

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1812/15-16(02)

Ref : CB2/PL/WS

**Panel on Welfare Services**

**Updated background brief prepared by the Legislative Council Secretariat  
for the meeting on 25 June 2016**

**Feasibility study on the Pilot Scheme  
on Residential Care Service Voucher for the Elderly**

**Purpose**

This paper gives an account of past discussions at meetings of the Panel on Welfare Services ("the Panel") on the feasibility study on the Pilot Scheme on Residential Care Service Voucher for the Elderly ("the Feasibility Study").

**Background**

2. According to the Administration, in view of an ageing population and increasing longevity, there will be a pressing need for the Administration to devise a viable financing model for long-term care ("LTC") services with due emphasis on residential care services ("RCS") and community care services ("CCS"). This includes, among others, a voucher that enables senior citizens and their families to exercise greater choice and control of their utilization of LTC services, which will also have the effect of incentivizing improvements to both RCS and CCS, as part of a longer-term strategy for providing elderly services in a sustainable manner.

3. The subject of an RCS voucher scheme was considered in the Consultancy Study on RCS for the Elderly commissioned by the Elderly Commission ("EC") in 2009, followed by EC's Consultancy Study on CCS for the Elderly released in 2011. Having taken on board EC's recommendation, the Administration implemented the four-year Pilot Scheme on CCS Voucher for the Elderly ("the CCSV Pilot Scheme") in September 2013. It aimed to experiment a new funding mode whereby the Administration

provided subsidy directly to service users instead of service providers so that money followed the users. The Administration considers that as the CCSV Pilot Scheme has been implemented, it will be opportune to explore the feasibility of introducing the Pilot Scheme on RCS Voucher for the Elderly ("the RCSV Pilot Scheme"), leveraging on the experience of designing the CCSV Pilot Scheme.

4. As announced by the Chief Executive in his 2014 Policy Address, EC would conduct the Feasibility Study and report to the Administration in a year's time. Since July 2014, a working group under EC has commenced the Feasibility Study. The consultant team commissioned by EC made preliminary recommendations with respect to the Feasibility Study in January 2015 and conducted a public engagement exercise in February 2015 to consult stakeholders about their views on the preliminary recommendations. In view of the public's concern about the service quality of residential care homes, the working group invited the consultant team to further examine the preliminary recommendations, especially on aspects including the quality assurance mechanism, complaint handling procedures and case management arrangements of the RCSV Pilot Scheme in June 2015. It is expected that the Feasibility Study will be completed by mid-2016. The Administration has earmarked about \$800 million for the implementation of the three-year RCSV Pilot Scheme, under which a total of 3 000 service vouchers will be issued in phases.

### **Deliberations by members**

5. Members had all along urged the Administration to enhance RCS for elderly persons. Nevertheless, they had divergent views on the Feasibility Study. Some members raised no objection to the exploration of an RCS voucher scheme. They, however, considered it necessary to have a clear policy direction for RCS, including the weighting of vouchers in RCS and the ratio of self-financing places and subsidized places in residential care homes for the elderly ("RCHEs"). In addition, services provided under an RCS voucher scheme should be comparable to services provided by subsidized RCHEs. Moreover, a voucher scheme should cover both elderly persons and persons with disabilities who were in need of institutional care. In any event, the Administration should allow more time for discussion of an RCS voucher scheme before consulting members on any proposals. Some other members expressed strong reservations about the Feasibility Study and wondered why the Administration had to explore the feasibility of an RCS voucher scheme when the first phase of the CCSV Pilot Scheme, which had a low participation rate, was still under review. They said that the results of EC's Consultancy Study on RCS for the Elderly conducted in 2009 did not recommend the introduction of an RCS voucher scheme as it might encourage some elderly persons who had no

pressing need for institutional care to use RCS. These members therefore did not support the Feasibility Study.

6. The Administration advised that according to the 2014 Policy Address, apart from carrying out the Feasibility Study in a year's time, EC was also tasked to draw up the Elderly Services Programme Plan ("the Programme Plan") within two years. EC would take forward the aforesaid two tasks concurrently so that the Programme Plan would provide a wider context for an RCS voucher scheme while an RCS voucher scheme would serve as an input to the Programme Plan. Besides, the feasibility exploration of an RCS voucher scheme would leverage on the experience in designing the CCSV Pilot Scheme. The Administration stressed that the introduction of the RCSV Pilot Scheme would be subject to the outcome of the Feasibility Study and EC's recommendation. At this stage, it had no plan to launch an RCS voucher scheme.

7. Regarding EC members' views on the RCSV Pilot Scheme, the Administration advised that whilst holding different views on RCS vouchers, EC members agreed that a study should be conducted to explore the feasibility of introducing an RCS voucher scheme. Should EC's study recommend the RCSV Pilot Scheme, the Administration would consult the Panel on the scheme before seeking the necessary funding approval from the Finance Committee of the Legislative Council ("LegCo").

8. Some members expressed concern about the participation rate and the service quality of the RCSV Pilot Scheme if the service under the Scheme would be provided mainly by RCHEs meeting the standards of the Enhanced Bought Place Scheme, of which the service quality was not on par with that of the subvented/contract RCHEs. While the RCSV Pilot Scheme could improve the unit subsidy and occupancy rate of participating RCHEs, these members took the view that it was not an effective solution to the problem of acute shortage of RCS. Noting that a means test was suggested for users on an individual basis under the RCSV Pilot Scheme, these members did not agree to the suggestion as they were worried that the Scheme would pave the way for the introduction of a means test to the existing subsidized CCS and RCS in future.

9. The Administration advised that the RCSV Pilot Scheme aimed to enable elderly persons, particularly those who were admitted to private RCHEs and were receiving Comprehensive Social Security Assistance, to receive better services. It also sought to reduce the waiting time for RCS by making use of places offered by self-financing RCHEs and private RCHEs. Since the "money-following-the-user" approach as well as the co-payment and top-up arrangements would be helpful to the sustainability of and the Administration's long-term commitment to the provision of RCS, the RCSV Pilot Scheme would test the viability of this new funding mode. Stressing that the conduct of the

Feasibility Study would not affect the Administration's present commitment to providing subsidized RCS for elderly persons, the Administration would continue its efforts to secure suitable sites for the construction of RCHEs and was actively following up on the projects under the Special Scheme on Private Owned Sites for Welfare Uses to increase the supply of subsidized RCS places.

10. Noting that the proposed RCS voucher value might be about two times of the CCS voucher value, some members were worried that the attention of social workers and elderly persons might be attracted to the RCSV Pilot Scheme, thereby affecting the provision of CCS. It might also trigger some participants of the CCSV Pilot Scheme to switch to the RCSV Pilot Scheme. In view of the inadequacy of resources committed to CCS and the uncertainty of service demand faced by CCS providers, these members considered that elderly persons with assessed care needs should be given service vouchers of a single value, with which they could choose to receive either CCS or RCS.

11. The Administration advised that given the scopes of CCS and RCS were different, the services provided under the two voucher schemes would not overlap. The Administration was also aware that some elderly persons might choose to receive CCS while waiting for subsidized RCS, and some elderly persons were assessed by the Social Welfare Department's Standardised Care Need Assessment Mechanism for Elderly Services as eligible for both CCS and RCS. The consultant team had therefore been asked to study whether the RCSV Pilot Scheme would affect the CCSV Pilot Scheme or bring out unintended consequences such as premature institutionalization. Furthermore, the Feasibility Study also put a heavy focus on measures to assist elderly persons in making informed decisions on the type of services they would receive, such as through the provision of case management services for voucher users. On the value of the RCS voucher, the Administration advised that the proposed RCS voucher value was not the same as that of a CCS voucher as the unit costs of RCS and CCS were different.

12. While agreeing that the RCS voucher was an important mode for the provision of LTC services, the Panel noted with concern that the social services sector and many elderly persons opposed the implementation of the RCSV Pilot Scheme. Members were also concerned that according to the preliminary data provided by the Administration, only a tenth of the elderly persons on the Central Waiting List were willing to consider the RCS voucher and agree to a means test. At its special meeting on 28 March 2015, the Panel passed a motion urging the Administration to temporarily suspend the implementation of the RCSV Pilot Scheme, reinstate an in-depth discussion and planning with the social services sector, elderly persons, their families and various stakeholders, and pre-empt the use of the allocated resources by assigning them to CCS to enhance both home care and day care services, with a view to gearing the service direction towards ageing in place.

## **Relevant papers**

13. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
22 June 2016

## Appendix

### Relevant papers on the feasibility study on the Pilot Scheme on Residential Care Service Voucher for the Elderly

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Welfare Services	23 January 2014 (Item II)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	10 March 2014 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	10 November 2014 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	9 February 2015 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	23 March 2015 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	28 March 2015 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>

Council Business Division 2  
Legislative Council Secretariat  
22 June 2016