

Our Ref.: SWD/S/102/2/1 Pt.9

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15 March 2018

Chairperson/Organisation Head
Non-governmental Organisation (NGO)
operating subvented welfare services

Dear Sir/Madam,

Adjustment in Fees for Subvented Welfare Services in 2018-19

I write to inform you that the adjustment in fees for subvented welfare services will be resumed in 2018-19. Details are set out in the ensuing paragraphs.

Background

Under the “users pay” principle, subvented NGOs have all along charged fees from service users for the provision of welfare services. The recognised fees used to be adjusted annually by taking into account the changes in the adjustment indices¹ in the preceding year. In view of the various economic setback and the need to ensure coherence in Government policy (such as initiatives on poverty alleviation), the fees for subvented welfare services, except a few², have since February 1998 been frozen at the level of 1997-98.

¹ The adjustment of the recognised fees is broadly classified into the following types –

- (a) Comprehensive Social Security Assistance (CSSA) Scheme related type (based on CSSA adjustment rate);
- (b) Residential care services related type (based on CSSA adjustment rate and the adjustment in the rent component reflected by Weighted Average Rent for 3-person flats in post-1973 Public Housing Estate per person provided by Housing Department);
- (c) Other Charges (OC) related type (based on OC adjustment rate); and
- (d) others (based on the agreed standard rates/formulae with NGOs).

Based on the latest adjustment factors in 2017-18, the CSSA and OC were both adjusted upward by 1.4%. The rent component, which is updated every two years, was last adjusted upward by \$37 in 2016.

² For example, the fees on residential care services for the elderly and persons with disabilities were increased by \$2 in 2000-01 due to an increase in the rent component of the fee formula.

Resumption of Adjustment in Fees

Under the existing practice for Government fees, the cumulative adjustment rate since the last fee revision should be recovered ultimately to ensure equitable use of public resources, while the recovery of the cumulative adjustment may spread over a period of time to avoid substantial increase in an adjustment and negative impact on people's livelihood. While fees for subvented welfare services are not classified as Government fees, they should be set in a manner that users who can afford should be made to contribute a fair share to the cost of service. Having regard to the fact that such fees and charges have been frozen for about two decades, the Social Welfare Department (SWD) considers it appropriate to re-activate the adjustment mechanism under the current economic condition, but should not recover the cumulative adjustment rate all at once. More specifically, the current fee increase proposal seeks to recover the adjustment factors for 2017-18 only.

The issue of fees and charges for subvented welfare services not being adjusted for a long period of time was also noted by the Audit Commission in its recent value for money audit on the SWD's administration of lump sum grants. In the Director of Audit's Report No. 69, the Audit Commission recommended that the Director of Social Welfare should follow up with the Labour and Welfare Bureau and the Financial Services and Treasury Bureau on the proposed fees adjustment in 2018-19, review such fees and charges regularly, and deliberate on the way forward of making cumulative fees adjustment for subvented welfare services.

Fee Adjustment in 2018-19

The cumulative fees adjustment rates for different types of subvented welfare services since the last adjustment in 1997-98 would be between about 35% and 49%. However, to ensure that fees adjustment is resumed in a way which is affordable to service users, the SWD will adopt the following approach: –

- (a) to adjust fees in 2018-19 based on the latest annual adjustment factors for a single year (i.e. 2017-18) only;
- (b) to adjust fees in 2018-19 in three groups (please refer to the following section of Implementation Schedule); and

- (c) to further review and consult NGOs in due course on when and how to handle the cumulative fees adjustment since the last revision in 1997-98.

Implementation Schedule

Currently, service users are charged fees for 74 service items. Based on the single year adjustment approach mentioned above, only the fees of 48 service items (about 65%) will be increased, while those of the other 26 items will remain the same.

In order to allow NGOs more time to prepare for and explain the changes in fees to different types of service users, the SWD plans to implement the fees adjustment in the following three groups: -

(a) Group One

Adjustment in membership fees: **with effect from 1 April 2018;**

(b) Group Two

Adjustment in service fees except those for residential care services or for services with paired-up residential care services: **with effect from 1 July 2018;** and

(c) Group Three

Adjustment in fees for residential care services and for services with paired-up residential care services: **with effect from 1 October 2018.**

As the fees for 2018-19 are adjusted based on the adjustment factors for a single year only, which generally reflects the changes in the consumer price index in the previous year and/or the rent adjustment for public rental housing, the adjustment for most of the fee items will fall within 5%. We have consulted The Hong Kong Council of Social Service and member NGOs of its Standing Committee on Service Development and the Hong Kong Joint Council for People with Disabilities. The proposed approach and implementation schedule of fee adjustment are considered acceptable. A full list of the fees and their revised levels for 2018-19, is provided in **Annex**.

Adjustment in Subventions Allocation

In accordance with the current subvention policy, the amount of recognised fee income from subvented services will be used to offset the amount of subvention. In response to the adjustment of recognised fees of subvented services in 2018-19, adjustment in subvention allocation for 2018-19 will also be made accordingly. You will be informed of the details of the subventions adjustment in due course.

For enquiries relating to subventions, please contact Ms YU Sau-wai, Freda on 2116 4299 or the Social Work Officer designated for your organisation. For enquiries on service matters, please contact the subject officers concerned of the relevant Service Branches of SWD.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Ricky YU', with a stylized, cursive-like structure.

(Ricky YU)
for Director of Social Welfare

Adjustment in Fees for Subvented Welfare Services in 2018-19**Group One (with effect from 1 April 2018)**

S/N	Type of Services	Nature of Fee	Existing Fee Level (monthly fees unless otherwise stated)	Adjusted Fee Level for 2018-19 w.e.f. 1 April 2018 (Note 2)	% Increase
1	Centre for Drug Counselling (Caritas Lok Heep Club)	Membership fee	\$10 per annum for member (Note 1) \$50 per annum for associate member	\$10 per annum for member (Note 1) \$51 per annum for associate member	Nil 2.00%
2	Children and Youth Centre	Membership fee	\$29 per annum	\$29 per annum	Nil
3	Community Centre	Membership fee	\$29 per annum	\$29 per annum	Nil
4	District Elderly Community Centre	Membership fee	\$21 per annum	\$21 per annum	Nil
5	District Support Centre for Persons with Disabilities	Membership fee	\$21 per annum	\$21 per annum	Nil
6	Early Education and Training Centre	Membership fee	\$146 per annum	\$148 per annum	1.37%
7	Integrated Children and Youth Services Centre	Membership fee	\$29 per annum	\$29 per annum	Nil
8	Integrated Services - Integrated Centre	Membership fee	\$29 per annum (Note 1)	\$29 per annum (Note 1)	Nil
9	Neighbourhood Elderly Centre	Membership fee	\$21 per annum	\$21 annum	Nil
10	Parents/Relatives Resource Centre	Membership fee	\$21 per annum	\$21 per annum	Nil

	for Disabled Persons, Parents/Relatives Resource Centre for Ex-mentally Ill Persons				
11	Social & Recreational Centre for the Disabled	Membership fee	\$21 per annum	21 per annum	Nil

Group Two (with effect from 1 July 2018)

S/N	Type of Services	Nature of Fee	Existing Fee Level (monthly fees unless otherwise stated)	Adjusted Fee Level for 2018-19 w.e.f. 1 July 2018 (Note 2)	% Increase
12	Community Rehabilitation	Rehabilitation training service	\$60# / \$100## per session	\$61# / \$101## per session	1.67% / 1.00%
13	Day Centre	Home visit by physiotherapist/ occupational therapist	\$100# / \$150## per visit	\$101# / \$152## per visit	1.00% / 1.33%
14		Day respite care (lunch not included)	\$60# / \$100## per day	\$61# / \$101## per day	1.67% / 1.00%
15		Transportation fee	\$10# / \$15## per trip	\$10# / \$15## per trip	Nil
16		Day care service for persons with severe disabilities	\$60 per day \$988 per month	\$61 per day \$1,002 per month	1.67% 1.42%
17	Day Care Centre /	Transportation fee	\$30 (Note 1)	\$30 (Note 1)	Nil
18	Unit for the Elderly	Service charge (with provision of meal service)	\$901^ / \$988^^	\$914^ / \$1,002^^	1.44% / 1.42%
19	District Support Centre for Persons with	Home visit by physiotherapist / occupational	\$51 per visit	\$52 per visit	1.96%

	Disabilities	therapist			
20		Centre-based care and support service	\$5 per hour	\$5.1 per hour	2.00%
21		Home-based care and support service (including escort service)	\$33 per hour	\$33 per hour	Nil
22		Day care service for persons with severe disabilities	\$60 per day	\$61 per day	1.67%
			\$988 per month	\$1,002 per month	1.42%
23		Transportation fee	\$10 per trip	\$10 per trip	Nil
24	Extended Hours Service in Pre-primary Institutions	Service charge (Note 3)	\$260 (5 hours a week)	\$260 (5 hours a week)	Nil
			\$520 (10 hours a week)	\$520 (10 hours a week)	
			\$13 per hour	\$13 per hour	
25	Holiday Centre for the Elderly	Camp fee	\$158 for weekend overnight user	\$160 for weekend overnight user	1.27%
			\$131 for weekday overnight user	\$133 for weekday overnight user	1.53%
			\$56 for weekend day user	\$57 for weekend day user	1.79%
			\$45 for weekday day user	\$46 for weekday day user	2.22%
26	Home Care Service for Persons with Severe Disabilities	Personal care, escort service and home respite service	\$33 per hour	\$33 per hour	Nil
27		Rehabilitation training service	\$33 per hour	\$33 per hour	Nil
28		Nursing care (by health worker)	\$33 per visit	\$33 per visit	Nil
29		Home visit by physiotherapist/ occupational therapist	\$51 per visit	\$52 per visit	1.96%
30		Home visit by nurse	\$42 per visit	\$43 per visit	2.38%
31		Full package of service (ceiling	\$988 per month	\$1,002 per month	1.42%

		charges)			
32	Inter-country Adoption	Adoption fee	US\$1,580 per case	US\$1,580 per case	Nil
33	Integrated Home Care Services	Meal delivery fee for user's income at CSSA level or below	\$12.6 per meal	\$13 per meal	3.17%
		Meal delivery fee for user's income between CSSA to 1.5 CSSA level	\$15.4 per meal	\$16 per meal	3.90%
		Meal delivery fee for user's income above 1.5 CSSA level	\$18.6 per meal	\$19 per meal	2.15%
34		Laundry fee (per piece)	\$0.7 for light	\$0.7 for light	Nil
			\$0.9 for medium	\$0.9 for medium	
			\$1.8 for heavy	\$1.8 for heavy	
35		Fee for direct care, home making and escort service for user's income at CSSA level or below	\$5.4 per hour	\$5.5 per hour	1.85%
		Fee for direct care, home making and escort service for user's income between CSSA to 1.5 CSSA level	\$11.7 per hour	\$12 per hour	2.56%
		Fee for direct care, home making and escort service for user's income above 1.5 CSSA level	\$19 per hour	\$19 per hour	Nil
36	Integrated	Personal care,	\$33 per hour	\$33 per hour	Nil

	Support Service for Persons with Severe Physical Disabilities	escort service and home respite service			
37		Rehabilitation training service	\$33 per hour	\$33 per hour	Nil
38		Nursing care (by health worker)	\$33 per visit	\$33 per visit	Nil
39		Home visit by physiotherapist / occupational therapist	\$51 per visit	\$52 per visit	1.96%
40		Home visit by nurse	\$42 per visit	\$43 per visit	2.38%
41		Full package of service (ceiling charges)	\$988 per month	\$1,002 per month	1.42%
42		Transportation fee	\$10 per trip	\$10 per trip	Nil
43	Occasional Child Care Service for Disabled Children (SCCC/EETC)	Service charge (Note 4)	\$64 per full day	\$64 per full day	Nil
			\$32 per half day	\$32 per half day	
			\$16 per 2 hours	\$16 per 2 hours	
			\$6.4 per meal	\$6.5 per meal	1.56%
44	Occasional Child Care Service in Pre-primary Institutions	Service charge (Note 4)	\$64 per full day	\$64 per full day	Nil
			\$32 per half day	\$32 per half day	
			\$16 per 2 hours	\$16 per 2 hours	
			\$6.4 per meal	\$6.5 per meal	1.56%

Group Three (with effect from 1 October 2018)

S/N	Type of Services	Nature of Fee	Existing Fee Level (monthly fees unless otherwise stated)	Adjusted Fee Level for 2018-19 w.e.f. 1 October 2018 (Note 2)	% Increase
45	Boys' Hostel	Residential fee	\$610	\$619	1.48%
46	C & A Home for Severely Disabled Persons	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%

47		Day care service for persons with severe disabilities	\$55 / \$60 (lunch included) per day	\$56 / \$61 (lunch included) per day	1.82% / 1.67%
			\$998 per month	\$1,012 per month	1.40%
48	C & A Home for the Aged Blind	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%
49	Care & Attention Home Providing Continuum of Care / Conversion Home Providing Continuum of Care	Residential fee	\$1,671 Plus \$329 for rent Total: \$2,000 (Note 5)	\$1,694 Plus \$366 for rent Total: \$2,060 (Note 6)	3.00%
50	Combined Home	Residential fee	\$1,100* / \$1,177** Plus \$329 for rent Total: \$1,429* / \$1,506** for Home for the Aged place (Note 7)	\$1,115* / \$1,193** Plus \$366 for rent Total: \$1,481* / \$1,559** for Home for the Aged place (Note 8)	3.64% / 3.52%
			\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813** for C&A place	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871** for C&A place	3.43% / 3.20%
51	Commercial-hired Transport Service for People with Disabilities	Transportation fee	\$174	\$176	1.15%
52	Day Activity Centre	Transportation fee	\$174	\$176	1.15%
53	Day Activity Centre cum Hostel	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%
54		Transportation fee	\$174	\$176	1.15%
55	Emergency / Temporary Shelter / Hostel / Short-term Hostel for Street Sleepers	Residential fee	\$1,420 (Note 1)	\$1,440 (Note 1)	1.41%
56	Halfway House	Residential fee	\$842	\$854	4.18%

	Service for Discharged Mental Patients		Plus \$329 for rent Total: \$1,171	Plus \$366 for rent Total: \$1,220	
57	Halfway House Service for Ex-drug Abusers	Residential fee	\$13 per day (Note 1)	\$13 per day (Note 1)	Nil
58	Hostel for Moderately MH Persons	Residential fee	\$1,100* / \$1,177** Plus \$329 for rent Total: \$1,429* / \$1,506**	\$1,115* / \$1,193** Plus \$366 for rent Total: \$1,481* / \$1,559**	3.64% / 3.52%
59	Hostel for Severely MH Persons	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%
60	Hostel for Severely Physically Handicapped Persons	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%
61	Hostel for Severely Physically Handicapped Persons with MH	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%
62	Integrated Vocational Training Centre (Residential)	Residential fee	\$750 per month (5 days residence a week with meals)	\$761 per month (5 days residence a week with meals)	1.47%
			\$1,050 per month (7 days residence a week with meals)	\$1,065 per month (7 days residence a week with meals)	1.43%
63	Long Stay Care Home	Residential fee	\$1,276* / \$1,484** Plus \$329 for rent Total: \$1,605* / \$1,813**	\$1,294* / \$1,505** Plus \$366 for rent Total: \$1,660* / \$1,871**	3.43% / 3.20%
64	Non-medical Voluntary Drug Treatment & Rehabilitation Services	Residential fee	\$1,927 Plus \$329 for rent Total: \$2,256 (Note 1)	\$1,954 Plus \$366 for rent Total: \$2,320 (Note 1)	2.84%
65	Nursing Home	Residential fee	\$1,665 Plus \$329 for rent	\$1,688 Plus \$366 for rent	3.01%

			Total: \$1,994	Total: \$2,054	
66	Services for Ex-offenders and Discharged Prisoners - <i>Hostel for Ex-offenders</i>	Residential fee	\$11 per day (Note 1)	\$11 per day (Note 1)	Nil
67	Sheltered Workshop cum Hostel	Residential fee	\$1,100* / \$1,177** Plus \$329 for rent Total: \$1,429* / \$1,506**	\$1,115* / \$1,193** Plus \$366 for rent Total: \$1,481* / \$1,559**	3.64% / 3.52%
68		Transportation fee	\$174	\$176	1.15%
69	Special Child Care Centre - <i>residential</i>	Transportation fee	\$87	\$88	1.15%
70	Supported Hostel	Residential fee	\$524* / \$603** Plus \$329 for rent Total: \$853* / \$932**	\$531* / \$611** Plus \$366 for rent Total: \$897* / \$977**	5.16% / 4.83%
71	Transitional Care and Support Centre for	Residential fee	\$1,484 Plus \$329 for rent Total: \$1,813	\$1,505 Plus \$366 for rent Total: \$1,871	3.20%
72	Tetraplegic Patients	Residential respite care	\$80 per day	\$81 per day	1.25%
73		Ambulatory day training	\$60 per session	\$61 per session	1.67%
74		Transportation fee	\$10 per trip	\$10 per trip	Nil

Note:

1. It is for subvention calculation purpose only.
2. Service fee at \$10 or above will be rounded to the nearest dollar. Service fee of below \$10 will be rounded to the nearest 10 cents. Therefore, some figures will remain unchanged after applying the adjustment rate and the rounding. For example, the membership fee of community centre at \$29 will become \$29.4 after applying the adjustment rate of +1.4%. The fee level remains at \$29 after rounding.
3. For Extended Hours Service in Pre-primary Institutions, the monthly fees are based on the hourly fee. As no change will be made to the hourly fee of \$13, the monthly fees will also remain unchanged.
4. For Occasional Child Care Service for Disabled Children (SCCC/EETC) and Occasional Child Care Service in Pre-primary Institutions, half-day fee and full-day fee are based on the 2-hour fee.

As no change will be made to the 2-hour fee of \$16, half-day fee and full-day fee will also remain unchanged.

5. Conversion Home Providing Continuum of Care is required to convert their self-care (S/C) places and/or home for the aged (H/A) places together with their existing care-and-attention (C&A) places into long term care places providing a continuum-of-care. The fee for S/C place, H/A place and C&A place remains applicable to those service users who are not yet taking up the long term care places. S/C place is charged at \$502 (\$173 plus \$329 for rent) for single persons and \$917 (\$259 plus \$658 for rent) for a couple. H/A place is charged at \$1,429 (\$1,100 plus \$329 for rent) for single elderly persons and 50% disabled persons, \$1,506 (\$1,177 plus \$329 for rent) for 100% disabled persons/Disability Allowance recipients, and \$2,306 (\$1,648 plus \$658 for rent) for a couple. C&A place is charged at \$1,605 (\$1,276 plus \$329 for rent) for single elderly persons and 50% disabled persons and \$1,813 (\$1,484 plus \$329 for rent) for 100% disabled persons/Disability Allowance recipients.
6. The revised fee level for S/C places is charged at \$541 (\$175 plus \$366 for rent) for single persons and \$995 (\$263 plus \$732 for rent) for a couple, H/A places are charged at \$1,481 (\$1,115 plus \$366 for rent) for single elderly persons and 50% disabled persons, \$1,559 (\$1,193 plus \$366 for rent) for 100% disabled persons/Disability Allowance recipients, and \$2,403 (\$1,671 plus 732 for rent) for a couple. C&A places are charged at \$1,660 (\$1,294 plus \$366 for rent) for single elderly persons and 50% disabled persons and \$1,871 (\$1,505 plus \$366 for rent) for 100% disabled persons/Disability Allowance recipients.
7. \$2,306 (\$1,648 plus \$658 for rent) for a couple.
8. \$2,403 (\$1,671 plus \$732 for rent) for a couple.

The rate is for service users with family income at or below the Median Monthly Domestic Household Income.

The rate is for service users with family income above the Median Monthly Domestic Household Income.

^ The rate is for 50% disabled elderly persons, elderly persons receiving Old Age Living Allowance or single elderly persons.

^^ The rate is for 100% disabled elderly persons or elderly persons receiving Disability Allowance.

* The rate is for 50% disabled adult or single elderly persons.

** The rate is for 100% disabled adults / Disability Allowance recipients.