Elder Care in Hong Kong

Interviews with Professor Alfred Chan Cheung Ming, Patrick Cheung

By Sofia Widén and William Haseltine
ACCESS Health Sweden

November 2016
Our vision is that all people, no matter where they live,
no matter what their age, have a right to access
high quality and affordable healthcare.

www.accessh.org
Introduction

The following interviews are part of a greater research effort by ACCESS Health to identify best practices in elder care across a number of countries including Sweden, The Netherlands, mainland China and Hong Kong. Sofia Widén traveled to mainland China and to Hong Kong in February and March 2016 to meet with elder care providers, academic researchers, not for profit organizations and government representatives including Mr. Matthew Cheung Kin-Chung, Secretary for Labour and Welfare.

Background Elder Care Hong Kong

People in Hong Kong have very long life expectancies. In 2014, the life expectancy in Hong Kong represented one of the highest life expectancies in the world.\(^1\) Families still assume the central responsibility in elder care although the government of Hong Kong is launching an ambitious effort to build new care homes, subsidize elder care services, and improve the lives of the elderly. There is a lack of land in Hong Kong, which renders this task more difficult. The elder care sector is dominated by not for profit actors that receive charitable funding to deliver care services. These not for profit actors are generally granted lower rents and other subsidies. Private elder care providers struggle to compete with the not for profit actors on these terms.

The government has made elder care a top priority and has extended its services in subsidizing preventive health checkups at community clinics all over Hong Kong. The service has benefited thousands of individuals who previously lacked access to such services. However, Hong Kong still lacks strong and comprehensive primary care referral pathways centered on family doctors. Dementia awareness among the public is lower than in European countries and specialized care homes for individuals who suffer from dementia are not as widespread as in Sweden. The government does not subsidize assistive devices to the same extent as the Swedish government.

As Hong Kong ages rapidly and as the sector is reforming, new innovations are introduced. ACCESS Health International is following developments through a series of case studies. Sweden and other European countries can

---

1 Census and Statistic Department, The Hong Kong Special Administrative Region
learn from best practices in Hong Kong and vice versa. Below is a general introduction to healthcare in Hong Kong.

**Chances and Challenges**

A report by the University of Hong Kong\(^2\) recommends improvements to the existing mode of service provision and increases to the service volume in elder care. Especially, Hong Kong needs to improve service hours such as opening hours of community care centers, the scope of services, and physical space for elder care providers. The government also needs to increase the support service for family caregivers and provide more transitional care and respite services. There is also a need to fine tune the existing mode and service performance monitoring system of elder care services. There is a need to shift or realign the service boundaries. Hong Kong needs to build more care homes especially those for specialized care needs. They need to provide more home based community services since the base of elder care in Hong Kong is institutional care. Hong Kong needs to promote synergies between center based and home based services and promote more interaction and coordination between long term care services and non long term services. They also need to promote an interface between hospital, other healthcare services, and community care. Furthermore, there is a great need to modify the financing model of elder care services. This report recommends that the Hong Kong government introduces a community care service voucher which is based on affordability and shared responsibility. This will lead to more equitable allocation of resources in elder care in Hong Kong. The government has decided in 2015 to introduce a voucher system partly based on the Dutch model. A voucher grants every citizen a fixed sum of money to spend on elder care services. The individual in need of services can decide where to spend this sum of money for elder care services.

The report discusses the value of a voucher system with a variable amount so there could be merit in exploring a community care service voucher scheme.

---

\(^2\) Consultancy Study on Community Care Services for the Elderly. Final Report by Sau Po Center on Aging and Department of Social Work and Social Administration, The University of Hong Kong, Submitted June 2011
that is administered with a means test with varying amounts of value in accordance with the applicant’s frailty and financial conditions. The voucher system may encourage some applicants to opt for home based and community based services instead of opting for a place in a care home. But the success of a voucher system requires an effective mechanism for monitoring and evaluation. It would be better to avoid dispersing cash to ensure the proper usage of this subsidy on elder care services. A voucher system hinges on the availability of a large number of service providers and ample supply of staff so that there is a choice of services. The government may need to provide financial incentives for nongovernmental organizations and private operators to enter into the elder care sector. The government may need to provide the premises or financial support to ensure that everyone in Hong Kong can receive the help they need.

It is difficult in the short run to establish statutory regulations or a fixed licensing requirement for community care services because the range of services that is covered is too wide. It ranges from simple house cleaning to advanced nursing care. In the long term there should be a separate monitoring mechanism to ensure service quality. It is important to establish a service performance standard and an independent audit to develop a viable private sector of service provision in elder care in Hong Kong.

There is a need to strengthen the human resource planning in long term care and promote a public awareness of community care services. The report points to other pertinent issues in Hong Kong such as fostering an elderly friendly infrastructure and improving services for older people who suffer from dementia.

**Human Resources**

According to the report, Hong Kong needs to devise strategies to promote the recruitment of more formal caregivers such as nurses, occupational therapists, and physiotherapists. Local training institutes could increase student intake or launch blister programs to increase the overall supply of nurses. The government could expand its various channels to increase the supply of elder care staff. For example, the Education Bureau’s Qualification
Framework should be extended to cover elder care services. This would help facilitate further training of personnel. It may also attract more people to join the sector. Another option is to promote awareness among employers of domestic helpers to encourage them to attend training so that they can take care of frail elderly at home. Domestic helpers are usually live in maids in Hong Kong.

Informal caregivers are an additional human resource. This is something that the government could support through further training and their support. Finally, there is a need to promote public awareness of community care services. There is a need for increased publicity in public education on the available resources for frail elderly among the general public.

The report also discusses the accessibility of public transportation services to enable the mobility of everyone. The government needs to promote an age friendly environment and the use of public transportation. These were the recommendations in 2011. Since then the government has started to subsidize public transportation to provide affordable means of transportation for anyone over the age of sixty five. Hong Kong also needs to work on diagnosis and care for individuals who suffer from dementia. The government should explore options to early identify older people who suffer from dementia. The government should also provide additional support for those who live at home and suffer from dementia.

**Aging in Place**

The Hong Kong government has consistently adhered to the principal of aging in place since 1977 when they developed long term care services for elderly people. The principal emphasizes that individuals should as far as possible live at home with their families. There is a sharp increase in the demand for elder care services in Hong Kong. In 2000, the government introduced a Standardized Care Needs Assessment Mechanism for elderly services. This helps the government identify individuals who are in need of elder care services so as to target their subsidies and services more efficiently.
Service Fees

There is a difference between the cost of daycare services in the private and public sector. Most research papers on Hong Kong refer to private services as self financing services. The public services are usually referred to as the Bought Place Scheme which means the government buys places in care homes or buys homecare services from the private sector. The cost of services range from two thousand three hundred United States dollars per month to seven thousand two hundred United States dollars per month. This is the range between bought places in public care homes and privately self financing services. The cost ranges from around one hundred Hong Kong dollars to two hundred Hong Kong dollars per day. The charges for professional care services such as a nurse, an occupational therapist, or a physiotherapist range from one hundred sixty Hong Kong dollars to two hundred Hong Kong dollars for forty five minutes of service. Homebased care services such as home cleaning, home attending, homecare, meal delivery, escort services, and other such services range between twenty five Hong Kong dollars per hour to one hundred Hong Kong dollars per hour. In Hong Kong more people than in other countries live in care homes. In international comparisons, 6.8 percent of the population lived in care homes in 2009. In Japan only three percent lived in care homes based on data from 2006. In the United Kingdom 4.2 percent lived in care homes based on data from 2004.

Voucher Scheme

Countries such as the Netherlands operate a personal budget scheme which is similar in nature to a voucher scheme that is now in place in Hong Kong. Under a personal budget scheme an individual uses the amount that is allocated to purchase services from independent service providers or agencies. There are different issues that relate to the implementation of a voucher system. There are concerns about the equity, effectiveness, and efficiency of voucher schemes. With universal healthcare and elder care services everyone has the same access and the same right to services. However, a voucher scheme may target the most frail elderly better. This means that resources may be better used for those who are in the most need
of services. For a voucher scheme to operate effectively the Hong Kong government needs an appropriate care needs assessment, an ample number of service providers, trained care personnel, and a regulatory mechanism on both voucher beneficiaries and end service providers.

The voucher scheme should also be efficient. This means that the various administrative procedures that relate to the voucher scheme should be minimized. The introduction of a voucher scheme in elder care would have a significant impact on public resources in Hong Kong. This is why it is important to introduce a solid monitoring system. The international experience on voucher system gives different guidance. Some countries introduce strict practices on how to report the expenses you incur as a voucher beneficiary. Some countries let individuals choose freely and have a less strict reporting system. In the Netherlands, which uses a personal budget system, the user has to be held accountable for the budget by filling in a form that reports the content of services provided and the people involved with a designated period after the end of each advanced payment period. The care administration office carries out random checks on the use of the voucher.

In the United States, recipients of cash support are required to sign undertakings to make sure the money is to be spent on homecare services. A violation of such will result in prosecution by the government. The provision of a cap subsidy to family caregivers may turn out to be a disincentive for people to join the workforce and thus would adversely affect the labor market. To tackle such disincentive problems the Netherlands government requires a formal contract between the older person and the caregiver who is the relative or a friend. In this way, the payments received by the caregiver would be regarded as income by tax and unemployment benefit authorities. As a result, only when the payment is high enough to receive income generated from gainful employment will the disincentive set in. In most cases, this type of income support is not meant to fully compensate the value of the caregivers work. It is only meant to sustain a minimum level of income from people who are unable to have normal full time jobs due to this role as an informal caregiver.
Transitional Care

Transitional care can be an important element for the Hong Kong government to improve aging in place. If the frail elderly can enter into a short term care home or receive short term assistance they may be able to return home and stay at home for longer. When an older person enters into a residential care home, there may be a chance that they could return to live in their domestic setting providing there is the provision of appropriate training and exercise for these people. In fact, if provided with appropriate and timeless services, some of the older persons who enter into residential care homes may have a good chance to return to community living. For instance, after discharge from a hospital appropriate rehabilitation services at home can significantly improve the chances of staying at home. These types of transitional care services should also include pre-discharge care planning and post discharge follow up by a medical healthcare professional. It can also include telehealth and home based services. Several pilot projects have illustrated the merit of such transitional care services in Hong Kong.

Some local nongovernmental organizations have developed self financing services to supplement the service gap in transitional care. They provide a long or a short term stay and stroke rehabilitation plans for elderly people discharged from hospital. This is a three month, one stop, professional treatment service for their rehabilitation. These initiatives from the nongovernmental organizations have shown that effective transitional and respite services can help alleviate the pressure of unnecessary or premature institutionalization.

Fine Tuning the Existing Funding Model

The operators of care homes have to fulfill certain requirements to receive reimbursements. These quality assurance standards are questionably effective in promoting high quality elder care services. Previously the social welfare department required the elder care operators to meet the contract requirements in terms of the minimum numbers of hours that individual users received. There was also a requirement of obtaining no less than a two percent discharge rate per year of service users for informal care and other
community support services. This meant that the service providers had to extend services to new clients instead of only providing services to those who were already enrolled. In theory this system of two percent is charged per annum to ensure that individuals who no longer need services manage on their own to give way for new clients.

The mechanism of bidding for service has caused a considerable problem of service continuation and staff retention due to the uncertainty of contract renewals. Of course, this bidding mechanism has been useful to secure value for services in the allocation of welfare services. However, it is important to strike a balance between service continuity and stability with the rational allocation of resources in Hong Kong. This means that contracts for elder care providers could be extended for a longer period of time to ensure continuity of services.

**Conclusion and Recommendations**

Although the population of Hong Kong is relatively healthy there is increasing morbidity related to chronic illnesses and psychological illnesses. Calls for long term care services are increasing rapidly. In the current long term care provision in Hong Kong there is an imbalance between residential care services and community care services both in terms of volume of government expenditure and in terms of the number of care services. In 2011, there were nearly twenty five thousand subsidized residential care home services versus around seven thousand community care services that were subsidized by the Hong Kong government. The Hong Kong government spends two thousand five hundred million Hong Kong dollars on residential care services versus three hundred million Hong Kong dollars on community care services. This means that the Hong Kong government does not achieve aging in place as they intend to. To a great extent the current health and long term care provision is a publicly funded model in which the government has been the main provider of funds either directly or indirectly through government grants to nongovernmental organizations. The Hong Kong government is starting to question whether this is a viable long term solution.

It is also important to understand traditional and prevalent norms around
familial piety, core residence, family structure and functioning, the responsibilities of families and individuals. If Hong Kong wants to foster an age friendly community, we may also need to consider neighborhood culture and volunteerism, and understand these areas further. There is more research that needs to be conducted in these areas. In addition to increasing the quantity of services there should be an equally important emphasis on improving the quality of services. The Hong Kong government is realizing that the principles of people centered and elderly friendly services are important. It is important to extend the hours of elder care services so that family members can attend their jobs during normal office hours and help their parents to the doctor’s after work. This report includes surveys with family caregivers and beneficiaries of elder care services. These individuals say it would be desirable for them to use ad hoc escort services for medical appointments, massages at the users’ homes, home visits with rehabilitation services, cognitive training services, traditional Chinese medicine treatment, and regular home visits by nurses to monitor the health status of the elderly. This is revealed through the interviews. As revealed from the interviews with community care operators.

The issue of a limited space in care homes is a serious problem that hinders their service delivery. It is desirable to extend the number of beds in care homes and give elder care service organizations more space. This includes enlarging kitchens to enable these providers to cook meals. It also includes more office space for the homecare workers to receive training, supervision, and to complete administrative tasks such as record keeping and reporting. In 2015 the government has responded rapidly to these needs and they are extended and finding more places and better facilities for community care providers.
Background Elderly Commission

The Elderly Commission is an influential advisory board that is appointed by the Hong Kong government. The commission completes independent projects. The Hong Kong government has charged the Elderly Commission with restructuring elder care in Hong Kong within three years. The chairman of the Elderly Commission is Professor Alfred Chan Cheung Ming.

Commission members consult with different communities on the future of elder care services in Hong Kong as a part of the project. They listen to the community requests. The community has requested improving service hours and the quality of services. The Elderly Commission has studied international best practices. The commission has studied elder care systems in Sweden, Great Britain, the United States, Japan, and Australia.

In the following interview, Dr. Chan discusses the recommendations of the commission. The commission recommends that the government spreads information to the public about the quality of services in different care homes. Nongovernmental organizations currently provide a large part of elder care services. These elder care services are publicly funded. The government usually subsidizes land rent and land use. The subsidy means that nongovernmental organizations do not pay to operate in the elder care sector. The subsidy gives nongovernmental organizations a funding advantage over private sector providers.

Dr. Chan also discusses the challenges of the new voucher system. This financing system only covers lighter forms of care services. The new voucher system has not yet extended to residential care services. This program will be introduced over the course of three years. The public and the media are accustomed to the government subsidies. Changing this system is controversial in Hong Kong.

Dr. Chan lastly explains the three different elder care accreditation institutes in Hong Kong. The Hong Kong Association of Gerontology is the primary accreditation group for elder care services in Hong Kong. According to Dr. Chan, the Hong Kong Productivity Council is the second best accreditation agency. The third agency is a small scale elder care provider named Bamboo.
Bamboo is a private accreditor with a less extensive accreditation process. The government currently does not differentiate between these accreditation schemes. Dr. Chan hopes this situation will improve. The government hopes to differentiate between different healthcare providers based on their accreditation status. The government wants the public to understand the difference in quality among different elder care services.

Nongovernmental organizations in the elder care sector do not have enough incentives to improve their quality of services right now. For example, nongovernmental organizations usually provide services during normal office hours. The government would like the organizations to extend their service hours to include weekends and evenings. An incentive structure that improves quality and accessibility of services does not exist.

In the following interview, Dr. Chan discusses the current Aging in Place policies and the condition of residential care in Hong Kong. He describes the three largest challenges of elder care as the unsustainability of its financing model, the lack of human resources, and the need to extend services to a greater number of people in Hong Kong. Dr. Chan describes the plans of the Elderly Commission to improve these areas of concern. The commission will submit their final plan at the end of 2016.
About Professor Alfred Chan

Professor Alfred Chan Cheung Ming, more commonly addressed as Dr. Alfred Chan, is chairman of the Hong Kong Elderly Commission. He currently heads the Elderly Services Program Plan Steering Group. This group is tasked by the Hong Kong government to reorganize and improve elderly services for the people of Hong Kong. Dr. Chan holds degrees in social services and nursing. He has conducted research in both fields throughout his career. He is a professor at Lingnan University in the Department of Sociology and Social Policy. His research interests cover social gerontology, health and social care, welfare policy, and program evaluation.

Interview

Alfred Chan (AC): My name is Alfred Chan. I am the chairman for the Elderly Commission with the Hong Kong government. The commission works closely with government departments including the Health Bureau. The Health Bureau is the equivalent of the Healthcare Ministry. We also work closely with the private sector. Henry Shie, an elder care entrepreneur, is one of my fellow members on the commission. We work together to improve care for the elderly people of Hong Kong. The Elderly Commission serves in an advisory role to the government on policy terms. Currently, we have the formidable task of revamping elderly policies and elderly services in every government department.

Sofía Widén (SW): Which departments do you work with?

AC: We work with all departments under the Elderly Commission. We have created a separate subcommittee named the Elderly Services Program Plan Steering Group. I chair this group. At the end of this year, we must submit a tentative proposal to the chief executive on elderly policies for the next three years.
SW: Please describe the constitution of the Elderly Commission.

AC: About half of the members of the Elderly Commission are bureau chiefs. The other half are appointed by the chief executive. These appointees are experts in their own fields and are not government officials. For example, Mr. Shie is a representative of the private sector in residential care. We have another person responsible for community services. The commission is an advisory body to the Hong Kong government. The structure is unique. You will not find it in Sweden nor in the United Kingdom.

The British Colonial government created this structure to deal with local administrations. People from different regions handled their individual issues themselves. An independent advisory group oversaw all regional administrations. The advisory body seems powerful. We do not have statutory power. We do not have money. We are an adjacent body to the government department. When the government wants us to complete a task, it grants us the authority to do so. For example, the chief executive awarded us eighty billion Hong Kong dollars to revamp elderly services throughout the entire territory.

SW: Over what period?

AC: Three years. You can see the cleverness of the government. When it wants to use you, it gives you power and money. Otherwise, it is free to ignore your advice. People thought working this way might be productive. I did, too. As long as we work closely with government officials, we know what they think. We know what every department wants to do or can do. We tailor our contributions based on their capabilities.

We do have a mandate from the chief executive to charge different departments if they do not follow our recommendations, provided our suggestions are reasonable. This method has worked quite well for the Elderly Commission. The Elderly Commission has existed since the return of sovereignty in 1997, nearly twenty years ago. I am the third chairman for the commission. I think the Elderly Commission is the most productive commission. I am proud to say that.
The government has tasked us with a thorough revamping of elderly services. By the end of this year, we hope to develop preliminary plans to combine the existing government resources and services. We want to integrate government departments to coordinate elderly services. Currently, these resources are dispersed among different departments. For example, health and social welfare offer different services. They do not work together. Our role is to bring all these services together. Doing so would make the distribution of resources and delivery of services more efficient.

**SW:** Please describe your background.

**AC:** I am a trained social worker and a qualified nurse. I work to find ways to join healthcare and social care together. I was trained in the United Kingdom.

**SW:** Where did you go to school?

**AC:** I was trained at the University of London. I am now at Lingnan University, a small liberal arts school in Tuen Mun, Hong Kong.

**SW:** Do you commute to mainland China?

**AC:** Yes, I frequently commute to mainland China.

**SW:** What type of research do you conduct?

**AC:** My research pertains to social policies, specifically elderly policies.

**SW:** What are the specific strengths of the Hong Kong elder care model?

**AC:** I think there is room for improvement. We have problems with staff. We do not have enough care workers. Our training does not match Swedish standards, for example. Eight years ago, we took a delegation to Sweden. We know something of your system. We are deficient in terms of numbers and quality. We also lack financing. Financing for elderly services, including healthcare, is not sustainable.

**SW:** Might vouchers help solve some of the problems you mention?

**AC:** The voucher system does help. The motive behind the voucher system was to address the problem of funding sustainability. We need to think of alternatives. We will put part of our allotted money for elder care into what we
call a “money follow elderly concept.” This funding is given as cost neutral vouchers. The elderly use the vouchers to purchase services. The elderly are not given money. The elderly choose a service provider. That provider is given the money. Vouchers make the financing arrangement easier.

**SW:** What method was used before the vouchers?

**AC:** We used what we call “modal funding,” a British model. At the point of entry, services are free for everyone. We cannot continue to use this approach. The voucher is meant to work with the introduction of a five level copayment.

**SW:** The copayment system is based on your ability to pay.

**AC:** Yes.

**SW:** Is my understanding correct? First, there is a needs assessment; second is a means assessment?

**AC:** Yes, a means test.

**SW:** What is the range between the highest and the lowest copayment?

**AC:** Initially, we ask users to pay whatever they can afford. We need to start modestly. The system is heavily subsidized. The most we ask a user to pay equals half of the total cost for services. We estimate the total cost at what we call “cost neutral.” Currently, payment is provided in service terms not monetary terms. If we ask people to pay, the cost is minimal. The charge is symbolic. For example, twelve dollars per service hour is next to nothing in terms of the actual cost of services. We realize we need to ask for more from people who can pay. The voucher is used for voluntary payment. If you do not want to risk a misdiagnosis, you need to pay half of the total cost. This cost is nearly two thousand five hundred Hong Kong dollars. The government pays the remainder. Currently, the community care voucher equals about six thousand dollars.

**SW:** What type of services does the community care voucher cover?

**AC:** The voucher offers minimal coverage. For example, three days of enhanced homecare is little more than standard homecare services, plus two days of daycare services. We have a daycare center that operates from 9 am to
5 pm. If a person needs two full days of daycare in addition to standard care services, people go to this home for care. This combination will cost nearly six thousand dollars of government funding per month. Currently, the government uses modal funding. Modal funding awards all money to nongovernmental organizations. Nongovernmental organizations transform that money into services. The end user receives services. They do not receive any money. They are guaranteed services. They may need to wait for them. You will see a long queue.

**SW:** Can you extend the voucher to include residential care homes?

**AC:** Yes, we have extended the voucher to include residential care homes. We announced that change last year. The Elderly Commission never had to provide services. We want to try new options. I was given eight hundred million Hong Kong dollars to provide three thousand residential care vouchers over the coming three years. In the first year of our plan, we will distribute five hundred residential care vouchers to people who want to choose their residential care homes. The second year, we will issue one thousand five hundred vouchers. We will distribute the remaining one thousand in the third year.

**SW:** Are the vouchers applied to the for profit providers?

**AC:** No. We intend them to be in the future. We are experiencing opposition from the nongovernmental organizations. You may have read the news about a group of young social workers who are opposed to the transference of public subsidies to private nursing homes. We expected that. We intend the first five hundred vouchers to go to nongovernmental organization providers. The second year, we plan to include social enterprises run by nongovernmental organizations. These enterprises are nearer to the private market. The third year is open to all. This system is the only way we can serve all the elderly people on the waiting list.

**SW:** How do you envision elder care in Hong Kong in five or ten years?

**AC:** I want the entire elder care market to be open. By “open,” I mean that both nongovernmental organizations and the private sector will have roles to play. Nongovernmental organizations should take people who require a higher
level of care. The private sector would provide what we call “care and attention level” care. Care and attention level care is below nursing level care. It provides required personal care as well as assisted living. This division of services would offer the ideal situation.

**SW:** Mr. Shie explained that about ten percent of residents require substantial care. How many residents in nongovernmental organizations have substantial care needs?

**AC:** Currently, close to thirty percent of residents in nongovernmental organizations have substantial care needs. Seventy percent of residents in these facilities can walk partially on their own, for example. Nongovernmental organizations should take a hundred percent of the patients who require substantial care because they receive so much funding. If residents can walk with a little bit of assistance, they should live in an assisted living facility and not in nursing homes.

**SW:** What information from elder care systems in other countries do you think would help Hong Kong develop their elder care system?

**AC:** We visited Sweden, the United Kingdom, the United States, Australia, and Japan. In terms of worker training, capability, and attitude, we found that the Swedish model and philosophy of homecare is very personal, even in the nursing homes. We like this, but it is very expensive. The Swedish model uses heavy public taxation. We want to offer a compromise using long term care insurance, for example. The Elderly Commission wants to find ways to promote that option.

The United States model is expensive and offers no personal care. Their care is not up to our standards. Japan offers the Asian type of family based care. It took years of development alongside an insurance system. We do not have that option. The model closest to our preference is the Singaporean model. The Singapore model finances its system with public funds. Hong Kong does not have that capability. We need to look for another way to replicate the financing model in Singapore.

Australia seems feasible in terms of both its care level and financing model. Its model uses a combination of long term care insurance, out of pocket
contributions, and the government subsidies. This model could work well in Hong Kong. It would be less problematic politically. Our community care is similar to the Australian model. Australia still lacks integration between residential care and community care. Financing of the community care side or the homecare side is separate from the residential care side. Residential care in Australia is expensive because it operates on a private level. Residential care is the most important aspect of elder care in Hong Kong.

We want to use parts of the Japanese, Singaporean, and Australian models to develop a model that could incorporate them all. We found that we are not starting from scratch in terms of homecare. We provide care at a comfortable level. First, we must make sure our financing is sustainable. Second, we must overcome the inflexible nature of the services provided by nongovernmental organizations. The nongovernmental organizations provide limited community care services since they are only available from 9 am to 5 pm. We must make the nongovernmental organization model work because these services cannot be provided by the private market.

Nongovernmental organizations operate nearly one hundred percent on government subsidies. This funding is difficult to retract. The challenge is to provide incentives to improve services. This difficulty forces us to bypass political considerations of any new population based funding. We have more than a two percent annual increase in the elderly population. It is difficult to prompt the private sector to provide appropriate services. It takes time to develop these services. Initially, we will let the nongovernmental organizations take the vouchers first. We will move on to privately operated social enterprises. Finally, we will open up to the market. At the same time, we support directly the primary grants that private operators including Mr. Shie could apply for to upgrade their services. If they want to provide additional services, they could do so through what we call “smart purchases”. They could provide a number of homecare or residential care facilities. The government would buy places from them to introduce them into the free market model. This is our goal. We must work step by step to reach it.

SW: What are the long term objectives for quality and outcome monitoring in Hong Kong?
**AC:** The long term objective is to operate the monitoring system under the market system. People who need the service could choose from the available service options. The government would provide funding to anyone who cannot afford the option they want. The funding would be in the form of vouchers. People who could afford it would pay for part of their preferred services. They could pay the remainder with the vouchers. They also could choose to pay for everything themselves. We hope to achieve that objective. First, we need a list of operators or service providers who meet our standards. Currently, we encourage the operators, including the residential care homes, to do their own accreditation. In the future, the government would subsidize those interested in completing the accreditation process.

**SW:** Please tell me about the three accreditation services.

**AC:** Operators can get accreditation from any of the three services. In the future, we want to differentiate among those service providers. Those that achieve top tier accreditation could charge more. If providers obtain only a basic level of accreditation, they would receive fewer subsidies. This system is our goal. Currently, we treat the accreditations the same. Hong Kong Association of Gerontology, a charity, is considered the highest quality accreditor.

**SW:** Who are the other accreditation providers?

**AC:** Hong Kong Productivity Council and Bamboo. Bamboo is a very small private operator. We do not think too highly of it. It is just a checklist. If you pay the money, it usually gives you certification. At least it encourages operators to be certified.

**SW:** I hope that you are able to develop your funding models and quality assurance systems. Thank you for describing your work with the Elderly Commission.

**AC:** Thank you very much for your interest, Sofia.
Background Jade Club

Patrick Cheung founded the Jade Club to help the elderly stay active. The Jade Club offers fun, exercise and social engagement to assisted living or nursing home residents. One of its key programs is chair based dance in which the residents can stand, sit, or lie in bed to perform the dance movements. Mr. Programs are based on research that indicates a link between depression, loneliness, and death. Mr. Cheung feels social isolation is a particular problem in Hong Kong. There, people live close together and expect frequent social interaction. Elderly people often miss such interaction once they move to nursing homes or assisted living residences. Mr. Cheung believes nursing homes often focus on physical health. The Jade Club offers social engagement that focuses on mental and emotional health, as well.

Years ago, Mr. Cheung visited British entrepreneur Ben Allen, founder of a company that offers dance instruction to the nursing homes in the United Kingdom. After suffering from a brain tumor at the age of fifty, Mr. Cheung looked for ways to keep himself active and remembered his visit. Mr. Cheung believes the dance classes make a difference to those who suffer from loneliness and inactivity while living in nursing homes. The Jade Club employs young individuals who have expressed strong appreciation for the experiences that seniors are able to share. Each class has twenty five to thirty participants. The instructor might appoint a participant as “lead dancer.” As evidence of the participants’ enthusiasm, some take turns being “co lead dancers.” Participants also often practice in between classes.

Initially, Mr. Cheung had trouble gaining access to nursing homes. He met resistance from occupational therapists, nurses, and professional elder care workers who feared the dance movements could cause injury. Movement can be complicated if a participant suffers from a physical or mental disability. However, Mr. Cheung feels participants can still engage in activities and enjoy music. After a few classes, some nursing home administrators felt the choreography and the music were simple and could be copied. They found that when they offered their own version of the Jade Club concept, students stopped coming to the classes. The Jade Club believes there is something unique in their concept that is difficult to copy.
In this interview, Mr. Cheung discusses his success as well as challenges he faced as a social entrepreneur.
About Patrick Cheung

Patrick Cheung is a philanthropist and social entrepreneur. He founded and still oversees the operations of the Jade Club. The Jade Club delivers its services to any organization that serves seniors across Hong Kong. Mr. Cheung has also expanded the Jade Club to serve housing societies, nongovernmental organizations, and private clubs.

Interview

Patrick Cheung (PC): My name is Patrick Cheung. I am trained as an industrial engineer. I later entered a career in business and have been an entrepreneur most of my life.

Sofia Widén (SW): Where did you receive your training?

PC: I attended the University of Hong Kong. All my degrees are from there. At the age of thirty six, I started my own business in packaging. We successfully build and run five factories inside China supply packaging material to leading food companies there.

SW: Do you still run this business?

PC: No. In 2006 at the age of fifty, doctors found a tumor in my brain. I had to rest for more than six months. This break from routine business made me realize that I wanted to do something with my life that made me happy. I sold the business to a multinational firm. Financially, I am comfortable.

SW: You have retired?

PC: Financially retired, yes. Soon I started looking into different charities. I became interested in how they worked. I stumbled across the concept of social entrepreneurship. I started up one of the most successful social enterprises in Hong Kong, Dialogue in the Dark. I took a concept modeled after a social enterprise in Hamburg and adapted it to the local environment. I made this
social business very profitable in the second year. I don’t work there now, but I still serve as chairman.

SW: What type of business is Dialogue in the Dark?

PC: Initially, the business helped people with impaired sight to find decent, respectable jobs. It evolved into a social enterprise that promotes empathy through understanding the strength and value of different people. We also assist the hearing impaired and other groups with disabilities. Dialogue in the Dark crosses many boundaries. Other charities designed to help the blind serve only the blind. Similarly, charities that serve the hearing impaired assist that population only. However, Dialogue in the Dark focuses on identifying value in all people. For example, we run executive training workshops in complete darkness. We then challenge business executives to demonstrate their leadership building skills without the use of their sight. It is very interesting to watch how differently people adapt when they lose their key competence. They behave differently in the dark.

SW: In what ways?

PC: In the dark, people are more open about themselves. They show less resistance as they work to compensate for the loss of one of their senses. Such openness encourages them to use very innovative communication methods.

SW: What prompted you to found the Jade Club?

PC: I wanted to challenge myself addressing another social problem with business approach, so I focused on the elderly. As I get older, I know aging presents many challenges. To tackle these problems, I traveled around the world. I attended conferences in the Netherlands, Japan, and the United Kingdom before founding the Jade Club. The Jade Club focuses on delivering community care to the elderly.

SW: Is the Jade Club a day center?

PC: Not one that provides physical care. I realized that happiness is critical to people’s health. The government focus in saving lives through medical treatment but someone needs to provide an enjoyable life so people keep themselves healthy. Unfortunately, seniors seeking a healthy life style both
physically or mentally need to pay for these services themselves.

**SW:** Could you explain further?

**PC:** Studies link loneliness to different diseases, some chronic, some terminal. Many studies confirm loneliness reduces life expectancy, increases blood pressure, and so on.

“As an aging person, I know aging presents many challenges.”

**SW:** What is the connection between chronic illness and death?

**PC:** When someone approaches eighty or ninety years of age, they see many of their friends pass away. I see many cases where elderly people feel so alone that they lose the motivation to live. In extreme cases, the elderly refuse to eat. They suffer from boredom. They feel a burden to their families. They shut down psychologically. Many believe the brain directly affects various mechanisms that regulate the body.

**SW:** Do you think this pattern is universal among the elderly?

**PC:** Yes, as shown in many studies done in the United States and in Europe.

**SW:** Does Hong Kong provide a specific context for this phenomenon? For example, Hong Kong residents live close together. They dine in open food halls. Is there something in the Hong Kong environment that makes this issue more acute?

**PC:** The Asian culture is more social than those in Europe or in the United States. I remember the shock of my first visit to Milwaukee, Wisconsin. It was on a Sunday. In this a big city, I found not a single person on the street. I think Asians expect people will always surround them. Given this context, the elderly in Hong Kong suffer severely from loneliness. They grew up surrounded by people, relatives, and neighbors.

**SW:** Do men and women experience loneliness differently?
PC: Yes. Men are more introverted and more reserved. They do not often find success building friendships once they are in their sixties. Conversely, women transform themselves. They dance. They learn how to sing. They have many friends. The differences are clear. Maybe this is why women live longer. Many also feel women are genetically designed to live longer lives.

SW: What strategies does the Jade Club use?

PC: First, we promote preventive medicine rather than acute care. If you hear a funny sound when driving your car, you get the car checked at a repair shop right away. You do not wait until the car breaks down to repair it. In our medical system, people frequently wait until they become ill before they seek medical attention. If you pass out, if you have major pain, then you go to the hospital. You never give yourself a check before you become ill, or worse.

SW: You feel there is not enough prevention?

PC: Studies report chronic illness results from poor lifestyle choices. To avoid such illnesses, people must exercise more and avoid smoking and alcohol. However, the medical system lacks the economic incentive to prevent illness, only to treat it. People who take preventative measures to maintain a healthy lifestyle do so of their own volition. As a result you react only when you are seriously sick, Hong Kong has 7% of our elderly population, almost the highest percentage in the world of people in institutional care facilities.

“Hong Kong has almost the highest percentage in the world of people in institutional care facilities.”

It seems that countries now support active aging, aging in place, aging at home. Government officials speak in support of aging in place and aging at home. Unfortunately, the financial support for aging in place is quite minimal. Some countries offer the choice of a nursing home or a caregiver at home. For Hong Kong residents, aging at home with proper support for those with mobility issue is still a far away dream.
**SW:** Is there another option in Hong Kong?

**PC:** We should not just extend life but improve our quality of life. Everyone knows exercise is important. If it is enjoyable, more people might embrace it. Ben Allen, a social entrepreneur from the United Kingdom, introduced me to an exercise option through his company, called OOMPH. OOMPH is an expression of enthusiasm during movement. Mr. Allen’s family operates a nursing home. He is a trained gym instructor. He combined these areas of interest in OOMPH.

The business model is very simple. Mr. Allen hires young gym instructors. He uses songs the older generation knows and can sign. Then he adds movement, and names the exercise chair based dance. This enterprise has grown quickly. Mr. Allen receives funding from the United Kingdom government. Officials recognize the benefits of Mr. Allen’s program. I visited nursing homes in the United Kingdom with Mr. Allen. The residents look forward to his classes. They speak to his instructors as friends. OOMPH not only teaches dance, it builds community.

**SW:** Do nursing homes provide space for this activity?

**PC:** Classes do not require much space. They take place in the residence dining rooms. Anyone can participate. Even if residents are confined to their beds, they dance with their fingers. Interaction is often limited among nursing home residents. They rarely speak to one another. This program provides a shared social experience. Any country can adapt the class to its own songs, language, or customs.

The Jade Club follows Mr. Allen’s model. As a social enterprise register under company limited, we cannot receive government funding. Nongovernmental organizations require clinical proof. They support evidence based occupational therapies and physical therapies. To convince elderly care communities, we first offered our classes at no charge. Then we charged ten dollars, then twenty. Gradually we became self sustaining. Approximately eighty different organizations participate in our program after four years. Most of them are nongovernmental organization programs, private nursing homes, and private clubs. The Jade Club provides instructors, music, and dance routines.
Partnering centers only need to provide space. Every year, we host an event with food, music, entertainment, and dance competitions that draws thousands of people.

Jade Club members participating in dance class inspired by OOMPH.

After two years, we found that chair based dance builds community and fosters friendship, even among strangers. We now work with property management companies that manage blocks of city high rises. Most of the buildings were constructed thirty, forty, or even fifty years ago. The aging ratio at some older residential estates could be as high as thirty four percent. Their health deteriorates and some commit suicide. The housing society created a special department to address the problem. The Jade Club works with the special department to build community for the elderly population. We help them socialize and enjoy life again. We now deliver service to about twenty housing groups.

**SW:** What strategies would you recommend to other countries interested in implementing your program to overcome the greatest challenges you have faced?

**PC:** Some elderly care service providers prefer to rely heavily on professionals such as therapists, nurses and social workers resulted in high cost. However, I believe elderly care must be communal. The elderly see themselves as part of the community. They want to be involved rather than to be pitied or to be a burden. Dance is a tool that empowers the elderly more than statistics or clinical proof.
I agree professionals hold a very important position in elderly care. However, I do not feel it should dominate care for the elderly. The Jade Club uses occupational therapists and physical therapists. We have professionals overseeing our program to ensure the dance is safe. More than that, you need a community bond across generations. I believe we should value the elderly for their knowledge and experience. We need to reduce their anxieties and encourage them to be fully participating members of our community.

**SW:** Thank you for your time.

*Example of chair based dance*