

**For discussion
on 8 February 2010**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Pilot Bought Place Scheme for
Private Residential Care Homes for Persons with Disabilities**

Purpose

This paper sets out the proposed framework of a pilot Bought Place Scheme (BPS) for private residential care homes for persons with disabilities (RCHDs).

Background

2. In accordance with the 2007 Rehabilitation Programme Plan, the Government has been adopting a three-pronged approach to encourage participation from different sectors in providing diversified residential care services for persons with disabilities (PWDs), viz –

- (a) regulating RCHDs through a statutory licensing scheme, so as to ensure their service quality on one hand and help the market develop residential care homes of different types and operational modes on the other;
- (b) supporting NGOs to develop self-financing homes; and
- (c) continuing to steadily increase the number of subsidised places of RCHDs.

3. In line with the above strategic directions, the 2009-10 Policy Address has announced that, apart from continuously increasing the provision of subsidised residential care places, the Government will introduce the Residential Care Homes (Persons with Disabilities) Bill into the Legislative Council (LegCo) in the 2009-10 legislative session to implement a licensing scheme for RCHDs in order to regulate the operation of RCHDs and ensure their service quality. In tandem with the legislative proposal, the Government will formulate suitable complementary measures to help operators meet the licensing

requirements and help the market develop quality residential care services for PWDs.

4. To this end, the Government will introduce a pilot BPS prior to the implementation of the statutory licensing system. To take forward this initiative, the Social Welfare Department (SWD) has worked out the framework for the pilot BPS which aims to achieve the following objectives -

- (a) To encourage private RCHDs¹ to upgrade their service standards;
- (b) To increase the supply of subsidised residential care places, thereby shortening the waiting time for subsidised residential service; and
- (c) To help the market develop more service options for PWDs.

Details of the proposed framework are set out in ensuing paragraphs.

Proposal

5. Drawing on the experience of the Enhanced Bought Place Scheme (EBPS) for private residential care homes for the elderly, SWD proposes to seek financial support from the Lotteries Fund (LF) for launching a 4-year pilot BPS for private RCHDs commencing in 2010-11.

6. Major proposals of the pilot Scheme are as follows -

- (a) The pilot BPS will be introduced before the enactment of the proposed RCHD Ordinance. Private RCHDs that have joined the Voluntary Registration Scheme (VRS)² and have reached the BPS standards (as set out in sub-paragraphs c(i) and (ii) below) are eligible to apply to join the BPS. After the enactment of the proposed RCHD Ordinance, those

¹ As at January 2010, there were about 2 900 reported places (with 70% enrolment rate) in 54 private RCHDs known to SWD.

² In preparation for the licensing scheme, SWD has implemented a VRS for private RCHDs since September 2006 as an interim measure to encourage operators to enhance their service quality. Those private RCHDs which have met the enhanced requirements in fire safety, building safety, general management and health care will be registered under VRS and have their information uploaded to the SWD website for public viewing.

private RCHDs that have been issued with a licence and have reached the BPS standards are eligible to apply to join or continue to receive government subsidy under the BPS.

- (b) BPS placement will be offered to those being waitlisted for Long Stay Care Home or Hostel for Moderately Mentally Handicapped Persons, having regard to the fact that existing private RCHDs already possess the necessary experience, skills and knowledge in taking care of service users with mental illness and mental handicap of moderate grade³. SWD will review the situation from time to time to examine whether to expand the scope of the pilot Scheme to cover other client groups.
- (c) Staffing requirement and the net floor area per resident will be enhanced under the BPS as follows -
 - (i) For a RCHD with 40 places under the pilot Scheme, the staffing requirement will be 19 staff, comprising a home manager, health care staff, care workers, ancillary workers; and
 - (ii) The net floor area per resident will be set at 8m², which is higher than the minimum licensing standard of 6.5m² proposed in the draft Code of Practice for RCHDs as reported to the LegCo Panel on Welfare Services at its meeting held on 12 January 2009 (LC Paper No. CB(2)560/08-09(04)).
- (d) Given the pilot nature of this Scheme, one single contract price will be maintained throughout the 4-year pilot period. The single contract price is estimated to be in the region of \$7,000 per resident per month, inclusive of home fees and contingency. SWD will further consult the private RCHDs on their operating costs, including staff costs, rent and related costs, food and overhead/miscellaneous charges etc in determining the appropriate level of the contract price.
- (e) The home fees to be paid by residents under the pilot Scheme will be set at \$1,603 which is comparable to the home fees payable by elders admitted to EBPS homes and subvented

³ According to the profile of 1 806 residents as gathered from the operators of 48 private RCHDs in a survey conducted in May 2009, 94% of private RCHD residents were persons with mental illness and/or mental handicap (54% were ex-mentally ill persons, 29% were persons with mental handicap, and 11% persons with mental illness and mental handicap).

RCHDs. As such, the government subsidy per resident per month will be in the region of \$5,500.

- (f) Taking into account the availability of quality places in the prevailing market, SWD will adopt a two-phase approach in purchasing BPS places over the 4-year pilot period, with an initial purchase of around 100 places in the first year, building up to a total of 250 or 300 from the second year onwards. Having regard to the response of service users, the number of new homes coming on stream, the quality of places to be provided by and the response of private RCHDs etc, SWD will consider suitable adjustment to the number of places to be purchased.
- (g) Irrespective of the number of BPS places to be bought in a private RCHD, the entire home will have to comply with the upgraded standards under the pilot Scheme. In order to make it financially viable for private RCHDs on one hand and to ensure that more homes can join the BPS and hence provide more choices of quality private RCHDs for PWDs on the other, it is proposed to cap the number of places to be bought in each home at 50% of its recognised capacity.
- (h) The BPS homes will be required to comply with a set of service quality standards relating to facilities, meal provision, health care, fee charging, social activities, etc and for this purpose, a monitoring group comprising PWDs and stakeholders will be set up to help monitor the service quality of these homes.

Consultation

7. SWD consulted the private RCHD sector, relevant parent groups and self-help groups as well as the Hong Kong Council of Social Service on the framework of the pilot Scheme in November 2009, the Rehabilitation Advisory Committee (RAC) at its meeting on 18 December 2009, and the private RCHD sector again on 8 January 2010. The views collected are summarised at **Annex I**, **Annex II**, and **Annex III** respectively. SWD will take into account the views of stakeholders in working out the operational details.

Review

8. As mentioned above, SWD will review and adjust the target groups and the number of places to be purchased where necessary, having regard to the response of service users, the number of new homes coming on stream, the quality of places to be provided by and the response of private RCHDs etc. Mid-term reviews will be conducted to keep track of progress and refine the operational details as appropriate. An overall review of the pilot Scheme will be conducted before its expiry to assess its long-term feasibility in terms of the contract price, home fees, amount of government subsidies, the number of places to be bought as well as the overall service quality and performance of the operators of the private RCHDs.

Way Forward

9. SWD will further consult private RCHD sector and relevant stakeholders on the operational details of the pilot Scheme, with a view to seeking funding allocation from the LF in May 2010 for implementing the Scheme in 2010-11.

Advice Sought

10. Members are invited to give their views on the proposed framework of the pilot Scheme as set out in paragraph 6 above.

Social Welfare Department
January 2010

**Consultation with parents groups,
private RCHD operators, self-help groups and
Hong Kong Council of Social Service on 19 November 2009**

Summary of Comments

	Comments
Parent groups	<ul style="list-style-type: none">● Generally in support of the proposed pilot BPS.● Since clients will be selected from the existing waiting lists, they should be given a choice to remain on the waiting lists after admission into BPS places.● There should be a service monitoring group with parents' involvement.
Private RCHD operators	<ul style="list-style-type: none">● Generally in support of the proposed pilot BPS.● There should be more flexibility in the staffing requirement under BPS.● Given the BPS requirement that a home should upgrade all its places to BPS standards irrespective of the number of BPS places purchased, the government should purchase at least 50% of a home's capacity to make it financially viable for operators.
Self-help groups	<ul style="list-style-type: none">● Generally in support of the proposed pilot BPS.● Given the needs of ex-mental ill residents, social workers should be included in the staffing requirement under BPS.
Hong Kong Council of Social Service	<ul style="list-style-type: none">● Generally in support of the proposed pilot BPS.● Government should consider purchasing more BPS places so that more private RCHDs can join.● Government should address the residential needs of PWDs with severe disabilities.● Staffing requirement under BPS should model on the EBPS for private residential care homes for the elderly.● Parents are to be involved in the service monitoring group.

Rehabilitation Advisory Committee Meeting on 18 December 2009

Summary of Comments

	Comments
RAC Members	<ul style="list-style-type: none">● Generally in support of the proposed pilot BPS.● The number of BPS places to be bought in each home should be around 50% of the home's recognised capacity in order to provide a reasonable incentive for operators of private RCHDs to improve their service standards under the scheme.● To set out relevant criteria on whether PWDs who have declined the offer of BPS places or those who have been admitted to BPS places could remain on the waiting lists for subsidised residential care places.● To monitor the service quality and fee-charging in BPS homes, the government should devise a set of service quality standards, and for this purpose a monitoring group comprising PWDs, parents and stakeholders should be set up.● The 4-year pilot Scheme may appear too long, and there should be a review in 2 years.● Consideration should be given to set out staffing requirements (including social workers and para-medical personnel) for provision of services for the welfare needs of residents in the BPS homes.● Government should provide more resources to NGOs to ensure that their community support services could be extended to BPS homes.● Parents are concerned about the location of BPS homes, in particular whether there are day training services nearby.● Government should consider whether the BPS be extended to self-financing homes operated by NGOs at suitable juncture.

Consultation with private RCHD operators on 8 January 2010

Summary of Comments

	Comments
Private RCHD operators	<ul style="list-style-type: none">● Landlords tend to charge private RCHDs higher rent than the market rate due to the nature of these homes.● Unlike elders, young PWDs tend to eat more, thus driving up the food costs in private RCHDs.● Due to behavioural problems of some PWDs, maintenance costs in private RCHDs are higher than those of the elderly.● Having regard to staff recruitment difficulties, the private RCHD operators should be allowed to recruit staff through the Supplementary Labour Scheme under the BPS.● Over 90% of the residents in private RCHDs are CSSA recipients who receive less monthly allowance than those residing in private elderly homes. Also, in general, adult child(ren) of elderly residents would be more willing to pay for the additional expenses of quality placement while it may not be the case for the siblings of PWDs. Therefore, unlike elderly homes under EBPS, there is concern that RCHD residents of non-BPS places in BPS homes may not be able to afford fee rise as a result of upgrading the facilities/services of RCHDs.● Given the BPS requirement that a home should upgrade all its places to BPS standards irrespective of the number of BPS places purchased, the government should purchase at least 50% or more of a home's capacity to make it financially viable for operators.● Government should set the contract price of BPS at a level that is financially viable for operators.● Government should consider different contract prices for RCHDs located in urban area and the New Territories.● The Hong Kong Private Hostel for Rehabilitation Association will provide SWD with information on the operating costs in February 2010.