

Eligibility and affordability of LTC services: A global view

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Objectives

The aim of this paper is to identify and assess gaps and deficits in coverage in long-term care (LTC) systems across the globe. This analysis covers a representative group of middle- and high-income countries in **Africa** (Algeria, Ghana, Nigeria, South Africa), **Americas** (Argentina, Brazil, Chile, Colombia, Mexico), **Asia and Pacific** (Australia, China, India, Japan, South Korea, Thailand) and **Europe** (Germany, Poland, Russian Federation, Turkey, United Kingdom).

These **sample countries** cover **about 60% of the world population aged 65 or above**.

Data

The data-collection consisted of three steps:

- **existing international data bases and relevant reports by international organisations** such as OECD, WHO, World Bank, and ILO were searched for comparable information on relevant aspects
- for each selected country, a **literature search using a fixed set of search terms** was conducted
- after synthesising the collected material, **country experts** were asked for a **quality control of collected material**

Results – Legislation and entitlement

Looking at the percentage of population aged 65 or above in our sample countries

- **one quarter of the older population** lives in countries where **governments have the legal duty to provide LTC services**

this legal obligation is

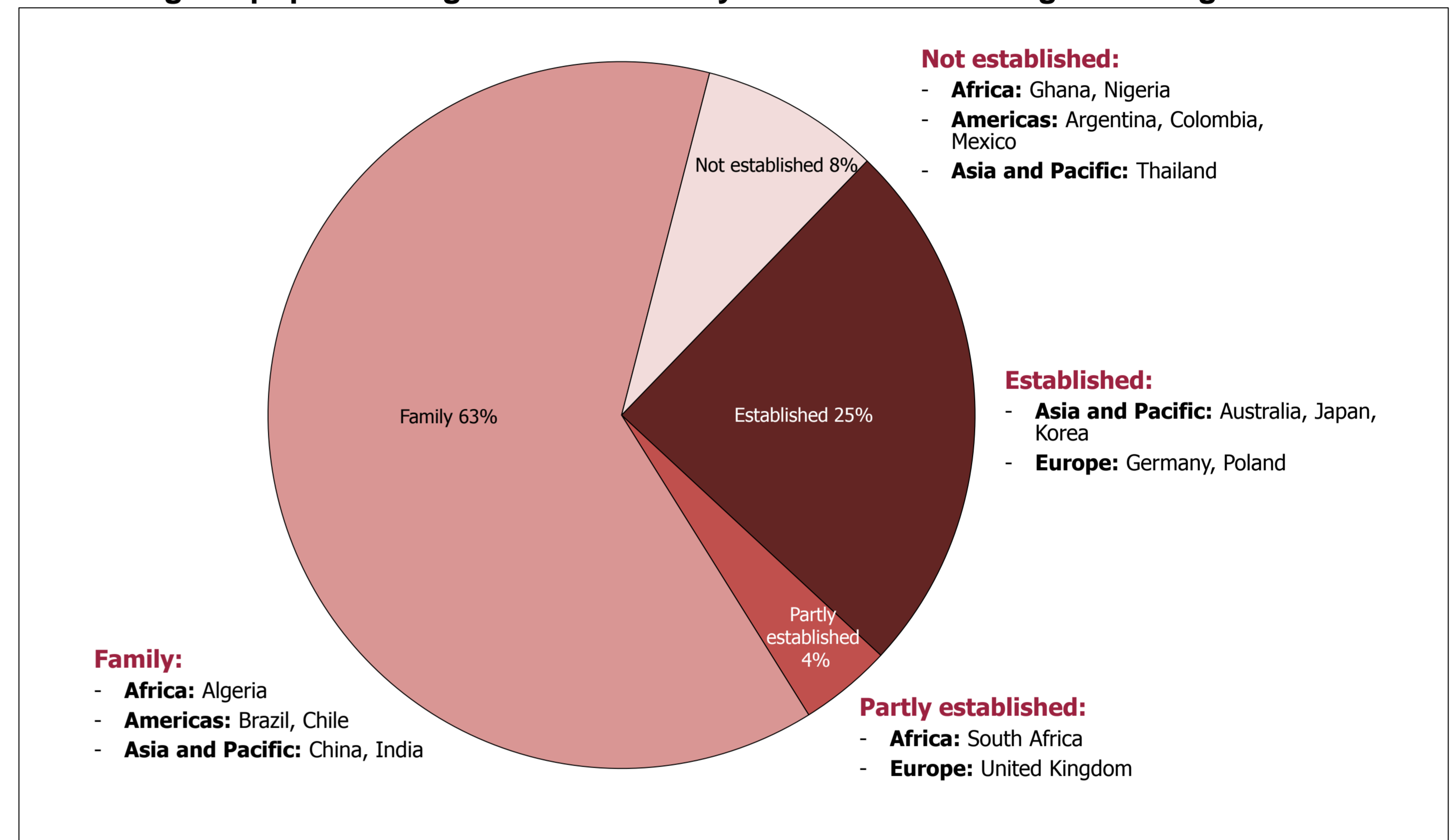
- mostly targeted at very poor people and/or people without families who could take care of their needs in the middle-income countries
- often contrasted by severe lack of capacities to provide the corresponding services in the middle-income countries

- almost **two-thirds of the older population** live in countries where **families rather than governments have the legal duty to provide LTC services**

this obligation is

- restricted to the **nuclear family** in **Asian/Pacific countries**
- extended to a **broader definition of family** in **African countries**

Percentage of population aged 65 or above by establishment of legal coverage for LTC



Note: Percentages refer to the population aged 65 or above in the sample countries.
Family denotes legally established responsibility of family members in absence of public coverage schemes.
Partly established means that a legal right to some services has been implemented, but not to others (e.g. a right to nursing care in the UK, but not to institutional care).
Source: IHS HealthEcon 2015.

Results – Affordability

Looking at out-of-pocket payments in our sample countries

- the presence and level of out-of-pocket payments as well as the share of out-of-pocket payments in total LTC expenditures are used as a proxy for affordability

- the level of out-of-pocket payments is

- **high** in **African** and **American countries**
- **varying substantially in Asian and Pacific countries:** low to moderate in Australia, Japan and South Korea, high in India and Thailand
- **mainly moderate** in **European countries**

- the share of out-of-pocket payments in total LTC expenditures is

- **lowest** in **Japan**, approx. 10% of total LTC expenditures
- **even up to 30%** in **European high-income countries:** e.g. Germany approx. 25% of total LTC expenditures, United Kingdom approx. 30% of total LTC expenditures

Country	Out-of-pocket benefits
Africa	
Algeria	high
Ghana	high
Nigeria	high
South Africa	institutional care: cost-sharing depends on institution home-based care: 100%
Americas	
Argentina	in % of total LTC expenditures: approx. 60-80%
Brazil	high
Chile	high
Colombia	n.a.
Mexico	high
Asia and Pacific	
Australia	institutional care: high (basic fee: up to a maximum, set just below full Age Pension + additional fees) home-based care: moderate (basic fee: up to a maximum, set well below full Age Pension + additional fee)
China	n.a.
India	high
Japan	institutional care and home-based care: 10% within the reimbursement limit*, 100% above the reimbursement limit * reimbursement limit depends on care needs in % of total LTC expenditures: approx. 10%
South Korea	institutional care: 20%, home-based care: 15%, recipients of public assistance benefits are exempted in % of total LTC expenditures: approx. 25-30%
Thailand	in % of total LTC expenditures: approx. 80-100%
Europe	
Germany	in % of total LTC expenditures: approx. 25%
Poland	institutional care: up to 70% of the income home-based care: some cost sharing
Russian Federation	n.a.
Turkey	n.a.
United Kingdom	in % of total LTC expenditures: approx. 30%

Source: IHS HealthEcon 2015.

Conclusions

- **Legislation and entitlement:** in none of our African and American sample countries entitlement to LTC services is established, in our Asian/Pacific and European sample countries it is mixed; families are still being allotted the main responsibility in most of our African, American and Asian/Pacific sample countries, not everywhere legally stipulated, but certainly in reality; the tradition of care responsibility for family members is facilitated by more-generation households, low economic activity among women, especially in the age group 50 or above, and the presence of more than one adult child living in the vicinity
- **Affordability:** 70% of the world population aged 65 or above live in countries with no or severely insufficient public resources spent on LTC; insufficient public resources affect mostly low- and middle-income countries, thus forcing families to provide care, which often further reduces their possibilities to earn a living; in countries where care is predominantly perceived to be a duty of female family members, the gender gap in earnings is further widened