

Legislative Council Panel on Welfare Services

**Progress Report on
Re-engineering Community Support Services for Elders**

Purpose

On 8 July 2002, we consulted the Panel on Welfare Services on plans to re-engineer community support services for elders. The purpose of this paper is to update Members on the progress of the re-engineering exercise.

Background

2. To recapitulate, the re-engineering of community elderly services in Hong Kong was driven by several factors and recent developments as follows --

- (a) the findings and recommendations of a Consultancy Study¹ completed in 2000 which highlights the room for improvements to existing services in achieving greater service integration, better cost-effectiveness, lesser service duplication and improved convenience to service users;
- (b) the successful experience in launching new elderly integrated projects since 2001 based on the recommendations of the Consultancy Study;
- (c) revised funding allocations by the Community Chest (the

¹ The then Health and Welfare Bureau commissioned the Centre on Ageing of the University of Hong Kong in 2000 to conduct a "Consultancy Study on the Review of Day Care Centres, Multi-service Centres and Social Centres for the Elderly and Development of Integrated Care Services for Elders", details of which were presented to the Panel on Welfare Services on previous occasions.

Chest) from 2003-04 onwards in view of declining funds raised which will affect a large number of elderly centres that are currently receiving top-up funding through Chest allocations²;

- (d) the direction of moving towards service integration and the progress made in other welfare services such as Integrated Children & Youth Services Centres and Integrated Family Services Centres; and
- (e) a new policy initiative to upgrade existing Home Help Teams (HHT) to serve elders living at home with different needs in light of the community's greater acceptance of home and community-based care for frail elders.

3. The scope of the re-engineering covers a wide spectrum of community support services for elders including all existing social centres for the elderly (S/Es), multi-service centres for the elderly (M/Es), home help, home care and meal services so as to provide holistic care and support to clients living in the community and actualise the concept of "continuum of care". We consulted the Elderly Commission (EC) and the Legislative Council Panel on Welfare Services on our proposals on 13 June 2002 and 8 July 2002 and received Members' general endorsement. In particular, in endorsing the recommendations, the Elderly Commission suggested that the opportunity should be taken to promote more self help and mutual support groups amongst the elderly so that they are no longer mere service users but may continue to contribute to society.

Scope and approach to re-engineering

4. The scope of re-engineering covers *centre-based* and *home-based* services which include upgrading S/Es to Neighbourhood Elderly Centres (NECs), M/Es to District Elderly Community Centres (DECCs), and home help, home care and meal teams to Integrated Home Care Services Teams (IHCSTs).

² Under established subvention policy, elderly centres are only subvented by Government in the order of 80% to 85% on grounds that they are providing social and recreational activities which are not mainstream and essential welfare services.

5. The principles and parameters guiding this exercise are as follows --

- (a) service needs of the users, particularly on a district basis;
- (b) a bottom-up rather than a top-down approach respecting the choice and wishes of individual NGOs;
- (c) efficient and effective use of resources;
- (d) rationalisation of service boundaries;
- (e) swapping of service units between NGOs to achieve better synergy where justified;
- (f) alliance among small non-governmental organisations (NGOs) to form consortium where needed; and
- (g) avoiding or minimising staff redundancies.

6. The Social Welfare Department (SWD) has made it clear from the outset that the re-engineering is **not** about savings or cut-back in welfare expenditure on elders. Instead, additional resources will be injected into the programme which will help mitigate the effect of reduced allocations by the Chest to these centres. A “standard cost” approach has been adopted for the purpose of upgrading M/E to DECC, S/E to NEC and HHT to IHCST as well as for the upgraded IHCSTs to undertake additional cases. To illustrate, the reference standard cost for a DECC is \$3.5 million (excluding subvention for Support Team for the Elderly and rent & rate subsidies which will remain unchanged), which is \$0.59 million higher than existing subvention for a M/E at \$2.91 million³ and for a NEC is \$1.18 million (excluding rate & rate subsidies which will remain unchanged), which is \$0.46 million higher than an existing S/E under subvention.

7. To achieve the objectives of service rationalisation and more cost-effective use of existing resources, NGOs participating in the re-engineering exercise are required to identify prescribed subvention resources for pooling for example, through closure of some less well utilised or duplicated service units, and SWD will inject new money to meet the funding shortfall for upgrading selected M/Es and S/Es to DECCs and NECs. After upgrading, all DECCs and NECs will be fully subvented

³ All costs quoted are at 2002-03 prices taking into consideration the 2002 civil service pay adjustment effective from October 2002.

by the Government.

8. In the case of home-based services, we require no pooling of existing resources. Instead, existing HHT operators who choose to upgrade into IHCSTs will be allocated additional cases to be served by the upgraded teams on the basis of monthly unit costs of \$3,382 for frail cases suffering from moderate or severe level of impairment / disability and requiring intensive personal and nursing care services and \$500 for ordinary cases of no to mild level of impairment / disability. These unit costs have taken account of the basic subvention of \$2.2 million for a Home Help Team and room for economy of scale.

Positive outcome of the re-engineering

9. We had convened various briefing and discussion sessions with concerned NGOs both in drawing up the above proposals and in inviting them to submit proposals. Very extensive discussions between SWD and NGOs concerned took place at the district level to devise proposals in line with the guiding principles. Both NGO boards and management have given this exercise very serious attention and have adopted a give-and-take attitude in the process.

10. A total of 39 NGOs covering 35 M/Es and 154 S/Es submitted re-engineering proposals upon the closing date on 15 November 2002. Meanwhile, 24 NGOs covering 138 home help teams submitted proposals on re-vamping their home-based service.

Outcome of re-engineering centre-based service

11. The following table illustrates the outcome of re-engineering centre-based service:

	<i>Before re-engineering</i>	<i>Outcome of re-engineering</i>
M/E	35	36 DECCs (including a new one to be set up in Tseung Kwan O through a network of two existing S/Es and one new NEC in phases)

	<i>Before re-engineering</i>	<i>Outcome of re-engineering</i>			
S/E	213 (excluding the integrated service centre in Tung Chung Area 10 while including the departmental Sha Tin Social Centre for the Elderly)	Stay put as S/E	Upgrade to NEC	Transform to self-financing unit	Closure
		59	110	40	2
		Total: 211 (excluding 2 S/Es which together with a new set of premises at TKO Area 73A will form a DECC)			

12. In short, all existing M/Es will be upgraded to DECCs providing a full range of support service to elders living in the community in an integrated manner. Together with four DECCs already in existence in Tseung Kwan O, Tung Chung, Sha Tin and Tuen Mun and an extra one to be established in Tseung Kwan O, there will be 40 DECCs throughout the territory.

13. For the 213 S/Es, 110 will be upgraded to NECs. 40 S/Es will be transformed to self-financing units to be operated by the same NGO prior to the re-engineering providing a variety of innovative elderly-related services such as senior volunteers development centre, elderly learning centre, health care services, health promotion and wellness centre, human resource development centre for senior citizens, community education and volunteer centre, mental health and resource centre for elders, IT learning cum social club for retirees, etc. Two S/Es respectively located in Mong Kok and Sau Mau Ping will be closed⁴ with premises returned to SWD for alternative usage. Transitional arrangements are being made by the two agencies to transfer the members to nearby centres for continuous service provision with the least disruption. The remaining 59 S/Es, by and large run by smaller NGOs that have lesser scope for pooling of resources, will continue to operate as S/Es. We will explore opportunities for enhancing their functions at a future date.

Outcome of re-engineering home-based service

14. The following table illustrates the outcome of re-engineering home-based service:

⁴ These two centres are housed in upper floors in commercial building and complex and are therefore not very convenient to elder users.

	<i>Before re-engineering</i>	<i>Outcome of re-engineering</i>
No. of NGOs providing home help services	23	24 (including one NGO which used to provide home care service)
No of home help teams	139	138 upgraded as IHCSTs (excluding the home help team in Tung Chung Area 10*)

* Agency did not submit application for upgrading its home help team because of small case volume and the impact of large geographical spread of Lantau Island and outlying islands

15. These upgraded IHCSTs will be able to serve elders with varied needs living at home. For example, an impairment-free elder who used to be provided with home making and meal service will continue to be served by the team when his or her condition deteriorates and more personal and nursing care is required. These upgraded teams are capable of serving 21,170 existing users, taking over from existing home care and meal service contractors 3,130 users and admitting no less than 1,120 frail elders and additional numbers of elders depending on service demand.

Financial implications

16. The total funding to be provided by SWD to NGOs involved in this re-engineering exercise for both centre-based and home-based services amounts to \$98.8 million. Discounting savings arising from expiry of the home care and meal service contracts by end March 2003 estimated at \$51.8 million, net additional resources of \$47 million are required. This will be met through funds earmarked for upgrading HHTs in the 2002-03 Estimates and redeployment of SWD's existing resources.

Subsequent follow-up action

17. To ensure a seamless transition from the existing home care and meal service contracts to the upgraded IHCSTs, we will introduce the upgraded teams in those affected districts no later than 1 April 2003. The

other upgraded IHCSTs will admit new cases in phases with a view to reaching their planned capacity in six months. As for centre-based services, we will disburse the additional subventions from April 2003 and allow them to gradually transform within the year 2003-04. We expect all upgraded teams and centres to perform the enhanced functions by the performance indicator and service statistics requirements to be set out in Funding & Service Agreements by the last quarter in 2003-04.

18. In addition, SWD will have to take follow-up action on a number of areas, as follows --

- (a) revert to the Community Chest to appeal for its continued funding support for 14 NGOs involving 22 S/Es who are Chest Members on grounds that they have not benefited from the re-engineering exercise and any Chest pull-out of funding would adversely affect their operation. The Director of Social Welfare has personally written to the Chest on this matter on 3 January 2003. The total Chest funding involved is \$2.96 million;
- (b) assist NGOs in sorting out the tenancy arrangements in respect of premises which are going to be used by the same agency for self-financing activities, premises which are going to be swapped between agencies, taken over by other agencies, or closed for SWD's alternative usage; and
- (c) apply on behalf of NGOs concerned for grants from the Lotteries Fund for the procurement of additional furniture and equipment items to support the enhanced functions of DECCs and NECs. The total amount involved is estimated at around \$10 million.

Conclusion

19. The re-engineering exercise has achieved a very satisfactory outcome. We believe that we have now laid a very solid infrastructure for supporting elders living in the community. Looking ahead, we shall continue to work very closely with NGOs in enriching the service content

of these centres, in organising elders into mutual support groups, in mobilising elder volunteerism and in promoting collaboration amongst NGOs and across different sectors.

Advice sought

20. Members are requested to note the progress of re-engineering community support services for elders and provide comments on the implementation plan.

Social Welfare Department
January 2003