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**Subcommittee on Residential and Community Care Services for Persons with
Disabilities and the Elderly under the Panel on Welfare Services**

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 27 April 2010**

Provision of subsidised residential care places for the elderly

Purpose

This paper gives a brief account of past discussions of the Panel on Welfare Services ("the Panel"), the Subcommittee on Elderly Services and the Subcommittee on Poverty Alleviation on the provision of additional subsidised residential care places for the elderly.

Background

2. Residential care homes for the elderly ("RCHEs") in Hong Kong are run by both the private sector and non-governmental organisations ("NGOs").
3. At present, the Government is providing about 26 000 subsidised places in RCHEs, serving about 45% of all elders staying in RCHEs throughout the territory. There are three different types of subsidised places, namely, places provided in subvented RCHEs run by NGOs, places in contract RCHEs, and places in private RCHEs participating in the Enhanced Bought Place Scheme ("EBPS").
4. Given that subsidised residential care places are in huge demand, since November 2003, access to subsidised RCHE places is subject to care need assessments under the Standardised Care Need Assessment Mechanism for Elderly Services ("SCANAMES"). However, there is no means-test for subsidised residential care places. Eligible elders will be put on the Central Waiting List ("CWL"), for subsidised care and attention ("C&A") places and nursing home ("NH") places.

Deliberations by members

Residential care services for the elderly

5. The Subcommittee on Elderly Services had discussed residential care services for the elderly at its meetings on 22 January, 19 February and 11 April 2008. Members were advised that as at end-October 2007, the overall average waiting time for a subsidised C&A place was about 21 months (the waiting time for a subsidised C&A place in a private RCHE participating in EBPS was about 10 months, and that for a subsidised C&A place in a subvented/contract RCHE was about 32 months). The average waiting time for a subsidised NH place was about 42 months. Members expressed grave concern about the long waiting time for subsidised residential care services. They considered the waitlisting situation of subsidised residential care services unacceptable.

6. The Administration advised that subsidised residential care places for the elderly were meant for those who had long-term care ("LTC") needs but could not be adequately taken care of at home. To meet the demand for subsidised residential care places, the Social Welfare Department ("SWD") had been increasing the supply of subsidised residential care places from about 16 000 in 1997 to about 26 000 in 2007. In 2007-2008, the Government would provide an additional 743 subsidised residential care places (including 212 places in three new contract homes and 531 places purchased from private RCHEs under EBPS). In 2008-2009, an additional 107 subsidised residential care places would be provided in the new contract homes. Furthermore, the 2008-2009 Budget had earmarked \$29.8 million for the provision of an additional 278 subsidised residential care places. Another \$40 million would be deployed to upgrade 760 infirmary places in 19 RCHEs to provide infirmary care to medically stable elders. In addition, under the conversion programme launched since 2005, more C&A places providing continuum of care up to nursing level of care would be created to better meet the LTC needs of elders.

7. As regards the waitlisting situation, the Administration advised that there was no means-test for subsidised residential care places, and the average waiting time for a subsidised C&A place in private RCHEs participating in EBPS was about 10 months. As the pre-application care need assessment under SCNAM was only introduced in November 2003, not all elders currently on CWL had undergone the required assessment. The eligibility of some of them for subsidised residential care places had yet to be assessed and confirmed.

8. The Administration further advised that some of the elders on CWL were staying in non-subsidised residential care places while waiting for subsidised places. Some who were staying at home while waiting for subsidised residential care places were also receiving subsidised home-based community care services or day care services. According to the Administration, of the 6 294 elders on CWL waiting for the subsidised NH places, 10% were receiving subsidised home-based community care or day care services, 4% were staying in residential care places, and about 50% were on CSSA and staying in private RCHEs.

9. Notwithstanding the provision of additional subsidised residential care places, members considered that the measures put in place by the Administration were inadequate to meet the strong demand for subsidised residential care places arising from the ageing population. While recognising that most elders did not object to ageing in the community, some members pointed out that there were practical difficulties for those elders with LTC needs to be taken care of at home due to various reasons. For instance, some elders were left unattended if their family members had to work during daytime. Although the average waiting time for a subsidised C&A place in private RCHEs participating in EBPS was only about 10 months, members noted with concern that some elders preferred to wait for a subsidised C&A place in a subvented/contract RCHE which was currently about 32 months. They considered that the waitlisting situation was primarily due to the worry about the quality of life in private RCHEs. The Administration should take this into account and examine critically the reasons why elders preferred to wait for subsidised RCHE places.

10. Members considered that it was the Government's responsibility to provide adequate residential care places for those elders who had LTC needs. In this regard, the Subcommittee on Elderly Services strongly urged the Administration to draw up a specific timetable and long-term plan to increase the number of and shorten the waiting time for subsidised residential care places. The Administration should make a pledge for the allocation of subsidised residential care places. To target subsidised residential care services at elders most in need, some members considered that the Administration should spell out the specific impairment level under which elders would be classified as having imminent LTC needs for admission to subsidised RCHEs.

11. The Administration stressed that it fully recognised the huge demand for subsidised residential care services for the elderly as a result of the ageing population. It would continue to bid for additional resources to increase the supply of subsidised RCHEs. However, increasing continuously the supply of residential care places alone would not be sufficient to meet the growing needs due to a number of contributing factors, and the Administration would 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 different services. As there were many factors affecting the number of elders on CWL, the Administration was unable to give a pledge on the waiting time for the allocation of subsidised residential care places. Nevertheless, it would monitor the waitlisting situation closely. It would also consider the long-term planning of the provision of residential care services for the elderly in consultation with the Elderly Commission ("EC").

12. The Administration pointed out that elders with LTC needs did not necessarily age in RCHEs. SWD was in parallel providing a range of subsidised community care and support services to facilitate elders to age in the community. The Administration further pointed out that taking into account the non-subsidised residential care places for the elderly, there were some 74 500 RCHE places in Hong Kong. At present, about 57 000 elders were staying in subsidised or non-subsidised

places in RCHEs. Notwithstanding the some 20 000 surplus places in private RCHEs, some elders preferred to wait for subsidised places. The Administration would work with EC to explore how to promote further development of quality self-financing/private residential care services in meeting the LTC needs of elderly.

13. Noting that the Administration had yet to consult EC on the long-term planning of elderly services, members expressed dissatisfaction at the lack of a long-term planning and the slow progress made as EC had discussed the subject matter for almost 10 years. The Administration explained that EC had been focusing on promotion of active ageing in the past two years and had only started to focus on the review of residential care services for the elderly in late 2007; EC would need some time to study the subject in view of the complexity of issues involved.

14. Taking into consideration the lead time required to implement changes to the present arrangements on the provision and allocation of residential care places for the elderly, members urged the Administration to put in place interim measures to shorten the waiting time of the elderly currently on CWL waiting for various types of subsidised residential care places. In view of an inadequate supply of subsidised RCHE places and the waitlisting situation, some members suggested that the Administration should categorise RCHEs in accordance with their quality and fees and introduce a means-tested mechanism for the allocation of subsidised residential care places. Reference could be made to the mechanism for allocation of public rental housing units and Home Ownership Scheme flats. To increase the supply of residential care places, the Administration should designate land use for the construction of purpose-built RCHE premises, relax the building requirements for operating RCHEs and convert vacant Government properties for the purpose. Furthermore, consideration could be given to increasing the number of purchased places in private RCHEs under EBPS.

15. The Administration assured members that EC had decided to conduct a further study on the recommendations of the former Commissioner on Poverty ("CoP") regarding the waitlisting situation of subsidised residential care services, and to explore the following –

- (a) how to target subsidised residential care services at elders most in need; and
- (b) how to promote further development of quality self-financing/private residential care services and encourage shared responsibilities among individuals, their families and the society in meeting the LTC needs of the elderly.

Apart from taking into account CoP's recommendations and the Administration's overall objective of encouraging "ageing in the community", the study would look into the LTC needs of elders and the soon-to-be-old, i.e. those aged 45 or above, and project the future demand for RCHE places.

16. At its meeting on 6 April 2009, the Subcommittee on Poverty Alleviation was briefed on the measures to enhance residential care services for the elderly as announced in the 2009-2010 Budget. Members were advised that SWD would purchase an additional 500 subsidised places through EBPS and provide 150 additional subsidised places in two newly built contract RCHEs. Members were also advised that the consultancy study led by EC on residential care services for the elderly, which was originally scheduled for completion in the first quarter of 2009, was expected to be completed by the second quarter of 2009 due to unforeseeable difficulties encountered by the consultant in conducting face-to-face interviews with the elders.

17. In the light of the ageing population, members expressed grave concern about the waitlisting situation of and the long-term planning on the provision of subsidised residential care places for the elderly. The Administration advised that to meet the growing care needs of elders, the Government had been increasing the supply of subsidised residential care places through the construction of contract RCHEs, which provided both C&A and NH places. The C&A places in contract homes were required to provide a continuum of care so that elders could continue to stay in the same home when their health deteriorated to a level that required nursing care. The Government would continue to identify suitable sites for the construction of new contract RCHEs and explore with existing contract RCHEs to convert some of the C&A places into NH places so as to shorten the waiting time for NH places. The Administration further advised that while SWD had from time to time liaised with relevant departments to identify suitable sites for the construction of new contract RCHEs or convert vacant government premises/school sites into RCHEs, most of the vacant sites were available for temporary use only and were not suitable for development of RCHEs. Moreover, as stipulated under the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459), no part of an RCHE should be situated at a height more than 24 metres above the ground floor owing to fire safety considerations. This imposed restrictions on site selection and the capacity of RCHEs.

Consultancy Study on Residential Care Services for the Elderly

18. At its meeting on 11 January 2010, the Panel was briefed on the findings and recommendations of the consultancy study initiated by EC on the long-term planning for subsidised residential care services for the elderly. The Panel noted that EC had commissioned The University of Hong Kong to examine the following –

- (a) how to target subsidised residential care services at elders most in need;
- (b) how to promote further development of quality self-financing/private residential care services; and
- (c) how to encourage shared responsibilities among individuals, their families and society in meeting the LTC needs of the elderly.

19. The Panel also noted that the consultant had released the study report in December 2009 and made three recommendations for EC's consideration –

- (a) to consider putting in place a proper means-test mechanism to target subsidised residential care services at elders who had genuine financial need;
- (b) to consider the introduction of a mandatory trial period for community care services for those who offered a "dual option" under SCANAM (i.e. either residential or community care services); and
- (c) to consider expanding the scope and coverage of community care services with the participation of social enterprises and the private sector which should be the prerequisite for the introduction of any voucher scheme for LTC services.

20. While raising no objection to the policy direction of "ageing in place" and the introduction of a means-test mechanism to shorten the waiting time for subsidised residential care services, members took the view that the criteria for assessing the financial means of CWL applicants should not be too stringent to ensure that the limited public resources would be allocated to those elderly most in need of LTC services. Members also agreed with the consultant's recommendations that the introduction of a mandatory trial period of requiring "dual option" holders to use community care services before choosing residential care services should be taken forward until the community care services were enhanced to such an extent that they became a viable alternative to residential care. The Panel held a special meeting on 6 February 2010 to receive views from 24 organisations on the recommendations of the consultancy study.

21. Members also took a strong view that the promotion of "ageing in place" and the provision of additional subsidised RCHE places were not mutually exclusive. They strongly urged the Administration to increase the provision of subsidised RCHE places having regard to the ever-growing demand from an ageing population and the public impression that subvented RCHEs were better than private RCHEs.

22. EC advised that it agreed in principle with the policy options put forward by the consultant. However, in view of the consultant's recommendation to further develop community care services, EC decided to conduct a more in-depth study on possible service enhancement, including a more flexible and diverse mode of service delivery, e.g. by involving private or social enterprises as service providers, with a view to further encouraging elders to age in place and thus avoid premature and unnecessary institutionalisation. The Administration also advised that it had yet to form a position on the consultant's findings and recommendations.

Initiatives under the 2009-2010 Policy Address

23. Members noted that a number of initiatives in respect of the provision of additional subsidised residential care places for the elderly were announced in the Chief Executive's Policy Address 2009-2010. At the Panel meeting on 14 December 2009 when members discussed the details of the initiatives, the Administration advised that it would adopt a novel multi-pronged approach to accelerate the provision of subsidised NH places and places with continuum of care as follows –

- (a) increasing the proportion of NH places (from 50% on average to 90%) in existing contract RCHEs;
- (b) purchasing vacant NH places from self-financing RCHEs; and
- (c) making full use of the space in existing subvented RCHEs to provide more LTC places with continuum of care under the conversion programme.

The details would be made available after the Financial Secretary had announced his forthcoming Budget.

24. The Administration also advised that it would continue to increase the supply of subsidised residential care places through the development of new contract RCHEs. Five new contract homes would commence service in the next three years, providing a total of 308 subsidised places (of which 277 were NH places) and 205 non-subsidised places. In addition, about 1 000 residential care places for the elderly would be provided upon completion of the 12 development projects for the construction of new contract RCHEs in the long run.

25. As announced in the 2010-2011 Budget, an additional recurrent funding of \$160 million will be allocated for an additional 1 087 subsidised NH and C&A places, representing an increase of 37% of NH places.

Relevant papers

26. A list of relevant papers is at the **Appendix**. Members are invited to access the Legislative Council website at <http://www.legco.gov.hk/> for details.

Appendix

Relevant Papers/Documents

<u>Meeting</u>	<u>Meeting Date</u>	<u>Papers</u>
Panel on Welfare Services	22 October 2009	Administration's Paper LC Paper No. CB(2)6/09-10(01) Minutes of meeting LC Paper No. CB(2)379/09-10
	14 December 2009	Administration's Paper LC Paper No. CB(2)450/09-10(03) Minutes of meeting LC Paper No. CB(2)598/09-10
	11 January 2010	Administration's Paper LC Paper No. CB(2)668/09-10(03) Minutes of meeting LC Paper No. CB(2)844/09-10
	6 February 2010	Administration's Paper LC Paper No. CB(2)842/09-10(01) Minutes of meeting LC Paper No. CB(2)1160/09-10
Subcommittee on Elderly Services	22 January 2008	Administration's paper LC Paper No. CB(2)835/07-08(01) Minutes of meeting LC Paper No. CB(2)1319/07-08
	19 February 2008	Administration's paper LC Paper No. CB(2)1038/07-08(01) Minutes of meeting LC Paper No. CB(2)1651/07-08
	11 April 2008	Administration's paper LC Paper No. CB(2)1493/07-08(01) Minutes of meeting LC Paper No. CB(2)2171/07-08

<u>Meeting</u>	<u>Meeting Date</u>	<u>Papers</u>
Subcommittee on Poverty Alleviation	6 April 2009	Administration's Paper LC Paper No. CB(2)1191/08-09(01) Minutes of meeting LC Paper No. CB(2)1496/08-09

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