

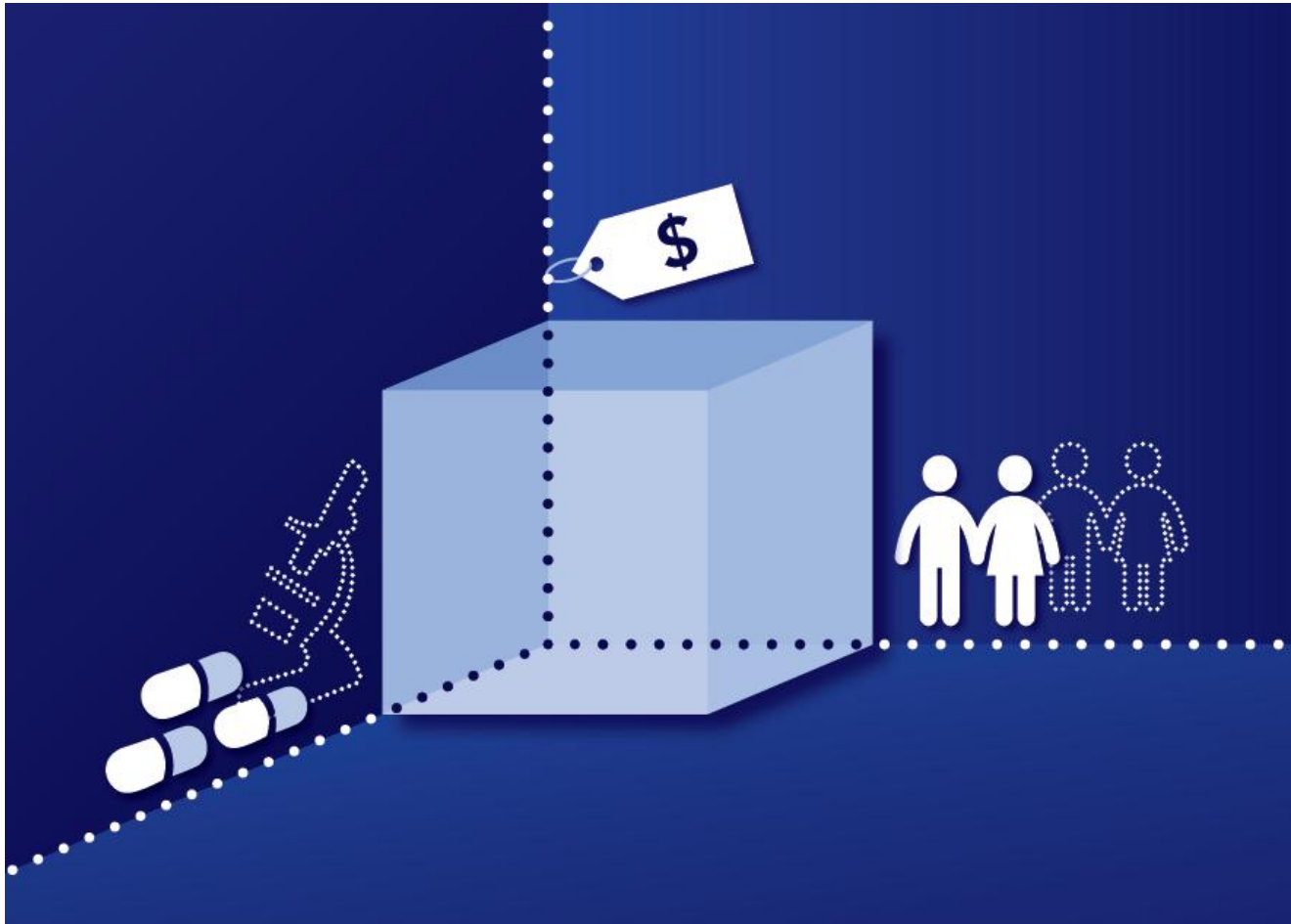
Long-term care in the Netherlands: budget cuts and restrictions

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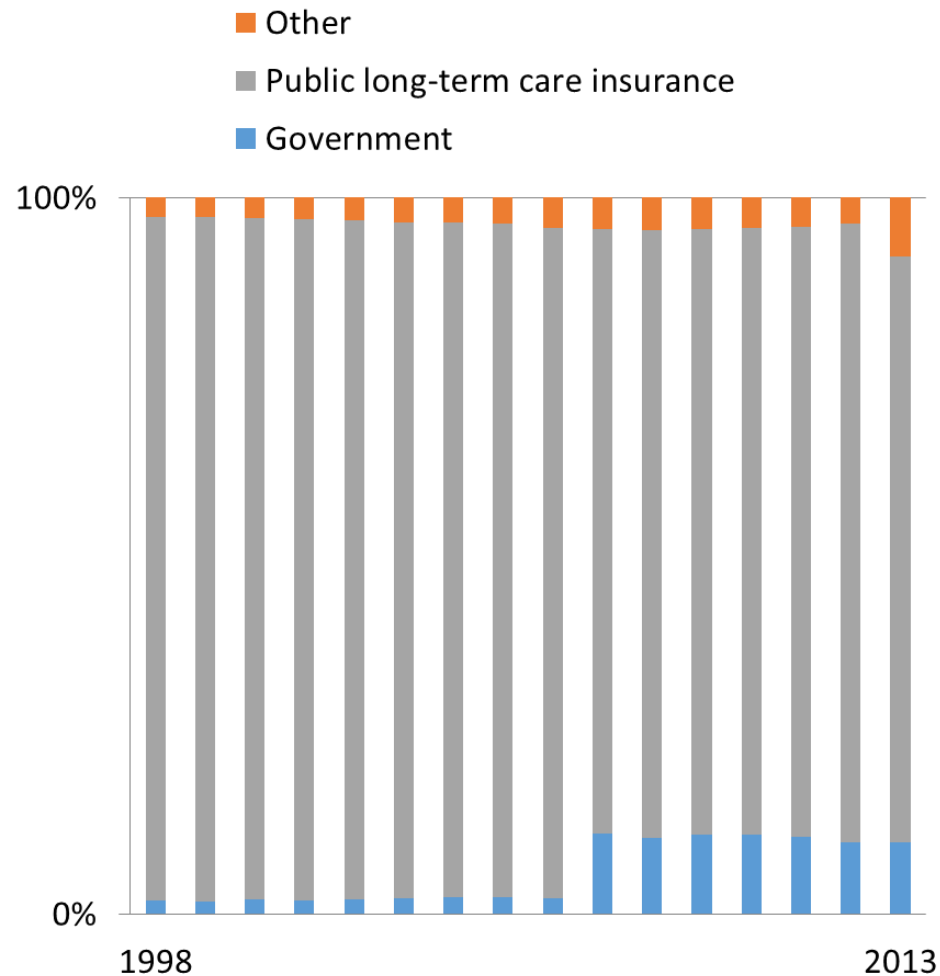
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Public long-term care insurance

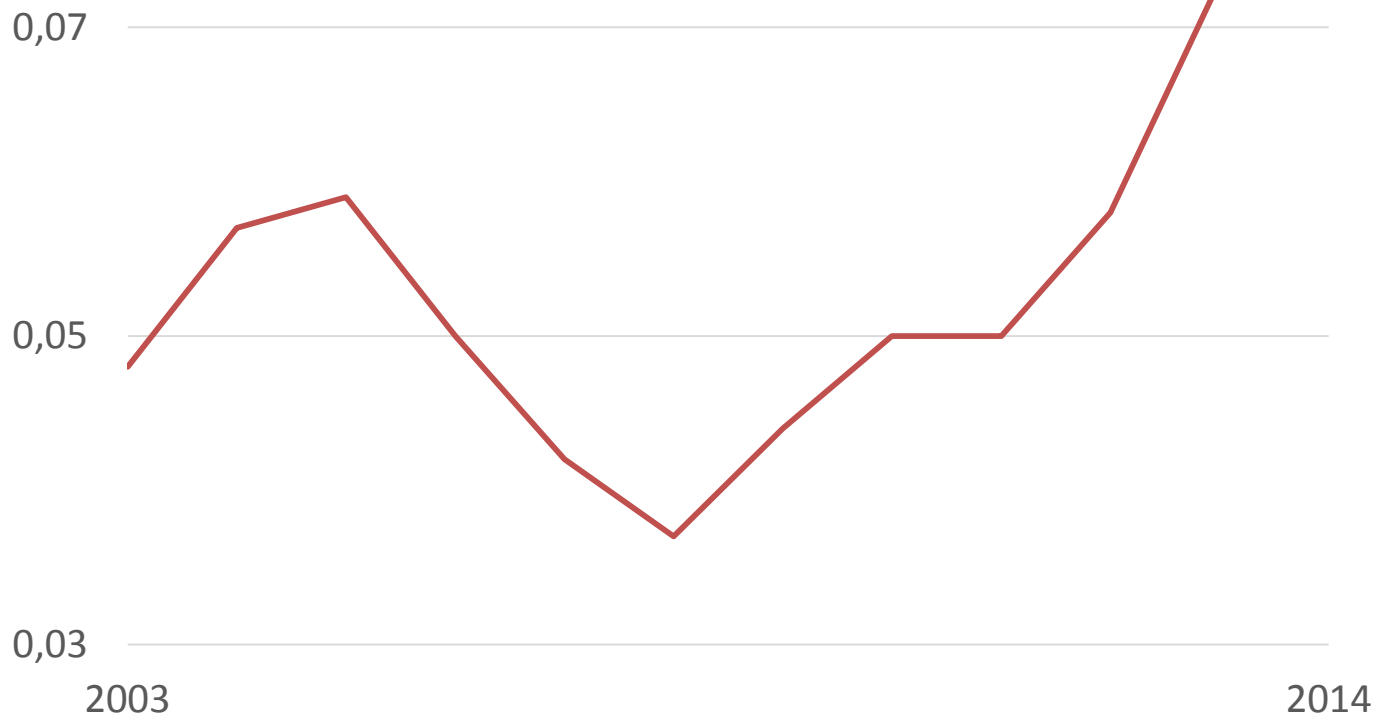


Picture: Igna Bonfrer (PhD thesis 2015)

Long-term care expenditures are mostly public



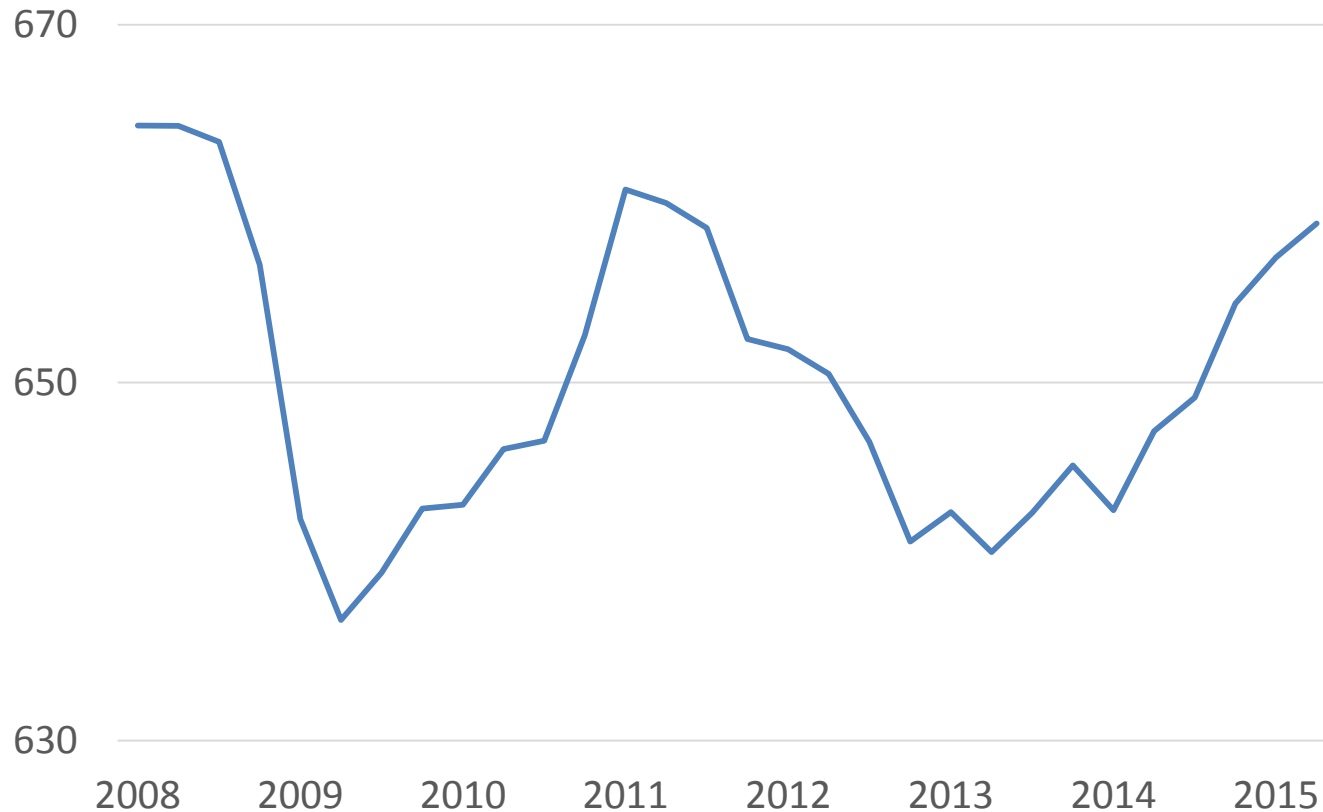
Unemployment rate is up



Source: [CBS](#)

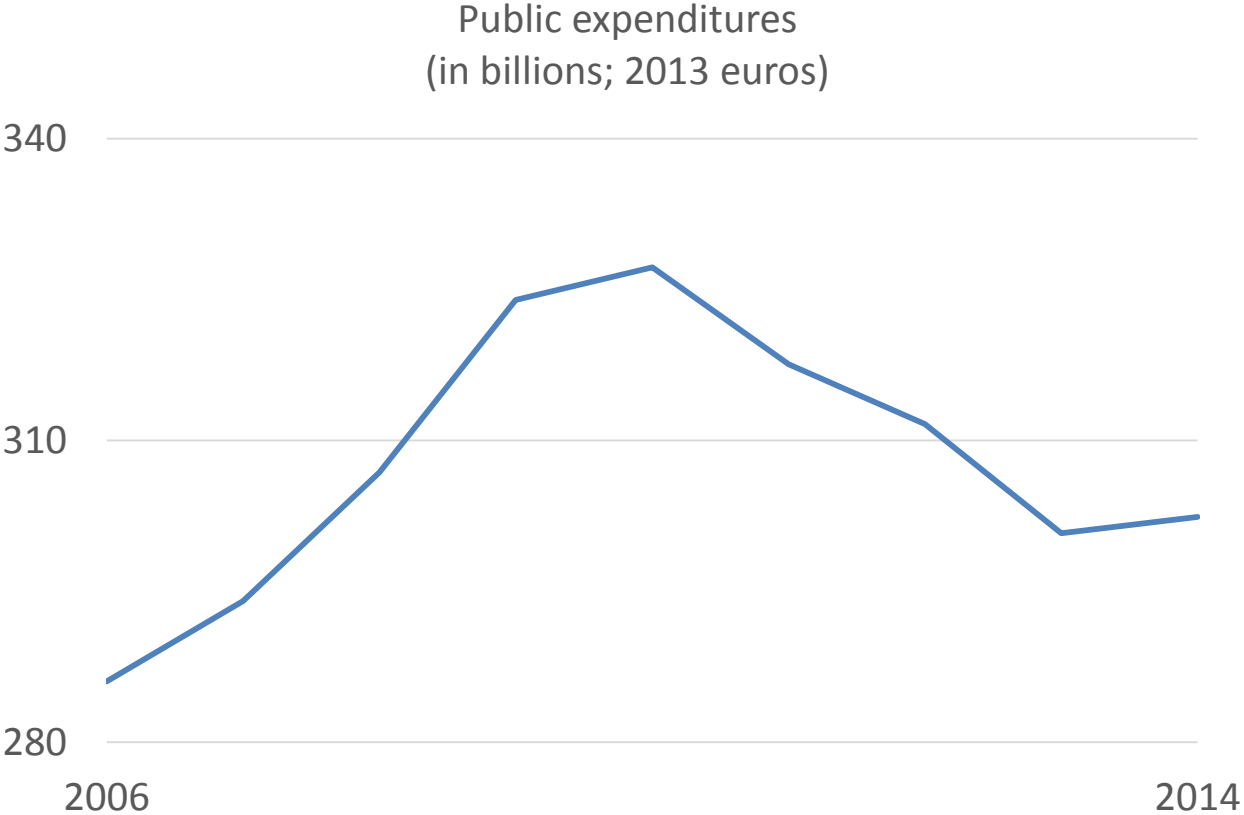
GDP declined

GDP in billion euro (2013 prices)



Source: [CPB](#)

Public expenditures went down, too



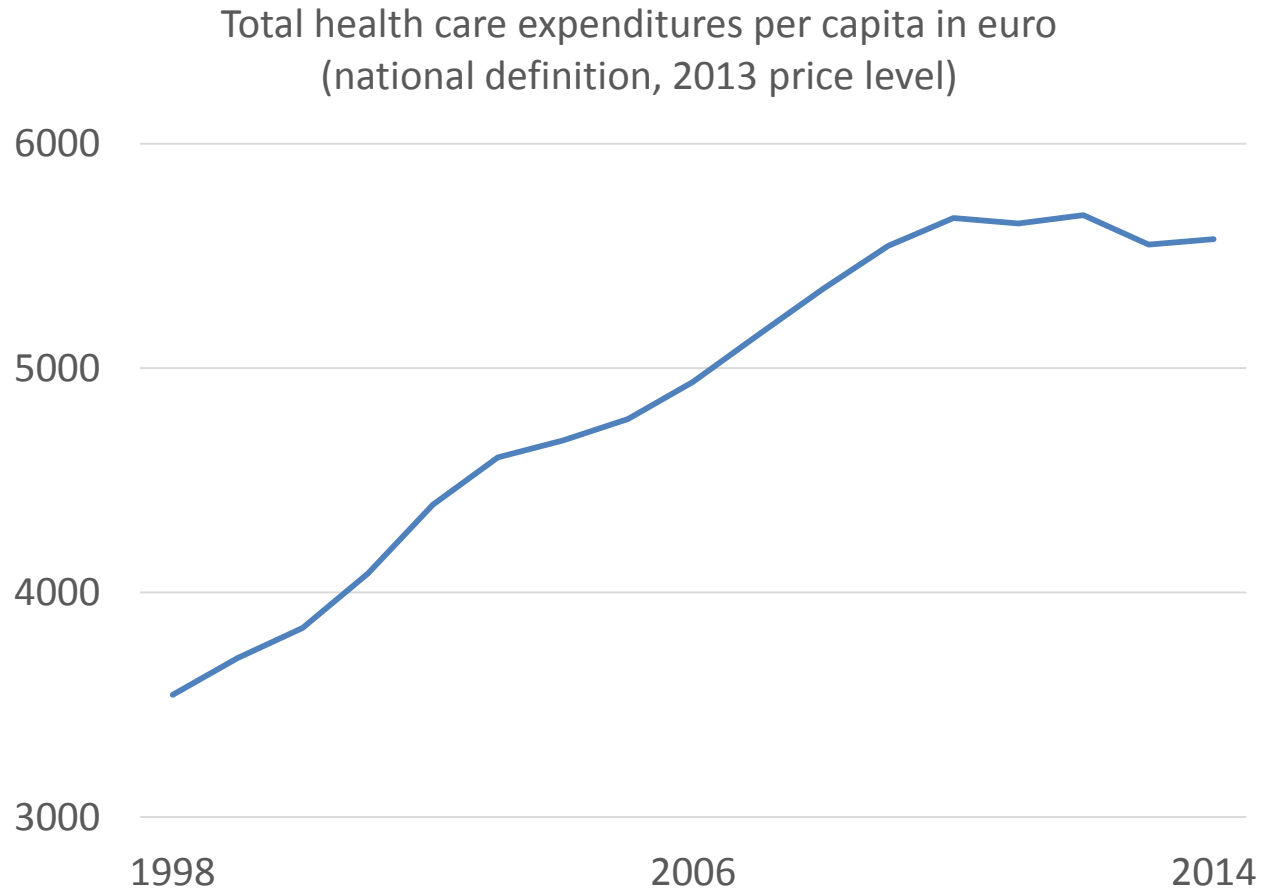
Source: CBS 1,2

Public finance deficit

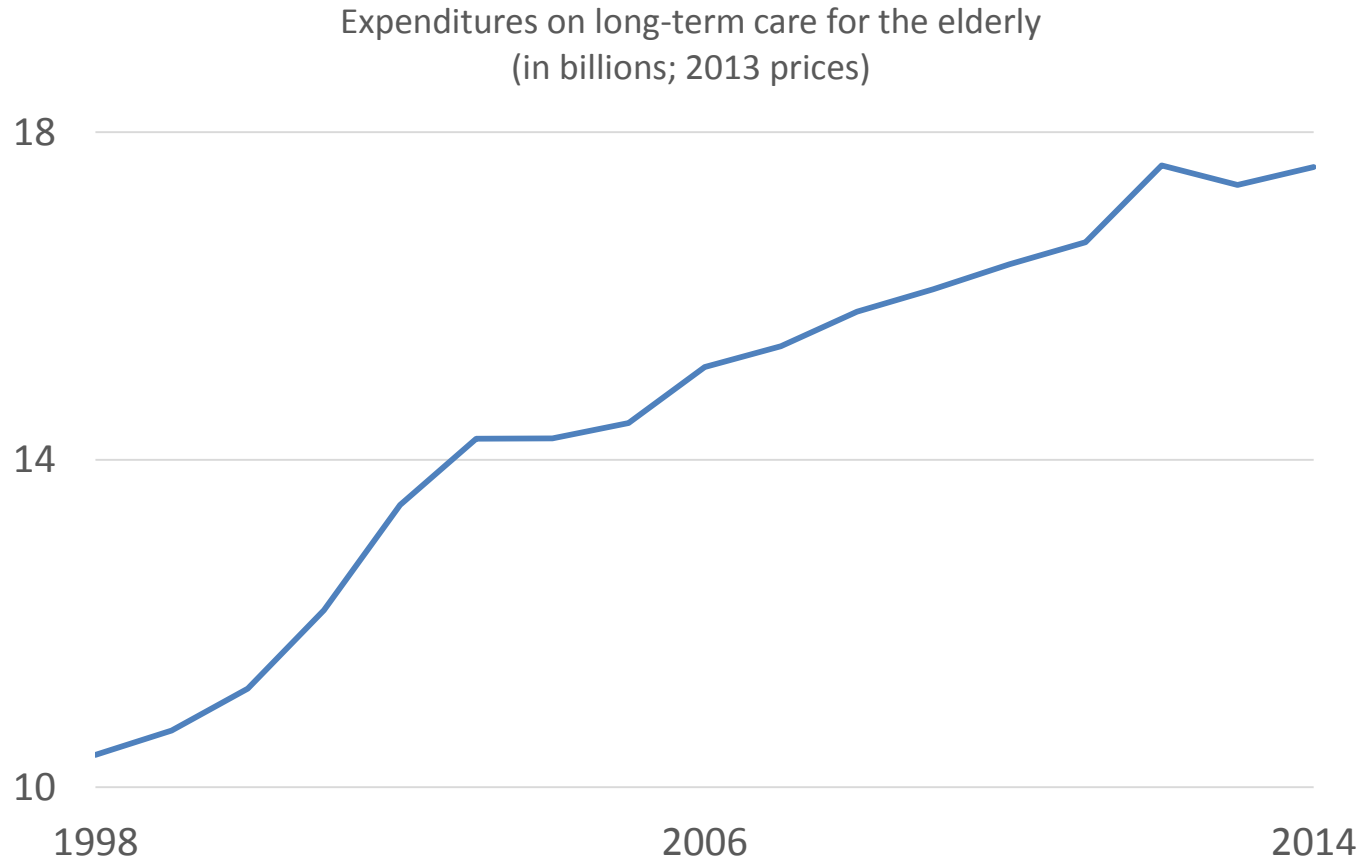
Sustainability gap (CPB 2014):

Year	% of GDP
2010	-4.5
2014	0.4

Health care spending stabilized



Long-term care spending



Source: CBS [1](#), [2](#)

Public long-term care insurance

- In contrast to other countries, relatively few demand-side restrictions ([Bakx et al. 2015 J HSR P](#));
- Supply-side restrictions proved to be a bad match with the legal entitlement to care.

Reforms 2007-2016

- Limit legal entitlement to care;
- Intensify demand-side measures;
- In addition, ageing in place policies.

Non-medical LTC: end of legal entitlement

- Coverage for domestic care, support and assistance through the Social Support Act
- Municipalities organize care
- Financed through block grants from the national government
- Expenditures decreased on average – but much there is much variation

Medical home care

- Personal care and nursing have been covered through the Health Insurance Act since 2015.
- A shift from incentivizing the patient to incentivizing the insurer

Health Insurance Act

- No centralized eligibility assessment; no co-payments.
- Instead, health insurers compete for enrollees
- Insurers now have incentives to ensure elderly receive the right mix of home care and health care
- But insurers also have incentives to encourage home care users to move a nursing home.

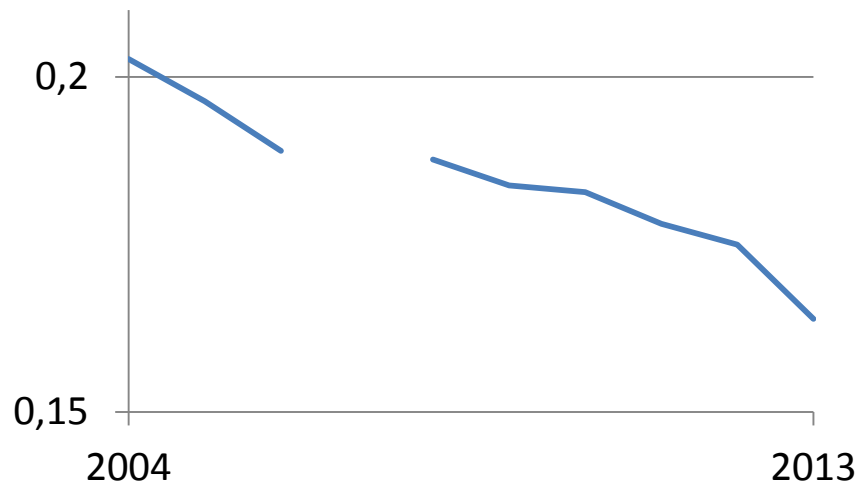
2013: co-payments increased

- Differentially affected the rich and the poor;
- Revenues from co-payments increased by 33% for home care; 11% for institutional care ([CBS 2015](#));
- But no evidence of large behavioral response.

Centralized eligibility assessment was
not very restrictive

Ageing in place

Share of elderly aged 80 and over receiving institutional care



Source: [CBS](#)

Ageing in place

- Higher co-payments for institutional care (2013);
- Stricter eligibility criteria for institutional care (2014, 2015);
- Incentives for insurers and municipalities to encourage home care users to move to a nursing home.

Conclusion

- LTC expenditures grew until 2012 but growth has been limited thereafter;
- Reforms likely contributed to this;
- Demographic changes may have helped too, but their contribution between 2000 and 2008 was limited ([De Meijer et al. 2015 Health Econ](#)).

Conclusion

- No evidence of the impact on
 - the health and well-being of the elderly;
 - on the utility derived from being insured against the risk of high expenditures late in life.

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