

**To:**

Panel on Welfare Services  
Subcommittee on Issues Relating to the Future Development of Elderly Services Schemes  
Social Welfare Department, the Government of the Hong Kong Special Administrative Region

**From:**

長者資訊科技發展小組  
Information Technology Development for the Elderly (ITDE)

**Date:**

22<sup>nd</sup> of March 2016

**Venue:**

Conference Room 1 of the Legislative Council Complex

**Purpose:**

The purpose of this paper is to convey our views and opinions and provide our recommendations focusing on sub-theme B5, "Residential Care Services (RCS)" that was identified in the Final Report of the Scoping Stage of the development of ESPP<sup>1</sup> to the Panel on Welfare Services:

**Views and Opinions:**

- ***"Money-following-the-user" will not be truly effective if the numbers of service providers are limited***

As of 29<sup>th</sup> Feb 2016, there are almost 550 privately operated elderly homes operating in Hong Kong<sup>2</sup>, majority of these privately operated elderly homes are located in suburban Hong Kong which are well integrated with the local community in terms of its location and its culture.

If "money-following-the-user" only limits eligible elderly people to use their Residential Care Services Vouchers (RCSV) in operators that are similar to those in the CCSV, it will greatly reduce their options in selecting operators that are more closer to home that are more suitable to them.

Apart from service qualities and comfortable living environment, other unquantifiable requirements such as conveniences for visitors and knowledge of local area will be expected from elderly users and their family members when choosing Residential Care Services. By eliminating privately operated elderly homes (which makes up a majority of the elderly homes operators in Hong Kong) it limits elderly's options when selecting the most appropriate RCS providers.

- ***Let the users choose***

The quality of service of privately operated elderly homes was a concern for many participants during the Scoping Stage of the ESPP<sup>3</sup>, these concerns maybe were resulted from negative media reports on privately operated elderly homes in recent times. Eventhough some of these incidents were referred to as "one-off" events by the operators in question, it puts a dent in the general public's confidences on some of the privately operated elderly homes and whether or not RCSV should be extended to them.

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<sup>1</sup> <http://espp.socialwork.hku.hk/textonly/>

<sup>2</sup> <http://www.swd.gov.hk>

<sup>3</sup> Page 14, <http://espp.socialwork.hku.hk/images/scopingreport/ScopingReportFinal.pdf>

By extending the RCSV to privately operated elderly homes, it will promote competitions between operators and it will eventually lead to a rise in standards amongst different classes of operators and ultimately benefiting elderly users. In case of further unfavorable incidents, the users can decide the pros and cons in whether or not to stay in the elderly home in questions. Simply put, if users are allow to choose from a wider range of elderly homes, they can relocate themselves whenever they want if the service level is not up to their standards and expectations.

- **NGO operated versus privately operated elderly homes**

General beliefs that NGO operated elderly homes are better managed (not clearly proven) than privately operated elderly homes can be due to the amount of subsidies, rental, tax other concessions that NGO operators receive from different institutes, with these resources, NGO operators can obtain state of the art equipment, experienced professionals as well as implementation of proven management systems, but does this mean privately operated elderly homes without these subsidies and concessions cannot perform at the same level as NGOs?

According to a Hong Kong renowned Residential Aged Care Accreditation Scheme managed by the Hong Kong Association of Gerontology (HKAG), out of the 100 homes that were accredited by the Association, 20 of which are privately operated<sup>4</sup>, this is a good example that privately operated elderly homes can operate at a level that meet the HKAG's requirements even with limited resources when compared to NGOs operators.

Operators of people's related servicing industries (e.g. Elderly Homes, Kindergarten, Residential Care Homes for Persons with Disabilities, etc) cannot solely rely on hardware alone to achieve a successful operation. Hardware and software must work in tandem to promote a management culture "with people in mind".

With subsidies received at a disadvantage, privately operated elderly homes may find itself in a difficult situation when compared with other operators purely from a hardware perspective, however, as most privately operated elderly homes are "family" owned and managed, it adds a human perspective in their day to day management culture. It is this uniqueness of privately operated elderly homes that create a sense of "home" and "belonging" for its residents and it is this kind of software that other operators maybe not be able to achieved as they are managed under well defined protocol.

- **Government's role?**

As pointed out in the "Research Brief Issue No.1 2015-2016" titled "Challenges of population ageing" issued by the "Research Office of the Legislative Council Secretariat" in Dec 2015<sup>5</sup>, the number of elderly people aged 65 of above in Hong Kong will increased from 1.12million (1 in 6) in 2015 to 2.28million (1 in 3) in 2034.

With the increasing demand for Residential Care Services, the Government was urged to increase the number of subsidized RCS places, one of the solution the Government puts forward was to introduce Special Scheme for Privately Owned Sites for Welfare uses with a view to providing around 7000 RCS places, however, these 7000 places can only be provided in five to ten years time, "if it could be implemented smoothly".<sup>6</sup> Will 7000 additional places be sufficient to meet the ageing population's demands in RCS?

As seen from above, the Government requires other sustainable solutions with a much shorter implementation timeframe and effective use of existing available resources.

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<sup>4</sup> <http://www.hkag.org>

<sup>5</sup> <http://www.info.gov.hk/gia/general/201512/15/P201512150712.htm>

<sup>6</sup> Page 7, "Challenges of population ageing" issued by the "Research Office of the Legislative Council Secretariat" in Dec 2015, <http://www.info.gov.hk/gia/general/201512/15/P201512150712.htm>

**Recommendations:**

Based on our views and opinions expressed above, ITDE recommends the Panel on Welfare Services to consider the following recommendations:

1. Extend RCSV to the majority (if not all) privately operated elderly homes as it truly fulfills the "Money-following-the-user" spirits and let the user decides what kind of an elderly home they require from a majority of elderly home service providers in Hong Kong. This does not only make efficient use of existing resources with minimal impact on current users, it also assists to promote competitions amongst different operators that will ultimately benefiting end users.
2. Introduction of a new (or enhancements from existing) accreditation and/or leveling system where it can provide a clearer indication to the general public of the service quality of different elderly homes regardless whether they are NGO or privately operated so they can made an informed decision when selecting service providers.
3. Formally include privately elderly home operators in formulating future strategies for long term sustainable Government policies in Elderly Services Schemes.