

# LCQ11: Costs of Coronavirus Disease 2019 testing services

Following is a question by the Hon Kenneth Lau and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (April 6):

Question:

Since 2020, the Government has been procuring Coronavirus Disease 2019 nucleic acid testing services (testing services) from three private testing service providers (i.e. Sunrise Diagnostic Centre established by BGI, China Dragon Inspection and Certification (Hong Kong) Limited (a subsidiary of China Inspection Company Limited), and Prenetics) (the contractors), with the charge for each test from about \$300. Some members of the public have queried that the Government's expenses on procuring testing services are higher than those of the authorities of the Mainland and Macao. In this connection, will the Government inform this Council:

(1) of the following details, as at February this year, of the testing services procured by the Government: (i) the price for each test, (ii) the cumulative number of tests conducted, (iii) the cumulative testing expenses, (iv) the place of origin of the test reagent and (v) the cost of each dose of test reagent, and set out the relevant information by contractor;

(2) whether it knows the following details of the testing services procured by the authorities of the Mainland and Macao: (i) the price for each test, (ii) the place of origin of the test reagent and (iii) the cost of each dose of test reagent, and set out the relevant information by contractor;

(3) of the criteria and tendering procedure adopted by the Government for procuring testing services; whether it has (i) conducted a comparison between the prices paid by the Hong Kong Government and the authorities of the Mainland and Macao for procuring testing services, and examined the causes leading to the differences, and (ii) drawn reference from the relevant procurement experience of the Mainland and Macao, so as to study the feasibility of lowering the testing expenses (e.g. adopting test reagents produced on the Mainland); if so, of the details; if not, the reasons for that, and how it ensures that the procurement price is reasonable; and

(4) given that community testing centres provide self-paid testing services to members of the public through specimen collection of combined nasal and throat swabs, and the charge for each service is \$240, whether it has provided subsidies to the contractors of the community testing centres for such self-paid testing service; if so, whether the rates of the subsidies provided to the contractors for each test are consistent, and of the respective rate of subsidy for each test as well as the cumulative amount of subsidy provided?

Reply:

President,

The Government has all along been providing convenient testing services to members of the public through various channels, including free testing services, and encouraging them to make good use of various means such as community testing centres and mobile specimen collection stations located in various districts for testing with a view to achieving "early identification, early isolation and early treatment", and cutting transmission chains in the community as early as possible. The reply regarding the questions on virus testing is as follows:

(1) and (2) For the 2021-22 financial year, from April 1, 2021 till February this year, the testing service procured by the Food and Health Bureau, including 19 community testing centres, mobile specimen collections stations set up in various districts and "restriction-testing declaration" operations, amounts to about 9.9 million tests. The total expenditure is about \$2.1 billion, i.e. the average cost is about \$210 per test.

In mid-2021, the Food and Health Bureau allocated the community testing centres to nine operators after going through a competitive procurement process. The nine operators are also responsible for supporting the testing strategy which evolves as required by the latest epidemic situation, by flexibly setting up mobile specimen collection stations and supporting "restriction-testing declaration" operations. The operators are responsible for providing one-stop service from setting up swabbing booths, specimen collection to virus testing.

All operators are in the "Local COVID-19 nucleic acid testing institutions recognised by the Hong Kong SAR Government" list maintained by the Department of Health and have passed the External Quality Assessment Programme for COVID-19 testing of the Department of Health and possess relevant laboratory accreditation, including:

(i) The private laboratory must possess relevant medical laboratory accreditation, that is, meeting the accreditation standard of ISO 15189:2012 or the College of American Pathologists. Recognised private laboratories in general possess accreditation status of the Hong Kong Laboratory Accreditation Scheme (HOKLAS) of the Hong Kong Accreditation Service (HKAS). The accreditation process of medical laboratory is independent and rigorous, which holistically standardises the quality (including standard operating procedures, management systems), personnel qualifications, biosafety, etc. of the private laboratories to ensure compliance with internationally recognised standards; and

(ii) To ensure that the testing platforms and reagents used by private laboratories are up to the standard, they must participate in the monthly Continuous Quality Assessment Programme conducted by the Centre for Health Protection (CHP). Samples including some involving variant strain provided by the CHP are sent to private laboratories, whose results will be evaluated. Contractors who do not meet the standards may be terminated from the

contract.

The Government has also taken into account various factors such as the testing capabilities, past experience and performance of the relevant private laboratories when conducting the competitive procurement exercise. The relevant successful bidding prices will be announced in due course, so as not to prematurely disclose them and not to jeopardise the negotiation position of the Government in procuring relevant services. The allocation of the next round of community testing centres will also be carried out through a competitive procurement process. All private laboratories that meet the accreditation requirement may participate in the bidding. It is believed that there is still room for price reduction as market competition increases.

(3) and (4) The Government currently does not provide any subsidies to the operators for self-paid testing service. The Hong Kong Special Administrative Region Government has been in close liaison with Mainland authorities on matters such as nucleic acid testing standards. Nevertheless as the salary, supply of consumables, price level, specimen collection arrangements and the pooling method used in testing are not the same in different places, the price of each test is different. Even though most large scale private laboratories in Hong Kong are already using test reagent produced in Mainland, considering the costs in providing specimen collection service including manpower cost, there will still be difference in the level of service charge.