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Columnist - Meeting residential care needs of the elderly through co-payment

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This column provides a forum for intellectuals to contribute their ideas and knowledge on ageing issues. Articles are original work of the columnist and do not represent the views or opinions of APIAS.

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Meeting Residential Care Needs of the Elderly through Co-payment



Since the early 2000s, the Government has been aware of anomalies in the Comprehensive Social Security Assistance (CSSA) Scheme in meeting long-term care needs of the elderly.

In May 2003, the Government made a submission to the Legislative Council, proposing for further consideration a "residential care service voucher scheme" to better meet care needs of the elderly. Having regard to their affordability, elders and their children, together with the Government would share the cost of the service.

According to the paper CB(2)2015/02-03(03) submitted by the Government, in principle, all elders with care and financial needs will be assisted through the voucher scheme when it is in place; they will no longer be eligible for CSSA. It will also be necessary to bring subvented homes under the voucher scheme for it to be effective. Instead of relying on subventions, these NGO homes will have to compete in the market for elders who may or may not receive assistance from the voucher scheme.

Ten years on, the unfair situation persists. The Government has as yet no timetable in implementing a "residential care service voucher scheme".

As at January 2011, there were some 25 200 elders who relied on their CSSA payments (averaging \$5,000 plus) to pay fees in private homes¹. At that fee level, it is not unexpected that the service leaves much to be desired.

At the same time, the situation of thousands of elders passing away while waiting for subsidized places will continue.

CSSA elders not receiving satisfactory service

Under the existing arrangement, any financial contributions made by elders and their children would not benefit the elders as they only reduce the Government's payout on CSSA. Effectively, the arrangement encourages children not to care for their parents. In an article dated 19 November 2002, Mrs Carrie Lam, then Director of Social Welfare, said that she had received a number of letters from the public expressing similar sentiments to the one below:

There was a middle-income family, comprising a couple, two children of school age and an aged mother. With the couple working and paying for a mortgage on their home ownership scheme unit, the family used to lead a reasonably comfortable life. Then suddenly, the aged mother had a stroke. The family had no means to hire a domestic servant to look after the handicapped elder discharged from hospital.

The son (of the aged mother) sought advice from the Social Welfare Department (SWD). He was told that he could ask SWD to assess the care needs of his

mother and then wait for allocation of a subsidized place, much in the same way as waiting for a public housing unit.

In the letter, the son said that he could not leave his mother at home under the care of his wife who would then have to cease working. This was financially not practicable. Then, an idea dawned on him.

The idea was that he was to sign an undertaking, declaring that he would no longer support his aged mother. She would then be regarded as a single person without income for the purpose of her CSSA application. As she had had a stroke, she would be eligible for a higher standard CSSA payment. Together with a rent allowance and other subsidies, the mother could receive a monthly CSSA payment of some \$5,000 which would then enable her to pay the fee in a private home on discharge from hospital.

"I would very much wish to care for my mother. But I could not afford to pay some \$5,000 a month. If I could pay \$1,000 - \$2,000 and leave my mother in the care of an elderly home, I would not sign that paper, declaring that I would make no financial contributions for her maintenance. The Government encourages us not to look after our mothers. Why?"

Mrs Carrie Lam said that she found the situation heart-breaking.

Children encouraged not to look after parents

The best way to improve the service that CSSA elders may receive in private homes and to allow their children to make financial contributions to their upkeep is to implement the "residential care service voucher scheme" proposed by the Government many years ago. It is unfortunate that the present Government has no intention to take the matter forward, leaving the deplorable situation to endure indefinitely.

As a matter of fact, if officials could think out of the box, Hong Kong could implement, to a limited extent within the CSSA framework, the concept of co-payment by elders, their children and the Government to fund the cost of residential care service, thereby improving the situation immediately.

The Government could adopt the existing "dis-regarded income arrangement"² under the CSSA scheme in processing applications by elders who live alone. Elders and their children could supplement the meager CSSA payment, up to the limit of the maximum dis-regarded income, to secure a place in a private home which provides better service.

For example, if the assessed CSSA payment were \$5,800 a month and the maximum dis-regarded monthly income

is \$3,000, then the elder could have a maximum of \$8,800 a month to pay for a better quality private home place. Further, if the children of the above mentioned elder could not support him financially and if the elder is a retired civil servant eligible for a monthly pension of \$2,500, then the elder would have a disposable monthly income of \$8,300.

At present, the elderly can become CSSA recipients if their children declare that they make no financial contributions to their upkeep in an elderly home. Invoking a "dis-regarded income arrangement" would not therefore lead to an increase in CSSA applications and hence would not bring pressure on public funds. The Government would only increase very slightly its expenditure on pension³.

In recent years, discontent within the community has been rising fast. Some say that it has reached a breaking point. The main cause is that the Government has failed to take into account public opinions in administering the territory. Take the CSSA scheme for the elderly as an example, some ten years ago, the Government realized the gravity of the problem and put forward a proposal for change. Notwithstanding cries from the community and urging from the legislative council, the present Government has done nothing to improve the situation.

It is hoped that the Government would immediately invoke the "dis-regarded income arrangement" under the CSSA scheme for the benefit of elders, and in the process allow children to contribute to the well being of their aged parents, thereby help create a caring society. This is a first step in taking forward the concept of "meeting care needs of the elderly through co-payment".

John Leung

1 There are private homes in Hong Kong providing quality service. The crux of the matter is when the operating cost of a care and attention place in subvented homes run by NGOs is more than \$11,000 a month (comprising Government subvention of \$10,000 and home fee of more than \$1,000, not to mention the construction cost of the facilities and land premium), we could not expect the same quality service in a private home at about \$5,000 CSSA payment.

2 Dis-regarded income (DE) refers to the earnings from employment that are disregarded when assessing the amount of CSSA payable. The provision of DE allows CSSA recipients who work to be financially better off than those relying entirely on welfare, thus encouraging those who can work to find and remain in employment.

3 A small number of CSSA elders in private homes are retired civil servants who have opted to receive CSSA payment and forfeit their smaller pension payment. If the "dis-regarded income arrangement" is in place, there will be a slight increase in pension expenditure for the Government.