

**For information****SARS Expert Committee****Allocation of Resources for  
Public Health Care Services in Hong Kong****An Overview**

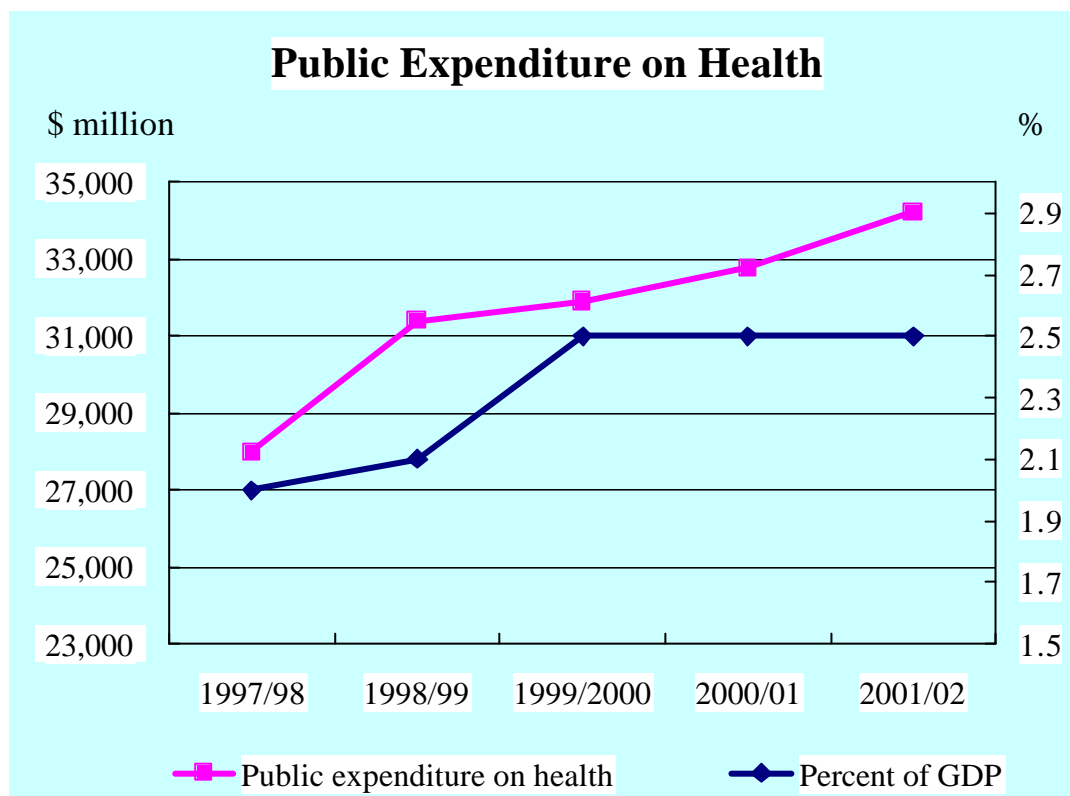
- In 2003-04, **\$33.4 billion**<sup>1</sup> of total public expenditure has been allocated for healthcare services. This represents **11.7%** of the total public expenditure and a real growth of **0.7%** (or a nominal decrease of **1.5%**) over the 2002-03 revised Estimate of **\$33.9 billion**.
- Over the past decade, there has been substantial growth in public expenditure in the health policy area as well as other major policy areas -

Policy Area	1992-93 (\$ billion)	2002-03 (\$ billion)
Education	22.2 [2.8%]	54.9 [4.3%]
<b>Health</b>	<b>13.6</b> <b>[1.7%]</b>	<b>33.9</b> <b>[2.7%]</b>
Social Welfare	7.3 [0.9%]	32.6 [2.6%]
Housing	12.9 [1.6%]	29.1 [2.3%]

[ ] expenditure as a percentage of GDP

<sup>1</sup> All money figures quoted in this paper are in Hong Kong dollar. One US dollar roughly equals HK\$7.8.

- Total public expenditure on health in Hong Kong from 1997-98 to 2001-02 is as follows -



- Total public expenditure on health, as a percentage of GDP, in overseas countries is provided in the following Appendix for reference -

**Appendix A :** Total Expenditure on Health – % of GDP, 1991-2001

### **Recurrent Expenditure**

- The recurrent public expenditure on healthcare services for 2003-04 is **\$31.9 billion**. This represents **14.3%** of the total recurrent public expenditure and a real growth of **0.2%** (or a nominal decrease of **1.8%**) over the 2002-03 revised Estimate of **\$32.5 billion**.
- Of the \$31.9 billion, **\$29.2 billion** is allocated to the Hospital Authority (HA) and **\$2.6 billion** for the Department of Health (DH).

- Recurrent public expenditure on health over the years is shown in the following Appendix -

**Appendix B** : Recurrent public expenditure on health from 1997-98 to 2003-04

### **Department of Health**

- DH is the Government's health adviser and agency to execute health care policies and statutory functions. It safeguards the health of the community through promotive, preventive, curative and rehabilitative services.
- Most of the \$2.6 billion allocated to DH in 2003-04 is for the following programmes –

<b>Allocation</b>	<b>Programme</b>	<b>Aim</b>
\$211.4M (8.2%)	Statutory Functions	To enforce legislation to ensure a high standard of public health protection
\$1,283.8M (49.9%)	Disease Prevention	To prevent and control diseases and reduce avoidable diseases and premature deaths
\$254.0M (9.9%)	Health Promotion	To promote health and increase health awareness in the community and among specific target groups
\$734.8M (28.5%)	Curative Care	To provide general and specialized out-patient treatment for various illnesses
\$79.3M (3.1%)	Rehabilitation	To provide comprehensive assessment for children with developmental disabilities

### **Hospital Authority**

- In 2003-04, **\$29.2 billion** has been allocated to HA which is responsible for delivering a comprehensive range of hospital,

specialist outpatient and community-based services through its network of healthcare facilities. As at 31 December 2002, HA with about 53 000 staff (full-time equivalent), manages 43 public hospitals and institutions as well as 46 specialist outpatient clinics.

### **Additional Funds for the fight against Severe Acute Respiratory Syndrome (SARS)**

- On top of the allocations to DH and HA in 2003/04, the Government has provided additional funding for the fight against SARS, details as follows –
  - \$200 million for treatment of SARS patients, and strengthening infection control and public health education;
  - \$200 million for training and welfare of healthcare workers;
  - \$1.3 billion for further disease control measures and medical research; and
  - \$500 million for on-going research in universities.
- Apart from the above additional funding, a number of government bureaux/departments have absorbed the additional expenditure arising from SARS within their allocations for 2003/04. The total amount of expenditure involved is about \$140M which is mainly spent on stepping up infection control measures such as procurement of masks and protective gear for staff and enhanced cleansing and disinfection for offices, etc.

## Appendix A

Total Expenditure on Health - % of GDP, 1991 - 2001

Country/city	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Australia	8.0	8.1	8.1	8.1	8.2	8.3	8.4	8.5	8.4	8.3	
Canada	9.7	10.0	9.8	9.5	9.1	8.9	8.9	9.1	9.2	9.1	9.3
Denmark	8.4	8.5	8.8	8.5	8.2	8.3	8.2	8.4	8.5	8.3	8.4
Finland	9.0	9.1	8.3	7.8	7.5	7.7	7.3	6.9	6.9	6.6	
France	8.9	9.1	9.5	9.4	9.6	9.6	9.4	9.3	9.4	9.5	
Germany		9.9	9.9	10.2	10.6	10.9	10.7	10.6	10.7	10.6	
Hong Kong*	3.9	4.1	4.3	4.4	4.8	4.5	4.4	4.9	5.0	4.9	
Italy	8.3	8.4	8.1	7.8	7.4	7.5	7.7	7.7	7.8	8.1	8.1
Japan	5.9	6.2	6.4	6.7	7.0	7.0	7.2	7.1	7.4	7.8	
Korea	4.5	4.7	4.7	4.7	4.7	4.9	5.0	5.1	5.6	5.9	
Netherlands	8.2	8.4	8.5	8.4	8.4	8.3	8.2	8.1	8.2	8.1	
New Zealand	7.4	7.5	7.2	7.2	7.2	7.2	7.5	7.9	7.9	8.0	8.2
Norway	8.1	8.2	8.1	8.0	8.0	8.0	7.9	8.6	8.8	7.8	
Singapore	3.1	3.3	3.0	2.9	2.9		2.9	3.2	3.1	3.0	
Spain	6.8	7.2	7.5	7.4	7.7	7.7	7.6	7.6	7.7	7.7	
Sweden	8.4	8.6	8.6	8.2	8.1	8.4	8.1	7.9			
Switzerland	9.2	9.6	9.6	9.8	10.0	10.4	10.4	10.6	10.7	10.7	
United Kingdom	6.5	6.9	6.9	7.0	7.0	7.0	6.8	6.8	7.1	7.3	
United States	12.6	13.0	13.3	13.2	13.3	13.2	13.0	12.9	13.0	13.0	

### Note

\*Fiscal Year (91/92 - 01/02); Revised figures - based on the major revision of GDP by Census and Statistics Department published in Mar 2003

### Source

OECD Health Data 2002

Hong Kong data from Census and Statistics Department, Hong Kong

Singapore data (1997 - 2000) are from Ministry of Health Annual Report 2001, Singapore

Singapore data (1991 - 1995) are from Health Care Expenditure and Financing in Singapore (P14)

**Appendix B**

**Recurrent Public Expenditure on Health  
from 1997-98 to 2003-04**

	<u>1997-98</u> <u>(Actual)</u> \$M	<u>1998-99</u> <u>(Actual)</u> \$M	<u>1999-2000</u> <u>(Actual)</u> \$M	<u>2000-01</u> <u>(Actual)</u> \$M	<u>2001-02</u> <u>(Actual)</u> \$M	<u>2002-03</u> <u>(Revised)</u> \$M	<u>2003-04</u> <u>(Estimate)</u> \$M
(A) Hospital Authority (HA)	23,813.9	26,313.6	27,347.1	27,966.1	29,292.5	29,540.0	29,238.0
(B) Department of Health (DH) <sup>1</sup>	2,115.9	2,392.6	2,482.9	2,462.8	2,583.1	2,715.2	2,574.3
(C) Other bureaux / departments / subvented organizations	102.2	83.8	79.0	80.1	84.4	204.8	77.7
(D) Total Recurrent <b>Health</b> Expenditure [i.e. (A)+(B)+(C)]	26,032	28,790	29,909	30,509	31,960	32,460	31,890
(E) Total Recurrent <b>Public</b> Expenditure	172,419	187,857	195,272	198,619	210,445	215,640	222,500
(F) % of Recurrent Health Expenditure over Recurrent Public Expenditure [i.e. (D)/(E)]	15.1%	15.3%	15.3%	15.4%	15.2%	15.0%	14.3%

<sup>1</sup> Including expenditure under health policy area only.