
ELDERLY COMMISSION

**ASSESSMENT ON THE DEMAND OF THE ELDERLY FOR
HOUSING AND RESIDENTIAL CARE SERVICES AND
STRATEGY TO MEET LONG-TERM NEEDS**

EXECUTIVE SUMMARY

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INTRODUCTION (Chapter 1)

In his 1997 Policy Address, the Chief Executive asked the Elderly Commission to carry out a comprehensive assessment on the long-term demand of the elderly for housing and residential care services and recommend a strategy to meet the long-term needs. The Elderly Commission set up an Ad Hoc Committee on Housing and Residential Care (the Ad Hoc Committee) to carry out the task.

Terms of reference and work plan

2. The terms of reference of the Ad Hoc Committee are as follows:
 - (1) to review the supply and demand of housing and residential care places for the elderly, with a view to increasing the supply by the public and private sectors to meet the demand in accordance with the agreed policy;
 - (2) where feasible, to recommend improvements to the current public housing allocation policies in respect of the elderly, including the various priority schemes for the elderly, with a view to achieving the policy objective of “ageing in place”;
 - (3) to keep under review admission criteria and arrangements of various types of residential care homes for the elderly, with a view to achieving the policy objective of continuum of care. Where feasible, new initiatives that can help to improve the delivery of services should be mapped out; and
 - (4) to undertake any task in relation to housing and residential care assigned by the Elderly Commission.

3. The Ad Hoc Committee was set up at the end of August 1997 and held its first meeting in early October. Up to August 1998, it had met for a total of 10 times.

POLICY DIRECTION ON CARE FOR THE ELDERLY (Chapter 2)

4. The Ad Hoc Committee affirms that “continuum of care” is central to the policy on care for the elderly. Elderly people, whether living at home or in residential institutions, should stay in a familiar environment when their health conditions change. Hence, the Ad Hoc Committee considers that the concept of “continuum of care” should be extended to facilitate the coordination among family care, day care and residential care services.

5. The Ad Hoc Committee reaffirms the important role of the family in caring for the elderly. The Government should continue with its public housing allocation and taxation policies to encourage and assist families to take care of their elderly members. Having regard to the communication gap between the older generation and the younger generation, the Government should promote and strengthen, through various channels, communication between the two generations. On the other hand, the Government should respect elderly people’s right of choice and provide adequate public housing flats for single elderly persons and elderly couples.

6. The Government should formulate policies to enable private property developers to become aware of the role they can play, and should encourage them to provide flats with suitable facilities for lease or sale to the elderly.

7. For families who take care of their elderly members, the Government should strengthen the existing support services, improve respite service, consider increasing professional outreaching services, and provide suitable support to carers of the elderly. For elderly people with no relatives and who cannot take care of themselves, or those who live with their families but whose conditions are too frail to be properly cared for at home, the Government should continue to develop residential services to meet their needs.

8. The Ad Hoc Committee reiterates that the Government should create an environment conducive to healthy competition to tie in with the development of a mixed economy of service provision, so as to offer more choice to the elderly and improve service quality through introducing more competition in the market. The Government should also devise a policy on private residential care homes to provide basic conditions for the private sector to operate in the market.

9. In the long run, when the mixed economy of service provision is fully developed, the Government may consider changing from its current role of direct participation as a service provider to the role of service purchaser.

ASSESSMENT ON THE HOUSING DEMAND OF THE ELDERLY (Chapter 3)

10. There are two main types of potential demand of the elderly for assisted rental housing. One is new demand and the other is generated demand.

11. The major source of supply of assisted rental housing for the elderly is the Housing Authority's new or vacant 1-person and 2-person flats as well as Housing for Senior Citizen units.

12. The Housing Bureau has made an assessment on the demand of the able-bodied elderly for 1-person and 2-person assisted rental housing. According to its projection, the total demand of the elderly for assisted rental housing in the next ten years is 73 730 units while the total supply is 68 560 units, the shortfall being 5 170. This projection may be affected by changes in policies or social circumstances. The Housing Bureau has remarked that it would establish a system to assess the demand accurately and regularly. It would also draw up and continue to implement a comprehensive flat supply programme to meet the housing needs of the elderly population, and would take into account their non-quantitative needs.

ASSESSMENT ON THE DEMAND OF THE ELDERLY FOR RESIDENTIAL CARE SERVICES (Chapter 4)

13. The HKSAR Government's policy on care for the elderly is to encourage the elderly to age at home. The elderly need suitable community support services in order to remain in the community. The following categories of residential care services are currently provided to meet the diverse needs of the elderly:

- (1) elderly hostel;
- (2) home for the aged;
- (3) care and attention home (C & A home); and
- (4) nursing home.

14. In May 1996, the Government commissioned a consultancy firm to study the needs of the elderly for residential care and community support services. The consultant points out in his report that demand for services does not necessarily represent the actual need for services. When assessing the needs of the elderly for residential care services, the Government should define the genuine demand.

15. According to projection, of the 27 000 elderly persons on the waiting lists of homes for the aged, C & A homes and nursing homes, about 13 000 meet the admission criteria. In the next few years, with the ageing of the population, it is estimated that the number of elderly people with genuine need for residential care services will continue to increase.

16. There are three main sources of supply of subvented places, namely newly provided subvented places, additional places purchased from private homes and vacancies arising from the turnover of existing subvented places. In the next four years, there will be an annual supply of about 3 000 to over 4 000 residential care places, and the annual increase in the number of elderly people with genuine demand is estimated to be between 1 700 and 3 300. The number of places available for allocation in each of the next four years, except for 2001/02, will therefore exceed the net increase in genuine demand in the same year. This will shorten the waiting list and waiting time for C & A homes.

17. Action is now in hand to set up a Gate-keeping mechanism to improve the allocation of elderly services. It is believed that the mechanism will be of considerable assistance in identifying the genuine demand. The Administration also expects that it will help reduce the waiting list and waiting time for services.

PUBLIC HOUSING ALLOCATION FOR THE ELDERLY (Chapter 5)

18. The Ad Hoc Committee recognizes the need to provide flats with suitable facilities and services for elderly people. The Housing Authority and Housing Department have various priority housing schemes for the elderly, including Single Elderly Persons Priority Scheme, Elderly Persons Priority Scheme, Families with Elderly Persons Priority Scheme and Special Scheme for Families with Elderly Persons. These schemes benefit the elderly as well as families willing to reside with their elderly members.

19. To promote family care for elderly people, the Housing Authority has recently improved on the existing elderly priority schemes, such as extending the Families with Elderly Persons Priority Scheme to non-nuclear families with elderly members and further reducing the waiting time by two years instead of one year. Under the Home Ownership Scheme and Private Sector Participation Scheme, preference is given to families with elderly members to improve the success rate of their applications and to upgrade their flat selection priority, e.g. from ordinary green form status to third priority green form status. Under the Home Purchase Loan Scheme, families living with their elderly members are accorded priority over other applicants in the same phase.

20. On the other hand, the Housing Authority has implemented the Estate Social Service for the Elderly Scheme (commonly known as Estate Liaison Officer Scheme) since 1990 with a view to establishing contact with elderly people living alone in public housing estates, identifying their personal needs and the resources required to meet their needs, encouraging their participation in social activities and volunteer work, and setting up support networks for them. The scheme is now implemented in 26 estates.

21. Broadly speaking, there are two main categories of housing for the elderly in public rental estates, namely Housing for Senior Citizens and small self-contained flats. Housing for Senior Citizens is provided with warden services to organize recreational activities for the elderly residents and to attend to emergency situations. Small self-contained flats are equipped with a kitchen and a bathroom. They are provided through new construction or by refurbishment of vacated flats in old estates. In the majority of public housing estates, facilities and services are provided specifically for elderly people. The Housing Authority allocates space for voluntary agencies to operate community support services for the elderly, such as social centres, day care centres, health centres, C & A homes etc.

22. The Senior Citizen Residence Scheme is a new housing initiative which aims to integrate domestic and supportive components to enable the elderly to “age in place” and enjoy healthy living. Flats will be constructed by the Housing Society to lease for life to eligible elderly persons. The scheme will be implemented on a pilot basis at two sites in Tseung Kwan O and Ngau Tau Kok. It is expected that building works will commence in mid-1999 for completion by the end of 2001/02.

23. The Ad Hoc Committee appreciates that public housing resources are limited and that the demand and supply situation should be taken into account when considering the priorities. However, in order to reflect the needs of elderly people of different age groups and health conditions, the Ad Hoc Committee recommends that:

- (1) more concessions in waiting time and flat allocation should be given to families who take care of elderly people with impairment;
- (2) as with arrangements in overseas countries, more concessions should be given to the “older” old, say those 75 years of age or over; and
- (3) the Housing Department should consider a review of the Estate Liaison Officer Scheme.

RESIDENTIAL CARE SERVICES (Chapter 6)

24. The reasons for the shortage of residential care homes in Hong Kong are rather complicated, but they can be broadly grouped into the following three categories:

- (1) insufficient subvented residential care places;
- (2) the varying service quality of private residential care homes; and
- (3) mismatch of resources.

25. There are but two solutions to the problem of shortage of residential care homes. Firstly, we must define genuine demand so that only elderly people with genuine needs can obtain the services required. Secondly, we must increase the supply of residential care

places, and this should be achieved through a mixed economy of service provision.

Defining genuine demand

26. In defining genuine demand, the Ad Hoc Committee agrees that residential care services should be directed to elderly people with genuine needs. In the longer term, homes for the aged should adopt the same admission criteria as C & A homes. Able-bodied elderly people and those who can take care of themselves should remain in the community. To implement this recommendation, the Government must first improve the staffing and facilities of homes for the aged and provide support services for elderly people living in the community. The Ad Hoc Committee stresses that the revised admission criteria should only be applied to elderly people on the waiting list. Those already living in homes for the aged should not be affected. The Ad Hoc Committee notes that government departments concerned will follow up on arrangements for elderly people on the waiting list.

Gate-keeping mechanism

27. To ensure better use and appropriate allocation of existing resources for elderly services, the Health and Welfare Bureau (HWB) should consider setting up a Gate-keeping mechanism for elderly services. Under the proposed mechanism, assessments will mainly be conducted by the Gate-keepers, who comprise community nurses, social workers and medical social workers. When making applications for residential or community services on behalf of the elderly, caseworkers will refer the elderly to the Gate-keepers, who will then assess their health conditions and needs for nursing care. Taking into account the service resources and urgency of their need for services, the Gate-keepers will submit applications to the providers to arrange appropriate services for the elderly.

28. By adopting a standardized assessment tool, assessments will be more objective and efficient, and duplication in assessment work can be avoided. Since all applications for community or residential services by the elderly must go through the Gate-keeping mechanism, the Administration can have a clearer understanding of their needs and take them into account in service planning.

29. The Ad Hoc Committee supports the direction of Gate-keeping and agrees that the new mechanism can enhance the cost-effectiveness of resource utilization in providing elderly services, improve the objectivity and efficiency of the assessments, and allowing elderly people in need to receive priority service. The Ad Hoc Committee also recommends that when developing the assessment tool, participation of NGOs and elderly people is necessary. In providing services, the personal preferences of the elderly should be taken into account whenever possible. Suitable appeal channels should also be established. If this mechanism works well, it can help identify the demand of the elderly for residential care, domiciliary or other community services, and allow those in urgent need to have priority access to residential care homes.

Increasing the supply of residential care places

30. In order to increase the supply of residential care places within a short time, the Ad Hoc Committee agrees that the utilization rate of existing places should be further improved and suggests that subvented care homes should process applications before the

vacancies arise.

31. The Ad Hoc Committee agrees that the Government should continue to buy residential places from private care homes because this would increase the supply within a relatively short time.

32. The Ad Hoc Committee hopes that by increasing the supply of places under a mixed economy of service provision, subvented, private and self-financing homes would improve their service quality through competition and offer more choices to the users. But the Ad Hoc Committee considers that the Government should continue to allocate more resources for the development of new subvented or self-financing care homes.

33. Given the huge demand for residential care homes and the shortage of land in the urban area, the traditional method of building single-block care homes is considered to be under-utilizing the resources. It does not optimize site potential, and the speed of development cannot catch up with the increase in demand. In this respect, the Ad Hoc Committee agrees that there is a need for change. Under the established policy, the Government would provide purpose-built premises for subvented care homes, while private homes have to identify premises themselves. Most of the private care homes are presently located in non-purpose-built premises, converted from domestic flats or commercial units. These premises are not conducive to the development of quality services. The Ad Hoc Committee recommends that the policy of providing purpose-built premises should be extended to private care homes under the BPS and self-financing care homes.

34. The Administration is also planning to develop sites reserved for community centres into joint-user buildings. The lower floors of these buildings will be reserved as residential care homes. At the same time, the Social Welfare Department (SWD) is identifying more existing buildings suitable for care home purposes, such as vacant commercial premises or ex-government staff quarters. These premises will be provided for subvented, private or self-financing care homes. This measure will increase the supply of residential care places and gradually phase out care homes located in substandard premises. The Director of Social Welfare will head an inter-departmental working group to follow up the plan.

Encouraging the private sector to provide accommodation for residential care homes

35. The Ad Hoc Committee appreciates the important role the private sector plays in the supply of accommodation for residential care homes. A member of the Ad Hoc Committee has raised a number of proposals as follows:

- the Government to include suitable conditions in land sale programmes and modification of lease conditions;
- granting building concessions (such as bonus plot ratio) to require developers to provide accommodation for care homes;
- if a developer voluntarily includes care home premises in his development plan, the Government should exercise discretion to give special consideration to his application;
- the Building Authority should consider relaxing the relevant regulations when examining applications to convert shopping arcades into care homes. When

modifying lease conditions, the Government could consider a fixed premium; and

- the Government should consider amending legislation as necessary to override relevant provisions in Deeds of Mutual Covenant to permit the operation of residential care homes in private buildings.

36. The policy bureaux and departments concerned will further study and follow up these proposals.

Outreaching health care and medical services

37. Under the current system, subvented C & A homes are allocated funds for hiring visiting doctors to provide general outreaching medical services for their residents. While recognizing the need to provide medical support for elderly residents of care homes, the Ad Hoc Committee considers it necessary to further study the interface between residential care services and medical services.

38. At present, both the Hospital Authority and Department of Health operate outreaching services for elderly people living in the community and residential care homes. The Visiting Health Teams of the Department of Health provide preventive and promotive services to the residents of private and subvented care homes as well as the elderly in the community. These teams also give the carers support and proper information on care for the elderly. The Hospital Authority, on the other hand, provides specialist outreaching services. The Ad Hoc Committee recommends that these outreaching services should be extended to self-financing homes and private homes under the bought place schemes.

A sense of belonging

39. We will continue to encourage and enable the elderly to age at home. We will also focus on providing residential care services for the frail elderly who cannot receive adequate care in the community. To examine in depth the policy on community support services, the Elderly Commission is setting up an “Ad Hoc Committee on Home Care” to carry out studies on the topic.

SELF-FINANCING RESIDENTIAL CARE HOMES (Chapter 7)

40. Self-financing residential care homes are non-profit-making elderly homes operated by Non-governmental Organizations (NGOs) without government recurrent subvention. The Government has all along encouraged a mixed economy of service provision to give the elderly more choice in residential care services. However, there is room for development of self-financing homes in Hong Kong. The Ad Hoc Committee has reviewed the operation of self-financing homes and made recommendations on the development strategy.

41. The Ad Hoc Committee recommends that a suitable operating environment should be created to further encourage the setting up of more self-financing homes by NGOs. The following measures can be considered:

- (1) to provide suitable premises for self-financing homes;

- (2) to provide financial assistance through bought place schemes;
- (3) in planning new care homes, to allow the operation of both subvented and self-financing places in the same home to enable flexible use of resources; and
- (4) it is noted that the provident fund balance and experience of non-professional staff of self-financing homes are not recognized when they are employed in subvented care homes. The Ad Hoc Committee hopes that the Administration will consider recognizing the provident fund balance and experience of non-professional staff on transfer to subvented homes, as in the case of professional staff.

PRIVATE RESIDENTIAL CARE HOMES (Chapter 8)

42. Private residential care homes play a very important role in the provision of residential care for the elderly, but their service quality varies. As at the end of July 1998, of the 425 private care homes, 60 were licensed by SWD and the remaining 365 operated on certificates of exemption. Together they provided about 24 000 residential care places, representing about 53% of the total supply in the territory.

43. Despite SWD's Financial Assistance Scheme, private care homes may still be unable to finance improvement works because over 80% of their elderly residents are recipients of Comprehensive Social Security Assistance and are unable to afford higher fees.

44. Most of the private care homes are located in premises converted from private domestic flats or shopping arcades. Apart from in-situ constraints, their operation is often subject to objections from other users of the buildings on grounds that they contravene building usage specified in Deeds of Mutual Covenant.

45. Another licensing obstacle faced by some private care homes operating on certificates of exemption is the difficulty in recruiting sufficient Health Workers and Care Workers. Since 1995, about 1 150 trainees have graduated from health worker training courses, but the wastage of graduate trainees is as high as 60%. The main reasons for the shortage of Health Workers and Care Workers are long working hours and low wages.

46. By offering higher purchase prices under the Enhanced Bought Place Scheme (enhanced BPS), the Government helps private home operators recruit staff at higher wages. Apart from financial assistance, SWD is also following up on proposals with regard to manpower training, such as the supply of Health Workers and improving their professionalism.

47. The Ad Hoc Committee affirms the importance of manpower training for elderly services and hopes that the Elderly Commission will conduct further studies and make recommendations to the Government.

48. As regards the failure of private care homes to meet the requirements on building, fire, electrical and gas safety under the Residential Care Homes (Elderly Persons) Ordinance, the Ad Hoc Committee considers that the problem could be more effectively dealt with if care home operators engage the services of Authorized Persons.

BOUGHT PLACE SCHEME (Chapter 9)

49. The Ad Hoc Committee appreciates the difficulties facing private care home operators and hopes that the Bought Place Scheme (BPS) and the enhanced BPS can provide financial incentive to encourage them to improve their service quality.

50. The main features of the enhanced BPS are as follows:

- (1) residential care homes participating in the enhanced BPS should be those licensed under the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459);
- (2) those operating on certificates of exemption can also participate in the enhanced BPS, subject to their obtaining a licence within six months. During this period, prices for their bought places should be reduced accordingly;
- (3) the net floor area per resident should not be less than 8m²;
- (4) enhanced health and care staffing;
- (5) the monthly purchase price for each place under the enhanced BPS will be about \$1,000 higher than that of the existing BPS; and
- (6) to reflect the improved health and care services, the user fees payable by the elderly should be higher to reflect service costs. The monthly user fee is \$1,603 for enhanced A2 and \$1,707 for enhanced A1.

51. The Ad Hoc Committee hopes that the enhanced BPS could assist private care homes to raise their service quality gradually and to compete at a higher level. The Director of Social Welfare is reviewing the subvention system and one of the items is to draw up funding and service agreements and service quality standards to evaluate the quality of subvented services. The Administration will extend the concept of service quality standards and monitoring to private care homes participating in the bought place schemes.

RESIDENTIAL CARE SERVICES FOR THE ELDERLY - CONTINUUM OF CARE (Chapter 10)

52. At present, the Government subsidizes various types of residential care institutions to cater for the different care and social needs of elderly people of varying health conditions. Since different types of care homes are currently adopting different admission criteria which are based on the level of care required by the elderly, when their health conditions deteriorate, elderly people have to be transferred to other care institutions. For the elderly, sudden change of environment could be very unsettling. To attain the policy objective of “a sense of belonging” and enable elderly people to stay in a familiar environment when their health conditions deteriorate, the Ad Hoc Committee reaffirms that “continuum of care” is essential in residential care services.

53. To implement the concept of “continuum of care”, residential care homes should be provided with appropriate facilities and staffing, so that they can meet the care needs of the elderly residents whose health conditions change constantly. The elderly can remain in the care home and there is no need for them to be moved to other care homes that provide a higher level of care.

54. To achieve the concept, the Government has since 1996 issued Infirmary Care Supplements to C & A homes to enable them to recruit extra staff to meet the care service needs of the elderly.

55. To further implement the concept of “continuum of care”, the Ad Hoc Committee proposes that in future, subvention should be calculated in accordance with the care needs of all elderly residents of a care home. A two-year pilot scheme should be launched at two C & A homes to test the results.