

**For information
on 13 January 2014**

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**Legislative Council Panel on Welfare Services
Pilot Scheme on Community Care Service Voucher for the Elderly**

Purpose

This paper informs Members of the progress of the implementation of the First Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly (the Pilot Scheme), which has been launched since September 2013.

Background

2. “Ageing in place” is the underlying principle of the Government’s elderly care policy. This is also in line with the wish of most elderly persons. To this end, the Government provides a range of subsidised community care services (CCS), including centre-based day care services and home-based services.

3. The Elderly Commission (EC) commissioned the Consultancy Study on Community Care Services for the Elderly (Consultancy Study) in 2010. The Consultancy Study examined how CCS could be strengthened through a more flexible and diverse mode of service delivery to provide better support for the elderly persons who age at home. The Consultancy Study report was released in July 2011. EC recommended, among others, that the Government introduce a voucher scheme to allow eligible elderly persons to choose the CCS that suited their needs.

Preparatory Development of the Pilot Scheme

4. Taking on board EC’s recommendation, the Government

announced in October 2011 that we would plan for a Pilot Scheme. The Pilot Scheme is to be implemented in two phases over a period of four years. It aims at testing the viability of a new funding mode, whereby the Government adopts a “money-follows-the-user” approach and provides subsidy directly to the service users (instead of service providers) in the form of service vouchers. Eligible elderly persons may choose the service provider, the type of service and the service package that suit their individual needs. The Social Welfare Department (SWD) has secured \$380 million from the Lotteries Fund (LF) to introduce the First Phase of the Pilot Scheme in September 2013.

5. In designing the parameters of the Pilot Scheme, the Government has conducted in-depth briefings, consultation sessions and discussions with relevant stakeholders, including EC, non-governmental organisations (NGOs), concern groups, etc. We also briefed Members of the Panel on Welfare Services of the Legislative Council (LegCo) on the preliminary design of the Pilot Scheme on 13 February 2012 and listened to deputations’ views and concerns on 27 April 2012. We further informed Members of the LegCo Joint Subcommittee on Long-term Care Policy on the preparatory progress of the Pilot Scheme and listened to deputations’ views on 24 June 2013.

Implementation Details of the First Phase of the Pilot Scheme

Participants

6. The First Phase of the Pilot Scheme covers eligible elderly persons in eight districts, namely Eastern, Wong Tai Sin, Kwun Tong, Sham Shui Po¹, Shatin, Tai Po, Tsuen Wan and Tuen Mun who have been assessed by the Standardised Care Need Assessment Mechanism for Elderly Services (SCNAMES) of SWD as moderately impaired and are waiting for subsidised CCS and/or residential care service (RCS) in the Central Waiting List (CWL) of the Long Term Care (LTC) Services. Elderly persons receiving any kind of RCS, including those provided by private residential care homes for the elderly, are not eligible.

¹ Recognised Service Providers in Sham Shui Po district will serve the elderly persons living in Sham Shui Po as well as those in Kowloon City and Yau Tsim Mong districts.

Recognised Service Providers

7. SWD invited eligible non-governmental organisations (NGOs) and social enterprises (SEs) to submit applications for being Recognised Service Providers (RSPs) in January 2013. A Vetting Committee was set up to conduct assessment of the applications. A total of 62 eligible RSPs operated by 29 NGOs and two SEs were selected. The distribution of the 62 eligible RSPs by district is at **Annex 1**.

8. To assist eligible RSPs in meeting the set-up cost to purchase furniture and equipment and/or vehicle (which is essential for transporting frail elderly persons to and from day care centre), a one-off seed money is offered to them. Of the 62 eligible RSPs, 48 applied and received seed money at a total amount of around \$78 million.

Scope of Services

9. The recognised scope of services under the Pilot Scheme is similar to that of the existing subsidised Day Care Centre for the Elderly (DE) and Enhanced Home and Community Care Services (EHCCS).

10. The scope of the day care services under the Pilot Scheme includes personal care services, rehabilitation exercise, nursing care, health education, carer support services, counselling and referral services, meals, social and recreational activities, and transportation services to and from DE.

11. The scope of home care services under the Pilot Scheme includes care management, basic and special nursing care, personal care, rehabilitation exercise, carer support services, day respite service, counselling services, 24-hour emergency support, environmental risk assessment and home modifications, home-making and meals delivery services, transportation and escort services.

Service Capacity and Mode

12. The number of vouchers to be issued in the First Phase of the Pilot Scheme is 1 200. The voucher service is delivered in two modes:

(a) Mixed mode: day care (part-time)² and home care services; or

(b) Single mode: day care services (part-time)² only.

Voucher Value

13. The voucher value is the amount available to the participants for procuring care services in a month. In the First Phase, one single voucher value will be offered to all voucher holders. Making reference to the respective unit costs of subsidised DE and EHCCS in 2013-14, the voucher value is set at \$5,800 per month. RSPs have to provide services in the value of \$5,800 to each voucher holder in a month. The voucher value cannot be carried forward to the following month(s). There will be annual adjustment of the voucher value based on the Composite Consumer Price Index (CCPI).

Co-payment and Means Test

14. The services provided under the Pilot Scheme would remain subsidised. A sliding scale of co-payment has been put in place with five levels of government subsidy, so that the less the user can afford, the more the Government will pay. The five levels of the voucher holder's co-payment amount (i.e. \$500, \$750, \$1,000, \$1,500 and \$2,500) in the First Phase will be fixed and remain unchanged throughout the First Phase.

15. To determine the level of co-payment made by the voucher holders, we will take into account their household incomes, with reference made to the updated quarterly Median Monthly Domestic Household Income. Details are set out at **Annex 2**.

16. For voucher holders on Comprehensive Social Security Assistance (CSSA), they may apply for a special grant under CSSA to cover part of the co-payment under the Pilot Scheme. During the First Phase, eligible CSSA recipients need to pay a monthly co-payment of

² Day care service (part time) means that voucher holders visit DE for less than four days in a week.

\$500 but may receive reimbursement of either \$207 (under mixed mode) or \$149 (under single mode) per month from Social Security Field Units of SWD. The reimbursement will put them in a position as those CSSA recipients who are receiving CCS under the conventional approach.

Transparency of Information

17. To facilitate the voucher holders to select the service provider and the CCS that best suit their needs, RSPs have to make available the service-related information, including service packages, the price lists of the additional and/or non-essential service, and target elderly persons to be served (e.g. elderly persons with dementia), if any, to the voucher holders, their carer(s), the Responsible Workers (RWs), and SWD. Such information has been uploaded on RSPs' and SWD's webpages for reference by the public as well. At the same time, promotional leaflets of the Pilot Scheme as well as a service catalogue which consists of the relevant information of all RSPs have been produced by SWD to facilitate voucher holders to choose their desired service providers.

Service Quality Assurance and Monitoring

18. SWD will conduct review visits, random checks (with or without prior notice) to RSPs to audit all relevant records and files (such as service packages of individual voucher holder, records on payment and service hours of the individual voucher holder, and fee-charging, complaint investigations, compliance with the 16 Service Quality Standards etc.) as appropriate, to ensure the quality of services. RSPs will also be subject to financial monitoring in accordance with the requirements of LF.

19. SWD reserves the right to suspend or terminate the status of an RSP when it fails to deliver the agreed scope, level, volume and quality of service.

Invitation of Participants

20. Each elderly person on CWL is being taken care of by an RW regarding his/her LTC services application. Based on the application dates for the LTC service in CWL, SWD has started inviting eligible

elderly persons via their RWs to join the Pilot Scheme since late July 2013. As and when an elderly person participates in the Pilot Scheme, SWD will deactivate his/her LTC services application in CWL. Nevertheless, upon request of the elderly person concerned, his/her application will be re-activated with the waiting position resumed according to the original application date. As of end-December 2013, a total of around 8 500 invitation letters were issued, with some 750 eligible elderly persons participating in the Pilot Scheme and some 2 300 replies pending. Details of the response, including the distribution of the co-payment categories, are at **Annex 3**.

Way Forward

Case Mix Study on Community Care Services for the Elderly

21. To prepare for the Second Phase of the Pilot Scheme, SWD has commissioned Sau Po Centre on Ageing (COA) of The University of Hong Kong to conduct a Case Mix Study on Community Care Services for the Elderly (the Study). The Study will mainly examine the services needs of elderly persons at moderate to severe levels of impairment and different care needs of groups of elderly persons within the same impairment level. The result of the Study, expected to be ready by September 2014, would assist the Administration in determining the suitable level of different voucher values for the Second Phase of the Pilot Scheme, the potential service users at moderate to severe levels of impairment and their care needs which would be more diverse.

Evaluation of the First Phase of the Pilot Scheme

22. SWD has also commissioned COA to conduct a formative and outcome evaluation (the Evaluation) of the First Phase of the Pilot Scheme. The Evaluation will examine, among others, the voucher holders' service consumption patterns, satisfaction level, care outcomes, etc. as well as RSPs' operational experiences. An interim report will be made available by September 2014. The evaluation will be useful and relevant to the design of the Second Phase of the Pilot Scheme.

Advice Sought

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

**Labour and Welfare Bureau
Social Welfare Department
January 2014**

**The First Phase of the Pilot Scheme on
Community Care Service Voucher for the Elderly
Distribution of Recognised Service Providers (RSPs)
in the Eight Selected Districts**

| Selected Districts | Number of RSPs |
|---|----------------|
| Eastern | 9 |
| Kwun Tong | 12 |
| Wong Tai Sin | 6 |
| Sham Shui Po (including Kowloon City & Yau Tsim Mong) | 9 |
| Shatin | 11 |
| Tai Po | 6 |
| Tsuen Wan | 4 |
| Tuen Mun | 5 |
| Total | 62 |

Household Monthly Income & 5 levels of co-payment in the first phase of the Pilot Scheme on CCS Voucher for the Elderly (Effective from 2.12.2013)

| <u>Category</u> | <u>I</u> | <u>II</u> | <u>III</u> | <u>IV</u> | <u>V*</u> |
|--------------------------|--|-----------------------|------------------------|------------------------|---------------------|
| Co-payment Amount | \$500 | \$750 | \$1,000 | \$1,500 | \$2,500 |
| Household size | 75% of MMDHI (including CSSA recipients) | > 75% - 100% of MMDHI | > 100% - 150% of MMDHI | > 150% - 175% of MMDHI | Above 175% of MMDHI |
| 1 | ≤ \$5,850 | \$5,851 - \$7,800 | \$7,801 - \$11,700 | \$11,701 - \$13,650 | > \$13,650 |
| | 50% of MMDHI (including CSSA recipients) | > 50% - 75% of MMDHI | > 75% - 125% of MMDHI | > 125% - 150% of MMDHI | Above 150% of MMDHI |
| 2 | ≤ \$8,250 | \$8,251 - \$12,375 | \$12,376 - \$20,625 | \$20,626 - \$24,750 | > \$24,750 |
| 3 | ≤ \$12,000 | \$12,001 - \$18,000 | \$18,001 - \$30,000 | \$30,001 - \$36,000 | > \$36,000 |
| 4 | ≤ \$15,500 | \$15,501 - \$23,250 | \$23,251 - \$38,750 | \$38,751 - \$46,500 | > \$46,500 |
| 5 | ≤ \$19,950 | \$19,951 - \$29,925 | \$29,926 - \$49,875 | \$49,876 - \$59,850 | > \$59,850 |

*No means test is required for this category of co-payment

MMDHI Q3 of 2013

| Household size | 50% | 75% | MMDHI | 125% | 150% | 175% |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | \$3,900.00 | \$5,850.00 | \$7,800.00 | \$9,750.00 | \$11,700.00 | \$13,650.00 |
| 2 | \$8,250.00 | \$12,375.00 | \$16,500.00 | \$20,625.00 | \$24,750.00 | \$28,875.00 |
| 3 | \$12,000.00 | \$18,000.00 | \$24,000.00 | \$30,000.00 | \$36,000.00 | \$42,000.00 |
| 4 | \$15,500.00 | \$23,250.00 | \$31,000.00 | \$38,750.00 | \$46,500.00 | \$54,250.00 |
| 5 | \$19,950.00 | \$29,925.00 | \$39,900.00 | \$49,875.00 | \$59,850.00 | \$69,825.00 |

**Response of the Pilot Scheme on
Community Care Service Voucher for the Elderly
(as at 27 December 2013)**

| | |
|----------------------------|--------------|
| Number of invitations sent | 8 500 |
| Number of replies pending | 2 294 |
| Number of replies received | 6 206 |

Categories of replies received

| | |
|---|--------------|
| Number of participants (a) | 749 |
| Number of decline (b) | 4 476 |
| Number of ineligible applicants (c) | 981 |
| Total (a+b+c) | 6 206 |
| Rate of participation (only includes those who have replied and eligible, i.e. [(a)/(a+b)]*100%)) | 14% |

Reasons for decline [i.e. (b) above]

| | |
|---|------------|
| Have carers, including family members or domestic helpers | 49% |
| Only want to receive residential care service | 22% |

Reasons for ineligibility [i.e. (c) above]

| | |
|---|------------|
| Admitted to residential care homes | 63% |
| Pending for admission to subsidised community care services | 13% |

Co-payment position [i.e. (a) above]

| Category | Amount | Number of participants | |
|----------|---------|------------------------|-------|
| I | \$500 | 564 * | 75% * |
| II | \$750 | 53 | 7% |
| III | \$1,000 | 74 | 10% |
| IV | \$1,500 | 13 | 2% |
| V | \$2,500 | 45 # | 6% |
| | Total | 749 | 100% |

* 168 participants are CSSA recipients (i.e. 22% out of the total of 749 participants).

22 participants refuse to have means test and are ready to pay \$2,500.