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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 9 February 2015**

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-September 2014 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 for subsidized care and attention ("C&A") places and NH places.

Deliberations by Members

Supply of subsidized residential care places

4. Regarding the planned provision of residential care services ("RCS"), the

Administration advised that it had earmarked sites in 11 development projects for the construction of new contract RCHEs and would continue to identify sites for this purpose. This apart, the Government had tasked the Elderly Commission ("EC") to formulate the Elderly Services Programme Plan ("the Programme Plan") under which the feasibility of introducing an RCS voucher scheme for the elderly would be explored. If EC considered it viable to launch a pilot RCS voucher scheme for the elderly, the Government would provide about 5 000 additional subsidized residential care places within the current term of office, taking into account the 3 000 vouchers to be offered under the pilot scheme from 2015-2016 to 2017-2018. The Administration further advised that it had received preliminary proposals from about 40 welfare organizations under the Special Scheme on Privately Owned Sites for Welfare Uses ("Special Scheme"), involving about 60 in-situ expansion, redevelopment or development projects. About 9 000 additional service places would be provided covering C&A homes with continuum of care ("COC"), NHs and day care centres for the elderly ("DEs").

5. On the provision of 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, bringing about an additional 310 NH places to come on stream from 2012-2013 to 2014-2015. The Administration would continue to purchase suitable NH places from self-financing NHs under NHPPS in the coming years. From 2014-2015 to 2016-2017, 478 NH places would be provided.

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 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 or 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 long-term care 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 DCU 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. The Social Welfare Department ("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 would be provided in 2014-2015 which would include places in three stand-alone DEs in PRH estates. In formulating the Programme Plan, EC would look into the medium and long-term development of elderly services up to 2030. The consultant team engaged by EC would examine the impact of the growing elderly population on the existing services and explore measures for a sustainable development. It would also look into the demand and supply of long-term care services, taking into account the welfare facilities to be provided under the Special Scheme. The Programme Plan was expected to be ready in 2016. In the interim, the Administration would continue to bid for resources to enhance the provision of long-term care services.

Provision of C&A places and NH places

10. Noting that of the additional 266 subsidized RCHE places to be provided from 2013-2014 to 2014-2015, 90% were NH places and 10% were C&A places, Members urged the Administration to look into the disproportionate provision of these two types of places and adopt measures to meet the demand for these places.

11. The Administration advised that it had been closely monitoring the demand for various types of subvented RCHE places. As NH provided more

intensive professional nursing care and required more sophisticated supporting facilities, the supply of NH places in the private sector was very limited, and the waiting time for subsidized NH places was notably longer than that of C&A places. Hence, the Administration saw a need to fill the service gap by taking measures to increase the supply of subsidized NH places, one of which was to increase the proportion of NH places in contract RCHEs from an average of 50% to 90%. Accordingly, the Administration had focused its resources on the provision of NH places and hence there would be a higher proportion of such places.

12. Members suggested that as the demand for C&A places and NH places was equally huge, the Administration should increase the overall supply by building more new RCHEs and increasing the percentage of bought places in private elderly homes from 50% to 80%. The Administration explained that it had been making good use of the readily available C&A places in the private sector, and at the same time helping to enhance the quality of private RCHEs because they had to meet the higher service standards stipulated in the EBPS agreements.

Review of the ratio of subsidized to non-subsidized RCS places

13. 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 EC discussed the scope of the Programme Plan, the desirability of different modes of service delivery was expected to be considered.

14. 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 prolonging 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 RCHEs

15. 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.

16. 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, the average waiting time for subsidized RCS places was less than three years. For NH places, C&A home places and residential care places under the Bought Place Schemes, the average waiting time was 31 months, 21 months and seven months respectively. The Administration further advised that the average age of the waitlistees for subsidized NH places and C&A home places were 82.7 years old and 82 years old respectively. The percentage of waitlistees who were aged 75 or above was 83% for NH places and 84% for C&A home places. The Administration would keep in view the waitlisting situation when drawing up service provision plans.

17. 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. The Administration advised that it would look into the provision of long-term care services holistically.

18. To enable new contract RCHEs coming into operation earlier, some Members urged the Administration to carry out the tendering exercise of selecting suitable operators for new contract RCHEs earlier or in tandem with the construction work. According to the Administration, it would try to compress the procedures as far as practicable to expedite the commencement of service of new contract RCHEs.

Service standards and quality of RCHEs

19. The service standards and quality of RCHEs had been a subject of concern of Members. A written question was raised at the Council meeting of 8 January 2014 regarding the service quality of private RCHEs. According to the Administration, SWD would handle any suspected elderly abuse incidents in RCHEs seriously. Apart from referring the cases concerned to the Police for criminal investigation, SWD would collaborate with different disciplines of professionals to investigate and handle the cases in accordance with the "Procedural Guidelines for Handling Elder Abuse Cases" as well as to provide suitable support services for the elderly persons concerned. Depending on the nature and seriousness of the cases involved, the Licensing Office of Residential Care Homes for the Elderly ("LORCHE") of SWD would issue advice, warnings or directives to the RCHEs concerned. LORCHE would also conduct more frequent inspections of the RCHEs concerned and monitor

whether the RCHEs concerned had implemented the remedial measures.

20. Some Members expressed concern about the continuous decline in the service quality of subvented RCHEs. They considered that the amount of government subvention was generally insufficient to cover the running costs of subvented RCHEs, of which about 40% had to be financed by non-subsidized services. In the face of inadequate resources, recruitment difficulty became more acute, thereby directly affecting the service quality of subvented RCHEs. The Administration should review the subvention level to improve the service quality of subvented RCHEs.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
4 February 2015

**Provision of Subsidised Residential Care Places
(as at end-September 2014)**

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)	3 242	6 455
Care-and-attention Places (overall)	22 384	24 476
➤ Subvented/Contract /Conversion Home Places	14 648	
➤ Enhanced Bought Place Scheme Places	7 736	
Self-care Hostel and Home-for-the-aged Places	1 052	N.A.
Total	26 678	30 931 (Note)

Note : Including about 3 400 elderly persons who were using subsidised community care services while waiting for subsidised residential care services, but excluding 6 883 elderly persons with inactive status on the waiting list.

Source : Extract from the Administration's paper for the meeting of the Panel on Welfare Services held on 8 December 2014 (Annex 1 to LC Paper No. CB(2)381/14-15(03)).

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

Committee	Date of meeting	Paper
Panel on Welfare Services	22 October 2009 (Item I)	Agenda Minutes
Panel on Welfare Services	14 December 2009 (Item IV)	Agenda Minutes
Subcommittee on Residential and Community Care Services for Persons with Disabilities and the Elderly	-	Report (LC Paper No. CB(2)2046/10-11)
Panel on Welfare Services	21 October 2011 (Item I)	Agenda Minutes
Panel on Welfare Services	12 March 2012 (Item V)	Agenda Minutes
Panel on Welfare Services	10 July 2012 (Item III)	Agenda Minutes
Panel on Welfare Services	12 November 2012 (Item IV)	Agenda Minutes
Panel on Welfare Services	21 January 2013 (Item I)	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

Committee	Date of meeting	Paper
Legislative Council	8 January 2014	Official Record of Proceedings Pages 184 - 191
Panel on Welfare Services	23 January 2014 (Item II)	Agenda Minutes
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

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