

**For discussion  
on 14 March 2005**

## **LEGCO PANEL ON WELFARE SERVICES**

### **Conversion of Self-care Hostel and Home for the Aged Places into Care and Attention Places Providing Continuum of Care**

#### **PURPOSE**

This paper seeks Members' comments on the arrangements for the conversion of self-care (S/C) hostel and home for the aged (H/A) places into care and attention (C&A) places providing continuum of care.

#### **GOVERNMENT'S ELDERLY POLICY**

2. In line with the international trend on the development of elderly services, we work under the principles of "ageing in place" and "continuum of care" in providing support for the elderly. For those capable of self-care, the Government encourages and facilitates them to lead an active and healthy life, and provide them with community support services through the various district-based elderly centres. For elders who have long term care (LTC) needs, and require public assistance in meeting their care needs, we aim to provide them with the appropriate services according to their conditions along the following arrangements:

- (a) home-based and centre-based community care services – targeted for elders who have LTC needs but can be taken care of at their living

places;

- (b) subsidized places in residential care homes for the elderly (RCHEs) – targeted for elders who have LTC needs and cannot be adequately taken care of at their living places; and
- (c) public hospitals – targeted for elders with acute or catastrophic illnesses or who are medically unstable and require frequent hospitalisation.

3. To ensure a more precise matching of services to care needs and the allocation of services to elders most in need, the Government has adopted in 2000 a standardized care need assessment mechanism to assess the care needs of elders. Under the assessment mechanism, elders whose impairment level is assessed to be moderate or severe will be considered for LTC services.

#### **REASONS FOR PHASING OUT S/C HOSTEL AND H/A PLACES**

4. Subsidized S/C hostel and H/A places were introduced in the 1960s when elderly housing programmes and home-based community care services were not well developed. Targeted for elders who were capable of self-care but had housing needs, S/C hostels and H/As provide communal accommodation, meal and laundry service, and social activities to the residents. However, they do not have LTC element.

5. Over the years, the Government has developed a comprehensive range of elderly housing programmes to address the housing needs of elders who have self-care capabilities. Currently almost 60% of the elderly population is living in public housing (including developments under the Home Ownership Scheme). The number of households with elderly members on the waiting list for public rental housing (PRH) has decreased to 5 300 in 2004/05. The average waiting time for elders applying for PRH has also significantly reduced to less than a year in 2004/05.

6. In addition, the Government has developed home-based and centre-based community care services, such as the Enhanced Home and Community Care Services and the Day Care Centres for the Elderly, to provide personal care to elders who are living in their own homes. About 22 300

elders are using various types of community care and support services.

7. With the development of elderly housing programmes and community care services, S/C hostel and H/A places have gradually outlived their usefulness. We aim to phase out S/C hostel and H/A places so that we could re-engineer resources to provide more LTC services for elders.

8. The Government is currently providing about 27 000 subsidised RCHE places, an increase of 10 000 places compared with 1997/98.

## **PRESENT SCENARIO**

9. No new S/C hostels and H/As have been built since 1992 and 1998 respectively. The Social Welfare Department (SWD) has ceased accepting new applications for admission to S/C hostels and H/As with effect from 1 January 2003. However, elders who are already on the waiting list will be allocated S/C and/or H/A places, where appropriate, when vacancies arise.

10. At present, there are about 7 400 S/C and H/A places in 75 homes operated by 34 non-governmental organizations (NGOs). As at 31 December 2004, there were 953 elders on the waiting list for S/C and H/A places.

## **PRINCIPLES OF CONVERSION**

11. We aim to conduct the conversion exercise in a way which will: -
- (a) minimize the disturbance to the existing residents of the 75 homes;
  - (b) minimize the displacement of the existing staff in the 75 homes; and
  - (c) make the best use of resources and facilitate existing operators to build capabilities to deliver LTC services to elders.

## **THE CONVERSION ARRANGEMENTS**

12. We have involved the sector and the Hong Kong Council of Social Service (HKCSS) in working out the implementation details for the conversion programme. SWD has set up a Task Group comprising representatives from existing operating agencies and the HKCSS to advise on the conversion arrangements. The Task Group had met six times between May 2004 and February 2005. The sector welcomed the Government's initiative to help existing operators to convert their S/C hostel and H/A places into C&A places rather than just phasing them out. The proposed conversion arrangements as set out below are the result of intensive consultation with the sector.

### ***(a) Scale of the conversion exercise***

13. Under the proposed conversion arrangements, all the existing 75 homes may participate in the conversion exercise. SWD will work out a mechanism to ensure the participation of the 75 homes in an orderly and effective manner.

### ***(b) Level of care required***

14. Homes participating in the conversion exercise will be required to convert their S/C hostel and H/A places into C&A places on admission. As elders' physical conditions may deteriorate as they become frail, homes have to provide continuum of care to elders admitted into the C&A places up to a point when the elders are assessed to be in need of infirmary care and are provided with such services.

### ***(c) In-situ conversion***

15. Majority of the homes will be required to carry out the conversion at their existing premises. Physical renovation works will be required to meet the requirements of SWD in terms of facilities and spacing for running C&A places with continuum of care.

16. SWD assesses that the majority of the homes can carry out in-situ conversion, though the scale and scope of upgrading works vary with individual homes. Only a very small number of homes are considered not suitable for conversion owing to structural constraints or inherent problems which make

renovation or building works impracticable. Alternatives, including reprovisioning of premises, merging with other homes and closure, may have to be considered for these homes.

***(d) Phase-by-phase conversion***

17. Existing residents will be allowed to stay in their existing homes for as long as necessary. When a particular home has accumulated a specific number of vacancies arising from natural wastage and there are no elders on the waiting list to fill them up, the home may convert the vacancies into a corresponding number of C&A places. The whole conversion process may take more than five years to complete.

***(e) Conversion cost***

18. Under the conversion exercise, the notional conversion cost per C&A place providing continuum of care will be \$6,225 per month. Taking into account other site-specific recurrent items such as facility maintenance costs which will also be subvented, the total amount of subvention per place will actually be far higher than \$6,225.

**RESOURCES FOR THE CONVERSION EXERCISE**

19. The conversion exercise will be conducted on a subvention-neutral basis. That means homes participating in the conversion exercise will continue to receive subvention at the current level (subject to normal annual adjustments and other across-the-sector adjustments) to run the future operation after conversion.

20. In the 2005 Policy Address, the Chief Executive has committed to deploy \$180 million new money on the conversion exercise. Through service rationalization, SWD will make available additional resources for the conversion exercise. The total resources available for the conversion exercise will be sufficient for SWD to convert more or less all of the existing 75 homes.

21. Because the conversion exercise will be conducted on a subvention-neutral and in-situ basis, most of the S/C hostels and H/As will have

additional “non-subsidised” capacity after the conversion exercise. Home operators will be allowed to operate their homes in a mixed mode, making use of the spare capacity to provide “self-financing” services for elders.

22. Homes participating in the conversion exercise may apply to the Lotteries Fund for funding to cover the capital expenses on physical works and equipment.

## **NUMBER OF LTC PLACES TO BE CREATED**

23. In addition to the 7 400 S/C and H/A places run by the existing 75 homes, there are also 3 300 C&A places run by these homes which are not providing continuum of care (i.e. their residents may apply for admission to nursing homes as they turn frail) at present. We will take the opportunity of the conversion exercise to rationalize these 3 300 C&As places to provide continuum of care. Therefore, the conversion exercise will involve about 10 700 existing residential places in total.

24. On the basis that all the 10 700 places being run by the 75 homes will be converted, we project that about 6 200 places providing continuum of care will be generated eventually, including about 2 900 new C&A places.

25. Elders on the waiting list for S/C and H/A places will continue to be allocated placement to S/C hostel and H/A places when vacancies arise. During the conversion process, the waiting list for S/C and H/A places will be cleared gradually. Since 2 900 more C&A places will be generated eventually from the conversion exercise, the waiting time for C&A places will likely be shortened in the long term.

## **HOMES NOT PARTICIPATING IN THE CONVERSION EXERCISE**

26. Homes which do not wish to participate in the conversion exercise may make arrangements with SWD to gradually cease operation through natural wastage, or simply phase out their S/C hostel and/or H/A places and run purely C&A places.

## **CONSULTATION**

27. We consulted the Elderly Commission on the principles and implementation framework for the conversion exercise in June 2004. Members in general supported the principles and the implementation framework.

28. We have been working closely with the sector to knock out the proposed conversion arrangements. The proposals are generally accepted by the sector. Also, we met with the staff unions representing the frontline staff working in the existing 75 S/C hostels and H/As in late 2004 and early 2005 to brief them on the conversion exercise.

## **TIMETABLE**

29. We aim to finalise the conversion arrangements and invite proposals for conversion shortly. We expect that homes which are physically ready for converting their places into C&A places providing continuum of care may begin the conversion in the later half of 2005.

## **ADVICE SOUGHT**

30. Members are invited to comment on the proposed conversion arrangements.

**Health, Welfare and Food Bureau**  
**Social Welfare Department**  
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