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Panel on Welfare Services

Background brief prepared by the Legislative Council Secretariat for the special meeting on 27 April 2012

Pilot scheme on community care service voucher for the elderly

Purpose

This paper provides a brief account of the past discussions of the Panel on Welfare Services ("the Panel") on the findings and recommendations of the consultancy study initiated by the Elderly Commission ("EC") on community care services for the elderly ("CCS") and the launch of the pilot scheme on CCS voucher for the elderly.

Background

2. According to the Administration, "ageing in the community" is an underlying principle of the Government's elderly policy. This is in line with most elders' wish as they cherish the support from their families and the sense of belonging that a familiar community offers. To this end, the Government provides a range of subsidised supporting services, including centre-based day care services and home-based services. They cover personal care, nursing care, rehabilitation exercises, meal delivery and escort services, etc. Users include both elders who wish to stay in the community and those who are on the waiting list for subsidised residential care places.

3. In 2008, EC commissioned the University of Hong Kong to conduct a consultancy study on residential care services for the elderly. As the consultant recommended, among other things, that CCS for the elderly in Hong Kong should be improved, EC embarked on another consultancy study in April 2010 to examine how to strengthen these services through a more flexible and diverse mode of service delivery. The final report of the Consultancy Study on Community Care Services for the Elderly initiated by EC was released in June 2011.

Deliberations by members

Consultancy Study initiated by EC

4. Following the release of the final report of the Consultancy Study on Community Care Services for the Elderly initiated by EC in June 2011, the Panel was briefed on the findings and recommendations made therein on the provision of subsidised CCS for the elderly. The Panel noted that the consultant had made a number of recommendations, which fell into the following three major areas, for EC's consideration –

- (a) Area 1: Improving the existing mode of service delivery and increasing the service volume;
- (b) Area 2: Introducing a CCS voucher based on affordability and shared responsibilities and equitable allocation of resources; and
- (c) Area 3: Creating an environment for further development of CCS.

The Panel held a special meeting on 22 August 2011 to gauge views from the stakeholders on the findings and recommendations of the Consultancy Study on Community Care Services for the Elderly initiated by EC.

5. Members agreed with the consultant's recommendations that the development of subsidised CCS should be further enhanced. However, members cautioned that the provision of CCS would by no means replace residential care services for the elderly. Members and deputations urged the Administration to continue to take concrete action to address the waitlisting situation for subsidised residential care places for the elderly.

6. In the view of members, the higher institutionalisation rate in Hong Kong was largely attributable to the congested living environment. To encourage the elderly to age at home, the Administration should enhance the support for family carers of frail elders, such as the provision of a carer allowance. According to the Administration, respite service and training had been provided to family carers of frail elders to relieve their pressure in taking care of the elders at home. This apart, a series of new initiatives had been put in place to further enhance the CCS for the elderly. For instance, the launch of the Integrated Discharge Support Trial Programme for Elderly Persons would provide timely support to elderly hospital discharges and their carers so as to help the elders recuperate at home.

7. Some members and deputations were gravely concerned about the introduction of means-tested mechanism and the "users pay principle" for subsidised CCS. According to EC, the objective of the EC study was to examine ways to strengthen CCS for elders through a more flexible approach and diverse mode of service delivery. The provision of CCS voucher would serve as an incentive to encourage eligible elders who were waiting for residential care services to opt for CCS under the dual option system, and they would remain on the waiting list for subsidised residential care places for the elderly while using the voucher. The recommendation of introducing CCS voucher based on the principles of affordability and shared responsibility might help to address the varying needs of different sectors of the older population and throw light on the discussion on the effective use of public resources. It was mindful of the controversies in the proposal. Should the Administration accept the directions put forward by the consultant, EC would then study the details of the proposal, and further public discussion would be necessary.

8. According to the Administration, it agreed in principle with the overall thrust of the EC report, but it would take time to study the recommendations in greater detail as it was only released in June 2011. It would revert to the Panel on its way forward for the recommendations in the 2011-2012 session.

Pilot scheme on CCS voucher for the elderly

9. Members noted that in his Policy Address 2011-2012, the Chief Executive announced that the Government would introduce a four-year pilot CCS voucher scheme to provide direct subsidy to elders who had long-term care service needs with more flexibility and choices of CCS that suited their needs to age at home.

10. At its meeting on 13 February 2012, the Panel was briefed on the preliminary proposal on the launch of a four-year pilot scheme on CCS voucher for the elderly in 2013-2014. According to the Administration, the voucher scheme was a new funding mode, whereby the Government provided subsidy directly to the service users instead of the service providers. In the first two years (i.e. the first phase), the Administration would start with elders who had been assessed by the Social Welfare Department's Standardised Care Need Assessment Mechanism for Elderly Service to have impairment at moderate level. Subject to the outcome of the first phase, it would include elders with severe impairment, whose care needs were more complicated, in the second phase.

Voucher value

11. Noting that the unit cost for subsidised day care service was around \$7,500 per month and that for Enhanced Home and Community Care Services ("EHCCS") was around \$3,500 per month, some members questioned the rationale and basis for setting the voucher value at \$5,000. Some members considered that different voucher values should be set to cater for the specific needs of voucher holders. The Administration explained that as the services available to users under the pilot scheme were similar to the existing CCS, the voucher value should be comparable to existing service costs. The unit costs for subsidised day care service and EHCCS provided some indication of the voucher value which offered service either in a mixed mode of day care and home care services or a single mode of day care service.

12. Members were advised that as the service users were moderately impaired and had similar care needs in the first phase of the scheme, the Administration therefore proposed one single voucher value for all users at \$5,000 per month. This would allow for a simpler design for the benefit of both the operators and the service users to get familiarised with the scheme. The Administration would consider setting different voucher values in the second phase to cater for the more diverse care needs of service users.

Co-payment arrangement

13. Members noted with concern that a sliding scale of co-payment would be determined based on a means test mechanism. Some members expressed concern that the introduction of the voucher scheme was a move towards privatization of subsidised services by inviting private operators to join the market. They were concerned whether the existing CCS users would have to pay more for CCS to be provided by private operators. Members asked about the co-payment arrangement in case the actual service cost had exceeded the voucher value.

14. The Administration advised that the services provided under the pilot scheme would remain subsidised, with Government funding ranging from at least 50% to 90% of the voucher value for all service users. In line with the EC's recommendation, there would be a sliding scale of co-payment, so that the less that the user could afford, the more the Government would pay. Users could top up their payment to enjoy additional and non-essential services.

15. The Administration further advised that in line with the existing practice, means test would be applied to assess the household income of the

service users. This would help ascertain the elders' real need for assistance and allocate public resources in a more prudent manner. The asset value of the elders and their household was not subject to means test.

16. The Administration assured members that the introduction of the pilot scheme would not affect existing subsidised CCS provision. The Administration would continue its efforts in providing more subsidised CCS and residential care places funded by the conventional financing mode.

Case management approach

17. According to the Administration, a case management approach would be adopted for service matching, quality monitoring and cost control. Some members were concerned about the impartiality of the case managers in drawing up care plan for voucher holders, if they were to be performed by the service providers. The Administration advised that as there was only one single voucher value for all users who had similar care needs in the first phase of the pilot scheme, there was little budgeting function to perform and less conflict of interests in care planning and service provision. Therefore, the Administration considered that case management could be provided by the service providers in the first phase. It would consider inviting impartial external parties to perform the functions of case management in the second phase.

18. The Panel will hold a special meeting on 27 April 2012 to receive public views on the pilot scheme on CCS voucher for the elderly.

Relevant papers

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

Appendix

Relevant papers on pilot scheme on community care service voucher for the elderly

Committee	Date of meeting	Paper
Panel on Welfare Services	11 January 2010 (Item IV)	Agenda Minutes
Panel on Welfare Services	6 February 2010 (Item I)	Agenda Minutes
Panel on Welfare Services	8 March 2010 (Item IV)	Agenda Minutes
Panel on Welfare Services	12 July 2010 (Item III)	Agenda Minutes
Panel on Welfare Services	11 April 2011 (Item VI)	Agenda Minutes CB(2)1907/10-11(01)
Panel on Welfare Services	11 July 2011 (Item III)	Agenda Minutes
Panel on Welfare Services	22 August 2011 (Item I)	Agenda Minutes
Panel on Welfare Services	13 February 2012 (Item V)	Agenda

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