

Motion Debate on “Elderly in Poverty”
at the Legislative Council Meeting on 27 June 2007
Progress Report

Purpose

With regard to the motion on “Elderly in Poverty” passed at the meeting of the Legislative Council on 27 June 2007, this paper briefs Members on the major initiatives and progress of the Government’s effort in providing support for the elders in need.

2. While maintaining a low tax regime, the Government is providing a safety net and a wide range of services, including social security, public health services, subsidised elderly services and subsidised housing to help elders in need meet their basic and special needs.

Financial security and assistance for elders

3. The Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance (SSA) Scheme are the two main pillars of our social security system in Hong Kong. They are both non-contributory. CSSA provides for the basic and special needs of elders with financial difficulties. Elderly CSSA recipients are given a higher standard payment rate than other CSSA recipients. They also enjoy various special allowances (for, for example, glasses, dentures, removal expenses, diets and appliances recommended by medical practitioners, transport fares to/from hospitals/clinics, and burial grant), as well as long-term supplement.

4. When applying for CSSA, elders living with family members have to apply on a household basis. This requirement seeks to encourage family members to support each other and prevent possible abuse of CSSA by individuals who are not

taking up the responsibility of looking after their elders. That said, under special circumstances and with sufficient justification, CSSA applicants (including elders) may be exempted from the one-household rule.

5. Under the SSA Scheme, elders aged between 65 and 69 who have passed the income and asset test may receive the “Normal Old Age Allowance”. Elders aged 70 or above may apply for the non-means-tested “Higher Old Age Allowance”.

6. We will continue to adjust the standard payment rates of CSSA and OAA in accordance with the Social Security Assistance Index of Prices, with a view to maintaining the purchasing power of the CSSA and SSA payments.

7. Since 1 October 2005, we have extended the annual permissible period of absence from Hong Kong under the SSA Scheme to 240 days. This residence requirement ensures that the non-contributory welfare benefit is paid to Hong Kong residents with strong connection in Hong Kong. It also enables the recipients to be able to travel, visit relatives and have short-term stay in places outside Hong Kong for longer periods of time.

8. Under the Portable CSSA Scheme for Guangdong and Fujian Provinces, elders who have received CSSA for not less than one year may retire in Guangdong or Fujian Provinces. Since these two Provinces are the places of origin of the vast majority of the elderly CSSA recipients (accounting for about 95% of the total number of elderly CSSA recipients), the Portable CSSA Scheme for Guangdong and Fujian Provinces is already addressing the needs of the vast majority of elderly CSSA recipients who are retiring in the Mainland.

Retirement protection

9. In Hong Kong, retirement protection for the elderly is premised on three main pillars, namely the CSSA Scheme and the Old Age Allowance under SSA, the Mandatory Provident Fund (MPF) Scheme, and voluntary private savings. Before the MPF system came into operation, employers were allowed under the law to offset accrued benefits derived from their contributions to registered retirement schemes against severance payment or long service payment. It was after extensive consultation and concerted efforts of all parties concerned that this long-established offsetting arrangement was extended to the MPF Scheme. Removing the offsetting

arrangement would have far-reaching implications for employers in view of the significant cost impact on them (particularly for the small and medium-sized enterprises which constitute over 98% of all commercial establishments in Hong Kong). A review of the offsetting arrangement under the MPF system is a complex issue that requires support from both employers and employees. Having carefully considered the issue and the fact that the parties concerned have yet to reach a consensus, the Administration has no plan to review this arrangement at present.

10. The Administration is continuing with the study on the “Sustainability of the Three Pillars of Retirement Protection in Hong Kong”, which is expected to be completed in 2007. The Administration will consider the findings of the study before setting the future course of action.

Health care services for elders

11. One of the major foci of our medical health care reform is to strengthen primary medical care, particularly preventive care. We will put over to the public the details when we conduct consultations on health care reform and financing arrangements later this year. We will continue to ensure that general public out-patient clinics (GOPCs) can serve as a medical safety net for patients in need, including the low-income groups, the chronically ill, the disadvantaged as well as frail elders in need. To assist elders in using the telephone booking service of GOPCs, the Hospital Authority (HA) has distributed “Tips Cards” to elderly service agencies and reserved consultation quotas for elderly patients. At present, most elderly patients seeking consultation at GOPCs receive services through the “reserved elderly appointment quota”.

12. Under the current medical fee waiver mechanism, all CSSA recipients can obtain free medical treatment at public hospitals and clinics without the need to submit applications.

13. For application of medical fee waivers by non-CSSA elders, we have made the medical fee waivers mechanism more accessible to elders with chronic illnesses. We have extended the maximum coverage of the “Period Waivers” from six months to 12 months for eligible non-CSSA elders who suffer from chronic illnesses and require frequent medical follow-ups. Moreover, HA and the Social Welfare Department (SWD) are considering to extend the coverage of the “Period Waivers”

for GOPC services for the aforementioned patients, from covering pre-scheduled appointment only to all other services without pre-scheduled appointment. HA and SWD will consider the possibility of launching the new measure within 2007-08.

14. On the setting up of Chinese medicine clinics (CMCs) in the 18 districts, HA has already set up nine CMCs in nine districts since late 2003. Moreover, in June 2007, the Finance Committee approved the funding for setting up another five CMCs. We expect to set up three of them by mid-2008 and the remaining two by early 2009. These new CMCs will be set up in districts with a relatively high percentage of elderly population, namely the Eastern District, Shatin, Sham Shui Po, Wong Tai Sin and North District. As for the four remaining CMCs, we shall continue to identify suitable sites in other districts taking into account the needs of the population.

15. Public CMC charges \$120 per consultation, which also includes two doses of herbal medicine. The fee is waived for CSSA recipients. At present, HA requires the CMCs operated by Non-Governmental Organizations (NGOs) to reserve at least 20% of the consultation quotas for CSSA recipients and, on top of that, encourage them to offer fee reduction or waivers to CSSA recipients and low-income groups (including low-income elders). In addition, a few NGOs are running other Chinese medicine clinics offering free or low-cost Chinese medicine services.

16. The Government has reservation on the proposal of the Subcommittee to Study the Subject of Combating Poverty for providing medical treatment to all the elders at half price. The fees of public hospitals and clinics are already heavily subsidised by the Government (on average the subsidy rate is as high as 95%) and are very low. Moreover, CSSA recipients are given waivers for their medical fees. Those with financial means should pay their medical fees within their capability, irrespective of their age. Further lowering the fees can neither resolve the problems nor enhance the quality of medical services. We believe that a more effective approach is to provide assistance to those patients who have financial difficulties. This also serves to optimise the use of public resources. Therefore, we have no intention to provide medical treatment to all the elders at half price at present. The Government will look into ways to further alleviate the financial burden of medical fees on needy elders and patients.

Underlying principles of the elderly policy

17. Our elderly policy is premised on the four underlying principles of “active ageing”, “ageing in the community”, “continuum of care” and “targeting resources at elders most in need”.

Promoting “active ageing”

18. Most of the elders are in good health. We have been working with the Elderly Commission (EC) in actively promoting the concept of “active ageing” and building up the positive image of elders. In 2006-07, we launched various publicity activities, which include the *Story of Hong Kong* for elders to tell their life stories, the *Elder Community Works Competition* for elders to draw up proposals to improve the community environment, the *Media Award on Active Ageing* to give commendation to media programmes promoting “active ageing” effectively; and the *Active Ageing Evening* to showcase elders’ talents and skills. We will continue to promote “active ageing”.

Provision of care and support services for elders

19. We provide elders who are ageing in the community and are in need of care with subsidised home-based community care services and day care services. For those who have long-term care needs and cannot be adequately taken care of at home, we offer them with subsidised residential care services.

20. Over the past decade or so, the Government has invested heavily in elderly services. At present, there are about 26 000 subsidised residential care places, representing an increase of 60% from the 16 000 places as at 1997. We plan to provide over 800 more subsidised places in the next two years. We will also continue to enhance the quality of private residential care homes for the elderly (RCHEs).

21. In the 2007-08 Budget, the Administration has allocated an additional \$150 million to strengthen support for elders and their carers. The initiatives include enhancing the outreach programmes to assist singleton and hidden elders to develop social life and strengthening referral and supporting services to those in need

(\$38 million); implementing a trial scheme to provide integrated support services to elderly hospital discharges who have difficulties in taking care of themselves and their carers (\$96 million); and increasing the provision of subsidised residential care places in new purpose-built RCHEs (\$16 million).

22. In face of an ageing population, any support system for the elderly has to be financially sustainable in the long term. Increasing continuously the supply of subsidised community care and residential care services alone will not be sufficient to meet the range of needs of elders which vary according to their background. We will continue to promote shared responsibility of individuals, their families and the society in meeting the needs of elders, and encourage a balanced mix of public and private elderly care services to widen the choices for quality self-financing and private residential care places providing differential services. In doing so, we will take into account the development and findings of the study on health care reform and health care financing. We will continue to work with the EC on ways to address the challenges of an ageing population effectively.

Housing needs of elders

23. To better address the housing needs of elders, the Housing Authority has endorsed a package of enhanced initiatives for public rental housing (PRH) applications and the housing arrangements for PRH tenants in May 2007. The objective is to encourage mutual support among family members and establish a family-based support network in public housing estates to facilitate the elders to “age in the community”.

24. Under the enhancement measures, the waiting time for families comprising elders and young members applying for PRH under the “Families with Elderly Persons Priority Scheme” and the “Special Scheme for Families with Elderly Persons” will be shortened to 18 months. In the mean time, they will enjoy wider choices on districts. Elderly tenants in PRH can apply to add their adult offspring as authorized persons in their PRH tenancies under the new “Addition Policy for Harmonious Families”. They may also apply to have their children’s families living in PRH relocated to their estates or to neighbourhood estates without any geographical restriction under the “Transfer Scheme for Harmonious Families”. Under the “Amalgamation of Tenancies for Harmonious Families”, younger families living in PRH may amalgamate their tenancies with their elderly parents or relatives

and be relocated to other districts and, subject to the availability of resources, have a new PRH flat allocated to them. These new initiatives, when fully implemented in October 2007, will help young family members take care of their elderly parents living in public housing.

25. To realize the concept of “ageing in the community”, the Housing Authority has adopted barrier-free design in new public housing blocks to improve the design of the housing estates, internal layout of flats, building services, facilities and various other designs. The objective is to facilitate the elderly or disabled residents to stay in their current flats and age in a familiar environment which is safe and convenient. The Housing Authority also strives to optimise the use of space in designing small flats and to provide better natural lighting and clothes drying amenities for the convenience of elderly tenants.

26. The Housing Department will continue to provide special care services for hidden elders in public housing estates, such as in-flat renovation and repairs or referral, where appropriate. It will also facilitate NGOs in reaching out to elders through outreach services, with a view to helping the latter develop social life.

Conclusion

27. The Government has been taking care of the basic and special needs of elders through the existing non-contributory social security mechanism and the heavily subsidised public health services, elderly services and subsidised housing. We will continue to explore effective ways to support elders in need.

Labour and Welfare Bureau
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