

# LCQ1: Procurement of drugs and high-value medical supplies

Following is a question by Dr the Hon Chiang Lai-wan and a reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (January 13):

Question:

It is learnt that the Mainland authorities have implemented, since 2019, the Pilot Program of the Centralized Procurement and Use of Drugs Organized by the State as well as the Reform Plan for the Control of High-value Medical Supplies, with a view to lowering the unit prices of drugs and high-value medical supplies through bulk procurement, thereby alleviating the burden on patients. For instance, the National Healthcare Security Administration has recently made a bulk procurement of over one million vascular stents for use in percutaneous coronary intervention (PCI) operations at a purchase price of around Renminbi (RMB) 700 only for each stent which had a marked price of RMB13,000. In this connection, will the Government inform this Council if it knows:

(1) the respective unit prices of expensive drugs for treating cancers such as Cetuximab, Nilotinib and Osimertinib procured last year by the Hospital Authority (HA), and how such prices compare to the prices of the relevant drugs the bulk procurement of which was made by the Mainland authorities in the same period;

(2) the number, place(s) of origin and unit price(s) of the vascular stents procured in each of the past three years by HA for use in PCI operations; and

(3) whether HA has discussed with the Central Authorities or the relevant authorities of the Mainland cities in the Guangdong-Hong Kong-Macao Greater Bay Area the prospect for HA to participate in the mechanism of the Mainland for the bulk procurement of drugs and high-value medical supplies; if HA has, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Hospital Authority (HA), I provide a reply to the various parts of the question raised by Dr the Hon Chiang Lai-wan as follows:

It is the Government's public healthcare policy to ensure that no one is denied adequate medical treatment due to lack of means. As the major provider of public healthcare services in Hong Kong, the HA provides patients with medical services and drugs as well as medical items at highly subsidised

rates based on their clinical needs and in accordance with its treatment guidelines. Financial assistance is provided through the safety net, which is composed of the Samaritan Fund and Community Care Fund Medical Assistance Programmes, to subsidise the medical expenses of patients who have financial difficulties in purchasing Privately Purchased Medical Items and self-financed drugs listed on the HA's Drug Formulary at their own costs. The HA also holds discussions with pharmaceutical companies from time to time on setting up patient access programmes for specific expensive drug treatments to provide patients with sustainable, affordable and optimal drug treatments in the long term.

The objective of HA's procurement policy is to ensure operational efficiency, fairness and accountability while actively introducing market competition and achieving economies of scale, so as to obtain pharmaceutical products and medical consumables at the best value-for-money through appropriate tendering or quotation processes.

Specifically, the procurement of pharmaceutical products and medical consumables is governed by the mechanisms and procedures set out in the Hospital Authority Procurement and Materials Management Manual, which was formulated with reference to the Stores and Procurement Regulations of the Government. Such procurements are also in compliance with the relevant provisions of the World Trade Organization Agreement on Government Procurement as well as the international regulatory requirements for pharmaceutical products. When procuring pharmaceutical products or medical consumables, experts from relevant specialties will consider various factors such as quality, safety, efficacy, cost-effectiveness and experience from the clinical application of the product to ensure that they meet the operational needs.

(1) Regarding the procurement of cancer drugs, given the commercial sensitivity of drug price information and in order not to prejudice fair competition in the procurement process, the HA will not disclose the unit prices of the drugs procured. The HA is also unable to provide relevant price comparisons as it does not have information about the prices of drugs in the local and overseas markets or those purchased by private clinics.

While drawing a general comparison of drug prices in different countries/regions for the purpose of assessing the provision of sustainable and affordable medical treatment for patients, it is necessary to consider other important factors, such as local healthcare policy and drug subsidy mechanism as well as various treatment options.

(2) On the procurement of coronary stents for use in percutaneous coronary intervention service, the HA requires tenderers to provide information on the licence and registration of the coronary stents, such as manufacturer licences issued by the governments or health authorities of the manufacturing site and international or equivalent standard in production and quality management system for the product. Currently, the HA procures coronary stents from different places, including the Mainland, Europe and the United States, and uses around 13 000 to 15 000 coronary stents each year. Clinicians will

advise on the types and models of coronary stents to be used for individual patients having regard to their clinical situations. Given the commercial sensitivity of certain procurement information (such as the unit prices of coronary stents), the requested information cannot be disclosed.

(3) As the legal and healthcare systems, as well as import and export mechanisms of drugs are different in Hong Kong and the Mainland, collaboration with the Mainland in the procurement of drugs and high-value medical consumables involves considerations on various aspects. The HA stays open and maintains communications with different stakeholders and learn from their experience, and will carefully consider various factors to explore the feasibility of collaboration.

To facilitate Hong Kong residents to seek suitable healthcare services in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and attract medical and pharmaceutical enterprises to expand businesses in the Mainland cities of the GBA, the Hong Kong Special Administrative Region Government will implement as soon as possible the measure of using Hong Kong-registered drugs with urgent clinical use, and medical devices used in Hong Kong public hospitals with urgent clinical use and advanced clinical applications at The University of Hong Kong – Shenzhen Hospital on a trial basis subject to the approval of the Guangdong Province, and extend the policy to cover more designated healthcare institutions, drugs and medical devices in a timely manner. We believe that the new measure will not only help attract local and multinational pharmaceutical, biomedical and medical technology companies to apply for registration of new pharmaceutical products in Hong Kong, but also improve the level of healthcare services in the GBA.

Thank you, President.