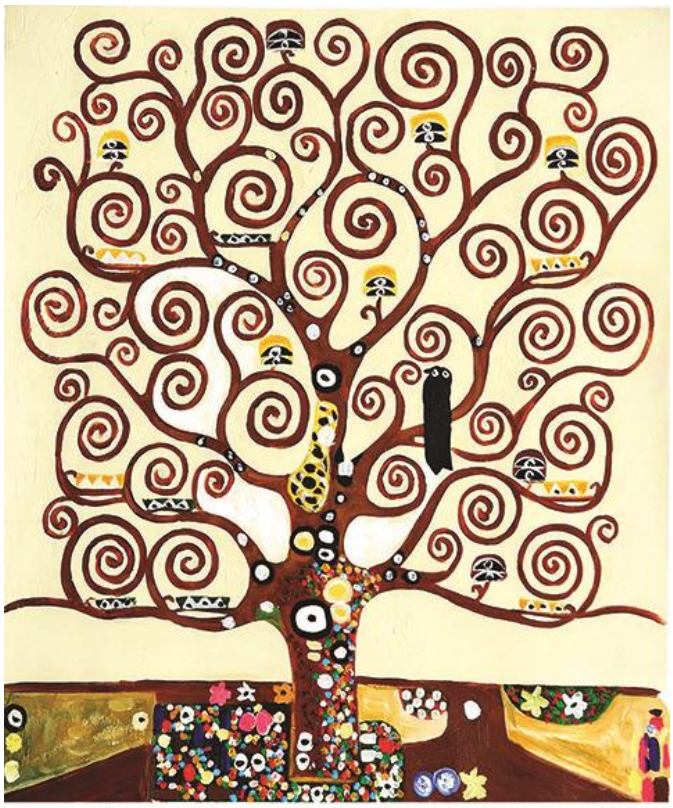
Restructuring Elder Care in Hong Kong

Interview with Professor Alfred Chan Cheung Ming



Based on Gustav Klimt, Tree of Life, Stoclet Frieze, Lebensbaum, 1905

By Sofia Widén and William A. Haseltine
ACCESS Health Sweden

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ACCESS Health International, Inc.
1016 Fifth Avenue, Suite 11A/C
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Background

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.

Sofia 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.