary for Food and Health, the operating funding has increased by 2.4% in 2007/08 compared with 1% the year before.

In the year, HA achieved a cash surplus position of $310 million, comprising $283 million income surplus and $27 million expenditure savings.

In the year, we continued to support the Government to review strategies on healthcare financing, ensure forward budget planning, explore a new internal funding allocation model, enhance management accountability for best use of resources, improve productivity and explore new opportunities that can increase non-government revenue.

In assisting the Government to formulate the future healthcare policies, we had consolidated views from relevant specialty clinicians and proposed to the Food & Health Bureau an enhanced primary care model with recommended service packages for specific age groups covering from

newborns to frail elderly persons. Components of the model included health education, risk assessment, screening and primary prevention programmes, secondary prevention and disease management through outpatient and outreach services.

On top of the annual resource requirements, we are discussing with the Government on HA's medium term financial requirements. Financial projections based on demand pressure and cost pressure were completed to facilitate a sustainable long term funding arrangement. At the same time, a casemix-based internal resource allocation system will be adopted as a tool for performance measurement and benchmarking. The new resources allocation model will provide incentives for clusters to provide appropriate care and better service quality in the long run.

Conclusion

I am glad to see that HA sailed through the challenging year of 2007/08, making good progress on the various strategic directions. Yet, we should not be complacent about our achievements. How to ensure a sustainable public healthcare system in the light of all external and internal challenges remains high on our agenda. In this regard, we will continue to cooperate fully with the Government in implementing the healthcare reform proposals.

There is no single system which would be able to provide safe and quality health services to our community. We would never be able to achieve our success without a team of dedicated staff members. Before I end this report, I must pay my sincerest tribute again to my whole team of staff in HA. They have gone through difficult times from the most difficult time in 2003 when there was SARS crisis and the most stringent financial situation to now. Although they all have taken a share of the extra work, they do not compromise their tender loving care provided to the patients. I am really proud of all of them. Yet, they need to be cared for too! So I hope HA colleagues will see that we are making every effort to improve their working environment and to recognize all their good efforts! I particularly thank my senior executive team for their commitment and willingness to work together as a team.

Finally, I would also like to show my gratitude towards the Secretary for Food and Health, our Chairman and Board members. We have showcased our teamwork and I count on their continual support for an even better healthcare system for the community!

Shane SOLOMON
Chief Executive

CALENDAR OF THE YEAR

April 2007 – March 2008

The Appendices to the Annual Report give details of the enormous amount of activities in the Hospital Authority that take place every day of the year across Hong Kong. The following pages give a pictorial calendar of some of the key events and highlights of the Hospital Authority year.

APR 07

Staff members of the Hospital Authority fully supported the Charity Race organized by the Mass Transit Railway Corporation, which raised funds for the Authority's health promotion campaigns to the community.

The Hong Kong Poison Control Network, jointly set up by the Hospital Authority, the Department of Health and the Chinese University of Hong Kong, and in collaboration with other parties, was launched to enable experts to collaborate in tackling poison-related problems to reduce the morbidity and mortality of poisoning cases. It demonstrated an excellent example of successful collaboration among the Government, the Hospital Authority and the academia.

MAY 07

We all enjoy smoke-free environment! For healthier life style, the In-patient Smoking Cessation Programme was launched to help patients quit smoking.

The Hospital Authority Convention 2007 succeeded in attracting over 2,600 local and overseas delegates who had a great time to share experiences and knowledge under the theme of "Innovating for Health". The Convention has become a major health conference in the region.

CALENDAR OF THE YEAR

JUN 07

The Hospital Authority's Infectious Disease Centre was officially opened. The 17-storey building at Princess Margaret Hospital has 108 isolation beds and is equipped with state-of-the-art facilities, including a level-3 bio-safety laboratory for handling highly infectious specimens.

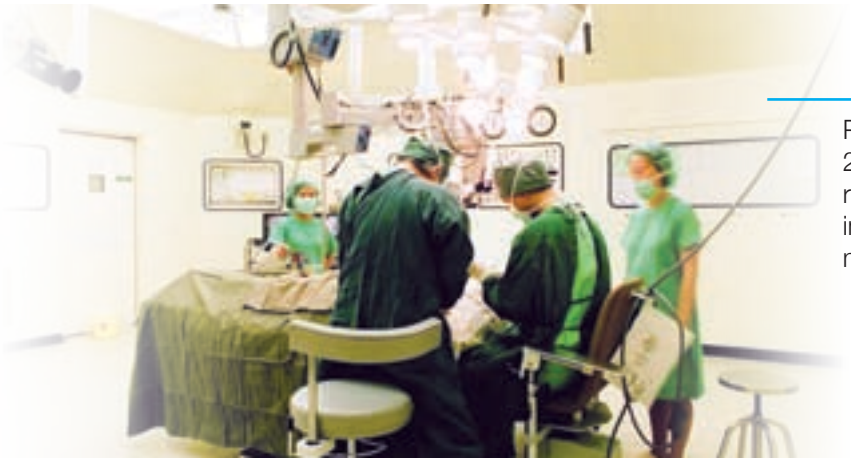
According to an arrangement between the HKSAR and Guangdong's health department, the Authority assisted the HKSAR to provide professional training to nurses from Guangdong. The first batch of 120 nurses from Guangdong province started ten months' training at eight public hospitals in June 2007.

JUL 07

In response to the recommendations of a review on the private patient revenue management system, the Authority took action to enhance the control environment and mechanism of private patient billing system across all relevant HA hospitals.

In collaboration with the Electrical and Mechanical Services Department and the CLP Holdings Ltd, the Kowloon Hospital started a good move in energy savings and environmental protection by introducing solar energy facilities in its Rehabilitation Building. The project will be further extended by the hospital to increase the solar energy supply within the hospital compound.

AUG 07



Patient safety is always our priority. In August 2007, the Authority announced an enhanced risk management and communication initiative to further strengthen its reporting and monitoring of adverse incidents.

To facilitate more effective communication with patients and patients' relatives, the Paediatrics Department of Tuen Mun Hospital has designed "Communication Cards" for communicating with patients from south-east Asian countries.


9. Visitor Record

SEP 07

The threat of infectious disease is always lurking around. The Authority participated in a territory-wide cross-departmental drill on influenza pandemic code-named Operation Chestnut to test its emergency response to an avian flu outbreak as well as interdepartmental communication and co-ordination. There were observers from the State Ministry of Health, and Guangdong and Macau Bureaux.

Congratulations to Caritas Medical Centre! Its Paediatrics & Adolescent Medicine/Developmental Disabilities Unit won the Excellence Project Award in the Asian Hospital Management Award 2007 for its excellent infection control measures.

CALENDAR OF THE YEAR

OCT 07

After a review confirming that services for local mothers have been secured in public obstetric services since implementation of the revised obstetric package charge for Non-Eligible Persons in February 2007, a refund policy came into place in response to requests from non-local mothers.

The Chief Executive paid regular visits to hospitals throughout the year to show his concern to frontline staff and to obtain the most updated information on hospital operations. He chatted with hospital staff during his visit to Pamela Youde Nethersole Eastern Hospital.

NOV 07

The Steering Committee on Doctor Work Hour submitted its Recommendation Report to the HA Board. The strategies and implementation plans aimed at reducing doctors' weekly work hours to not exceeding 65 and their continuous work hours to a reasonable level within 3 years.

The Hospital Authority, in collaboration with the State Ministry of Health and Dr Cheng Yu Tung Foundation, launched the sponsorship programme "New Horizon in Community Health" to provide community and primary care training programmes to healthcare professionals from China.

DEC 07

The Secretary for Food and Health, Chairman and Chief Executive of Hospital Authority, officiated the opening ceremony of the Minimal Access Surgery Training Centre and the Nethersole EndoLap Training Centre at Pamela Youde Nethersole Hospital. The EndoLap Training Centre is the first of its kind in Asia.

The Authority held a large recruitment fair for nurses, which attracted hundreds of applicants to join the public hospital workforce.

JAN 08

Caring for life and how to relieve suffering when recovery is beyond hope is the philosophy of the "Heart of Gold" Hospice Programme, which has been extended from Mainland China to 8 hospice day care centres of the Authority to provide terminal stage cancer patients with palliative care services.

What a wonderful world! Staying in hospital can be like visiting Disneyland for children patients of Princess Margaret Hospital and Caritas Medical Centre.

CALENDAR OF THE YEAR

FEB 08

Pok Oi Hospital has entered a new modern era with the Grand Opening of its new building. The Opening Ceremony was officiated by The Honourable Donald Tsang, GBM, Chief Executive of HKSAR.

The Authority initiated the first public-private partnership programme, Cataract Surgeries Programme, to subsidize public patients receiving cataract surgeries at private clinics.

MAR 08

The Government published the Consultation Document on Healthcare Reform "Your Health Your Life" to solicit the public's views on Hong Kong's future healthcare delivery model. A working group was set up within the Hospital Authority to study the document and to formulate a response to its recommendations.

The official opening of the Ambulatory Surgery Centre of Tseung Kwan O Hospital signified the enhancement of ambulatory surgery service in the hospital.

TEAMWORK, VALUES AND INNOVATIONS

The core values the Authority promotes to improve staff morale and service to the community include: respect, fairness, teamwork, professionalism and innovation. The seven 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.

Ambulatory and Community Care Support Team

Alice Ho Miu Ling Nethersole Hospital / Tai Po Hospital
(New Territories East Cluster)

Realising the "hospital without walls" concept

In 2003, medical professionals working in different departments of the Alice Ho Miu Ling Nethersole Hospital (AHNH) and Tai Po Hospital (TPH) decided to join forces to realise their common mission of providing quality care to frail and chronically ill people by establishing the Ambulatory and Community Care Support Team. Since then, the Team has initiated a number of programmes that facilitate the smooth transition of such patients from hospital care to care in the community. Its achievements to date included:

- The Early Discharge and Aftercare Programme launched in February 2004;
- The Strategic Partnership Programme, a collaboration with Tai Po Salvation Army, launched in 2005; and
- "We Care", an Accident & Emergency geriatrics screening programme, launched in November 2006.

The Team makes optimal use of resources available in the community by partnering with non-government organisations, and by ensuring seamless collaboration among them and various hospital departments. Its strategic partnership with such organisations have developed into a sustainable model of collaboration between the medical and social service sectors, which helps to turn the "hospital without walls" concept into reality. By working closely together, the Team and its partners are able to ensure efficient flow of information, minimise the duplication of services, streamline workflows and empower community partners to care for the elderly as well as chronically ill members in the community.

Child & Family Bereavement Team

Tuen Mun Hospital (New Territories West Cluster)

Nurturing the team spirit and tenacity of bereaved children

For the past 12 years, members of the Tuen Mun Hospital Child & Family Bereavement Team have dedicated themselves to helping bereaved children regain their hope in life after losing a beloved parent. They achieved this by working closely with families of terminally-ill patients in the Palliative Care Unit at the Hospital's Department of Clinical Oncology.

Bereaved children often suffer from lack of confidence, low self-esteem, insecurity, and poor academic performance. However, such problems tend to be overlooked by the healthcare system and society at large. The Team therefore aims to provide those children with the necessary care and support when they face the loss of a parent.

Although the Team initially received no additional resources for its child bereavement service, it has not deterred its committed members from pursuing their mission with persistence and dedication. They have overcome many challenges and implemented a number of therapeutic and psychosocial programmes. A basketball team has been formed to nurture the team spirit and the tenacity of bereaved children who are facing hardships in their lives. Meanwhile, its "Singing Rainbow" choir helps to heal their pain through the power of music, and the EQ Ambassador Project trains secondary school students to become peer counsellors for bereaved children.

Made up of clinical psychologists, social workers, nurses and doctors, this excellent Team has enabled the community to begin recognising the problems of bereaved children and the importance of its work. It has also impressed upon the Hospital Authority that child bereavement is an important element in the holistic care of the terminally-ill.

Developmental Disabilities Unit – Quality Improvement (Infection Control) Group

Caritas Medical Centre (Kowloon West Cluster)

Striving to do still better

The Caritas Medical Centre's (CMC) Developmental Disabilities Unit (DDU) is a special unit that provides institutional care for children with profound learning disabilities. Most of these children are prone to infections, due to their chronic medical conditions and impaired immune systems. Several outbreaks of infectious diseases (IDs) were reported in the DDU after HA hospitals began implementing stringent ID surveillance and reporting systems following the SARS outbreak in 2003. The CMC's Infection Control Team also identified room for improvement in its work.

In response to these incidents, the DDU formed a special multi-disciplinary project group, the Quality Improvement (Infection Control) Group, in May 2005. Its prime objective was to reduce the frequency and scale of ID outbreaks in the Unit, taking into account the special needs of its children's health, education and care. The Group's key goals are to:

1. prevent infections;
2. detect IDs at an early stage and stop them from spreading;
3. prevent outbreaks of IDs and reduce their frequency; and
4. manage outbreaks with the aim of minimising their scale.

Thanks to the combined efforts of the DDU, Infection Control Team, Quality and Risk Management Team, Central Nursing Division, teachers at Lok Yan School (which the DDU's children attend), the children's parents and other allied health colleagues, the DDU has experienced no ID outbreaks since the project was fully implemented in December 2005. It is a complete success! The project received an Excellence Project Award in the Asian Hospital Management Award 2007; and the HA Outstanding Team Award gives further recognition to the colleagues' efforts in controlling infections and enhancing risk management. The DDU's achievement is undoubtedly a result of their dedication, innovation, team spirit and unrelenting hard work to attain continuous improvement.

Geriatric Hip Fracture Acute Management Team

Queen Elizabeth Hospital (Kowloon Central Cluster)

A model for other hospitals

The less time that patients have to wait for surgery, the less they suffer. In fact, medical literature also says that shortening pre-operative waiting time minimises the likelihood of complications and promotes recovery.

Unfortunately, geriatric patients are often stricken with multiple comorbidities (the presence of one or more disorders or diseases in addition to a primary disease or disorder). This means that they are not fit enough to undergo surgery upon their admission to hospital. Thus, extra efforts have to be made to optimise their condition before they can be operated on.

The Geriatric Hip Fracture Acute Management Team at Queen Elizabeth Hospital (QEH) was established to provide timely surgical treatment to senior patients suffering from hip fractures. It aims to minimise the suffering and promote the recovery of patients, while simultaneously reduce the complications that the patients experience and their mortality rate.

The multi-disciplinary team consists of orthopaedic trauma surgeons, anaesthesiologists, as well as ward and operating theatre nurses. The combined efforts of its members enabled QEH to handle more cases than any other hospitals in Hong Kong – and handle them well, too.

For example, in 2006, 74% of the Team's geriatric hip fracture patients underwent surgery within two days of admission to hospital – a considerable improvement to the rate of 52% achieved in 2001 and the average rate of 26% at other HA hospitals. This success rate has now been adopted as a "Key Performance Indicator" within the HA.

Hong Kong Buddhist Hospital Hospice Care Team

Hong Kong Buddhist Hospital (Kowloon Central Cluster)

Patient-centred holistic care

The Hong Kong Buddhist Hospital (BH) is the only hospital in Kowloon Central Cluster that has a Hospice Care Team. The Team focuses on helping end-stage cancer patients and their families. It aims to improve the quality of life of the patients, reduce their suffering and safeguard their dignity during the last days of their lives.

The continuing advances of medical technology mean that people nowadays live longer. However, one consequence of these advances is that some patients experience long-term suffering. Despite its limited resources, the Team strives to ensure that such individuals receive optimal care and experience the greatest-possible degree of comfort.

Over the years, the Team has worked hard to achieve the following objectives:

1. To provide patient-and-family-centred care to patients, paying attention to their physical, psychosocial and spiritual needs;
2. To reduce hospital admissions and provide home care support so as to enable patients to spend the remaining part of their lives at home with their loved ones;
3. To provide care and support to team members, who experience chronic psychological stress when they face the death of their patients, through regular sharing and other activities and initiatives, for example the putting up of “Protection for psycho-spiritual self – Do It Yourself” notice board and the launch of “Action care and concern”; and
4. To promote positive end-of-life education and bereavement care, by enabling relatives to support and share their experiences with one another, and by addressing the needs of bereaved families.

In addition to caring for patients and their relatives, the Team also takes good care of its members. Perhaps that is the reason for its being the Hospital’s Outstanding Team every year since 1999!

The Dialysis Assistants Development Team

Hospital Authority Head Office

Performing dialysis-related technical work

The number of haemodialysis patients at HA hospitals is increasing steadily over the years. Unfortunately, there is also a growing shortage of renal nurses available to undertake this labour-intensive procedure due to retirements, resignations and a decline in the number of nursing graduates. To address the problem, the Dialysis Assistants Development Team began to train a new category of personnel to perform some of the simple manual tasks associated with dialysis, which allows renal nurses to focus on the more complex technical procedures.

The Dialysis Assistants (DAs) were selected from existing hospital employees. They underwent a structured six-week curriculum which included practical training in the renal units of HA hospitals, thus gaining a thorough understanding of haemodialysis and peritoneal dialysis. All the 27 DAs who were trained in 2006 are now working in renal units, where they have gained trust and support of the nurses as well as acceptance of patients.

The Dialysis Assistants Development Team has been chosen to receive an Outstanding Team Award for its innovative idea in coming up with a solution to ease the high demand for manpower, which resulted from shortage of nurses. It has achieved its goal by re-engineering work processes to fill the gap between supply and demand.

Toxicology Reference Laboratory

Princess Margaret Hospital (Kowloon West Cluster)

Sensible assumption, careful verification

Chloroxylenol was found in bottled tea, a couple ate gelsemium by mistake, a teenage girl got poisoned after taking a weight-loss drug… You've no doubt read about such poisoning incidents in the media from time to time. But did you realise that most of them are solved by the HA's Toxicology Reference Laboratory?

Founded in March 2004, the Laboratory is the first and only laboratory to provide tertiary clinical toxicology laboratory services in Hong Kong for investigating difficult poisoning cases. The types of cases it handles for HA hospitals include:

1. herbal product poisoning;
2. new and uncommon forms of substance abuse;
3. other clinically important toxins; and
4. confirmatory toxicology testing.

Despite its short history, the Laboratory's dedicated, innovative and competent team has already solved many challenging toxicology problems. In fact, its members have been the first to identify many new and uncommon toxins, problems associated with misuse of Traditional Chinese Medicines (TCM), and cases of life-threatening counterfeit pharmaceutical products. Moreover, they also deal with most poisoning incidents related to TCM and non-TCM substances that are reported to the Department of Health. For example, between July 2004 and June 2005, 90% of all the TCM-related poisoning cases reported to the Department were passed to the Laboratory for handling.

There are millions of potential toxins in the world, and new ones are constantly being discovered. The Laboratory's role is therefore similar to the work of the professionals in the "Crime Scene Investigation" TV series. In addition to the possession of a detective's instinct and unlimited imagination, the team members need the ability to observe things carefully and in great detail as well . They also need to review relevant literature in a painstaking way, form rational hypotheses, and conduct meticulous experiments.

The development of toxicology in Hong Kong still has a long way to go. For this reason, the Laboratory plays an active role in educating and training professionals by organising and participating in regular teaching and sharing sessions and seminars, as well as by commissioning training, and writing for professional journals.

Although it has a fairly low-profile, the Laboratory's hard work and efforts will not go unrecognised, as its success in winning this year's HA and Kowloon West Cluster Outstanding Teams Award clearly demonstrates!

CLUSTER REPORTS

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

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

Below, each Cluster Chief Executive gives 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 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, including Pamela Youde Nethersole Eastern Hospital, Ruttonjee & Tang Shiu Kin Hospitals, Tung Wah Eastern Hospital, Wong Chuk Hang Hospital, Cheshire Home (Chung Hom Kok), St. John Hospital, as well as ten general outpatient clinics, including four on the outlying islands of Cheung Chau, Lamma and Peng Chau. It 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 continues to support the Cluster by providing health education programmes for health promotion and primary and secondary prevention.

Key Achievements

To manage its relatively low bed-to-age-adjusted population ratio, the Cluster places strategic emphasis on the development of community-based care programmes and community partnership, so as to reduce hospital stay and unplanned readmissions. The Cluster's Hospital Admission Risk Reduction Programme for the elderly, which provides post-discharge support through its Telephone Nursing Consultation Services, was implemented with an expanded High Risk Elderly Database. In the Pamela Youde Nethersole Eastern Hospital, a systematic and co-ordinated Pre-discharge Planning & Post-Discharge Support Programme was implemented in the acute medical wards, and a Multidisciplinary Heart Failure Management Team and Home Follow-up Programme was established to identify patients with high-risk congestive heart failure for post-discharge management, community-based cardiac rehabilitation, counselling and education. Other initiatives include the Community Geriatric Assessment Teams and the Visiting Medical Officer Scheme for elderly homes, together with the Community Liaison Office to support all community-based healthcare service.

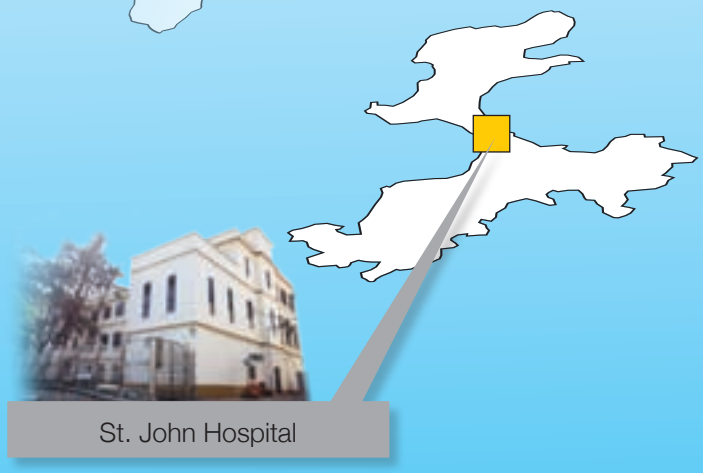
Other new services had also been introduced to reduce hospitalisation in other specialties. These include implementation of Community Mental Health Intervention Programme to provide timely assessment of patients with mental health needs, enhancement of chemotherapy ambulatory service for patients on prolonged drug infusions, and commencement of the Emergency Medicine Ward service in the Accident and Emergency Departments of Pamela

Youde Nethersole Eastern Hospital and Ruttonjee Hospital, with a total of 32 beds to provide integrated multi-disciplinary treatment.

To improve the quality, safety and outcome of hospital services, the Cluster had launched a number of quality improvement initiatives during the year. The Unique Patient Identification using 2-Dimensional barcode scanning and 'Time-out Policy' in operative and interventional procedures were implemented to promote correct patient identification. On top of the existing monitoring system, a two-tier self-assessment system was established to empower Department Quality & Risk Management Coordinators to self-assess performance prior to review and monitoring through the Cluster Quality & Risk Management Office. Regular Senior Executive Walk-rounds at hospital/cluster level continued to demonstrate leadership commitment towards the enhancement of patient safety and proactive identification/reduction of on-site risks.

Staff morale was also high on the Cluster's agenda. The Cluster had made continuous concerted effort to explore and implement innovative measures to alleviate nursing shortage. Doctor Work Reform (DWR) was piloted in the Medical Department of Pamela Youde Nethersole Eastern Hospital to reduce doctors' continuous works hours to ≤24 hours and weekly work hours to ≤65 hours through revamping the doctors' call plan. Extended-hour Ward Clerk service for Emergency Wards, 24-hour Phlebotomy Service and Ward Pharmacists' support were also introduced through the DWR pilot project, such that doctors and nurses could concentrate on their clinical work.

The Cluster continued to enhance its organization efficiency. Central sterilisation services were standardized, integrated and centralized at Pamela Youde Nethersole Eastern Hospital to save operating cost and increase efficiency, while a Cluster transport system was established in Ruttonjee Tang Shiu Kin Community & Ambulatory Centre. Information management in drugs, pathology services, radiology services and bed management was enhanced to improve



resources management. A Cluster Human Resources Management Information System was developed to enable and facilitate department heads' human resources management in a more effective and efficient manner.

To provide patients with more choices and enhance financial sustainability of services, private in-patient services were commenced and special accommodation wards and private specialist out-patient clinic services were expanded.

To keep pace with the current development of minimally invasive surgery, a new Minimal Access Surgery Training Centre was opened in December 2007. The new Centre is equipped with simulated facilities for combined laparoscopic and endoscopic training and a virtual reality laboratory to facilitate skill transfer to both public and private practitioners in a risk-free environment.

Hong Kong West Cluster

Dr Lawrence LAI, 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), Duchess of Kent Children's Hospital, Grantham Hospital, Fung Yiu King Hospital, MacLehose Medical Rehabilitation Centre, Tsan Yuk Hospital and Tung Wah Hospital (TWH). 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 in supporting undergraduate and postgraduate medical education and training, research and development, and innovations in healthcare technology and services. QMH celebrated its 70th anniversary in 2007 and received the Gold Award in Reader's Digest Asia's Trusted Brands Survey again in 2008. This reflected the trust and confidence of the community in the service contribution of the Hospital in past years.

Key Achievements

To manage service demand, the Cluster has placed much emphasis on reducing avoidable hospitalization. A number of measures were introduced including expansion of pharmacist-led clinic service for patients with hypertension, hyperlipidaemia and asthma to enhance patients' self-care and introduction of medication reconciliation and pharmaceutical care plan. These measures resulted in enhancement of patients' drug compliance, as well as reduction in drug wastage and avoidable hospitalization. Fast-track physiotherapy service was also extended to Observation Ward at Accident & Emergency Department to reduce admission and patients' length of stay.

The Cardiac Rehabilitation Programme was implemented by close collaboration amongst multi-disciplinary teams to reinforce hospital-based active rehabilitation for cardiac patients. This programme had contributed positively to patient's rehabilitation process and preventive care.

The Hong Kong West Cluster also continued to place strategic emphasis on community care and to strengthen collaboration with community partners. A Public Private Interface Programme to improve community support to post-discharge chronically ill patients was implemented through commencement of Telephone Nursing Consultation Services in August 2007. This programme helped reduce Accident & Emergency attendances and hospital admissions.

In addition, the dietetic and telemedicine clinic service to Residential Care Homes for the Elderly (RCHEs) visited by Community Geriatric Assessment Team (CGAT) was enhanced. A pilot project was also launched to reengineer the medication management system and implement medication reconciliation service in 3 RCHEs with support from Community Pharmacists to enhance drug safety.

During the year, the Cluster enhanced its clinical risk management and service quality by improving the cost-effectiveness of clinical services. Clinical pathways for Acute Myocardial Infarction, Elective Colorectal Resection and Geriatric Fracture Hip (acute management and rehabilitation) had been implemented. These clinical pathways optimized the best practice for patient care and resulted in reducing patients' length of stay.

To promote drug safety and improve service quality, QMH's Department of Pharmacy provided centralised cytotoxic drugs reconstitution service in the Chemotherapy Day Centre to support all specialties which offer chemotherapy service to patients. The pharmacists in the Centre also performed medication verification for all chemotherapeutic agents in QMH and TWH.

The Cluster also carried out a number of efficiency savings programmes to enhance system sustainability, including implementation of Pharmacist-led Clinic, expansion of Antibiotic Surveillance Programme to general medical wards, introduction of generic products of some chronic medications, promotion of rational use of antipsychotics and blood products, as well as energy conservation.

In a continuous effort to reinforce "People First" culture and promote staff health and wellness, the Cluster implemented a number of initiatives, including setting up the Sports Association and conducting workplace stretching exercise promotional programme. To strengthen the clinical and psychological support to staff suffering from injury on duty or occupational health problems and to facilitate their early return to work, the Occupational Medicine Consultation Clinic was set up in December 2007 to ensure timely provision of quality care and rehabilitation to injured staff.

Furthermore, to promote personal development and career advancement, training support to nursing and care-related supporting staff was enhanced. Leadership development and performance management programmes and team building workshops were conducted to improve overall organizational effectiveness. The Cluster also continued to modernize its equipment and facilities to maximise operational efficiency. Renovation works were carried out in wards and staff facilities to ensure a safe and supportive environment to staff members and the public.

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. A substantial proportion of the patients resided outside the districts. The Cluster comprises six hospitals/institutions and six satellite institutions. The six hospitals/institutions are Queen Elizabeth Hospital, 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. Our Vision now is "To pursue excellence in health services – in life we share, in health we care and in excellence we fare" 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.

We emphasise on **R**espect, **E**mpathy, **S**haring, **P**rofessionalism, **E**fficiency, **C**reativity and **T**rust, and **RESPECT** are our prime values.

Key Achievements

In 2007/08, 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 increasing service demand in high priority areas, the service capacity of the acute psychiatric service serving the Kowloon Central and East population had been enhanced through the opening of an additional 30 acute non-gazetted psychiatric beds in Kowloon Hospital, re-engineering the logistics of patient flow and reinforcing collaboration

between psychiatric services of Kowloon Central and Kowloon East Clusters. Congestion of psychiatric wards had improved. The intensive care services had been strengthened by converting 4 high dependency beds to 4 intensive care beds. On building up services to prevent avoidable hospitalization, the Hospital Admission Risk Reduction Programme for high risk Elderly (HARRPE) had been implemented where these patients were followed-up closely through telephone and community visits. A post-discharge programme for chronic obstructive pulmonary disease patients had been piloted to reduce readmission and length of stay through enhancing community and day-hospital support. To reduce the length of stay in acute and extended care beds, a Palliative Medicine Unit with 12 beds had been set up in Hong Kong Buddhist Hospital for the terminally ill patients.

To improve continuously quality and safety, programmes had been introduced to ensure timely intervention. These included the opening of a Diabetes Mellitus Complication Screening Clinic for screening of eye complications and 3,900 patients had completed screening. A triage and management programme had been set up for back and neck pain to reduce the waiting time for consultations. Risk management strategies included the implementation of time-out procedure in Operating Theatres and the 2-Dimension barcode scanning technology for labeling specimens. Safety of blood transfusion had been enhanced through implementation of Nucleic Acid Amplification Testing in Blood Transfusion Services for testing of viruses. A neurosurgical management protocol for stroke had been set up to streamline the overall stroke management within Kowloon Central and Kowloon East Cluster Hospitals.

To keep modernizing HA, the Cluster had updated and replaced medical equipment, systems and capital facilities aligned with the corporate plan. To achieve greater efficiency gain in the Non-Emergency Ambulance Transfer Service (NEATS), the four NEATS Control Centres of Kowloon had been merged to improve transfer logistics and service quality. The merged Kowloon NEATS Control Centre is located at QEH and the overall efficiency has increased by 10%. Digital radiography had been introduced in the Accident & Emergency Department including Emergency Medicine Ward to improve workflow and diagnostic accuracy.

Building people first culture is another priority in the Cluster. To nurture a caring culture at work place, the number of Oasis at workplace had been expanded to 300 sites which covered all ward areas and workplaces. The variety of supporting materials such as posters and visual products had been enhanced.

To maintain the financial sustainability, two finance models had been developed. The baseline resources plan finance model had been derived for planning and monitoring of head count, other charges and income. The costing model per patient headcount had also been developed for benchmarking purposes.


Hong Kong Buddhist Hospital
Kowloon Hospital
Hong Kong Eye Hospital
Hong Kong Red Cross Blood Transfusion Service
Queen Elizabeth Hospital
Rehabaid Centre

Kowloon East Cluster

Dr LUK Che Chung

Cluster Chief Executive

The Kowloon East Cluster serves an estimated population of 0.93 million covering the districts of Kwun Tong, Tseung Kwan O and Sai Kung. The Cluster comprises three hospitals, namely, United Christian Hospital, Tseung Kwan O Hospital and Haven of Hope Hospital. It also manages eight general outpatient clinics as well as the outpatient and day patient facilities in the Yung Fung Shee Memorial Centre and Pamela Youde Polyclinic. The Cluster provides a full range of comprehensive inpatient, day patient, outpatient, Accident & Emergency, as well as general, specialist and allied health services. It also provides community-based healthcare services such as conducting outreach patient visits.

Key Achievements

Facing the challenge of rising service demands in the highest priority areas, Kowloon East Cluster had enhanced its ambulatory service, including opening the Tseung Kwan O Ambulatory Surgery Centre in December 2007 and implementing the Same Day Admission Enhancement Programme in United Christian Hospital. In addition, during the year, 5 cluster-based departments, namely, Ear, Nose & Throat, Family Medicine, Obstetrics and Gynaecology, Pathology and Psychiatry had been formed to meet the changing demand and to improve on service quality and safety.

To reduce the need for inpatient service, the Cluster continued to enhance its community service through the launching of Tele-health Advice Service to high risk elders in the community, developing closer community network, and fostering partnership with alternative primary and specialist health care providers.

A number of risk management initiatives were introduced in 2007/08 to improve service quality and to enhance patient safety. These included the use of tracer methodology to audit the point-to-point inter-hospital transfer process, conducting “Executive Walk Round” to establish a framework of safety-based rapid improvement cycle for improvement of patient and staff safety, and implementing a Time-Out Procedure in Operating Theatre to prevent wrong site, wrong procedure and wrong patient surgery.

One of the Cluster's major focuses of work in 2007/08 was to strengthen the internal communication network within the Cluster. A number of channels had been established to promote communication between management and staff, including the introduction of "Talk to CCE" corner in the homepages and organization of regular open lunch forums and tea gatherings with colleagues to collect staff feedback.

In an effort to enhance system sustainability, the Kowloon East Cluster had implemented 2 revenue generation programmes, namely provision of supporting service to a nursing home operated by the ex-parent Board (United Christian Medical Service) in the United Christian Hospital compound and a collaboration programme with Cardiff University of United Kingdom on Diploma in Dermatology Course in 2007/08.

Kowloon West Cluster

Dr Lily CHIU

Cluster Chief Executive

The Kowloon West Cluster is the largest Cluster under the Hospital Authority. It serves a population of 1.9 million in Wong Tai Sin, Mongkok, Shamshuipo, Kwai Chung, Tsing Yi, Tsuen Wan and Tung Chung Districts. It comprises seven hospitals, including Caritas Medical Centre (CMC), Kwai Chung Hospital (KCH), Kwong Wah Hospital (KWH), Princess Margaret Hospital (PMH), Our Lady of Marynoll 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

"People First" culture has been a core value of the Cluster in 2007/08. A series of "Doctor Work Reform" initiatives had been piloted in the Cluster to alleviate frontline doctors' long working hours without compromising service quality:

1. An Emergency Medicine Ward was set up each in CMC and PMH in November 2007 to provide fast-track management of short stay patients. Enhanced psychiatric medical and nursing consultations were provided to the emotionally disturbed patients admitted there.

2. Measures were introduced to restrict emergency operations after 10pm except for emergency life, limb or sight-saving procedures in YCH and CMC. This would result in extra emergency operating sessions in the day time for both hospitals through better deployment of operating teams.

3. Technical Service Assistants (Care-related) were recruited to further ease the workload of staff in wards in CMC, PMH, KWH and YCH by providing 24-hour blood-taking, electrocardiogram studies and intravenous cannulation.

To meet the increasing demand for a cost effective service, the Cluster has further delineated the clinical roles of individual hospitals. There had been close liaison with Fire Services Department

to implement effective Primary Trauma Diversion to the Trauma Center at PMH for major trauma victims from ambulance catchment areas for CMC and YCH.

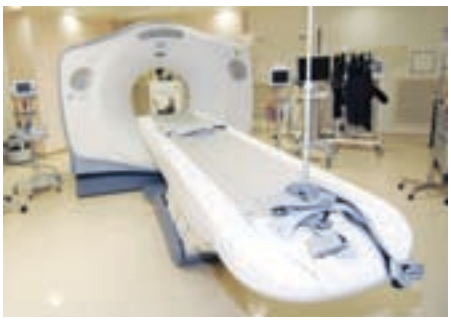
To further strengthen the role of YCH in community and ambulatory services, YCH has opened its Paediatric and Adolescent Centre in 1Q2008 to provide comprehensive ambulatory service to children and adolescents, thus avoiding unnecessary hospitalization. Furthermore, the YCH Breast Centre is under development and will be ready for operation in 4Q2008.

To strengthen the Paediatric Rehabilitation service at CMC, the Developmental Disabilities Unit (DDU) had been re-organized and had been awarded the Excellence Award in the Asian Hospital Management Award 2007 and the HA Outstanding Team Award 2008.

The Cluster Integrated Palliative Care Service had been enhanced through close collaboration of the Palliative Care Specialists and Oncologists of CMC, OLMH and PMH. The Palliative Care Unit of OLMH had been accredited as a full training centre for Specialist in Palliative Medicine in early 2008.

For services in high priority areas, extra quota for home haemodialysis had been allocated to support end-stage renal failure patients. The pre-admission service for elective surgery had been enhanced in PMH, CMC, YCH and OLMH to improve pre-operation patient care and avoid unnecessary hospitalization. The implementation of "Same Day Surgery" and "Day Surgery" as well as streamlining of workflow of 'Hip Fracture' management had reduced patients' length of stay. The waiting time for urgent benign conditions of Cataract and Benign Prostatic Hypertrophy (BPH) had been reduced through additional after-hour surgical sessions for 266 Cataract and 67 BPH in PMH, KWH, CMC and OLMH.

Emergency preparedness had always been accorded with high priority. To prepare for a quick and robust response system for outbreak of infectious diseases, the HA Infectious Disease Centre (HAIDC) at PMH had started operation in phases to provide high standard isolation facilities. Fifty-six beds in Adult and Paediatric Infectious Disease Wards, a Tuberculosis Ward and an Intensive Care Isolation Unit were opened. The HAIDC is not just another Medical Block but is a purpose built facility to provide surge capacity for immediate isolation of infectious disease should an outbreak occurs. It aspires to be a Center of Excellence in Infectious Diseases and Infection Control.



On quality improvement and risk management, a Cluster Electronic Risk Register had been developed and implemented to share and capture risk management data. Quality audits on central line infection rate, and "Correct Patient, Correct Site and Correct Surgery" had been conducted. Escort Medicine had been the Cluster's focus of development to enhance safe patient transfer between cluster hospitals.

The Cluster Facilities Management Team headed by KWH is always committed to support the core healthcare facilities in Kowloon West Cluster. The team was well recognized by the Hong Kong Institute of Facility Management, and had also finalized the integration of ISO 9001, ISO 14001 and OHSAS 18001 for the application for Integrated Management System Certification in the near future.

Promoting a healthy workforce is our target to achieve a Healthy Hospital / Cluster. In 2007, the Kowloon West Cluster Occupational Medicine Care Service had been awarded the 6th HK Occupational Safety & Health Gold Award by the Occupational Safety and Health Council in recognition of our efforts in this area.

New Territories East Cluster

Dr FUNG Hong, JP

Cluster Chief Executive

The New Territories East Cluster 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, namely, Prince of Wales Hospital (PWH), North District Hospital (NDH), Alice Ho Miu Ling Nethersole Hospital (AHNH), Tai Po Hospital (TPH), Shatin Hospital (SH), Shatin Cheshire Home (SCH) and Bradbury Hospice (BBH). The Cluster provides a full range of acute, convalescent, rehabilitation and extended care inpatient services to the public. As at the end of March 2008, the Cluster operates 3,955 inpatient beds in the seven hospitals. The Cluster also provides a comprehensive range of day patient, general and specialist outpatient, allied health, and community-based healthcare services to serve the public. There are three Accident & Emergency (A&E) centres operated at PWH, AHNH and NDH.

Key Achievements

In 2007/08, the Cluster expanded considerably its ambulatory and community mental health services to meet the rapidly rising demand from the local population. The output of outreach services had increased by 7.4% when compared with the previous year. Additional doctor sessions were also added to the psychiatric specialist outpatient clinics of PWH, AHNH and NDH, resulting in reduction in waiting time for first appointment.

On the acute services, an Emergency Medicine Ward was opened in PWH to strengthen the provision of emergency care and treatment for patients. Integrated clinical pathways for 13 specific conditions were developed to standardise patient management and ensure efficient turnover of patients. Screening and assessment of elderly patients were conducted by geriatric doctors and nurses in the A&E Departments and Medical Wards to cut down unnecessary admission and to facilitate early discharge. Community support such as community nurse visits and follow up by social welfare services were arranged to ensure that appropriate intervention programmes were available for the high risk patients.

In addition, the Cluster expanded the clinical oncology services and the poison treatment service. On the clinical oncology services, the ambulatory cancer care services in PWH introduced the home-based cancer care programme with the use of the ambulatory infusion pump at home

for selected patients. It also extended the service hours of radiotherapy resulting in reduction of radiotherapy waiting time for patients requiring radical radiation treatment.

On the poison treatment service, two beds were opened in the High Dependence Unit of PWH for admission of poison cases. A Clinical Pharmacology & Toxicology Clinic was established in the Li Ka Shing Medical Specialist Outpatient Department to provide regular outpatient services to patients with sub-acute / chronic poisoning or drug-related problems. Besides, PWH was accredited by the Hong Kong College of Physicians as a training centre in clinical pharmacology and therapeutics.

To enhance the role of Family Medicine service units, triage clinic was introduced at the Fanling Family Medicine Centre (FMC) to cut down unnecessary medical specialist outpatient referrals. The triage clinic function was further expanded to cover other clinical specialties and extended to FMC in Shatin and Tai Po districts.

Much effort had been made by the Cluster in 2007/08 to promote patient safety. The new patient wristband with 2D barcode was introduced in cross-matching, blood administration and last office procedures to ensure correct patient identification. Incident on blood cross-matching sampling was decreased to zero since then. The Cluster had also introduced the Methicillin-resistant Staphylococcus Aureus (MRSA) rapid screening to all intensive care units (ICU) of the Cluster and ventilator associated pneumonia surveillance in ICU of PWH respectively to enhance infection control. Preliminary results showed that the MRSA acquisition rate had dropped from 5.9 (1Q07) to 1.2 (1Q08) per 1,000 patient days despite more imported cases.

On human resources, the Cluster had followed the various measures including part-time allowance, continuous night shift and additional increment introduced by the Hospital Authority to support nursing manpower of obstetric and neonatal services. Medical manpower on both frontline and supervisory levels was also strengthened. Equipment provision was improved to enhance neonatal intensive care services and contingency plan was in place to meet the projected increase in service demand.

The Cluster continued to run an extensive internal communication programme to enhance staff communication. The programme included regular Cluster Chief Executive (CCE) staff forums, departmental visits, walk rounds, luncheons, and the use of electronic communication with a Question & Suggestion Section and CCE Blog in the Cluster intranet. E-surveys were also introduced to solicit staff feedback on issues of common concern.


North District Hospital
Alice Ho Miu Ling Nethersole Hospital
Tai Po Hospital
Shatin Cheshire Home
Prince of Wales Hospital
Bradbury Hospice
Shatin Hospital

The Cluster had rationalised the call duty arrangements in all major clinical departments to reduce doctors' work hours, making them as close to 65 hours per week as possible. Two pilot schemes were in operation. The one in NDH involved extending the operating hours of the operating theatres with a view to reducing the need for overnight surgeries. The one in AHNH involved the provision of 24-hour phlebotomist services to support the work of the junior doctors.

The concept of nursing governance and its structure was developed. A series of forums, workshops, and focus groups were organized for promulgation at all levels. In order to promote staff engagement, the Cluster organized a series of peoples' workshop since 1Q08 with the nurse leaders to promote a shared understanding on the 3-pillar approach of promoting communication, teamwork and ownership in the staff engagement process.

The Cluster had completed a study on light duties cases in 2Q07. The workflow of Medical Assessment Board and referral to Occupational Medicine Clinic was streamlined to ensure consistency in judgment and light duty prescription so as to facilitate return to work of the affected staff. The Cluster had also reviewed the career progression development structure of supporting staff and introduced a salary increment scheme for them to enhance compatibility in the current job market.

To further promote private-public partnership, the Cluster had initiated regular meetings with the general practitioners community networks in Shatin, Tai Po and North District. Working groups were formed to streamline referrals among special outpatient clinics, general outpatient clinics, accident and emergency service, and general practitioners, to steer public private programmes, and to enhance communication and experience exchange through information technology.

New Territories West Cluster

Dr Albert LO

Cluster Chief Executive

The New Territories West Cluster serves a population of 1.06 million in 2008. It comprises four hospitals, namely Castle Peak Hospital, Pok Oi Hospital (POH), Siu Lam Hospital and Tuen Mun Hospital (TMH). The Cluster also operates the Tuen Mun Ambulatory Care Centre, Tuen Mun Mental Health Centre, Tuen Mun Eye Centre, eight general outpatient clinics and the Butterfly Bay Laundry.

The service provision of the Cluster entered into a new era with the completion of the redevelopment project of POH and the opening of the new Rehabilitation Block at TMH, which greatly enhanced the provision of healthcare services in the Cluster. It also marked the milestone of the Cluster in successfully implementing a new service delivery model to maximize its operational efficiency by harnessing the strengths of TMH and POH.

Key Achievements

The Accident and Emergency Department (AED) at POH was opened in September 2007 which ended the arrangement of a single AED serving the whole Cluster. The access by residents in Yuen Long and local vicinity to the public health service had thus been significantly enhanced. With the opening of 200 new beds at POH, the Hospital treated nearly 13,000 attendances since its opening in September 2007 and the pressure of the Medical Wards at TMH was ameliorated. The waiting time for elective operations was also reduced with the opening of three operating theatres.

The opening of seven new wards, with 252 beds at the new Rehabilitation Block of TMH further enhanced the ambulatory care and rehabilitative services in the Cluster. The modernised facilities had helped provide a seamless and quality rehabilitative care to patients. With the strengthened allied health services, better rehabilitation outcome of the patients was achieved.

To improve the service quality and to better address the increasing prevalence of cancer cases, a new Day Chemotherapy Centre providing comprehensive one-stop service by a multi-disciplinary approach was established at TMH. Furthermore, the laboratories of the Clinical Pathology Department were renovated to streamline the workflow and improve space utilisation.

The successful experience in nurse-led clinics was extended to greater service scope. The nurses had expanded their roles to shape the new mode of patient services. Local and overseas training opportunities were given to more nurses to prepare for their new roles. With the expansion of the nurse-led clinic for Benign Prostatic Hypertrophy (BPH) patients, the new case waiting time for BPH had been shortened from 24 weeks to 14 weeks with additional quotas and sessions per week. To address the increasing service demand for obstetrics service and high staff turnover rate of nurses, ten nurses were recruited to attend midwifery training to strengthen the nursing support.

To facilitate the re-integration of discharged mental patients into the community, the Cluster provided personalized and intensive community-reintegration programmes to patients. Together with enhanced training and closer liaison provided to the carers of the patients, over 80 long stay cases had successfully been reintegrated into the community under the programme.

The Cluster had strengthened its preparation for infectious disease through enhancing its infection control measures. The hand hygiene campaign was promulgated along with the World Health Organisation's Hand Hygiene Campaign to enhance staff awareness in infection control. Hospital facilities had been further improved to ensure the compliance of staff and visitors to infection control standards.

The Cluster aimed at strengthening staff relations and communication by improving their working conditions and extending its care to staff. Renovation works were carried out to improve the working environment of frontline doctors with designated working places and provision of office equipment. The Human Resource Department and hospital departments worked together to improve care to staff on sick leave by giving early intervention and staff counselling as well as more focused clinical care. Around 30 training sessions on workplace violence were conducted for staff to enhance their skills and the Cluster continued with its commitment to provide a safer and better working environment to its staff.


Tuen Mun Hospital
Pok Oi Hospital
Castle Peak Hospital
Siu Lam Hospital

INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

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Independent Auditor's Report

To The Members of the Hospital Authority

We have audited the consolidated financial statements of the Hospital Authority ("HA") and its subsidiaries (together, the "Group") set out on pages 65 to 114, which comprise the consolidated and HA balance sheets as at 31 March 2008, 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.

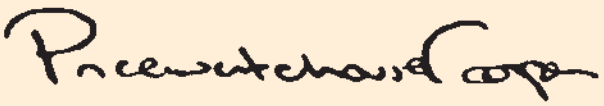
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements 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 2008 and of the Group's surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.



PricewaterhouseCoopers

Certified Public Accountants
Hong Kong, 10 September 2008

CONSOLIDATED BALANCE SHEET

	Note	Balance at 31 March 2008 *HK$'000*	Balance at 31 March 2007 *HK$'000*
Non-Current Assets			
Property, plant and equipment	5	2,415,537	2,076,100
Intangible assets	6	75,787	52,884
Loans receivable	7	27,300	35,344
Fixed income instruments	8	415,994	753,790
		2,934,618	2,918,118
Current Assets			
Inventories	9	839,118	758,410
Loans receivable	7	2,616	2,622
Accounts receivable	10	143,293	151,100
Other receivables	11	69,922	55,622
Deposits and prepayments	12	309,308	247,373
Fixed income instruments	8	738,897	468,886
Bank deposits with maturity over three months	13	3,943,280	195,175
Cash and cash equivalents	13	2,028,349	5,122,046
		8,074,783	7,001,234
Current Liabilities			
Creditors and accrued charges	14	2,701,193	2,328,670
Deposits received	15	206,873	143,711
		2,908,066	2,472,381
Net Current Assets		5,166,717	4,528,853
Total Assets Less Current Liabilities		8,101,335	7,446,971
Non-Current Liabilities			
Death and disability liabilities	16	117,689	77,973
Deferred income	17	508,008	516,359
Net Assets		7,475,638	6,852,639
Capital subventions and donations	18	2,491,324	2,128,984
Designated fund	19	5,077,369	5,077,369
Revenue reserve		(93,055)	(353,714)
Capital Subventions and Donations, Designated Fund and Reserves		7,475,638	6,852,639

Mr John Lee, JP
Chairman, Finance Committee

Mr Shane Solomon
Chief Executive

BALANCE SHEET

	Note	Balance at 31 March 2008 *HK$'000*	Balance at 31 March 2007 *HK$'000*
Non-Current Assets			
Property, plant and equipment	5	2,413,777	2,074,700
Intangible assets	6	75,787	52,884
Loans receivable	7	27,300	35,344
Fixed income instruments	8	415,994	753,790
		2,932,858	2,916,718
Current Assets			
Inventories	9	839,118	758,410
Loans receivable	7	2,616	2,622
Accounts receivable	10	143,293	151,100
Other receivables	11	69,922	55,622
Deposits and prepayments	12	309,308	247,373
Fixed income instruments	8	738,897	468,886
Bank deposits with maturity over three months	13	3,943,280	195,175
Cash and cash equivalents	13	2,028,349	5,122,046
		8,074,783	7,001,234
Current Liabilities			
Creditors and accrued charges	14	2,701,199	2,328,676
Deposits received	15	206,873	143,711
		2,908,072	2,472,387
Net Current Assets		5,166,711	4,528,847
Total Assets Less Current Liabilities		8,099,569	7,445,565
Non-Current Liabilities			
Death and disability liabilities	16	117,689	77,973
Deferred income	17	508,008	516,359
Net Assets		7,473,872	6,851,233
Capital subventions and donations	18	2,489,564	2,127,584
Designated fund	19	5,077,369	5,077,369
Revenue reserve		(93,061)	(353,720)
Capital Subventions and Donations, Designated Fund and Reserves		7,473,872	6,851,233

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 2008 HK$'000	For the year ended 31 March 2007 HK$'000
Income			
Recurrent Government subvention	20	28,942,257	27,181,694
Capital Government subvention		425,638	349,962
Hospital/clinic fees and charges	21	2,296,477	1,987,287
Donations		51	179
Transfers from:			
Designated donation fund	17	108,093	76,059
Training and Welfare Fund	17	7,937	47,589
Capital subventions	18	538,990	461,826
Capital donations	18	92,834	89,278
Investment income		333,614	300,916
Other income		230,426	185,940
		32,976,317	30,680,730
Expenditure			
Staff costs		(24,467,826)	(23,047,262)
Drugs, medical supplies and equipment		(3,700,906)	(3,319,306)
Utilities charges		(863,770)	(843,844)
Repairs and maintenance		(1,053,772)	(1,019,705)
Building projects funded by the Government as set out in note 2(h)(ii) and (iii)		(425,638)	(349,962)
Operating lease expenses – office premises and equipment		(29,251)	(24,739)
Depreciation and amortisation	5, 6	(630,991)	(548,704)
Other operating expenses	22	(1,543,504)	(1,329,084)
		(32,715,658)	(30,482,606)
Surplus for the year		260,659	198,124

CONSOLIDATED CASH FLOW STATEMENT

	Note	For the year ended 31 March 2008 HK$'000	For the year ended 31 March 2007 HK$'000
Net cash from / (used in) operating activities	26	253,009	(416,417)
Investing activities			
Investment income received		333,614	300,916
Purchases of property, plant and equipment	5	(877,300)	(494,512)
Purchases of intangible assets	6	(116,864)	(58,037)
Net (increase) / decrease in bank deposits with maturity over three months		(3,748,105)	2,837,479
Net decrease in fixed income instruments		67,785	621,390
Net cash (used in) / from investing activities		(4,340,870)	3,207,236
Net cash before financing		(4,087,861)	2,790,819
Financing activities			
Capital subventions	18	910,225	481,335
Capital donations	18	83,939	71,214
Net cash from financing		994,164	552,549
(Decrease) / increase in cash and cash equivalents		(3,093,697)	3,343,368
Cash and cash equivalents at beginning of year		5,122,046	1,778,678
Cash and cash equivalents at end of year	13	2,028,349	5,122,046

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 2006	2,127,539	5,077,369	(551,838)	6,653,070
Additions during the year	552,549	–	–	552,549
Transfers to statement of income and expenditure	(551,104)	–	–	(551,104)
Net gains not recognised in statement of income and expenditure	1,445	–	–	1,445
Surplus for the year	–	–	198,124	198,124
At 31 March 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

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.

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.

1. The Hospital Authority (cont'd)

(a) Background (cont'd)

In order to promote the development and research of Chinese medicine in Hong Kong, HA and its subsidiary, HACM Limited (collectively the "Group") entered into agreements with eleven 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 2008, the subvention paid to these NGOs amounted to HK$18,241,000 (2007: HK$16,566,000).

(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
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

1. The Hospital Authority (cont'd)

(b) Hospitals and other institutions (cont'd)

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

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.

2. Principal accounting policies

(a) Basis of preparation of financial statements

The Group has a negative revenue reserve of HK$93,055,000 as at 31 March 2008. 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. The Group will continue to work with the Government on the review of subvention basis for HA, actively explore new opportunities to increase income, and adopt stringent controls to manage its spending level. 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 judgement in the process of applying HA's accounting policies. The areas involving a higher degree of judgement 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.

(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 relating to the Schedule 1 Hospitals and Schedule 2 Hospitals which were integrated with HA in 1991. Those assets under the management and control of HA, but not owned by HA, are not accounted for in these financial statements.

2. Principal accounting policies (cont'd)

(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 2008, the principal subsidiary of HA comprises:

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

(e) Adoption of new / revised HKFRSs

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

HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures

The above HKFRSs introduce new disclosures relating to financial instruments and do not have any impact on the classification and valuation of the Group's financial instruments.

(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.

2. Principal accounting policies (cont'd)

(f) Recognition of income (cont'd)

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

Donations for specific assets ("donated assets") with a value below HK$100,000 each are recorded as income and expenditure in the year of receipt of the assets.

Donated assets with a value of HK$100,000 or more each are capitalised on receipt of the assets. Properties, computer software and systems donated to the Group with values of HK$250,000 or more each are capitalised 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.

2. Principal accounting policies (cont'd)

(g) Donations (cont'd)

(ii) Cash donations

Cash donations for specific use are accounted for in the designated donation fund. When the funds are used in the manner prescribed by the donor 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 in the year of receipt.

(h) Capitalisation of property, plant and equipment

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

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

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

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

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

(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.

2. Principal accounting policies (cont'd)

(h) Capitalisation of property, plant and equipment (cont'd)

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

(i) Depreciation

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

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

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

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

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

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

(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.

2. Principal accounting policies (cont'd)

(k) Fixed income instruments

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

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

(l) Inventories

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

(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 asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of income and expenditure. When an accounts receivable is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited against 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.

2. Principal accounting policies (cont'd)

(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.

(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.

2. Principal accounting policies (cont'd)

(r) Employee benefits (cont'd)

(ii) Termination benefits costs

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

(iii) Death and disability benefits costs

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

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

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

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

(iv) Other employee benefits costs

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

2. Principal accounting policies (cont'd)

(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. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of income and expenditure.

(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.

2. Principal accounting policies (cont'd)

(v) Related parties (cont'd)

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 which are effective for accounting periods beginning on or after 1 January 2008.

The Group has not early adopted these new / revised HKFRSs in the financial statements for the year ended 31 March 2008. 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 and where financial management of this exposure is mitigated. The Group's underlying principles of financial risk management are to transfer the financial cost of a significant level of risk through insurance and self insurance for operational risks, to diversify risk over many insurers and to comply with regulatory insurance requirements as an employer and owner of a motor fleet.

With regard to investments, the primary objective is to meet liquidity requirements and protect capital while investing excess funds to match cash flows. Investments are placed under the Group's investment mandates and allocation parameters to provide reasonable returns. The risk exposures inherent in the investment portfolio ("Portfolio") as at 31 March 2008 are summarised below. The Group manages its cash flow requirements and risk as disclosed in note 3(c).

3. Financial risk management (cont'd)

(a) Financial risk factors (cont'd)

(i) Debt Instruments

The Portfolio consists entirely of bank balances and debt instruments and 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 and reputable banks. Investments with approved and reputable banks are based on external ratings determined by Standard and Poors or Moody's equivalent rating. For short term deposits, the banks must meet the minimum credit rating not lower than investment grade rating of P - 3 and for long term investment, the credit rating should not be lower than Aa or equivalent. Accordingly, the risk of default by the counterparty is considered minimal and the Portfolio has no significant concentration of credit risk.

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 2008. 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.

(ii) 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.

3. Financial risk management (cont'd)

(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 2008 *HK$'000*	31 March 2007 *HK$'000*	31 March 2008 *HK$'000*	31 March 2007 *HK$'000*
Fixed Income Instruments	1,154,891	1,222,676	1,164,367	1,210,200

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

(c) Capital management

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

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

In this regard, the capital of the Group comprises revenue reserve, designated fund, capital subventions and donations and deferred income as shown in the consolidated balance sheet. As at 31 March 2008, the capital of the Group was HK$7,983,646,000 (2007: HK$7,368,998,000).

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 2007/08. 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.

4. Critical accounting estimates and judgements

In preparing the financial statements, management is required to exercise significant judgements 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 judgements 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 judgement 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, 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 judgement 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. Both HA and the lead plaintiffs have applied for leave to appeal to the Court of Final Appeal. 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.

4. Critical accounting estimates and judgements (cont'd)

(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.

5. Property, plant and equipment

The Group

	Building and improvements *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$'000*	Capital expenditure in progress *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
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

5. Property, plant and equipment (cont'd)

HA

	Building and improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Capital expenditure in progress HK$'000	Computer equipment HK$'000	Total HK$'000
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

5. Property, plant and equipment (cont'd)

The Group

	Building and improvements *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$'000*	Capital expenditure in progress *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
Cost						
At 1 April 2006	1,028,556	5,900,471	115,331	33,934	1,087,199	8,165,491
Reclassifications	–	2,385	–	(54,139)*	10,627	(41,127)
Additions	–	402,820	5,061	40,207	46,424	494,512
Disposals	–	(210,994)	(1,916)	(86)	(198)	(213,194)
At 31 March 2007	1,028,556	6,094,682	118,476	19,916	1,144,052	8,405,682
Accumulated depreciation						
At 1 April 2006	189,075	4,834,574	105,601	–	922,677	6,051,927
Reclassifications	–	–	–	–	–	–
Charge for the year	20,628	392,149	4,625	–	71,047	488,449
Disposals	–	(208,681)	(1,915)	–	(198)	(210,794)
At 31 March 2007	209,703	5,018,042	108,311	–	993,526	6,329,582
Net book value						
At 31 March 2007	818,853	1,076,640	10,165	19,916	150,526	2,076,100

* Includes HK$41,127,000 of computer software and system development costs which have been reclassified to intangible assets

5. Property, plant and equipment (cont'd)

HA

	Building and improvements *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$'000*	Capital expenditure in progress *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
Cost						
At 1 April 2006	1,028,556	5,900,471	115,331	33,934	1,087,199	8,165,491
Reclassifications	–	2,385	–	(54,139)*	10,627	(41,127)
Additions	–	402,820	5,061	40,207	44,674	492,762
Disposals	–	(210,994)	(1,916)	(86)	(198)	(213,194)
At 31 March 2007	1,028,556	6,094,682	118,476	19,916	1,142,302	8,403,932
Accumulated depreciation						
At 1 April 2006	189,075	4,834,574	105,601	–	922,677	6,051,927
Reclassifications	–	–	–	–	–	–
Charge for the year	20,628	392,149	4,625	–	70,697	488,099
Disposals	–	(208,681)	(1,915)	–	(198)	(210,794)
At 31 March 2007	209,703	5,018,042	108,311	–	993,176	6,329,232
Net book value						
At 31 March 2007	818,853	1,076,640	10,165	19,916	149,126	2,074,700

* Includes HK$41,127,000 of computer software and system development costs which have been reclassified to intangible assets

6. Intangible assets

	The Group	
	Computer software and systems	
	2008	2007
	HK$'000	*HK$'000*
Cost		
At 1 April	1,009,444	910,280
Reclassifications	10,913	41,127
Additions	116,864	58,037
Disposals	(1,255)	–
At 31 March	1,135,966	1,009,444
Accumulated amortisation		
At 1 April	956,560	896,305
Reclassifications	(492)	–
Charge for the year	105,366	60,255
Disposals	(1,255)	–
At 31 March	1,060,179	956,560
Net book value		
At 31 March	75,787	52,884

	HA	
	Computer software and systems	
	2008	2007
	HK$'000	*HK$'000*
Cost		
At 1 April	1,006,995	910,280
Reclassifications	10,913	41,127
Additions	115,252	55,588
Disposals	(1,255)	–
At 31 March	1,131,905	1,006,995
Accumulated amortisation		
At 1 April	954,111	896,305
Reclassifications	(492)	–
Charge for the year	103,754	57,806
Disposals	(1,255)	–
At 31 March	1,056,118	954,111
Net book value		
At 31 March	75,787	52,884

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 3.382% as at 31 March 2008 (2007: 5.525%). 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 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Repayable within one year	2,616	2,622
Repayable after one year	27,300	35,344
	29,916	37,966

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.

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 2.6% and 4.2% (2007: between 2.5% 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 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Maturing within one year	738,897	468,886
Maturing in the second to fifth year, inclusive	415,994	753,790
	1,154,891	1,222,676

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 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Drugs	638,656	529,758
Medical consumables	178,613	203,125
General consumables	21,849	25,527
	839,118	758,410

10. Accounts receivable

	The Group and HA	
	Balance at 31 March 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Bills receivable [note 10(a)]	148,370	190,760
Accrued income	31,657	21,419
	180,027	212,179
Less: Provision for doubtful debts [note 10(b)]	(36,734)	(61,079)
	143,293	151,100

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

	The Group and HA	
	Balance at 31 March 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Past due by:		
0 – 30 days	61,173	62,822
31 – 60 days	23,145	26,194
61 – 90 days	19,780	16,434
Over 90 days	44,272	85,310
	148,370	190,760

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.

10. Accounts receivable (cont'd)

(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 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Past due by:		
0 – 30 days	28,608	27,565
31 – 60 days	11,587	10,253
61 – 90 days	12,270	5,596
Over 90 days	15,144	18,030
	67,609	61,444

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 2008, bills receivable of HK$80,761,000 (2007: HK$129,316,000) were impaired by HK$36,734,000 (2007: HK$61,079,000) of which HK$8,172,000 (2007: HK$26,187,000) 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$28,562,000 (2007: HK$34,892,000) was made by reference to historical past due recovery patterns. It was assessed that a portion of the receivables is expected to be recovered.

10. Accounts receivable (cont'd)

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

	The Group and HA	
	2008 *HK$'000*	**2007** *HK$'000*
At 1 April	61,079	56,664
Provision for impairment of receivables	38,019	74,217
Uncollectible amounts written off	(62,364)	(69,802)
At 31 March	36,734	61,079

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 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Donations receivable	23,684	7,945
Interest receivable	27,850	33,821
Receivable from the Government for reimbursement of expenditure incurred on capital projects	5,604	1,614
Other receivables	12,784	12,242
	69,922	55,622

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.

12. Deposits and prepayments

	The Group and HA	
	Balance at 31 March 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Utility and other deposits	5,732	6,207
Prepayments to Government departments	180,159	130,315
Maintenance contracts and other prepayments	123,417	110,851
	309,308	247,373

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 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Cash at bank and in hand	106,629	93,898
Bank deposits with maturity within three months	1,921,720	5,028,148
Cash and cash equivalents	2,028,349	5,122,046
Bank deposits with maturity over three months	3,943,280	195,175
	5,971,629	5,317,221

The effective interest rate on short term bank deposits is between 0.01% and 6.91% (2007: 2.5% to 6.0%). These deposits have an average maturity of 34 days (2007: 65 days).

14. Creditors and accrued charges

	The Group	
	Balance at 31 March 2008	**Balance at 31 March 2007**
	HK$'000	*HK$'000*
Trade payable [note 14 (a)]	170,685	160,877
Accrued charges and other payables [note 14 (b)]	2,227,640	1,944,802
Current account with the Government	302,868	222,991
	2,701,193	2,328,670

	HA	
	Balance at 31 March 2008	**Balance at 31 March 2007**
	HK$'000	*HK$'000*
Trade payable [note 14 (a)]	170,685	160,877
Accrued charges and other payables [note 14 (b)]	2,227,640	1,944,802
Current account with the Government	302,868	222,991
Current account with a subsidiary	6	6
	2,701,199	2,328,676

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

	The Group and HA	
	Balance at 31 March 2008	**Balance at 31 March 2007**
	HK$'000	*HK$'000*
0 – 30 days	138,481	136,555
31 – 60 days	31,039	21,269
61 – 90 days	676	2,697
Over 90 days	489	356
	170,685	160,877

All trade payable as at 31 March 2008 are expected to be settled within one year. The Group has maintained adequate cash flows and banking facilities for settlement of trade payable.

14. Creditors and accrued charges (cont'd)

(b) Accrued charges and other payables include accrual for unutilised annual leave of HK$994,988,000 (2007: HK$910,023,000) and contract gratuity accrual of HK$351,117,000 (2007: HK$274,278,000). The balance also includes an estimated liability for doctors' claims of HK$104,000,000 (2007: HK$104,000,000) as described in note 4(a).

15. Deposits received

	The Group and HA	
	Balance at 31 March 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Patient deposits	162,169	118,589
Deposits received from the Government in respect of building projects	3,287	–
Other deposits	41,417	25,122
	206,873	143,711

16. Death and disability liabilities

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

The amounts recognised in the balance sheet are as follows:

	The Group and HA	
	Balance at 31 March 2008 *HK$'000*	**Balance at 31 March 2007** *HK$'000*
Present value of funded obligations	124,086	77,562
Fair value of plan assets	(1,319)	(1,260)
	122,767	76,302
Unrecognised actuarial (losses) / gains	(5,078)	1,671
Death and disability liabilities in the balance sheet	117,689	77,973

16. Death and disability liabilities (cont'd)

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

	The Group and HA	
	2008 *HK$'000*	**2007** *HK$'000*
At 1 April	77,973	76,511
Total expense	42,698	4,107
Net premiums and benefits paid	(2,982)	(2,645)
At 31 March	117,689	77,973

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

	The Group and HA	
	2008 *HK$'000*	**2007** *HK$'000*
At 1 April	1,260	1,167
Actuarial losses	(439)	(838)
Employer contributions	2,982	2,645
Benefits paid	(2,484)	(1,714)
At 31 March	1,319	1,260

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 2008 *HK$'000*	**For the year ended 31 March 2007** *HK$'000*
Current service cost	5,630	5,736
Interest cost	3,280	3,312
Past service cost	24,354	–
Actuarial losses / (gains) recognised	9,434	(4,941)
Total, included in staff costs	42,698	4,107

16. Death and disability liabilities (cont'd)

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

	The Group and HA	
	For the year ended 31 March 2008 %	**For the year ended 31 March 2007** %
Discount rate	3.00	4.30
Assumed rate of future salary increases	3.30	3.20

Historical information:

	The Group and HA	
	2008 *HK$'000*	**2007** *HK$'000*
Present value of death and disability liability obligations	124,086	77,562
Fair value of plan assets	(1,319)	(1,260)
Experience adjustments arising on plan liabilities – gain	1,950	6,360
Experience adjustments arising on plan assets – loss	439	838

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 2006	321,563	2,047	136,428	98,418	558,456
Additions during the year	77,592	–	–	4,432	82,024
Utilisation during the year	–	(240)	(233)	–	(473)
Transfers to statement of income and expenditure	(76,059)	–	–	(47,589)	(123,648)
Return of unspent funds to the Government	–	–	–	–	–
At 31 March 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

17. Deferred income (cont'd)

(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. As at 31 March 2008, the fund balance after deducting the estimated amount of unspent funds to be returned to the Government of HK$29,497,000 was HK$101,941,000. 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.

18. Capital subventions and donations

	The Group		
	Capital subventions [Note 2(s)] *HK$'000*	**Capital donations [Note 2(g)]** *HK$'000*	**Total** *HK$'000*
At 1 April 2006	1,087,528	1,040,011	2,127,539
Additions during the year	481,335	71,214	552,549
Transfers to statement of income and expenditure	(461,826)	(89,278)	(551,104)
At 31 March 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

	HA		
	Capital subventions [Note 2(s)] *HK$'000*	**Capital donations [Note 2(g)]** *HK$'000*	**Total** *HK$'000*
At 1 April 2006	1,087,528	1,040,011	2,127,539
Additions during the year	477,138	71,214	548,352
Transfers to statement of income and expenditure	(459,029)	(89,278)	(548,307)
At 31 March 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

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 2007/08, the Group allocated HK$251,063,000 (2007: HK$329,876,000), 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 2008 and 2007, 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 2008 amounted to HK$510,535,000 (2007: HK$524,418,000).

22. Other operating expenses

Other operating expenses comprise office supplies, hospital supplies and other administrative expenses. For the financial year ended 31 March 2008, other operating expenses included an accrual for auditor's remuneration of HK$2,970,000 (2007: HK$1,678,000).

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:

Current Position / Name of Executives	Basic pay, allowance, retirement scheme contribution and other benefits *HK$'000*	Variable remuneration related to performance^ *HK$'000*	Total for the year ended 31 March 2008 *HK$'000*	Total for the year ended 31 March 2007 *HK$'000*
Chief Executive Mr Shane, SOLOMON	4,250	–	4,250	4,102
Cluster Chief Executive (New Territories East) Dr Hong FUNG	3,719	–	3,719	3,530
Director (Cluster Services) Dr Wai Lun CHEUNG	3,673	–	3,673	3,413
Cluster Chief Executive (Hong Kong West) Dr Lawrence LAI	3,651	–	3,651	3,479
Cluster Chief Executive (Hong Kong East) Dr Loretta YAM	3,651	–	3,651	3,479
	18,944	–	18,944	18,003

Note: ^ The CE, Director (Cluster Services) and Cluster Chief Executives are not entitled to 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.

(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 2008, the total membership was 35,814 (2007: 36,660). During the financial year 2007/08, the Group contributed HK$1,915,204,000 (2007: HK$1,834,616,000) to the scheme, which is included in the staff costs for the year. The scheme's net asset value as at 31 March 2008 was HK$35,413,795,000 (2007: HK$34,572,299,000).

(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.

24. Retirement schemes (cont'd)

(b) Mandatory Provident Fund Scheme (cont'd)

At 31 March 2008, the total membership was 15,998 (2007: 13,232). During the financial year 2007/08, total members' contributions were HK$113,971,000 (2007: HK$102,376,000). The Group's contributions to the scheme, including a contribution payable of HK$14,304,000 as at 31 March 2008 (2007: HK$12,054,000), totalled HK$159,825,000 (2007: HK$139,013,000) which is included in the staff costs for the year. The net asset value as at 31 March 2008, including assets transferred from members' previous employment, was HK$1,785,580,000 (2007: HK$1,577,401,000).

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$581,996,000 (2007: HK$584,999,000). Other services provided by the EMSD for the year (e.g. routine maintenance and improvement works) were approximately HK$270,910,000 (2007: HK$209,455,000).

(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$36,714,000 (2007: HK$36,637,000).

(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 2008, revenue foregone in respect of medical services provided to these persons amounted to HK$272,439,000 (2007: HK$301,283,000). The cost of such services has been taken into account in the Government's subvention to the Group.

25. Related party transactions (cont'd)

(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, Directors, Cluster Chief Executives and other division heads of the Head Office.

Total remuneration of the key management personnel is shown below:

	For the year ended 31 March 2008 *HK$'000*	For the year ended 31 March 2007 *HK$'000*
Basic pay and other short term employee benefits	42,951	40,699
Post-employment benefits	3,820	3,466
Other benefits	–	113
	46,771	44,278

(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 2008 are disclosed in note 11, 12, 14 and 15. The current account with a subsidiary, HACM Limited, is disclosed in note 14.

26. Reconciliation of the surplus for the year to net cash from / (used in) operating activities

	The Group	
	For the year ended 31 March 2008 *HK$'000*	**For the year ended 31 March 2007** *HK$'000*
Surplus for the year	260,659	198,124
Investment income	(333,614)	(300,916)
Income transferred from capital subventions and donations	(631,824)	(551,104)
Loss on disposal of property, plant and equipment	833	2,400
Depreciation and amortisation	630,991	548,704
Increase in death and disability liabilities	39,716	1,462
Decrease in deferred income	(8,351)	(42,097)
Increase in inventories	(80,708)	(35,972)
Decrease in loans receivable	8,050	8,086
Decrease / (increase) in accounts receivable	7,807	(28,523)
(Increase) / decrease in other receivables	(14,300)	82,957
Increase in deposits and prepayments	(61,935)	(15,233)
Increase / (decrease) in creditors and accrued charges	372,523	(403,722)
Increase in deposits received	63,162	119,417
Net cash from / (used in) operating activities	253,009	(416,417)

27. Funds in trust

At 31 March 2008, funds held in trust (including accrued interest income) for the Government are set out below:

	The Group and HA	
	Balance at 31 March 2008	**Balance at 31 March 2007**
	HK$'000	*HK$'000*
Health Care and Promotion Fund	59,657	60,288
Health Services Research Fund	2,199	2,189
	61,856	62,477

28. Donations from the Hong Kong Jockey Club Charities Trust

During the financial year 2007/08, the Hong Kong Jockey Club Charities Trust made donations totalling HK$17,671,000 (2007: HK$64,294,000) to the following institutions:

	HK$'000
Haven of Hope Hospital	1,167
Hong Kong Red Cross Blood Transfusion Service	207
Queen Elizabeth Hospital	265
Queen Mary Hospital	7,500
Tuen Mun Hospital	3,168
United Christian Hospital	5,364
	17,671

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 2008 *HK$'000*	At 31 March 2007 *HK$'000*
Authorised but not contracted for	3,266,537	1,689,100
Contracted for but not provided	361,169	735,220
	3,627,706	2,424,320

	HA	
	At 31 March 2008 *HK$'000*	At 31 March 2007 *HK$'000*
Authorised but not contracted for	3,242,277	1,684,507
Contracted for but not provided	358,157	733,327
	3,600,434	2,417,834

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).

29. Commitments (cont'd)

(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 2008 *HK$'000*	At 31 March 2007 *HK$'000*
Buildings		
Within one year	7,690	3,853
In the second to fifth year, inclusive	3,788	1,157
	11,478	5,010
Equipment		
Within one year	7,650	5,192
In the second to fifth year, inclusive	2,262	6,686
	9,912	11,878

30. Judicial Review

A judicial review has been lodged against HA (with the Secretary for Food and Health of the Hong Kong Government as second respondent) challenging, inter alia, the decisions to introduce an obstetric package charge for non-eligible persons (i.e. non-HKID card holders) giving birth in public hospitals in Hong Kong at HK$20,000, effective 1 September 2005, and to increase the obstetric package charge to HK$39,000 (for booked cases) and HK$48,000 (for non-booked cases), effective 1 February 2007.

The judicial review was heard for three days in May 2008. Four more days in September 2008 have been reserved for the hearing. Since the case is still at a very early stage, it is not possible to reliably assess whether any liability exists for HA and accordingly, no provision for liability was 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 10 September 2008.

APPENDICES

APPENDIX 1

Membership of the Hospital Authority

Name	No. of plenary meetings attended in 2007/08	Committee participation in 2007/08*
1. Mr Anthony WU Ting-yuk, GBS, JP *(Chairman)*	11/11	Chairman of plenary meetings, EEC, HACF, SC, Taskforce on Legal Matters and Task Force on Doctors' Work Hours.
2. Ms Vivien CHAN, BBS, JP	8/11	Vice-chairman of AC; Member of SSDC; Rotating Member of MTB; and HGC Member of Prince of Wales Hospital.
3. Dr Margaret CHUNG Wai-ling	9/11	Member of MSDC and PCC.
4. Prof FOK Tai-fai, JP	11/11	Chairman of MSDC; Member of EEC, FC and SC; HGC Member of Prince of Wales Hospital.
5. Mr Edward HO Sing-tin, SBS, JP	9/11	Chairman of SSDC; Member of AC, EEC and SC; Rotating Member of MTB; and HGC Chairman of Prince of Wales Hospital.
6. Dr Anthony HO Yiu-wah, JP	10/11	Chairman of HAPFS, HRC and SAC; Member of EEC, MSDC, SC, Taskforce on Legal Matters and Taskforce on Doctors' Work Hours; HGC Chairman of Queen Mary Hospital; HGC Member of Yan Chai Hospital; and Chairman of HRAC.
7. Mr Benjamin HUNG Pi-cheng *(from 1.12.2007)*	3/4	Member of FC
8. Prof LAI Kar-neng	8/11	Member of HRC, MSDC; and Rotating member of MTB *(from 25.4.2007).*
9. Dr LAM Ping-yan, JP *Director of Health*	11/11	Member of MSDC.
10. Dr Polly LAU Mo-yee	9/11	Member of HRC, MSDC and SSDC *(from 1.12.2007).*
11. Mrs Yvonne LAW SHING Mo-han *(from 1.12.2007)*	4/4	Member of HRC.
12. Ms Sandra LEE, JP *Permanent Secretary for Health*	11/11	Member of EEC, FC, HRC, MSDC, SSDC and Taskforce on Legal Matters.
13. Mr Lawrence LEE Kam-hung, JP	8/11	Vice-chairman of FC and MTB; Member of MSDC, PCC *(from 1.12.2007)* and Taskforce on Legal Matters; and HGC Chairman of Pamela Youde Nethersole Eastern Hospital and Member of Grantham Hospital.

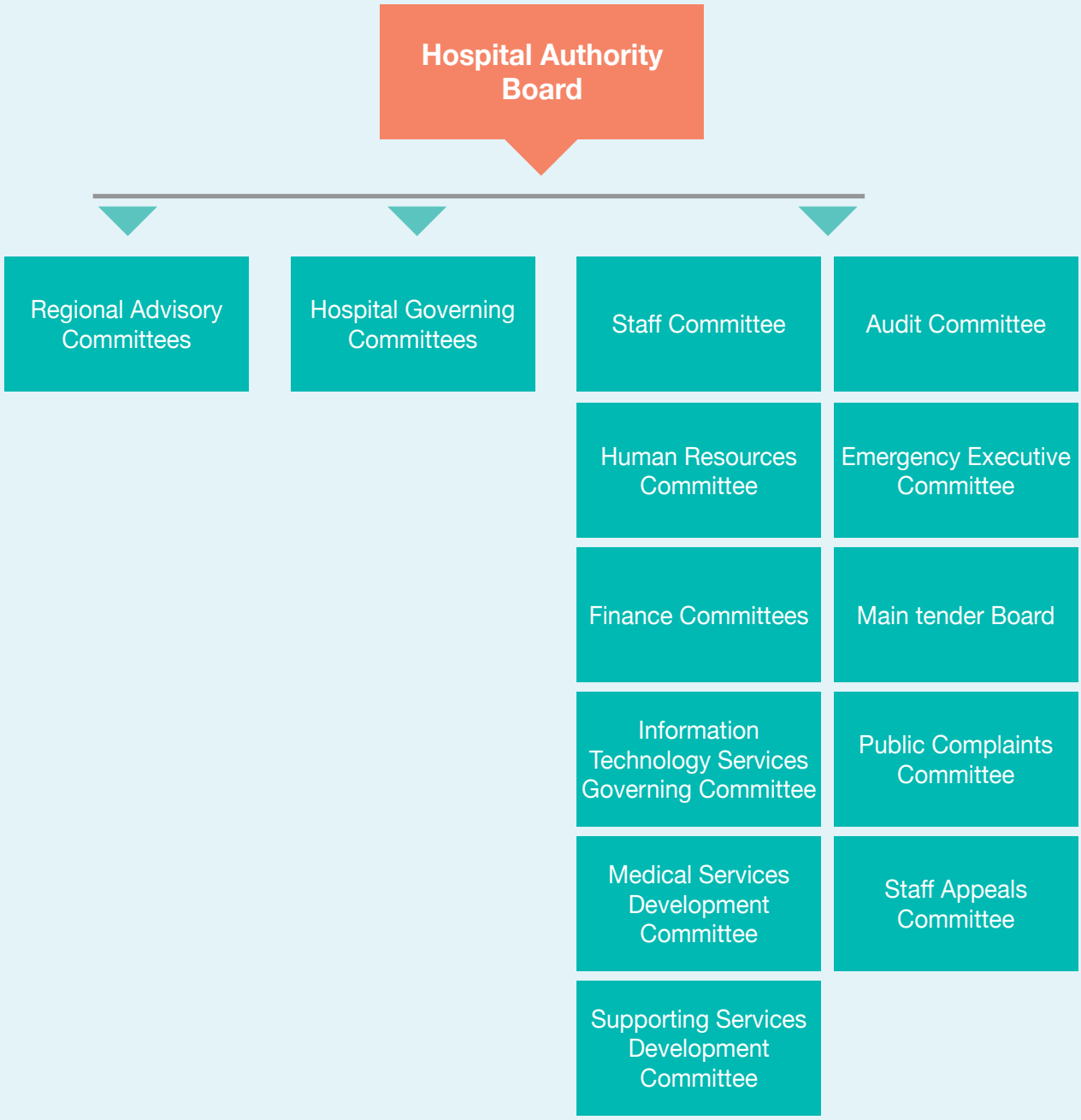
Name	No. of plenary meetings attended in 2007/08	Committee participation in 2007/08*
14. Dr Hon Joseph LEE Kok-long, JP	8/11	Member of HRC, MSDC, and PCC *(up to 14.6.2007)*; and HGC Member of Kwai Chung Hospital and Princess Margaret Hospital.
15. Mr John LEE Luen-wai, JP	9/11	Chairman of FC and MTB; Member of HAPFS, SC, Taskforce on Legal Matters; and HGC Chairman of Queen Elizabeth Hospital.
16. Dr Donald LI Kwok-tung, JP	9/11	Member of AC *(from 1.2.2008)* and MSDC.
17. Mr David LIE Tai-chong, JP	7/11	Member of AC and MSDC.
18. Mr Peter LO Chi-lik	11/11	Chairman of PCC; Member of EEC, SC, SSDC, Taskforce on Legal Matters and Taskforce on Doctors' Work Hours.
19. Mr Charles Peter MOK	10/11	Vice-chairman of SSDC; Rotating Member of MTB; Member of HRC, ITGC and MSDC.
20. Mrs Gloria NG WONG Yee-man, JP	11/11	Member of FC and MSDC; HGC Chairman of North District Hospital; and Chairman of NRAC.
21. Mr Greg SO, JP	9/11	Member of HRC, ITGC, MSDC and Taskforce on Doctors' Work Hours.
22. Mr Shane SOLOMON, *Chief Executive, HA*	11/11	Chairman of ITGC; Member of EEC, FC, HAPFS, HRC, MTB, MSDC, SC, SSDC, all RACs and HGCs and Taskforce on Legal Matters.
23. Miss Amy TSE, JP *Deputy Secretary for Financial Services and the Treasury*	11/11	Member of FC and MSDC.
24. Prof Thomas WONG Kwok-shing, JP	7/11	Vice-chairman of MSDC; Member of HRC, SAC and Taskforce on Doctors' Work Hours; Rotating Member of MTB *(from 7.6.2007)*; and HGC Chairman of Shatin Hospital.
25. Mr Paul YU Shiu-tin, BBS, JP	11/11	Chairman of AC and Member of EEC, MSDC and SC; Rotating Member of MTB; Chairman of KRAC; HGC Chairman of Tuen Mun Hospital; and HGC Member of Kwong Wah Hospital/Wong Tai Sin Hospital.

APPENDIX 1

* 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
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
SC	–	Staff Committee
SSDC	–	Supporting Services Development Committee

Hospital Authority Committee Structure



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

APPENDIX 2 (b)

Executive Structure of the Hospital Authority

Mr Shane SOLOMON
Chief Executive

Clusters	Head Office
Dr Loretta YAM, BBS Cluster Chief Executive, Hong Kong East Cluster	**Dr CHEUNG Wai-lun, JP** Director (Cluster Services)
Dr Lawrence LAI, JP Cluster Chief Executive, Hong Kong West Cluster	**Dr LEUNG Pak-yin, JP** Director (Quality & Safety)
Dr HUNG Chi-tim Cluster Chief Executive, Kowloon Central Cluster	**Ms Nancy TSE** Director (Finance) (also overseeing the information technology function)
Dr LUK Che-chung Cluster Chief Executive, Kowloon East Cluster	**Dr Vivian TAAM WONG, JP** Director (Strategy & Planning) (up to 31.8.2007) **Dr LO Su-vui** Director (Strategy & Planning) (from 1.9.2007)
Dr Lily CHIU Cluster Chief Executive, Kowloon West Cluster	
Dr FUNG Hong, JP Cluster Chief Executive, New Territories East Cluster	**Dr Joseph LEE** Deputising Head of Corporate Services
Dr Albert LO Cluster Chief Executive, New Territories West Cluster	**Mr David ROSSITER** Head of Human Resources

Membership and Terms of Reference of Functional Committees

Audit Committee

Membership List

Chairman	Mr Paul YU Shiu-tin, BBS, JP
Vice-Chairman	Ms Vivien CHAN, BBS, JP
Members	Mr Edward HO Sing-tin, SBS, JP Dr Donald LI Kwok-tung, JP *(from 1.2.2008)* Mr David LIE Tai-chong, JP Ms Estella Y K NG
In attendance	Mr Shane SOLOMON, *Chief Executive* Ms Sandra LEE, JP, *Permanent Secretary for Health*

Terms of Reference

1. 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;

2. Recommend the appointment of the external auditor and the audit fee to the Board, endorse any non-audit services to be provided by the external auditor, and to consider any questions of resignation or dismissal;

3. Consult with the External Auditor on all relevant matters including the:
   - nature and scope of the audit;
   - audited financial statements and the audit opinion;
   - management letter and management's response; and
   - matters of which the External Auditor may wish to draw attention;

4. Gain reasonable assurance on the completeness, accuracy, and fairness of audited financial statements, including appropriateness of accounting policies and standards, adequacy of disclosures and significant audit adjustments (in collaboration with the Finance Committee);

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

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

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

Focus of Work in 2007/08

The Audit Committee met five times in 2007/08 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 2007/08 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 "Cash Collection Activities", "Clinical Staff Competence", "Overall Legislative Compliance Management", "Staff Complaints Management", "Untoward Incident Reporting System", "SARS Review Reports Follow-up", "Payment of Doctors' Work Hours Claims" and "Patient Identity – Pathology Services". 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 also endorsed the re-appointment of HA's existing external auditor for financial years 2007/08 to 2009/10.

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, drug procurement management risk assessment and information technology risks assessment. The Committee reviewed HA's Private Patient Billing System with focus on control procedures and the auditing arrangements for ERP Project. The Committee also received and discussed study reports of the Independent Commission Against Corruption's Corruption Prevention Department on procurement and stock control of food items for patient meals and administration of patient food services contract along with management's responses and planned actions.

Emergency Executive Committee

Membership List

Chairman

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

Standing Members

Dr Anthony HO Yiu-wah, JP, *Chairman of Human Resources Committee*
Prof FOK Tai-fai, JP, *Chairman of Medical Services Development Committee*
Mr Edward HO Sing-tin, SBS, JP, *Chairman of Supporting Services Development Committee*
Mr Patrick NIP, JP *(representing Permanent Secretary for Health)*
Mr Shane SOLOMON, *Chief Executive (in his absence, the Deputising CE)*

Ad Hoc Members

Mr Peter LO Chi-lik
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.

APPENDIX 3

Focus of Work in 2007/08

The Emergency Executive Committee was set up by the Board on 15 January 2004 to oversee and advise on the management of an emergency or crisis in public hospitals/institutions such as a large-scale infectious disease outbreak. The membership, terms of reference, circumstances for activation of the Committee and authority of the Committee were specified. There was also a clear delineation of the roles of the Hospital Authority Chairman, Chief Executive, Hospital Authority members and Hospital Governing Committee members upon activation of the Committee. The Committee will automatically be called into action when the Authority activates the Tier-three Strategic Response to a major incident. In 2007/08, the Committee had not convened any meeting.

Finance Committee

Membership List

Chairman	Mr John LEE Luen-wai, JP
Vice-Chairman	Mr Lawrence LEE Kam-hung, JP
Members	Prof FOK Tai-fai, JP Mr Benjamin HUNG Pi-cheng *(from 1.12.2007)* Mrs Gloria NG WONG Yee-man, JP Mr Patrick NIP, JP *(representing Permanent Secretary for Health)* Mr Shane SOLOMON Mr Michael N SOMERVILLE Miss Amy Tse, JP / 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 2007/08

In 2007/08, the Finance Committee met six 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 proposed HA budget estimates for 2008/09 and the progress on development of casemix internal resource allocation model, and reviewed monthly financial reports, the mid-year financial report and the financial statements of HA. It also received reports on maximising investment returns and treasury operations, outsourcing investment of surplus Home Loan Interest Subsidy Scheme (HLISS) Fund, Enterprise Resource Planning System implementation, annual costing information and its application, and financial position of the Samaritan Fund and that of HLISS Fund.

During the year, the Finance Committee also reviewed the Authority's insurance renewal strategy, its Financial and Accounting Regulatory Framework, Private Service Fee Management System, an update on actions taken in response to the Director of Audit's Report on management of outstanding medical fees, enhancement of medical fee waiver mechanism and the Annual Work Plan of HA Head Office's Finance Division.

Human Resources Committee

Membership List

Chairman Dr Anthony HO Yiu-wah, JP

Members
Mr Billy KONG Churk-hoi, MH, JP
Prof LAI Kar-neng
Dr Polly LAU Mo-yee
Mrs Yvonne LAW SHING Mo-han *(from 1.12.2007)*
Dr Hon Joseph LEE Kok-long, JP
Mr John LEUNG Chi-fai, JP *(up to 30.11.2007)*
Miss Gloria LO *(from 30.7.2007) (representing Permanent Secretary for Health)*
Dr Kim MAK
Mr Charles Peter MOK
Mr Greg SO, JP
Mr Shane SOLOMON
Prof Thomas WONG Kwok-shing, JP
Ms Ernestina WONG *(up to 29.7.2007) (representing Permanent Secretary for Health)*

APPENDIX 3

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 2007/08

The Human Resources Committee met four times in 2007/08. Its work mainly focused on various human resources (HR) matters relating to staff management, remunerations and benefits, training and development, and review of HR policies and practices.

On staff management, training and development, the Committee examined the key findings of the staff survey conducted in 2006, and the action plan to address the key issues identified therein. It also noted the report on staff complaints received in 2006 and considered the year's training foci/ initiatives. Moreover, the Committee reviewed the reorganisation of the Hospital Authority Institute of Health Care, and its strategic roles in facilitating professional development of clinical staff.

On remuneration and benefits, the Committee considered the enhanced part-time package to alleviate the HA's staff retention situation. It also examined the proposed new staff structure for medical laboratory technicians/technologists and the implementation and conversion arrangements.

Furthermore, the Committee reviewed its HR policies and practices for boosting staff morale. It endorsed the proposed policy for providing financial support to the family of staff who died while on duty. It also paid attention to the psychology services provided to staff by the Oasis – Centre for Personal Growth and Crisis Intervention.

In addition, the Committee noted the progress on HA Mandatory Provident Fund Scheme, court judgment of the doctors' claims, the HAHO Staff Engagement Programme and Enterprise Resources Planning Project.

Information Technology Services Governing Committee

Membership List

Chairman

Mr Shane SOLOMON

Members

Mr Thomas CHAN *(from 18.2.2008)*
Deputy Secretary for Food & Health (Health) Projects
Mr Howard DICKSON *(up to 31.1.2008)*
Government Chief Information Officer
Dr FUNG Hong, JP *(up to 31.1.2008)*
Mr Stephen MAK, JP *(from 1.2.2008)*
Deputy Government Chief Information Officer (Operations)
Mr Charles Peter MOK
Mr Patrick NIP, JP *(up to 17.2.2008)*
Deputy Secretary for Health
Mr Greg SO, JP
Ms Nancy TSE *(up to 31.1.2008)*

In attendance

Dr FUNG Hong, JP *(from 1.2..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.

APPENDIX 3

Focus of Work in 2007/08

The Information Technology Services Governing Committee met four times in 2007/08 to discuss various issues relating to the strategic development of information technology / information services in HA to support the operation of the organization and enhance the provision of healthcare services in the community.

During this period, members discussed and endorsed the IT Strategic Plan for the coming 5 years from 2007–2012 which comprised the components of infrastructure programme, non-clinical systems programme and clinical systems programme. To support the implementation of the Strategic Plan, the Committee also endorsed the IT Annual Plan and the IT Block Vote submission for 2008/09. To explore the feasibility to commercialize the IT assets of HA, the Committee deliberated on the appropriate process and agreed to call for an Express of Interest from the market. Based on the strong market interest, the Committee endorsed a consultancy study to be conducted to recommend the options available. In view of the growing function of IT, the Committee also reviewed the potential risks of the IT operations, assessed the manpower and space requirement to sustain the continued growth of professionals and made different recommendations for the management to consider and follow up.

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	Three of the following rotating members: Ms Vivien CHAN, BBS, JP Mr Edward HO Sing-tin, SBS, JP Prof LAI Kar-neng *(from 25.4.2007)* Mr Charles Peter MOK Prof Thomas WONG Kwok-shing, JP *(from 7.6.2007)* 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 2007/08

In 2007/08, the Main Tender Board met 21 times to consider a total of 318 tender proposals for procurement of supplies and services with value of above $0.5 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, JP
Vice-Chairman	Prof Thomas WONG Kwok-shing, JP
Members	Dr Margaret CHUNG Wai-ling Dr Anthony HO Yiu-wah, JP Prof LAI Kar-neng Dr LAM Ping-yan, JP Dr Polly LAU Mo-yee Mr Lawrence LEE Kam Hung, JP Dr Hon Joseph LEE Kok-long, JP Ms Sandra LEE, JP, *Permanent Secretary for Health* Dr Donald LI Kwok-tung, JP Mr David LIE Tai-chong, JP Mr Charles Peter MOK Mrs Gloria NG WONG Yee-man, JP Mr Greg SO, JP Mr Shane SOLOMON Miss Amy Tse, JP / Mr Bobby CHENG *(representing Secretary for Financial Services and the Treasury)* Mr Paul YU Shiu-tin, BBS, JP

APPENDIX 3

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 2007/08

The Medical Services Development Committee met four times in 2007/08 to review current issues relating to clinical services planning, development and management.

It considered and deliberated on the progress and strategic directions of various clinical service programmes including a proposal of implementing Rapid Human Immunodeficiency Virus (HIV) Test in Labour Wards to supplement the Universal Antenatal HIV Testing Programme, the Organization and Development of Toxicology Service in the Hospital Authority and the Use of Barcoding Technology to enhance patient safety.

On service planning, the Committee considered the new development of Pok Oi Hospital and its changing role for the population of New Territories West Cluster. It also discussed and endorsed the need for a Children Hospital in Hong Kong. It deliberated on initiatives for reducing waiting time for patients, including an Additional Cataract Surgeries Programme and a programme to perform extra surgery sessions for Benign Prostate Hypertrophy under one-off funding from the Government.

Furthermore, the Committee received reports on the Sentinel Event Policy implemented in HA since 1 October 2007, recommendations on Doctors' Work Reform proposed by the Steering Committee on Doctor Work Hour, Governance of the Samaritan Fund, Assessment and Priorization of Drug Introduction in HA and the development of Research Governance in HA.

Public Complaints Committee

Membership List

Chairman Mr Peter LO Chi-lik

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

Members

Miss Iris CHAN Sui-ching, BBS *(up to 30.11.2007)*
Mr CHAN Shu-ying, SBS, JP
Dr Jennifer CHEUNG NG Chui-yiu
Mr CHOI Chi-sum *(from 1.12.2007)*
Rev Dr Eric CHONG Chee-min
Mr Rowland CHOW Ting-kwan *(up to 6.1.2008)*
Ms Sandra CHOW Mun-yuk *(from 1.12.2007)*
Mr Antonio CHU Lok-sang
Dr Margaret CHUNG Wai-ling
Prof Joanne CHUNG Wai-yee
Mr Andy LAU Kwok-fai *(from 1.12.2007)*
Mr Lawrence LEE Kam-hung, JP *(from 1.12.2007)*
Dr Hon Joseph LEE Kok-long, JP *(up to 14.6.2007)*
Mr Carlos LEUNG Sze-hung*
Dr Pamela LEUNG, JP*
Mr Lawrence LI Shu-fai, SBS, JP
Mr MA Ching-yuk, BBS, JP *(up to 30.11.2007)*
Mrs Pauline NG CHOW May-lin, JP
Mr Stephen NG Chin-ming *(up to 30.11.2007)*
Prof WAN Chin-chin
Mr Anthony WONG Luen-kin, JP
Mrs Elizabeth WONG YEUNG Po-wo, MBE
Sr Catherine WU Boon-biam
Ms Virginia WU Wei-kin
Dr YU Yuk-ling*

* denotes Panel Chairman

APPENDIX 3

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 paragraph 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.

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.)

APPENDIX 3

Focus of Work in 2007/08

In 2007/08, the Public Complaints Committee held 24 meetings and handled a total of 247 cases, of which 165 were related to medical services, 49 related to administrative procedures, 25 related to staff attitude and 8 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 9,866 feedback cases from patients and complainants and was tasked to take up 52 cases referred by The Ombudsman and 2,300 complaint cases directed to the Hospital Authority Head Office.

Staff Committee

Membership List

Chairman	Mr Anthony WU Ting-yuk, GBS, JP
Members	Prof FOK Tai-fai, JP Mr Edward HO Sing-tin, SBS, JP Dr Anthony HO Yiu-wah, JP Mr John LEE Luen-wai, JP Mr Peter LO Chi-lik Mr Shane SOLOMON 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; and

4. Review the performance of Chief Executive, Directors and Cluster Chief Executives.

Focus of Work in 2007/08

In 2007/08, the Staff Committee met five times to discuss about appointment and remuneration matters of senior executives and chiefs of clusters and hospitals as well as overall pay adjustment matters.

Staff Appeals Committee

Membership List

Chairman	Dr Anthony HO Yiu-wah, JP
Members	Mr Billy KONG Churk-hoi, MH, 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 2007/08

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 one staff appeal case in the year 2007/08.

APPENDIX 3

Supporting Services Development Committee

Membership List

Chairman Mr Edward HO Sing-tin, SBS, JP

Vice-Chairman Mr Charles Peter MOK

Members
Ms Vivien CHAN, BBS, JP
Dr Polly LAU Mo-yee *(from 1.12.2007)*
Mr Peter LO Chi-lik
Miss Gloria LO *(from 30.7.2007)*
(representing Permanent Secretary for Health)
Mr Shane SOLOMON
Ms Ernestina WONG *(up to 29.7.2007)*
(representing Permanent Secretary for Health)

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 2007/08

In 2007/08, the Supporting Services Development Committee met four times to fulfil its revised Terms of Reference. It monitored the development and implementation of the public private partnership project for provision of food services in some HA hospitals and service development and opportunities for achieving a standardization of food services in other HA hospitals. It considered reports on Enterprise Resource Planning System implementation – Procurement and Supply Chain Management, reorganization of Non-Emergency Ambulance Transfer Service, replacement of aging medical and engineering equipment, and outsourcing of advertising services in HA hospitals. It also reviewed the progress of major and minor capital works projects, and considered reports on inventory management, second stage study of energy conservation measures and term maintenance contract system.

APPENDIX 4

Membership of Hospital Governing Committees

Alice Ho Miu Ling Nethersole Hospital

Chairman

Prof TAM Sheung-wai, GBS, JP
(up to 21.1.2008)

Mr Roland CHOW Kun-chee
(from 22.1.2008)

Ex-officio members

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

Members

Dr CHENG Ngok

Mr Roland CHOW Kun-chee *(up to 21.1.2008)*

Mr Deacon FUNG Sau-chung

Dr George H C HUNG

Ms KO Siu-wah, SBS, JP

Mr LEUNG Wo-ping, JP

Mr LI Fook-hing

Mrs June LI

Rev Dr LI Ping-kwong

Rev Eric SO Shing-yit

Rt Rev Dr Thomas SOO Yee-po, JP

Rev Dr Nicholas TAI Ho-fai

Prof TAM Sheung-wai, GBS, JP *(from 22.1.2008)*

Ms Wendy TSANG Wan-man

Rev Josephine TSO Shiu-wan

Miss Nora WONG Pui-ha, JP

Mr YEUNG Po-kwan, JP *(up to 31.12.2007)*

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-tao

Dr Laurence SHEK Siu-lam

Mr Anthony WONG Luen-kin, JP

Mr William WONG Kuen-wai

Rev Michael M C YEUNG

Castle Peak Hospital

Chairman
Prof John LEONG Chi-yan, JP

Ex-officio members
Hospital Authority Chief Executive or his representative
Hospital Chief Executive

Members
Mr CHOONG Yin-lee
Dr CHOW Chun-bong, BBS
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
Ms Janice MORTON
Mr Alfred POON Sun-biu
Mr YEUNG Po-kwan, JP *(up to 6.3.2008)*

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
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

APPENDIX 4

Grantham Hospital

Chairman
Mr PANG Yuk-ling, JP

Ex-officio members
Hospital Authority Chief Executive or his representative
Hospital Chief Executive

Members
Prof LAM Shiu-kum *(up to 21.5.2007)*
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

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 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
Ms SHUM Chiong-yen
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
Miss 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
Ms Ada LAM
Mrs Patricia LING WOO Sau-ha, JP
Mr Philip TSAI Wing-chung
Mr Luke WONG Sui-kwong
Mrs Irene YAU, JP

Kwong Wah Hospital/ TWGHs Wong Tai Sin Hospital

Chairman
Mr Peter ONG Ka-leung

Ex-officio members
Hospital Authority Chief Executive or his representative
Hospital Chief Executive

Members
Mrs Viola CHAN MAN Yee-wai
Mr Charles CHANG Juo-hwa
Mr CHOW Chun-fai, BBS, JP
Dr Stephen CHOW Chun-kay, BBS, JP
Dr William HO Shiu-wei, JP
Mr Andy LAU Kam-kwok, BBS
Dr John LEE Sam-yuen
Mr Billy LEUNG Ting-yu
Mr Patrick MA Ching-hang
Mr MOK Ying-fan
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

Kwai Chung Hospital & Princess Margaret Hospital

Chairman
The 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, JP
Mr Alan LEE Chi-keung
Dr Hon Joseph LEE Kok-long, JP
Dr TSAO Yen-chow
Prof WONG Chack-kie

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

APPENDIX 4

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
Mr LAI Hin-wa
Mr LAU Hou-ting
Mr David LI Ka-fai
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
Sister Marilu LIMGENCO
Mrs Pauline NG CHOW May-lin, JP
Mrs Beverly TONG
Dr Gene TSOI Wai-wang
Dr David YIP Chi-pang
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 Kin-chee
Rev CHU Yiu-ming
Ms KO Siu-wah, SBS, JP
Mr Peter LEE Kok-wah
Mr LI Fook-hing
Dr Yvonne LUI Lai-kwan *(from 28.2.2008)*
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 Matthew LAM Kin-hong, MH

Ex-officio members
Hospital Authority Chief Executive or his representative
Hospital Chief Executive

Members
Ms Yvonne CHUA
Dr Linus IP Yiu-man
Mr KAN Ho-chow, MH
Mr LAM Kwok-hing
Mr LEUNG Che-cheung, MH
Mr POON Chin-hung
Mr Henry POON Shiu-man
Mr SIU Shing-choi
Mr WONG Kei-yuen
Dr WONG Ngar-shun
Mr Alan WONG Wai-kai, MH

Prince of Wales Hospital

Chairman
Mr Edward HO Sing-tin, SBS, JP

Ex-officio members
Hospital Authority Chief Executive or his representative
Hospital Chief Executive

Members
Mrs Annie LIANG BENTLEY
Ms Vivien CHAN, BBS, JP
Prof FOK Tai-fai, 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 *(from 28.2.2008)*
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 Raymond LIANG Hin-suen
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 *(from 4.12.2007)*
Hon Judge Kevin Anthony BROWNE *(from 4.12.2007)*
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

APPENDIX 4

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, JP
Dr Vitus LEUNG Wing-hang
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

Shatin Hospital

Chairman
Prof Thomas WONG Kwok-shing, JP

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, 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, BBS, 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
Dr Danny MA Ping-kwan
Ms Nancy TSANG Lan-see
Mr WAN Yuet-cheung

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

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 Peter ONG Ka-leung

Ex-officio members

Hospital Authority Chief Executive or his representative

Hospital Chief Executive

Members

Mrs Viola CHAN MAN Yee-wai

Mr Christopher CHAN Yiu-chong, BBS

Mr Charles CHANG Juo-hwa

Ms CHENG Lai-king

Dr CHU Chor-lup

Mr FUNG Wing-chung, BBS

Dr William HO Shiu-wei, JP

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 Patrick MA Ching-hang

Mr John MA Hung-ming, BBS

Mr Eddie WANG, BBS

APPENDIX 4

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, BBS, JP
Mr Clifford King CHIU
Mr Roland CHOW Kun-chee
Rev Paul KAN Kei-piu
Ms Sophia KAO, 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
Mrs June LI
Mr Kenneth NG Kin *(from 28.2.2008)*
Dr NIP Kam-fan, JP *(up to 27.2.2008)*
Rev PO Kam-cheong
Mrs Winnie POON YAM Wai-chun, MH
Prof TAM Sheung-wai, GBS, JP
Mr Thomas TSANG Fuk-chuen
Rt Rev Louis TSUI Tsan-sang
Dr Hayles WAI Heung-wah
Dr WONG Bing-lai
Mr WU Kwok-cheung, MH
Dr Alice YUK Tak-fun, JP

Yan Chai Hospital

Chairman
Ms Bess TSIN Man-kuen

Ex-officio members
Hospital Authority Chief Executive or his representative
Hospital Chief Executive

Members
Mr CHAN Wai-ming
Dr Anthony HO Yiu-wah, JP
Mr Alex LAN Khong-poh
Mrs Tammy LAU LAU Po-chee
Ms Elizabeth LAW Kar-shui
Prof LEE Shiu-hung, SBS, JP
Mr Wilfred NG Sau-kei, MH, JP
Mr Joshua PANG Suk-ping *(from 4.12.2007)*
Mr Wilson TSANG Churk-ming
Mrs Christy TUNG NG Ling-ling
Mr Alfred WONG Wai-kin *(up to 1.5.2007)*

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

Dr Eva DUNN Lai-wah
Dr Daniel FANG Tak-sang
Dr David FANG, SBS, JP
Prof HO Pak-chung
Mr KAM Nai-wai, MH
Mr KO Tam-kan, BBS
Mr KONG Chack-ho, MH
Mr LAM Kit-sing
Mr LEE Kai-hung
Dr John LEE Sam-yuen
Mr Edwin LEUNG Chung-ching
Mr PANG Yuk-ling, JP
Dr TOM Kam-tim
Mr Lincoln TSO
Prof WONG Hoi-kwok, BBS, JP
Mrs Linda WONG LEUNG Kit-wah
Dr WONG Yau-tak

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

Miss Eliza C H CHAN, BBS, JP
Mr Simon CHAN Siu-man
Ms Kelly CHAN Yuen-sau
Ms CHAU Chuen-heung, MH, JP
Mr Francis CHAU Yin-ming, MH
Mr Michael CHENG Tak-kin, JP
Mr Charles C Y CHIU
Mr CHOW Chun-fai, BBS, JP
Mr CHOW Yick-hay, BBS, JP
Mr IP Che-kin, MH
Mr Keith LAM Hon-keung, JP
Mr LAM Ka-keung
Ms Mavis LEE Ming-pui
Mr John LI Kwok-heem
Mr Patrick MA Ching-hang
Dr Danny MA Ping-kwan
Bess TSIN Man-kuen
Mr WONG Ka-wa
Mr WONG Kam-kuen, MH
Mr Anthony WONG Luen-kin, JP
Mr Luke WONG Sui-kwong
Dr Victor WOO Chi-pang

APPENDIX 5

New Territories Regional Advisory Committee

Chairman

Mrs Gloria NG WONG Yee-man, JP

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

Mr Richard FUNG Lap-chung

Prof Suzanne C HO

Ms Nancy KIT, JP

Mr Matthew LAM Kin-hong, MH

Prof LAU Tze-kin

Ms Robena LEE Ying

Mr LEUNG Wo-ping, JP

Dr Geoffrey LIEU Sek-yiu

Mrs Rita LIU, BBS

Mr LUI Hing-chung, MH

Mr Paul C N MAK

Mr Thomas PANG Cheung-wai, BBS, JP

Mr Philip WONG Chak-piu

Ms Peggy WONG Pik-yiu, MH

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 *(from 28.2.2008)*
Mr John LEE Luen-wai, JP
Mr Lincoln LEONG Kwok-kuen
Mr Raymond LEUNG Ho-kwan *(up to 28.11.2007)*
Mr LO Kam-shing *(from 29.11.2007)*
Mr Patrick NIP Tak-kuen, JP
Mr Alan Howard SMITH, JP
Mr Shane SOLOMON
Dr TSE Kong *(up to 27.2.2008)*
Ms Nancy TSE *(from 1.7.2007)*
Dr WONG Tak-cheung
Ms Amy YIP Yok-tak, BBS

APPENDIX 7

Public Feedback Statistics
Complaints / Appreciation Received (1.4.2007 – 31.3.2008)

Public Complaints Committee

Nature of Cases	Number of Appeal Cases
Medical Services	165
Staff Attitude	25
Administrative Procedure	49
Others	8
Total Number of Appeal Cases Handled	247

Hospital Complaints / Appreciation Statistics

Nature of Complaint / Appreciation Cases	Complaints Received	Appreciation Received
Medical Services	1,059	7,781
Staff Attitude	710	5,351
Administrative Procedure	263	260
Overall Performance	2	10,339
Others	306	2,629
Total Number of Complaints/Appreciation Received	2,340	26,360

Statistics of the Controlling Officer's Report

The Hospital Authority generally achieved its performance targets in 2007/08. The volume of patient care activities across the full range of services in 2007/08 is comparable to the level in 2006/07.

The key statistics of the Controlling Officer's Report used by the Government to measure the Authority's performance in 2006/07 and 2007/08 were:

		2006/07	2007/08
(I)	**No. of hospital beds (as of end March)**		
	General (acute and convalescence)	20,180	20,324
	Infirmary	2,151	2,151
	Mentally ill	4,622	4,400
	Mentally Handicapped	680	680
	Total	27,633	27,555
(II)	**Delivery of services**		
	In-patient services		
	No. of discharges & deaths		
	general (acute and convalescence)	845,258	878,778
	infirmary	3,864	4,124
	mentally ill	16,048	15,830
	mentally handicapped	355	286
	overall	865,525	899,018
	No. of patient days		
	general (acute and convalescence)	5,220,272	5,324,500
	infirmary	546,756	554,823
	mentally ill	1,122,315	1,042,177
	mentally handicapped	237,047	231,536
	overall	7,126,390	7,153,036
	Bed occupancy rate		
	general (acute and convalescence)	82%	83%
	infirmary	91%	92%
	mentally ill	74%	73%
	mentally handicapped	96%	93%
	overall	82%	82%
	Average length of stay (days) *		
	general (acute and convalescence)	6.2	6.0
	infirmary	122.0	114.0
	mentally ill	104.0	101.0
	mentally handicapped	732.0	674.0
	overall	8.9	8.5

APPENDIX 8

	2006/07	2007/08
Ambulatory diagnostic & therapeutic services		
Day patient		
no. of discharges & deaths	289,699	325,625
no. of day patients as % of total in-patient & day patient discharges and deaths	25%	27%
Accident & emergency services		
no. of attendances	2,052,774	2,087,902
Out-patient services		
no. of specialist out-patient (clinical) attendances [#]	6,005,257	6,117,618
no. of general out-patient attendances [#]	4,842,247	4,841,927
Rehabilitation & outreach services		
No. of home visits by community nurses	814,236	798,054
Psychiatric services		
no. of psychiatric outreach attendances	88,240	95,344
no. of psychiatric day hospital attendances	179,170	183,385
no. of psychogeriatric outreach attendances	50,847	51,485
Geriatric services		
no. of outreach attendances	533,231	543,054
no. of older persons assessed for infirmary care service	1,470	1,575
no. of geriatric day hospital attendances	126,823	125,367
no. of Visiting Medical Officer attendances [@]	122,199	104,168
No. of allied health out-patient attendances	1,778,902	1,771,971

(III) Quality of services

No. of hospital deaths per 1000 population [^]	3.7	3.7
Unplanned readmission rate within 28 days for general in-patients	9.6%	10.4%
Accident and Emergency (A&E) services		
% of A&E patients within the target waiting time:		
Triage I (critical cases – 0 minutes)	100	100
Triage II (emergency cases – <15 minutes)	96	97
Triage III (urgent cases – <30 minutes)	86	86
Specialist outpatient services		
Median waiting time for first appointment at specialist clinics [†]		
first priority patients	<1 week	<1 week
second priority patients	5 weeks	5 weeks

	2006/07	2007/08
(IV) Cost of Services		
Cost distribution		
Cost distribution by service types (%)		
in-patient	62.3%	61.6%
ambulatory & outreach	37.7%	38.4%
Cost by service types per 1000 population ($m)		
in-patient	2.7	2.9
ambulatory & outreach	1.7	1.8
Cost of services for persons aged 65 or above		
share of cost of services (%)	45.5%	46.2%
cost of services per 1000 population ($m)	16.3	17.2
Unit costs		
Cost per in-patient discharged ($)		
general (acute and convalescence)	19,170	19,550
infirmary	140,620	138,990
mentally ill	108,880	113,400
mentally handicapped	639,210	830,650
Cost per patient day ($)		
general (acute and convalescence)	3,290	3,440
infirmary	990	1,030
mentally ill	1,560	1,720
mentally handicapped	960	1,030
Cost per accident & emergency attendance ($)	700	750
Cost per specialist out-patient attendance ($)	740	780
Cost per general out-patient attendance ($)	260	270
Cost per outreach visit by community nurse ($)	290	310
Cost per psychiatric outreach attendance ($)	1,010	1,090
Cost per geriatric day hospital attendance ($)	1,390	1,490
Waivers ~		
% of Comprehensive Social Security Assistance (CSSA) waiver (%)	22.5	20.8
% of non-CSSA waiver (%)	4.0	3.6

APPENDIX 8

	2006/07	2007/08
(V) Manpower (no. of FTE staff ##)		
Medical		
Doctor	4,617	4,723
Intern	313	329
Dentist	6	6
Medical total	4,935	5,057
Nursing		
Qualified staff	19,068	19,005
Trainee	144	269
Nursing total	19,212	19,273
Allied health	4,966	5,063
Others	23,809	24,696
Total	52,922	54,089

Notes:

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

\# Figures in 2007/08 also include nurse 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.

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

All staff in workforce (permanent, contract and temporary terms) are included in reported figures on full-time equivalent (FTE) basis.

Statistics on Number of Beds, Inpatient, Accident & Emergency and Outpatient Services in 2007/08

Institution	No. of beds (as at end March 2008)	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	302	90.6	236.6	–	–	–	137	–
Pamela Youde Nethersole Eastern Hospital	1,507	101,235	82.0	6.4	150,777	499,052	45,806	87,574	294,890
Ruttonjee & Tang Shiu Kin Hospitals	687	23,267	83.8	7.9	87,033	112,777	6,386	92,204	100,598
St John Hospital	93	3,840	70.4	5.6	10,412	98	–	6,846	34,206
Tung Wah Eastern Hospital	282	7,878	86.5	12.3	–	105,486	–	25,477	26,173
Wong Chuk Hang Hospital	160	188	93.7	355.9	–	–	–	–	–
Sub-total	2,969	136,710	84.2	8.4	248,222	717,413	52,192	212,238	455,867
Hong Kong West Cluster									
Duchess of Kent Children's Hospital	130	2,317	49.2	9.5	–	18,426	–	25,782	–
TWGHs Fung Yiu King Hospital	276	2,436	82.3	25.8	–	404	–	14	–
Grantham Hospital	491	12,573	70.4	12.8	–	47,007	–	2,253	–
MacLehose Medical Rehabilitation Centre	110	892	62.4	29.1	–	346	–	3,721	–
Queen Mary Hospital	1,592	110,273	74.3	4.8	124,848	542,060	17,058	114,035	266,534
Tung Wah Hospital	564	20,085	80.8	15.7	–	38,910	–	4,023	25,662
Tsan Yuk Hospital	4	914	–	–	–	32,639	–	4,934	–
Sub-total	3,167	149,490	74.0	7.3	124,848	679,792	17,058	154,762	292,196

APPENDIX 9

Institution	No. of beds (as at end March 2008)	Total IP & DP Discharges and Deaths	Inpatient Occupancy Rate (%)	Inpatient Average Length of Stay (days)	Total A&E Attendances	Total SOP Attendances (clinical)	Family Medicine Specialist Clinic Attendances	Total Allied Health Outpatient Attendances	General Outpatient Attendances
Kowloon Central Cluster									
Hong Kong Buddhist Hospital	324	9,252	88.1	15.4	–	11,750	–	3,011	31,162
Hong Kong Eye Hospital	45	6,319	68.4	5.2	–	200,599	–	11,538	–
Kowloon Hospital	1,355	16,462	86.3	24.8	–	83,024	–	98,906	–
Queen Elizabeth Hospital	1,841	145,621	86.4	5.1	202,903	612,356	7,095	153,259	421,903
Rehabaid Centre	–	–	–	–	–	114	–	6,074	–
Sub-total	3,565	177,654	86.4	8.1	202,903	907,843	7,095	272,788	453,065
Kowloon East Cluster									
Haven of Hope Hospital	425	5,941	91.0	26.5	–	8,086	–	3,334	–
Tseung Kwan O Hospital	425	25,259	79.0	5.3	101,126	143,187	1,360	68,853	233,611
United Christian Hospital	1,385	91,413	80.9	5.1	194,438	439,102	48,267	160,420	462,408
Sub-total	2,235	122,613	82.7	6.5	295,564	590,375	49,627	232,607	696,019

Institution	No. of beds (as at end March 2008)	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 West Cluster									
Caritas Medical Centre	1,203	47,369	80.9	8.3	137,919	326,911	685	58,015	233,439
Kwai Chung Hospital	1,195	3,708	62.8	81.3	–	172,031	–	18,796	–
Kwong Wah Hospital	1,213	86,071	72.8	4.4	144,400	333,086	2,514	127,603	202,981
Our Lady of Maryknoll Hospital	236	8,022	76.0	9.9	–	59,667	337	25,943	368,955
Princess Margaret Hospital	1,761	102,581	90.4	6.0	132,789	345,699	3,659	91,530	383,689
TWGHs Wong Tai Sin Hospital	551	7,053	94.0	25.1	–	–	–	550	–
Yan Chai Hospital	800	47,295	84.8	5.2	140,675	171,856	2,033	65,793	229,045
Sub-total	6,959	302,099	79.4	7.6	555,783	1,409,250	9,228	388,230	1,418,109
New Territories East Cluster									
Alice Ho Miu Ling Nethersole Hospital	641	42,852	84.1	4.5	120,140	187,916	474	87,457	203,736
Bradbury Hospice	28	642	82.5	12.5	–	73	–	470	–
North District Hospital	607	36,093	85.2	5.4	121,622	157,358	202	61,006	210,247
Prince of Wales Hospital	1,422	100,095	86.8	5.2	145,957	584,210	35,035	160,330	373,867
Cheshire Home, Shatin	296	180	78.4	362.9	–	–	–	765	–
Shatin hospital	650	7,215	84.8	23.0	–	637	–	1,402	–
Tai Po Hospital	972	9,044	80.9	29.9	–	292	–	425	–
Sub-total	4,616	196,121	84.1	7.9	387,719	930,486	35,711	311,855	787,850

APPENDIX 9

Institution	No. of beds (as at end March 2008)	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 West Cluster									
Castle Peak Hospital	1,537	2,386	81.2	354.5	–	103,885	–	17,889	–
Pok Oi Hospital	335	14,401	88.7	12.2	50,767	26,975	17,700	31,856	38,727
Siu Lam Hospital	350	143	98.1	745.7	–	–	–	–	–
Tuen Mun Hospital	1,822	123,026	90.1	5.4	222,096	546,364	16,624	149,746	700,094
Sub-total	4,044	139,956	87.6	15.1	272,863	677,224	34,324	199,491	738,821
GRAND TOTAL	27,555	1,224,643	82.5	8.5	2,087,902	5,912,383	205,235	1,771,971	4,841,927

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 2008 is based on the Annual Survey on Hospital Beds in Public Hospitals, 2007/08.
3. The outpatient attendances for different clinics are grouped under respective hospital management.
4. Total SOP attendances (clinical) include Nurse Clinic (running in SOP) attendances but exclude Family Medicine Specialist Clinic attendances.
5. Total Allied Health Outpatient attendances exclude follow-up consultations provided by the Medical Social Service Department. Figures from April 2006 onwards also exclude joint clinic consultations provided by the Optometry & Orthoptics Department with doctors.
6. General Outpatient attendances include Nurse Clinic (running in GOP) attendances.
7. Data prepared in June 2008.

Abbreviations:
IP — Inpatient
DP — Day patient
A&E — Accident & Emergency
SOP — Specialist Outpatient

Statistics on Number of Community and Rehabilitation Services in 2007/08

Institution	Community Nursing Service*	Community Psychiatric Service #	Psycho-geriatric 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	–	–	–	–	–	47	–	–	–
Pamela Youde Nethersole Eastern Hospital	97,755	11,267	6,179	–	–	654	1,169	10,137	27,324
Ruttonjee & Tang Shiu Kin Hospitals	–	–	–	113,664	19,244	1,501	5,408	14,148	–
St John Hospital	4,942	–	–	–	–	7	–	–	–
Tung Wah Eastern Hospital	–	–	–	–	–	94	32,220	–	–
Wong Chuk Hang Hospital	–	–	–	–	–	–	–	2,003	–
Sub-total	102,697	11,267	6,179	113,664	19,244	2,303	38,797	26,288	27,324
Hong Kong West Cluster									
Duchess of Kent Children's Hospital	–	–	–	–	–	22	–	–	–
TWGHs Fung Yiu King Hospital	–	–	–	31,843	6,157	1,300	–	4,602	–
Grantham Hospital	–	–	–	–	–	64	2,371	–	–
MacLehose Medical Rehabilitation Centre	–	–	–	–	–	151	14,675	–	–
Queen Mary Hospital	47,875	5,531	6,144	–	–	377	–	–	14,243
Tung Wah Hospital	–	–	–	–	–	185	6,036	2,655	–
Sub-total	47,875	5,531	6,144	31,843	6,157	2,099	23,082	7,257	14,243

APPENDIX 10

Institution	Community Nursing Service*	Community Psychiatric Service #	Psycho-geriatric 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	–	–	–	–	–	8	–	–	–
Kowloon Hospital	59,367	7,148	3,149	43,706	5,880	1,440	517	–	10,219
Queen Elizabeth Hospital	–	–	–	25,592	5,867	484	–	8,849	–
Rehabaid Centre	–	–	–	–	–	1,102	–	–	–
Sub-total	59,367	7,148	3,149	69,298	11,747	3,034	517	8,849	10,219
Kowloon East Cluster									
Haven of Hope Hospital	30,889	–	–	6,011	1,334	422	1,422	3,027	–
Tseung Kwan O Hospital	–	–	–	–	–	51	–	–	–
United Christian Hospital	126,402	10,525	5,349	32,751	7,388	903	1,387	14,973	29,185
Sub-total	157,291	10,525	5,349	38,762	8,722	1,376	2,809	18,000	29,185

Institution	Community Nursing Service*	Community Psychiatric Service #	Psycho-geriatric 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 West Cluster									
Caritas Medical Centre	68,212	–	–	21,411	3,139	88	1,259	8,552	–
Kwai Chung Hospital	–	24,356	15,138	–	–	3,056	–	–	56,600
Kwong Wah Hospital	34,426	–	–	40,813	10,428	793	–	4,758	–
Our Lady of Maryknoll Hospital	44,056	–	–	–	–	81	836	–	–
Princess Margaret Hospital	86,871	–	–	34,135	5,570	620	–	9,299	–
TWGHs Wong Tai Sin Hospital	–	–	–	–	–	47	–	8,656	–
Yan Chai Hospital	–	–	–	24,049	6,373	41	–	–	–
Sub-total	233,565	24,356	15,138	120,408	25,510	4,726	2,095	31,265	56,600
New Territories East Cluster									
Alice Ho Miu Ling Nethersole Hospital	30,429	–	–	25,045	7,447	1,854	277	10,184	10,267
Bradbury Hospice	–	–	–	–	–	47	489	–	–
Cheshire Home , Shatin	–	–	–	–	–	11	–	–	–
North District Hospital	32,771	8,034	3,237	32,150	7,090	1,544	–	5,631	7,451
Prince of Wales Hospital	–	–	–	–	–	189	–	–	–
Shatin Hospital	38,369	6,468	4,787	14,097	7,191	2,147	3,934	8,456	15,059
Tai Po Hospital	–	–	–	–	–	43	–	–	–
Sub-total	101,569	14,502	8,024	71,292	21,728	5,835	4,700	24,271	32,777

APPENDIX 10

Institution	Community Nursing Service*	Community Psychiatric Service #	Psycho-geriatric 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 West Cluster									
Castle Peak Hospital	–	22,015	7,502	–	–	927	–	–	13,037
Pok Oi Hospital	–	–	–	890	–	258	–	–	–
Tuen Mun Hospital	95,690	–	–	98,472	11,060	2,220	2,221	9,437	–
Sub-total	95,690	22,015	7,502	99,362	11,060	3,405	2,221	9,437	13,037
GRAND TOTAL	798,054	95,344	51,485	544,629	104,168	22,778	74,221	125,367	183,385

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

\# For Community Psychiatric Service and Psychogeriatric Service, the activity refers to 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 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 respective hospital management.

Manpower Position of the Hospital Authority – by Cluster by Institution

Institution	No. of Full–time Equivalent (fte) staff (as at 31.3.2008)[Note]				
	Medical	Nursing	Allied Health	Others	Total
Hong Kong East Cluster	**558.14**	**2,006.56**	**579.02**	**3,054.94**	**6,198.66**
Cheshire Home (Chung Hom Kok)	3.00	52.00	9.00	111.00	175.00
HK Tuberculosis, Chest & Heart Diseases Association	–	–	–	8.00	8.00
Hong Kong East Cluster Office	1.00	11.56	–	141.90	154.46
Pamela Youde Nethersole Eastern Hospital	427.14	1,289.77	352.87	1,707.55	3,777.33
Ruttonjee & Tang Shiu Kin Hospitals	83.00	411.37	138.00	616.49	1,248.86
St. John Hospital	6.00	30.00	8.00	68.00	112.00
Tung Wah Eastern Hospital	36.00	168.86	54.00	273.00	531.86
Wong Chuk Hang Hospital	2.00	43.00	17.15	129.00	191.15
Hong Kong West Cluster	**580.19**	**2,368.22**	**685.64**	**2,773.89**	**6,407.94**
Duchess of Kent Children's Hospital	8.00	62.00	41.00	115.00	226.00
Grantham Hospital	52.71	351.95	62.00	278.00	744.66
Hong Kong West Cluster Office	–	–	–	3.00	3.00
MacLehose Medical Rehabilitation Centre	2.00	33.00	32.00	73.00	140.00
Queen Mary Hospital	469.48	1,529.96	474.64	1,834.89	4,308.97
TWGHs Fung Yiu King Hospital	14.00	81.92	16.00	153.00	264.92
Tung Wah Hospital	34.00	309.39	60.00	317.00	720.39

APPENDIX 11

Institution	No. of Full–time Equivalent (fte) staff (as at 31.3.2008)[Note]				
	Medical	Nursing	Allied Health	Others	Total
Kowloon Central Cluster	**643.79**	**2,694.34**	**731.23**	**3,146.63**	**7,215.99**
HK Red Cross Blood Transfusion Service	3.00	42.54	44.00	185.60	275.14
Hong Kong Buddhist Hospital	13.00	127.60	22.00	141.20	303.80
Hong Kong Eye Hospital	35.00	64.06	14.00	125.50	238.56
Kowloon Central Cluster Office	1.00	–	–	9.00	10.00
Kowloon Hospital	56.23	725.23	153.23	738.06	1,672.75
Queen Elizabeth Hospital	535.56	1,734.91	487.00	1,935.27	4,692.74
Rehabaid Centre	–	–	11.00	12.00	23.00
Kowloon East Cluster	**573.45**	**1,922.55**	**497.55**	**2,286.09**	**5,279.64**
Haven of Hope Hospital	18.94	231.00	41.51	297.00	588.45
Kowloon East Cluster Office	–	–	–	6.00	6.00
Tseung Kwan O Hospital	123.60	406.62	119.54	410.80	1,060.56
United Christian Hospital	430.91	1,284.93	336.50	1,572.29	3,624.63
Kowloon West Cluster	**1,204.52**	**4,623.61**	**1,098.27**	**5,512.03**	**12,438.43**
Caritas Medical Centre	237.87	725.07	182.72	937.12	2,082.78
Kowloon West Cluster Office	–	–	–	5.00	5.00
Kwai Chung Hospital	60.00	538.00	66.00	510.00	1,174.00
Kwong Wah Hospital	296.14	1,056.76	256.34	1,220.09	2,829.33
Our Lady of Maryknoll Hospital	53.23	200.56	53.21	243.65	550.65
Princess Margaret Hospital	383.28	1,312.42	367.00	1,563.89	3,626.59
TWGHs Wong Tai Sin Hospital	26.00	228.00	38.00	286.22	578.22
Yan Chai Hospital	148.00	562.80	135.00	746.06	1,591.86

Institution	No. of Full–time Equivalent (fte) staff (as at 31.3.2008)[Note]				
	Medical	Nursing	Allied Health	Others	Total
New Territories East Cluster	**868.05**	**3,177.96**	**845.00**	**3,885.88**	**8,776.89**
Alice Ho Miu Ling Nethersole Hospital	127.42	469.00	148.00	559.00	1,303.42
Bradbury Hospice	2.00	26.00	3.00	18.00	49.00
Cheshire Home (Shatin)	2.00	64.00	6.00	90.00	162.00
New Territories East Cluster Office	–	62.27	–	347.27	409.54
North District Hospital	152.30	572.00	140.00	604.00	1,468.30
Prince of Wales Hospital	499.42	1,416.69	437.00	1,529.61	3,882.72
Shatin Hospital	43.00	281.00	55.00	357.00	736.00
Tai Po Hospital	41.91	287.00	56.00	381.00	765.91
New Territories West Cluster	**619.81**	**2,446.45**	**579.41**	**3,071.82**	**6,717.49**
Castle Peak Hospital	60.00	512.99	51.00	567.67	1,191.66
New Territories West Cluster Office	–	–	–	1.00	1.00
Pok Oi Hospital	59.82	210.29	74.00	302.53	646.64
Siu Lam Hospital	4.00	86.63	5.00	232.00	327.63
Tuen Mun Hospital	495.99	1,636.54	449.41	1,968.62	4,550.56
***Total**	**5,047.95**	**19,239.69**	**5,016.12**	**23,731.28**	**53,035.04**

Note:

* This figure excludes 1,054.13 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

Manpower Position of the Hospital Authority – by Staff Group

No. of Full-time Equivalent (fte) Staff	2003/04	2004/05	2005/06	2006/07	2007/08
Medical					
Consultant	496.3	486.3	488.0	502.7	530.9
Senior Medical Officer/Associate Consultant	924.0	926.8	977.8	1,010.0	1,085.4
Medical Officer/Resident	3,121.5	3,113.2	3,102.8	3,104.2	3,106.1
Intern	325.0	328.0	325.0	313.0	329.0
Senior Dental Officer/Dental Officer	5.0	4.5	4.5	5.5	5.5
Medical Total	**4,871.8**	**4,858.8**	**4,898.1**	**4,935.4**	**5,056.9**
Nurses					
Senior Nursing Officer and above	80.0	68.0	65.0	66.0	69.0
Department Operations Manager	153.0	143.0	147.0	156.0	157.0
General					
Ward Manager/Nurse Specialist/Nursing Officer/ Advanced Practice Nurse	2,365.5	2,308.5	2,374.0	2,409.4	2,521.5
Registered Nurse	11,423.6	11,509.3	11,712.6	11,787.6	11,731.0
Enrolled Nurse	3,180.5	2,948.0	2,907.6	2,718.2	2,541.9
Midwife/Others	46.0	43.5	42.0	40.7	37.7
Student Nurse/Pupil Nurse/ Temporary Undergraduate Nursing Student	160.3	271.0	103.2	121.6	260.7

No. of Full-time Equivalent (fte) Staff	2003/04	2004/05	2005/06	2006/07	2007/08
Psychiatric					
Ward Manager/Nurse Specialist/Nursing Officer/ Advanced Practice Nurse	322.0	318.0	319.5	330.5	347.0
Registered Nurse	965.0	967.5	1,002.7	1,015.6	1,107.7
Enrolled Nurse	612.0	584.9	532.4	544.3	491.7
Student Nurse/Pupil Nurse	0.0	0.0	42.0	22.0	8.0
Nursing Total	**19,307.9**	**19,161.7**	**19,248.0**	**19,212.0**	**19,273.3**
Allied Health					
Audiology Technician	10.0	9.0	9.0	9.0	9.0
Clinical Psychologist	70.5	74.0	75.0	78.0	85.0
Dietitian	78.0	78.8	80.7	84.5	84.0
Dispenser	860.5	851.6	857.6	863.0	886.8
Medical Technologist/ Medical Laboratory Technician	1,072.0	1,058.0	1,048.0	1,070.0	1,081.0
Mould Technologist/ Mould Laboratory Technician	27.0	27.0	27.0	27.0	27.0
Optometrist	26.0	28.0	29.0	29.0	29.0
Orthoptist	12.0	12.0	12.0	12.0	12.0
Occupational Therapist	476.0	457.0	462.5	469.5	480.5
Pharmacist/ Resident Pharmacist	281.5	304.2	318.7	321.7	330.7
Physicist/Resident Physicist	37.0	41.0	45.0	50.0	51.0
Physiotherapist	715.5	686.0	697.0	701.9	709.0

APPENDIX 11

No. of Full-time Equivalent (fte) Staff	2003/04	2004/05	2005/06	2006/07	2007/08
Podiatrist	19.0	17.5	21.1	17.1	19.1
Prosthetist-Orthotist	101.0	96.0	93.0	97.0	98.0
Radiographer	830.5	817.0	834.1	843.6	853.5
Scientific Officer (Medical)	54.5	54.6	59.6	59.6	65.6
Speech Therapist	50.0	50.0	52.0	54.0	54.0
Medical Social Worker	168.0	166.0	171.0	177.0	186.0
Dental Technician	2.0	2.0	2.0	2.0	2.0
Allied Health Total	**4,891.0**	**4,829.6**	**4,894.3**	**4,965.8**	**5,063.1**
Care-related Support Staff					
Health Care Assistant	4,069.0	3,937.0	3,857.0	3,728.0	3,598.0
Ward Attendant	954.0	856.0	799.0	743.0	668.0
General Services Assistant/ Technical Services Assistant (Care-related)/Theatre Technical Assistant	1,814.5	2,095.3	2,425.7	2,780.1	3,503.6
Care-related Support Staff Total	**6,837.5**	**6,888.3**	**7,081.7**	**7,251.1**	**7,769.6**
Direct Patient Care Total	**35,908.2**	**35,738.4**	**36,122.1**	**36,364.3**	**37,163.0**

No. of Full-time Equivalent (fte) Staff	2003/04	2004/05	2005/06	2006/07	2007/08
Others					
Chief Executive/Director/Deputy Director/Head	9.0	11.0	10.0	7.0	7.0
Cluster Chief Executive/Hospital Chief Executive	30.0	28.0	27.0	25.0	23.0
Chief Manager/Senior Manager/ Executive Manager/General Manager	88.0	80.0	86.0	88.0	89.0
Other Professionals/Administrative – Accountant, Hospital Administrator, Systems Manager, Analyst Programmer etc	854.5	882.0	913.5	938.6	1,032.4
Other Supporting Staff – Clerical, Secretarial, Workmen, Artisan, Property Attendant etc	15,561.0	15,385.2	15,484.0	15,499.3	15,774.8
Non-direct Patient Care Total	**16,542.5**	**16,386.2**	**16,520.5**	**16,557.9**	**16,926.2**
HA Total	**52,450.7**	**52,124.6**	**52,642.6**	**52,922.2**	**54,089.2**

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 based on actual services sessions.

APPENDIX 12 (a)

Resource Utilisation by Hospital Clusters for 2007/08

Clusters	2007/08 Resource Utilisation ($Mn)
Hong Kong East Cluster	3,154.6
Hong Kong West Cluster	3,377.1
Kowloon Central Cluster	3,937.4
Kowloon East Cluster	2,843.9
Kowloon West Cluster	6,559.2
New Territories East Cluster	4,695.8
New Territories West Cluster	3,546.0
Hospital Authority Head Office & Others [Note]	532.7
Total	**28,646.7**

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.

Hospital Authority Training and Development Expenditure 2007/2008

Hospital / Institution	Amount $
Hong Kong East Cluster	$3,215,635
Hong Kong West Cluster	$2,548,334
Kowloon Central Cluster	$2,858,999
Kowloon East Cluster	$2,013,891
Kowloon West Cluster	$3,908,557
New Territories East Cluster	$3,783,642
New Territories West Cluster	$1,442,687
Hospital Authority Head Office	$1,245,870
Total	**$21,017,615**

Central Programmes	Amount $
Consultants' Continuous Education	$1,314,000
Commissioned Training	$4,157,000
Management & Staff Development Programmes	$2,114,924
HA eLearning Centre	$344,385
Vocational Skills Training for Supporting Staff	$301,160
Total	**$8,231,469**

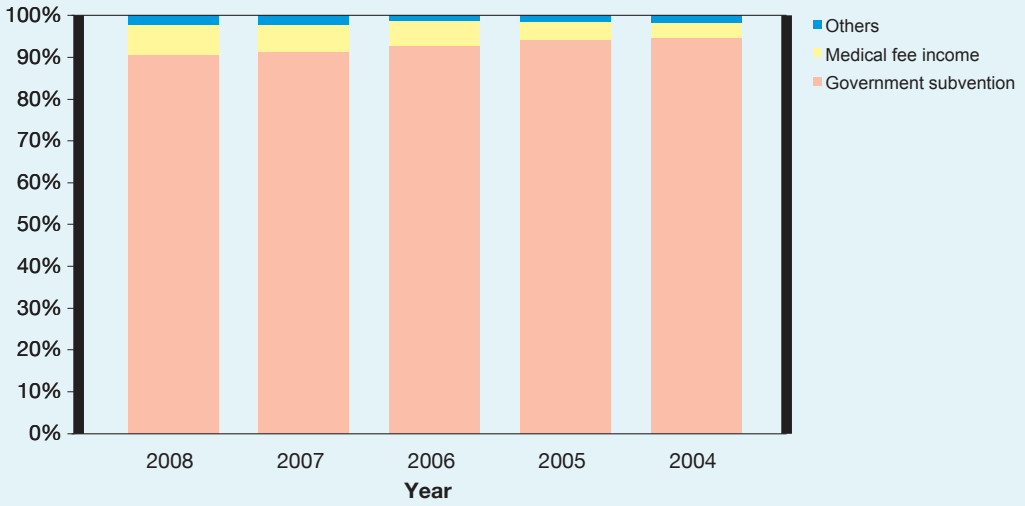
APPENDIX 13

Hospital Authority Five-year Financial Highlights

Financial Results (for the Year ended 31 March)

	2008 HK$Mn	2007 HK$Mn	2006 HK$Mn	2005 HK$Mn	2004 HK$Mn
Income					
Government subvention (recurrent and capital)	29,915	28,041	28,019	28,417	30,039
Medical fee income (net of waivers)	2,296	1,987	1,628	1,386	1,243
Non-medical fee income	564	487	310	285	294
Designated donations	108	76	83	98	209
Capital donations	93	89	90	81	73
	32,976	30,680	30,130	30,267	31,858
Expenditure					
Staff costs	(24,468)	(23,047)	(23,044)	(23,412)	(25,170)
Drugs, medical supplies and equipment	(3,701)	(3,319)	(3,133)	(2,937)	(2,797)
Other operating expenses (include depreciation)	(4,546)	(4,116)	(5,184)	(4,256)	(4,265)
	(32,715)	(30,482)	(31,361)	(30,605)	(32,232)
Surplus/(Deficit) for the Year	**261**	**198**	**(1,231)**	**(338)**	**(374)**

Income by Source (in % of Total Income)



Key Financial Indicators

	2008 HK$Mn	2007 HK$Mn	2006 HK$Mn	2005 HK$Mn	2004 HK$Mn
Medical fee income					
Inpatient fees	1,110	986	899	813	746
Outpatient fees	1,046	1,040	1,039	1,046	936
Itemised charges	590	429	187	55	40
Other medical fees	61	56	49	42	35
	2,807	2,511	2,174	1,956	1,757
Less: Waivers	(511)	(524)	(546)	(570)	(514)
Medical fee income (net of waivers)	**2,296**	**1,987**	**1,628**	**1,386**	**1,243**
Write-off of medical fees	**62**	**70**	**44**	**51**	**27**

Expenditure by Category (in % of Total Expenditure)

APPENDIX 13

Financial Position (as at 31 March)

	2008 HK$Mn	2007 HK$Mn	2006 HK$Mn	2005 HK$Mn	2004 HK$Mn
Non-current assets	**2,935**	**2,918**	**3,395**	**3,696**	**3,665**
Current assets	8,075	7,001	6,650	6,261	6,211
Current liabilities	(2,908)	(2,472)	(2,757)	(1,986)	(1,922)
Net current assets	**5,167**	**4,529**	**3,893**	**4,275**	**4,289**
Non-current liabilities	**(626)**	**(594)**	**(635)**	**(646)**	**(687)**
Net assets	**7,476**	**6,853**	**6,653**	**7,325**	**7,267**
Capital subventions and donations	2,492	2,129	2,128	2,104	2,263
Designated fund	5,077	5,077	5,077	4,542	3,987
Revenue reserve	(93)	(353)	(552)	679	1,017
	7,476	**6,853**	**6,653**	**7,325**	**7,267**

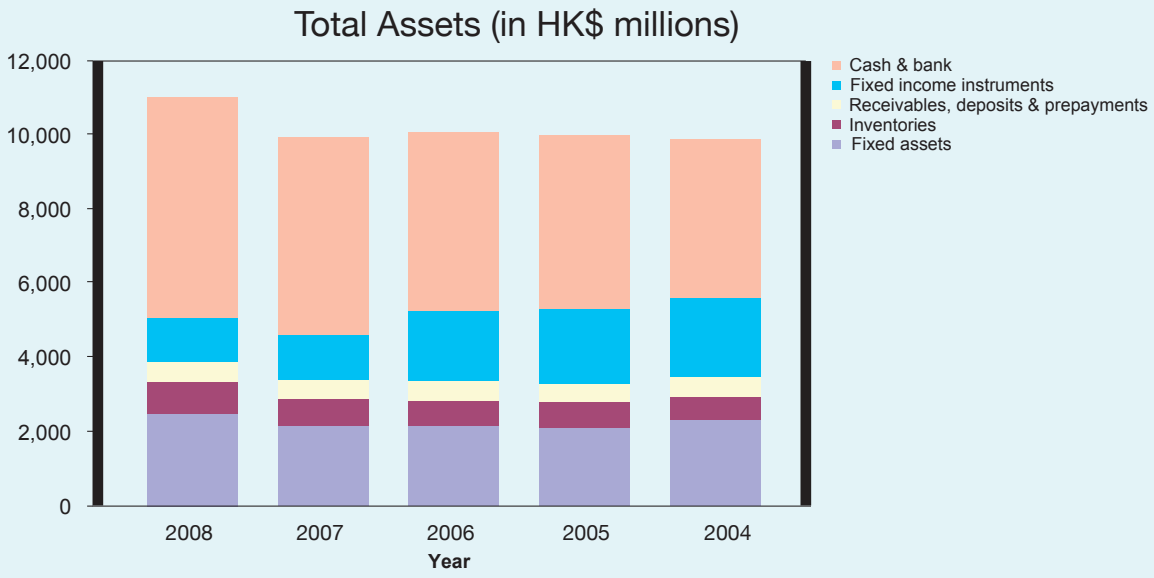
Key Financial Indicators

Inventories

Drugs	639	530	482	416	399
Other medical and general consumable	200	228	240	238	275
	839	**758**	**722**	**654**	**674**

Average stock holding period (weeks)

Drugs	12.8	11.9	11.9	11.1	11.8
Other medical and general consumable	8.0	9.9	10.8	10.3	12.5



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 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 2008 is HK$36,734,000 (as at 31 March 2007: HK$61,079,000).

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:

	2007/2008			2006/2007		
	HK$'000	HK$'000	(%)	HK$'000	HK$'000	(%)
Net hospital / clinic fees and charges		2,258,458	(80.5%)		1,913,070	(76.2%)
Hospital/clinic fees written-off and changes in provision for doubtful debts						
Actual write-off	62,364			69,802		
(Decrease) / Increase in provision	(24,345)			4,415		
		38,019	(1.4%)		74,217	(2.9%)
Waiver of hospital/clinic fees for:						
Eligible Persons		492,284	(17.5%)		511,693	(20.4%)
Non-Eligible Persons		18,251	(0.6%)		12,725	(0.5%)
Total hospital / clinic fees and charges		**2,807,012**	**(100%)**		**2,511,705**	**(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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