

**For information
on 6 April 2009**

LEGCO PANEL ON WELFARE SERVICES

Subcommittee on Poverty Alleviation

**Measures to enhance residential care services for the elderly
in the 2009-10 Budget**

Purpose

This paper briefs Members on the new initiatives to enhance residential care services for the elderly as announced in the 2009-10 Budget.

Estimated expenditure on elderly services in 2009-10

2. In 2009-10, the Government's estimated expenditure on elderly services, excluding that on public housing and public health services, amounts to \$3.93 billion, representing an increase of 7% compared with the Revised Estimate of last year. It is worth noting that additional recurrent funding of about \$92 million is provided in the 2009-10 Estimate to enhance residential care services for the elderly.

Measures to enhance residential care services for the elderly

(i) Provide additional subsidised residential care places

3. The Government attaches great importance to meeting the growing demand for subsidised residential care services. In this connection, the Government has been increasing the supply of subsidised residential care places through the construction of new contract residential care homes for the elderly (RCHEs) and purchasing places from private RCHEs under the Enhanced Bought Place Scheme (EBPS).

4. In 2009-10, the Government will increase recurrent funding by \$55 million to increase the supply of subsidised residential care places, including :

- \$17 million for providing about 150 additional subsidised residential care places (with 70% nursing home (NH) places and 30% care-and-attention (C&A) places) in two newly built contract RCHEs; and
- \$38 million for increasing 500 subsidised C&A places through EBPS.

Contract RCHEs

5. In 2001, the Government introduced competitive bidding as a new mode of selecting operators for the delivery of residential care services for the elderly, with a view to enhancing the quality of service, encouraging innovative and value-added services, and achieving cost effectiveness. Under the new arrangement, contracts for operating purpose-built RCHEs are awarded through an open tender process. So far, a total of 16 contracts for these purpose-built RCHEs have been awarded. It is worth noting that amongst the 16 contract RCHEs, 14 have obtained both RCHE licences from the Social Welfare Department (SWD) and NH licences from the Department of Health, which allow them to provide both C&A places and NH places. Moreover, C&A places in these contract homes are required to provide a continuum of care so that elders can continue to stay in a familiar environment when their health deteriorates to a level that requires nursing care.

6. Another major characteristic of contract RCHEs is that both subsidised and non-subsidised places are provided in the same premises. This is conducive to promoting the development of self-financing residential care services, offering elders another option besides subsidised places.

7. Of the 16 contract RCHEs which have been awarded through open tender, 14 have commenced services. These 14 contract RCHEs are providing a total of 552 and 512 subsidised places respectively at C&A

and NH levels, as well as another 929 non-subsidised places which can take care of elders requiring C&A or nursing level of care. The two remaining homes were awarded in end-2008, and will provide a total of 43 C&A and 99 NH places, as well as another 98 non-subsidised places coming on stream in 2009-10.

8. In addition, SWD will conduct open tender exercises to select operators for five newly built contract RCHEs from now till 2011-12 (including the two contract RCHEs mentioned in the 2009-10 Budget). A total of 98 subsidised C&A places and 230 subsidised NH places will be provided in these RCHEs. Besides, SWD has earmarked sites in another 12 development projects for the construction of new contract RCHEs, and will proceed with the open tender process in phases to select operators for these RCHEs upon the completion of construction. The Government will continue to identify suitable sites for the construction of new contract RCHEs.

EBPS

9. EBPS was launched in 1998 to increase the supply of subsidised C&A places and at the same time encourage private RCHEs to improve the quality of care. The advantage of EBPS is that once a private RCHE participates in the EBPS, the same enhanced standards (e.g. staffing and bed spacing requirements) will apply to the entire home, thereby enhancing the care for all elderly residents in the homes. At present, there are 129 private RCHEs (out of a total of 573) participating in EBPS, providing a total of 6 621 subsidised C&A places. The introduction of EBPS represented an important step forward in enhancing the quality of private RCHEs. SWD will purchase an additional 500 subsidised places through EBPS in 2009-10. We expect that the additional places will start coming on stream within 2009-10.

(ii) Enhance the care for infirm and demented elders

10. To enhance the support for infirm and demented elders staying in subsidised residential care places, the Government will increase the

recurrent funding by \$37 million in 2009-10 to strengthen the support for these RCHEs through the provision of Infirmity Care Supplement (ICS) and Dementia Supplement (DS). The additional funding represents a substantial increase of 53% in the provision of ICS and DS. The initiative will enable the RCHEs to employ additional staff, including physiotherapists, occupational therapists, nurses (registered or enrolled nurses), health workers and care workers, etc. to enhance the care for infirm and demented elders.

11. Since 1995-96, ICS has been provided to subvented RCHEs that take care of infirm elders, and the provision was extended in 2003-04 to EBPS homes that take care of such elders. The eligibility of those elders for ICS is confirmed by the Community Geriatric Assessment Teams of the Hospital Authority (HA). We expect that a total of 1 260 elders in 120 RCHEs will benefit from ICS in 2009-10.

12. Similarly, since 1998-99, DS has been provided to subvented RCHEs that take care of demented elders and will be extended in 2009-10 to EBPS homes that take care of such elders. SWD will invite applications from subvented RCHEs for DS. Those RCHEs will conduct initial assessments for their elderly residents in accordance with a set of established criteria. The eligibility of elders in these RCHEs for DS will then be confirmed by HA's Psychogeriatric Teams. In 2009-10, we estimate that a total of 3 960 demented elders in 259 RCHEs will benefit from DS.

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