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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council
Secretariat for the meeting on 13 January 2014**

Pilot Scheme on Community Care Service Voucher for the Elderly

Purpose

This paper provides a brief account of the past discussions at the Panel on Welfare Services ("the WS Panel") and the Joint Subcommittee on Long-term Care Policy ("Joint Subcommittee") regarding the Pilot Scheme on Community Care Service Voucher for the Elderly ("Pilot Scheme").

Background

2. According to the Administration, the Government upholds the principle of "ageing in the community as the core, institutional care as back-up" in elderly care services. This is in line with most elders' wish as they cherish the support from their families and the sense of belonging that a familiar community offers. To facilitate elders to age in place, the Social Welfare Department ("SWD") has commissioned non-governmental organizations ("NGOs") through subvention or contract payment to offer a wide range of community care services ("CCS") for the elderly. These services include centre-based day care services and home-based services, covering personal care, nursing care, rehabilitation exercises, meal delivery and escort services, etc. Users include both elders who wish to stay in the community and those who are on the waiting list for subsidized residential care places. All users are required to pay service charges. The fee for home care varies, depending on the user's household income and service usage. For day care, users pay standard rates.

3. In July 2011, the Elderly Commission ("EC") published its

consultancy study report on CCS for the elderly, which examined how CCS could be strengthened through a more flexible and diverse mode of service delivery to provide better support for elders who aged at home. One of the key recommendations is for the Government to introduce a CCS voucher scheme which allows eligible elders to choose CCS that suit their needs.

4. Taking on board the EC's recommendation, the Administration introduced a four-year pilot CCS voucher scheme to provide more direct subsidy to elders who had long-term care services needs to facilitate them to age at home. Adopting a new funding mode of "money-follows-the-user", the Pilot Scheme comprised two phases. The First Phase was launched in September 2013 (lasting for two years) with a maximum of 1 200 vouchers issued to moderately impaired elderly applicants in eight selected districts. The Second Phase will commence in 2015-2016.

Deliberations by members

Co-payment and means test

5. In discussing the findings and recommendations of the EC's consultancy study on CCS for the elderly at the WS Panel meeting in 2011, some members were gravely concerned about the introduction of means-tested mechanism and the "users pay principle" for subsidized CCS. According to EC, the objective of the EC study was to examine ways to strengthen CCS for elders through a more flexible approach and diverse mode of service delivery. The provision of CCS voucher would serve as an incentive to encourage eligible elders who were waiting for residential care services to opt for CCS under the dual option system, and they would remain on the waiting list for subsidized residential care places for the elderly while using the voucher. The recommendation of introducing CCS voucher based on the principles of affordability and shared responsibility might help to address the varying needs of different sectors of the older population and throw light on the discussion on the effective use of public resources. It was mindful of the controversies in the proposal.

6. Members noted with concern that a sliding scale of co-payment (the five levels of \$500, \$750, \$1,000, \$1,500 and \$2,500) would be determined based on a means test mechanism. Some members expressed concern that the introduction of the voucher scheme was a move towards privatization

of subsidized services by inviting private operators to join the market. They were concerned whether the existing CCS users would have to pay more for CCS to be provided by private operators. Members also asked about the co-payment arrangement in case the actual service cost had exceeded the voucher value.

7. The Administration advised that the services provided under the Pilot Scheme would remain subsidized, with Government funding ranging from at least 50% to 90% of the voucher value for all service users. In line with the EC's recommendation, there would be a sliding scale of co-payment, so that the less that the user could afford, the more the Government would pay. Users could top up their payment to enjoy additional and non-essential services.

8. The Administration further advised that in line with the existing practice, means test would be applied to assess the household income of the service users. This would help ascertain the elders' real need for assistance and allocate public resources in a more prudent manner. The asset value of the elders and their household was not subject to means test.

9. The Administration further assured members that the introduction of the Pilot Scheme would not affect existing subsidized CCS provision. The Administration would continue its efforts in providing more subsidized CCS and residential care places funded by the conventional financing mode.

10. In response to members' concerns about the affordability of elderly persons to meet the costs of CCS under the Pilot Scheme, the Administration advised that voucher holders on Comprehensive Social Security Assistance ("CSSA") might apply for a special grant under CSSA to cover part of the co-payment under the Pilot Scheme. During the First Phase of the Pilot Scheme, eligible CSSA recipients needed to pay a monthly co-payment of \$500 but might receive reimbursement of either \$207 (under mixed mode of service) or \$149 (single mode of service) per month from Social Security Field Units of SWD. The reimbursement would put them in a similar position as those CSSA recipients who were receiving CCS under the conventional approach.

Voucher value

11. When the WS Panel was consulted on the preliminary design of the Pilot Scheme, members were advised that the voucher value for the First Phase, for elders with impairment at moderate level, was set at \$5,000 per

month. Noting that the unit cost for subsidized day care service was around \$7,500 per month and that for Enhanced Home and Community Care Services ("EHCCS") was around \$3,500 per month, some members questioned the rationale and basis for setting the voucher value at \$5,000. Some members considered that different voucher values should be set to cater for the specific needs of voucher holders. The Administration explained that as the services available to users under the Pilot Scheme were similar to the existing CCS, the voucher value should be comparable to existing service costs. The unit costs for subsidized day care service and EHCCS provided some indication of the voucher value which offered service either in a mixed mode of day care and home care services or a single mode of day care service.

12. Members were advised that as the service users were moderately impaired and had similar care needs in the First Phase of the scheme, the Administration therefore proposed one single voucher value for all users at \$5,000 per month. In addition, this would allow for a simpler design for the benefit of both the operators and the service users to get familiarized with the scheme. The Administration would consider setting different voucher values in the Second Phase to cater for the more diverse care needs of service users. Noting that the voucher value would be increased to \$5,800 per month when the Pilot Scheme was launched in September 2013, members were concerned that the increased value was still unable to cover the costs of CCS by voucher holders.

Eligibility and double benefit

13. Concerns were raised by deputations at the Joint Subcommittee meeting on 24 June 2013 that the scope and capacity of the First Phase of the Pilot Scheme were restrictive, as it would only be implemented in eight districts and the number of vouchers to be issued was limited to 1 200. They were of the view that the coverage of the First Phase should be extended to elderly persons with low impairment and under the age of 60.

14. According to the Administration, the voucher scheme to be launched in 2013-2014 would adopt a new funding mode, whereby the Government provided subsidy directly to the service users instead of the service providers. In the first two years (i.e. the First Phase), the Administration would start with elders who had been assessed by SWD's Standardized Care Need Assessment Mechanism for Elderly Service ("SCNAMES") to have impairment at moderate level. Due to public resource constraints, eligible participants of the First Phase were elderly persons living in the eight selected districts who were on the Central Waiting List under

SCNAMES. Subject to the outcome of the First Phase, it would include elders with severe impairment, whose care needs were more complicated, in the Second Phase.

15. Noting that the Administration was studying the feasibility of launching a pilot scheme on carer allowance for the elderly under the Community Care Fund, some members held the view that the provision of carer allowance for the elderly and of the CCS vouchers should not be mutually exclusive. The Administration explained that the subject matter of carer allowance for the elderly was at the initial stage of study. Details, including coverage of the carer allowance, had not yet been worked out.

Case management approach

16. Regarding the case management approach adopted for service matching, quality monitoring and cost control under the Pilot Scheme, members were concerned about the impartiality of the case managers in drawing up care plan for voucher holders, if they were to be performed by the service providers.

17. The Administration advised that as there was only one single voucher value for all users who had similar care needs in the first phase of the Pilot Scheme, there was little budgeting function to perform and less conflict of interests in care planning and service provision. Therefore, the Administration considered that case management could be provided by the service providers in the First Phase. It would consider inviting impartial external parties to perform the functions of case management in the Second Phase.

Quality monitoring mechanism

18. Some members expressed concern about the possible decline in service quality with the joining in of more novice service providers and the increasingly acute shortage of manpower in the elderly care sector. They called on the Administration to put in place a quality monitoring mechanism to monitor the performance of service providers.

19. The Administration advised that it was fully aware of the importance of monitoring service quality for the Scheme. SWD invited eligible NGOs and social enterprises ("SEs") to submit applications for being Recognized Service Providers ("RSPs"), which would be assessed by a vetting committee. A total of 62 eligible RSPs to be operated by 29 NGOs and two SEs were selected for the First Phase. A monitoring

mechanism, with a set of standardized assessment tool for measuring service outcomes, would be in place for the implementation of the Pilot Scheme. SWD would conduct review visits to and random checks on RSPs to audit all relevant records and files, such as service hours for individual voucher holders and fee-charging.

20. As regards manpower planning, the Administration assured members that it had solicited the support of various training institutes to increase the supply of training places. The Education Bureau had also undertaken to develop a qualifications framework for the elderly care service sector, with a view to attracting more new entrants to the field.

Relevant papers

21. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
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Appendix

Relevant papers on Pilot Scheme on Community Care Service Voucher for the Elderly

Committee	Date of meeting	Paper
Panel on Welfare Services	11 July 2011 (Item III)	Agenda Minutes
Panel on Welfare Services	22 August 2011 (Item I)	Agenda Minutes
Panel on Welfare Services	21 October 2011 (Item I)	Agenda Minutes
Panel on Welfare Services	13 February 2012 (Item V)	Agenda Minutes
Panel on Welfare Services	27 April 2012 (Item I)	Agenda Minutes
Panel on Welfare Services	21 January 2013 (Item I)	Agenda Minutes
Joint Committee on Long-term Care Policy	26 March 2013 (Item I)	Agenda Minutes
Joint Committee on Long-term Care Policy	28 May 2013 (Item I)	Agenda Minutes
Joint Committee on Long-term Care Policy	24 June 2013 (Item I)	Agenda Minutes