



turning knowledge into practice

International Long-Term Care: Perspectives for the United States

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Introduction

- Aging of the world
- Major role of government financing
- Wide diversity of systems
- Unlike in medical care, United States not the outlier

Introduction (cont.)

- Examining other countries provides an opportunity to:
 - Think “outside the box” and examine unspoken assumptions
 - Examine innovations under consideration in the United States that have been implemented in other countries
 - Highlight unique or important characteristics of the U.S. system in comparison to other countries

Plan of Talk

- Population aging
- Financing
- Level of government
- Delivery
- Quality of care
- Conclusions

Population Age 80+ as Percentage of Total Population, 2000 and 2040

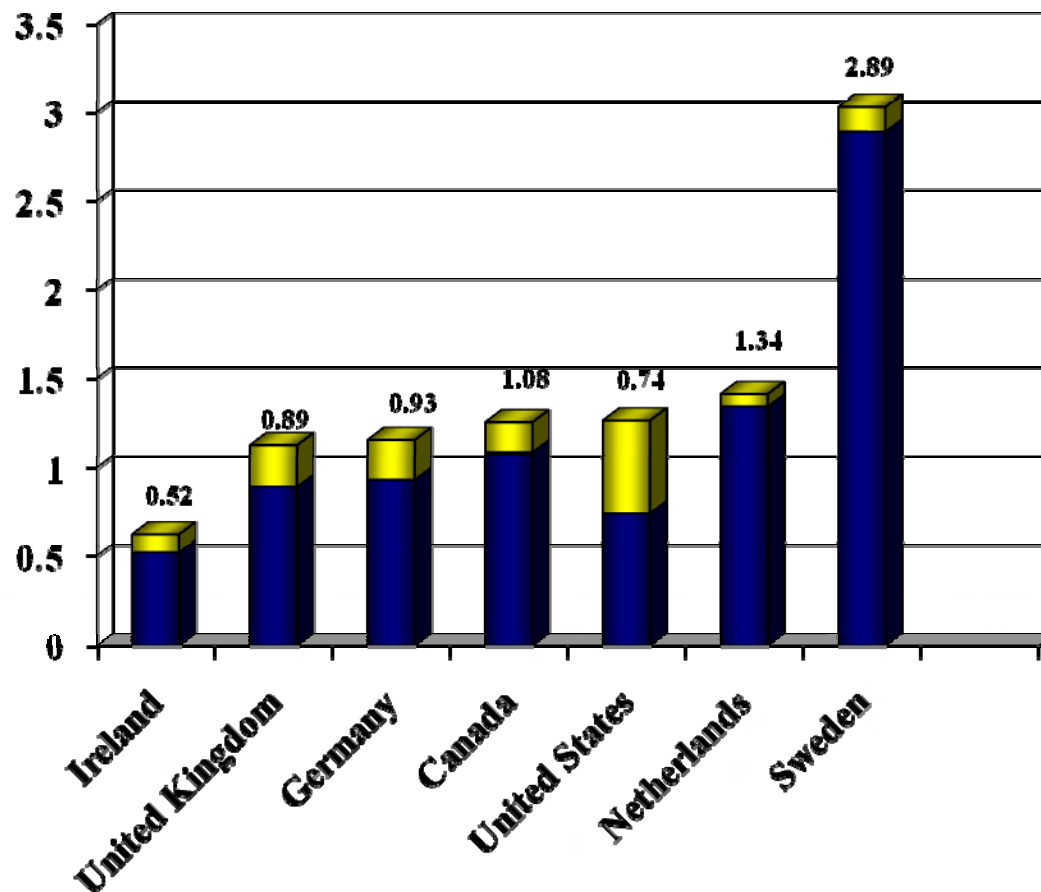
| | <u>2000</u> | <u>2040</u> |
|----------------|-------------|-------------|
| Germany | 3.7 | 8.7 |
| Ireland | 2.6 | 5.5 |
| Netherlands | 3.2 | 7.6 |
| Sweden | 5.0 | 7.9 |
| United Kingdom | 4.0 | 7.3 |
| United States | 3.3 | 6.9 |

Source: OECD, 2005.

Relationship to Medical Care

- Financing LTC generally separate from acute care
- Cost shifting across boundaries
- Much less “post-acute care”
- Strong interest in integration hampered by lack of capitation (e.g., United Kingdom)

Public and Private Expenditures on LTC as Percentage of GDP, 2000



Source: OECD, 2005.

■ Public ■ Private

Level and Type of Expenditures

- OECD analyses find countries with older populations spend more on LTC
- Sweden vs. Ireland
- 2050 add another 1.0-1.5 percent GDP
- Almost all countries dominated by public spending

Means Tested vs. Universal Financing

- Individual vs. social responsibility.
- Unlike health care, many countries (e.g., UK, New Zealand) means test
- Countries with universal coverage (e.g., Austria, Germany, Japan, Netherlands, Sweden, Luxembourg)
- Private insurance small
- Public and private sometimes blurred

Public vs. Private Provision

- Publicly provided services in Nordic countries (e.g., Sweden, Norway)
- Many countries greater private provision (e.g., UK)
- Private: Greater flexibility, lower cost, more choice, question of quality
- New government role in monitoring

Devolution vs. National Programs

- What level of government?
- Many countries (e.g., US, UK, Sweden, Canada) rely on subnational governments.
- Others (e.g., Germany) rely on uniform national programs.

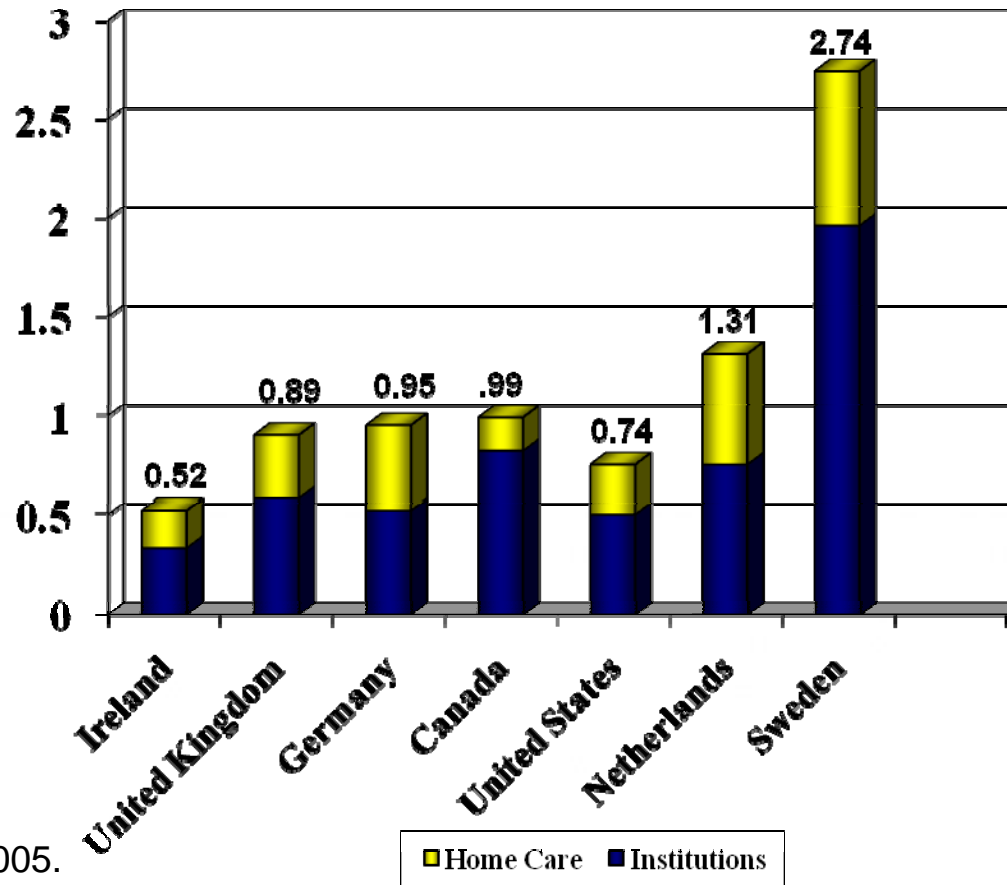
Devolution vs. National Programs

- Rationale for local participation:
 - Historically involved
 - Responsive to local norms, circumstances, and values
 - Less rigid
- Price of devolution:
 - Lack of horizontal equity (e.g., postcode lottery in UK)
 - Reinventing the wheel
 - Conflict with quality assurance

Delivery: Home Care

- Policymakers seek to reduce institutional bias
- Models of change:
 - Spend more (e.g., Germany, Japan)
 - Reallocate funds from institutional care (e.g., UK)

Public Spending on LTC in Institutions and Home Care as Percentage of GDP, 2000



Source: OECD, 2005.

Consumer-Directed Home Care

- Agency vs. consumer-directed care
- Promoted by younger persons with disabilities
- Austria, Germany, Netherlands, France, UK
- Mostly choose informal caregivers
- Cost containment
- Quality insurance

Support for Informal Caregivers

- Focus on people with disabilities or the family?
- Assessments (UK)
- Information and training
- Respite care
- Regulation of businesses (family leave)
- Tax benefits, payment to informal caregivers, and pension credits (e.g., Germany)

Quality Assurance

- Fiduciary responsibility
- Regulatory strategies
 - United Kingdom
 - Australia
 - Germany
- Market initiatives, primarily information to consumers
- Less focus on home care than institutions

Conclusions

- Long-term care higher on public agenda, largely due to higher percentage of population
- Aging of population not place impossible burdens
- Higher public role does not mean exploding public expenditures