

**Extract from the Report of Subcommittee on Elderly Services
under Panel on Welfare Services**

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Deliberations of the Subcommittee

Residential care services for the elderly

19. The Subcommittee notes that as at end 2007, there were 880 300 people aged 65 or above, accounting for 12.7% of the total population. The number is projected to rise to 26.4% or 2 261 000 by 2036. The latest life expectancy rate in Hong Kong is 79.4 and 85.5 for male and female respectively. The experience of developed economies shows that about 5% to 10% of the older population will require some form of long-term care (LTC) services. This is also the case in Hong Kong. With a rapidly ageing population, the demand for LTC services has been increasing. Since November 2003, access to subsidized residential care places is subject to care need assessments under the Standardised Care Need Assessment Mechanism (SCNAM).

20. The Subcommittee also notes that as at end October 2007, there were 722 residential care homes for the elderly (RCHEs) operated by private operators and non-governmental organizations (NGOs). Together, they were providing 71 879 RCHE places, equivalent to about 8.2% of the 874 000 elderly population aged 65 or above in Hong Kong. Of these places, 25 829 (35.9%) were subsidized places. About 85% of the elders residing in RCHEs were receiving Government subsidy either in the form of subsidized residential care places (24 200) or CSSA (24 500). Members also note that during the same period, there were about 23 634 elders on the Central Waiting List for Subsidized Long Term Care Services (CWL), waiting for subsidized care and attention (C&A) places and nursing home (NH) places. The overall average waiting time for a subsidized C&A place is about 21 months (the waiting time for a subsidized C&A place in a private RCHE participating in the Enhanced Bought Place Scheme (EBPS) is about 10 months, and that for a subsidized C&A place in a subvented/contract RCHE about 32 months). The average waiting time for a subsidized NH place is about 42 months.

Long-term planning for residential care services for the elderly

21. Members express grave concern about the long waiting time for subsidized residential care services. Although the number of subsidized

residential care places has increased by 60% from 16 000 in 1997 to about 26 000 in 2007, the average waiting time for a C&A place in a subvented/contract RCHE and a NH place stands at about 32 months and 42 months respectively. They consider the current waitlisting situation of subsidized residential care services unacceptable.

22. The Administration has advised that subsidized residential care places for the elderly are meant for those who have LTC needs but cannot be adequately taken care of at home. To meet the demand for subsidized residential care places, the Social Welfare Department (SWD) has been increasing the supply of subsidized residential care places from about 16 000 in 1997 to about 26 000 in 2007. In 2007-2008, the Government will provide an additional 743 subsidized residential care places (including 212 places in three new contract homes and 531 places purchased from private RCHEs under EBPS). In 2008-2009, an additional 107 subsidized residential care places will be provided in the new contract homes. Furthermore, the 2008-2009 Budget has earmarked \$29.8 million for the provision of an additional 278 subsidized residential care places. Another \$40 million will be deployed to upgrade 760 infirmary places in 19 RCHEs to provide infirmary care to medically stable elders. In addition, under the conversion programme launched since 2005, more C&A places providing continuum of care up to nursing level of care will be created to better meet the LTC needs of elders.

23. As regards the waitlisting situation, the Administration has advised that there is no means-test for subsidized residential care places, and the average waiting time for a subsidized C&A place in private RCHEs participating in EBPS is about 10 months. As the pre-application care need assessment under SCNAM has been introduced only in November 2003, not all elders currently on CWL have undergone the required assessment. The eligibility of some of them for subsidized residential care places has yet to be assessed and confirmed. As at end February 2008, 10 661 elders had applied for subsidized residential care services before the introduction of SCNAM and had subsequently undergone the care need assessment. Among them, 10 337 (97.3%) were assessed to be eligible for subsidized residential care services, 17 (0.2%) eligible for subsidized community care services, and 267 (2.5%) not eligible.

24. The Administration has further advised that some of the elders on CWL are staying in non-subsidized residential care places while waiting for subsidized places. Some of those staying at home while waiting for subsidized residential care places are also receiving subsidized home-based community care services or day care services. According to the Administration, of the 6 294 elders on CWL waiting for the subsidized NH places, 10% are receiving subsidized home-based community care or day care services, 4% are staying in residential care places, and about 50% are on CSSA and staying in private RCHEs.

25. Notwithstanding the provision of additional subsidized residential care places, members express reservations about the effectiveness of the measures put in place by the Administration to meet the strong demand for subsidized residential care places arising from the ageing population. While recognizing that most elders do not object to ageing in the community, some members point out that there are practical difficulties for those elders with LTC needs to be taken care of at home due to various reasons. For instance, some elders are left unattended if their family members have to work during daytime. Although the average waiting time for a subsidized C&A place in private RCHEs participating in EBPS is only about 10 months, members note with concern that some elders prefer to wait for a subsidized C&A place in a subvented/contract RCHE which is currently about 32 months. They consider that the waitlisting situation is primarily caused by the worry about the quality of life in private RCHEs. The Subcommittee strongly urges the Administration to examine critically the reasons why elders prefer to wait for subsidized RCHE places and take immediate actions to resolve the problem.

26. The Subcommittee also notes that as at end February 2008, 16 981 and 6 213 elders were waitlisted for subsidized C&A and NH places respectively. In 2007-2008, 2 303 and 1 539 of these elders had passed away. Members consider that it is the Government's responsibility to provide adequate residential care places for those elders who have LTC needs. In this regard, the Subcommittee strongly urges the Administration to draw up a specific timetable and long-term plan to increase the number of and shorten the waiting time for subsidized residential care places. The Administration should make a pledge for the allocation of subsidized residential care places. To target subsidized residential care services at elders most in need, some members consider that the Administration should spell out the specific impairment level under which elders would be classified as having imminent LTC needs for admission to subsidized RCHEs.

27. The Administration has stressed that it fully recognizes the huge demand for subsidized residential care services for the elderly as a result of the ageing population. It will continue to bid for additional resources to increase the supply of subsidized RCHEs. However, increasing continuously the supply of residential care places alone will not be sufficient to meet the growing needs due to a number of contributing factors, and the Administration will encourage a balanced mix of public and private elderly care services to widen the choice for quality self-financing and private residential care places providing different services. As there are many factors affecting the number of elders on CWL, the Administration is unable to give a pledge on the waiting time for the allocation of subsidized residential care places. Nevertheless, it will monitor the waitlisting situation closely, and will consider the long-term planning of the provision of residential care services for the elderly in consultation with the Elderly Commission (EC).

28. The Administration has pointed out that elders with LTC needs do not necessarily age in RCHEs. SWD is in parallel providing a range of subsidized community care and support services to facilitate elders to age in the community. The Administration has further pointed out that taking into account the non-subsidized residential care places for the elderly, there are some 74 500 RCHE places in Hong Kong. At present, about 57 000 elders are staying in subsidized or non-subsidized places in RCHEs. Notwithstanding the some 20 000 surplus places in private RCHEs, some elders prefer to wait for subsidized places. The Administration will work with EC to explore how to promote further the development of quality self-financing/private residential care services in meeting the LTC needs of elderly.

29. Noting that the Administration has yet to consult EC on the long-term planning of elderly services, members express dissatisfaction at the lack of a long-term planning and the slow progress made as EC has discussed the subject matter for almost 10 years. The Administration has explained that EC has been focusing on promotion of active ageing in the past two years, and has only started to focus on the review of residential care services for the elderly in late 2007. EC will need some time to study the subject in view of the complexity of issues involved.

30. Taking into consideration the lead time required to implement changes to the present arrangements on the provision and allocation of residential care places for the elderly, members take the view that the Administration should put in place interim measures to shorten the waiting time of the elderly currently on CWL waiting for various types of subsidized residential care places. In view of an inadequate supply of subsidized RCHE places and the waitlisting situation, some members suggest that the Administration should categorize RCHEs in accordance with their quality and fees and introduce a means-tested mechanism for the allocation of subsidized residential care places. Reference can be made to the mechanism for allocation of public rental housing units and Home Ownership Scheme flats. To increase the supply of residential care places, the Administration should designate land use for the construction of purpose-built RCHE premises, relax the building requirements for operating RCHEs and convert vacant Government properties for the purpose. Furthermore, consideration can be given to increasing the number of purchased places in private RCHEs under EBPS.

31. The Administration has assured members that EC has decided to conduct a further study on the recommendations of the former Commission on Poverty (CoP) regarding the waitlisting situation of subsidized residential care services, and to explore the following aspects –

- (a) how to target subsidized residential care services at elders most in need; and

- (b) how to promote further development of quality self-financing/private residential care services and encourage shared responsibilities among individuals, their families and the society in meeting the LTC needs of the elderly.

Apart from taking into account CoP's recommendations and the Administration's overall objective of encouraging "ageing in the community", the study will look into the LTC needs of elders and the soon-to-be-old, i.e. those aged 45 or above, and project the future demand for RCHE places. According to the Administration, the study is expected to be completed by the first quarter of 2009.

32. Members remain of the view that it is the Government's responsibility to ensure that subsidized RCHE places should be allocated to the eligible elderly with LTC needs on CWL within a reasonable time. No elderly should be deprived of the right to stay in RCHEs simply because of lacking adequate RCHE places.

Quality and monitoring of RCHEs

33. Members take the view that the quality of RCHEs directly affects the quality of life of elders staying in RCHEs. The Administration has advised that it is mindful that the quality of care in RCHEs, in particular private RCHEs, is a cause of concern to the public. It is committed to enhancing the quality of RCHEs. A three-pronged approach is adopted to enhance the quality of RCHEs, namely licensing control, capacity building, and monitoring and enforcement.

34. Members are advised that the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) and its subsidiary legislation, which came into full operation in June 1996, provide for the regulation of RCHEs through a licensing system administered by the Director of Social Welfare. The licensing requirements cover aspects such as health, sanitation, staffing, safety, location, design, structure, equipment, fire precautions and space. All RCHEs have to obtain a licence. In addition to licensing control, subvented RCHEs and contract homes are required to meet various output and service quality requirements as set out in the respective agreements with SWD. Private homes participating in EBPS are required to meet staffing and spacing requirements which are higher than licensing standards as set out in the respective agreements with SWD.

35. On capacity building, SWD has set out a list of requirements in the Code of Practice for Residential Care Homes (Elderly Persons) and guidelines on topical issues for RCHEs to follow. The guidelines cover key aspects relating to the quality of care for elderly residing in RCHEs, including drug storage and

management, infection control, food quality, meal arrangements, good practices in handling food brought to elderly residents from outside RCHEs, feeding techniques for elders with swallowing problems, bathing skills and arrangements, manpower requirements, and nursing and personal care. SWD will add on new requirements and update the Code from time to time as appropriate.

36. As regards the monitoring and enforcement aspect, the Administration has stressed that SWD's Licensing Office of Residential Care Homes for the Elderly (LORCHE) will make regular inspections to each RCHE no less than seven times annually; it will also conduct unannounced inspections on RCHEs to ensure compliance of the licensing requirements. Advisory or warning letters will be issued and prosecution actions will be taken as appropriate. Monitoring of RCHEs has been stepped up through conducting more surprise visits to the private homes, following up closely on the complaints against RCHEs, publicizing information about the homes breaching the licensing requirements, and increasing the penalties for repeated non-compliance with licensing requirements.

37. Given that many elders are currently living in private RCHEs, the Subcommittee takes the view that actions should be taken to upgrade the service quality of private RCHEs. To this end, the Administration should increase the number of EBPS places as the service quality standards developed and implemented in subvented RCHEs will apply to the entire private homes once they participate in EBPS. Some deputations have, however, pointed out that it will be difficult for private RCHEs to upgrade the entire home to meet fully the EBPS requirements if only a small portion of places are bought from them.

38. The Administration has advised it will endeavour to enhance the quality of private RCHEs. It agrees that purchasing places from private RCHEs would help enhance the quality of private RCHEs as EBPS places have to meet higher licensing requirements in terms of the bed spacing and manpower provisions. When SWD purchases a certain percentage of residential care places in a private RCHE, the RCHE has to apply the EBPS requirements to all the remaining non-EBPS places. A specified number of places will be bought from each private home in order to ensure that more private homes can participate in EBPS.

39. Some deputations have also told the Subcommittee that the service quality in private RCHEs is affected adversely due to a shortage of nurses in the welfare sector. The Administration has advised that to alleviate the problem, SWD, with the assistance of the Hospital Authority, launched two classes of a two-year full-time training programme in 2006 to train Enrolled Nurses for the welfare sector. The third class has commenced in December 2007, while two more classes will be launched in 2008 and 2009. These five

classes together will provide a total of 550 training places. Graduates are required to work in the sector for at least two years after graduation, as the tuition fees are subsidized by the Government.

40. There were media reports that some 40 private RCHEs intend to deduct the additional one month's CSSA payments and the one-off grant of OAA to be provided in the current financial year for subsidizing home fees before obtaining the consent of the residents concerned. This has aroused grave concern amongst members about the monitoring of private RCHEs. Pointing out that some private RCHEs have free access to the bank deposits of some of their elderly residents who pay the home fees with their CSSA payments, members strongly urge the Administration to look into and monitor the alleged malpractice of private RCHEs.

41. The Administration has explained that SWD has provided clear guidelines in paragraphs 8.2.3 and 8.5.2 of the Code of Practice for Residential Care Homes (Elderly Persons) in relation to holding or storing possessions or property on behalf of every resident by the home. These include -

- (a) written consent and authorization should be sought from the resident and his/her guardian/guarantor/family members/ relatives either on admission or as it becomes necessary;
- (b) home staff should refrain from withdrawing and using the bank account of residents for the purpose of payment of home fees and other charges unless a proper checking mechanism is established and maintained to prevent financial abuse or dispute; and
- (c) the home manager of a RCHE is required to establish and maintain a comprehensive system of updated records and make them readily available for inspection by LORCHE. Such records, by virtue of Section 16 of the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A) and as a matter of good practice, are required to include, among others, the possessions or property stored or held on behalf of every resident by the home.

In addition, the Guardianship Board established under the Mental Health Ordinance (Cap. 136) is empowered to grant an order that a mentally incapacitated person be received into the guardianship of a suitable person, such as a registered social worker, or the Director of Social Welfare. The guardian so appointed can control and manage the property of the mentally incapacitated elderly on his/her behalf.

42. In the light of the media reports, SWD has issued a letter, together with some sample forms, to all RCHEs on 8 April 2008 to remind home operators of

the need to observe the above guidelines. To the Administration's understanding, the Elderly Services Association of Hong Kong has also issued a letter to all its members, who are private RCHE operators, and appealed to them to exercise self-discipline in this respect. These apart, SWD staff from LORCHE will make regular and unannounced inspections to each RCHE no less than seven times annually. During inspection or on receipt of complaints, the inspectors will examine the records kept by these RCHEs and may interview residents. If problems or irregularities are detected, advisory or warning letters will be issued to require the RCHEs concerned to make necessary rectifications and prosecution actions will be taken as appropriate. According to the Administration, 50 RCHEs have since 1997 been convicted of offences under the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) and its subsidiary legislation.

43. Members generally consider that the existing measures lack deterrent effect against non-compliant RCHEs. In a bid to promote quality assurance and further enhance the monitoring of RCHEs, some members take the view that the Administration should adopt an independent accreditation scheme for all RCHEs. Consideration can be given to providing incentives for RCHEs to participate in the voluntary accreditation scheme developed by the Hong Kong Association of Gerontology since 2005. For instance, the Administration should give more weight to the accredited RCHEs when considering bids for contract homes or EBPS. Some depositions echo the need to enhance the participation of RCHEs in the accreditation system with a view to encouraging RCHEs to raise their service quality above the licensing requirements.

44. The Administration has pointed out that the present arrangement for RCHEs to participate in the accreditation scheme on a voluntary basis was supported by the Panel which the subject was discussed in 2004. According to the Administration, some 30 RCHEs are participating in the accreditation scheme developed by the Hong Kong Association of Gerontology. The Association will publicize on its website information about accredited RCHEs.

45. Members consider that the approach adopted by the Administration to monitor the quality of RCHEs is too lax given that enforcement actions will normally be taken only upon receipt of complaints. Even if problems or irregularities are detected, SWD will issue advisory or warning letters to require the RCHEs concerned to make rectifications. Members strongly urge the Administration to step up monitoring of RCHEs and increase the penalties for non-compliance with the licensing requirements.

Subsidy arrangement for residential care places

46. The Subcommittee notes with concern that the monthly subsidy for subvented places ranges from about \$8,000 to \$10,000, but the monthly fee of private RCHE places is set on par with the CSSA level (i.e. about \$5,000) as

the majority of residents in private RCHEs are on CSSA. This explains why private RCHEs are unable to meet the service standards of subvented homes. The Subcommittee considers that the Administration should look into the pricing policy of most private RCHEs charging a fee equivalent to the CSSA payments of the elderly residents. To allow the elderly CSSA recipients to have more choice of quality private RCHEs, the Administration should also review the existing arrangement of deducting the monthly CSSA payments for those elders staying in private RCHEs if they receive financial support from their family members to meet part of the monthly fees. Consideration should also be given to adopting the "money following the user" concept, i.e. by providing direct subsidy to the elderly to allow them to choose the types of RCHEs which best suit their own needs.

47. The Administration has pointed out that the concept of "money following the user" will have far-reaching policy implications. It would be necessary for the Administration and EC to conduct an in-depth study to thoroughly look into the concerned issues before arriving at any recommendations. As regards the proposal of co-payment of RCHE fees by the CSSA elderly recipients and their families, this will have implications on the entire CSSA Scheme, especially the meaning of "income" under the Scheme. Nevertheless, EC is looking into the key issues related to the long-term planning for residential care services.

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Recommendations of the Subcommittee

54. The Subcommittee recommends that the Administration should –

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- (f) the Administration should make reference to the mechanism for allocation of public housing units and adopt pledges for the allocation of different types of subsidized residential care places;
- (g) consideration should be given to categorizing RCHEs in accordance with their quality and fees, and introducing a means-tested mechanism for the allocation of subsidized residential care places in addition to SCNAM so that elders can choose the types of RCHEs based on their needs and affordability;

- (h) measures should be taken to enhance the quality of services so as to encourage more elders on CWL to stay in private RCHEs, such as increasing the number of purchased places from private RCHEs under EBPS;
- (i) the Administration should review the subsidy arrangements for residential care services, including –
 - (i) the adequacy of monthly CSSA payments for elders to stay in quality private RCHEs;
 - (ii) the arrangement of deducting the CSSA payments if the elderly recipients receive financial support from their family members; and
 - (iii) the feasibility of introducing the concept of "money following the user" to enable elderly to receive residential care services of their choice;
- (j) SWD should step up monitoring of RCHEs through conducting more surprise visits to the private homes, following up closely on the complaints against RCHEs, publicizing information about the homes breaching the licensing requirements, and increasing the penalties for repeated non-compliance with licensing requirements;
- (k) measures should be taken to alleviate the shortage of nursing staff and health workers in RCHEs;
- (l) consideration should be given to adopting the accreditation scheme for RCHEs developed by the Hong Kong Association of Gerontology for all RCHEs so that elders and their families can have more information to facilitate their choice of RCHEs;
- (m) more incentives should be provided for RCHEs to participate in the voluntary accreditation scheme developed by the Hong Kong Association of Gerontology, e.g. giving more weights to the accredited RCHEs when considering bids for contract homes or EBPS;

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