LONG-TERM CARE STRATEGIES IN INDUSTRIALIZED COUNTRIES: CASE STUDIES OF INSURANCE BASED AND NON-INSURANCE BASED LONG-TERM CARE SYSTEMS

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Table of Contents

Preface 1

Introduction 5

Definition of Long-term Care and the Need for Long-term Care 8

Case Studies of Long-term Care Policies in Countries without Legislation 13
   I. Australia -- Anna Howe 13
   II. Canada -- Howard Bergman, François Béland, Lysette Trahan, Patricia Caris, and Anne Perrault 47
   III. Norway -- Tor Inge Romoren 78

A Review of Long-term Care in Five Countries 101
   Introduction 101
   Description of the Long-term Care Laws
      1. Austria 101
      2. Germany 110
      3. The Netherlands 125
      4. Israel 138
      5. Japan 153
   Summary Table 166

Comparing among Systems: Summary and Emerging Issues 173
PREFACE

The demographic and epidemiological transitions will result in dramatic changes in the health needs of the world's populations. Everywhere there is a steep increase in the need for Long-term care (LTC). These trends reflect two interrelated processes. One is the growth in factors that increase the prevalence of long-term disability in the population. The second is the change in the capacity of the informal support system to address these needs. Both of these processes enhance the need for public policies to address the consequences of these changes.

The growing need for LTC policies is generally associated with industrialized countries. What is less widely acknowledged is that long-term care needs are increasing in the developing world at a rate that far exceeds that experienced by industrialized countries. Moreover, the developing world is experiencing increases in LTC needs at levels of income that are far lower than that which existed in the industrialized world when these needs emerged.

Therefore, the search for effective LTC policies is one of the most pressing challenges facing modern society. Recognizing that such trends greatly increase the need for well coordinated and cost-effective LTC, the World Health Organization (WHO) launched a global initiative, with the JDC-Brookdale Institute leading this effort.

The goal of the project is to prepare a practical framework for guiding the development of long-term care policies in developing countries.

This process is based on a number of major premises:

1. Previous efforts have not been successful in identifying meaningful policy guidelines that are appropriate to the unique situations of developing and middle-income countries.
2. A key resource in formulating LTC policies for developing countries is their own existing experience.
3. LTC policies in the developing world need to reflect each country's unique conditions, which have to be understood in much more depth and complexity.
4. There is much to be learned from the experience of industrialized countries in order to define the range of options and to identify successful and unsuccessful policy practices.
5. There is a need to create a deeper and more informed dialogue between the experiences of industrialized and developing countries so that there can be a mutually beneficial learning process.
Over the course of the project, a number of steps have been taken to promote the exchange of experience. In 1998, a comparative review of the implementation of long-term care laws based on legislation and entitlement principles in five industrialized countries (Austria, Germany, Israel, Japan and the Netherlands) was carried out and summarized in a widely distributed report: Long-Term Care Laws in Five Developed Countries (WHO/NMH/CCL/00.2). In implementing this study, a framework was developed for cross-national comparisons of long-term care policies that address the needs of policy makers.

In December 1999, a meeting of a group of long-term care experts from the industrialized and developing world identified specific issues in LTC provision in developing countries. Their general recommendations were submitted in a report and accepted by the 108th WHO Executive Board (WHO Technical Report Series, No. 898), and ratified by the 54th World Health Assembly in May, 2001.

One lesson from this workshop was that to go beyond previous discussions requires a more in-depth understanding of the existing situations in developing countries and the nature of the variance among countries. Thus, a plan was developed to request in-depth case studies from experts in middle-income developing countries, and in April 2001 a second workshop was organized with these experts to discuss the framework for the preparation of these case studies.

This framework was designed to emphasize additional elements that would be important in the developing country context, and also to examine the more general health and social policies and service structure along dimensions that have major implications for long-term care. Case studies of the general health system and current LTC provision in eleven developing countries were written by local health care experts (People’s Republic of China, Costa Rica, Indonesia, Lebanon, Lithuania, Mexico, Republic of Korea, South Africa, Sri Lanka, Thailand, and Ukraine).

Furthermore, to complete and broaden the picture of patterns of LTC policies in industrialized countries, case studies of countries without a legislative framework, including Australia, Canada and Norway, were commissioned.

An additional perspective was provided on the experience of the industrialized countries by commissioning a set of papers on key crosscutting issues such as:

- The role of the family and informal care, and mechanisms to support the family
• Issues of coordination among various LTC services, and of LTC with the health and social service systems
• Human resource strategies in delivering LTC

A series of videoconferences that opened a dialogue between WHO Headquarters and the six Regional Offices on desirable directions for long-term care was also conducted.

The next step was to convene the group of leading experts from industrialized and developing countries who had prepared the papers, together with WHO Regional Representatives and key WHO Headquarters' staff.

Two integrative papers on the overall patterns identified and lessons learned from the case-studies of industrialized and developing countries were prepared by the Brookdale team for the meeting, which took place in November 2001 in Annecy, France.

The purpose of the meeting "Bridging the Limousine – Train – Bicycle Divide" was to assess what has been learned thus far from the experiences of both industrialized and developing countries that can contribute to the development of LTC policies for developing countries. The report from the meeting ("Lessons for Long-Term Care Policy", WHO/NMH/CCL/02.1) gives a broad overview of the nature of the background materials that were prepared and the issues that were discussed. It also presents some general conclusions that were agreed on by the participants.

In parallel, work was proceeding to estimate the current and future long-term care needs globally. R. H. Harwood and A. A. Sayer analyzed the 1990 WHO Global Burden of Disease data and prepared estimates for all WHO Member States, which are published on the web site http://www.who.int/ncd/long_term_care/index.htm and summarized in a report ("Current and Future Long Term Care Needs" WHO/NMH/CCL/02.2).

Another complimentary area of work related to family caregiving in countries with high HIV/AIDS prevalence. E. Lindsey completed several qualitative studies, focusing on Community Home-Based Care and its effects on young girls and older women. She summarized the findings from studies in Botswana, Cambodia, Haiti, Kenya, Thailand and South Africa in a guideline ("Community Home-Based Care in Resource-Limited Settings. A Framework for Action." ISBN 92 4 156213 7, WHO, Geneva, 2002).
The theoretical framework for this guideline had been developed by JDC- Brookdale for the analysis of LTC laws in 5 industrialized countries.

One additional area of work relates to ethical responsibilities in LTC and the ethical discussion countries need to initiate as input into the determination of the priority of LTC and the considerations in designing fair and just policies.

This volume is part of a series of publications designed to make the full and final materials developed through the project more widely available:

1. Major issues in the design of long term care. A review based on the experience of industrialized countries (already published).
2. Patterns of variation in LTC strategies in industrialized countries: case studies of countries with and without national LTC legislation (this volume)
3. Emerging approaches to LTC in developing countries: ten case studies (forthcoming)
4. Framework for guiding the development of long-term care policies in developing countries (forthcoming)
5. Ethical Choices in Long term Care. What does Justice Require?
INTRODUCTION

Population aging, enabled mainly by advances in standards of living, medicine and technology, is one of the most significant achievements of the 20th century. It also presents new challenges to all societies. Demographic and epidemiological changes result in dramatic shifts in the health needs of the world's populations. Everywhere there has been a steep increase in the need for management of chronic diseases and for long-term care. At the same time, there has been a worldwide decline in the capacity of the informal support system to address these growing care needs. In most countries, care has traditionally been a family task - mainly performed by women. The increasing proportion of women in the labor market and the declining ratio between those needing care and those who are potential caregivers (the “daughter generation”) are raising questions about the family’s ability to care for the elderly and disabled to the same extent.

Countries throughout the world are struggling to develop long-term care systems and policies that will meet the basic needs of the disabled elderly, ensure the most appropriate and effective care in the least restrictive environment, contain costs, and find an appropriate balance between the role of the family and that of the state.

There is considerable variation in the way countries address this challenge, and national policies have been undergoing very significant change in the last decade. This monograph examines case studies of long-term care systems in a number of industrialized countries. It has three goals:
1. To identify patterns of variation in addressing key issues in the design of long-term care systems.
2. To identify the major trends emerging in the long-term care systems in these countries.
3. To understand the considerations that underlie these patterns and trends.

One of the significant developments has been the introduction of insurance-based long-term care systems in a number of countries. Therefore, particular attention will be given to comparisons between the approaches in countries with insurance-based systems (Austria, Germany, Netherlands, Israel and Japan) and non-insurance based systems (Australia, Canada (Quebec), and Norway).

In insurance-based programs, everyone who fulfills eligibility criteria must be granted benefits, regardless of available budgets. Such programs are almost always established
through specific legislation, and allow costs to be contained only through changes in eligibility criteria, which usually requires changes in legislation.

In non-insurance — or budget constrained — programs, service provision is dependent on limited funds, that is, services do not have to be provided once the budget runs out, even to those who meet eligibility requirements. Applications for services within a given budget year can either be denied, or the applicant put on a waiting list. Costs can thus be contained through planned budget allocations, rather than only by adjusting eligibility criteria.

This monograph begins with a definition of long-term care and an overview of the needs for long-term care in the industrialized countries reviewed. Following are three comprehensive case studies of long-term care systems that operate on a non-insurance basis: Australia, Canada (specifically, Quebec), and Norway (chapters 3, 4, 5, respectively). The chapters are based on a framework developed collaboratively by the case study authors, the WHO and the JDC-Brookdale Institute.

Section I (of each chapter) includes a general description of the country’s social structure, and information on important economic, demographic, and epidemiological trends, using data from international sources. Section II includes an overview of the country’s general health and social care systems and the relative position of long-term care services within these systems. Section III presents information on current long-term services. Section IV assesses present and future needs for long-term care, and emerging and desired future policy directions.

We then briefly review the systems in countries that have enacted long-term care legislation (chapters 6, 7, 8, 9 and 10). The five countries that fit this category (Austria, Germany, Netherlands, Israel, and Japan) ensure access to long-term care services based on principles of social insurance. A more comprehensive description of these systems was published in a previous volume in this series (WHO, 2000. where possible, we have updated the data for this publication)¹.

The final chapter identifies some of the broad overall patterns and trends, and compares how countries that have chosen insurance-based and non-insurance based approaches have addressed major policy design issues.

We should caution that it is often difficult to draw clear-cut conclusions from the experience of countries because there is little systematic evaluation of the implementation and outcomes of long-term care systems. Nevertheless, the case studies presented herein constitute an important resource for understanding the range of possible policies, gaining insight into the interaction between the resolution of different specific design issues, and understanding how various considerations play a role in developing these systems.