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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council
Secretariat for the meeting on 11 January 2016**

Pilot Scheme on Community Care Service Voucher for the Elderly

Purpose

This paper provides a brief account of the past discussions by the Council and relevant committees relating to the Pilot Scheme on Community Care Service Voucher for the Elderly ("the 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. To facilitate elderly persons 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 elderly persons 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 services, users pay standard rates.

3. In July 2011, the Elderly Commission ("EC") published its report of the Consultancy Study on Community Care Services 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 elderly persons who aged at home. One of the key recommendations is for the Government to introduce a CCS voucher scheme, which allows eligible elderly persons to choose CCS that suit their needs.

4. Taking on board the EC's recommendation, the Administration introduced the Pilot Scheme to provide direct subsidy in the form of service vouchers for elderly persons who had long-term care ("LTC") services needs to facilitate them to age at home. Adopting a new funding mode of "money-following-the-user", the Pilot Scheme comprised two phases. The Administration secured \$380 million from the Lotteries Fund to launch the First Phase in September 2013. Since late July 2013, SWD had started inviting eligible elderly persons, based on the application date for LTC services in the Central Waiting List ("CWL"), to join the Pilot Scheme. By early April 2014, all the 1 200 vouchers had been issued to moderately impaired elderly applicants in eight selected districts.

5. According to the Administration, SWD has commissioned the Sau Po Centre on Ageing ("COA") of The University of Hong Kong to conduct an evaluation on the First Phase of the Pilot Scheme between November 2013 and July 2015. SWD has examined possible areas for refinement in the light of the initial findings and recommendations of the mid-term evaluation submitted by COA as well as other relevant views and considerations, with a view to drawing up the implementation details of the Second Phase of the Pilot Scheme.

Deliberations by Members

Co-payment and means test

6. Noting 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-tested mechanism under the Pilot Scheme, some Members worried that many elderly persons from low-income families could not afford the co-payment. They were of the view that it was wrong to adopt the "user pays" principle and introduce a means-test mechanism for subsidized CCS. Given the long waiting time for subsidized CCS or residential care services, some poor elderly persons had no choice but to opt for the Pilot Scheme although they could barely afford the co-payment. The Administration should draw up a holistic and long-term plan to address the inadequate provision of LTC services.

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 the user could afford, the more the Government would pay. Under the First Phase of the Pilot Scheme, around 80% of the voucher users were paying \$500 or \$750 a month (i.e. the lowest two levels of co-payment). Voucher users who required extra services could top up the payment. In addition, 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 elderly persons' real need for assistance and allocate public resources in a more prudent manner. The asset value of the elderly persons and their household was not subject to means test.

8. 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 about whether the existing CCS users would have to pay more for CCS to be provided by private operators. Expressing concern that the Pilot Scheme would thin out the resources for the existing subsidized CCS, some other Members considered that the conventional subvention approach rather than the voucher approach should be adopted for CCS. The Administration 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.

Voucher value and provision of voucher services

9. According to the Administration, voucher services were delivered in two modes, including the single mode which comprised part-time day care services (provided on Mondays to Saturdays, from 8 am to 6 pm) and the mixed mode which covered home care services and part-time day care services. Some Members were concerned that with the existing voucher value of \$6,250, voucher users could only receive three sessions of day care services at most. If voucher users wished to use home care services, they would have to give up some day care service sessions. These Members therefore urged the Administration to substantially increase the voucher value in the Second Phase so that Recognized Service Providers ("RSPs") would have more resources to enhance their services to meet the need of elderly persons.

10. The Administration advised that the voucher value of the Pilot Scheme would be adjusted according to the Composite Consumer Price Index. The voucher value was \$5,800 per month when the Pilot Scheme was first launched in September 2013 and had been increased to \$6,000 per month in 2014-2015 and further increased to \$6,250 per month in 2015-2016. Co-payment levels remained unchanged.

11. Regarding the provision of voucher services under the First Phase, the Administration advised that voucher users could use a maximum of five sessions and seven sessions under the mixed mode and the single mode respectively, and each session should not be shorter than four hours. Some RSPs had reflected that some elderly persons required full-time services and COA had recommended that more service packages should be provided for elderly persons in the Second Phase of the Pilot Scheme. The Administration would take into account views collected and COA's findings in formulating the Second Phase of the Pilot Scheme.

Participation rate and coverage

12. Some Members were concerned about the participation rate and service utilization rate of the First Phase of the Pilot Scheme. According to the Administration, as at end-September 2015, a total of 2 650 elderly persons, including 1 368 existing voucher holders, had participated in the Pilot Scheme. Among the voucher holders, 1 114 of them were using the services provided by RSPs and the remaining 254 voucher holders had not used the service. A total of 1 282 voucher holders had withdrawn from the Pilot Scheme.

13. In the light of the low participation rate and the high withdrawal rate, some Members considered that the Pilot Scheme was not welcomed by elderly persons. They cast doubt on whether the Pilot Scheme could provide quality and sufficient services for elderly persons to facilitate them to live in the community. To improve the participation rate and the utilization of services in the Second Phase of the Pilot Scheme, some Members held the view that more districts should be covered and the number of RSPs should be substantially increased. In addition, the scope of target beneficiaries should be reviewed.

14. The Administration advised that it hoped to cover all the 18 districts in the Second Phase of the Pilot Scheme. It also pointed out that COA had recommended that the Administration should expand the service providers' pool for enhancing service quality and diversity by encouraging more NGOs, social enterprises ("SEs"), self-financing service providers

and private organizations to become RSPs. In addition, the Administration would adjust the service package to reduce the withdrawal rate. Regarding the coverage of the Pilot Scheme, the Administration advised that the First Phase only covered elderly persons who were on CWL and were assessed by the Standardized Care Needs Assessment Mechanism for Elderly Services as moderately impaired. The Administration would explore expanding the scope of the Second Phase to cover elderly persons who were assessed as severely impaired. Moreover, the number of vouchers would be increased in the Second Phase.

15. Some Members were concerned about whether the Administration would consider setting up service centres for providing community or day care services for persons suffering from dementia under the Pilot Scheme. The Administration advised that among the 62 RSPs under the First Phase of the Pilot Scheme, six were providing care services for elderly persons with dementia and the Pilot Scheme would enable the provision of more specialized services for elderly persons with special care needs. The Administration welcomed RSPs to provide more specialized services in the Second Phase of the Pilot Scheme.

Case management approach

16. Regarding the case management approach adopted for service matching, quality monitoring and cost control under the Pilot Scheme, some 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. These Members took the view that case management should be performed by civil servants in the Second Phase of the Pilot Scheme as they did not have any vested interest. The engagement of impartial external parties as case managers should also be included in the COA's study.

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 for Pilot Scheme and manpower supply in elderly care sector

18. 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 for the Pilot Scheme 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 Pilot Scheme. SWD invited eligible NGOs and SEs to submit applications for being RSPs. After assessment by a vetting committee, a total of 62 eligible RSPs operated by 29 NGOs and two SEs were selected for the First Phase. During the implementation of the First Phase, SWD had been conducting regular review visits to all the 62 RSPs to monitor the provision of service in order to ensure their quality and compliance with service requirements. SWD had also maintained regular meetings with all RSPs to obtain their views and feedback on the First Phase for continuous service enhancement.

20. As regards manpower supply in the elderly care sector, the Administration advised that the "first-hire-then-train" pilot project ("Pilot Project") had been introduced to attract young people to join the elderly care services. Under the Pilot Project, young people were recruited to provide care services at residential care homes for the elderly and were provided with training on care services. The Administration would provide an additional 1 000 training places under the Pilot Project in the coming few years. Moreover, the Education Bureau had undertaken to develop a qualifications framework for the elderly care service sector, with a view to attracting more new entrants to the field.

21. The Administration further advised that in addition to frontline care workers, the elderly care sector also required paramedical staff such as nurses, occupational therapists and physiotherapists. SWD had collaborated with the Hospital Authority in offering the enrolled nurse training programme since 2006. SWD fully subsidized the tuition fees for the whole programme, provided that trainees of the programme met the requirement of working in the welfare sector for a continuous period of no less than two years after satisfactory completion of training. More than 80% of the trainees of the enrolled nurse training programme stayed in the welfare sector after completion of training. The Hong Kong Polytechnic University had offered two batches of two-year Master programmes in

Occupational Therapy and Physiotherapy, one in 2012 and the other in 2014. Each of these programmes had provided a total of about 60 training places and all the graduates of the programmes from the batch in 2012 had joined the welfare sector.

Latest development

22. The Panel will be consulted on the proposal for the implementation of the Second Phase of the Pilot Scheme at its meeting on 11 January 2016.

Relevant papers

23. 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	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
Panel on Welfare Services	13 January 2014 (Item V)	Agenda Minutes
Finance Committee	3 April 2014	Administration's replies to members' written questions in examining the Estimates of Expenditure 2014-2015 Pages 1034, 1232-1234 and 1617
Legislative Council	12 June 2014	Official Record of Proceedings Pages 6-77 Progress Report
Panel on Welfare Services	10 November 2014 (Item IV)	Agenda Minutes

Committee	Date of meeting	Paper
Finance Committee	2 April 2015	<u>Administration's replies to members' written questions in examining the Estimates of Expenditure 2015-2016 Pages 200, 261, 350 431, 1844 - 1851, 2042 and 2146</u>
Panel on Welfare Services	8 June 2015 (Item IV)	<u>Agenda</u> <u>Minutes</u>
Legislative Council	11 November 2015	<u>Official Record of Proceedings Pages 79-86</u>

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