

**For information on
12 July 2010**

Legislative Council Panel on Health Services

**Issues related to health services under the
Framework Agreement on Hong Kong/Guangdong Co-operation**

PURPOSE

This paper briefs Members on issues related to co-operation on health services under the Framework Agreement on Hong Kong/Guangdong Co-operation.

BACKGROUND

2. In January 2009, the National Development and Reform Commission (NDRC) promulgated the "Outline of the Plan for the Reform and Development of the Pearl River Delta (PRD)" (the Outline), which elevates the development of the PRD region to the strategic level of national development and establishes Hong Kong/Guangdong co-operation as a national policy. To take forward the implementation of the Outline, the Chief Executive and the Governor of Guangdong Province signed the Framework Agreement on Hong Kong/Guangdong Co-operation (the Framework Agreement) on 7 April 2010 in Beijing. The Framework Agreement covers a wide range of areas and defines clearly the positioning of Hong Kong/Guangdong co-operation in several policy programmes, including co-operation initiatives on medical and health services.

CONTENT OF THE FRAMEWORK AGREEMENT

3. Details of the co-operation on medical and health services under the Framework Agreement are set out at Annex, and it encompasses the following six areas:

- (1) To expand and open up the medical services market;
- (2) To develop co-operation in hospital management, scientific research technology exchange and training of healthcare professionals;
- (3) To make medical services more accessible;
- (4) To develop the Chinese medicine industry;
- (5) To improve notification and collaborative prevention and control mechanism for infectious diseases; and
- (6) To promote drug safety and drug development.

(1) To expand and open up the medical services market

4. The liberalisation measures under Supplement V to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), in particular the Guangdong pilot measures, implemented in January 2009 have greatly facilitated business expansion of Hong Kong's medical service sector in Guangdong Province. These measures allow Hong Kong service providers to set up out-patient clinics on a wholly-owned, equity joint venture or contractual joint venture basis, subject to no minimum investment requirements. There is also no restriction on shareholding ratio for equity joint venture or contractual joint venture. The approval of projects is undertaken directly by the Guangdong Provincial health administrative authority to reduce the lead time and streamline the procedures.

5. Under Supplement VII to CEPA recently signed on 27 May 2010, the medical services market in Guangdong Province will be further expanded and opened up. Hong Kong service providers are allowed to establish wholly-owned hospitals in Guangdong Province. No requirement is imposed on the total investment in setting up hospitals by Hong Kong service providers on an equity joint venture or contractual joint venture basis in Guangdong Province and no restriction is imposed on the ratio of capital investment between Hong Kong service providers and Mainland partners. The lowered market access thresholds facilitate the setting up of business by Hong Kong medical service sector in Guangdong Province, promote exchanges and co-operation in the area of medical and health services between the two places and provide more choices for patients in Guangdong Province. Hong Kong service providers are allowed to set up convalescent hospitals on a wholly-owned, equity joint venture or contractual joint venture basis to provide medical services in Guangdong Province. The approval for project establishment for setting up medical institutions by Hong Kong service providers on an equity joint venture or contractual joint venture basis in Guangdong Province will be undertaken by the Guangdong Provincial health administrative authority. Application time will be shortened and procedures streamlined to expedite the grant of approval document to Hong Kong service providers for setting up business in the Mainland. Besides, 12 types of statutory registered healthcare professionals in Hong Kong, including medical practitioners, Chinese medicine practitioners, dentists, nurses and pharmacists, etc, are allowed to provide short-term services in the Mainland. This helps promote professional exchanges between the practitioners in the two places, enrich the practice experiences of Hong Kong healthcare professionals, and provide a channel to facilitate the employment of Hong Kong healthcare professionals by Hong Kong service providers to work at

the medical institutions set up by Hong Kong service providers in Guangdong Province.

6. Liberalisation measures under CEPA are well received by Hong Kong medical service sector. We will continue to work in collaboration with the Mainland health authorities to explore other liberalisation measures for early and pilot implementation in Guangdong Province, to help the sector to develop more business opportunities for provision of diversified medical services in Guangdong Province.

(2) To enhance co-operation in hospital management, medical research technology exchange and training of healthcare professionals

7. The Hospital Authority (HA) signed the “Agreement on Co-operation on exchange on Medical and Nursing Services” with the Guangdong Provincial Health Department in 2007 with a view to enhancing their co-operation and exchange on hospital management, training of professionals and service development. In the past few years, both sides organised mutual visits and exchange seminars on a regular basis. The issues discussed included hospital management, patient safety, drug management and emergency response measures of the two places.

8. Regarding the training of healthcare professionals, apart from general exchanges, HA has since 2007 provided professional training courses for nurses in Guangdong Province to strengthen their knowledge and skills in specialist nursing through 10-month training and clinical practice. The results of the courses have been positive. So far, more than 470 specialist nurses in Guangdong Province have received training. In addition, it is estimated that 140 nurses will participate in the new round of courses which will commence in

late June. HA will continue to strengthen co-operation and exchange with Guangdong Province on the training of professionals.

(3) To make medical services more accessible

9. HA has also been enhancing its exchange and co-operation with the Health Authority of Shenzhen on areas such as hospital management, training of professionals and service development. Both sides are discussing the arrangement to facilitate the transfer of Hong Kong residents from Shenzhen to Hong Kong for medical treatment. It is initially agreed to implement the transfer of patient records from Shenzhen to relevant hospital in Hong Kong on a pilot basis through coordination of designated hospitals in Shenzhen and Hong Kong, and to facilitate direct communication between hospitals in the two places after the transfer of patients to Hong Kong. At the present stage, the abovementioned arrangement will only be applicable to patients on a voluntary basis and who are in stable condition. The two sides are now finalising the details of the arrangement and plan to implement the arrangement later this year.

(4) To develop the Chinese medicine industry

10. The Government has all along been supporting and promoting the development of Chinese medicine industry in Hong Kong and the Mainland. It has been pointed out in the Policy Address 2009 that to facilitate the development of Chinese medicine and medicine products, the Government will expedite the setting of standards for Chinese herbal medicines commonly used in Hong Kong by extending the coverage from the current 60 herbal medicines to about 200. Hong Kong will conduct the relevant studies in collaboration with the Mainland, regional and international experts. In addition, the Government will also consider allowing more renowned Chinese medicine

practitioners (CMPs) from the Mainland to join clinical teaching and research programmes in Hong Kong so as to make Hong Kong a stage for promoting Chinese medicine to the world. Under the mechanism established pursuant to the Chinese Medicine Ordinance, the Chinese medicine experts in the Mainland may come to Hong Kong to conduct clinical research and teaching work in local universities and scientific research institutions through a limited registration system, which can help further enhance the professional competence of local CMPs. At present, there are totally six universities and scientific research institutions in Hong Kong that can make limited registration applications for the Chinese medicine experts they employ. These six institutions are the University of Hong Kong (HKU), the Chinese University of Hong Kong (CUHK), the Hong Kong Baptist University (HKBU), the Hong Kong Polytechnic University (HKPU), the City University of Hong Kong (CityU) and the Hospital Authority (HA). Among them, HA has from time to time invited Chinese medicine experts from the Mainland, including Guangdong Province, to provide academic guidance in Hong Kong.

11. In November 2007, the Food and Health Bureau (FHB) and the State Administration of Traditional Chinese Medicine (SATCM) entered into a co-operation agreement on Chinese medicine (the Co-operation Agreement). After the signing of the Co-operation Agreement, the Department of Health (DH) and the Chinese Medicine Council of Hong Kong (CMCHK) have so far organised some ten visits and exchange activities with several relevant Chinese medicine institutions in the Mainland, including SATCM, the Jilin Provincial Health Department, the Health Department of the Guangxi Zhuang Nationality Autonomous Region, the Guangdong Provincial Health Department and the Guizhou Provincial Health Department.

12. In June 2009, a one-week study visit cum seminar on hospital administration in Hong Kong was arranged by HA and DH for some 30 heads of provincial Chinese medicine hospitals. Under the framework of the Co-operation Agreement, DH will continue to maintain close liaison with other Chinese herbal medicines producing provinces in the Mainland for formulation of relevant co-operation plans as and when necessary.

13. In September 2009, CMCHK was invited by the Guangdong Provincial Health Department and the Administration of Traditional Chinese Medicine of Guangdong Province to visit Guangdong Province for exchange of views on issues such as deepening the co-operation between Hong Kong and Guangdong on Chinese medicine and laws and regulations of Chinese medicine.

(5) To improve the notification and collaborative prevention and control mechanism for infectious diseases

14. According to the “Co-operation Agreement on Response Mechanism for Public Health Emergencies” and the “Co-operation Agreement on Guangdong-Hong Kong-Macao Tripartite Public Health Emergency Responses”, a mutual co-ordination and support mechanism in terms of manpower, technology and resources will be put in place if a serious public health emergency has occurred in the Mainland, Macao or Hong Kong. If a public health emergency with cross boundary transmission or spreading of disease occurs among the three places or between any two, the concerned parties will notify the other parties of the epidemic or information on the incident at the first opportune moment. The emergency mechanism will be activated immediately, and a joint public health emergency response team will be formed to co-ordinate the emergency response work.

15. At present, the three places have established a channel for regular notification of statutory notifiable infectious diseases on a monthly basis and exchange of data of infectious diseases through electronic mails. In addition, we will also immediately exchange information and answer enquiries about cases of infectious disease and disease outbreaks that are special, serious or of public concern. Besides, the three places will, from time to time, organize drills and workshops to enhance exchange and to test the tripartite co-ordination mechanism for handling cross border public health emergencies.

16. Given the geographical proximity and busy cross-boundary movement of people between Guangdong Province and Hong Kong, outbreak of infectious disease can affect widely and spread across the region within a short period of time. In order to enhance the collaborative prevention and control between the Mainland and the Hong Kong Special Administrative Region (HKSAR), we will continue to strengthen the co-ordination and co-operation with the relevant authorities of Guangdong Province on the public health emergencies response mechanism, including surveillance and information exchange, so that the two places can respond to public health emergency more efficiently and effectively and reduce the risk of spread of infectious disease between Guangdong and Hong Kong.

(6) To establish communication of information for drug safety monitoring

17. In handling incidents concerning the safety of drugs (including Chinese and Western medicines), the HKSAR Government will maintain the exchange of relevant information with the Administrations or Departments of Guangdong Province and Macao. For instance, if adulteration with western drugs is found in proprietary Chinese medicines or health products after testing, or if registered Chinese or Western medicines manufactured by drug

manufacturers in Hong Kong are found non-compliant with the standards and such pharmaceutical products are for exportation to or imported from the Mainland or Macao, DH will inform the relevant Administrations and Departments of the Central Government, Guangdong Province and Macao, so as to activate the response mechanism.

18. DH has always maintained a close co-operation relationship with the Central Government and the relevant authorities and departments of Guangdong Province. In May this year, DH and the Guangdong Food and Drug Administration (GDFDA) held a working meeting to discuss such matters as drug registration, clinical trial, mutual exchange on training, and further strengthening the exchange of information on drug safety.

19. In addition, DH also entered into a co-operation agreement on control of drugs and medical devices with the State Food and Drug Administration in May this year. The scope of co-operation includes strengthening the exchange of information on product registration and safety. Officials of GDFDA also attended the agreement signing ceremony.

CONCLUSION

20. The Framework Agreement further strengthens the co-operation between Hong Kong and Guangdong Province on medical and health matters, allowing the two places to complement each other's strengths and jointly enhance the standard of their medical services. To protect the health of people of the two places, we will continue to maintain effective communication and close liaison with the relevant authorities in the Mainland on the above issues related to medical and health matters.

**Food and Health Bureau
July 2010**

**Framework Agreement on Hong Kong/Guangdong Co-operation
(Provisions relating to Medical and Health matters)**

Chapter 6 Quality life circle

Clause 2 Medical services

1. To expand and open up the medical services market, to support Hong Kong service providers to launch out-patient services in Guangdong, to implement priority approval for market entry to develop high-end medical services, to give medical institutions opened by Hong Kong people in Guangdong CEPA green-channel treatment in industry and commerce registration and allow registration on the net.

2. To support co-operation of medical practitioners to jointly establish hospitals or traditional Chinese medicine treatment and health institutions, to start co-operation in hospital management, scientific research technology exchange and training of medical professionals, to explore the possibility of allowing Hong Kong service providers to establish hospitals in the form of sole proprietorship in Guangdong.

3. To actively explore communication mechanism for medical institutions, to improve the arrangements for the transfer of patients, to make medical services more accessible, to give national treatment for Hong Kong residents seeking medical treatment in Guangdong, to provide accident and emergency medical insurance service through medical insurance companies.

4. To develop traditional Chinese medicine services, to promote appropriate traditional Chinese medicine technology, to strengthen personnel training and to build a network of traditional Chinese preventive medicine services for residents of the two places.

Clause 3 Health and food safety

1. To improve notification and collaborative prevention and control mechanism for infectious diseases, to strengthen co-operation in response management for public health emergencies, to form task force and expert groups, to increase joint response capability to deal with public health emergencies within the region.

3. To build a co-operation mechanism for information communication and supervision of law enforcement in respect of drug safety monitoring, to strengthen co-operation in drug development, registration, production and examination. To capitalise on Hong Kong research and development competitiveness and Guangdong's production industry competitiveness, to encourage drug research institutions and biopharmaceutical enterprises with GMP standards to co-operate to develop and produce drugs.