

**For information  
on 10 July 2012**

**Legislative Council  
Panel on Welfare Services**

**Provision of Subsidised Residential Care Services for the Elderly**

**Purpose**

This paper informs Members of the current provision of subsidised residential care services (RCS) for the elderly and the Government's measures to further increase the supply and enhance the service quality.

**Background**

2. It is the Government's policy to promote "ageing in place as the core, institutional care as back-up". While noting that most elders prefer ageing in the community, we understand that some frail elders would need institutional care for health or family reasons. Over the past five years, the Government's recurrent expenditure on elderly care services has risen from \$3,297 million (in 2007-08) to \$5,026 million (in 2012-13), representing an increase of 52%. About 60% of the expenditure was on RCS.

**Current provision of subsidised residential care places**

3. At present, there are about 76 000 RCS places in Hong Kong (including about 26 000 subsidised ones), serving about 61 000 elders. Subsidised residential care places are provided in subvented and contract residential care homes for the elderly (RCHEs), as well as private RCHEs which participate in the Enhanced Bought Place Scheme (EBPS), and self-financing nursing homes (NHs) under the Nursing Home Place Purchase Scheme (NHPPS). The current provision of subsidised places by service type, the number of elders on the waiting lists and average waiting time are tabulated at **Annex 1**.

**Measures to increase the provision of subsidised RCS places**

4. In view of the ageing population and the acute demand for subsidised RCS places, the Social Welfare Department (SWD) is making strenuous efforts

to increase the provision of NH places and care-and-attention (C&A) places offering a continuum of care (COC) through the following measures:-

**(A) *Development of new contract RCHEs***

5. Since 2001, SWD has awarded contracts through open tender to non-governmental organizations (NGOs) and/or private operators to operate 18 purpose-built RCHEs. They are providing a total of 1 406 subsidised places (about 68% are NH places and 32% are C&A places with COC) and 1 060 non-subsidised places. From now to 2014-15, six new contract RCHEs will commence service. Details are at **Annex 2**. They will provide a total of 381 subsidised places (of which 343 are NH places and 38 C&A places with COC) and 253 non-subsidised places. SWD has also earmarked sites in 11 development projects for the construction of new contract RCHEs, and will continue to identify suitable sites for this purpose.

**(B) *Increasing the provision of NH places***

6. The proportion of NH places in contract RCHEs was about 70% on average in 2010. Since then, it has been increased gradually to 90% as places are upgraded upon contract extension or re-tendering. As a result, we expect more than 310 additional NH places to come on stream from now to 2014-15.

7. Separately, the Government launched NHPPS in 2010 to help accelerate the provision of additional NH places. The Government will continue to purchase suitable NH places from self-financing NHs under this Scheme in the coming years.

**(C) *Increasing the provision of COC places***

8. To enhance the care capability of subvented RCHEs, SWD launched a conversion programme in June 2005 to convert, in phases, RCS places in 75 subvented RCHEs which did not have a long-term care element to C&A places providing COC. As such, elders can continue to stay in the same RCHE even when their health condition deteriorates. We believe that the conversion programme is effective in increasing the supply of C&A places with COC, since the RCHE premises concerned are readily available and the operators are all experienced in running the services.

9. SWD has also used the surplus area of these homes to provide a total of 492 additional places in 2010-11 and 2011-12, and an additional 189 places are expected to be provided in 2012-13. Work will continue in this regard.

***(D) Increasing the provision of subsidised C&A places under EBPS***

10. SWD has implemented EBPS since 1998 to increase the provision of subsidised places and encourage private RCHEs to improve the quality of care. There are two categories of homes under EBPS, i.e. EA1 homes and EA2 homes. Both exceed the licensing standards in terms of staffing and space, but EA1 homes have an even higher standard than EA2 ones. Once a private RCHE participates in EBPS, the specified standards will apply to the entire home regardless of the percentage of places purchased by SWD in that home. As a result, elders occupying places not purchased will also benefit. It is also the Government's policy direction to upgrade EA2 places to EA1 level.

11. As at the end of April 2012, 137 (24%) of the 578 private RCHEs were participating in EBPS, providing 7 308 subsidised places. The Government has been providing additional resources to encourage private RCHEs to upgrade their services. For example, the unit subsidy for EA1 homes was raised in 2011-12 such that physiotherapy training and rehabilitation service could be provided to frail elders therein. Additional resources have also been earmarked for purchasing about 600 additional EA1 places and upgrading more than 600 EA2 places to EA1 level in 2012-13.

12. To improve EBPS as well as the operating environment and service quality of the RCHEs concerned, the Government set up a working group (WG) in 2011 to understand more about the operating conditions of EBPS homes, and explore practicable and feasible measures to enhance their services. On the recommendation of the WG, SWD adopted the Composite Consumer Price Index as the basis for adjusting annually the purchase price of EBPS places; enhanced the mechanism for renewal of service agreement with EBPS homes by extending the renewal period from one year to two years; and utilised the casual vacancies of bought places as residential respite places.

**Measures to enhance service quality of subsidised RCS places**

13. Apart from increasing the provision of subsidised places, SWD endeavours to enhance the quality of RCS places. At present, there is a licensing system to regulate RCHEs under the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) and the Code of Practice for Residential Care Homes (Elderly Persons). SWD also inspects RCHEs pursuant to Cap. 459. In addition, SWD has been implementing various measures to encourage RCHEs to enhance their service quality. For instance, SWD has introduced the Pilot Scheme on Visiting Pharmacist Services for RCHEs since 2010 to enhance the drug management capabilities of RCHEs and their staff. SWD also promulgates guidelines for RCHEs on various topics related to the management

of RCHEs and elderly care; provides training for RCHE staff on a regular basis to enhance their knowledge and skills in elderly care; and works closely with the Department of Health and Hospital Authority in devising service guidelines and making case referrals.

14. SWD has also put in place the following measures to enhance the manpower and service quality of RCHEs that provide subsidised places.

(a) *Increase in care supplements*

Infirmity Care Supplement (ICS) and Dementia Supplement (DS) have been provided to subvented RCHEs and EBPS homes since 1996 and 1998 respectively for them to engage professional staff or procure related professional services for infirm and demented elders. The DS for subvented RCHEs and EBPS homes has been significantly increased by \$127 million starting from 2012-13. The total provision of ICS and DS for RCHEs in 2012-13 is \$90 million and \$191 million respectively.

(b) *Supplement for employing paramedical staff*

SWD has sought additional resources of \$356 million for a further period of three years from 2012-13 to 2014-15 to enable welfare NGOs and EBPS EA1 homes to offer more competitive salaries for the recruitment and retention of paramedical staff (including nurses) or for the hiring of paramedical services.

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

**Labour and Welfare Bureau  
Social Welfare Department  
July 2012**

## Annex 1

### **Provision of Subsidised Residential Care Places and Average Waiting Time (as at the end April 2012)**

<b>Types of RCS places</b>	<b>No. of subsidised places</b>	<b>Number of elders on the waiting list</b>	<b>Average Waiting Time (months)</b>
<b>NH places (including NHPPS)</b>	<b>2 680</b>	<b>6 529</b>	<b>36</b>
<b>C&amp;A places (overall)</b>	<b>21 644</b>	<b>21 620</b>	<b>22</b>
➤ <b>Subvented/Contract /Conversion Homes places</b>	<i>14 336</i>		<i>34</i> (Note 1)
➤ <b>EBPS places</b>	<i>7 308</i>		<i>8</i> (Note 2)
<b>Self-care hostel and Home-for-the aged places</b>	<b>1 763</b>	<b>N/A</b>	<b>N/A</b>
<b>Total</b>	<b>26 087</b>	<b>28 149</b> (Note 3)	

Note 1 Where the elders had no preference for specific RCHEs (in terms of location or religious background, for instance), the average waiting time for subsidised C&A places in subvented/contract RCHEs was 13 months.

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

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

**Annex 2**

**Additional residential care places to be provided  
in the new contract RCHEs  
(from 2012-13 to 2014-15)**

From 2012-13 to 2014-15, six new contract RCHEs providing a total of 634 places are expected to commence service. Details are as follows –

	District	Location	Number of subsidised residential care places		Number of non-subsidised residential care places
			<i>NH places</i>	<i>C&amp;A places</i>	
1.	Yau Tsim Mong	Tai Kok Tsui Road	50	5	36
2.	Yau Tsim Mong	Willow Street	54	6	40
3.	Central and Western	First Street	50	6	37
4.	Yau Tsim Mong	Hoi Wang Road / Hoi Ting Road	81	9	60
5.	Sha Tin	Tai Wai	54	6	40
6.	Sham Shui Po	Shek Kip Mei Estate Phase II	54	6	40
<b>Total</b>			<b>343</b>	<b>38</b>	<b>253</b>