

*International evidence on the impact of budget cuts on long-term care systems*

LSE - London, 22 June 2015

# The Italian LTC system between budget constraints & reform proposals

G. Lamura\*, C. Chiatti\*<sup>o</sup>, F. Barbabella\*, M.G. Melchiorre\*, M. Di Rosa\* & D. Giampieri\*



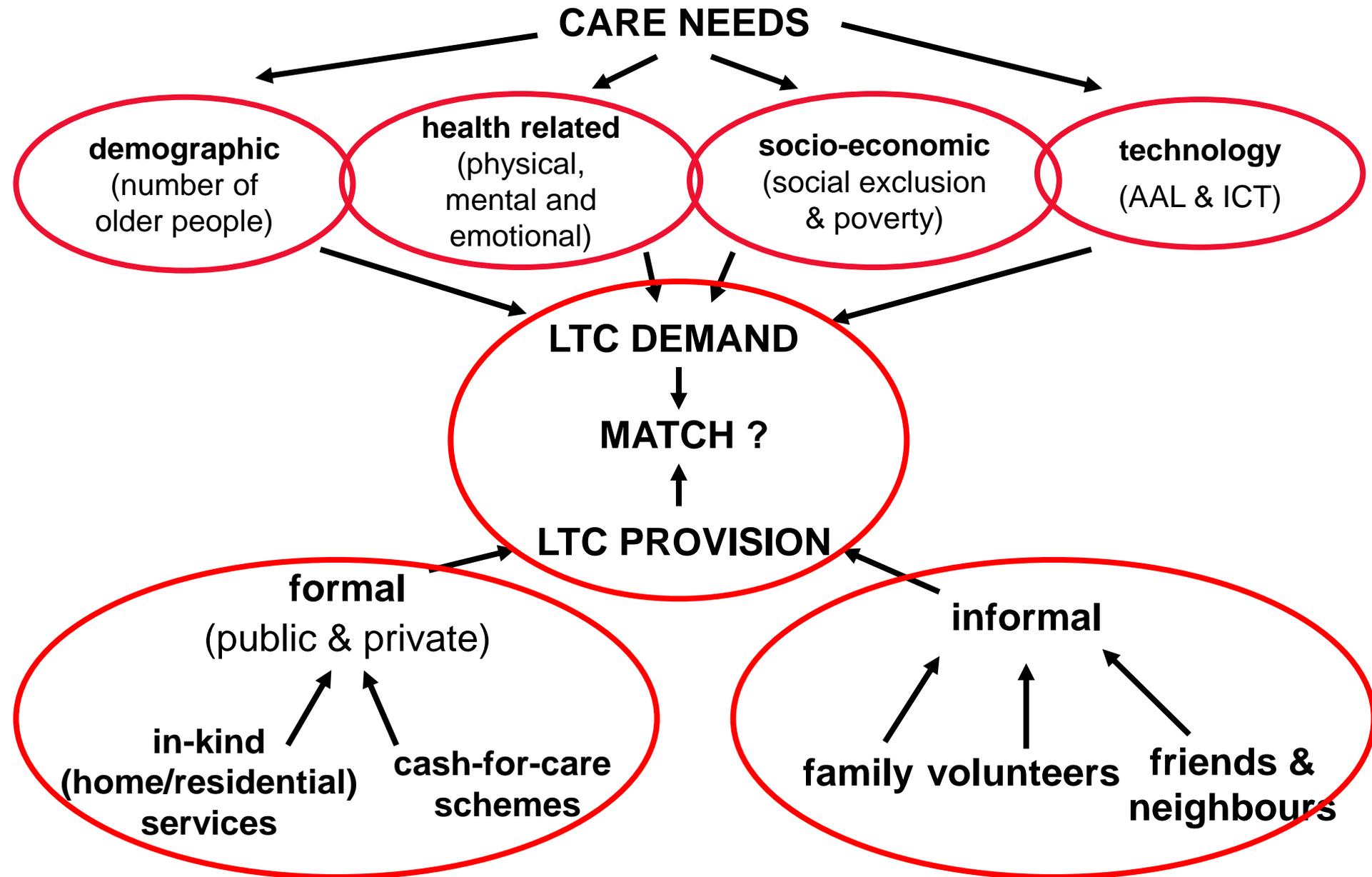
\*: INRCA, National Institute of Health and Science on Ageing, Ancona, Italy

<sup>o</sup>: University of Lund, Sweden

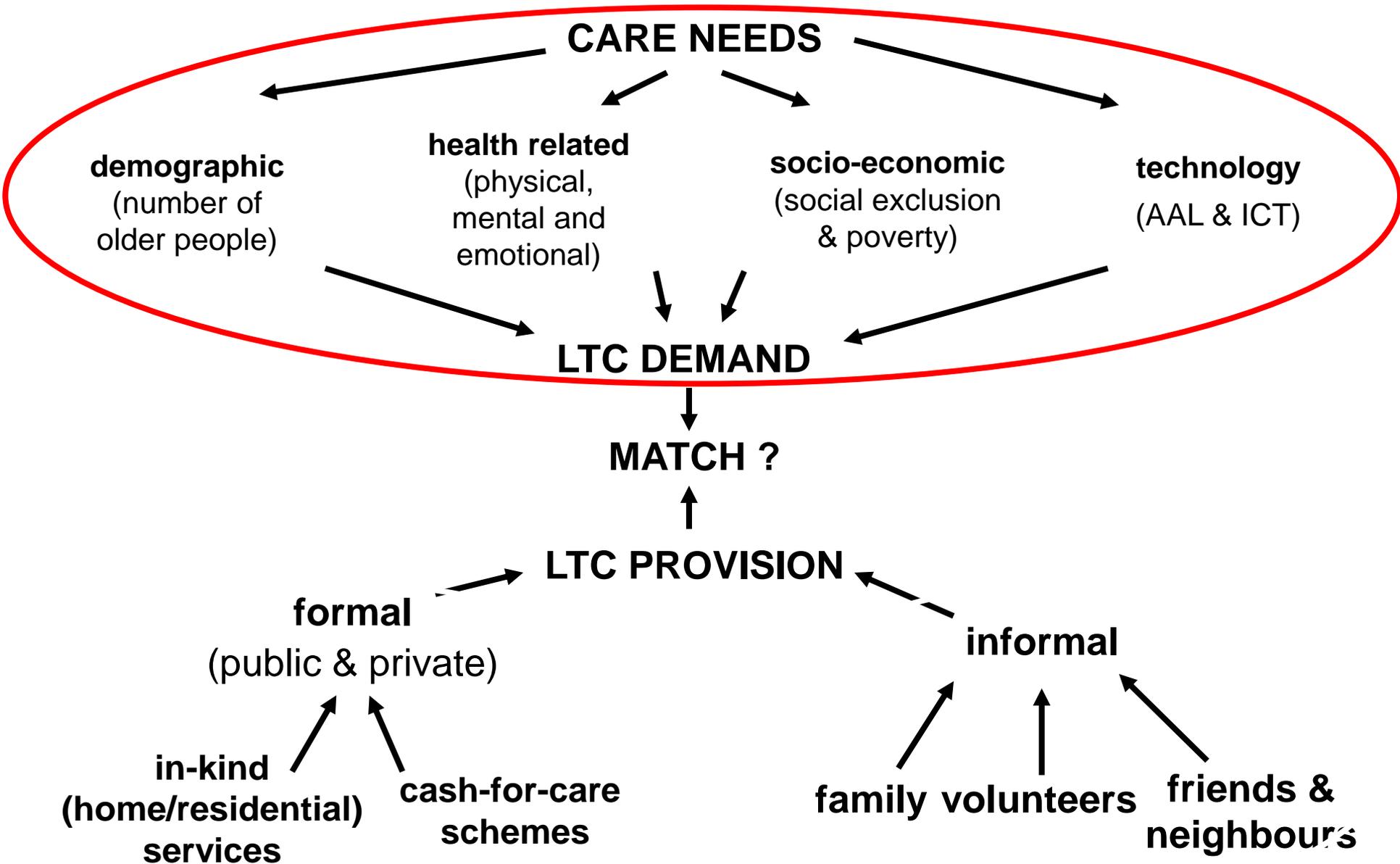
# Contents of presentation

1. Introduction on main features of LTC in Italy
2. Provision of “formal” LTC in Italy:
  - a. Residential care*
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  - d. Private employment of migrant care workers*
3. Recent reform proposals

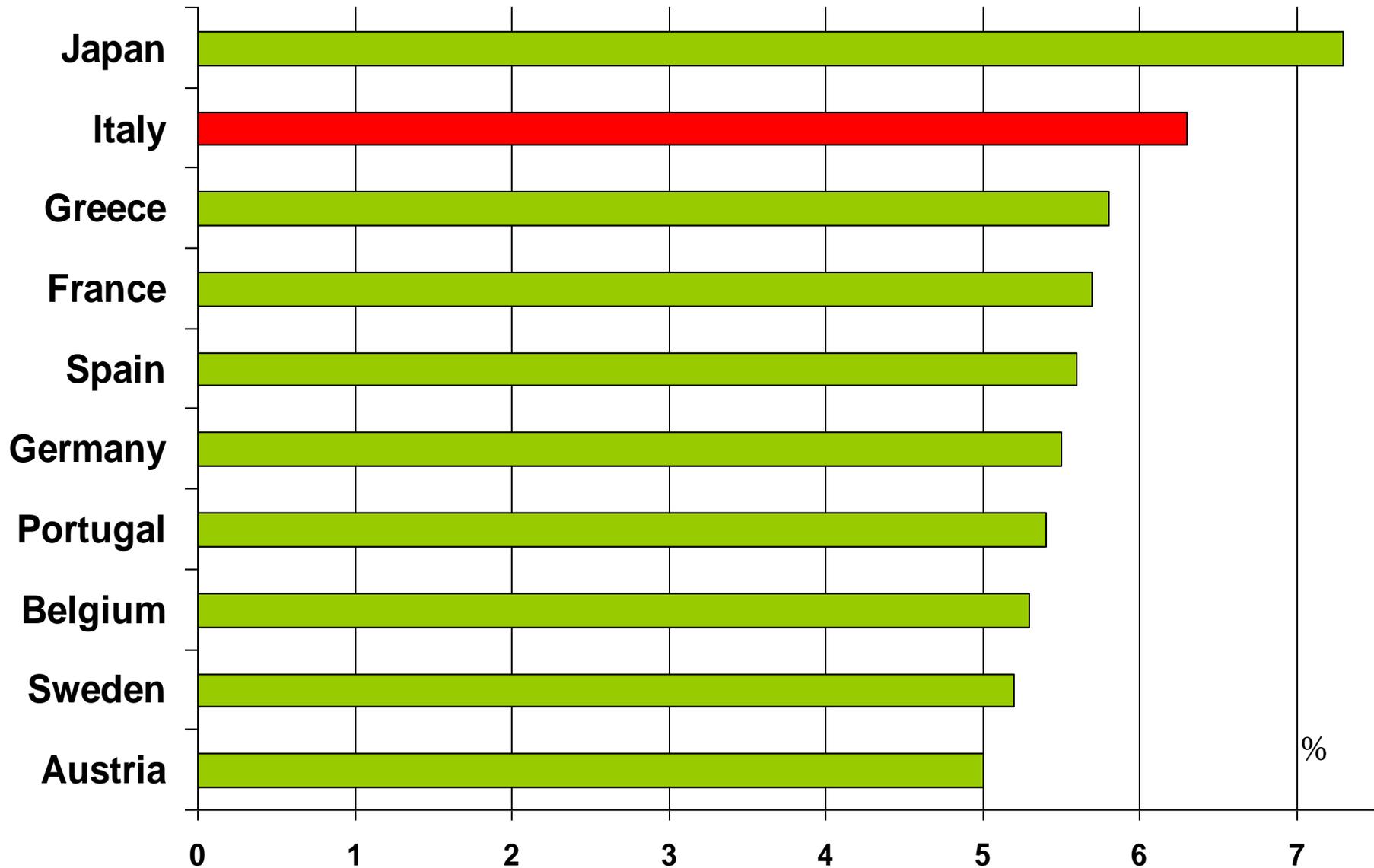
# Long-term care: a conceptual framework



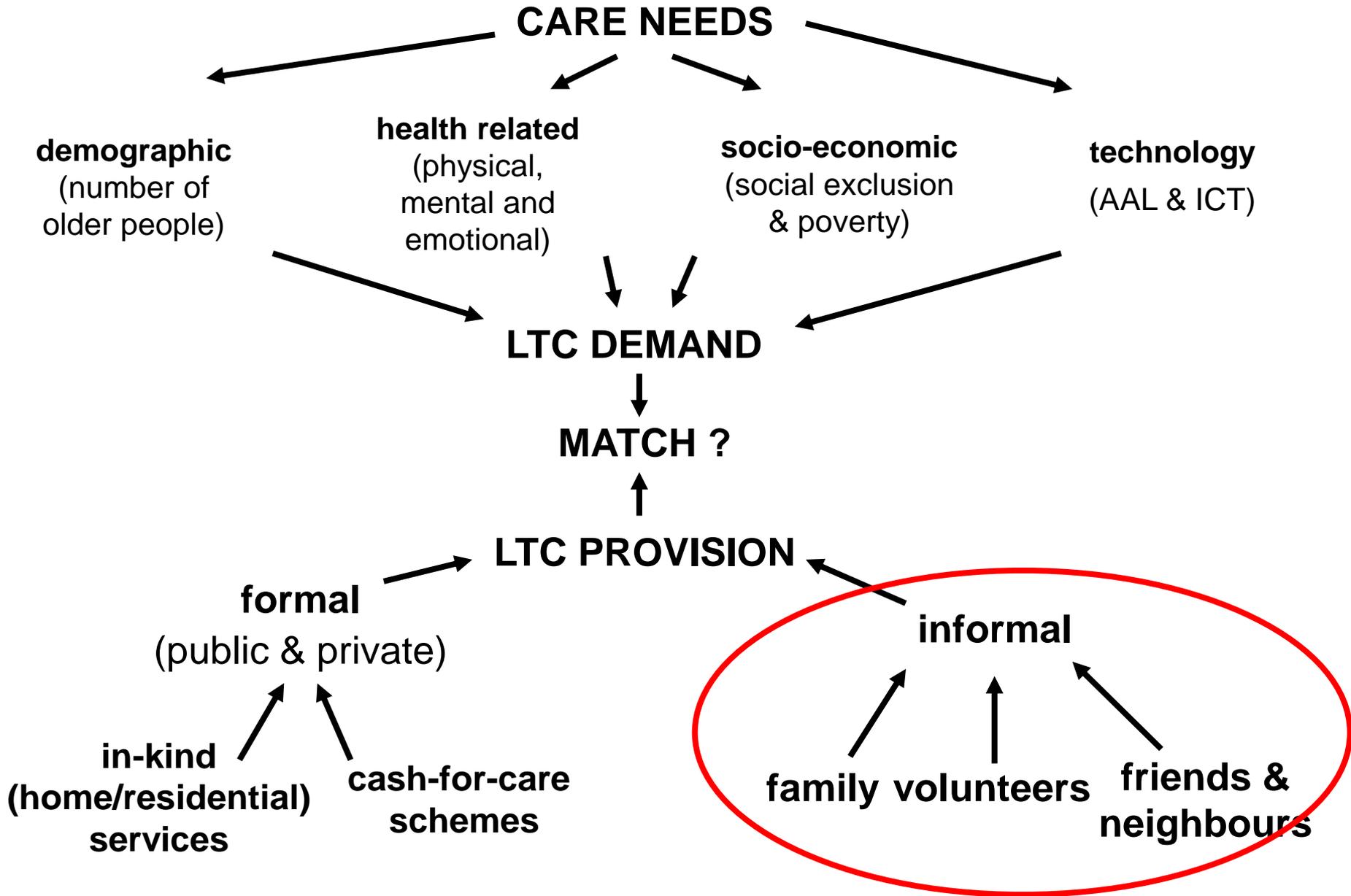
# Long-term care: a conceptual framework



# Countries with the largest share of over 80 year old population (2013, %)



# The LTC framework

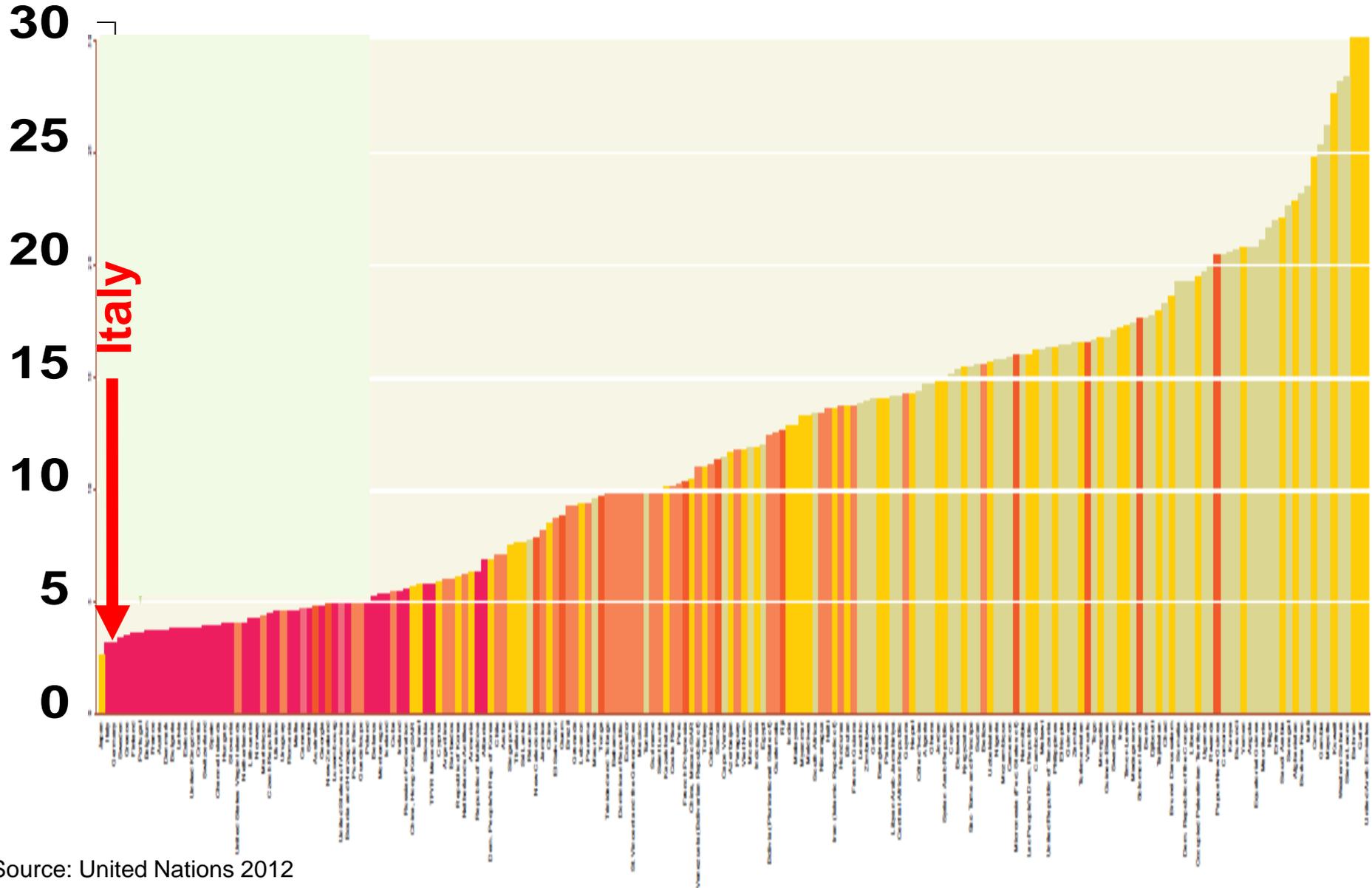


## **Informal carers: the backbone of LTC**

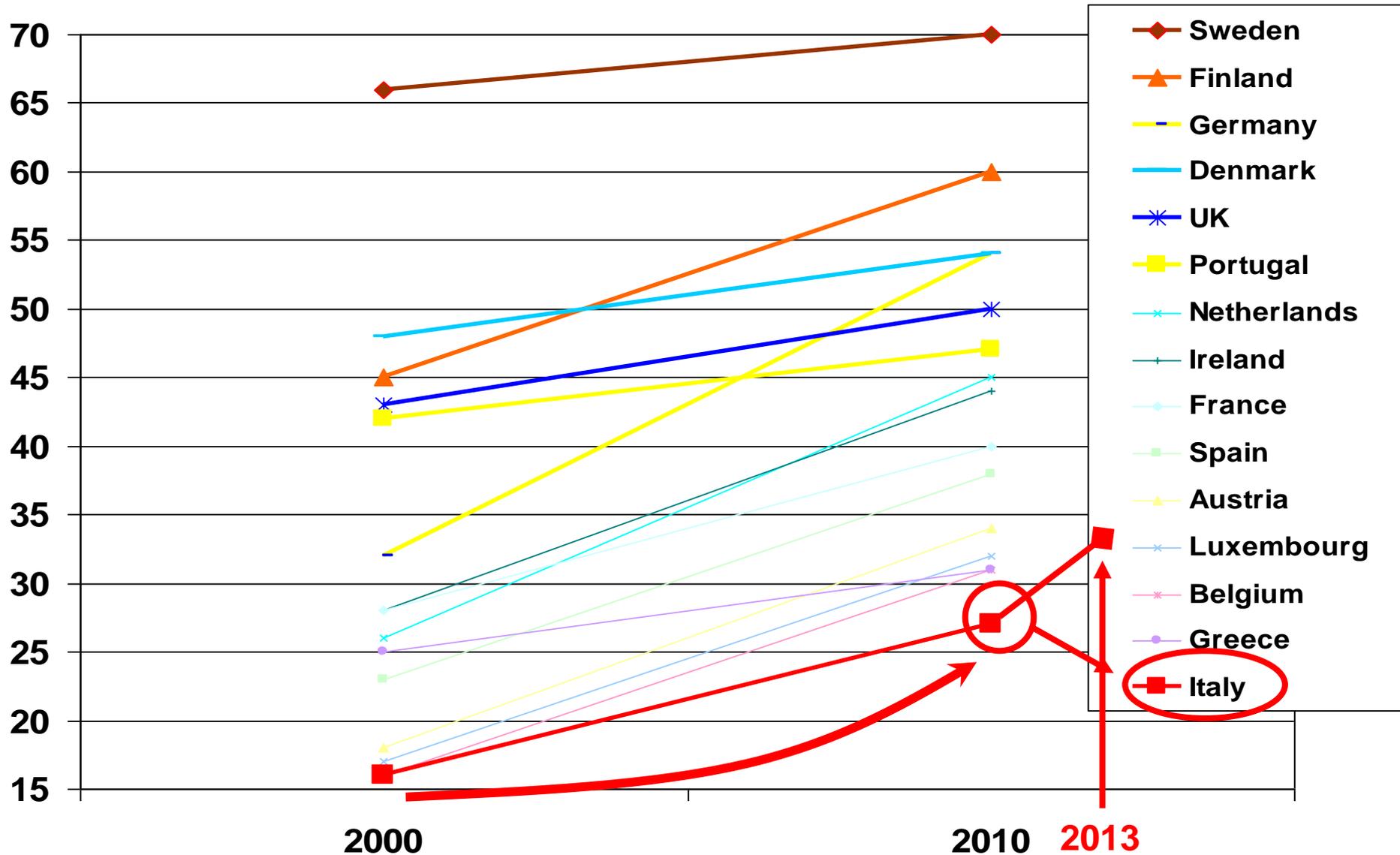
**“About 80% of all LTC across the EU is provided by spouses, daughters, other relatives and friends...” (Triantafillou 2011)**

**“Even in countries with a well-developed supply of formal LTC, the number of informal carers is at least twice as big as the formal care workforce” (EC 2013)**

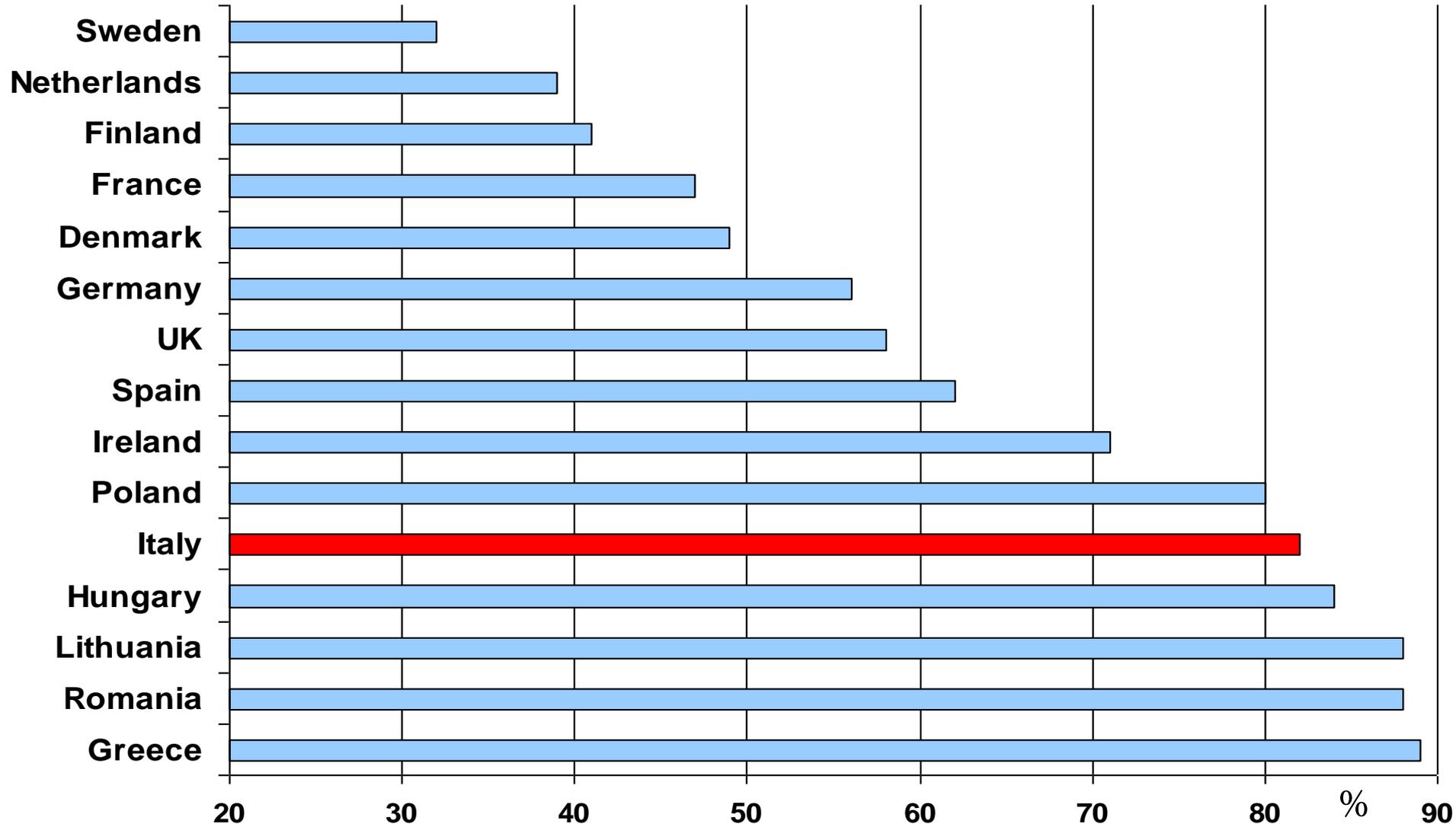
# Old-age support ratio (persons aged 15-64 year per persons aged 65+) (2012)



# Female labour force participation rate in the age group 55-64 (2000-10)

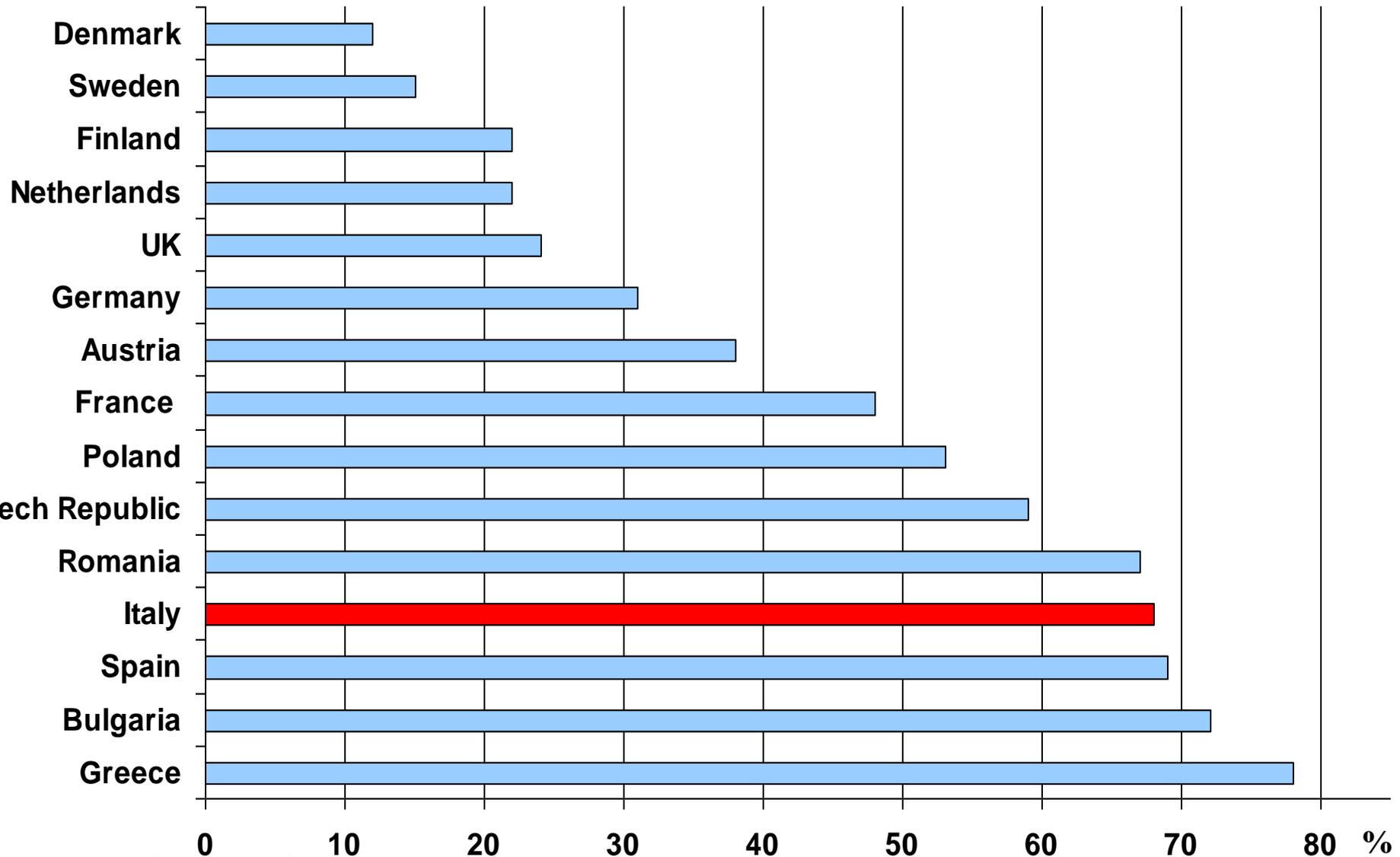


# „It would be a good thing, if working adults would look after their elderly parents“\*

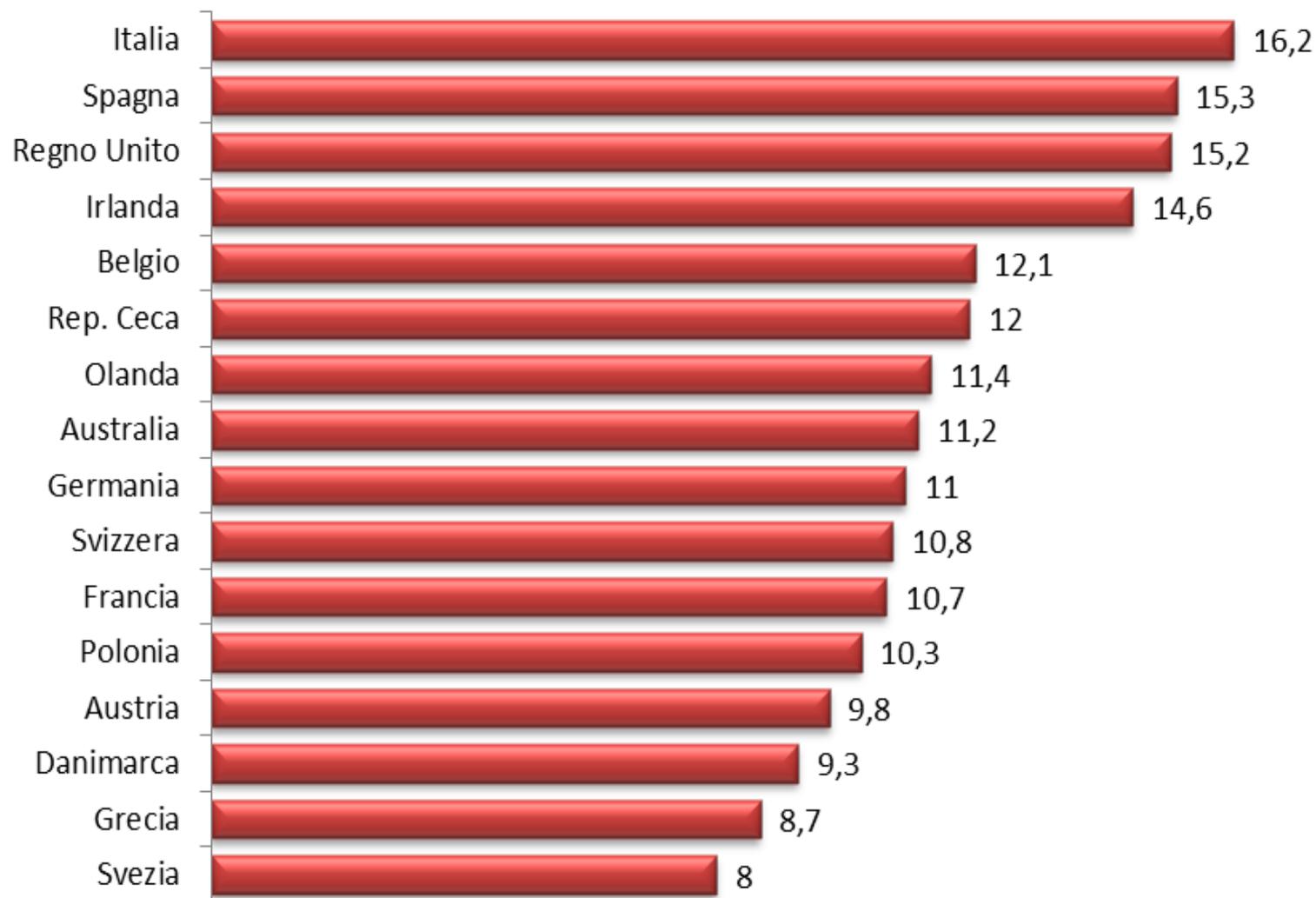


\*: EUROBAROMETER: If, in the future, working adults would have to look after their elderly parents more than nowadays, would you say that this would be rather a good thing or rather a bad thing? (Alber & Köhler 2004)

# „Children should pay for the care of their parents“ (if their parents' income is not sufficient)



# Share of population providing informal care to a dependent relative or friend

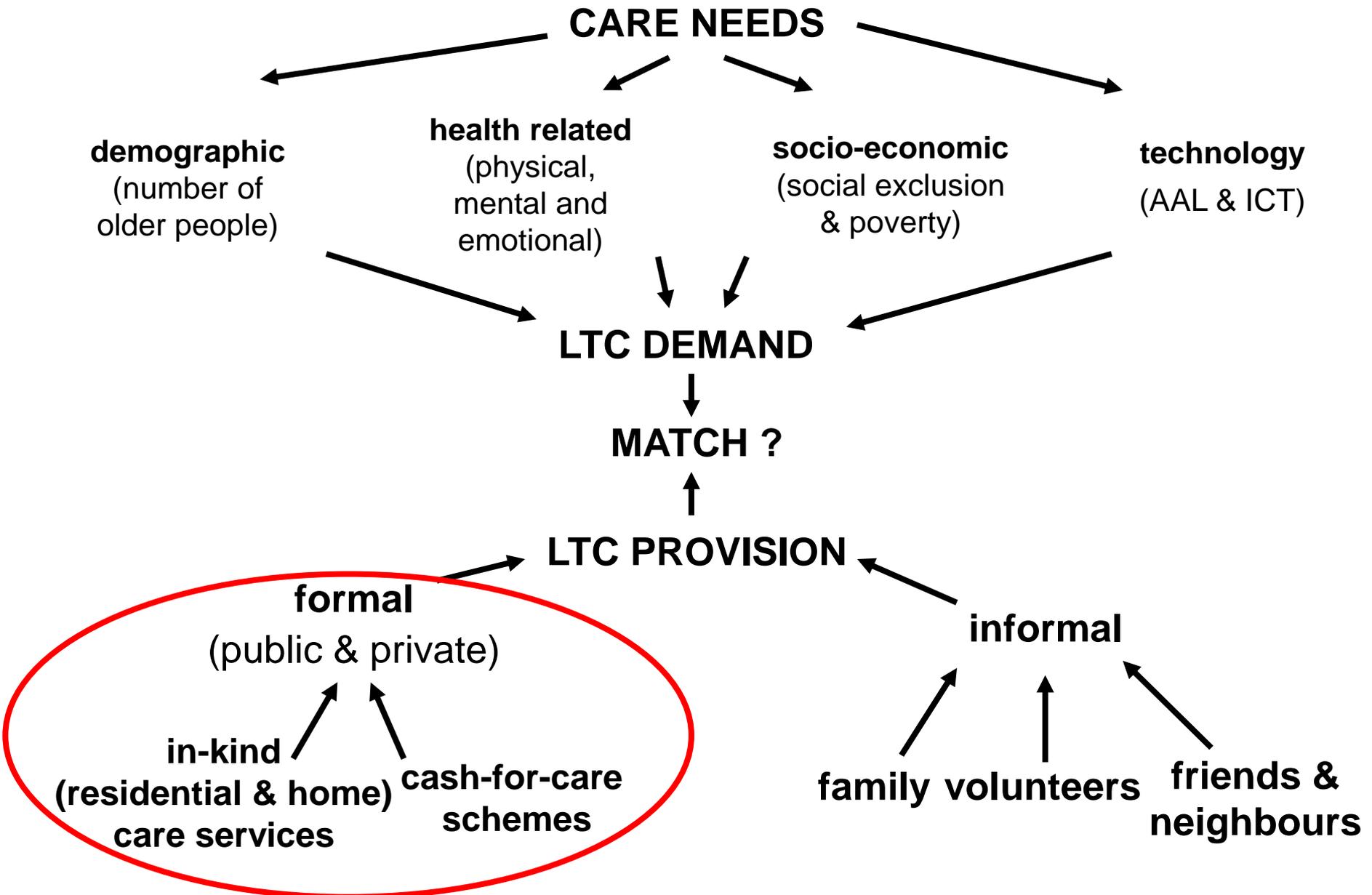


%

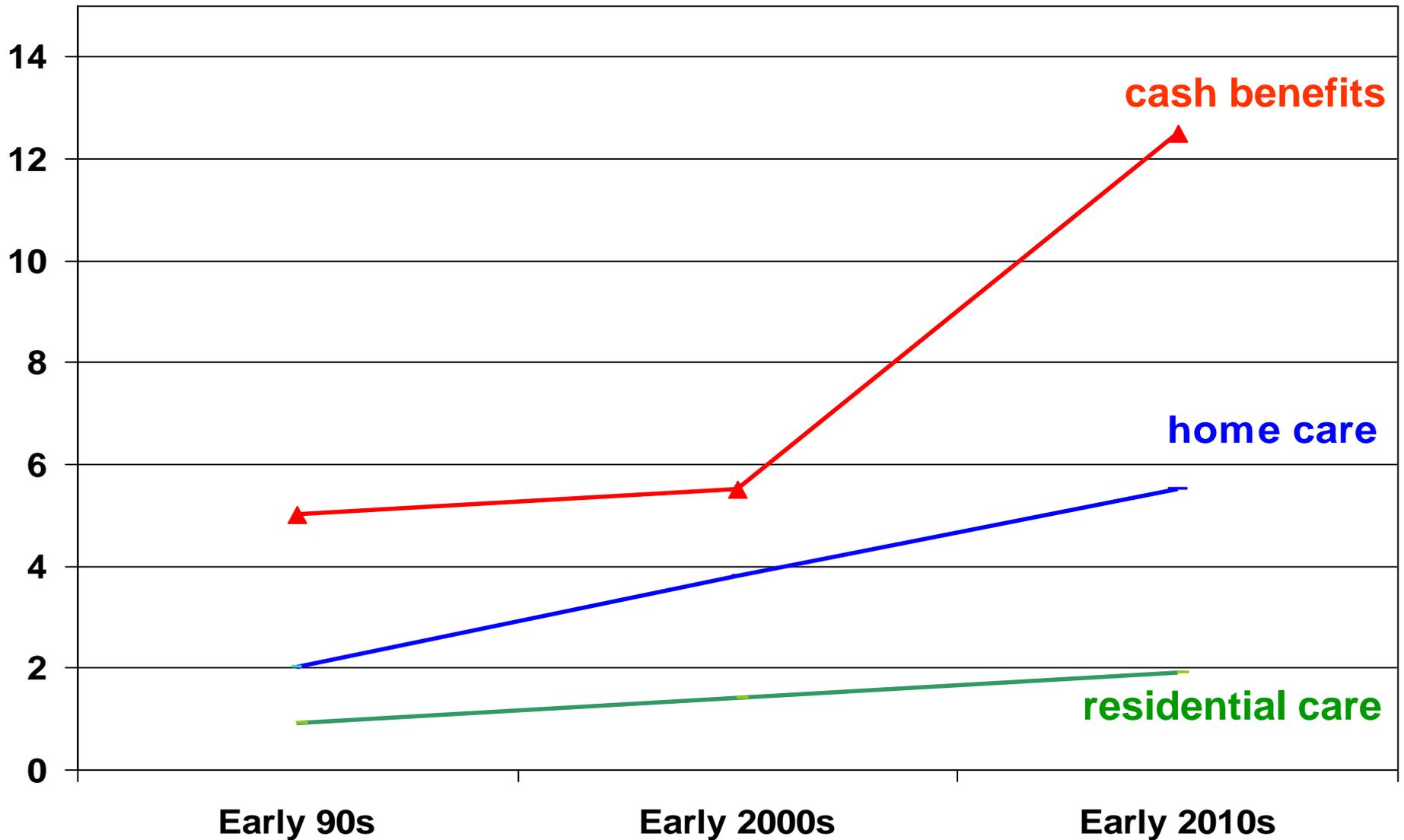
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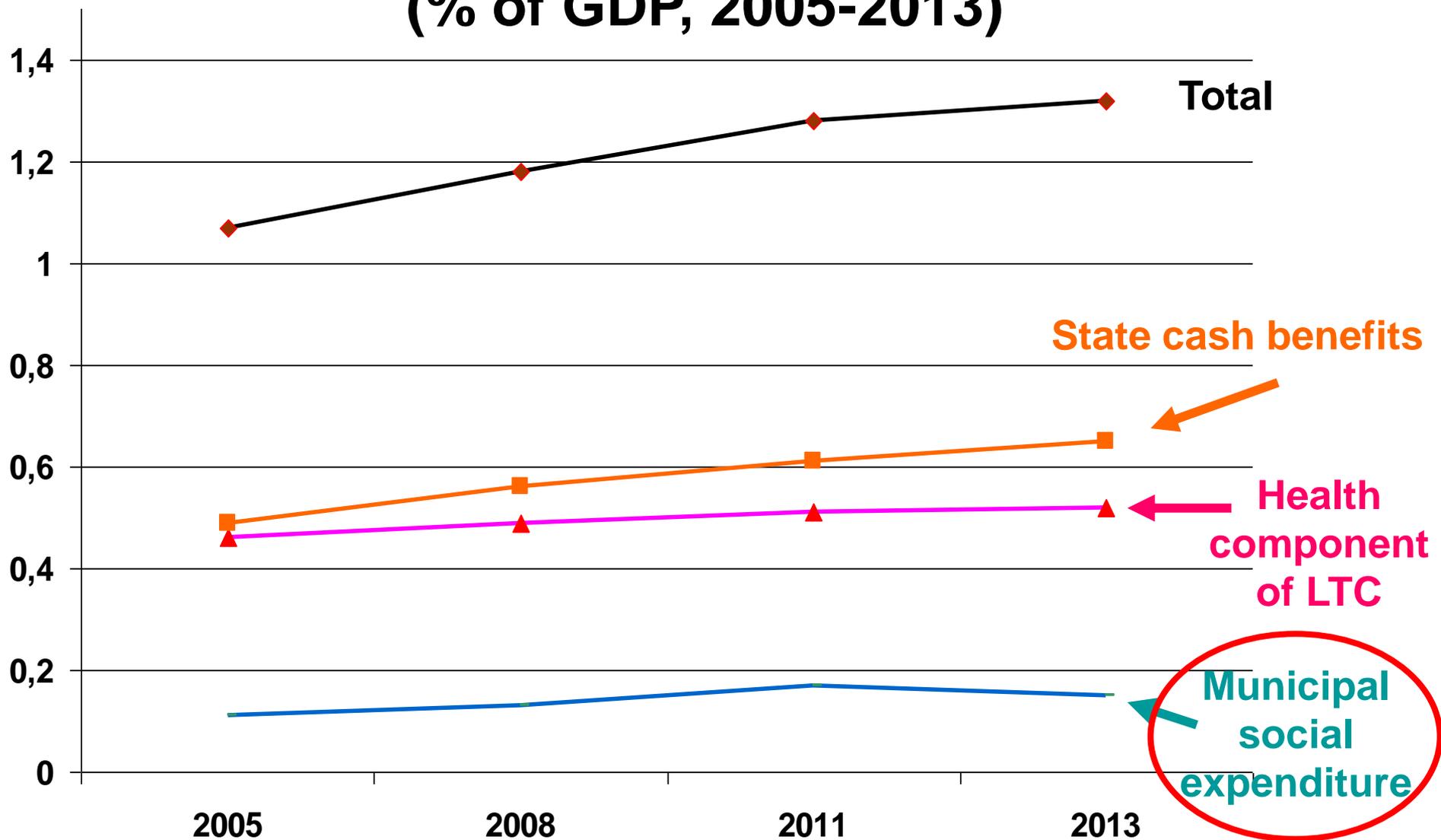
# The LTC framework



# Evolution of LTC services/benefits to over 65 year recipients



# Evolution of main components of public LTC expenditure for the over 65 year old population (% of GDP, 2005-2013)



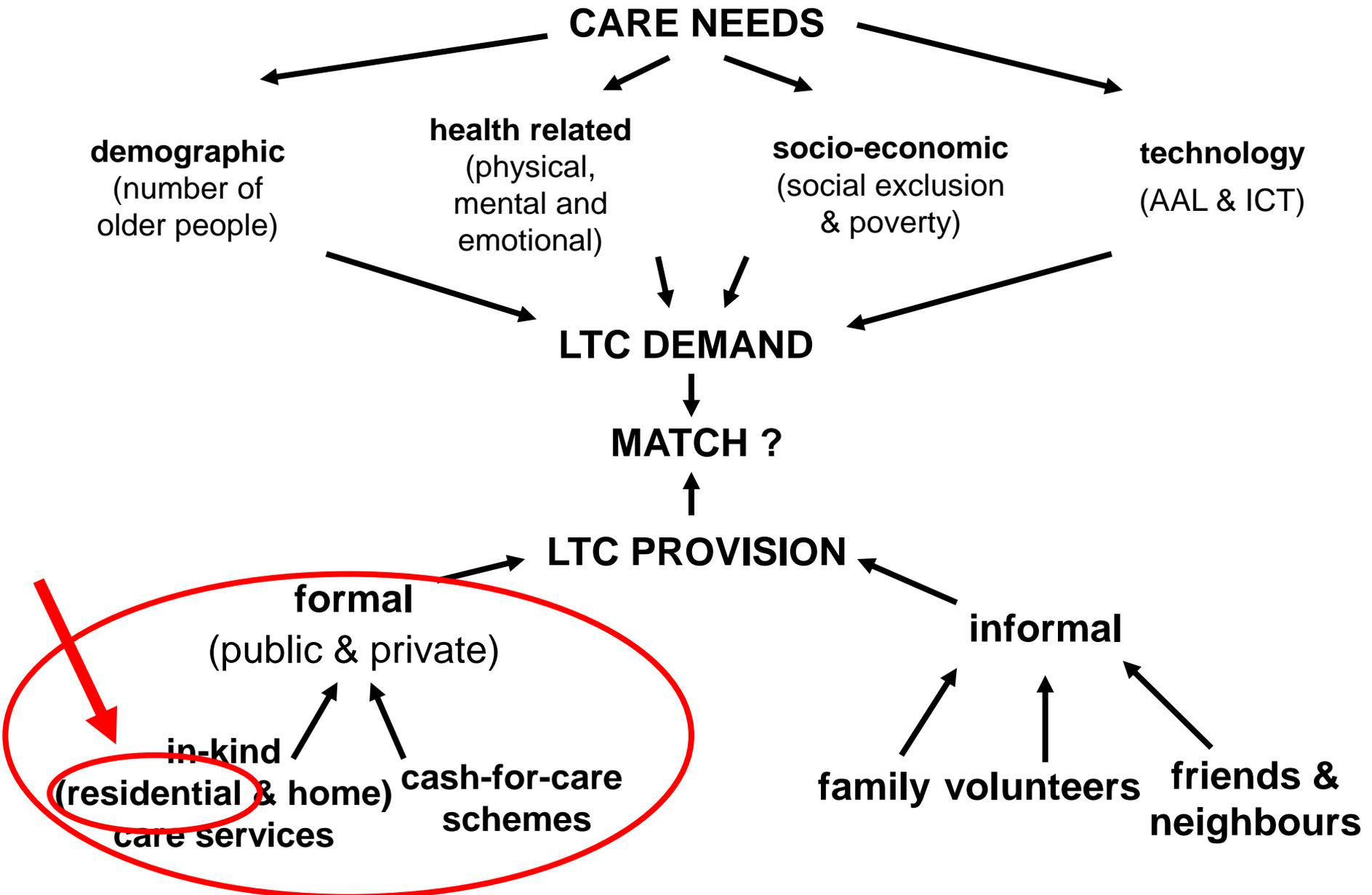
# Providers of in-kind LTC services by ownership

Country	Public providers		Private non-profit providers		Private for-profit providers	
	Residential	Home care	Residential	Home care	Residential	Home care
Austria	55%	8%	24%	91%	21%	1%
UK (England)	7%	14%	13%	11%	80%	74%
Finland	56%	93%			44%	7%
France	23%	15%	55%	65%	22%	20%
Germany	5%	2%	55%	37%	40%	62%
Italy (1)	30%		50%		20%	
Netherlands (1)	0%		80%		20%	
Slovak Republic (1)	75%		23%		2%	
Spain (2)	23%		24%		53%	
Sweden	75%	NA	10%	NA	15%	16%
Switzerland (1)	30%		30%		40%	

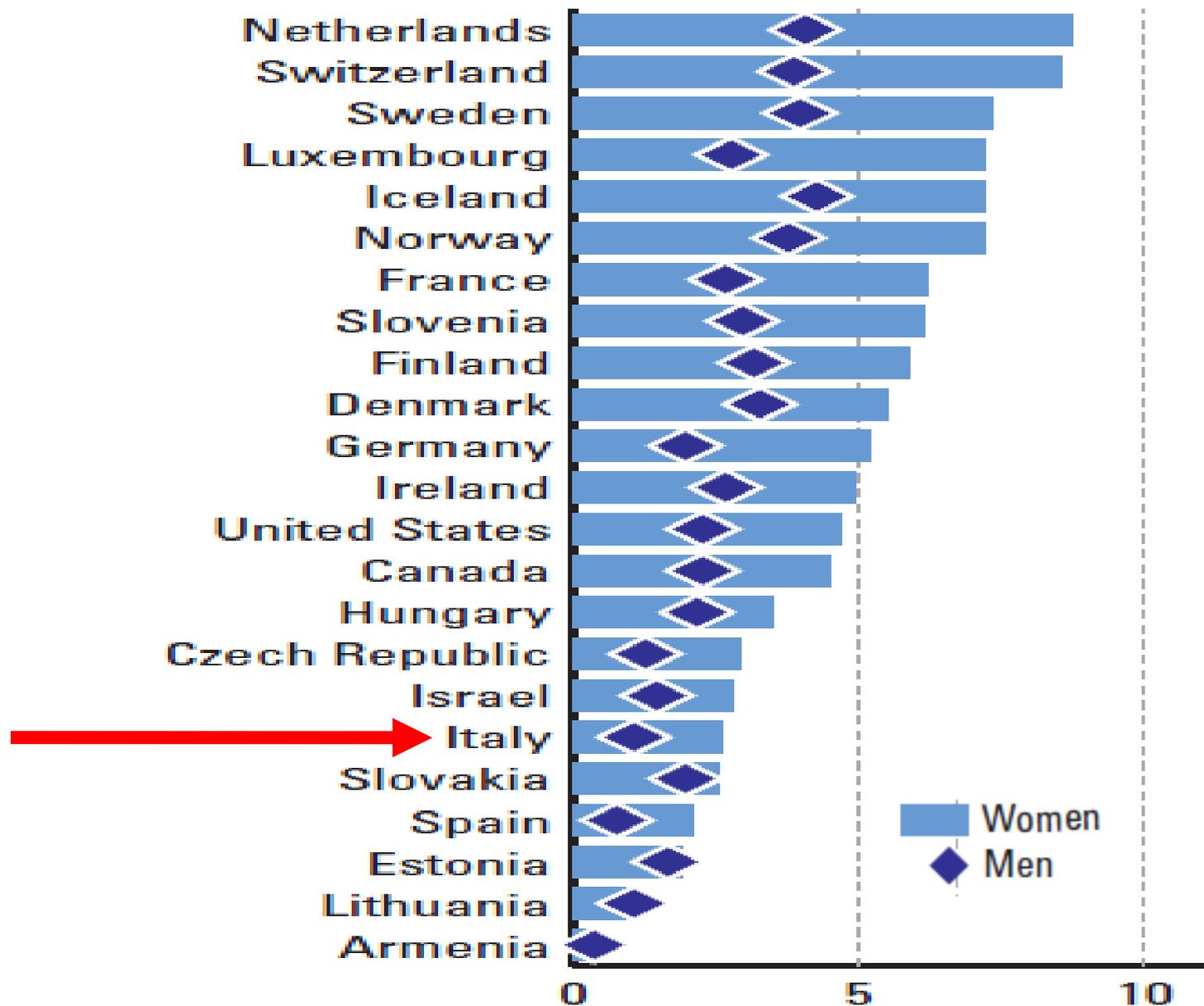
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# The LTC framework



# Older people receiving residential care



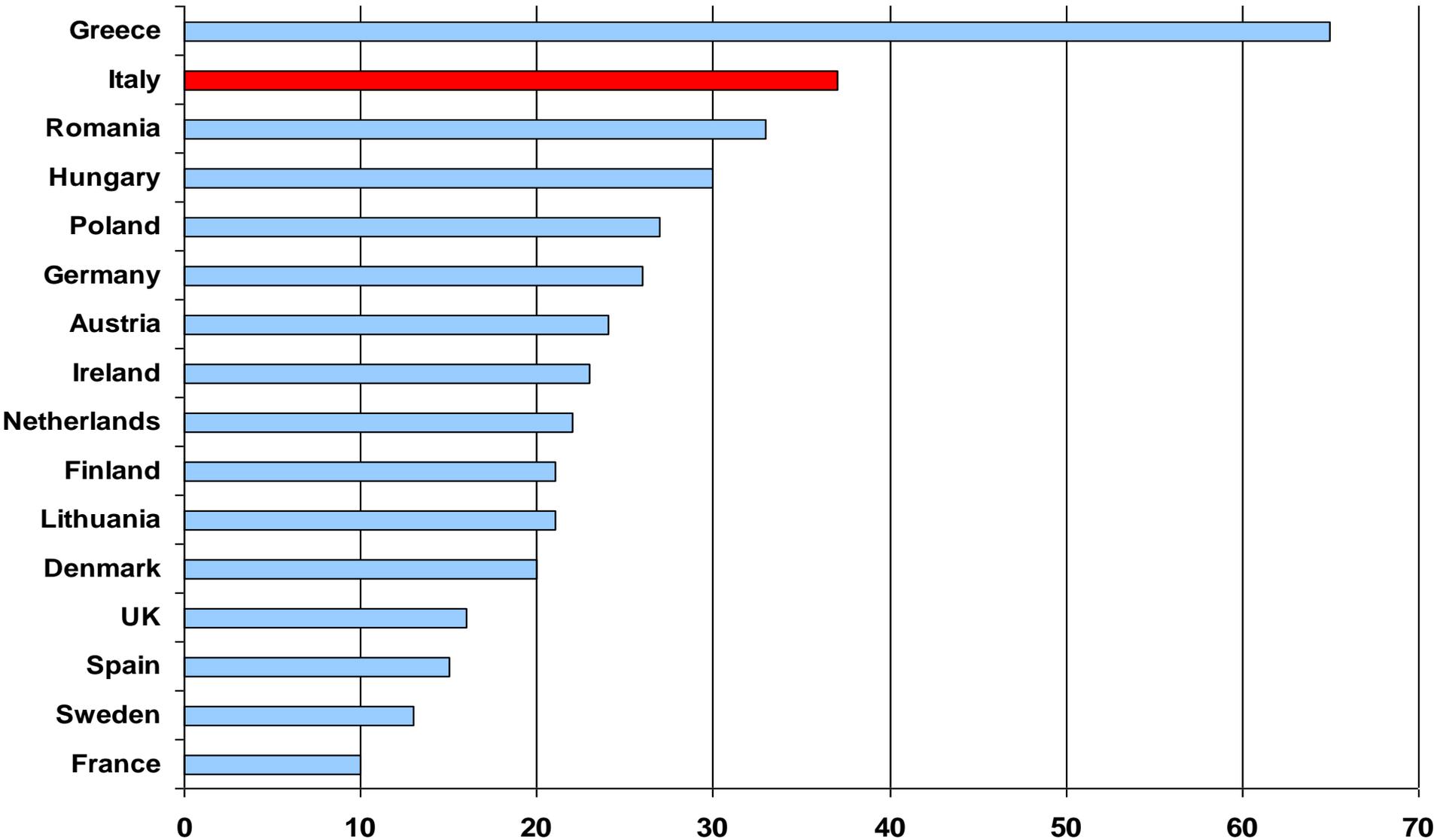
# Over 65 year Italians in residential care 2000-12

	<b>2000</b>	<b>2010</b>	<b>2012</b>	<b>Variation 2012 on 2010</b>
<b>Share on the total population</b>	<b>2,2</b>	<b>2,4</b>	<b>2,1</b>	<b>- 12,5 %</b>
<b>Share of disabled OP (ADL/IADL)</b>	<b>1,4</b>	<b>1,8</b>	<b>1,6</b>	<b>- 11.1 %</b>

**Co-payments by users:**

**30-50% of overall costs (average 110 euros / day)**

# Citizens thinking that the quality of nursing homes is (fairly or very) bad

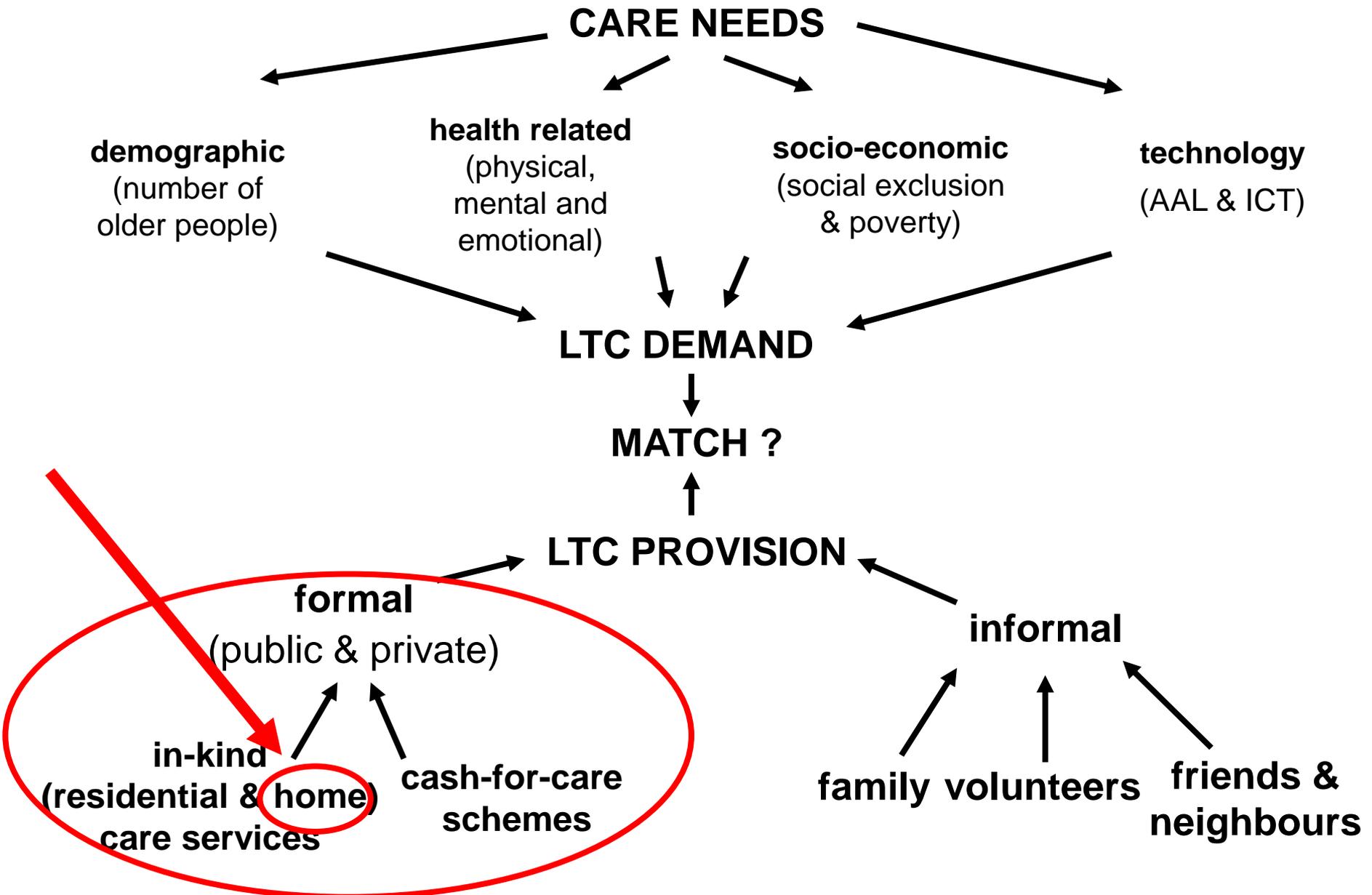


Source: European Commission 2007.

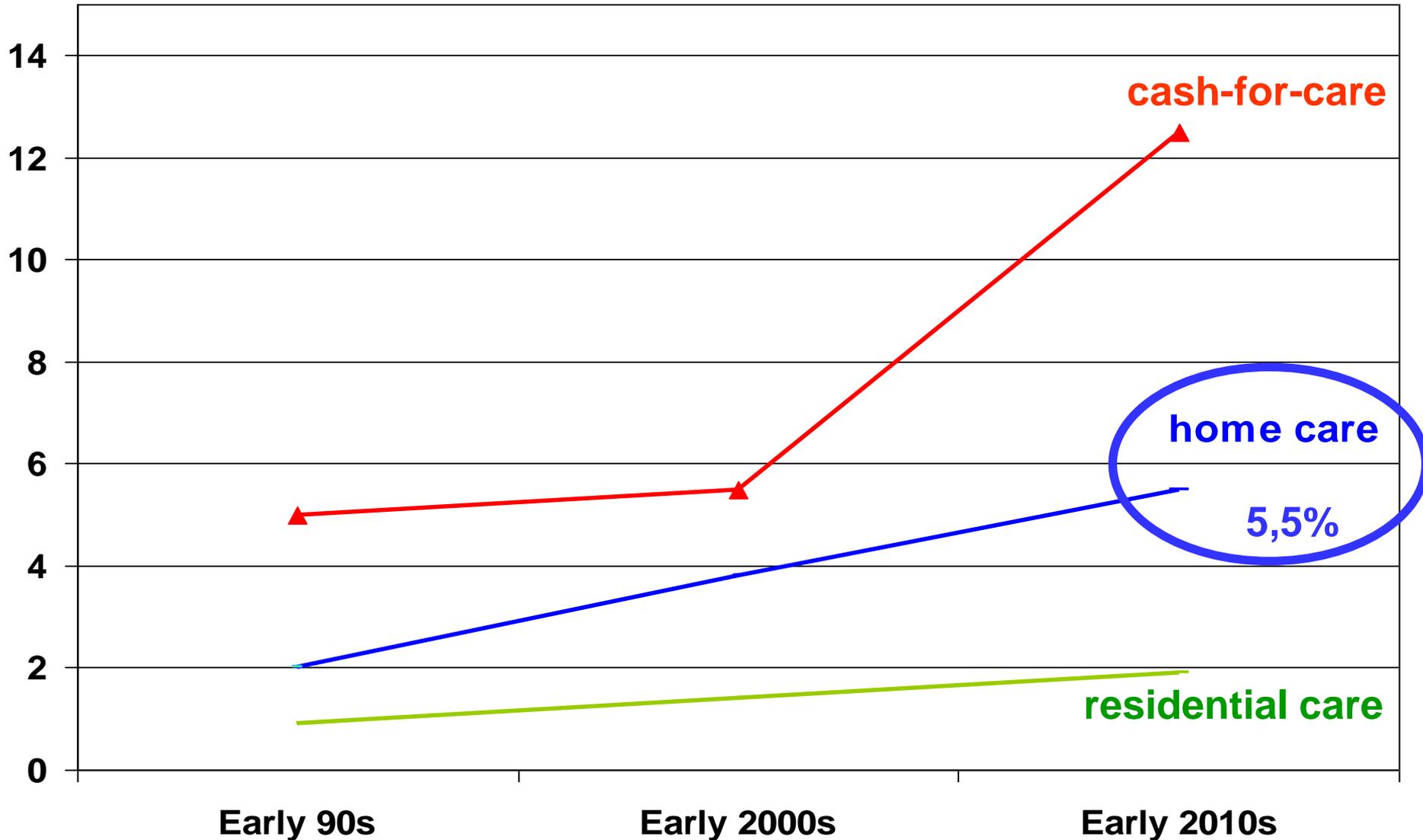
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# The LTC framework



# Older recipients of different forms of Italian LTC in the last two decades



# Home care in Italy: integrated (ADI) and social care (SAD)

## Main forms of home care services in Italy:

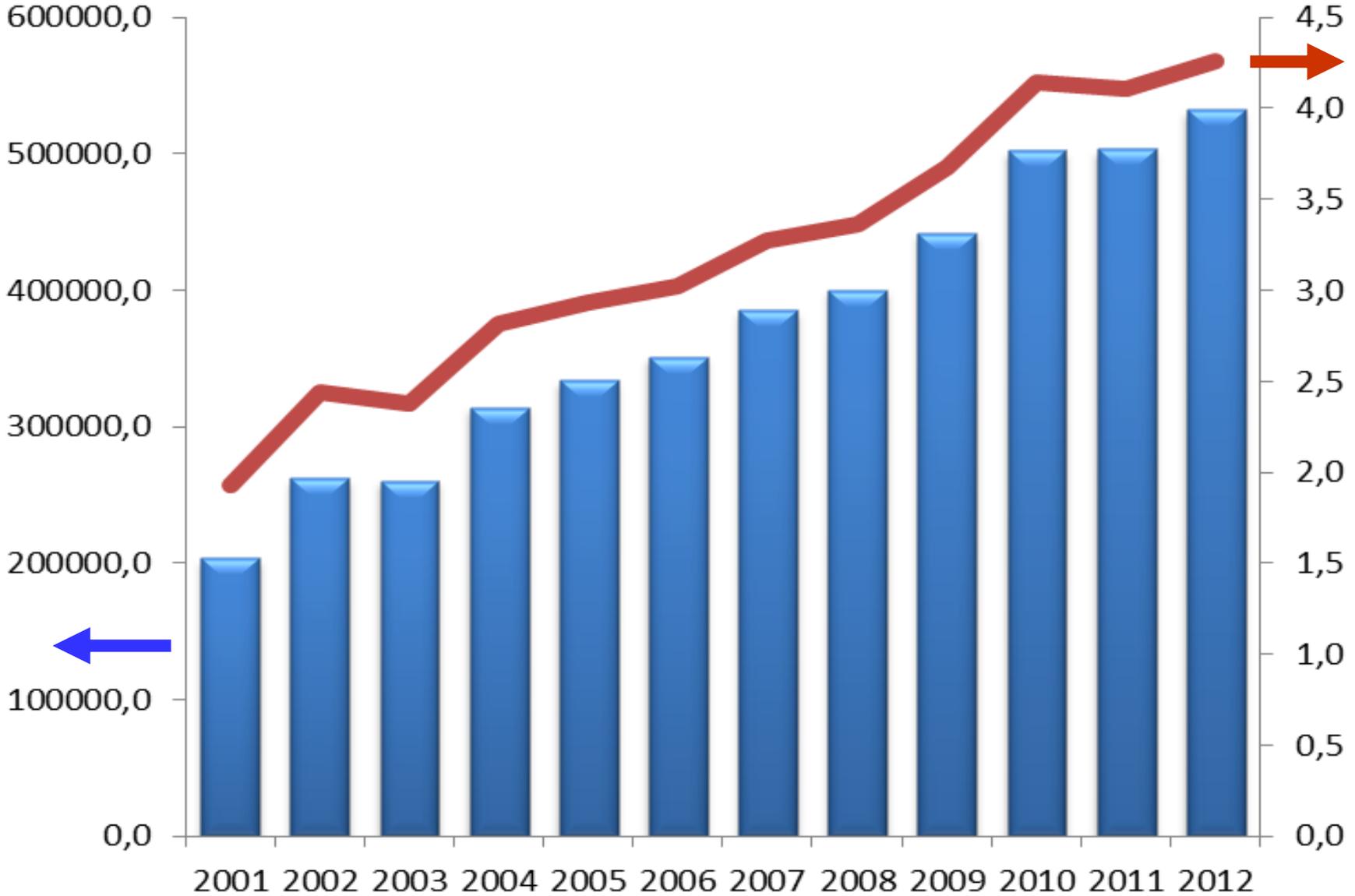
- **ADI: Integrated health & social home care** (by health districts):
  - **coverage: 4,1%** of older population
  - **contents:** nursing, rehabilitation and personal care
  - **intensity: 20 hours/year** (vs. 24 hours/year in 2001)
- **SAD: home help** (by Municipalities):
  - **coverage: 1,4%** of older population
  - **contents:** household and personal care
  - **expenditure:** about 2000 Euros/year

# Integrated health & social home care (ADI) by region

	cove rage 2011	Δ 2005 -11	Δ 2010 -11	Average hours/year (2010)		cove rage 2011	Δ 2005 -11	Δ 2010 -11	Average hours/year (2010)
<b>ITALY</b>	<b>4,1</b>	<b>+1,2</b>	<b>=</b>	<b>20</b>					
Emilia-R.	10,6	+5,2	-1,0	20	Molise	3,5	-2,6	+0,2	75
Umbria	7,2	+3,1	-0,5	13	Marche	3,4	+0,1	-0,1	29
Friuli-V.Giulia	6,0	-2,0	-0,8	4	Calabria	2,9	+1,3	+0,1	22
Basilicata	5,9	+2,0	+0,9	54	Toscana	2,4	+0,3	+0,1	22
Veneto	5,4	+0,4	-0,1	10	Campania	2,4	-1,0	+0,3	36
Lazio	5,0	+1,7	+0,3	16	Trentino-AA	2,1	+1,5	=	n.d.
Abruzzo	4,7	+2,9	-0,2	32	Sicilia	2,1	+1,3	+0,6	28
Lombardia	4,1	+0,9	-0,2	19	Piemonte	2,0	+0,2	-0,2	14
Liguria	3,8	+0,6	+0,3	26	Puglia	2,0	=	+0,2	43
Sardegna	3,8	+2,7	+1,3	52	Val d'Aosta	0,4	-0,3	=	61

Source: Barbabella et al 2013

# Over 65 population receiving health home care (ADI)



Source: Censis 2014

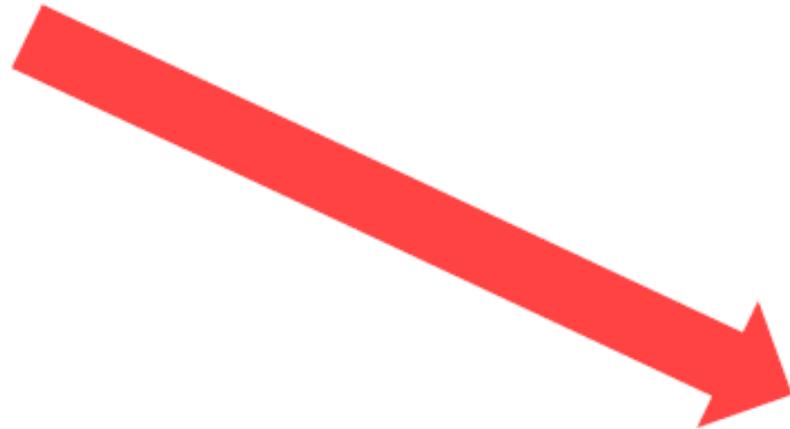
# Home help (SAD): coverage & expenditure

	Euros / 2010 user (2010)			Euros / 2010 user (2010)	
<b>ITALY</b>	<b>1,4</b>	<b>2.014</b>			
Valle d'Aosta	4,8	4.393	Emilia-Romagna	1,4	1.822
Trentino-Alto Adige	4,2	3.506	Veneto	1,4	1.628
Sardegna	2,6	3.255	Campania	1,4	1.483
Molise	2,4	937	Puglia	1,3	1.539
Friuli-Venezia Giulia	2,2	2.352	Liguria	1,1	2.173
Sicilia	1,9	1.665	Lazio	1,0	2.950
Abruzzo	1,7	1.866	Piemonte	1,0	1.629
Lombardia	1,7	1.826	Toscana	0,8	2.842
Basilicata	1,6	1.424	Marche	0,8	2.339
Calabria	1,5	1.004	Umbria	0,3	2.632

%

# Home help (SAD): coverage trends over time

2004	2005	2006	2007	2008	2009	2010
1,65	1,66	1,85	1,72	1,60	1,51	1,44

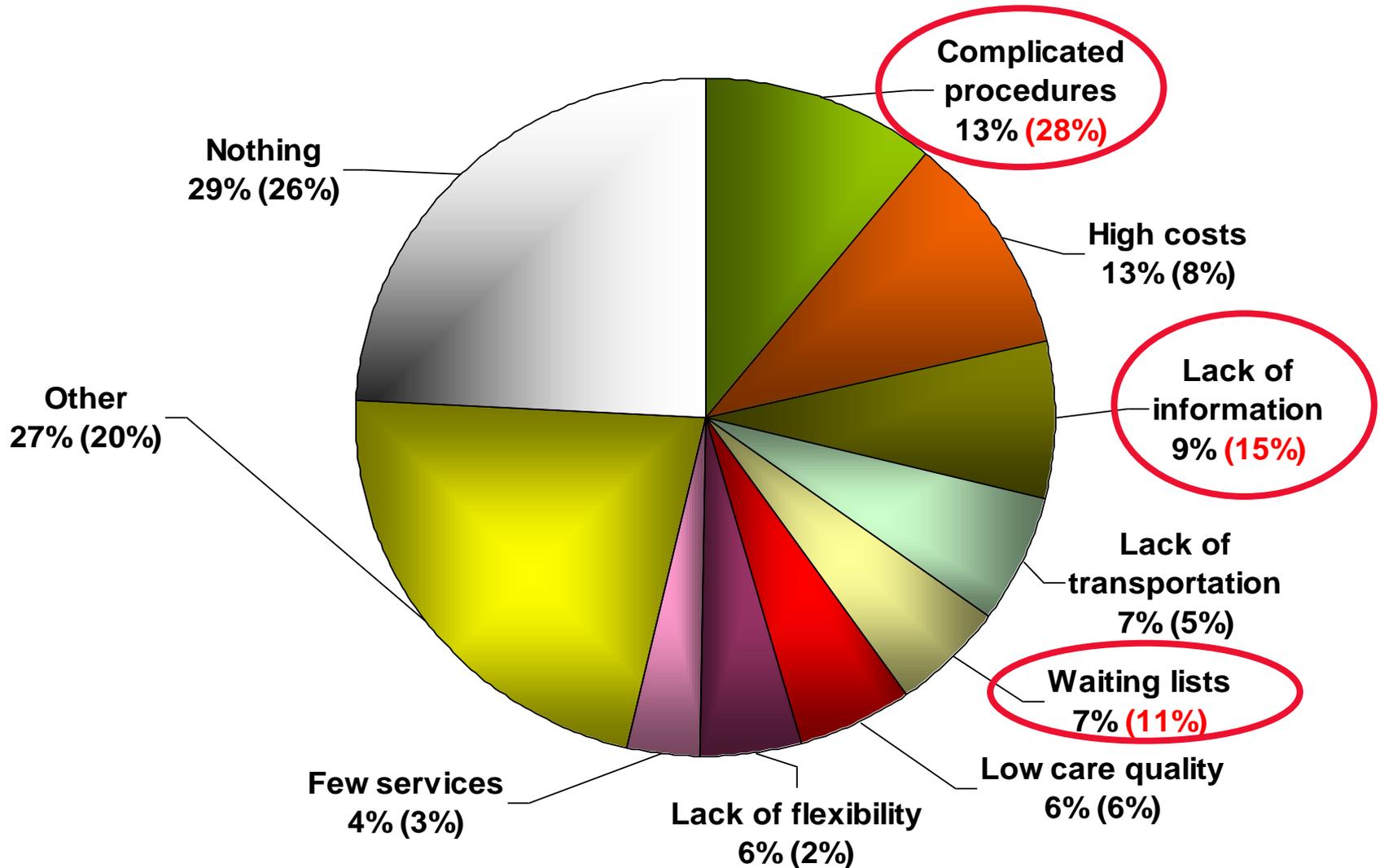


- **remarkable reduction in recent years...**
- **... but slight increase in per capita expenditure**

# Changes in public social spending & GDP

		below-average (below 5.7%)		around-average (between 5.7% and 14.2%)		above-average (above 14.2%)	
Change in real GDP	above-average (above 3.6%)			Canada Mexico	Poland Sweden	Australia Chile Israel	Korea Norway Switzerland
	around-average (between -4.9% and 3.6%)		Germany	Austria Belgium Denmark Finland	France Luxembourg Netherlands Slovak Republic		New Zealand United States
	below-average (below -4.9%)	Greece Hungary Iceland	Italy Portugal	Czech Republic Estonia Ireland	Spain Slovenia United Kingdom		

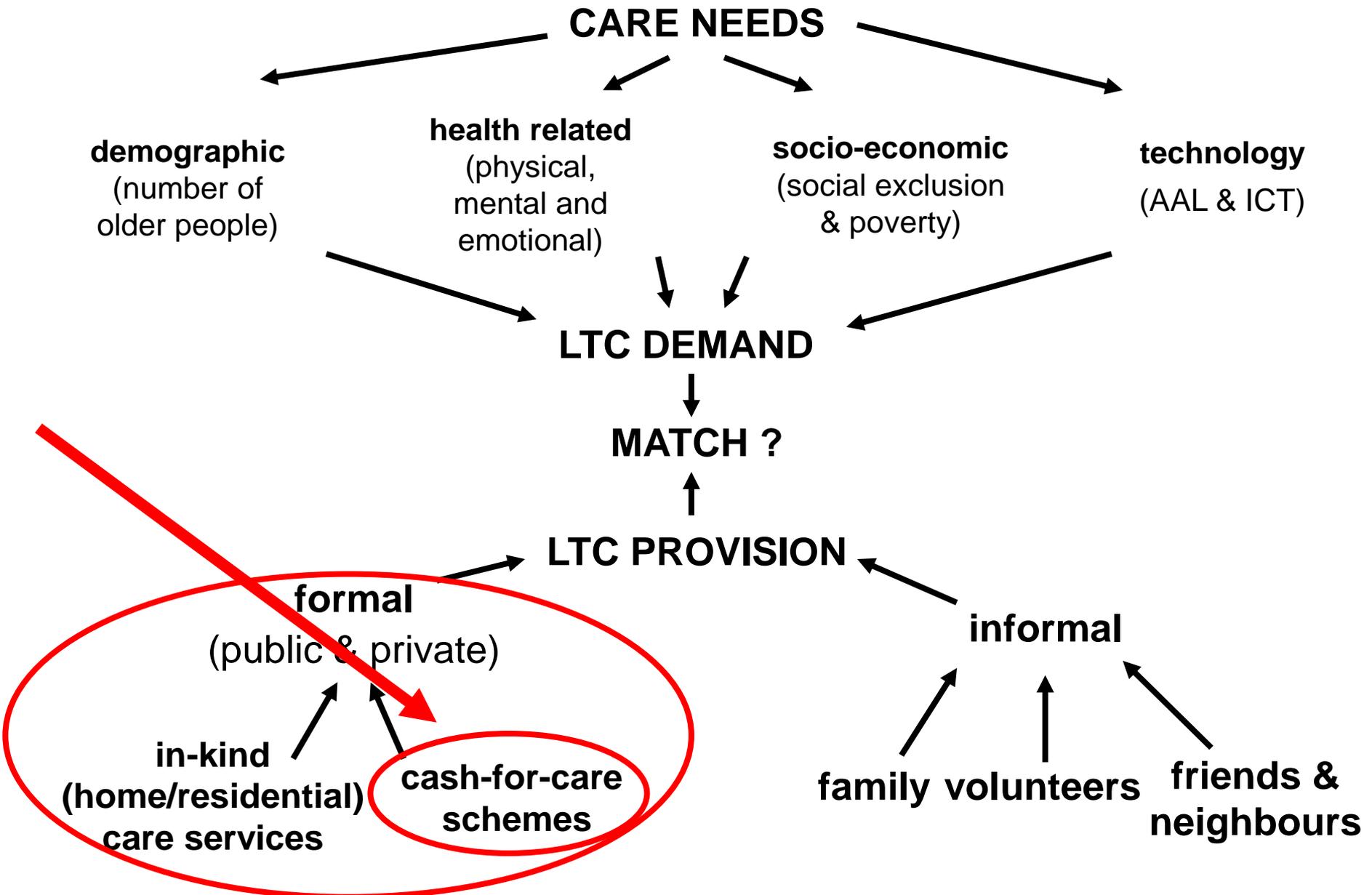
# Main difficulties experienced by users in accessing LTC services (Europe vs. Italy)



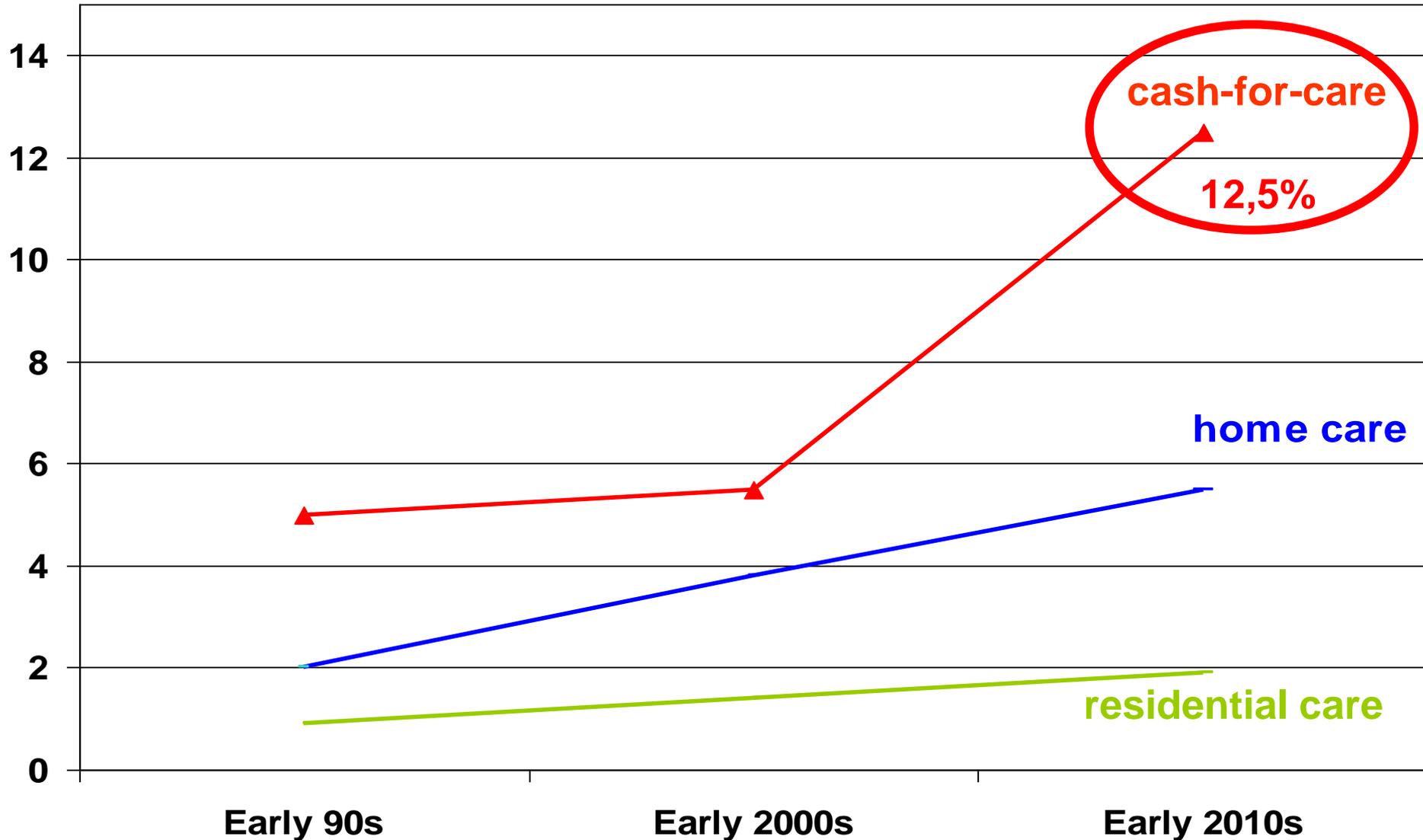
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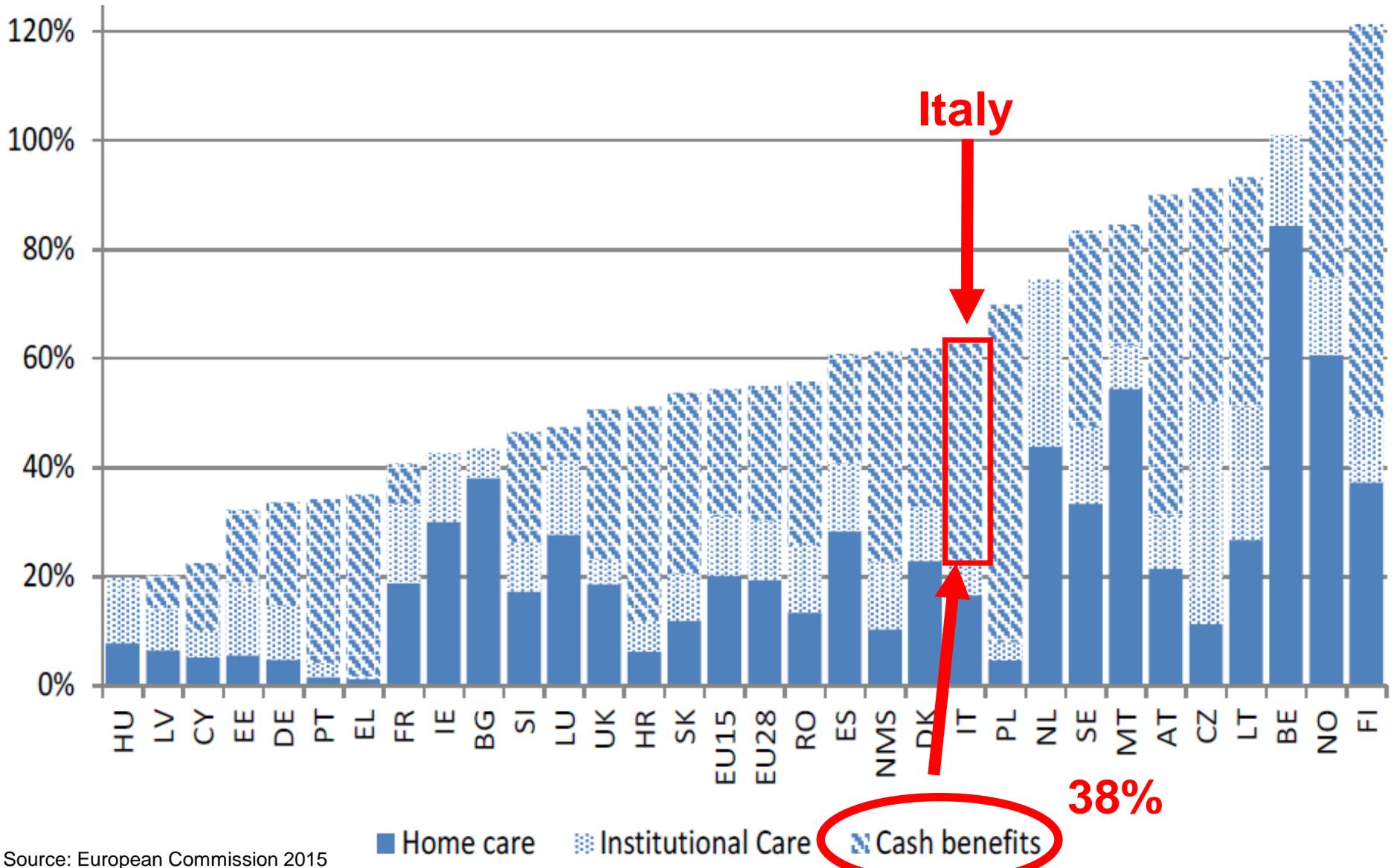
# The LTC framework



# Older recipients of different forms of Italian LTC in the last two decades



# Coverage rates of LTC recipients, by country (% of dependent population)



Source: European Commission 2015

# Cash-for care schemes in Italy

A dependent person can receive **care allowances** from:

- ***the State***: - disability pension (means tested: 275 € per month)
- care allowance (universal: 500-750 € per month)

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# Cash-for care schemes in Italy

A dependent person can receive **care allowances** from:

- ***the State***: - disability pension (means tested: 275 € per month)
    - care allowance (universal: 500-750 € per month)
  - an increasing number of ***local authorities*** (usually means tested: 300-500 € / month)
- **totally summing up to 800-1.000 € / month** (average income of older Italians living alone: 1070 € /month), whose use is to a large extent **unrestricted**

# State care allowance: 65+ coverage by region

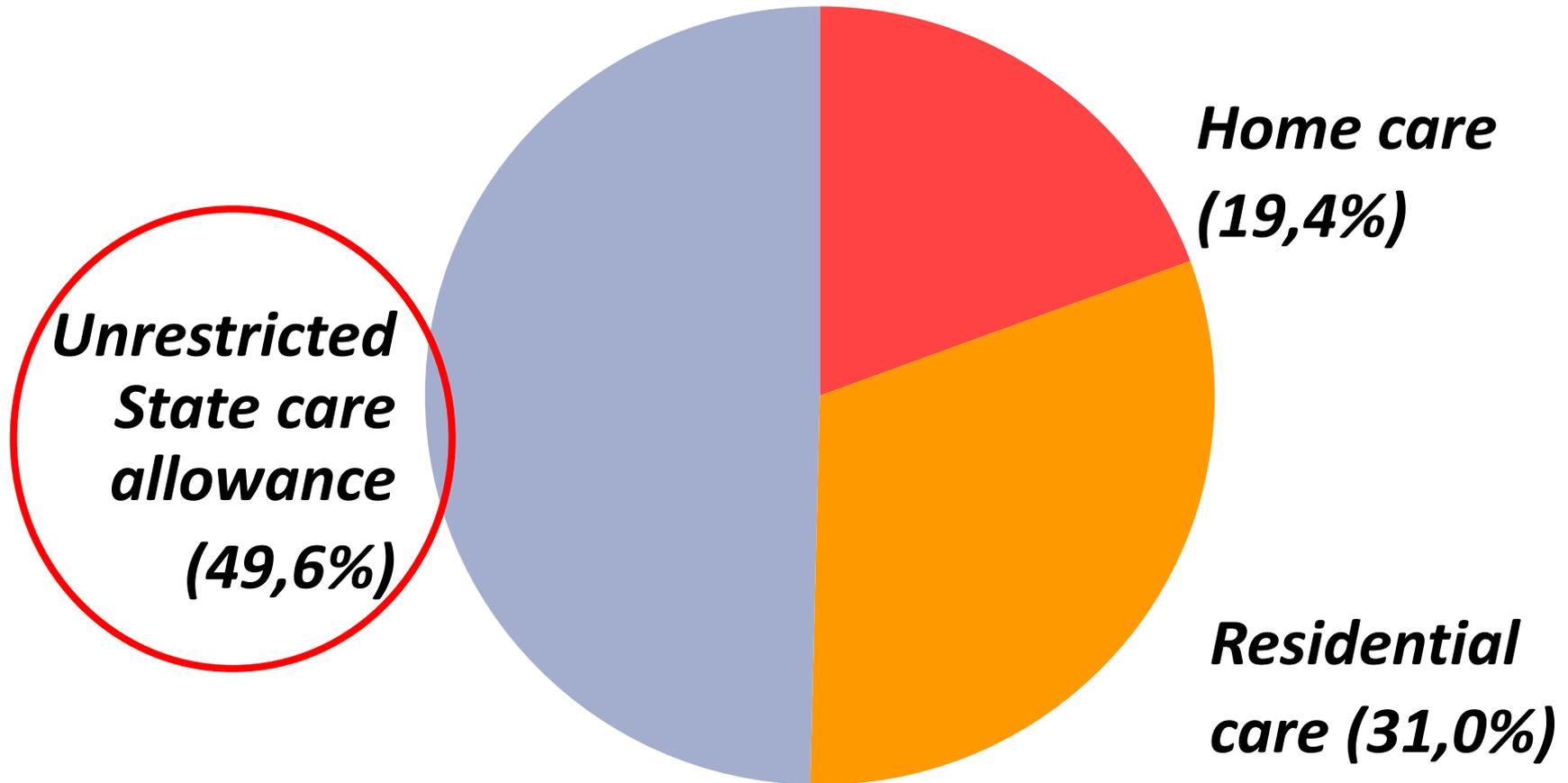
	2010	$\Delta$ 2005-10
<b>ITALY</b>	<b>12,5</b>	<b>+1,7</b>
Umbria	19,5	+2,6
Calabria	17,6	+2,1
Campania	17,2	+2,8
Sardegna	16,0	+1,9
Puglia	15,3	+4,1
Abruzzo	14,7	+2,0
Sicilia	14,4	+3,1
Marche	13,9	+1,9
Basilicata	13,6	+2,4
Lazio	13,5	+3,1

	2010	$\Delta$ 2005-10
Molise	12,4	+3,8
Friuli-V. Giulia	11,4	+0,4
Toscana	11,2	+0,8
Emilia-Rom.	10,9	+0,6
Veneto	10,8	+1,3
Liguria	10,7	+0,4
Lombardia	9,9	+0,9
Valle d'Aosta	9,8	+0,4
Piemonte	9,4	+1,2
Trentino-A. A.	8,4	+0,4

# State care allowance: expenditure trends

Year	Expenditure (millions of Euros)	Coverage (% utenti 65+)
2001	-	7,7
...	...	...
...	...	...
2005	7.038	10.8
...	...	...
...	...	...
2009	9.422	12.8
2010	9.622	12.5
2011	9.629	12.5
<b>2012</b>	<b>9.423</b>	<b>12.4</b>

# Public LTC expenditure for over 65 year old population by major LTC components

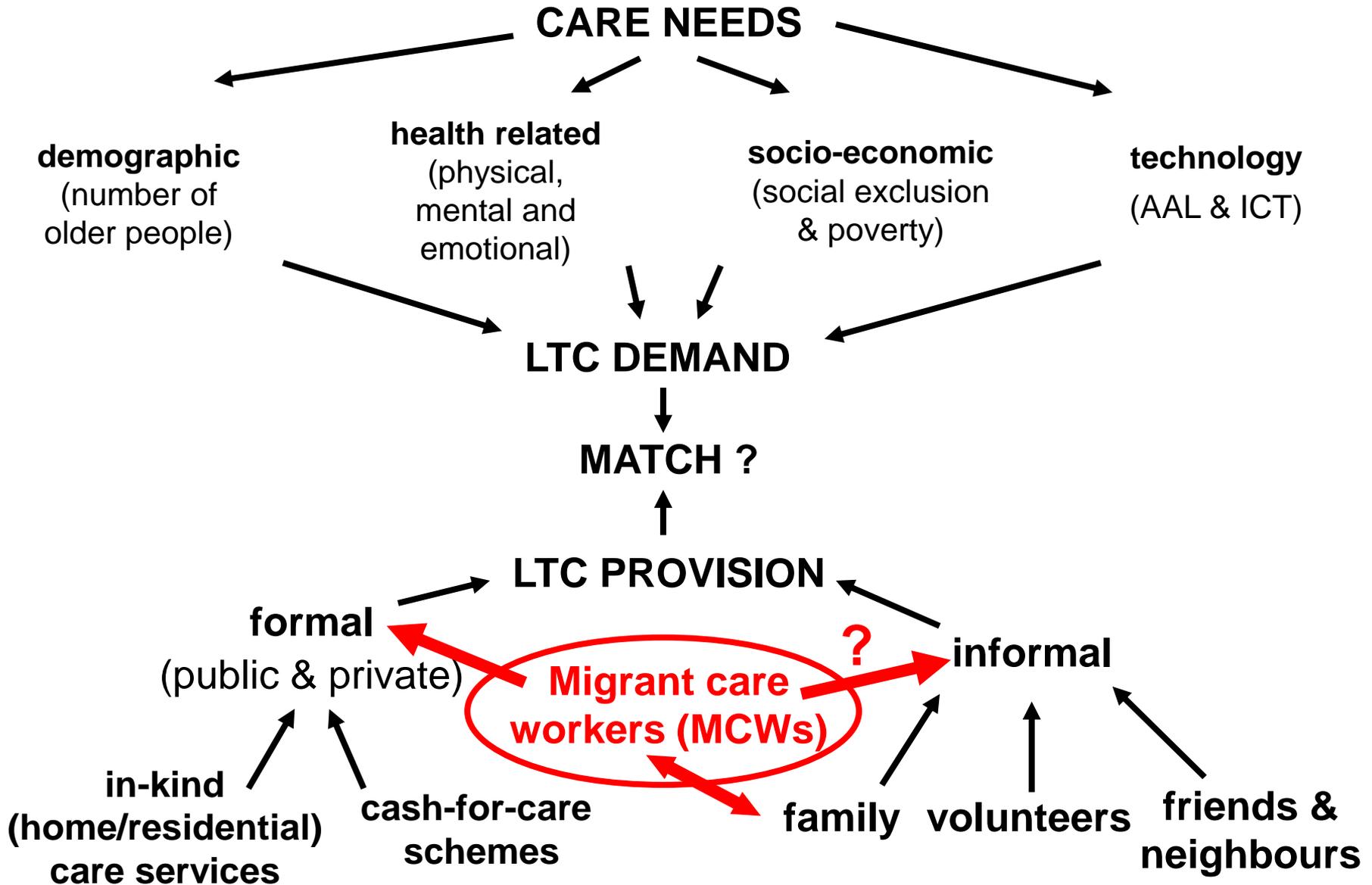


→ **strong public, implicit incentive to privately employ (migrant) care workers!**

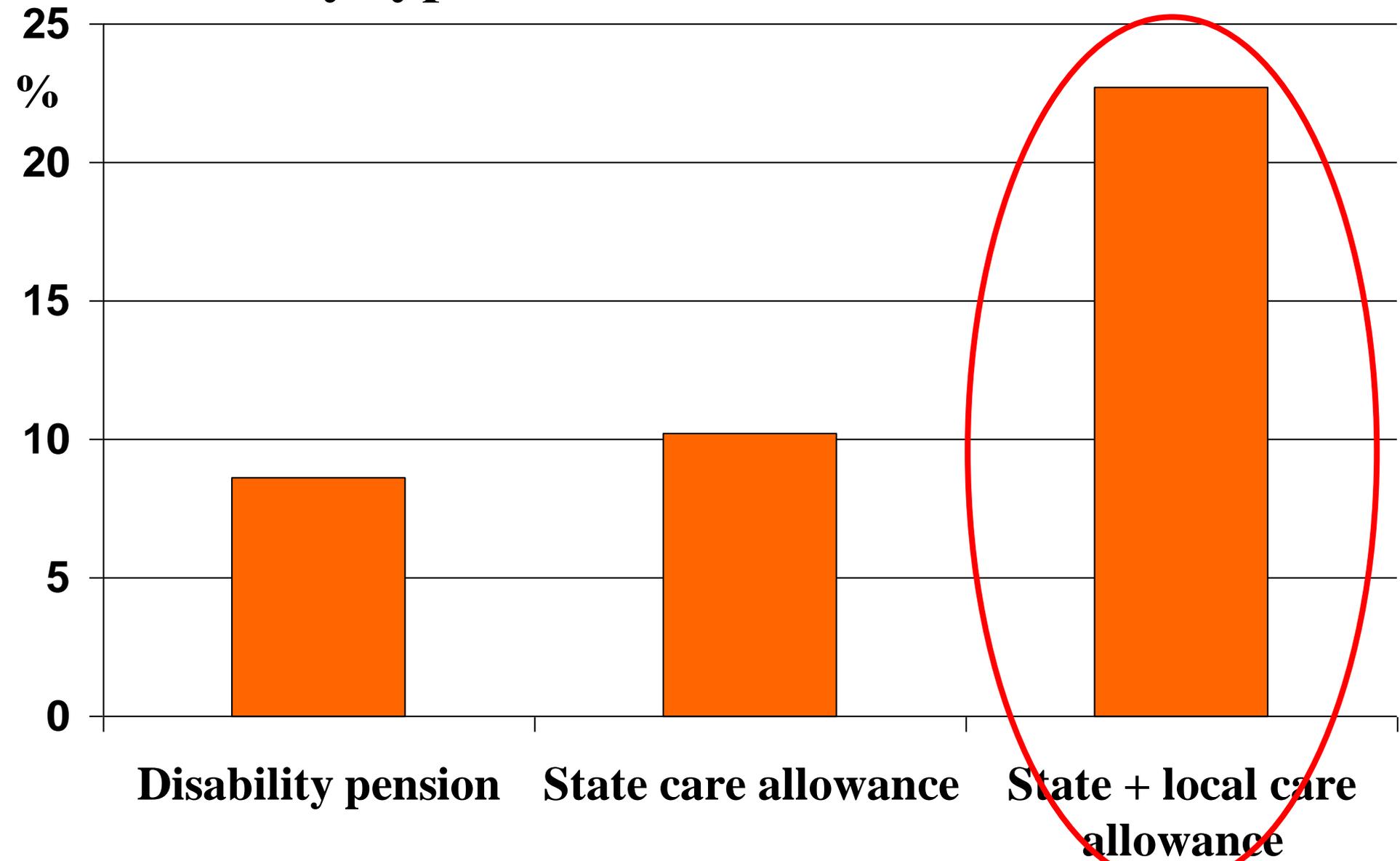
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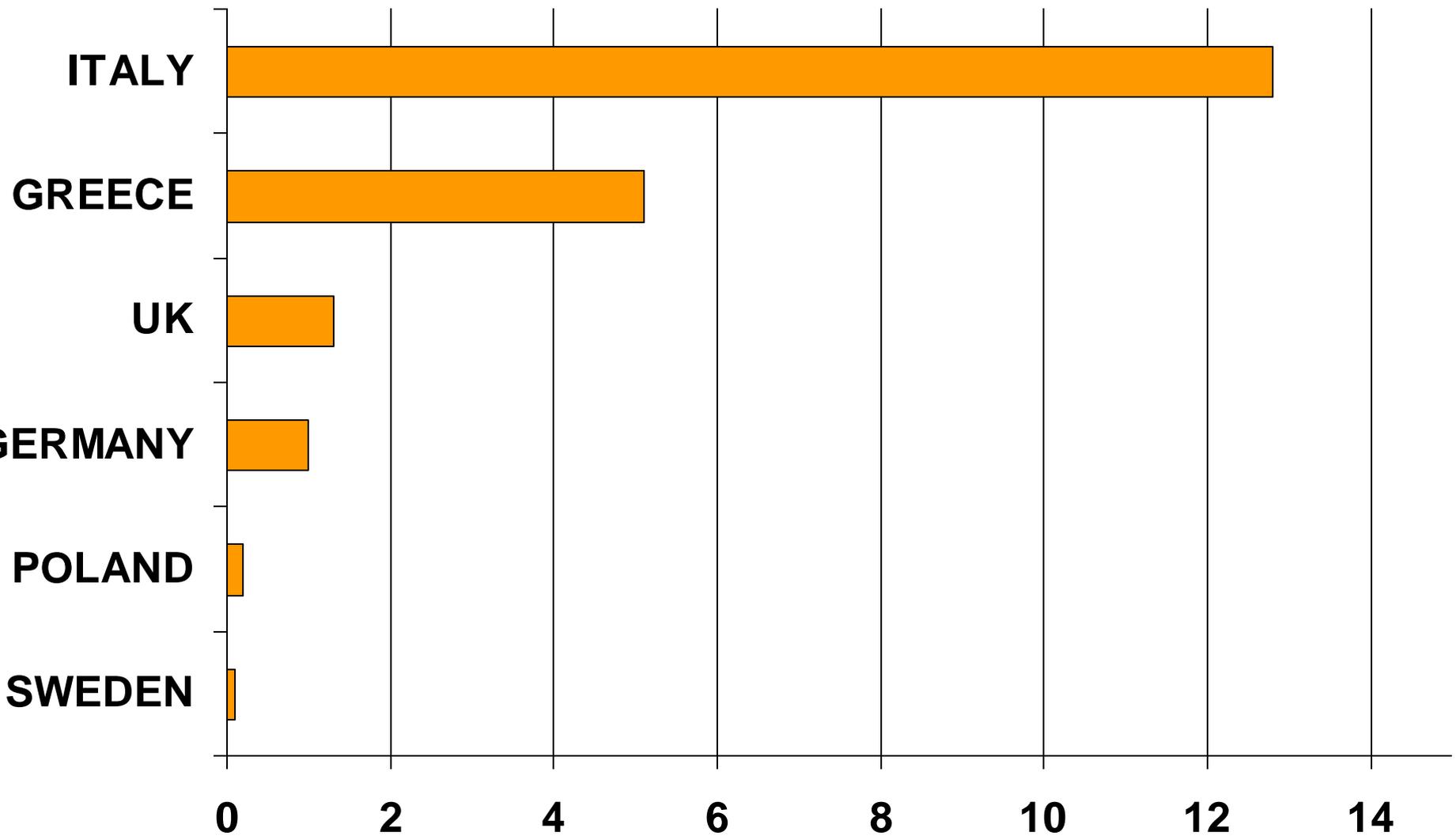
# The LTC framework



# Families employing a migrant home care worker, by types of received allowances

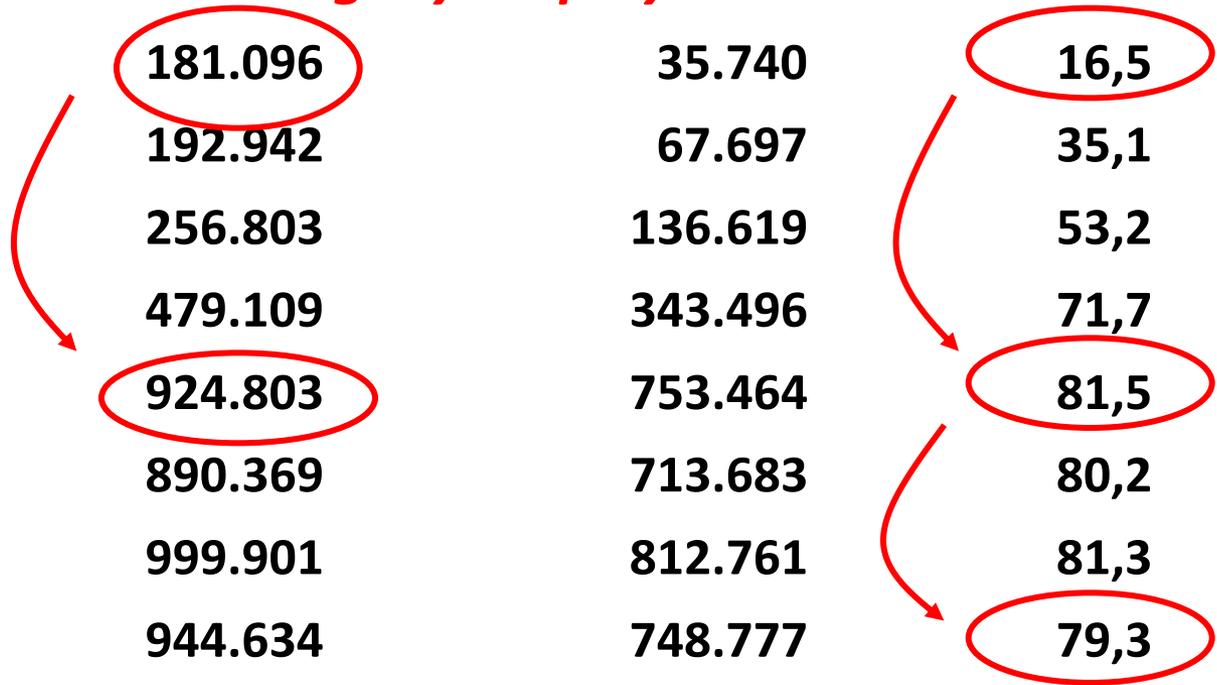


# Prevalence of privately paid carers in households caring for older people

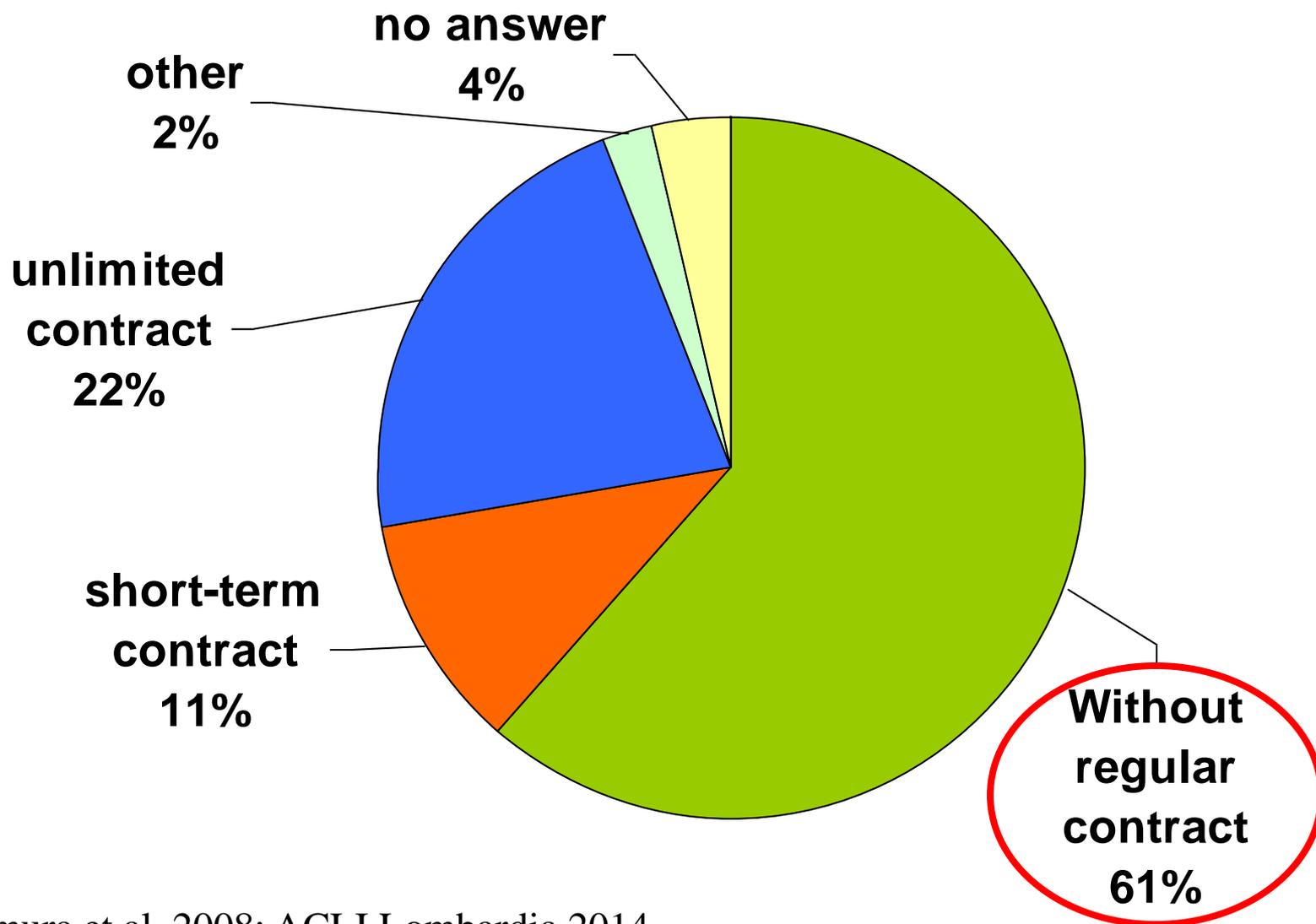


# Home helpers in Italy by nationality

Year	Total	with a foreign nationality	% foreigners
<i>legally employed</i>			
1991	181.096	35.740	16,5
1995	192.942	67.697	35,1
2000	256.803	136.619	53,2
2005	479.109	343.496	71,7
2010	924.803	753.464	81,5
2011	890.369	713.683	80,2
2012	999.901	812.761	81,3
2013	944.634	748.777	79,3
<i>legally employed + undeclared workers</i>			
2001	1.083.000	-	-
2009	1.554.000	1.113.000	71,6



# Migrant home carers by kind of employment contract

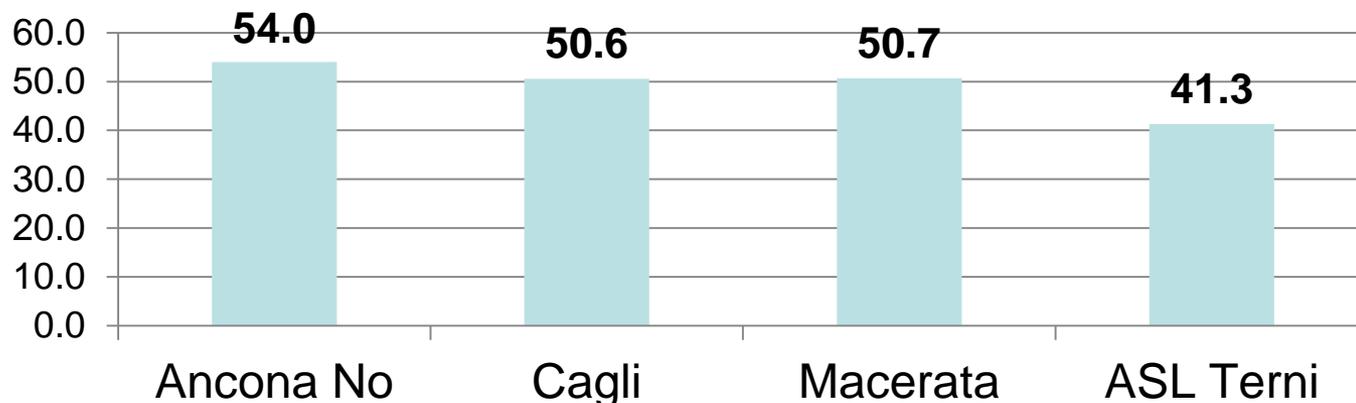


# *Impact of private migrant care work on informal care and home care services*

## Tasks performed by migrant care workers & informal carers

	Personal care	Medicines administration	Bed mobilisation
<b>Migrant home care worker</b>	<b>88%</b>	66%	<b>74%</b>
<b>Children</b>	61%	41%	47%
<b>Grandchildren</b>	43%	71%	29%

## Integrated home care (ADI) recipients who employ migrant care workers



**Care tasks performed by formal home care services to dependent older people, by type of support provided by migrant LTC workers (%)**

<b>CARE TASK</b>	<b>No MCW</b>	<b>Part-time MCW</b>	<b>Live in MCW</b>
Personal care	<b>58,6</b>		
Housework	<b>41,7</b>		
Meals administration	<b>37,5</b>		
Lifting / moving at home	<b>36,8</b>		
Medicines administration	<b>34,7</b>		
Company	<b>31,9</b>		
Transportation	<b>20,8</b>		
Shopping	<b>16,0</b>		
Management of finances	<b>2,8</b>		

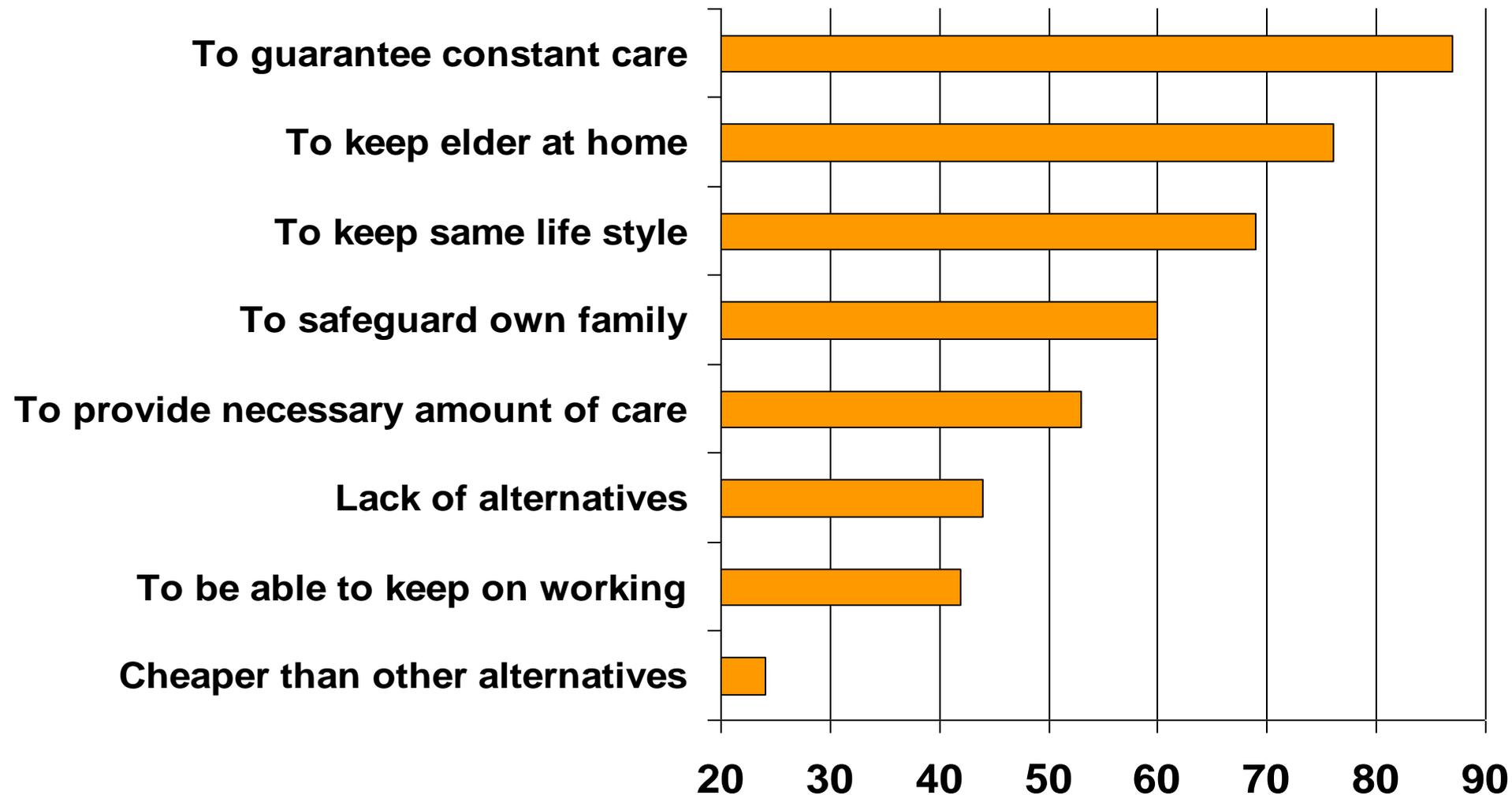
**Care tasks performed by formal home care services to dependent older people, by type of support provided by migrant LTC workers (%)**

<b>CARE TASK</b>	<b>No MCW</b>	<b>Part-time MCW</b>	<b>Live in MCW</b>
Personal care	58,6	- 13,1	
Housework	41,7	- 5,3	
Meals administration	37,5	- 10,2	
Lifting / moving at home	36,8	- 0,4	
Medicines administration	34,7	+ 10,8	
Company	31,9	+ 13,6	
Transportation	20,8	+ 6,5	
Shopping	16,0	+ 2,2	
Management of finances	2,8	+ 6,3	

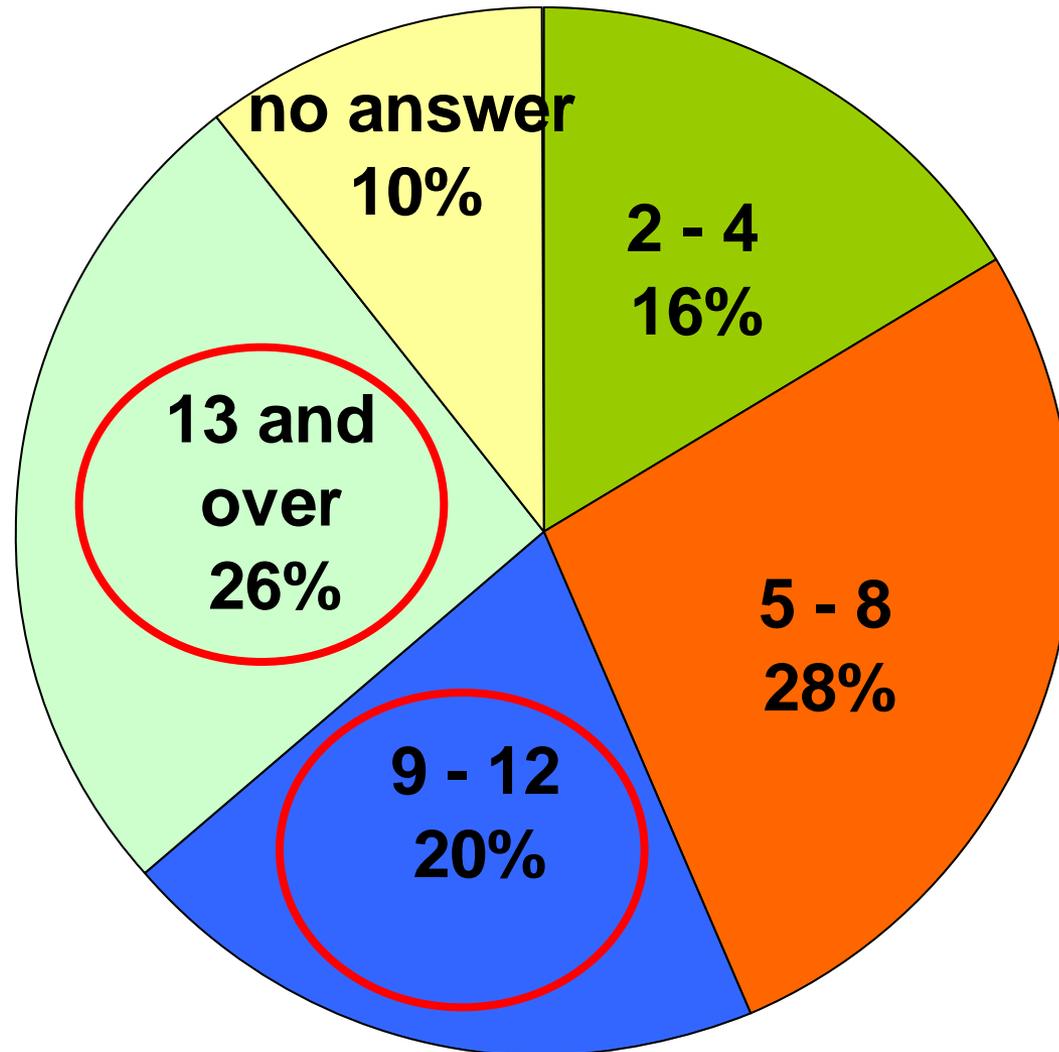
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<b>CARE TASK</b>	<b>No MCW</b>	<b>Part-time MCW</b>	<b>Live in MCW</b>
Personal care	58,6	- 13,1	+ 1,4
Housework	41,7	- 5,3	- 15,0
Meals administration	37,5	- 10,2	- 24,2
Lifting / moving at home	36,8	- 0,4	- 16,8
Medicines administration	34,7	+ 10,8	- 14,7
Company	31,9	+ 13,6	- 31,9
Transportation	20,8	+ 6,5	+ 12,5
Shopping	16,0	+ 2,2	- 9,3
Management of finances	2,8	+ 6,3	- 2,8

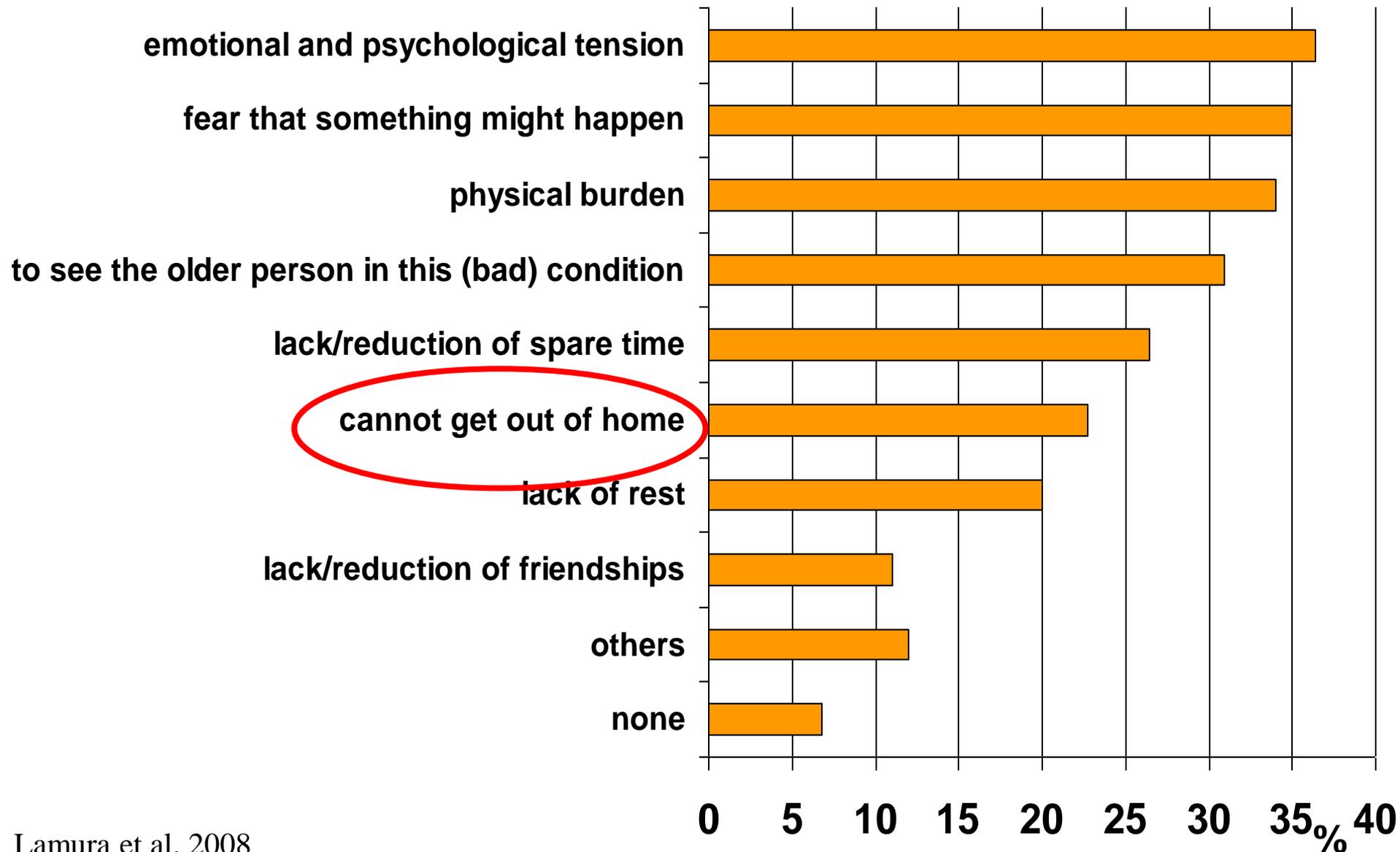
# Families' motivations to employ migrant workers



# Average hours of work per day



# The most burdening aspect of providing care



# **Care drain risks in migrants' home countries**

- Migrant women's left behind children: well-off but socially deprived & cared-for by grandmothers**
- Mental illnesses of migrant women returning home after long years of isolated care work**
- Educational & training costs saved by "host" countries and borne by "sending" countries**

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# Recent reform proposals 1/7

<b>Problem</b>	<b>Proposed solution</b>	<b>Critical issues</b>
Difficult access to different services or benefits	“One stop shop” (single access “counters” for all services)	Need to integrate different authorities

# Recent reform proposals 2/7

Problem	Proposed solution	Critical issues
Difficult access to different services or benefits	“One stop shop” (single access “counters” for all services)	Need to integrate different authorities
Lack of coordination among services (in-kind/cash; health/social; public/private home care)	Strengthen integration among: <ul style="list-style-type: none"> <li>- <u>interventions</u> (cash-services-training-accredit.-matching)</li> <li>- <u>governance levels</u> (national-regional-municipal)</li> <li>- <u>policies</u> (undeclared work – state care allowance)</li> </ul>	Lack of political strength by federal government

# Recent reform proposals 3/7

Problem	Proposed solution	Critical issues
Difficult access to different services or benefits	“One stop shop” (single access “counters” for all services)	Need to integrate different authorities
Lack of coordination among services (in-kind/cash; health/social; public/private home care)	Strengthen integration among: <ul style="list-style-type: none"> <li>- <u>interventions</u> (cash-services-training-accredit.-matching)</li> <li>- <u>governance levels</u> (national-regional-municipal)</li> <li>- <u>policies</u> (undeclared work – state care allowance)</li> </ul>	Lack of political strength by federal government
Regional inequalities in service provision	Stronger connection between (national) cash-for-care system and regional home care service	Unwillingness of regional policy level

# Recent reform proposals 4/7

<b>Problem</b>	<b>Proposed solution</b>	<b>Critical issues</b>
Unjustified increase in cash-for-care allow.	More numerous and stricter controls on eligibility + common assessment criteria	Increased legal conflicts with users

# Recent reform proposals 5/7

<b>Problem</b>	<b>Proposed solution</b>	<b>Critical issues</b>
Unjustified increase in cash-for-care allow.	More numerous and stricter controls on eligibility + common assessment criteria	Increased legal conflicts with users
Reduce undeclared work by MCWs	Connect local allowances to regular work contracts (via “customised care programs”)	Low uptake by families, who feel too “restricted” in their freedom of action

# Recent reform proposals 6/7

Problem	Proposed solution	Critical issues
Unjustified increase in cash-for-care allow.	More numerous and stricter controls on eligibility + common assessment criteria	Increased legal conflicts with users
Reduce undeclared work by MCWs	Connect local allowances to regular work contracts (via “customised care programs”)	Low uptake by families, who feel too “restricted” in their freedom of action
Improve quality of care provided by MCWs’	<ul style="list-style-type: none"> <li>• local allowances tied to hiring trained-only’ care competences training programs for MCWs, also “on the job”</li> <li>• tutoring MCWs</li> <li>• certification of MCWs</li> </ul>	Available only in some areas + low uptake by families & MCWs

# Recent reform proposals 7/7

Problem	Proposed solution	Critical issues
matching demand-supply	MCWs-registers	Low uptake
	“MCW-counters” of 3 kinds: <ul style="list-style-type: none"> <li>• <u>Information</u>: provides names</li> <li>• <u>Matching</u>: assessment of needs/competences + matching</li> <li>• <u>Integrated</u>: as above + tutoring</li> </ul>	- low uptake - need to be connected with “employment centres”

**Main problem: lack of cooperation between local and national levels to carry out coordinated actions connecting & integrating care payments, care services and care workers’ qualification programmes.**

**Thank you!**

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