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

Expenditure on long-term care as % of GDP, 2000

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

R\textsuperscript{2} = 0.56

Expenditure on long-term care as per cent of GDP

Per cent of persons aged 80 years and older
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

<table>
<thead>
<tr>
<th>Country</th>
<th>Programme</th>
<th>Monthly payment levels</th>
<th>Share of 65+ population receiving support</th>
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<tbody>
<tr>
<td></td>
<td>% of private consumption per capita</td>
<td>Monthly amount in nat. currency and USD PPP</td>
<td>%</td>
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<td>%</td>
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<tr>
<td>Australia</td>
<td>Carer Payment</td>
<td>53 % 13% 15%</td>
<td>0.9 0.9 0.9</td>
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<td></td>
<td>$682 $154  $272</td>
<td>$560 $430 $545</td>
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<tr>
<td>Austria</td>
<td>Cash Allowance for Care</td>
<td>13% 18% 15%</td>
<td>20.5 6.4 3.8</td>
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<td>$154 $209 $272</td>
<td>$430 $317 $545</td>
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<tr>
<td>Germany</td>
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<td>13% 18% 15%</td>
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<td>$272 $272 $272</td>
<td>$693 $693 $693</td>
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<tr>
<td>Sweden</td>
<td>Attendance Allowance</td>
<td>52% 16% 16%</td>
<td>0.1</td>
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<td>$515 $266 $400</td>
<td>$999 $999 $999</td>
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<tr>
<td>United</td>
<td>Attendance Allowance</td>
<td>16% 16% 16%</td>
<td>19.3</td>
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<tr>
<td>Kingdom</td>
<td>$266 $266 $266</td>
<td>$539 $539 $539</td>
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<tr>
<td>United</td>
<td>Cash &amp; Counseling</td>
<td>20% 20% 20%</td>
<td>19.3</td>
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<td>States</td>
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<td>$400 $400 $400</td>
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Source: OECD (2005), Long-term care for older people; Lundsgaard (2005)
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

- Japan (2002)
- Netherlands (2002)
- Australia (2000)
- Germany (2001)
- Norway (2000)
- Sweden (2000)

- Per cent living in double room
- Per cent living in single room
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

Share of long-term care in total public spending on health and long-term care (%)


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

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<tr>
<th>Public programmes</th>
<th>Private provision</th>
<th>Unmet need</th>
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<tr>
<td>Expenditure</td>
<td>Recipients</td>
<td>Expendingure</td>
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<td>Home care</td>
<td>Age and gender</td>
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<tr>
<td>Care in institutions</td>
<td>Age and gender</td>
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OECDF OCDE
For further reading

- Long-Term Care for Older People, OECD, 2005, 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:
  - Manfred Huber, e-mail: manfred.huber@oecd.org ;
  - tel.: + 33 1 45 24 76 33.
  - www.oecd.org/health/