



Reinventing Retirement: Balancing Risk
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**Long-term care for older people:
findings from 19 OECD countries**

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Overview of presentation

- Introduction
- International comparison of spending on long-term care
- Is consumer choice a viable strategy?
- How to improve quality of services?
- Recent reforms and the quest for financial sustainability
- Conclusions & where to find more information



Introduction: OECD Long-term care study

- **Researchers:** Patrick Hennesy, Manfred Huber, Junichi Izumi, Weonjong Kim, Jens Lundsgaard,
- **19 countries:** Australia, Austria, Canada, Germany, Hungary, Ireland, Japan, Korea, Luxemburg, Mexico, Netherlands, New Zealand, Norway, Poland, Spain, Sweden, Switzerland, United Kingdom, United States
- **Focus:** review of recent reform, continuum of care and innovative ways of supporting care at home (consumer choice, care allowances etc.), quality of care
- **Research method:** questionnaire and literature review; cross-sectional data on expenditure and beneficiaries



International comparison of sending on long-term care

A snapshot of current care provision

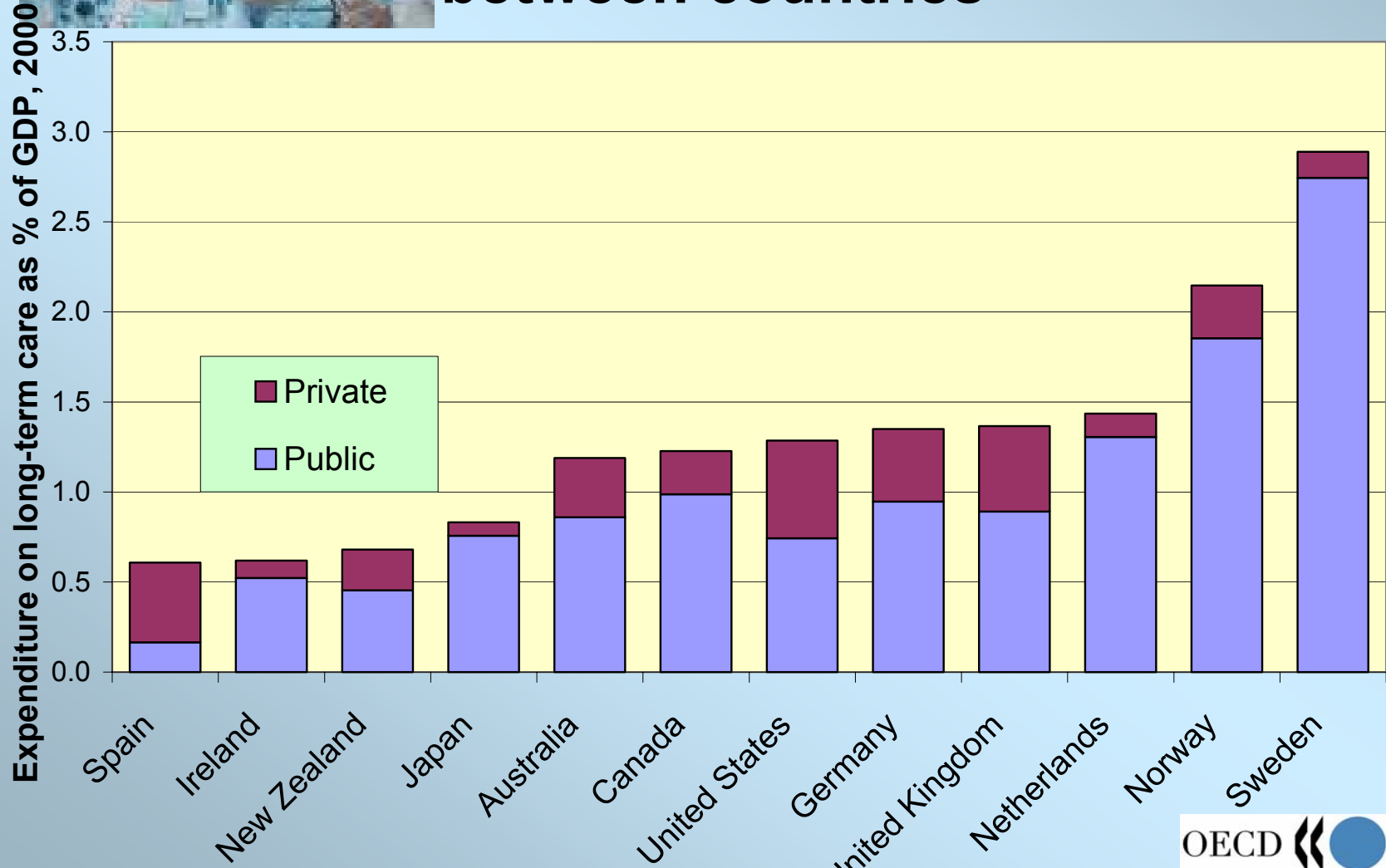


Long-term care - a working definition

- A range of services of help with basic activities of daily living for persons who are over an extended period of time no longer able to perform these tasks independently
- provided in a variety of settings (home and community versus institutions).
- Includes: support to informal carers (respite care) and expenditure on personal budgets, consumer directed care, and care allowances
- But: more than two thirds of hours of care is provided informally by family and friends



Large differences in public and private spending for long-term care between countries



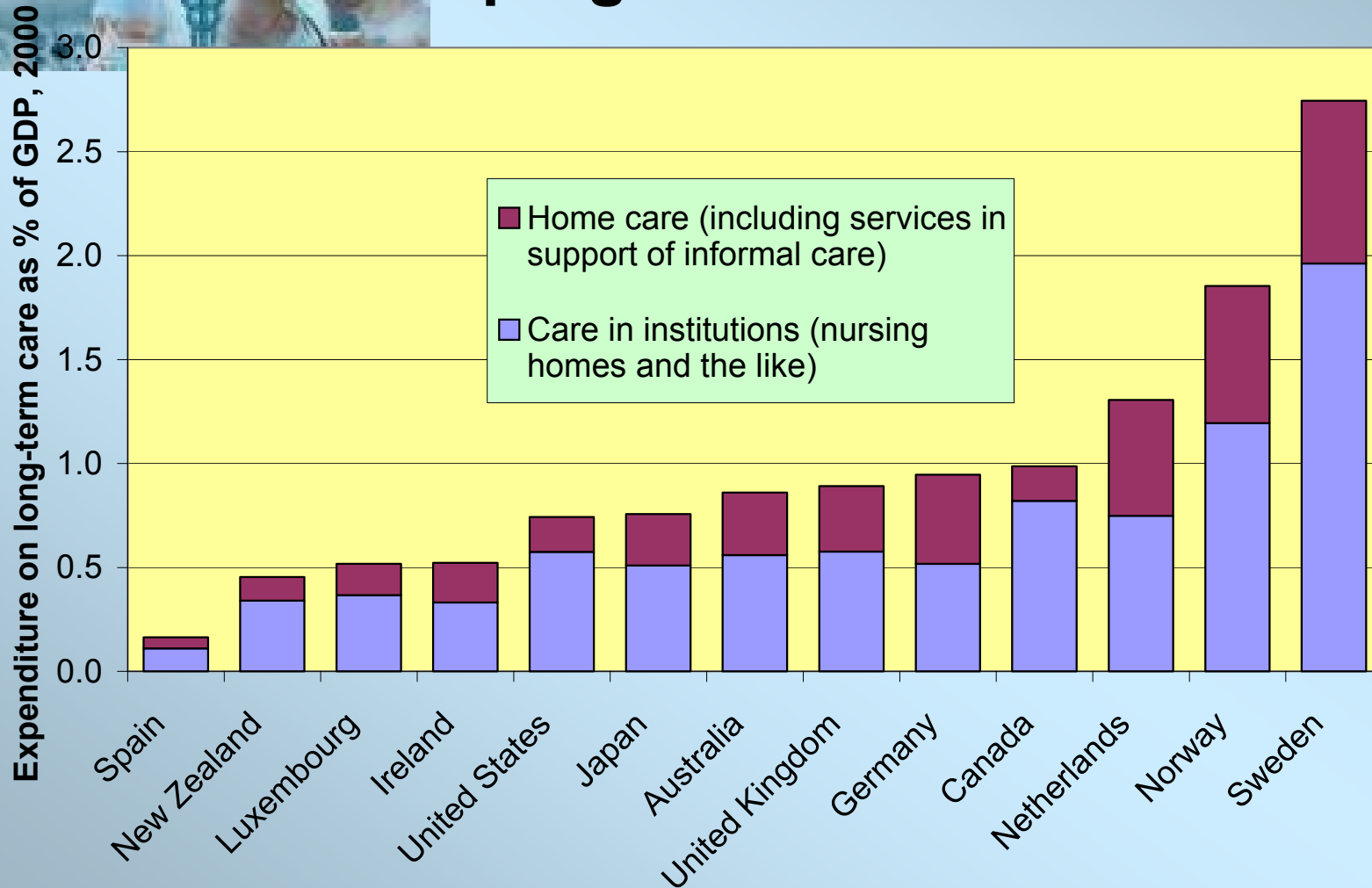
Source: OECD (2005), Long-term care for older people



No place like home?



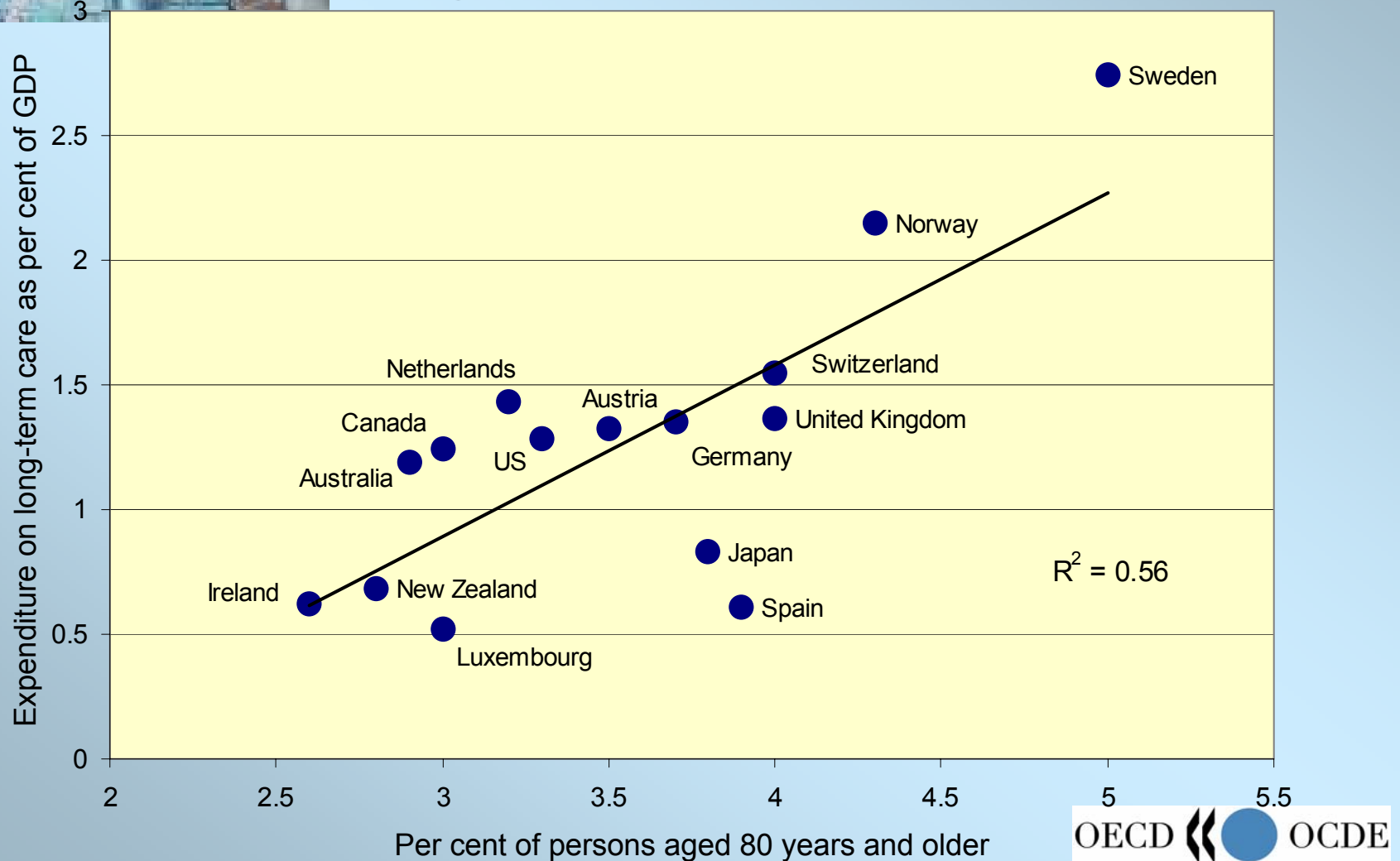
Home care important part of spending under public programmes



Source: OECD (2005), Long-term care for older people



Correlation between LTC spending and ageing is weak: other factors play an important role



Source: OECD (2005), Long-term care for older people



Is consumer choice a viable strategy?

- Trend towards more choice and participation for users of long-term care services
- Specialised public programmes to support informal care and/or care at home: personal budgets; direct payments to informal care givers or to the persons in need for care
- The right mix of support services such as counselling and respite care is essential as family care givers themselves become older
- Consumer satisfaction and quality of home care has been assessed positively
- Concerns about better targeting and financial sustainability in some countries



Countries target long-term care programmes of consumer direction, choice and care allowances in different ways

Country	Programme	Monthly payment levels			Share of 65+ population receiving support
		Lowest	Main or average	Highest	
% of private consumption per capita					
Monthly amount in nat. currency and USD PPP					
Australia	Carer Payment		53 % \$682		0.9
Austria	Cash Allowance for Care	13 % \$154	35 % \$430	132 % \$1626	20.5
Germany	Cash Allowance for Care	18 % \$209	27 % \$317	57 % \$678	6.4
Luxemb.	Cash Allowance	15 % \$272	39 % \$693	63 % \$1122	3.8
Sweden	Attendance Allowance		52 % \$515		0.1
United Kingdom	Attendance Allowance	16 % \$266		24 % \$399	19.3
United States	Cash & Counseling	20 % \$400	36 % \$723	69 % \$1400	Experimental with 1000-2000 older persons in each state

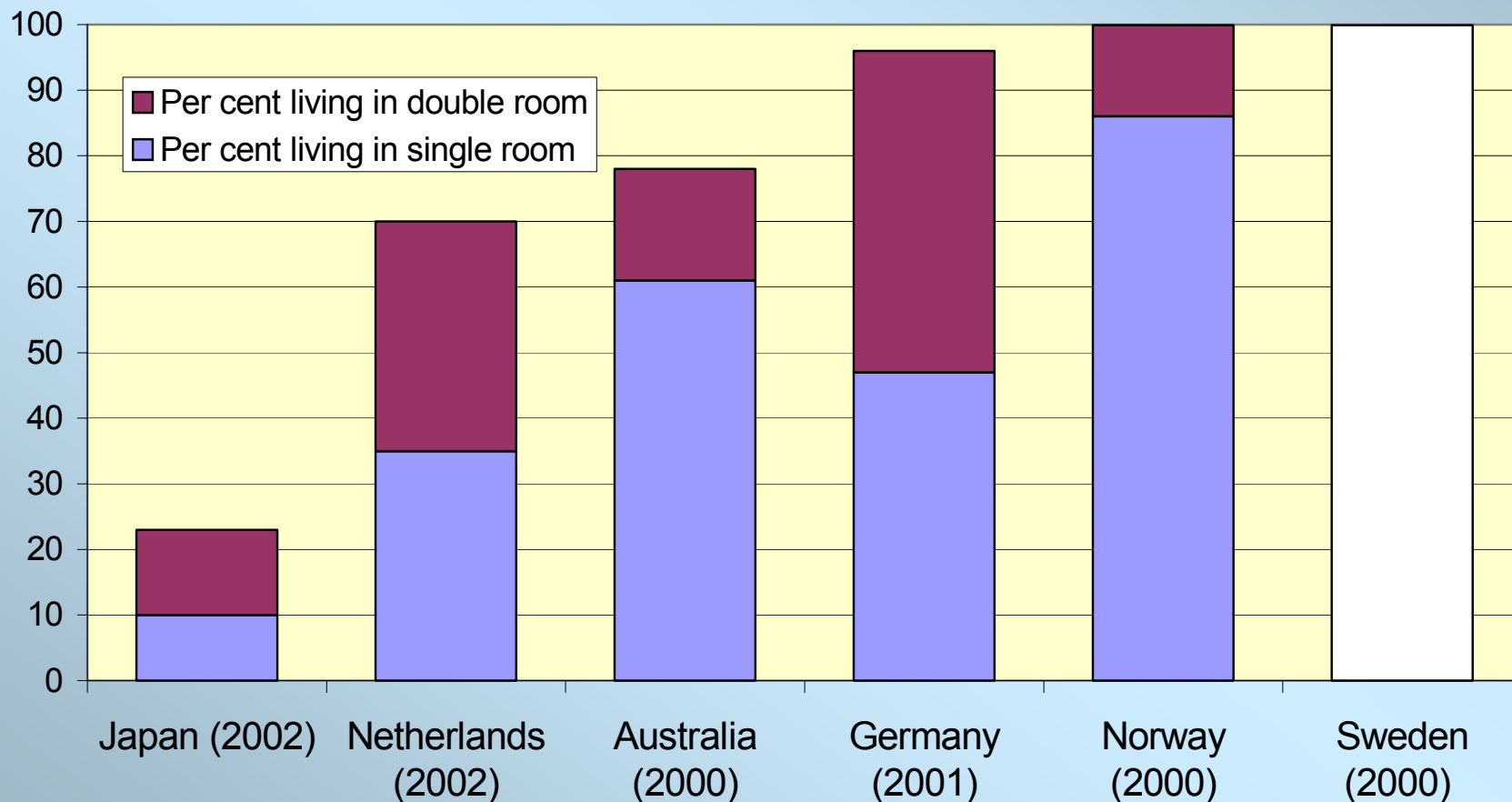


How to improve quality of services?

- Examples of quality deficits are numerous
- Governments taking more active role in better regulation, quality assessment and continuous improvement
- Privacy and amenities in institutional care differ widely
- Measurement issues remain, in particular for home care and informal care
- Staffing number one concern of many administrations, according to replies to OECD questionnaire
- Current spending levels not compatible with need to improve quality of care in many cases?

Quality of care has a price?

Privacy in nursing homes: per cent living in single or double rooms





How to make funding for long-term care sustainable?



Lessons from the long-term care study on likely future spending trends

- Need for improving the quality of long-term care services likely to be important driver of future cost
- Concerns about staff shortages raise questions about sustainability of current remuneration levels
- Several countries start from very low levels of public provision of services; considerable cost for “catching up”
- Family care will remain an important source of support raising a number of questions: Is there a larger number of older couples living together in the future? Medical progress with dementia care could change the picture substantially?

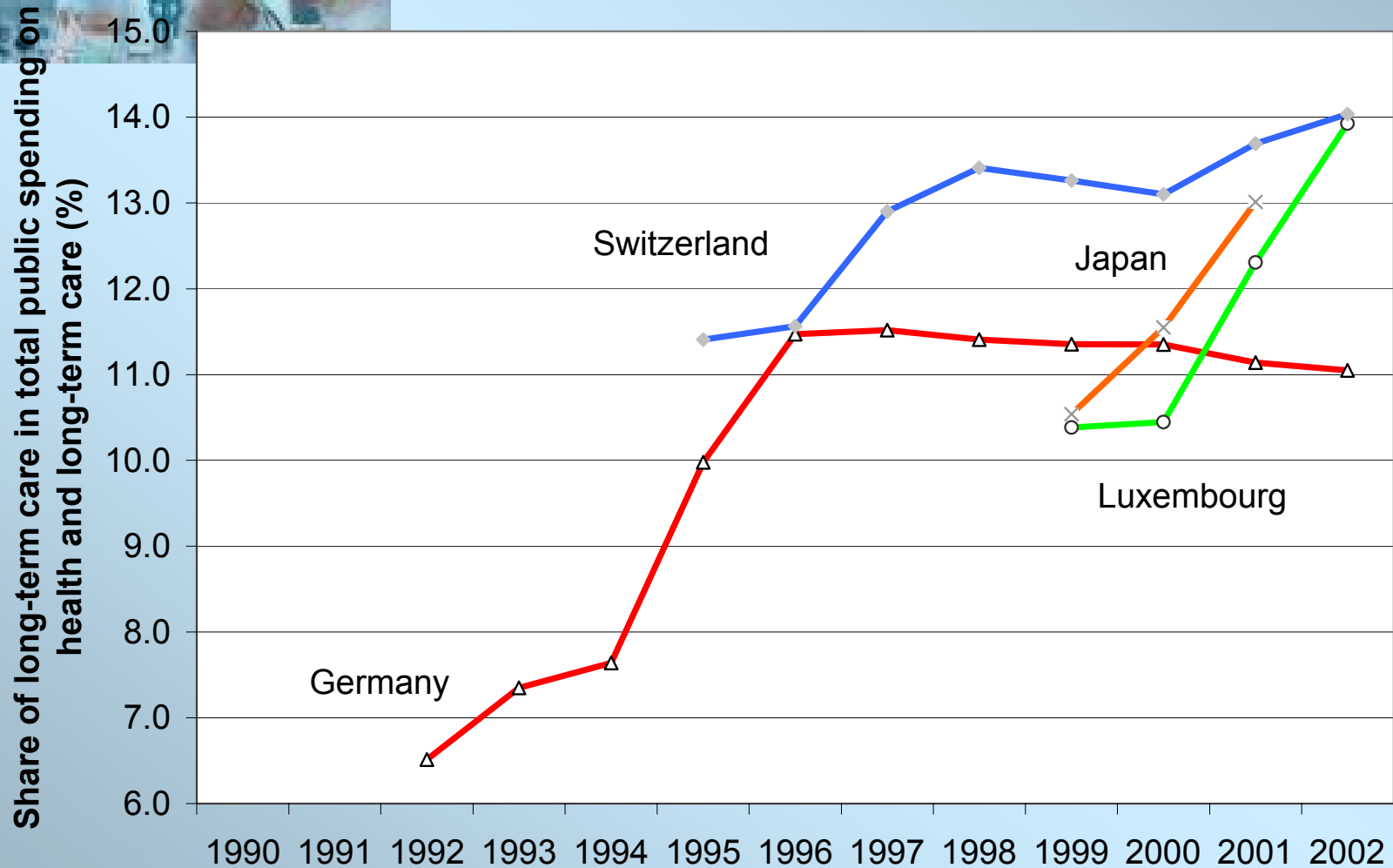


Universal public schemes for funding long-term care are spreading

- Number of countries with universal public schemes to cover long-term care (Austria, Germany, Japan, Luxembourg, Netherlands) is growing
- ..providing coverage to the whole population
- ..and reducing the need for social assistance and means-testing.
- Universal schemes are driving forces of growth of private provider markets in these countries.
- Some other countries provide universal coverage through public services (e.g., Norway, Sweden)



Trends in long-term care spending



Source: OECD (2005), Long-term care for older people



Reforms of long-term care financing in countries with tax-funded services

- Reforms in Australia, New Zealand, Sweden, United Kingdom all aim at targeting more expensive services on those with most severe disabilities...
- ..and adjusting the level of personal contribution to achieve a “fairer” balance of public and private – but in Australia the personal share has gone up and in NZ and UK it has gone down..
- ..Australia, NZ, UK all accept means-testing to set the personal share – Sweden prefers to maintain universal scheme but with much tighter targeting



Conclusions

- Putting the right mix of services in place today is essential..
- ..to ensure that high-quality services will be affordable in the future and the contribution of informal care maintained at high levels
- Cost-pressures will continue and OECD countries will have to set more aside for long-term care services in the future, from a combination of public and private sources



The need for a core set of information on long-term care for routine international reporting in the future

		Public programmes		Private provision			Unmet need
		Expenditure	Recipients	Expenditure	Beneficiaries	Informal care	
Home care	Age and gender						
Care in institutions	Age and gender						



For further reading

- Long-Term Care for Older People, OECD, 2005, Paris.
- HUBER, M. (2005, forthcoming), *Estimating expenditure on long-term care*, OECD Health Technical Papers (draft available at: <http://www.oecd.org/dataoecd/45/13/33833563.pdf>).
- LUNDSGAARD, J. (2005), *Consumer direction and choice in long-term care for older persons. How can it help improve care outcomes, employment and fiscal sustainability?* OECD Health Working Papers, No.20, Paris.
- MOISE, P., M. SCHWARZINGER and M.-Y. UM, (2004), *Dementia Care in 9 OECD Countries: A comparative analysis*, OECD Health Working Papers No.13, OECD, Paris.



For further information

- For more information on the OECD's work on long-term care policy for older people, and ongoing work on long-term care data, please contact:
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