

**For information
on 27 April 2010**

**LEGISLATIVE COUNCIL
PANEL ON WELFARE SERVICES**

**Subcommittee on Residential and Community Care Services
for Persons with Disabilities and the Elderly**

Provision of Subsidised Residential Care Places for the Elderly

Purpose

This paper informs Members of the current and planned provision of subsidised residential care places for the elderly.

Current provision of subsidised residential care places

2. At present, the Government is providing about 26 000 subsidised places in residential care homes for the elderly (RCHEs), serving about 44% of all elders staying in RCHEs throughout the territory. Compared with about 16 000 subsidised places in 1997, this represents an increase of 60%. The Government's expenditure on elderly services has also risen from \$1,620 million to \$3,900 million over the period, representing an increase of 140%. As of 2009-10, 60% of this is expenditure on residential care services.

3. The subsidised places are provided in subvented RCHEs run by non-governmental organisations (NGOs), contract RCHEs and private RCHEs participating in the Enhanced Bought Place Scheme. The current provision by service type, the number of elders on the waiting lists and the average waiting time are set out at **Annex 1**.

New initiatives to increase the provision of subsidised residential care places

4. In view of the relatively long waiting time for subsidised nursing home (NH) places and the limited supply of places which can cater for the needs of frail elders requiring nursing care in the private market, the Government has decided to focus its effort on increasing the provision of NH places and long-term care (LTC) places offering a continuum of care (COC). To this end, we will adopt a multi-pronged approach and introduce the following new initiatives -

- (a) increase the proportion of NH places in existing contract RCHEs;
- (b) purchase vacant NH places from self-financing homes; and
- (c) make full use of the space in existing subvented RCHEs to provide more LTC places with COC under the conversion programme.

The ensuing paragraphs set out the details of the new initiatives.

(a) Increasing the proportion of NH places in existing contract RCHEs

5. Since 2001, the Government has awarded 16 contracts through open tender for operating purpose-built subsidised RCHEs.

6. They provide about 1 220 subsidised places, about half of which are NH places, while the remaining half are care and attention (C&A) places with COC. In order to increase the provision of subsidised NH places, we plan to raise the proportion of NH places in these RCHEs from 50% on average to 90% upon contract renewal or re-tendering. We expect that a total of 357 NH places can be created through this initiative. The Social Welfare Department (SWD) will discuss with the contract RCHE operators the implementation details, including the additional manpower requirement and upgrading of furniture or equipment, with a view to increasing the provision of NH places in phases starting from 2011-12.

(b) Purchasing vacant NH places from self-financing homes

7. As at March 2010, there were four self-financing NHs and one self-financing home having both RCHE and NH licences¹, providing a total of 332 NH places. In addition, there are about 30 self-financing homes operating with an RCHE licence and offering residential care places up to C&A level only, but many of them are on purpose-built premises and can therefore be upgraded to provide NH places. These two types of self-financing homes, now with a vacancy rate of about 30%, are all operated by NGOs such as Tung Wah Group of Hospitals, Hong Kong Sheng Kung Hui Welfare Council, Haven of Hope Christian Service and Alice Ho Miu Ling Nethrsole Charity Foundation, etc. which have rich experience in operating elderly services. We intend to

¹ At present, operators of NHs are required to obtain a licence under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap 165) issued by the Director of Health, while operators of RCHEs are required to obtain a licence under the Residential Care Homes (Elderly Persons) Ordinance (Cap 459) issued by the Director of Social Welfare.

purchase a total of 380 vacant places from these NHs and also from the other RCHEs if they can upgrade their places to NH places. SWD has already briefed the concerned operators on this purchase scheme on 13 April 2010, with a view to purchasing places in phases starting from 2010-11.

(c) *Making full use of the space in existing subvented RCHEs to provide more LTC places with COC under the conversion programme*

8. To enhance the care capability of subvented RCHEs, SWD launched a conversion programme in June 2005 to convert, in phases, residential care places in 75 subvented RCHEs which did not have LTC element to LTC places providing COC. As such, elders can continue to stay in the same subvented RCHE when their health deteriorates and need not switch to another RCHE which can provide a higher level of nursing care.

9. Preliminary assessment of the space provision of the 75 conversion homes indicates that 58 of them have surplus areas for in-situ expansion. Since the concerned RCHE premises are readily available and the concerned operators are all experienced in running the services, we consider this approach a relatively speedy way to increase the supply of LTC places with COC, although the conversion works will have to be carried out in phases to minimise disruption to existing residents. We plan to provide an additional 260 subsidised residential care places in these subvented RCHEs in 2010-11. SWD has already briefed the concerned NGOs on the implementation details on 16 April 2010.

Development of new contract RCHEs

10. In addition to the above new initiatives, SWD will continue to increase the supply of subsidised residential care places through the development of new contract RCHEs. In this regard, six new RCHEs located in Sham Shui Po, Tai Kok Tsui (Cherry Street, Tai Kok Tsui Road and Hoi Ting Road/Hoi Wang Road junction), Tung Chung and Sai Ying Pun will commence service in the next four years. They will provide a total of 398 subsidised places (of which 358 are NH places) and 265 non-subsidised places. Besides, SWD has earmarked sites in another 11 development projects² for the construction of new contract RCHEs in the long run.

² These development projects include public housing estate development projects, projects undertaken by the Urban Renewal Authority, private development projects and the development of a Government joint-user complex.

11. A table showing the projected supply of subsidised residential care places for the elderly in the coming four years is at **Annex 2**.

Advice Sought

12. Members are invited to note the content of this paper.

Labour and Welfare Bureau
Social and Welfare Department
April 2010

**Current provision of subsidised residential care places and
average waiting time
(as at end-February 2010)**

Types of places	No. of places	Number of elders on the Waiting List	Average Waiting Time (in months)
Nursing Home places	2 200	6 300	42 months
Care and Attention (C&A) Home places <ul style="list-style-type: none"> • Subvented/Contract residential care homes for the elderly (RCHEs) • Under Enhanced Bought Place Scheme (EBPS) 	20 300	19 500	30 months (Note 1) 11 months (Note 2)
Self-care hostel and Home-for-the-aged places	2 800	N/A	N/A
Total	25 300	25 800 (Note 3)	

Note 1 Where the elders had no preference for specific RCHEs, for instance, in terms of their location or religious background, the average waiting time for subsidised C&A places in subvented/contract RCHEs was 14 months.

Note 2 Where the elders had no preference for specific RCHEs, for instance, in terms of their location or religious background, the average waiting time for subsidised C&A places under EBPS was two months.

Note 3 Including over 3 000 elders who are using subsidised community care services while waiting for residential care places.

Annex 2

**Projected supply of subsidised residential care places for the elderly
from 2010-11 to 2013-14**

Year to come in service (by Financial Year)	2010-11	2011-12	2012-13	2013-14	Total
<u>Nursing home (NH) places</u>					
• increase the ratio of NH places in the existing 16 contract homes (from 50% on average to 90%)	0	169	174	14	357
• purchase vacant NH places from self-financing NHs or residential care homes for the elderly	80	300	0	0	380
• construct six new contract homes <small>Note</small>	0	123	104	131	358
Sub-total (NH places)	80	592	278	145	1095
<u>Care-and-attention (C&A) places</u>					
• purchase C&A places through the Enhanced Bought Place Scheme	321	0	0	0	321
• maximise surplus areas in subsidised elderly homes to provide places with continuum of care	260	0	0	0	260
• construct six new contract homes <small>Note</small>	0	14	11	15	40
Sub-total (C&A places)	581	14	11	15	621
Total (NH + C&A places)	<u>661</u>	<u>606</u>	<u>289</u>	<u>160</u>	<u>1716</u>

^{Note} The six new contract homes are located at Sham Shui Po, Tai Kok Tsui (Cherry Street, Tai Kok Tsui Road and Hoi Ting Road/Hoi Wang Road junction), Tung Chung and Sai Ying Pun.