

Legislative Council Panel on Welfare Services

Provision of Residential Care Services for Elders

PURPOSE

This paper sets out our strategy for the provision of long term care (LTC) services for elders, including residential care services. It also seeks Members' views on a proposal to grant gross floor area (GFA) and premium concessions to encourage private developers to incorporate residential care homes for the elderly (RCHEs) in their new private developments.

DEMAND FOR LONG TERM CARE SERVICES

2. Hong Kong has an ageing population. In 1981, only about 6.6% (344 300) of the total population were aged 65 or above. It rose to 11.2% (753 200) in 2001. It is estimated that the ageing trend will continue and by 2021, 15.7% (1 322 500), i.e. approximately one out of six Hong Kong people, will be aged 65 or above.

3. Over 90% of the LTC service users in developed countries are people aged 65 and over. In most developed countries, 80% of the older population have one or more chronic health conditions. However, not all of these elders result in having functional disabilities. On the whole, only about 20% of the older population have functional disabilities, i.e. they are unable to perform Activities of Daily Living¹ (ADLs) and/or Instrumental Activities of Daily Living² (IADLs) and may require varying levels of care and support on a long term basis. About 5% to 10% of the older population seek some form of assistance in provision of such care.

¹ The six Activities of Daily Living are bathing, toileting, transferring between a bed and a chair, walking, eating and getting dressed.

² The eight Instrumental Activities of Daily Living are cooking, washing clothes, doing housework, using telephone, going out, purchasing things, taking medication and handling finances.

4. In Hong Kong while the majority of elders are healthy, older patients account for about half of the bed occupancy in hospitals. Many of these elders have chronic illnesses and disabilities and are in need of long term care. We expect Hong Kong has a similar trend to the other developed countries, i.e., roughly 5% to 10% of our elders will seek some form of assistance for their care needs.

5. Since November 2000, we have introduced an internationally recognized tool to assess the care needs of older persons applying for LTC services. This tool takes into account the impairment level, carer and psychological support, environmental and health factors of elders in determining their care needs. The objective is to target resources at those elders with genuine care needs and to provide them with appropriate services.

6. The tool will ensure more precise matching of services to care needs. Over time, the tool will also help to establish a clearer care profile of our elders and provide a more solid basis for service planning. The application of the tool, however, is not intended to reduce the demand for various types of LTC services. In some cases, the elders may be assessed to be in need of more intensive, and hence more expensive, care services than the ones they have applied for. Nevertheless, with the mechanism in place, the historical problem of inappropriate admission of healthy older persons into care and attention homes should cease³. The assessment results also provide the basis for individual care planning for elders receiving the services.

7. There are currently about 29 000 elders on the waiting list for subsidised residential care services. The average waiting time is about 21 months. The waiting list does not reflect genuine need for services as elders on the waiting list have not yet gone through the standardized care need assessment. According to a survey we conducted in 2000, about 28% of the applicants for nursing and care and attention homes are impairment free⁴. Also, about 50% of elders on the waiting list are already residing in subvented⁵, private or self-financing homes, or receiving home and community care services.

³ According to a survey conducted in 2001, about 19% of care and attention home residents are impairment free.

⁴ The survey in 2000 was conducted prior to the introduction of the standardized care need assessment.

⁵ Elders residing in subvented homes applying for other subvented homes offering higher levels of care services.

PROVISION OF LONG TERM CARE SERVICES

Home and Community Care Services

8. To meet the elders' preference to age at home, in the next few years we will put greater emphasis on home and community care services. We introduced a package of enhanced home and community care services (EHCCS) in April last year to offer an alternative to institutional care to our frail elders. About 29 000 elders are now receiving a range of home and community care services, of whom some 5 000 elders are receiving personal/nursing care services. We will continue to expand EHCCS and re-engineer existing services to enable more frail elders to stay in the community. We will also continue to build integrated facilities in the community to provide at one stop the services and support required by families to look after their frail elders at home.

Residential Care Services

9. Residential care in Hong Kong is provided by both non-governmental organizations (NGOs) and the private sector. Together they provide a total of about 64 000 beds. NGOs receive Government subsidy in the form of subvention and they provide about 20 000 subvented beds which are fully occupied, plus about 3 000 beds operating on a self-financing basis.

10. Roughly 41 000 of the 64 000 beds are provided by the private sector of which about 70% are occupied. To help promote standards in private homes and to supplement our supply of subvented beds, we provide financial incentives for the private operators to upgrade their service quality above licensing standards by purchasing beds under the Enhanced Bought Place Scheme (EBPS)⁶. By end March 2002, over 5 500 places will be provided under EBPS. We have also earmarked resources to upgrade the remaining 300 or so Bought Place Scheme beds to EBPS standards by 2003. Together with subvented beds, the supply of subsidised beds will stand at approximately 26 000 by end March 2002. We are committed to providing an additional 1 600 subsidised beds in 2002-2003. In addition, for those elders residing in private/self financing homes, over 70% are using the Comprehensive Social Security Assistance Allowance to pay for the user

⁶ The Enhanced Bought Place Scheme commenced in 1998 to replace the Bought Place Scheme introduced in 1989, under which higher prices are paid for better quality in terms of space and staffing.

fees.

Premises-led Approach

11. A major constraint in development of quality residential care services is availability of suitable premises. To address this problem, we have adopted a two pronged premises-led approach. The first prong of our strategy is for government to build, or to pay developers to build on government's behalf on an entrustment basis, RCHE premises. We have reserved about 6 900 residential care places mainly in public housing estates, urban renewal and railway-related development projects in the next ten years.

12. We will select operators through open tendering to provide additional and quality subsidised and non-subsidised places in the above Government premises. In December last year, we completed the first open tendering exercise in respect of a purpose built RCHE. The tendering has provided opportunities for both NGOs and private operators to take part in the provision of quality residential care services for elders. It has also secured better value for money in the provision of Government subsidised care for elders, and made available to the community non-subsidised care of good quality and at more affordable prices. The Social Welfare Department (SWD) will closely monitor the performance of the successful bidders to ensure compliance with the contract terms and agreed performance standards.

13. The other prong of the premises-led approach is to encourage the private sector to provide quality RCHE premises.

PROPOSED SCHEME

Background

14. Private residential care homes have been playing an important role in the provision of residential care for elders, but their service quality varies. With ageing of our population, we expect the private sector's role in this area will remain significant. Since March last year, all private homes have reached at least licensing standards. We will continue to explore and pursue measures to further upgrade the standards of private homes. Annex I sets out measures taken by SWD in this respect.

15. We note that the development of quality and affordable RCHEs in the private sector has so far been hindered by the shortage of quality premises at suitable locations, the high cost of such premises, and the short tenancy normally available to RCHE operators for commercial leases. We hope to encourage the provision of quality RCHEs in new private developments, thereby increasing the overall supply of purpose-built premises in the market that will be used for the operation of RCHEs. RCHEs under the proposed scheme would be operated on a commercial basis targeting at elders and their families who are prepared and able to pay market determined rates.

Details of Proposed Scheme

16. In order to encourage private developers to incorporate purpose-built RCHE premises in their new developments, we propose to exempt eligible premises from calculation of GFA and assessment of premium of the development under lease modification, land exchange and private treaty grants⁷.

17. In return for GFA/premium concessions, the developer will have to pay the full cost of constructing the RCHE premises with basic provisions such as fire installation, external wall openings/louvers, and electricity, utility, drainage and water supply connections suitable for use as a RCHE. These RCHE premises, once built, will become the properties of the developers but remain for the exclusive use of RCHEs only.

18. In formulating the proposed scheme, we have in mind to provide developers with more flexibility to respond to market conditions. We will allow developers the flexibility to lease, sell or operate these premises themselves or through agents so long as they remain as RCHEs.⁸ The developers/operators are also free to set their own fees in accordance to the market. The operation of these premises will be regulated by SWD under the

⁷ Conversions of existing premises will be excluded from the proposed scheme. However, we will welcome proposals from lease holders of unrestricted leases if they are willing to modify their leases to include restrictions such as those mentioned at Annex II. The maximum limit on the size of the RCHE premises will be set at a total GFA of around 5 400 sq m (based on a 300 person RCHE in accordance to the new Schedule of Accommodation for subvented RCHEs). In addition, the size of the RCHE should commensurate with the size of the site to avoid excessive increase in building bulk, and the total GFA exempted from GFA calculation for the development by modification of Building (Planning) Regulations, including that of the RCHE, should not exceed 20% of the permissible GFA under the Building (Planning) Regulations or the Outline Zoning Plan, whichever is the less.

⁸ Sub-division of the RCHE premises will not be allowed, i.e. the RCHE premises must stay as one whole unit from the point of view of transference of title, and letting or parting with possession.

existing licensing regime.

19. We will build in safeguards to ensure the premises built would be used for RCHE purpose within a reasonable timeframe and to prevent any abuse. These are set out at Annex II. We consider the proposed scheme has struck a balance between the granting of concessions and the imposition of necessary controls. We believe the proposed scheme would send a clear message about the important role the private sector will continue to play in the provision of residential care for elders.

20. In formulating the proposed scheme, we have taken into account the views of the Real Estate Developers Association, the Elderly Commission and the Land and Building Advisory Committee. We will conduct a review in two years' time after implementation of the scheme to assess whether the scheme has achieved our objective.

LEGISLATIVE AMENDMENTS

21. To implement the proposed scheme, we will in due course seek amendments to the Building (Planning) Regulations (B(P)Reg) to confer a discretionary power on the Building Authority (BA) to disregard RCHE from GFA calculation in new developments and to impose sanctions for unauthorized change of use of the RCHE.

22. In the same legislative amendment exercise mentioned above, we will also seek amendments to treat all RCHEs as non-domestic use for the purpose of plot ratio and site coverage calculations and open space provision under the B(P)Reg. The background to the development of this initiative is that RCHEs are for 'habitation' and therefore fall within the definition of 'domestic use' under the Buildings Ordinance. As such, RCHE premises are subject to more restrictive requirements on plot ratio, site coverage and open space than that for 'non-domestic use'. In recent years, BA has been granting approval to applications for converting non-domestic space into RCHEs on a case by case basis through the granting of modifications to the relevant B(P)Reg. The proposed amendments will provide another incentive to encourage the provision of RCHEs, whilst rationalizing the prevailing practice. Once these amendments are enacted, developers will no longer be required to seek permission from BA for treating their RCHEs as non-domestic use in order to enjoy a higher plot ratio and a higher site

coverage for the RCHE development.

ADVICE SOUGHT

23. Members are invited to note our strategy and progress made in the provision of LTC services, including residential care services, to our elders. Members are also invited to give their views on the proposed scheme as set out in paragraphs 16 to 20.

Health and Welfare Bureau/
Planning and Lands Bureau/
Social Welfare Department
March 2002

Improvement Measures to Strengthen Regulation of Private Residential Care Homes for the Elderly (RCHEs)

Enhancing training for staff of RCHEs

Based on the findings of a survey on the profile and training needs of care workers and home helpers in elderly services completed by the Social Welfare Department (SWD) in 2000, we have developed a multi-skilled training curriculum to provide enhanced training to care staff working in both community and residential care settings. This training curriculum would be adopted as the training prototype for care staff in elderly services. We will provide a total of 400 training places in 2001-2002 and another 1,760 places from 2002-2003 to 2005-2006.

2. We have set a target to train about 50% of the care workers by 2005-2006. In order to ascertain the number of care workers who have not received basic training, we plan to conduct a follow-up survey in early 2002. Subject to the findings of the survey, we will identify further resources for providing an additional 1,440 multi-skilled training places.

3. To enhance the first aid standard of RCHEs, we would provide a total of 1,080 training places from 2000-2001 to 2002-2003. As at end of December 2001, we have offered 528 training places.

4. To further upgrade the care capability of RCHEs, we also target to provide an additional 684 training places for health workers in 2002-2003.

Disseminating information to the public on RCHEs

5. Lists of all licensed private RCHEs, Bought Place Scheme (BPS) and Enhanced Bought Place Scheme (EBPS) homes have been made available on SWD's homepage. Since August 2001, information on space standard, staffing requirement, service provision and facilities of EBPS homes has been added.

6. SWD has published a directory of RCHEs and a booklet containing guidance notes on tips in selecting the suitable RCHEs and ways to adjust to group living in RCHEs. Copies of the directory and booklet are available in various service units of SWD, non-governmental organizations, private elderly homes, other government departments and public service organizations such as the Consumer Council.

Applying Service Quality Standards to private homes

7. To further enhance service quality, 16 Service Quality Standards (SQSs) developed and implemented in subvented service units covering four major areas namely Provision of Information, Service Management, Service to Clients and Respect for Clients' Rights have been progressively applied to all EBPS homes. To help EBPS homes meet the requirements of SQSs, we have prepared and issued a guidebook on SQSs in October 2001. With more feedback collected from EBPS homes on implementing SQSs and their training needs, we would consider furnishing the guidebook to other private homes and encouraging their voluntary participation to further enhance their service standards in terms of management, health and care provision.

8. As pledged in the 2001 Policy Objective booklet on 'Care for Elders', we would research on quality assurance measures to help private RCHEs improve their standards above licensing requirements. One option could be in the form of accreditation of homes. To this end, we will commission the Hong Kong Association of Gerontology to conduct a pilot project on the development and establishment of an accreditation system for RCHEs in Hong Kong with the objective of raising the quality of service.

9. Meanwhile, we will review the target and criteria for the EBPS purchase in 2002 with a view to bringing about further upgrading on overall service standard of RCHEs.

Stepping up prosecution against non-compliant private RCHEs with unsatisfactory service quality

10. Since 1997, SWD has successfully prosecuted a total of 24 non-compliant homes under Section 6(1) of the Residential Care Homes (Elderly Persons) Ordinance for operating and managing a home without a valid licence/certificate of exemption.

11. To step up prosecution actions against hard-core homes breaching licensing conditions on other grounds in order to deter any mal-practices, SWD has initiated discussions with the Department of Justice since September 2001 on ways to prosecute those homes. As test cases, the Department's Licensing Office for RCHEs collected material evidence for prosecution actions against two licensed RCHEs. One was suspected to be in contravention of Section 11(1) of the subsidiary legislation (i.e. employment of staff according to particular type of RCHE) and the other was suspected to be in contravention of Section 21(3)(b) of the Ordinance (i.e. operating in any premises other than premises indicated in the licence so issued). Legal advice confirmed that the evidence collected was sufficient to proceed prosecution against the home operators. The two cases were subsequently convicted of the offences during the court hearings held on 23 January 2002 and 30 January 2002 respectively. Based on the experience, SWD would continue to step up prosecution actions against non-compliant RCHEs.

**Safeguards to Ensure Delivery and
Use of Premises for RCHE purpose**

- The requirement to provide the RCHE premises would be stipulated as a condition in the lease.
- The Building Authority will not issue the occupation permit if the RCHE has not been built in accordance to the approved plan of the development.
- We will amend the Building (Planning) Regulations to provide sanctions, including the accrual of fines on a daily basis, for unauthorised change of use of the premises.
- The unauthorised change of use of the premises or leaving the premises vacant for a period of 12 months or more will give rise to a breach of the lease conditions and a cause for lease enforcement action, which include the government taking re-entry action and taking possession of the RCHE premises.