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Finance Committee of the Legislative Council

Minutes of the 5th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 22 November 2019, from 4:02 pm to 6:54 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP

Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kiwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, BBS, JP
Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent:

Hon Charles Peter MOK, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu

Public officers attending:

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr CHUI Tak-yi, JP	Under Secretary for Food and Health
Miss Trista LIM Mei-yee	Principal Assistant Secretary for Food and Health (Health)2
Mrs Sylvia LAM YU Ka-wai, JP	Director of Architectural Services
Ms Suzanna CHAN Chung-kwan	Chief Project Manager 201, Architectural Services Department

Other persons attending:

Dr CHEUNG Nai-kwong	Deputy Hospital Chief Executive (Operations), Prince of Wales Hospital, Hospital Authority
Dr Desmond NGUYEN	Hospital Chief Executive, Kwai Chung Hospital, Hospital Authority
Dr Michael WONG	Deputy Hospital Chief Executive (Operations), Princess Margaret Hospital, Hospital Authority
Dr David SUN	Hospital Chief Executive, North District Hospital, Hospital Authority
Mr Donald LI	Chief Manager (Capital Planning), Hospital Authority
Dr Chris TSANG	Senior Manager (Planning and Commissioning), Kowloon West Cluster, Hospital Authority

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Miss Bowie LAM

Council Secretary (1)1

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Yannes HO

Legislative Assistant (1)7

Action

The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure.

Arrangement for item FCR(2019-20)31

2. Given that the Administration had withdrawn without prior notice the funding proposal on campus expansion at Ho Man Tin Slope for The Hong Kong Polytechnic University (FCR(2019-20)32) at the last meeting held on 15 November 2019, Mr CHAN Chi-chuen was concerned whether the Administration would withdraw item 2 (FCR(2019-20)31) on the agenda of this meeting, which was a funding proposal in relation to works projects for the provision of healthcare teaching facilities in The Chinese University of Hong Kong ("CUHK") and the University of Hong Kong ("HKU"). Mr Alvin YEUNG also enquired whether the Administration would discuss the said item with members according to the agenda of this meeting.

3. Under Secretary for Food and Health ("USFH") advised that the Administration would discuss the said item with members according to the agenda of this meeting. As all the three works projects mentioned by members were proposed to enhance the provision of healthcare training facilities, the Government would continue to appeal for support from various stakeholders, including Members of the Legislative Council, in the hope of obtaining funding approval from the Finance Committee ("FC") as early as possible.

**Item 1 — FCR(2019-20)28A
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 29 MAY 2019**

PWSC(2019-20)7

HEAD 703 — BUILDINGS

Health — Hospitals

81MM — Redevelopment of Kwai Chung Hospital, phases 2 and 3

**75MM — Redevelopment of Prince of Wales Hospital, phase 2
(stage 1)**

3MI — Expansion of North District Hospital

**114MH — Expansion of Lai King Building in Princess Margaret
Hospital**

4. The Chairman advised that the item sought FC's approval of the recommendation made by the Public Works Subcommittee ("PWSC") at its meeting held on 29 May 2019 regarding the proposals in PWSC(2019-20)7 to upgrade the following projects under the First Ten-year Hospital Development Plan ("HDP") to Category A with a total commitment of \$9,762.4 million:

- (a) 81MM at an estimated cost of \$7,452.1 million in money-of-the-day ("MOD") prices to carry out phases 2 and 3 of the redevelopment of Kwai Chung Hospital ("KCH");
- (b) part of 75MM at an estimated cost of \$1,725 million in MOD prices to carry out the proposed demolition and foundation works for phase 2 (stage 1) of the redevelopment of Prince of Wales Hospital ("PWH");
- (c) part of 3MI at an estimated cost of \$481.3 million in MOD prices to carry out the preparatory works for the expansion of North District Hospital ("NDH"); and
- (b) part of 114MH at an estimated cost of \$104 million in MOD prices to carry out the preparatory works for the expansion of Lai King Building ("LKB") in Princess Margaret Hospital ("PMH").

5. Some members requested that the recommendation be voted on separately at the FC meeting.

6. The Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited.

Redevelopment of Kwai Chung Hospital, phases 2 and 3

Project cost and details

7. Ms Claudia MO was concerned that the cost of the KCH redevelopment project, phases 2 and 3, was more than \$7,400 million, which was much higher than the costs of the other three projects. Mr Junius HO sought a breakdown of main expenditure items in the cost of the KCH project, such as the cost of building services works.

8. In response, Chief Manager (Capital Planning), Hospital Authority ("CM(CP)/HA") advised that the estimated cost of the KCH redevelopment project, phases 2 and 3, was \$7,452.1 million, of which 66% was the expenditure for replacing existing facilities, 26% for upgrading aged facilities to the latest standard and 8% for provision of additional bed spaces. Director of Architectural Services ("DArchS") supplemented that the costliest expenditure items in the capital cost of the KCH redevelopment project were building works and building services works, which amounted to \$2,740 million and \$2,450 million respectively.

9. Mr Tony TSE expressed support for the works projects of the four hospitals. He noted that the Administration had already invited tenders for three of the proposed works projects earlier on, and some returned tender prices were lower than the original estimate. For example, the estimated cost of the PWH project was now 38% lower than the original estimate. In this connection, Mr TSE enquired about the following:

- (a) whether the overall estimated cost of the KCH project would be revised, taking into account the latest returned tender prices; and
- (b) whether the cost estimates of the aforesaid works projects of the four hospitals had been scrutinized by the Project Cost Management Office ("PCMO").

10. DArchS replied that:

- (a) the parallel tendering approach was adopted for the KCH redevelopment project, and the returned tender prices had already been reflected in its overall estimated cost; and

- (b) PCMO under the Development Bureau had scrutinized the cost estimates of the said projects and did not consider it necessary to make any further adjustments.

11. Mr CHAN Chun-ying noted the Administration's estimates that the annual recurrent expenditure arising from the KCH project would be approximately \$500 million, but no additional recurrent expenditure would be incurred for the works projects of the other three hospitals. He enquired about the specific items under KCH's annual recurrent expenditure arising from the project, as well as the respective share of each item.

12. In response, Hospital Chief Executive, Kwai Chung Hospital, Hospital Authority ("HCE(KCH)/HA") explained that:

- (a) the annual recurrent expenditure arising from the KCH project was \$567.9 million, of which over 50% was manpower cost, and other expenditure items included routine cleansing services and maintenance costs; and
- (b) upon completion of the redevelopment project, the construction floor area of KCH would be increased from about 80 000 sq m to approximately 130 000 sq m, while 80 additional beds and out-patient services would also be provided. As a result, additional manpower would be required. Moreover, the health service delivery model at KCH would be transformed to enhance service quality through increasing the provision of wards and reducing the number of beds in each ward.

13. Noting that the Administration had proposed to redevelop KCH in less than 40 years after its establishment in 1981, Mr Junius HO was of the view that the renovation of KCH could also serve the purpose of providing additional bed spaces and facilities. Meanwhile, Dr CHIANG Lai-wan was concerned that KCH could only provide 80 additional beds after redevelopment. She suggested that instead of redeveloping KCH at a cost of over \$7,000 million, the Administration should consider undertaking renovation works for KCH at a lower cost.

14. DArchS replied that when a hospital was being redeveloped, new design layout and concepts dovetailing with the current medical and rehabilitation needs (such as the provision of landscape settings on different floors, complete separation between male and female wards, and

provision of sky gardens and living areas in every ward area to facilitate visits by family members of the patients) could be adopted during the architectural design stage of the project. However, it would be difficult to make such arrangements if the hospital was only being refurbished and renovated.

15. HCE(KCH)/HA supplemented that given KCH's obsolete interior design and ageing hardware, which had been in use for over 30 years, it would be unable to cater for the provision of modern psychiatric services if KCH was still not redeveloped by 2024 since the hospital hardware would have already been in use for 44 years by then.

16. Mr Junius HO and Ms CHAN Hoi-yan noted that the KCH redevelopment project involved the construction of a decantation building at the existing car park area of PMH. Mr HO and Ms CHAN respectively enquired about the existing use of the said decantation building, as well as its future use upon completion of the redevelopment project.

17. In response, HCE(KCH)/HA pointed out that:

- (a) the decantation building provided under phase 1 of the KCH redevelopment project was not a clinical block. Instead, it was a building for accommodating various non-clinical services, such as offices, support services, stores, etc.;
- (b) following the completion of renovation and expansion works at Block L/M of KCH, most beds in the clinical blocks had already been decanted thereto, so as to facilitate the demolition and redevelopment of all existing hospital buildings (except Blocks L/M and J) under phase 2 of the project; and
- (c) the decantation building would be handed over for use by PMH upon completion of the KCH redevelopment project.

18. Noting the Administration's plan that phase 3 of the redevelopment project, including the demolition of Block L/M, would only commence in the third quarter of 2023, Mr Junius HO sought the reasons for the expected completion of phase 3 of the redevelopment project in 2024. Dr Helena WONG said that Members belonging to the Democratic Party supported the expansion or redevelopment of the four hospitals. She asked whether Block J of KCH would be retained and not be demolished.

19. HCE(KCH)/HA advised that the services provided in Block L/M would be relocated to the newly completed hospital block upon completion of the works in phase 2. After the demolition of Block L/M, the site would be used for construction of a rehabilitation garden, which involved relatively simple works. Regarding Block J, it would be retained and handed over for use by PMH.

20. Mr Alvin YEUNG enquired about the following:

- (a) given that KCH accounted for about a quarter of the total psychiatric bed capacity in Hong Kong, and the redevelopment project would take about three to four years to complete, whether the existing psychiatric services would be affected during the implementation of the redevelopment project;
- (b) as psychiatric patients might be particularly sensitive to the surrounding environment, whether the patients in KCH would be affected by changes in the environment (such as noises) during the implementation of the redevelopment project; and
- (c) whether there were any previous examples involving in-situ redevelopment of psychiatric hospitals that could serve as reference.

21. HCE(KCH)/HA replied that:

- (a) during the implementation of in-situ redevelopment, KCH would maintain its services and operations by decanting the wards and converting the existing buildings so that the patients needed not be transferred to other hospitals; and
- (b) during construction, HA would ask the contractor to control noise, dust and site run-off nuisances arising from the construction works through the implementation of mitigation measures to ensure compliance with the requirements of relevant legislation and policies, and minimize the impact of the redevelopment project on patients.

22. CM(CP)/HA supplemented that the in-situ redevelopment of Castle Peak Hospital ("CPH") was completed in 2006, and similar transitional arrangements had been made during the implementation of the redevelopment project.

23. Mrs Regina IP was concerned about the impact of the KCH redevelopment project on the environment. She sought information about the removal and disposal of asbestos containing materials ("ACM") found inside the existing buildings, as well as the handling of construction waste arising from the project.

24. In response, DArchS advised that:

- (a) as some ACM were found inside the existing buildings of KCH, the contractor would be required to remove and dispose of those ACM according to the requirements of relevant legislation (including the Waste Disposal Ordinance (Cap. 354)) before demolition of the hospital buildings; and
- (b) in order to minimize the generation of construction waste by the redevelopment project, the Administration would require the contractor to reuse inert construction waste on site as far as possible. The inert construction waste delivered to public fill reception facilities could be reused subsequently. Regarding the timing of reusing such construction waste in local reclamation projects, it would depend on the arrangements made by the Civil Engineering and Development Department.

25. Mr AU Nok-hin was concerned about the greening measures of KCH. He called on the Administration to ensure the sustainable growth of greenery planted in the hospital, so as to achieve environmental and amenity benefits.

26. In response, DArchS advised that according to the Administration's plan, greening measures in KCH would include the provision of a rehabilitation garden, as well as a suitable amount of vertical greening. The design of the rehabilitation garden would be complemented with appropriate choices of plants and landscape settings to facilitate the treatment and rehabilitation of patients with mental health problems. Regarding the application of vertical greening, the Architectural Services Department ("ArchSD") had successfully adopted the said greening measure in several projects, such as the Trade and Industry Tower in the Kai Tak Development Area.

Services and facilities

27. Mr YIU Si-wing enquired about the bed occupancy rate of KCH and whether the demand for psychiatric beds across the territory was in an upward or a downward trend. Dr CHIANG Lai-wan, Mr LEUNG

Yiu-chung, Dr Helena WONG and Dr KWOK Ka-ki were all concerned whether the 80 additional bed spaces to be provided upon completion of the KCH redevelopment project would be sufficient to meet the needs of psychiatric patients.

28. HCE(KCH)/HA replied that:

- (a) KCH currently provided 920 psychiatric beds with an occupancy rate of about 80% to 85%. With steady or even slightly decreasing demand for in-patient services in recent years, there was no urgent need at the moment to significantly increase the number of bed spaces. Among the 80 additional bed spaces to be provided after redevelopment, 58 were psychogeriatric bed spaces, with which KCH would be able to cope with the anticipated demand arising from the ageing population. Moreover, additional child and adolescent ("C&A") psychiatric bed spaces would also be provided;
- (b) the redevelopment project would also improve the ward environment of KCH by the additional provision of wards to reduce the relative number of beds in each ward. The ratio between healthcare staff and patients would also be improved with a view to providing a quality in-patient environment for the patients; and
- (c) apart from the provision of additional beds, the redeveloped KCH would offer a campus with upgraded facilities and support, such as provision of C&A psychiatric specialist out-patient services, an ambulatory centre and a support platform in the new buildings to strengthen community-based psychiatric care, thereby enabling outreach healthcare workers to make early intervention by establishing relationships with patients and thus, reducing demand for in-patient services.

29. USFH advised that:

- (a) as the hardware facilities for psychiatric services were different from other specialist services, overall consideration must be given to certain factors (including hardware support for psychiatric services across the territory and the occupancy rate of psychiatric beds) when planning for the KCH redevelopment project;

- (b) regarding psychiatric in-patient services, HA, taking into account modernized concepts and models of psychiatric care, intended to promote patients' integration into the community as far as possible rather than in-patient treatment; and
- (c) regarding the planning of hospital beds, HA had already taken into account the anticipated service demand. Given that the utilization rate of public psychiatric wards remained at about 80% and the bed occupancy rate of KCH also remained steady, KCH, under the changing service model, would emphasize rehabilitation into the community as far as possible with a view to reducing avoidable hospital stay. As such, the demand for hospital bed spaces was not expected to increase significantly.

30. Mr LEUNG Yiu-chung and Dr Helena WONG were concerned whether any space had been set aside for the provision of additional beds should the bed capacity of KCH prove to be insufficient after redevelopment. Dr WONG also enquired about the basis for the Administration's estimation of a falling demand for in-patient services.

31. HCE(KCH)/HA reiterated that:

- (a) over the years, the occupancy rate of psychiatric beds across the territory had remained very steady, while the bed occupancy rate of KCH even showed a downward trend. Having considered a number of factors including the allocation of additional resources on out-patient and outreach services, etc., through which the demand for in-patient services or the number of hospitalization days for admitted patients (if necessary) could be reduced, KCH had estimated that future demand for in-patient services would not increase significantly; and
- (b) given the current level of KCH's bed occupancy rate at 80% and the additional 80 bed spaces to be provided, the Administration believed that the redeveloped KCH would be able to cope with the demand for bed spaces in future, and no patient in need of hospitalization would be rejected as a result of insufficient beds.

32. USFH advised that:

- (a) the utilization and planning strategies of psychiatric in-patient services and relevant ancillary facilities were different from other specialties. For example, it would be more appropriate for patients with mild mental illnesses or long-term care needs to receive treatment through alternative modes of psychiatric services other than hospitalization, such as services provided by out-patient clinics and ambulatory centres; and
- (b) as the occupancy rate of psychiatric beds across the territory was maintained at about 80%, the Administration did not consider it necessary to significantly increase the number of beds.

33. Expressing concern about whether the level of psychogeriatric services provided was sufficient to cope with the increasing demand of the ageing population, Mr Tommy CHEUNG enquired about the prevalence of dementia among people aged above 80. Dr Helena WONG also expressed similar concerns. Meanwhile, Ms Tanya CHAN raised concern about the long-term planning of psychogeriatric services.

34. HCE(KCH)/HA advised that:

- (a) after the redevelopment of KCH, the number of psychogeriatric beds would be increased from the current level of 18 to 76, while other corresponding services would also be enhanced in a holistic manner;
- (b) at present, people aged above 80 in Hong Kong would have a chance of over 10% to 15% in developing dementia. However, even if the service demand arising from dementia was increasing, it did not mean that the demand for in-patient services would increase correspondingly as some patients could receive treatment at out-patient clinics. Separately, the demand for psychogeriatric services could not be addressed by hospital redevelopment alone. It would also require support from specialist personnel in various areas such as geriatrics, internal medicine and social work; and
- (c) at present, the number of specialist out-patient attendances provided by KCH stood at about 250 000 annually. KCH would significantly enhance its out-patient services upon

completion of the redevelopment project. The existing satellite out-patient clinics would be incorporated into the redeveloped KCH, providing an additional capacity of 250 000 specialist out-patient attendances. It was envisaged that the relevant hardware ancillary facilities would be sufficient to cope with the service demand beyond 2040.

35. Regarding the planning of psychogeriatric services, USFH responded that:

- (a) the Government, having reviewed the demand for psychiatric services from children, adults and the elderly, published the Mental Health Review Report in 2017. Subsequently, the Advisory Committee on Mental Health was established to follow up on the implementation of the recommendations of the Review Report; and
- (b) in-patient treatment alone could not address psychogeriatric problems in the long run, and a multi-pronged approach through prevention, out-patient treatment, medical-social collaboration, etc., should be adopted. In the past few years, through collaboration with the social welfare sector, some cases involving patients waiting for treatment or those with early-stage mental illnesses had been referred to social welfare organizations, so that training and support could be provided to the patients and their carers respectively. Medical-social collaboration would become a routine service mode in future.

36. Noting that the number of C&A psychiatric patients admitted to public hospitals had increased by 50% between 2011 and 2016, Ms CHAN Hoi-yan was concerned whether the redeveloped KCH had sufficient capacity to cope with the service demand from C&A psychiatric patients. She also asked whether KCH would strengthen its outreach services after redevelopment.

37. In response, USFH advised that the current design of wards in KCH did not allow full segregation of adult and children patients, resulting in difficulties and risks in the course of providing care services. The redeveloped KCH would offer enhanced support services in C&A psychiatric wards with facilities that were replanned and redesigned to dovetail with the needs of C&A patients.

38. HCE(KCH)/HA supplemented that:

- (a) the redeveloped KCH would provide a separate block for C&A psychiatric services including out-patient, ambulatory and in-patient services, while the number of C&A psychiatric bed spaces would increase from 18 at present to 32 in total in two wards;
- (b) about one fourth to one third of C&A psychiatric patients in Hong Kong received treatment from KCH, mainly via its out-patient clinics. Redevelopment of KCH was not a total solution to the problems arising from the demand for C&A psychiatric services across the territory; and
- (c) while no resources related to the enhancement of outreach C&A psychiatric services was directly involved in the KCH redevelopment project, HA had been following up the matter, such as by assigning psychiatric nurses and social workers to schools for providing support.

39. Mr LEUNG Yiu-chung considered that it was most important to provide open spaces for psychiatric inpatients, so that they could gather with friends and family easily. He enquired whether the redevelopment works would have any impact on the existing open spaces in KCH.

40. In response, HCE(KCH)/HA advised that while the redevelopment works were in progress, KCH would maintain operation and provide a safe environment for patients to receive treatment. However, the open spaces originally provided in KCH would be affected by the works. As such, KCH would identify alternative sites for use by patients and their family members. For example, patient resource and social centres would be provided at rooftops of buildings, and suitable sites would be identified for providing outdoor open spaces.

Manpower planning

41. Mr YIU Si-wing was concerned whether KCH would have sufficient manpower to cope with the changes brought by its transformation from an institutional to a therapeutic service model after its redevelopment. Mr Tommy CHEUNG said that at present, the supply of graduates from medical schools of HKU and CUHK could not catch up with the increasing demand for psychiatric services. He considered that the Administration should draw up long-term manpower plans for psychiatrists, including

giving consideration to admitting more overseas-trained doctors. Dr Helena WONG also expressed similar concerns. She called on the Administration to expeditiously provide members with information on the Government's healthcare manpower planning and enquired about the measures in place to attract overseas specialists to practise in Hong Kong.

42. HCE(KCH)/HA replied that KCH had 80 medical officers at present. After its redevelopment, the number of doctors, nurses and supporting staff would increase from 1 500 at present to 2 000, and nurses would account for about one third of the additional manpower. The Administration would gradually increase KCH's manpower, taking into account service demand and labour market conditions.

43. In response, USFH advised that:

- (a) regarding healthcare manpower supply, the number of medical student places in local universities would be increased to 530 annually in the triennium starting from 2019-2020. It was anticipated that more than 2 000 medical students would graduate in the coming five years. The Administration would implement various measures to retain serving doctors, including improving their remuneration packages, providing them with more training opportunities and better promotion prospects, etc., with a view to retaining their services in the public healthcare system. The Administration would also increase the supply of doctors through other initiatives, such as rehiring retired doctors and further enhancing the measures to attract overseas doctors to practise in Hong Kong; and
- (b) the provision of psychiatric services involved manpower from different disciplines including doctors, nurses, occupational therapists, clinical psychologists, etc. In 2017, the Government published the Report of the Strategic Review on Healthcare Manpower Planning and Professional Development, so as to plan ahead for the long-term healthcare manpower demand. In the upcoming new round of manpower review, the Administration would refine the planning parameters including analyzing in detail the demand for healthcare manpower by specialty. The Administration planned to report to the Panel on Health Services on the framework for the preparatory work of the second review in due course. It was envisaged that the outcome of the new round of manpower review would be published next year.

Redevelopment of Prince of Wales Hospital, phase 2 (stage 1)

Project cost and details

44. Ms Claudia MO, Mr CHAN Chi-chuen and Mr CHAN Chun-ying were concerned that the estimated project cost of the redevelopment of PWH had been substantially reduced from over \$2.7 billion to about \$1.7 billion, i.e. by about 38% compared with the original estimate. Mr CHAN Chun-ying sought the reasons for the substantial reduction in the returned tender prices compared with the original estimate. Mr CHAN Chi-chuen enquired about the following:

- (a) whether the successful tender price for the PWH project was the lowest among the returned tender prices;
- (b) whether the Administration would take into account the latest circumstances in recent months and revisit the project cost, such as the costs of excavation and lateral support works for the PWH project; and
- (c) the price weighting in the tender assessment criteria.

45. In response, CM(CP)/HA advised that:

- (a) before tenders were invited, project cost estimates would generally be made in a more conservative approach because tenders were assessed not on the "lowest bid wins" principle, but also the performance of the contractors. As a result, the successful tender could be the one submitting a relatively high bidding price. As far as the returned tender prices for the current PWH redevelopment project, the successful tender price was the lowest among the returned prices or about 30% lower than the highest bidding price and hence, resulting in the relatively large difference between the more conservative estimates made originally according to the market situation;
- (b) in addition to the successful tender price, all other returned prices would be used as a reference when estimating project costs in future; and
- (c) regarding the tender assessment criteria, the price score accounted for 60%, and the performance of the contractors in other projects accounted for 40%.

46. While expressing support for the PWH redevelopment project, Ms YUNG Hoi-yan was concerned that the project did not include the provision of a footbridge connecting PWH and the nearby MTR station, without which members of the public must walk pass the busy junction between Ngan Shing Street and Chap Wai Kon Street when travelling to and from PWH.

47. In response, CM(CP)/HA advised that while HA had conducted a feasibility study to explore the possibility of constructing a footbridge to connect PWH to the nearby MTR station, HA could not undertake any works outside the area under HA's purview and hence, the construction of the said footbridge was not covered under the scope of the project. HA had already submitted a proposal in this regard to relevant government departments for follow-up.

Services and facilities

48. Ms YUNG Hoi-yan said that given the increasing population in the Sha Tin district, she was concerned whether the redeveloped PWH could cope with the service demand in the future.

49. USFH replied that under the First HDP, an additional 450 hospital beds would be provided upon completion of the redevelopment of PWH, phase 2 (stage 1). In addition, under the Second HDP, HA also planned to provide another 850 additional beds upon completion of the redevelopment of PWH, phase 2 (stage 2).

50. Deputy Hospital Chief Executive (Operations), PWH, HA supplemented that apart from the provision of additional hospital beds, PWH would also introduce new measures for internal operation, such as the incorporation of a programme floor concept, under which related specialties such as the Division of Cardiology and Cardiothoracic Surgery would be co-located on the same floor to achieve synergy. Furthermore, PWH would provide geriatric care services and introduce special measures for the discharge of patients and day-time treatment measures, etc.

Expansion of North District Hospital

Project cost and details

51. Mr Gary FAN pointed out that as once indicated by the Administration, the consultant's fees for the NDH expansion project would make up about 5.8% of the construction costs of the entire project, which was at a level comparable to the estimates of other hospital projects.

However, he noted that the consultant's fees in the returned tender prices of the NDH expansion project were lower than the original estimates. In this connection, he expressed concern that the estimated cost of the project was on the high side. Mr FAN enquired about the following:

- (a) given that the current estimated cost of the entire NDH expansion project was about \$18 billion, whether the Administration would lower the project estimate;
- (b) whether the percentage of consultants' fees as part of the entire project cost could be adjusted; and
- (c) regarding the reduced number of jobs created for the preparatory works, i.e. from 70 to 60, what types of jobs were involved for the curtailed 10 professional or technical staff.

52. In response, CM(CP)/HA advised that:

- (a) HA would not adjust the project estimates for the NDH expansion project for the time being as the consultant responsible for detailed design of the project had yet to be engaged. HA would consider the need for adjusting the project estimate only after completion of the detailed design;
- (b) while consultants' fees were in general set at a certain percentage of the total construction costs of works projects, that percentage was by no means fixed. Generally speaking, the higher the project cost, the lower the percentage of consultants' fees, and vice versa. When working out the consultants' fees, the consultancy would determine the numbers of professional and technical staff to be recruited and the man-months to be required, having regard to the project scale and duration, and the relevant fees would be set in accordance with the contract requirements; and
- (c) the scaled-down professional staff included architects, structural engineers and building services engineers, while the scaled-down technical staff were mostly draughtsmen.

Services and facilities

53. Mr WU Chi-wai said that with the rapid development of the North District, its population would increase significantly. He was concerned whether the expansion of NDH could cope with the service demand in the

future. Mr LAM Cheuk-ting said that given the development of North East New Territories ("NENT") and the development at Queen's Hill, Fanling, the population and healthcare needs of the districts concerned would keep increasing. Meanwhile, Hong Kong residents working or living in the Mainland would also come back to Hong Kong to seek consultation at NDH. In this regard, Mr LAM enquired about the following:

- (a) whether the expansion of NDH had taken into consideration the rising demand of healthcare services as a result of the above factors; and
- (b) whether healthcare services in the New Territories East ("NTE") could be improved as a result of the expansion of NDH and the redevelopment of PWH, such as in terms of shortened waiting time for specialist outpatient services.

54. In response, USFH advised that:

- (a) given the projected population increase in NENT, the expansion of NDH had already taken into account the corresponding increase in the demand for healthcare services. Each hospital would play a specific role in its cluster, having its own division of responsibilities. NDH, given its geographical location, would admit cross-boundary patients who came to Hong Kong; and
- (b) regarding the improvement of healthcare services in NTE, the expansion of NDH would provide an additional 1 500 hospital beds, while an additional 450 hospital beds would be provided upon completion of the redevelopment of PWH, phase 2 (stage 1). Under the Second HDP, the NTE Cluster would see hardware improvement in terms of additional hospital beds and operation theatres, while manpower would also be increased correspondingly. Regarding the waiting time for specialist outpatient services, under the existing practice of HA, healthcare staff would accord priority to patients for receiving treatment at specialist outpatient clinics depending on their clinical condition. For patients identified as urgent cases on the basis of their clinical condition, healthcare staff would strive to arrange medical consultation for the patients concerned within two weeks.

Expansion of Lai King Building in Princess Margaret Hospital

Project cost and details

55. Ms CHAN Hoi-yan pointed out that while KCH (which was established in 1981) had already been scheduled for redevelopment, PMH (which was established as early as in 1975) with archaic facilities and a crowded environment had only been scheduled for expansion. In this regard, Ms CHAN called on the Administration to arrange for the redevelopment of PMH as early as possible.

56. In response, USFH pointed out that LKB in PMH under the expansion project was mainly used to provide rehabilitation services. Given that some buildings of PMH were relatively old and with a crowded environment, HA would consider the feasibility of redevelopment of PMH under the Second HDP. As PMH was a large-scale hospital, in-situ redevelopment would be highly challenging.

Overall views on the four hospital projects

Project costs

57. Ir Dr LO Wai-kwok declared that he was a member of HA. Dr Pierre CHAN declared that he was a half-time doctor of HA. Both Ir Dr LO and Dr CHAN expressed support for the four hospital projects and hoped that the relevant works could commence as soon as possible.

58. Mr WU Chi-wai noted that the costs of preparatory works for the expansion of NDH and the expansion of LKB in PMH were \$400-odd million and \$100-odd million respectively. Mr WU and Mr AU Nok-hin enquired about the following:

- (a) whether the consultants' fees for preparatory works included the cost of investigation works conducted by the consultant during its study; and
- (b) whether there was any relationship between the depth of investigation or construction and project cost.

59. CM(CP)/HA advised that:

- (a) the consultants' fees would cover the cost of the consultant for studies and design of the works project and did not include site

investigation cost. Site investigation works, for which tenders must be invited separately, would be carried out by the successful contractor. Consultants' fees and site investigation cost had already been included under the cost of advance works for the proposed projects; and

- (b) as the depth of construction would only be considered after completion of site investigation by the contractor, there was no relationship between the depth of investigation or construction and the required consultants' fees.

60. Mr Holden CHOW said that the redevelopment of KCH, at a cost of over \$ 7 billion, could only provide 80 additional hospital beds, while the redevelopment of PWH, at a cost of about \$1.7 billion, could provide as many as 450 additional beds. Separately, while the items on NDH and LKB in PMH were both related to preparatory works for their expansion, the relevant cost estimates varied substantially. In this regard, Mr CHOW opined that when seeking funding approval for works projects in future, the Administration should consider submitting funding proposals for different types of projects individually for separate discussion, so that the relevant costs of individual projects could be explained in greater detail. It would be difficult for members to compare the items effectively if several hospital projects of different scales were bundled together. He also asked whether the Administration could provide members with information on the project cost for the redevelopment of CPH for comparison purpose.

61. USFH advised that at present, there were only two psychiatric specialist hospitals in Hong Kong, namely, CPH and KCH. Given that the redevelopment of KCH must dovetail with a new mode of service delivery, the project could hardly be compared with the redevelopment of CPH more than 10 years ago.

62. In response, CM(CP)/HA explained that:

- (a) for KCH, funding approval from FC was now being sought for the costs of the entire redevelopment project, while for PWH, the funding application was only related to demolition and foundation works, and no account had been given to other parts of the project, e.g. superstructure works, to be carried out in the future. It was estimated that the entire PWH redevelopment project could cost over \$30 billion; and
- (b) although the items on NDH and LKB in PMH were both related to funding for preparatory works for their expansion,

the projects were of different scales and hence, their construction costs were not directly comparable.

Planning restrictions of the project sites

63. Noting that the redevelopment of KCH would cost a staggering \$7.4 billion, only to provide 80 additional beds upon completion of the project, both Ms Claudia MO and the Chairman expressed concern whether the utilization of sites for hospital expansion or redevelopment projects had been optimized to increase the floor area and accommodate more hospital beds. The Chairman asked whether the Administration had studied ways to optimize or even relax the plot ratios of sites and relax the planning restriction on building height, so as to expand the scale of hospital expansion or redevelopment projects.

64. In response, DArchS advised that as a matter of building technology, KCH would be redeveloped in-situ on a slope site constrained by the plot ratio and height restriction set by the Planning Department. The project had already fully utilized the permissible plot ratio. She said that as a result of the successful application made by ArchSD to the Town Planning Board ("TPB") in 2018 to relax the height restriction of the project, two additional storeys could be constructed for KCH.

65. Ms Alice MAK pointed out that when HA consulted Kwai Tsing District Council ("KTDC") on the expansion project of LKB in PMH, KTDC opined that it would be a waste of land resources to construct only six storeys for the new extension block. As such, KTDC requested the Administration to consider expanding the project scale, including adding floors or a basement to the building. However, the Administration had seemingly yet to give a specific response on whether studies would be conducted for the additional provision of a basement under the project or the relaxation of the plot ratio/height restriction of the site. Ms MAK held that under the consultancy study, proactive consideration should be given to how best the said land site could be fully utilized. Expressing support for the four hospital expansion or redevelopment projects, Mr Vincent CHENG agreed that the Administration should study ways to relax the plot ratio of the site for the expansion of LKB in PMH, so as to accommodate more hospital beds and medical facilities to cope with the demand for healthcare services generated by an increasing and ageing population in the future.

66. In response, CM(CP)/HA advised that a consultant would have to be engaged first if planning restrictions on the site for the expansion of LKB in PMH were to be relaxed. The engaged consult would then study

the possibility of relaxing the plot ratio or height restriction of the site.

67. USFH advised that the redevelopment of Our Lady of Maryknoll Hospital was also a project where revisions had been made after the consultancy study in the preparatory works stage. HA was now planning to submit an application to TPB for relaxing the number of storeys under the project, with a view to providing more hospital beds. The Administration noted the concerns and views of members and KTDC and would request the consultant to follow up the matter when conducting its study.

68. In this regard, the Chairman sought a written confirmation from the Administration that a clause would be added into the engagement contracts with the consultants of hospital projects, instructing them to explore ways to seek permission from TPB for relaxing the plot ratios and building height restrictions of the hospital sites.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC94/19-20(01) on 11 February 2020.]

69. Mr WU Chi-wai asked whether the costs of advance works would be affected by the expanded development scope of hospital projects (such as increasing the floor area). Referring to the slope site of the NDH expansion project, he also asked whether the relevant cost of works would be funded by the cost of advance works if the slope was to be removed.

70. CM(CP)/HA advised that the cost of advance works would cover the cost of the consultancy study, under which the consultant would conduct studies and adjust the study scope according to the estimated site area given by HA. Most of the cost of advance works was the consultants' fees. Regarding the development of the slope site of the NDH project, recommendations would be made after completion of the consultancy study. The cost of advance works did not include the cost of slope removal works to be carried out in future (if necessary).

Services and facilities

71. Mr Vincent CHENG asked whether the current standard stipulated in the Hong Kong Planning Standards and Guidelines ("HKPSG") for the provision of 5.5 hospital beds per 1 000 population would be met, taking together the number of additional beds provided upon completion of the four hospital expansion or redevelopment projects. Mr CHENG opined that given the increasing population in Kowloon West, the Administration

should proceed with the redevelopment of the Caritas Medical Centre as early as possible, so as to increase the number of hospital beds to cope with the people's demand for healthcare services in the future.

72. In response, USFH advised that:

- (a) taking together the total number of hospital beds in public hospitals, private hospitals and care homes at present, the bed-to-population ratio was about 5.4 beds per 1 000 population, which was close to the standard stipulated in HKPSG. The Administration believed that the said ratio would be improved upon completion of the hospital projects under the First HDP; and
- (b) for the Kowloon West Cluster, the current bed-to-population ratio was about 4 general beds per 1 000 population. This figure had not taken into account hospital beds in other divisions.

73. Mr CHAN Chi-chuen was concerned that the Police had recently fired tear gas rounds in the vicinity of Queen Elizabeth Hospital ("QE"), and medical and healthcare staff as well as patients in the hospital had reflected that they felt ill after smelling the tear gas. He was worried that tear gas residue would pile up in the air-conditioning system of the hospital. In this regard, Mr CHAN asked whether ventilation and air-conditioning systems were included under the four hospital projects under discussion, and whether consideration would be given to upgrading those systems, so that the hospitals would not come under the impact of tear gas.

74. In response, USFH said that the ventilation systems of all hospitals would be designed and constructed in accordance with the relevant standards to prevent the spread of communicable diseases. There were also specified requirements as regards fresh air supply in outpatient and isolation wards. Apart from the standards on preventing the spread of communicable diseases and fresh air supply, the hospitals would also carry out regular maintenance and air duct cleaning, as well as additional cleaning if necessary. For example, given the recent situation, QE had also implemented various ad hoc measures, including sealing the windows, carrying out cleaning for some wards and replacing the filters of the air-conditioning and ventilation systems.

75. CM(CP)/HA supplemented that while works on the ventilation systems would generally be included under hospital construction projects,

such works would not be covered if funding approval was only sought for the foundation works.

76. The meeting was suspended at 6:03 pm and resumed at 6:18 pm.

77. At 6:48 pm, the Chairman advised that the item had already been discussed for nearly three hours, and no member had indicated objection to the item. He would conclude the discussion and put the item to vote after all members currently on the wait-to-speak list had spoken.

Voting on FCR(2019-20)28A

78. At 6:54 pm, the Chairman put item FCR(2019-20)28A to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

79. The meeting ended at 6:54 pm.

Legislative Council Secretariat

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