

立法會
Legislative Council

LC Paper No. CB(2)1595/14-15(04)

Ref : CB2/PL/WS

Panel on Welfare Services

**Updated background brief prepared by the Legislative Council
Secretariat for the meeting on 8 June 2015**

Pilot Scheme on Community Care Service Voucher for the Elderly

Purpose

This paper provides a brief account of the past discussions by the Council and relevant committees relating to the Pilot Scheme on Community Care Service Voucher for the Elderly ("the Pilot Scheme").

Background

2. According to the Administration, the Government upholds the principle of "ageing in the community as the core, institutional care as back-up" in elderly care services. To facilitate elderly persons to age in place, the Social Welfare Department ("SWD") has commissioned non-governmental organizations ("NGOs") through subvention or contract payment to offer a wide range of community care services ("CCS") for the elderly. These services include centre-based day care services and home-based services, covering personal care, nursing care, rehabilitation exercises, meal delivery and escort services, etc. Users include both elderly persons who wish to stay in the community and those who are on the waiting list for subsidized residential care places. All users are required to pay service charges. The fee for home care varies, depending on the user's household income and service usage. For day care services, users pay standard rates.

3. In July 2011, the Elderly Commission ("EC") published its report of the Consultancy Study on Community Care Services for the Elderly, which examined how CCS could be strengthened through a more flexible and

diverse mode of service delivery to provide better support for elderly persons who aged at home. One of the key recommendations is for the Government to introduce a CCS voucher scheme, which allows eligible elderly persons to choose CCS that suit their needs.

4. Taking on board the EC's recommendation, the Administration introduced a four-year pilot CCS voucher scheme to provide direct subsidy in the form of service vouchers to elderly persons who had long-term care ("LTC") services needs to facilitate them to age at home. Adopting a new funding mode of "money-following-the-user", the Pilot Scheme comprised two phases. The Administration secured \$380 million from the Lotteries Fund to launch the First Phase in September 2013 for a period of two years. In the First Phase, 1 200 vouchers have been issued to moderately impaired elderly applicants in eight selected districts ("the Pilot Districts"). Since late July 2013, SWD had started inviting eligible elderly persons, based on the application date for LTC services in the Central Waiting List ("CWL"), to join the Pilot Scheme. The voucher value in 2015-2016 is \$6,250 per month. The Second Phase is scheduled to be launched in September 2015 over a period of two years.

Deliberations by Members

Co-payment and means test

5. Noting with concern that a sliding scale of co-payment (the five levels of \$500, \$750, \$1,000, \$1,500 and \$2,500) would be determined based on a means-tested mechanism, some Members worried that many elderly persons from low-income families could not afford the co-payment. They were of the view that it was wrong to adopt the "user pays" principle and introduce a means-test mechanism for subsidized CCS. Given the long waiting time for subsidized CCS or residential care services ("RCS"), some poor elderly persons had no choice but to opt for the Pilot Scheme although they could barely afford the co-payment. The Administration should draw up a holistic and long-term plan to address the inadequate provision of LTC services.

6. Some Members expressed concern that the introduction of the voucher scheme was a move towards privatization of subsidized services by inviting private operators to join the market. They were concerned about whether the existing CCS users would have to pay more for CCS to be provided by private operators.

7. The Administration advised that the services provided under the Pilot Scheme would remain subsidized, 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 the user could afford, the more the Government would pay. Users could top up their payment to enjoy additional and non-essential services. In addition, 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 elderly persons' real need for assistance and allocate public resources in a more prudent manner. The asset value of the elderly persons and their household was not subject to means test.

8. The Administration further assured Members that the introduction of the Pilot Scheme would not affect existing subsidized CCS provision. The Administration would continue its efforts in providing more subsidized CCS and residential care places funded by the conventional financing mode.

9. Members were concerned about whether voucher holders on Comprehensive Social Security Assistance ("CSSA") could be exempted from the co-payment. The Administration advised that voucher holders on CSSA might apply for a special grant under the CSSA Scheme to cover part of the co-payment under the Pilot Scheme. During the First Phase, eligible CSSA recipients needed to pay a monthly co-payment of \$500 but might receive reimbursement of either \$207 (under mixed mode of day care and home care services) or \$149 (under single mode of day care service) per month from Social Security Field Units of SWD. The reimbursement would put them in a similar position as those CSSA recipients who were receiving CCS under the conventional approach.

Participation rate and coverage

10. Noting that the Administration would continue to implement the Pilot Scheme after completion of the First Phase of the Scheme, Members were concerned about the participation rate and service utilization rate of the Scheme. According to the Administration, as at end-January 2015, a total of 2 002 elderly persons, including 1 217 existing voucher holders, had participated in the Pilot Scheme. Among the voucher holders, 968 of them were using the services provided by Recognized Service Providers ("RSPs"). The remaining 249 voucher holders were choosing the service provider and/or the service package. A total of 785 service voucher holders had withdrawn from the Pilot Scheme, with 136 of them switching to other community care services.

11. Some Members were concerned that districts with a large number of elderly residents were not selected for the Pilot Scheme. According to the Administration, in selecting the Pilot Districts, it would take into account the number of suitable service providers and the waitlisting situation of RCS and CCS in a district. The Administration hoped that more districts could be covered in the Second Phase of the Pilot Scheme.

12. Members held the view that the Pilot Scheme should be extended to elderly persons who were mildly or severely impaired as well as non-elderly persons who were in need of CCS. The Administration advised that the First Phase of the Pilot Scheme covered eligible elderly persons who had been assessed by the Standardized Care Need Assessment Mechanism for Elderly Services ("SCNAMES") as moderately impaired and were waiting for subsidized CCS and/or RCS on CWL. If they were assessed by SCNAMES as moderately impaired, the Administration would follow up their requests for participating in the Pilot Scheme. The service needs of the elderly persons with severe impairment would be considered in the Second Phase of the Pilot Scheme.

13. Noting that as at 10 October 2014, 31.7% of the total number of voucher holders had not yet chosen the service providers/service packages and 184 participants had withdrawn from the Pilot Scheme for unavailability of suitable service providers/service packages, some Members expressed concern about whether the services provided by RSPs could meet the needs of voucher holders. In their view, a mechanism should be in place to ensure that RSPs could satisfy the needs of voucher holders and had the capacity to provide the required services. The Administration was requested to explore whether affordability of target beneficiaries and the service types were reasons for non-participation in the Pilot Scheme.

14. The Administration advised that the Sau Po Centre on Ageing ("COA") of the University of Hong Kong had been commissioned by SWD to conduct an evaluation study on the First Phase of the Pilot Scheme. In conducting the study, COA would interview the participants who had withdrawn from the Pilot Scheme to understand more about their reasons for withdrawal. COA would also collect information from the target beneficiaries and their family members on their reasons for not participating in the Pilot Scheme. RSPs' operational experience would also be collected. The Administration would review the service packages with a view to allowing more flexibility in the choice of services, thereby providing more personalized services for the eligible elderly persons in the

Second Phase of the Pilot Scheme.

Case management approach

15. Regarding the case management approach adopted for service matching, quality monitoring and cost control under the Pilot Scheme, 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. Some Members took the view that case management should be performed by civil servants in the Second Phase of the Pilot Scheme as they did not have any vested interest. The engagement of impartial external parties as case managers should also be included in the COA's study.

16. 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.

Quality monitoring mechanism

17. Members expressed concern about the possible decline in service quality with the joining in of more novice service providers and the increasingly acute shortage of manpower in the elderly care sector. They called on the Administration to put in place a quality monitoring mechanism to monitor the performance of service providers.

18. The Administration advised that it was fully aware of the importance of monitoring service quality for the Pilot Scheme. SWD invited eligible NGOs and social enterprises ("SEs") to submit applications for being RSPs, which would be assessed by a vetting committee. A total of 62 eligible RSPs to be operated by 29 NGOs and two SEs were selected for the First Phase. A monitoring mechanism, with a set of standardized assessment tool for measuring service outcomes, would be in place for the implementation of the Pilot Scheme. SWD would conduct review visits to and random checks on RSPs to audit all relevant records and files, such as service hours for individual voucher holders and fee-charging.

19. As regards manpower planning, the Administration assured

Members that it had solicited the support of various training institutes to increase the supply of training places. The Education Bureau had also undertaken to develop a qualifications framework for the elderly care service sector, with a view to attracting more new entrants to the field.

Latest development

20. The Administration will brief the Panel on the evaluation study of the First Phase and the arrangement of the Second Phase of the Pilot Scheme at its meeting on 8 June 2015.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
3 June 2015

Appendix

Relevant papers on Pilot Scheme on Community Care Service Voucher for the Elderly

Committee	Date of meeting	Paper
Panel on Welfare Services	21 January 2013 (Item I)	Agenda Minutes
Joint Committee on Long-term Care Policy	26 March 2013 (Item I)	Agenda Minutes
Joint Committee on Long-term Care Policy	28 May 2013 (Item I)	Agenda Minutes
Joint Committee on Long-term Care Policy	24 June 2013 (Item I)	Agenda Minutes
Panel on Welfare Services	13 January 2014 (Item V)	Agenda Minutes
Finance Committee	3 April 2014	Administration's replies to members' written questions in examining the Estimates of Expenditure 2014-2015 Pages 1034, 1232-1234 and 1617
Legislative Council	12 June 2014	Official Record of Proceedings Pages 6-77 Progress Report
Panel on Welfare Services	10 November 2014 (Item IV)	Agenda Minutes

Committee	Date of meeting	Paper
Finance Committee	2 April 2015	<u>Administration's replies to members' written questions in examining the Estimates of Expenditure 2015-2016 Pages 200, 261, 350 431, 1844 - 1851, 2042 and 2146</u>

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