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Same but different? Cross-border movements of care home providers from Germany to Austria

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Outline

- Why should LTC providers want to expand their activities to other countries?
- Why do German LTC providers (not) move to Austria?
- Why is there no European market (regulation) for LTC?



Theoretical considerations about the 'long-term care industry'

- Mixed economy of care: large commercial providers only since the 1980s (investment opportunity)
- Intransparent regulations within and between countries
- Some movement in connection with debates about the 'Service Directive' and 'Social Services of General Interest'



Incentives for German care home providers to move to Austria

- Comparatively scarce regulation in terms of quality
 - No public reporting
 - Few (structural) preconditions for authorisation
- Money and financing
 - Fixed and secure income per resident (reimbursement by public authorities)
- No language barriers



Insertion for UK participants

- The free market for LTC is most developed in Germany, rather than in the UK
 - Anybody may invest in constructing a care home wherever and whenever he likes as long as general quality regulations are met
 - No local authority may inhibit the construction of a care home
 - Residents are billed individually
 - No collective bargaining



DIS-Incentives for German care home providers to move to Austria

- High regulation in terms of staffing and industrial relations
 - Higher staffing standards in some regions
 - Staff costs regulated by collective bargaining (defined tariffs)
- Political aspects and governance of access
 - Local/regional political cultures and personal relationships (no tendering)
 - Regional Development Plans



Providing LTC in Austria as a German company

Stories about cultural clashes and the regulation of a closed shop



Confronting experiences and strategies

“(…) they came over ... just too aggressively ... too ‘German’, if I may say so. But as this was the first private provider in Vorarlberg, there was **generally some reservation among professionals** independent from national reservations.”

*Public official,
Vorarlberg*

“(…) I would certainly build much more on a general expansion strategy (...) To run such a strategy you have to be **proactive in contacting and working constantly on public relations** with local and regional decision-makers, mainly mayors.”

CEO German provider

About incentives and quasi-markets

- “(...) A number of **German providers would like to invest** and/or to increase their activities in **Austria**, but they are **blocked by the strict regulation of access**. (...) However (...) we have seen in Germany that the completely open access to the market also creates over-capacities, bankruptcies and other inconveniences.”

CEO of a German care home provider in Austria



Result

- Only 5 German companies in the Austrian LTC realm, two of which mainly as investors or in a sale and lease back model
 - 2 interviews with providers (Vorarlberg, Carinthia)
 - 2 interviews with public officials (Vorarlberg, Styria)
 - Generally scarce transparency and openness (8 potential interviewees refused any statement)



Conclusions

- **More transparency on a European level**
 - Quality reporting: indicators?
 - No general European standards, but shared methods and incentives for quality development
- **Improving working conditions and training**
 - Integrating migrant care workers
- **Market vs. social planning**
 - How to avoid overcapacities, bankruptcies and care home closures?
 - How to integrate private providers into a coherent LTC policy?



Further information and contact

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Further information:

- <http://www.ecabeurope.eu/>
- www.euro.centre.org
- <http://interlinks.euro.centre.org>
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