

**For discussion  
on 11 January 2016**

**Legislative Council Panel on Welfare Services**

**The Second Phase of the Pilot Scheme on  
Community Care Service Voucher for the Elderly**

**Purpose**

This paper briefs Members on the implementation details of the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly (Pilot Scheme).

**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 people. To this end, the Government provides a range of subsidised community care services (CCS), which includes centre-based and home-based services.

3. The Elderly Commission (EC) commissioned, in 2010, a consultancy study on CCS for the elderly to examine how CCS could be better provided through a more flexible and diverse mode of service delivery. The consultancy study report was released in July 2011. EC recommended, among others, that the Government could introduce a voucher scheme to allow eligible elderly persons to choose CCS that suited their needs. Taking on board EC’s recommendations, the Government secured \$380 million from the Lotteries Fund (LF) to launch the First Phase of the Pilot Scheme in September 2013.

**Objectives of the Pilot Scheme**

4. The Pilot Scheme aims at testing the viability of a new funding mode whereby the Government adopts the “money-following-the-user” approach and provides subsidy directly to service users (instead of service

providers) in the form of a service voucher. Eligible elderly persons may choose the service provider, the type of service and the service package that suit their needs. The introduction of the Pilot Scheme is a step towards the development of a vibrant CCS sector to meet the increasing demand for CCS arising from the ageing population. In particular, the voucher scheme may encourage participation of different types of service providers and provide incentive for them to promote flexibility and diversity of CCS, improve service quality and be more responsive to the users' needs.

### **Implementation Progress of the First Phase**

5. Based on the order of application dates for long term care (LTC) service on the Central Waiting List (CWL), the Social Welfare Department (SWD) had invited eligible elderly persons through their Responsible Workers (RWs) to join the Pilot Scheme.

6. We briefed Members of this Panel on the progress of the First Phase implementation of the Pilot Scheme on 13 January 2014, 10 November 2014 and 8 June 2015. At its meeting held on 8 June 2015, the Panel requested information on the number of places offered and the number of vouchers received by each recognised service provider (RSP). The requested information and updates are set out in **Annex 1**.

7. As of 31 October 2015, a total of 2 650 elderly persons had participated in the Pilot Scheme, with 1 368 being current voucher holders<sup>1</sup>. Among these 1 368 voucher holders, 1 114 were receiving services from RSPs and the remaining 254 were choosing their desired service providers and/or service packages. Summary figures on the progress of implementation of the First Phase are provided in **Annex 2**.

### **Mid-term Evaluation of the First Phase of the Pilot Scheme**

8. SWD has commissioned the Sau Po Centre on Ageing (COA) of The University of Hong Kong to conduct an evaluation study on the First Phase of the Pilot Scheme. A mid-term evaluation, which covers

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<sup>1</sup> Owing to natural turnover of voucher holders and for fuller utilisation of resources, SWD may issue slightly more than 1 200 vouchers.

data collected from January to September 2014, has been completed. We briefed Members on the initial findings at this Panel's meeting held on 8 June 2015. While data collection was based on a relatively short period of service provision, the mid-term evaluation reveals the following key findings -

- (a) on the whole, the Pilot Scheme promoted greater choice, enabled service users to select their preferred RSPs and services that best fit their needs, and was effective in elevating frail elderly persons' self-perceived health and quality of life as well as significantly reducing their caregivers' stress and burden;
- (b) whether users would opt for the voucher depended on their understanding of the Pilot Scheme; whether voucher services met their needs; whether their decision-making was supported by recommendations from RWs and family members; whether there were RSPs in close proximity; and financial considerations;
- (c) among those who had left the Pilot Scheme, there were views reflecting inadequate service volume, inflexibility and inaccessibility of service, limited service options, user's lack of understanding of CCS voucher, unwillingness to co-pay and extra top-up services not being affordable. In particular, the lack of suitable service packages at different voucher values and the absence of the option of full-time day care service and home-based only service were found to be common reasons for those who left the Pilot Scheme; and
- (d) meanwhile, among RWs, some considered that more training and supervision was required to help staff get prepared for implementing the Pilot Scheme, apart from the need for a change in mindset to work competently within this new market-oriented service mode. There were expectations for SWD to provide better service coordination and management in implementing and promoting the Pilot Scheme in each district.

9. Accordingly COA has recommended that the following enhancement should be incorporated into the Second Phase of the Pilot Scheme -

- (a) instead of confining the choice to two service modes, a more flexible and personalised approach should be adopted so as to allow users to decide the most suitable mix of services and modes that best supports their community living;
- (b) expanding the service providers' pool for enhancing service quality and diversity by encouraging more non-governmental organisations (NGOs) and social enterprises (SEs) to become RSPs, and by including private organisations;
- (c) instead of a single voucher value, different voucher values should be set having regard to the pattern of service utilisation of service users with co-payment values based on means test;
- (d) providing ongoing training for RWs and RSPs on CCS voucher scheme, updating them on the latest development of the scheme, and creating an easily accessible communication platform to provide most updated information directly for all stakeholders; and
- (e) enhancing the involvement of District Social Welfare Offices (DSWOs) in the CCS voucher implementation.

10. The mid-term evaluation report has now been uploaded to the SWD website (<http://www.swd.gov.hk>).

### **Proposed Implementation Details of the Second Phase of the Pilot Scheme**

11. Having regard to the recommendations in the consultancy study report on CCS released by EC in 2011, the operational experience and the mid-term evaluation findings of the First Phase of the Pilot Scheme, as well as the views gathered during consultations with RSPs of the First Phase in November 2015 and with EC in December 2015, we propose introducing a number of enhancements in the Second Phase of the Pilot Scheme to facilitate more personalised choices for elderly persons to meet their diverse needs.

12. Key features of the Second Phase are set out below -

**(a) *Target service beneficiaries***

The scope of the Second Phase will be expanded to include not only elderly persons who are moderately impaired as assessed under the Standardised Care Need Assessment Mechanism for Elderly Services but also those who are assessed as severely impaired. Same as the First Phase, eligible elderly persons for the Second Phase will be those who are on CWL and are not receiving any kind of residential care service (RCS) or subsidised CCS. The coverage under the Second Phase will be extended from eight districts to all the 18 districts over the territory.

**(b) *Service capacity and mode***

An additional 1 800 vouchers will be issued in the Second Phase, up to a maximum of 3 000 if the existing 1 200 voucher holders of the First Phase choose to opt for migrating to the Second Phase.

The Second Phase voucher holders will be free to choose full-time or part-time centre-based CCS or home-based CCS to enhance service flexibility and cater for the diversified needs of elderly persons. To further promote ageing-in-place, residential respite service (RRS) will be recognised as one of the voucher service items in the Second Phase and voucher holders may purchase RRS using the monthly voucher value. The mode of service delivery under the Second Phase will comprise –

- (i) centre-based CCS only;
- (ii) home-based CCS only; and
- (iii) a mixture of (i) and (ii).

The proposed inclusion of full-time centre-based service and home-based only service, which are not available in the First Phase, will cater for the needs of the users who prefer such service modes.

**(c) *RSPs***

We have invited NGOs and non-profit organisations (including SEs) with the experience of providing CCS or RCS to serve as RSPs under the First Phase. In line with COA's recommendation of expanding the service providers' pool under the CCS voucher scheme for enhancing service quality and diversity, we will expand

the pool of RSPs under the Second Phase to include private organisations. To ensure quality of service, we plan to confine the inclusion of private organisations to those which have at least 12-month proven experience in providing CCS for the elderly.

***(d) Voucher Value***

Unlike the First Phase where a single voucher value is fixed for all service users (at \$6,250 at 2015-16 price level), five different voucher values (i.e. \$8,300, \$7,000, \$6,250, \$5,000 and \$3,500 at 2015-16 price level) will be offered in the Second Phase to suit individuals' needs. This is in line with COA's recommendation of setting different voucher values based on the pattern of service utilisation by service users.

RSPs will be required to list out the price of each and every CCS item (e.g. rehabilitation exercise, personal care service, home-making, meals delivery, etc.) for users' reference and choice. The prices of service items will need to be approved by SWD<sup>2</sup>. On the advice of RWs, individual voucher holders are free to choose the appropriate voucher value and care and/or support service packages from RSPs to suit their needs. This is similar to the existing arrangement under conventional CCS whereby users are free to choose the service type and service volume according to their needs. There will be annual adjustment of voucher value for both government subsidy and co-payment according to the Composite Consumer Price Index.

***(e) Co-payment and means test***

In line with EC's recommendation, two fundamental principles underpin the voucher scheme: first, elderly care is a shared responsibility of taxpayers and service users; and second, those who can afford should pay more so that public resources can be deployed to assist elderly persons who are most in need. Elderly persons participating in the First Phase of the Pilot Scheme are required to make co-payment with amounts determined based on their household income. The co-payment rates are set at five levels on a sliding scale so that the less that the user can afford, the more the Government pays.

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<sup>2</sup> RSPs may set prices for individual CCS items within the permitted ceiling prices recognised by SWD. RSPs have to agree with the users on the constituents of the service packages according to users' care needs.

For the Second Phase, six co-payment categories on a sliding scale will be adopted, including an additional co-payment category designated for voucher holders who are on Comprehensive Social Security Assistance (CSSA). For better convenience, voucher holders on CSSA under the Second Phase will not need to approach the Social Security Field Units of SWD for reimbursement of special grants. They will only need to co-pay the voucher amount which is non-reimbursable under CSSA. The co-payment amount will depend on the volume and type of service usage and the household income of the voucher holder concerned. The co-payment ratios of the Second Phase generally mirror those of the First Phase (see **Annex 3**).

Same as the First Phase, the means test will be conducted by the Voucher Office of SWD. To determine the level of co-payment made by voucher holders, the Voucher Office will take into account their household incomes, with reference made to the updated quarterly Median Monthly Domestic Household Income.

***(f) Top-up Payment***

Same as the First Phase, voucher holders in the Second Phase may choose to make top-up payment out of their pockets to purchase additional services from RSPs above the voucher value.

***(g) Monitoring of RSPs and Assistance to Voucher Users***

In the Second Phase, SWD will continue to monitor the service quality of individual RSPs through unannounced visits and random checks to audit the relevant records and files such as service packages, records on payment and service hours and complaint investigations. SWD will also monitor RSPs by checking the receipts issued to users for the service items and the expenditure with reference to the RSPs' proposed price list. RSPs will be required to comply with the relevant LF requirements.

To step up service monitoring of RSPs and provide assistance for voucher users, a Centralised Team will be set up under SWD. The Team will serve as the first point of contact for potential voucher users and provide in collaboration with RWs dedicated support and assistance for voucher users including the provision of information

on RSPs and assistance for elderly persons for decision-making in respect of their application for vouchers, selection of RSPs and service packages, switch to another RSP where necessary, etc. This would help enhance elderly persons' understanding of the voucher service and facilitate their making choices of RSPs and the required services. The Centralised Team arrangement could also help minimise the potential conflict of interest of RWs who are themselves staff of the NGOs serving as RSPs. With the setting up of the Centralised Team, central co-ordination on information updating and monitoring of service delivery by RSPs will be strengthened and collaboration with DSWOs on service promotion at district level will be enhanced.

***(h) Seed Money to RSPs as Set-up Cost***

In the Second Phase, the seed money provision will be confined to non-profit-making organisations only. The application criteria for seed money under the Second Phase will be refined to tally with the existing provision and cost standard for subsidised CCS.

**Invitation of Participants**

13. SWD will, based on the order of LTC application dates of the eligible persons on CWL, send invitations directly to the elderly persons/their carers, while informing their RWs. In the invitation letter, the elderly persons/their carers will be advised to contact the SWD Centralised Team or their RWs for enquiry or assistance. Eligible elderly persons/their carers may apply for the voucher through their RWs or the SWD Centralised Team. Same as the First Phase, as and when an elderly person participates in the Pilot Scheme, SWD will de-activate his/her LTC service application on CWL. Nevertheless, upon request by the elderly person concerned, his/her application will be re-activated with the waiting position resumed according to the original application date.

14. A table summarising the proposed features of the Second Phase as compared with the First Phase of the Pilot Scheme is at **Annex 4**.

**Evaluation**

15. SWD will commission a tertiary institution to conduct an



evaluation study on the implementation of the Second Phase and to assist in working out the way forward for the Pilot Scheme.

### **Implementation Timetable**

16. SWD will seek one-off funding from LF to implement the Second Phase of the Pilot Scheme, which will last for two years. The First Phase users are allowed to either stay put in the First Phase till the end of the Pilot Scheme or opt to migrate to the Second Phase. SWD will make preparation for the launch of the Second Phase by the third or fourth quarter of 2016.

### **Advice Sought**

17. Members are invited to comment on the implementation of the Second Phase of the Pilot Scheme.

**Labour and Welfare Bureau  
Social Welfare Department  
January 2016**

**Number of places offered and number of vouchers received by each recognised service provider (RSP) under the First Phase of the Pilot Scheme**

No.	RSP	Day Care Capacity	No. of elderly persons receiving service <sup>1</sup>	Day Care Capacity	No. of elderly persons receiving service <sup>1</sup>
		as at 30.4.2015		as at 31.10.2015	
1.	E 1	20	33	20	37
2.	E 2	20	29	20	33
3.	E 3	10	27	10	25
4.	E 4	12	25	12	25
5.	E 5	10	17	10	20
6.	E 6	10	10	10	14
7.	E 7	10	7	10	10
8.	E 8	53	5	53	14
9.	E 9	3	3	8	5
10.	KT 1	20	32	20	38
11.	KT 2	24	29	24	33
12.	KT 3	15	29	15	35
13.	KT 4	20	19	20	22
14.	KT 5	10	16	10	14
15.	KT 6	14	14	26	19
16.	KT 7	15	13	15	14
17.	KT 8	20	7	20	12
18.	KT 9	10	7	10	4
19.	KT 10	10	3	10	4
20.	KT 11	6	3	6	3
21.	KT 12	14	1	14	6
22.	WTS 1	25	34	40	43
23.	WTS 2	20	29	20	34
24.	WTS 3	20	27	20	34
25.	WTS 4	10	20	10	20
26.	WTS 5	10	19	10	19

<sup>1</sup> The day care service under the First Phase of the Pilot Scheme is part-time in nature, i.e. one day care place can serve more than one voucher holder who may attend the centre on different sessions/days. Hence, the number of elderly persons receiving services can be larger than the day care capacity of the RSP.

No.	RSP	Day Care Capacity	No. of elderly persons receiving service <sup>1</sup>	Day Care Capacity	No. of elderly persons receiving service <sup>1</sup>
		as at 30.4.2015		as at 31.10.2015	
27.	WTS 6	5	10	5	10
28.	SSP 1	24	20	24	19
29.	SSP 2	20	19	20	20
30.	SSP 3	12	13	12	15
31.	SSP 4	13	10	13	12
32.	SSP 5	5	10	5	10
33.	SSP 6	5	10	5	10
34.	SSP 7	10	12	10	15
35.	SSP 8	10	5	10	8
36.	SSP 9	6	0	6	0
37.	ST 1	40	52	40	59
38.	ST 2	20	22	20	20
39.	ST 3	10	21	10	21
40.	ST 4	20	11	20	12
41.	ST 5	15	11	15	21
42.	ST 6	10	11	10	11
43.	ST 7	6	11	6	7
44.	ST 8	10	8	10	10
45.	ST 9	10	8	10	8
46.	ST 10	6	6	6	3
47.	ST 11	20	3	20	5
48.	TP 1	35	26	35	32
49.	TP 2	20	21	20	19
50.	TP 3	13	12	13	11
51.	TP 4	12	12	12	12
52.	TP 5	24	9	24	9
53.	TP 6	12	8	12	8
54.	TW 1	10	32	15	34
55.	TW 2	10	21	10	16
56.	TW 3	20	18	20	16
57.	TW 4	10	7	10	4
58.	TM 1	20	28	20	37
59.	TM 2	15	27	20	29

No.	RSP	Day Care Capacity	No. of elderly persons receiving service <sup>1</sup>	Day Care Capacity	No. of elderly persons receiving service <sup>1</sup>
		as at 30.4.2015		as at 31.10.2015	
60.	TM 3	10	18	12	21
61.	TM 4	8	14	8	16
62.	TM 5	16	13	16	17
	Total:	923	997	967	1 114

**Progress of Implementation of the Pilot Scheme on  
Community Care Service Voucher for the Elderly  
(as at 31 October 2015)**

Current number of voucher holders (a)	<b>1 368</b>
Accumulative number of voucher holders (b)	<b>2 650</b>
Number of former voucher holders (c) = (b) – (a)	<b>1 282</b>

**Types of former voucher holders** [i.e. (c) above][findings from SWD questionnaires]

<b><i>Related to natural turnover</i></b>	
Will be admitted/have been admitted to subsidised CCS or subsidised/private RCS	<b>527</b>
Deceased	<b>185</b>
Have carers, including family members or domestic helpers	<b>184</b>
Others (e.g. hospitalisation, out of town)	<b>44</b>
<b><i>Related to service</i></b>	
No suitable service providers / service packages	<b>342</b>
Total:	<b>1 282</b>

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

Category	Amount	Number of voucher holders	
I	\$500	920 *	67% *
II	\$750	138	10%
III	\$1,000	153	11%
IV	\$1,500	30	2%
V	\$2,500	127 #	10%
	Total	1 368	100%

\* 219 voucher holders are CSSA recipients (i.e. 16% of a total of 1 368 voucher holders), who are eligible for getting reimbursement of part of the payment.

# 95 voucher holders do not disclose their household income and are ready to pay \$2,500.

**Household Monthly Income & Six Categories of Co-payment  
for the Second Phase of the Pilot Scheme on CCS Voucher for the Elderly (Price Level: 2015-16)**

Co-payment Category	Designated Co-payment Category for CSSA voucher holders	I	II	III	IV	V <sup>Note</sup>
Co-payment %	5%	8%	12%	16%	25%	40%

Household Size	CSSA Recipient	75% of MMDHI	>75% - 100% of MMDHI	> 100% - 150% of MMDHI	> 150% - 175% of MMDHI	Exceeding 175% of MMDHI
1		≤ \$7,500	\$7,501 - \$10,000	\$10,001 - \$15,000	\$15,001 - 17,500	> \$17,500
		50% of MMDHI	> 50% - 75% of MMDHI	> 75% - 125% of MMDHI	> 125% - 150% of MMDHI	Above 150% of MMDHI
2		≤ \$9,500	\$9,501 - \$14,250	\$14,251 - \$23,750	\$23,751 - \$28,500	> \$28,500
3		≤ \$13,500	\$13,501 - \$20,250	\$20,251 - \$33,750	\$33,751 - \$40,500	> \$40,500
4		≤ \$18,000	\$18,001 - \$27,000	\$27,001 - \$45,000	\$45,001 - \$54,000	> \$54,000
5		≤ \$22,700	\$22,701 - \$34,050	\$34,051 - \$56,750	\$56,751 - \$68,100	> \$68,100

Voucher Value	Co-payment Amount for Different Voucher Values					
\$8,300	\$415	\$660	\$1,000	\$1,320	\$2,075	\$3,320
\$7,000	\$350	\$560	\$840	\$1,120	\$1,750	\$2,800
\$6,250	\$310	\$500	\$750	\$1,000	\$1,560	\$2,500
\$5,000	\$250	\$400	\$600	\$800	\$1,250	\$2,000
\$3,500	\$175	\$280	\$420	\$560	\$875	\$1,400

Note : Also for those who do not wish to be subject to means test

Based on Median Monthly Domestic Household Income (MMDHI) of the third quarter of 2015

**Comparison of the  
Key Features of the First Phase and the Second Phase of the  
Pilot Scheme on Community Care Service Voucher for the Elderly**

	<b>First Phase</b>	<b>Second Phase</b>
<b>Frailty level of the target service beneficiaries</b>	<ul style="list-style-type: none"> <li>Moderate impairment</li> </ul>	<ul style="list-style-type: none"> <li>Moderate or severe impairment</li> </ul>
<b>Number of pilot districts</b>	<ul style="list-style-type: none"> <li>8 districts</li> </ul>	<ul style="list-style-type: none"> <li>18 districts in the territory</li> </ul>
<b>Recognised service providers</b>	<ul style="list-style-type: none"> <li>NGOs / SEs having experience in elderly care service, either CCS or RCS</li> </ul>	<ul style="list-style-type: none"> <li>NGOs / SEs having at least 12-month proven experience in elderly care service, either CCS or RCS</li> <li>Private organisations having at least 12-month proven experience in CCS for the elderly</li> </ul>
<b>Voucher capacity</b>	<ul style="list-style-type: none"> <li>1 200</li> </ul>	<ul style="list-style-type: none"> <li>1 800 (maximum 3 000 including 1 200 migrating from the First Phase)</li> </ul>
<b>Scope of service</b>	<ul style="list-style-type: none"> <li>Day care</li> <li>Home care</li> </ul>	<ul style="list-style-type: none"> <li>Day care</li> <li>Home care</li> <li>Residential respite service</li> </ul>
<b>Service delivery mode</b>	<ul style="list-style-type: none"> <li>Day care (part-time)</li> <li>Day care (part-time) and Home care</li> </ul>	<ul style="list-style-type: none"> <li>Centre-based (full-time or part-time)</li> <li>Home-based</li> <li>Centre-based and Home-based</li> </ul>
<b>Voucher value</b>	<ul style="list-style-type: none"> <li>Single voucher value (\$6,250 at 2015-16 price level)</li> </ul>	<ul style="list-style-type: none"> <li>Five voucher values (\$8,300, \$7,000, \$6,250, \$5,000 and \$3,500 at 2015-16 price level)</li> </ul>
<b>Co-payment</b>	<ul style="list-style-type: none"> <li>Five co-payment categories (\$500, \$750,</li> </ul>	<ul style="list-style-type: none"> <li>Six co-payment categories: five plus a designated</li> </ul>

	<b>First Phase</b>	<b>Second Phase</b>
	<p data-bbox="544 293 815 376">\$1,000, \$1,500 and \$2,500)</p> <ul data-bbox="480 394 874 801" style="list-style-type: none"> <li data-bbox="480 394 874 566">• Co-payment amount to be determined based on household income with reference to MMDHI</li> <li data-bbox="480 584 874 801">• Fixed co-payment amount regardless of annual adjustment of voucher value based on CCPI</li> </ul>	<p data-bbox="999 293 1394 472">co-payment category for CSSA voucher holders (5%, 8%, 12%, 16%, 25% and 40% of the voucher value)</p> <ul data-bbox="935 490 1382 853" style="list-style-type: none"> <li data-bbox="935 490 1382 663">• Co-payment amount to be determined based on household income with reference to MMDHI</li> <li data-bbox="935 680 1382 853">• Both government subsidy and co-payment to be adjusted annually based on CCPI</li> </ul>