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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 11 December 2017**

Provision of subsidized residential care places for the elderly

Purpose

This paper gives a brief account of past discussions of the Council and its committees on the provision of subsidized residential care places for the elderly.

Background

2. Subsidized residential care places are provided in subvented residential care homes for the elderly ("RCHEs") run by non-governmental organizations, contract RCHEs and private RCHEs participating in the Enhanced Bought Place Scheme ("EBPS") as well as self-financing nursing homes ("NHs") under the Nursing Home Place Purchase Scheme ("NHPPS"). The provision of subsidized places by service type and the number of elderly persons on the waiting lists as at end-May 2017 are set out in **Appendix I**.

3. Given that subsidized residential care places are in huge demand, access to subsidized RCHE places since November 2003 is subject to care need assessments under the Standardised Care Need Assessment Mechanism for Elderly Services. However, there is no means test for subsidized residential care places. Eligible elderly persons will be put on the Central Waiting List ("CWL") for subsidized long term care ("LTC") services.

Deliberations by Members

Supply of subsidized residential care places

4. According to the Administration, as at end-May 2017, the Social Welfare Department ("SWD") had earmarked sites in 27 development projects for the construction of new contract RCHEs, contract RCHEs with Day Care Units for the Elderly ("DCUs") and Day Care Centres for the Elderly ("DEs"). It was estimated that about 2 370 residential care places (including subsidized and non-subsidized places) and about 880 day care places for the elderly would be progressively provided starting from 2017-2018. This apart, SWD launched the Pilot Scheme on Residential Care Service Voucher for the Elderly in March 2017. A total of 3 000 vouchers would be issued from 2017 to 2019 by phases under this Pilot Scheme. The Administration further advised that it had received preliminary proposals from 43 welfare organizations under the Special Scheme on Privately Owned Sites for Welfare Uses ("Special Scheme"), involving 63 in-situ expansion, redevelopment or development projects. According to the Administration, if all the proposals received under the Special Scheme could be implemented smoothly, about 9 000 additional elderly service places would be provided.

5. On the provision of nursing home ("NH") places, the Administration advised that the proportion of NH places in contract RCHEs had been increased gradually from about 70% on average in 2010 to 90% in 2012 as places were upgraded upon contract extension or re-tendering. As at end-January 2016, SWD had provided a total of 1 991 subsidized places (about 90% of these places were NH places and 10% were care-and-attention home ("C&A") places) and a total of 502 new subsidized places (about 90% of these places would be NH places and 10% would be C&A places) would be provided from 2015-2016 and 2018-2019.

6. Members, however, noted that the actual number of additional subsidized NH places to be provided would depend on the response of the service operators and their response would indeed hinge on the purchasing price for NH places. The Administration advised that the purchasing price for NH places of self-financing RCHEs would be determined taking into account the manpower provision, rental, operating costs, etc. of individual homes.

7. Members were concerned about the slow progress of the conversion of subvented RCHEs places to C&A places with continuum of care ("COC"). According to the Administration, the conversion programme was effective in increasing the supply of C&A places with COC, and as at January 2014, all subsidized C&A places provided COC. To allow the elderly residents in NHs to be taken care of by the same home even when their health condition had deteriorated, the Administration planned to provide additional resources to

extend COC to subsidized NH places. Given the high residential fees for self-financing places at contract RCHEs, some Members suggested that instead of setting aside 40% of contract RCHE places as self-financing places, the Administration should subvent all places in contract RCHEs which were under the Administration's construction projects to accommodate more elderly persons with financial difficulties. Alternatively, the Administration should set a lower ratio of self-financing places in contract RCHEs at poverty stricken districts.

8. Members strongly called on the Administration to project the demand for LTC places for the elderly population so as to better plan for the additional number of residential care places to be provided in the coming years. In drawing up the service provision plan, the Administration should project the age at which an elderly person would normally require RCS and the percentage of such persons in the total number of applicants. Having regard to the fact that the provision of RCHEs was constrained by land supply, the Administration should explore other means. Some Members took the view that the Administration should formulate policies on providing RCHEs in both new and existing public rental housing ("PRH") estates. The use of ground-level vacant bays of domestic blocks under new PRH development projects for RCHEs should also be considered. The Administration should consider detaching DCUs from RCHEs so that it could have more flexibility in finding suitable premises for DCUs.

9. The Administration advised that welfare facilities would be provided under all new PRH development projects. SWD would discuss with the Housing Department with a view to securing more floor area in PRH estates for RCHEs. In addition to providing RCHEs with DCUs, the Administration would find suitable premises in PRH estates for stand-alone DEs. More than 220 DE/DCU places had been provided in 2014-2015 which included places in three stand-alone DEs in PRH estates. In formulating the Elderly Services Programme Plan ("ESPP"), the Elderly Commission ("EC") looked into the medium and long-term development of elderly services up to 2030. The consultant team engaged by EC examined the impact of the growing elderly population on the existing services and explored measures for a sustainable development. It also looked into the demand for and supply of LTC services, taking into account the welfare facilities to be provided under the Special Scheme. ESPP was submitted to the Government and released on 28 June 2017.

10. Some Members took the view that the Administration should review its piecemeal approach in planning for elderly care services. At present, elderly care services were provided in a fragmented and disconnected manner. If "ageing in place" was the Government's policy, home care services ("HCS") and day care services should be strengthened. According to the Administration, elderly persons might require support from family members or community care

services (i.e. HCS or day care services) before they were institutionalized due to deteriorating health conditions. Each elderly person on CWL was being taken care of by a Responsible Worker regarding his or her application for LTC services. Providers of LTC services would also keep in view the conditions of the elderly persons and refer them to services, if necessary, that best suited their needs. The Administration would make its best efforts to enhance the provision of elderly services.

Review of the ratio of subsidized to non-subsidized residential care places

11. Some Members pointed out that notwithstanding their repeated requests for the Administration to increase the ratio of subsidized to non-subsidized places in contract RCHEs, the relevant ratio remained at 6:4. They strongly urged the Administration to change the ratio to 8:2. According to the Administration, when planning for new contract RCHEs, a 6:4 ratio of subsidized to non-subsidized residential care places was adopted as a general guideline. SWD, where appropriate, took account of other relevant considerations such as the characteristics of the socio-economic condition of the districts where RCHEs were located and the availability of other non-subsidized residential care places in the vicinity, etc. when applying this general guideline to particular projects. As a result, not all contract RCHEs provided subsidized and non-subsidized places at a ratio of 6:4. Besides, when EC discussed the scope of ESPP, the desirability of different modes of service delivery was expected to be considered.

12. Some Members took the view that if the Administration did not increase the proportion for subsidized RCS places, it would subsidize the use of non-subsidized RCS by the affluent elderly and prolong the poor elderly's waiting time for subsidized RCS places. They called on the Administration to deal with the matter swiftly and critically review its policy on setting the ratio of subsidized to non-subsidized RCS places, so that the elderly's need for subsidized RCS could be better met.

Setting admission target for residential care homes for the elderly

13. In the light of an ageing population, Members expressed grave concern about the long waiting time for and the long-term planning on the provision of subsidized residential care places for the elderly. They stressed the need to set specific targets for admission to and shortening the waiting time for various types of residential care places, in particular that of NH places. The Administration advised that the waiting time for subsidized residential care places was affected by a number of factors such as the specific preference of applicants regarding the location of RCHEs. There were cases in which an elderly person had changed his/her mind after being offered a subsidized residential care place. It was therefore difficult to set a target time for

admission to RCHEs. While admission target had not been set, as at end-January 2016, the average waiting time for NH places, C&A home places in subvented homes and contract homes and in private RCHEs under EBPS was 26 months, 37 months and eight months respectively. The Administration would keep in view the waitlisting situation when drawing up service provision plans.

14. Some Members considered that the Administration should evaluate the waitlisting situation and set different admission targets for RCHEs in different districts. Admission pledges based on the current waiting time could be made if they were generally considered acceptable. The Administration should then draw up plans to fulfil these pledges.

15. To expedite the commencement of service of a new contract RCHE, some Members suggested that the Administration should carry out the tendering exercise for selecting a suitable operator for the new RCHE earlier and involve the selected operator in designing that RCHE. The Administration advised that some essential information, including the accurate plans and the operating expenditures for a new contract RCHE, was required to be included in the tender documents. It would not be feasible to start the tendering exercise too early when the availability of such information was still uncertain. In addition, there was a validity period for the tender and expiry of tender validity before site completion would require extra administrative procedures leading to the delay of the project. The Administration would try to speed up the preparation of the tendering exercise during the construction stage as far as practicable, so as to expedite the commencement of service of new contract RCHEs.

Quality and monitoring of residential care homes for the elderly

16. In his 2016 Policy Address, the Chief Executive had announced that the Administration would comprehensively strengthen the monitoring of RCHEs and residential care homes for persons with disabilities ("RCHDs"), with measures including enhancing inspection and supervision, improving the regulatory mechanism and promoting staff training, etc. In addition, the Administration re-organized the Licensing Office of RCHEs and Licensing Office of RCHDs under SWD in May 2017. The two Offices were merged into a new branch for licensing and regulatory purposes, and manpower was significantly increased so as to enhance inspection and monitoring of residential care homes on all fronts.

17. At its meeting on 12 December 2016, the Panel on Welfare Services ("the Panel") was briefed on the Administration's proposal to create a supernumerary post of Assistant Director of Social Welfare to head the proposed branch for licensing and regulatory purposes. Whilst supporting the proposal, the Panel

considered that the incidents involving the Cambridge Nursing Home¹ had revealed the problem of poor quality of RCHEs in Hong Kong, which required an overhaul of the entire monitoring system. The Panel passed a motion urging the Administration to immediately set up a committee to reform the relevant legislation and Code of Practice so as to enhance the service quality of RCHEs within three years, open up the monitoring system for RCHEs, and take over the management of RCHEs if their services were of poor quality.

18. The Administration advised that it would, taking into account the findings of the report of ESPP, start working on a review of the relevant legislation. The Code of Practice would be thoroughly reviewed. The Administration had conducted some analysis internally and begun to collect the sector's views on amendments to the relevant legislation and the Code of Practice. Besides, community members would be invited to pay regular unannounced visits to RCHEs participating in the Service Quality Group Scheme and give feedback for RCHE operators on their service delivery. While there were practical difficulties in taking over the management of RCHEs with poor quality, the Administration would explore ways to strengthen the support for RCHEs concerned.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
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¹ According to a news report in May 2015, the Tai Po Cambridge Nursing Home made some of its elderly residents wait naked on an open podium before showers.

**Provision of Subsidised Residential Care Places
(as at end-May 2017)**

Type of Residential Care Places	Number of Subsidised Places	Number of Elderly Persons on the Waiting List
Nursing Home Places (including Nursing Home Place Purchase Scheme)	3 806	6 325
Care-and-attention Places (overall)	23 072	30 101
➤ Subvented/Contract /Conversion Home Places	14 996	
➤ Enhanced Bought Place Scheme Places	8 076	
Self-care Hostel and Home-for-the-aged Places	461	N.A.
Total	27 339	36 426 (Note)

Note: Including about 3 250 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 11 154 elderly persons with inactive status on the waiting list.

Source: Annex 1 to the Administration's paper (LC Paper No. CB(2)1825/16-17(04)) for the meeting of the Panel on Welfare Services on 10 July 2017.

Appendix II

Relevant papers on provision of subsidized residential care places for the elderly

Committee	Date of meeting	Paper
Panel on Welfare Services	12 November 2012 (Item IV)	Agenda Minutes
Joint Subcommittee on Long-term Care Policy	29 January 2013 (Item I)	Agenda Minutes
Joint Subcommittee on Long-term Care Policy	2 July 2013 (Item I)	Agenda Minutes
Panel on Welfare Services	11 November 2013 (Item VI)	Agenda Minutes
Legislative Council	8 January 2014	Official Record of Proceedings Pages 184 - 191
Panel on Welfare Services	10 February 2014 (Item III)	Agenda Minutes
Panel on Welfare Services	14 April 2014 (Item III)	Agenda Minutes
Panel on Welfare Services	9 June 2014 (Item IV)	Agenda Minutes
Panel on Welfare Services	25 July 2014 (Item III)	Agenda Minutes
Panel on Welfare Services	8 December 2014 (Item III)	Agenda Minutes
Panel on Welfare Services	9 February 2015 (Item III)	Agenda Minutes

Panel on Welfare Services	8 June 2015 (Item VI)	Agenda Minutes
Panel on Welfare Services	23 July 2015 (Item III)	Agenda Minutes
Panel on Welfare Services	11 January 2016 (Item IV)	Agenda Minutes LC Paper No. CB(2)1925/15-16(01)
Subcommittee on Issues Relating to the Future Development of Elderly Services Schemes	22 March 2016 (Item I)	Agenda Minutes
Panel on Welfare Services	9 May 2016 (Item III)	Agenda Minutes
Panel on Welfare Services	12 December 2016 (Item V)	Agenda Minutes
Panel on Welfare Services	9 January 2017 (Item IV)	Agenda Minutes
Panel on Welfare Services	26 January 2017 (Item I)	Agenda Minutes
Joint Subcommittee on Long-term Care Policy	27 June 2017 (Item II)	Agenda Minutes
Panel on Welfare Services	10 July 2017 (Item III)	Agenda Minutes