



# MEASURING SOCIAL PROTECTION FOR LONG-TERM CARE

An overview of phase 1 of the OECD / EC project

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# What this presentation will cover

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1 Background

2 Analytical approach

3 A few selected findings

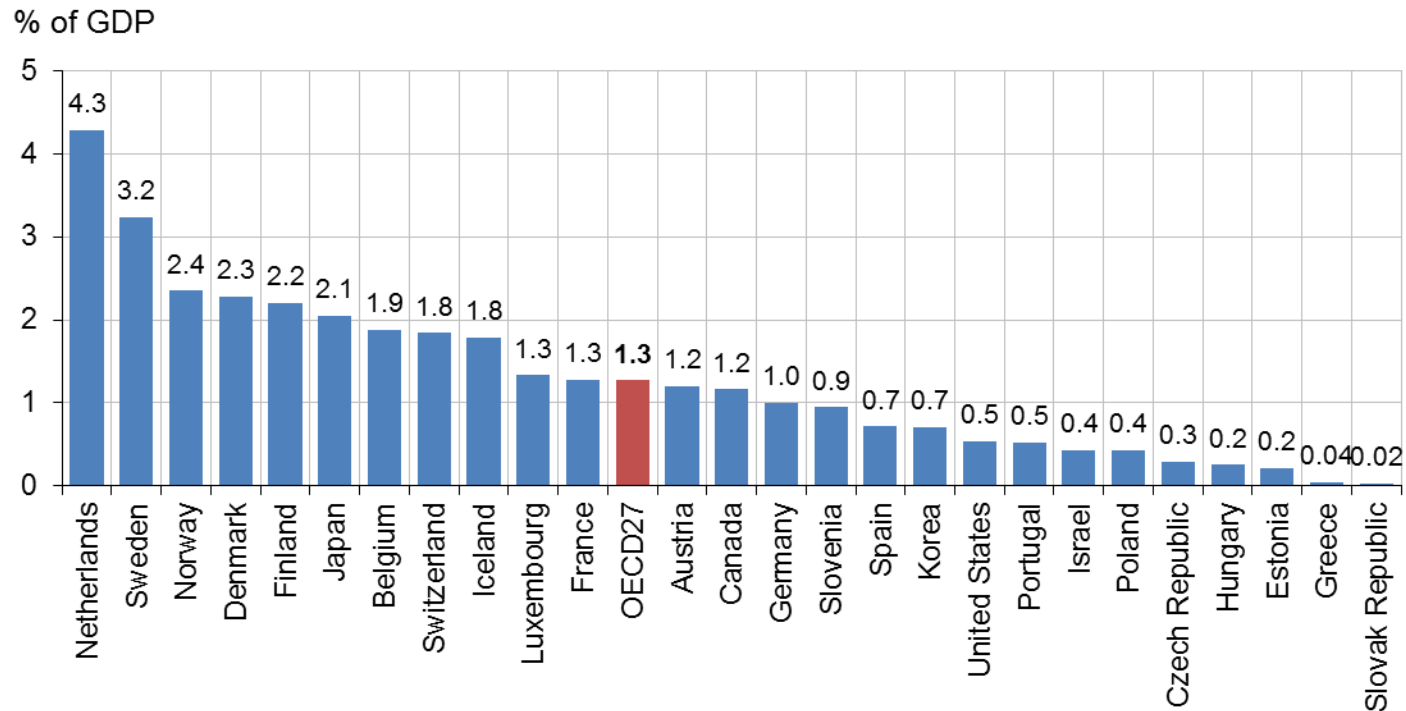


# BACKGROUND TO THE PROJECT



# Wide variations in public LTC spending are driven by choices about who pays

Long-term care public expenditure (health and social components), as share of GDP, 2013 (or nearest year)





# All countries have to make trade-offs between cost and social protection

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## Cost and affordability

- Austerity policies mean government finances are under pressure
- LTC costs projected to rise as the population ages
- Expenditure in other areas of health care is also rising
- Political limits on levels of taxation

## Adequacy of social protection

- Countries have made their own assessments of adequacy
- *Help Wanted? (2011)* looked at how social protection systems are organised
- **Not currently possible to make quantitative comparisons of the impact of different social protection systems**





# ANALYTICAL FRAMEWORK



# LTC is defined here as services that meet three types of need

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## ADL needs

Personal care, such as washing, dressing and feeding

## IADL needs

Home help, such as cooking, shopping and cleaning

## Social needs

Help to maintain a social life, such as going to a social club once a week



## Social protection can be described in three stages...

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“ public actions that are taken to avoid or ameliorate situations or risks that people face, which could have a negative impact on their wellbeing ”





# Social protection can be described in three stages...

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Situation

“ public actions that are taken to avoid or ameliorate situations or risks that people face, which could have a negative impact on their wellbeing ”



# Social protection can be described in three stages...

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“ public actions that are taken to avoid or ameliorate situations or risks that people face, which could have a negative impact on their wellbeing ”



# Social protection can be described in three stages...

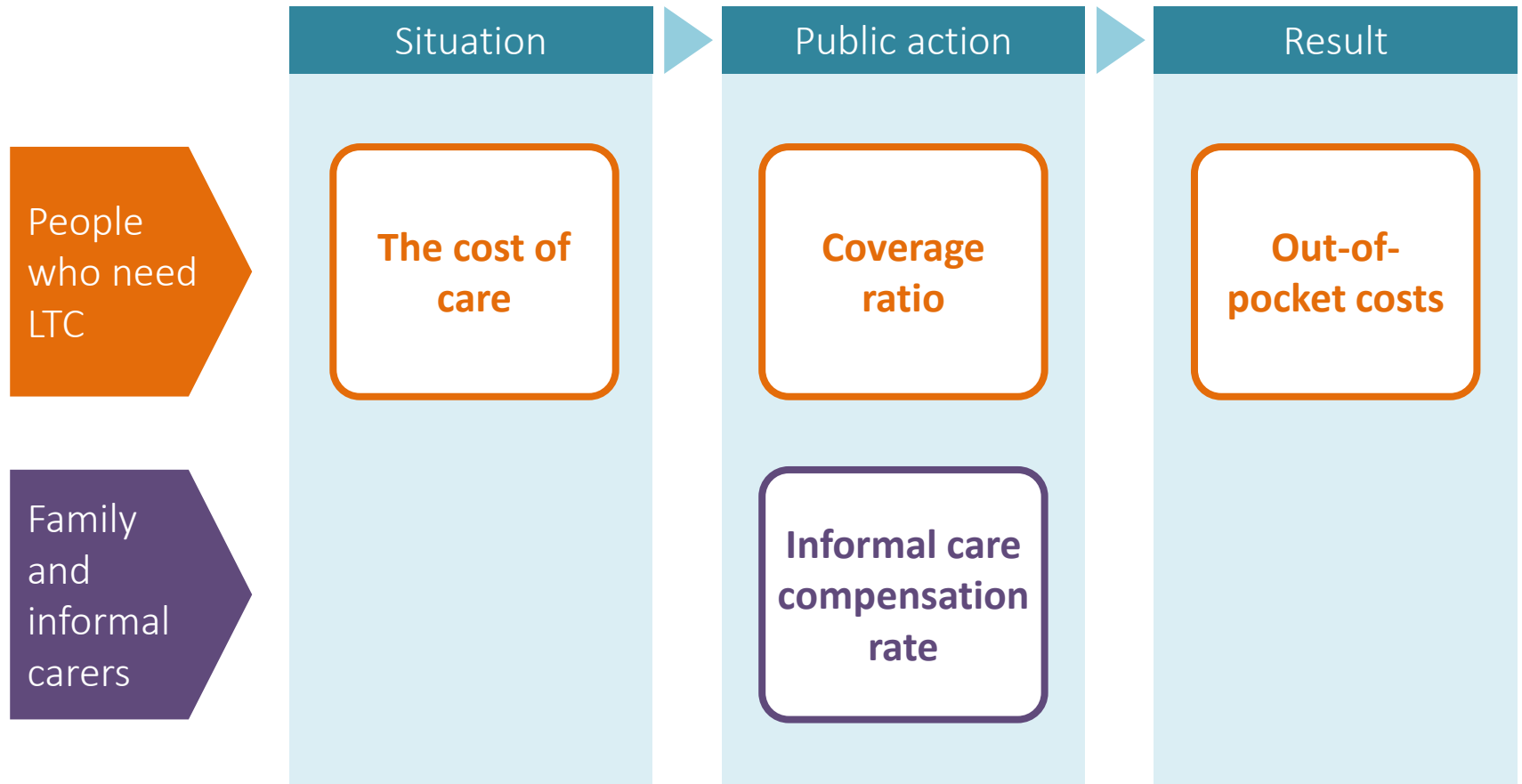
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“ public actions that are taken to avoid or ameliorate situations or risks that people face, which could have a negative impact on their wellbeing ”



# ...which we have quantified using four indicators





# An overview of the data used in this analysis

## What data is used in this project?

Data collected

Cost of care

Amount of public support

Scenarios

### Needs

5 “typical cases” of LTC need

### Income

Low, median and high income

### Assets

No assets or very high assets

## Where does it come from?



Questionnaire sent to all OECD and EU countries



**Bilateral discussions** with countries to ensure accuracy and comparability



**Detailed modelling** of social protection systems for a small number of countries



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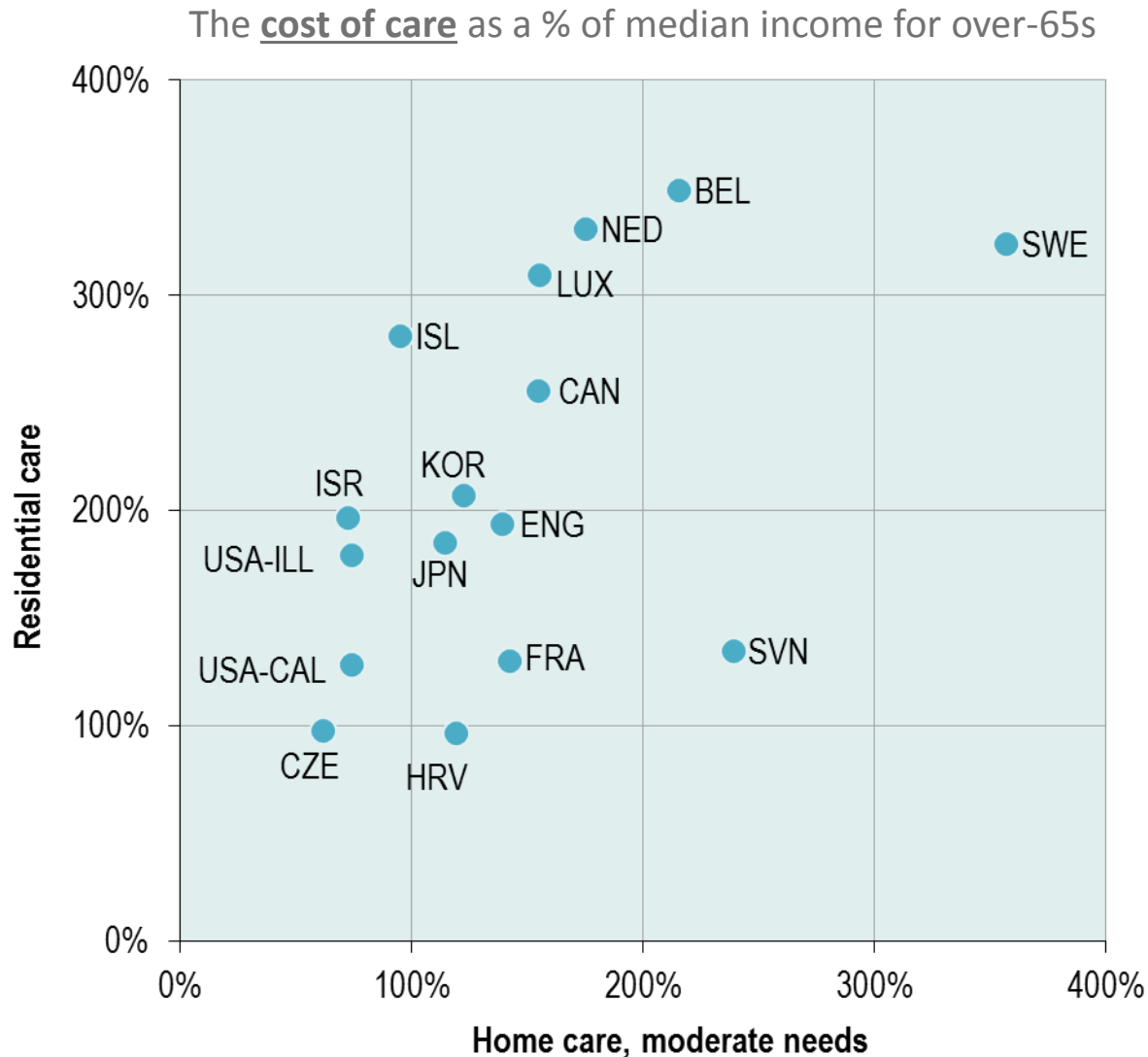
countries covered so far



# THE TOTAL COST OF CARE & OUT-OF-POCKET COSTS



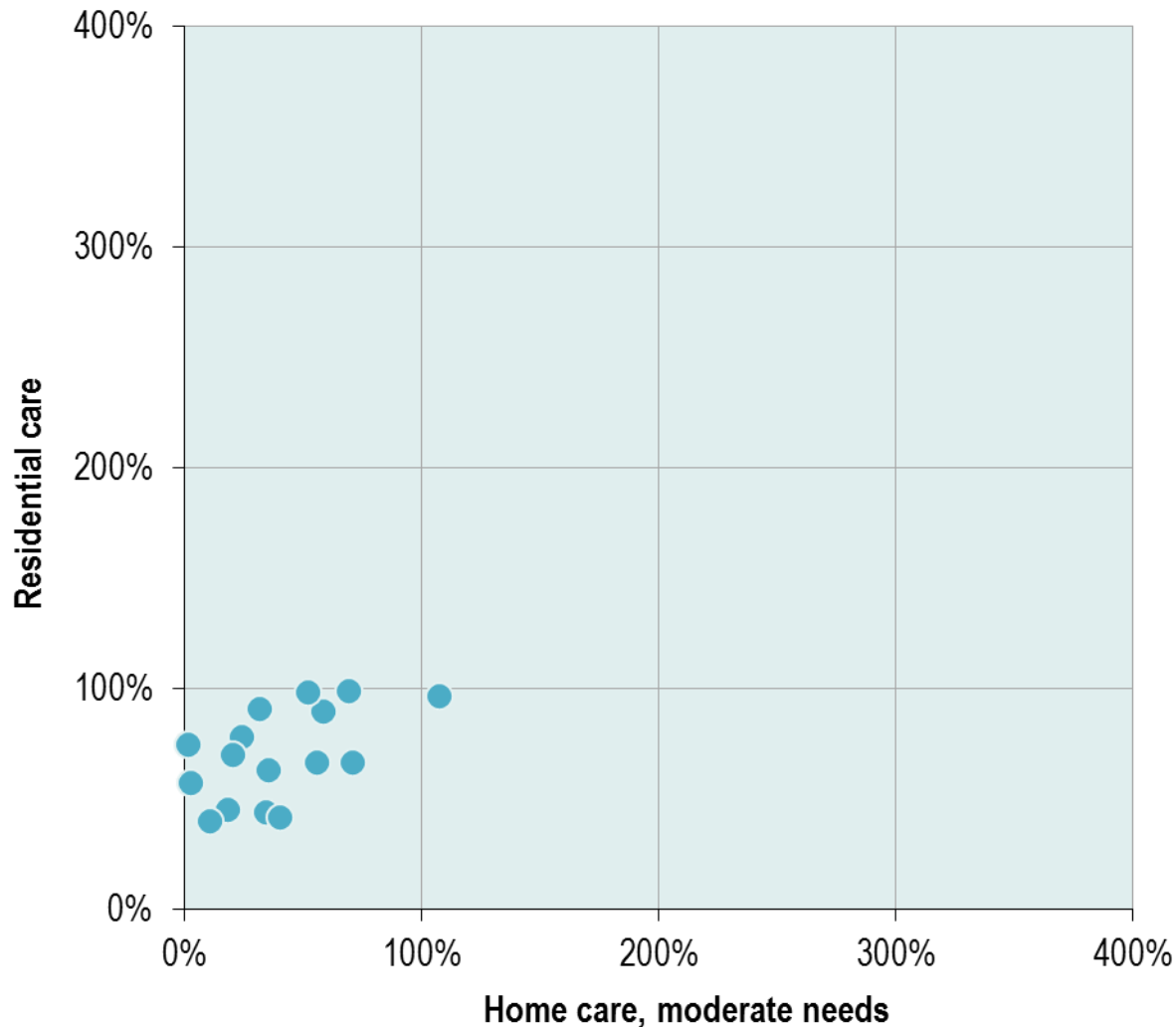
# The cost of care varies widely but is generally high relative to incomes





# Social protection reduces out-of-pocket costs significantly

Out-of-pocket costs for over-65s with median income (as a % of income)

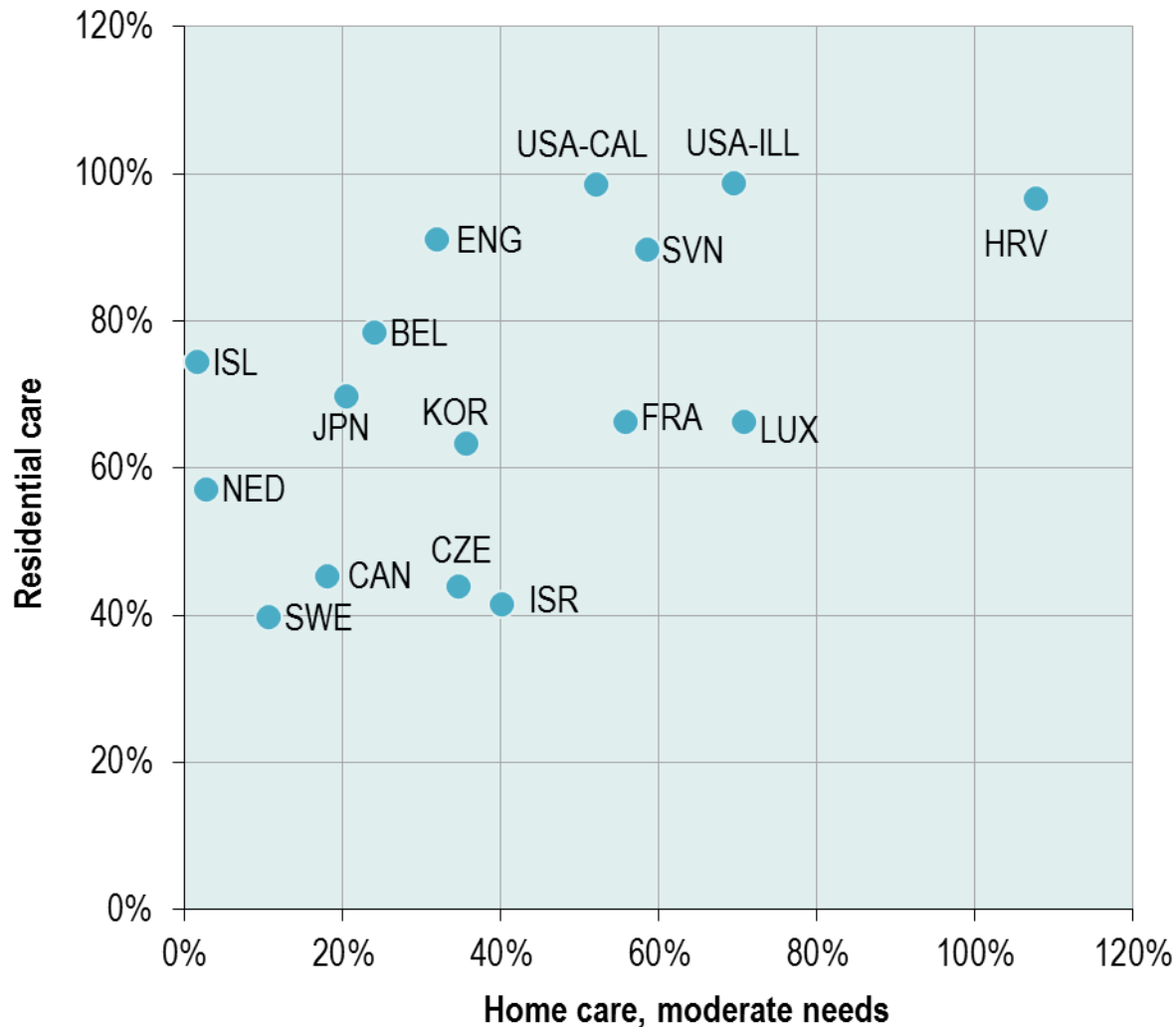






# But in some countries out-of-pocket costs are still quite high

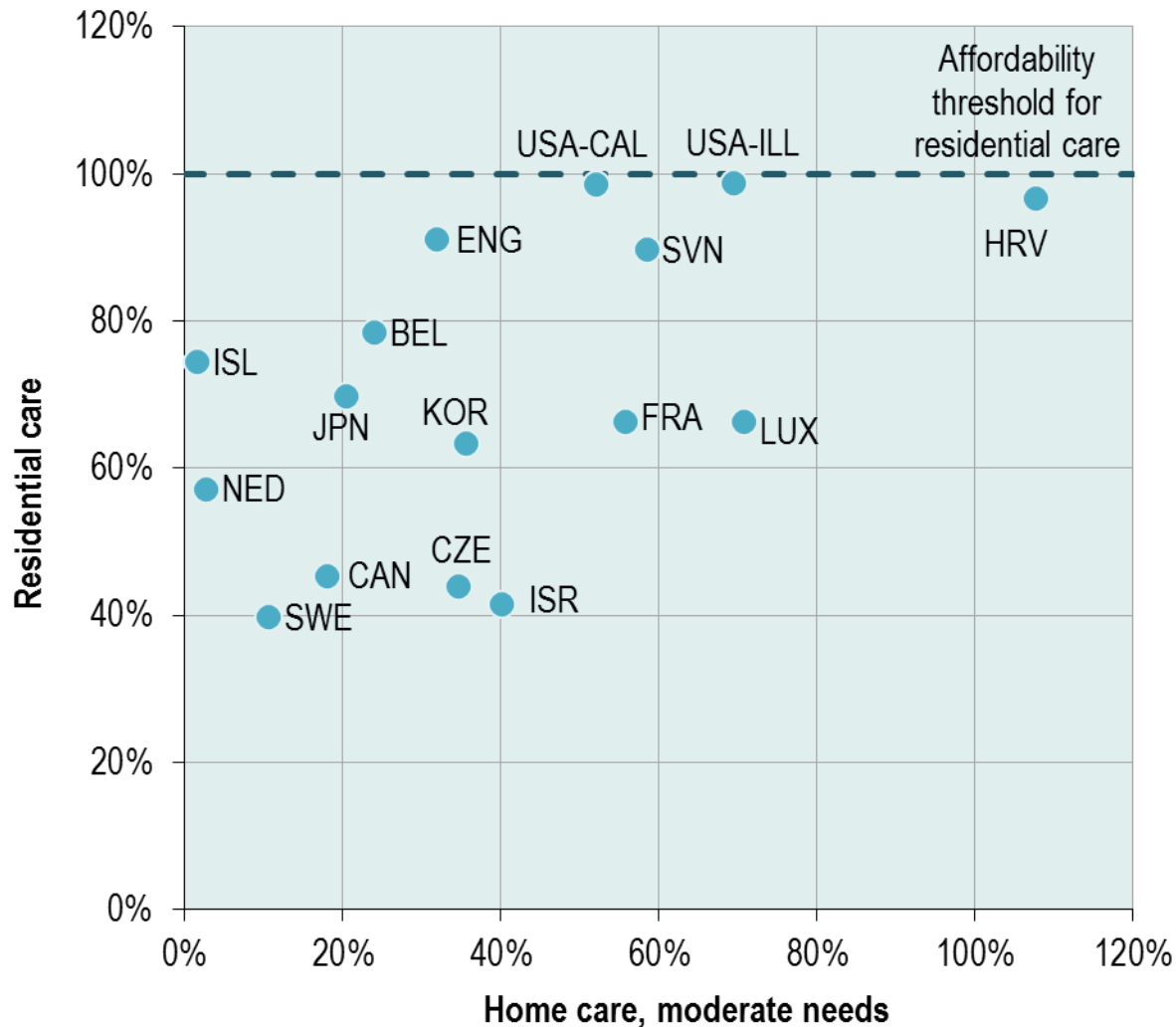
Out-of-pocket costs for over-65s with median income (as a % of income)





# In all countries, residential care is affordable

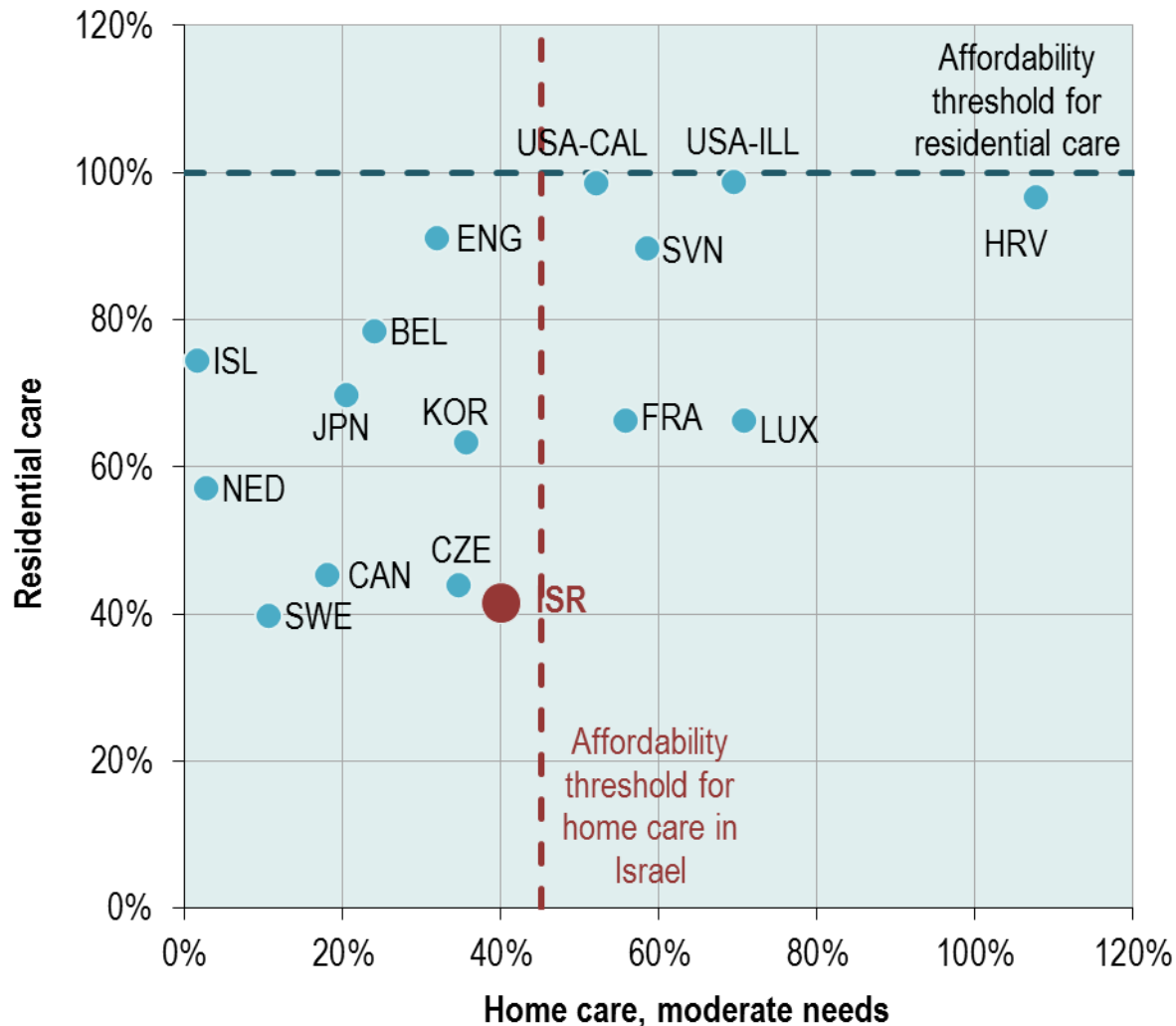
Out-of-pocket costs for over-65s with median income (as a % of income)





# In some countries home care is also affordable

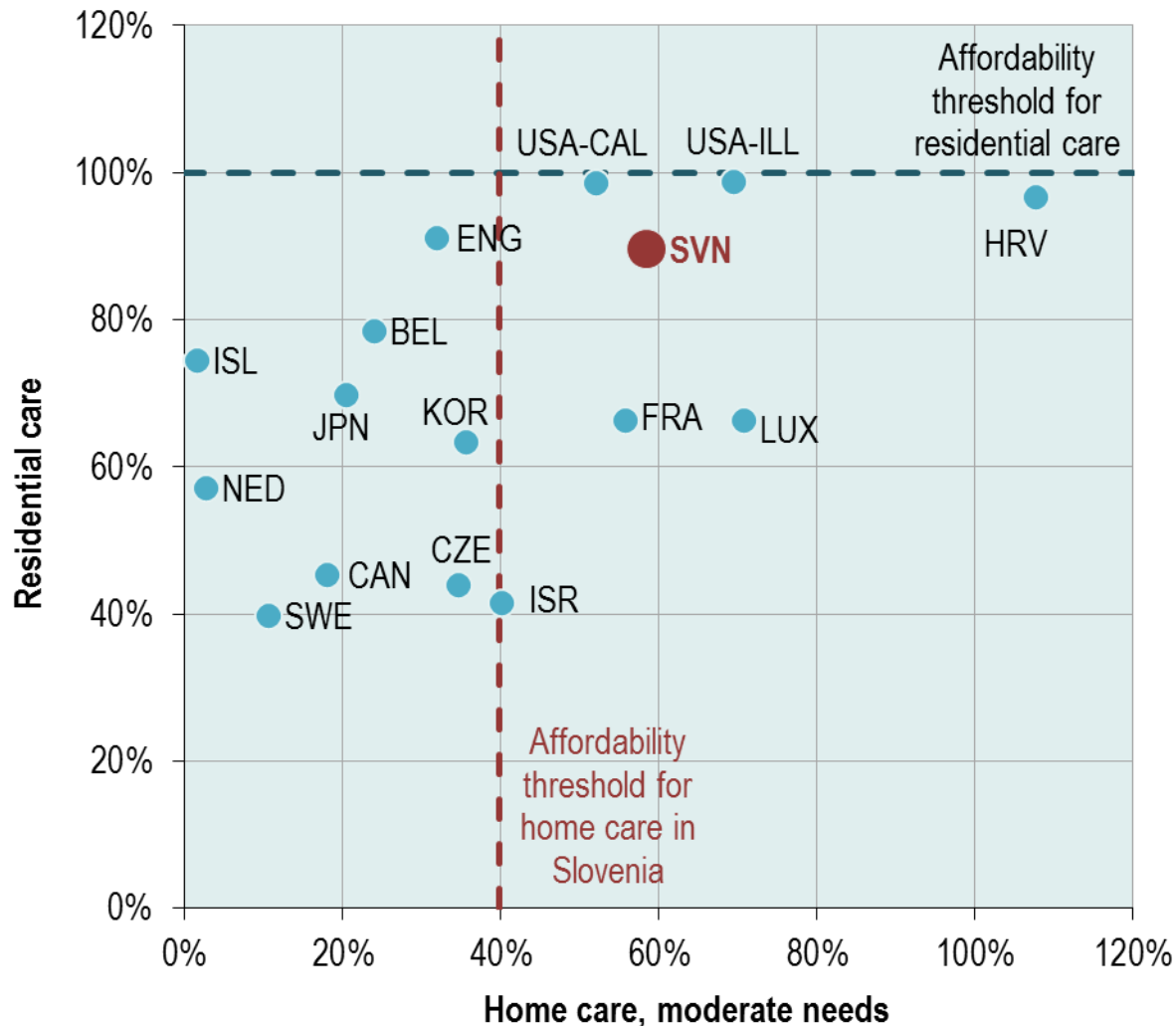
Out-of-pocket costs for over-65s with median income (as a % of income)





# But in others, out-of-pocket costs are high enough to push people into poverty

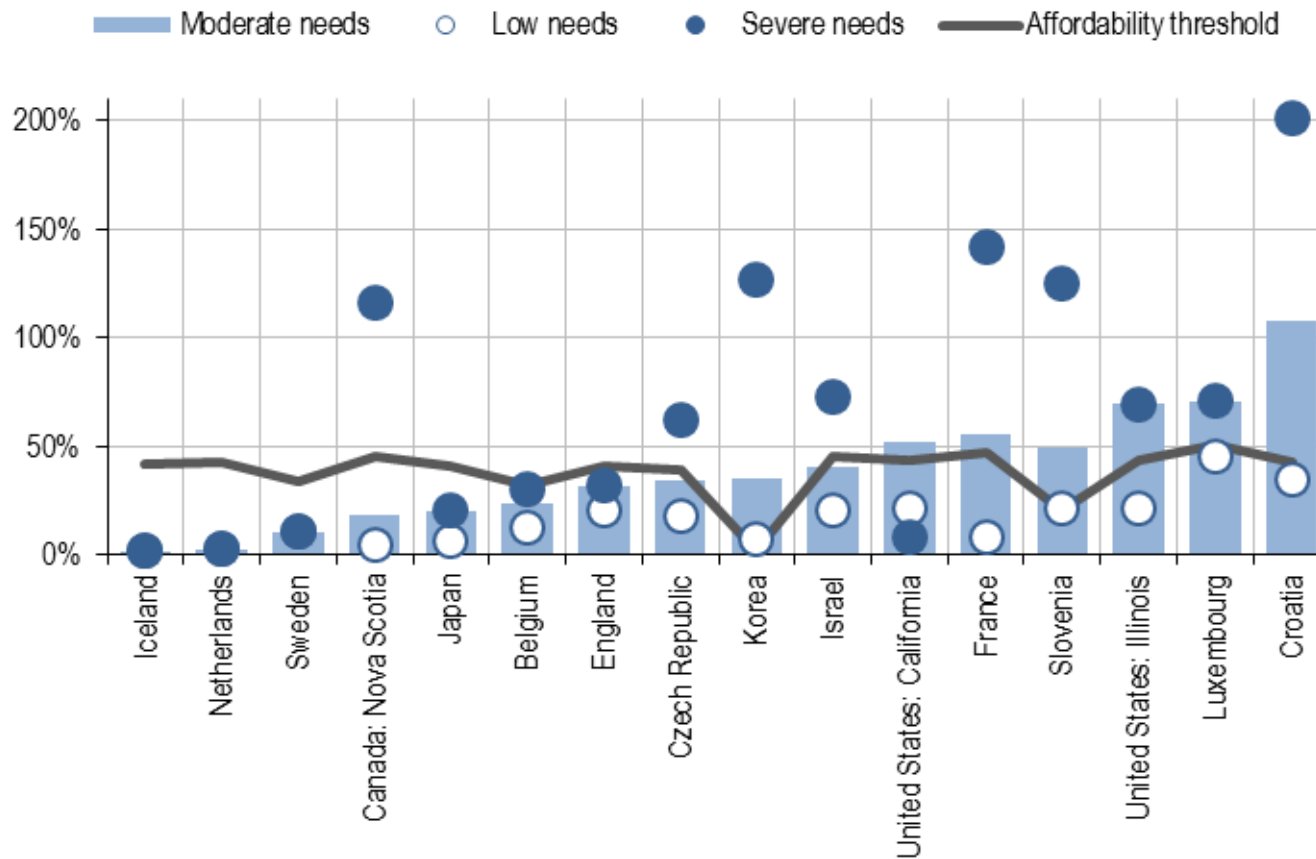
Out-of-pocket costs for over-65s with median income (as a % of income)





# Another way of looking at the data

Out-of-pocket costs for home care for over-65s with median income (and no assets)  
*% of disposable income*





# DIFFERENT APPROACHES TO MEANS-TESTING



# There are a number of different approaches to means-testing

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Universal  
benefits

**e.g. Czech Republic**

Cash benefits depend only on need and are the same for all levels of income

Targeted  
universality

**e.g. France**

Eligibility based only on need, but lower income people get higher benefits

Safety net

**e.g. England**

Highly targeted, sufficiently high income people get no support at all

Comprehensive  
coverage

**e.g. Sweden**

Costs are almost completely covered for everyone



# The share of the cost covered publicly depends on a person's income

Coverage ratios for people receiving home care for moderate needs in selected countries

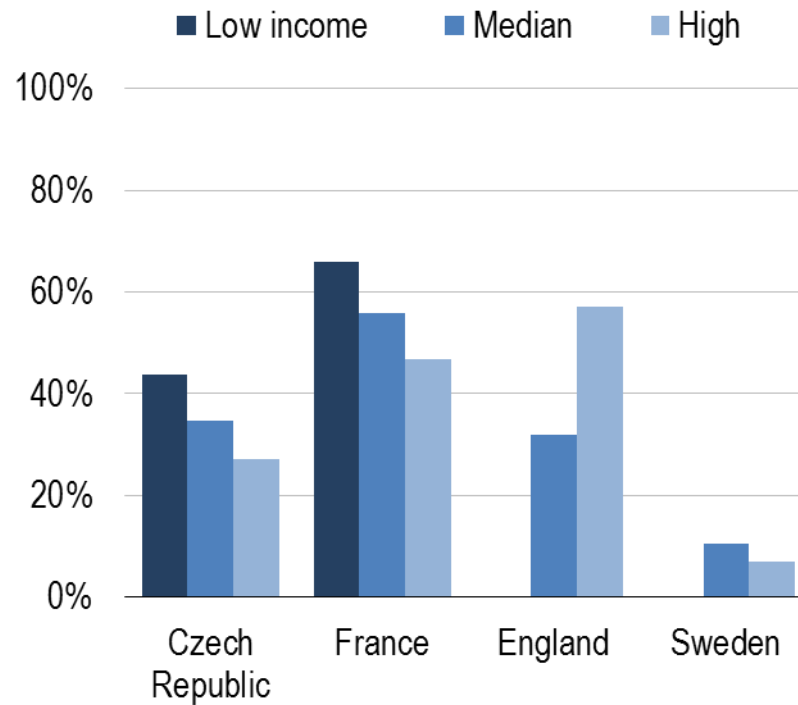






# Some systems leave the poorest exposed to high costs

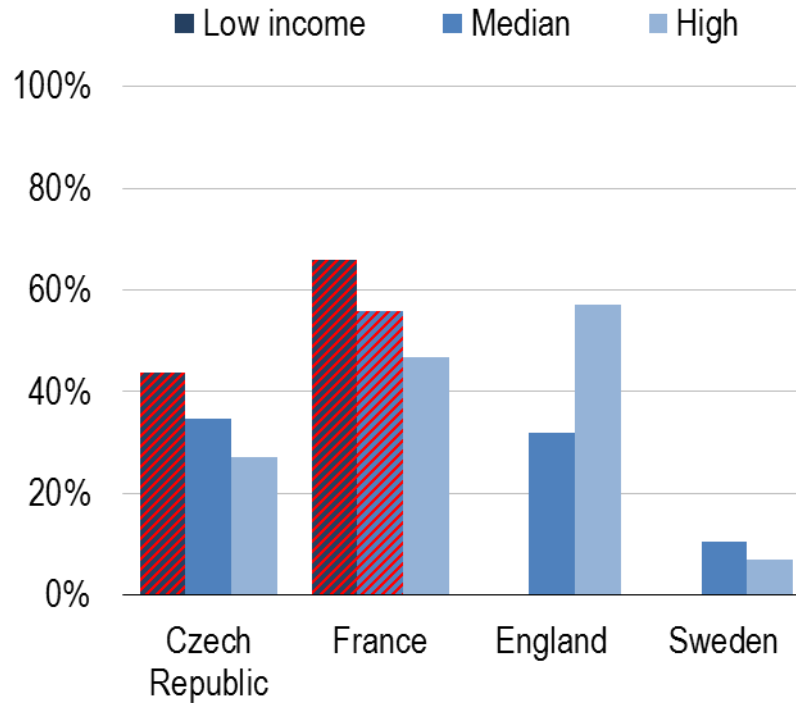
**Out-of-pocket costs** (% of income) for people receiving home care for moderate needs





# So is universality any use if the system is not comprehensive?

**Out-of-pocket costs** (% of income) for people receiving home care for moderate needs



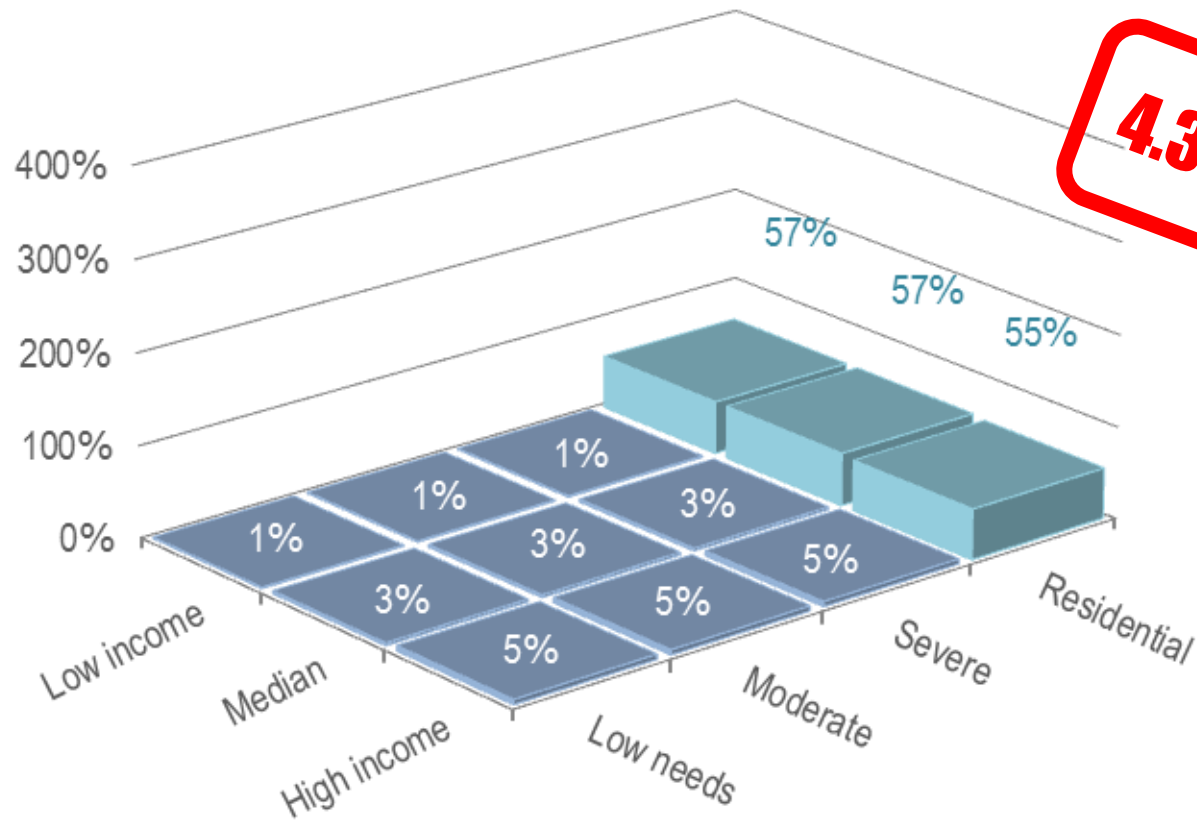


# COSTS VERSUS COVERAGE



# People in the Netherlands face very low out-of-pocket costs

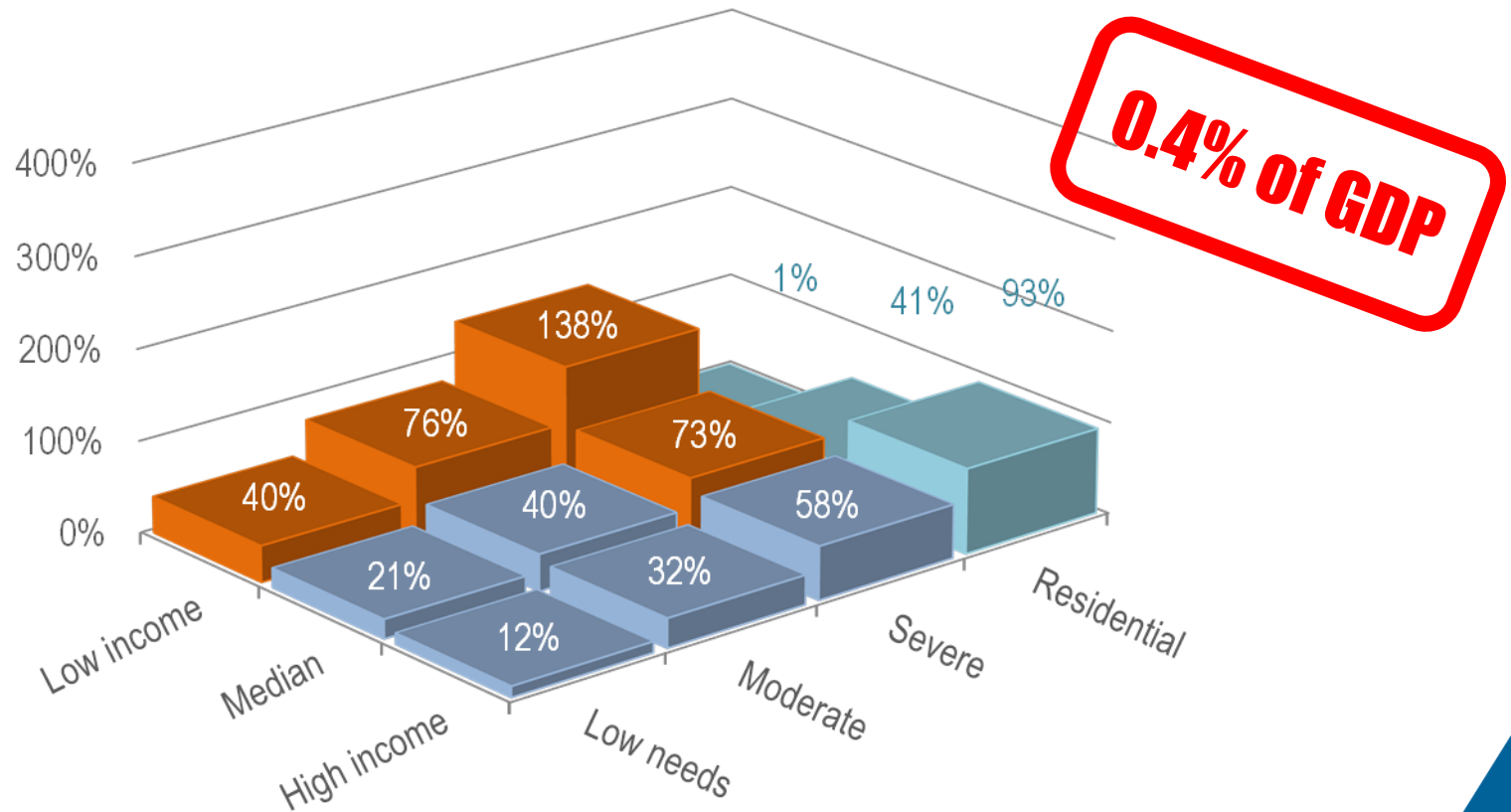
Out-of-pocket costs for LTC in the Netherlands as a % of income (people with low assets)





# People with low incomes in Israel struggle to afford the cost of home care

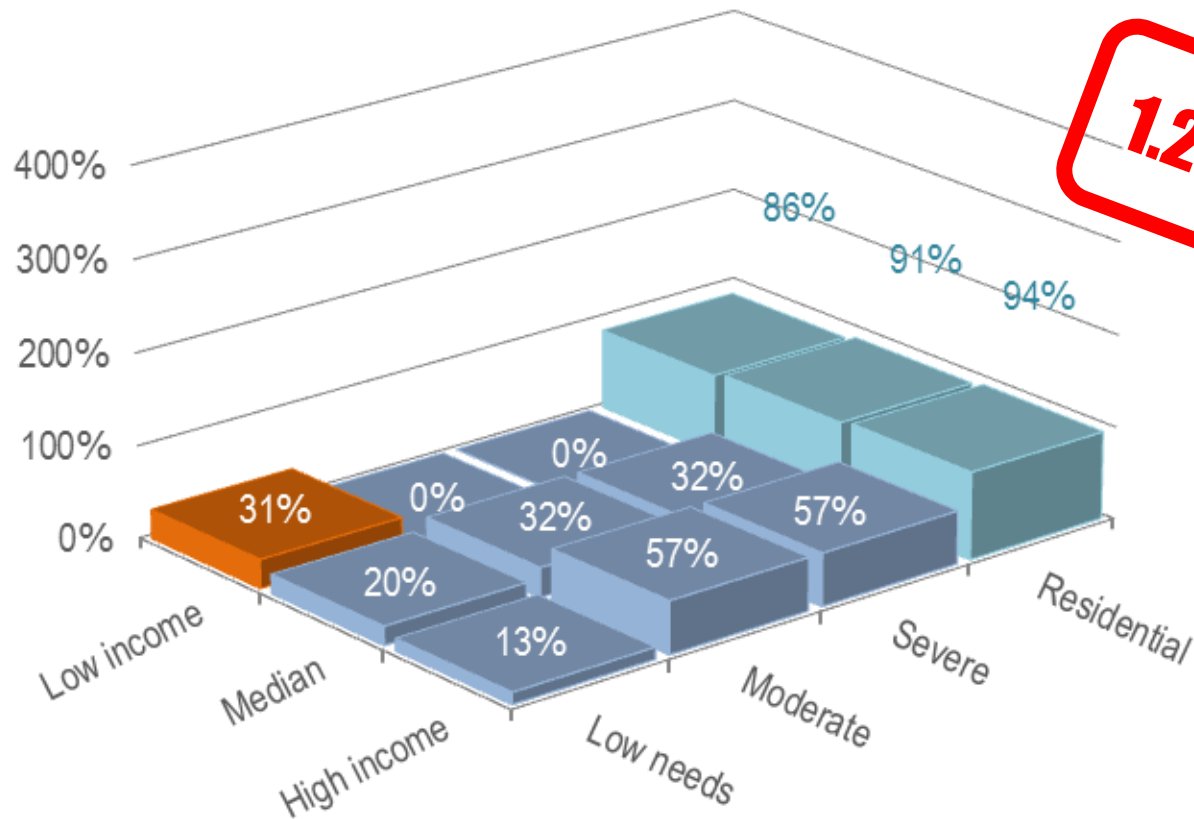
Out-of-pocket costs for LTC in Israel as a % of income (people with low assets)





# England seems to achieve good coverage at a reasonable cost...

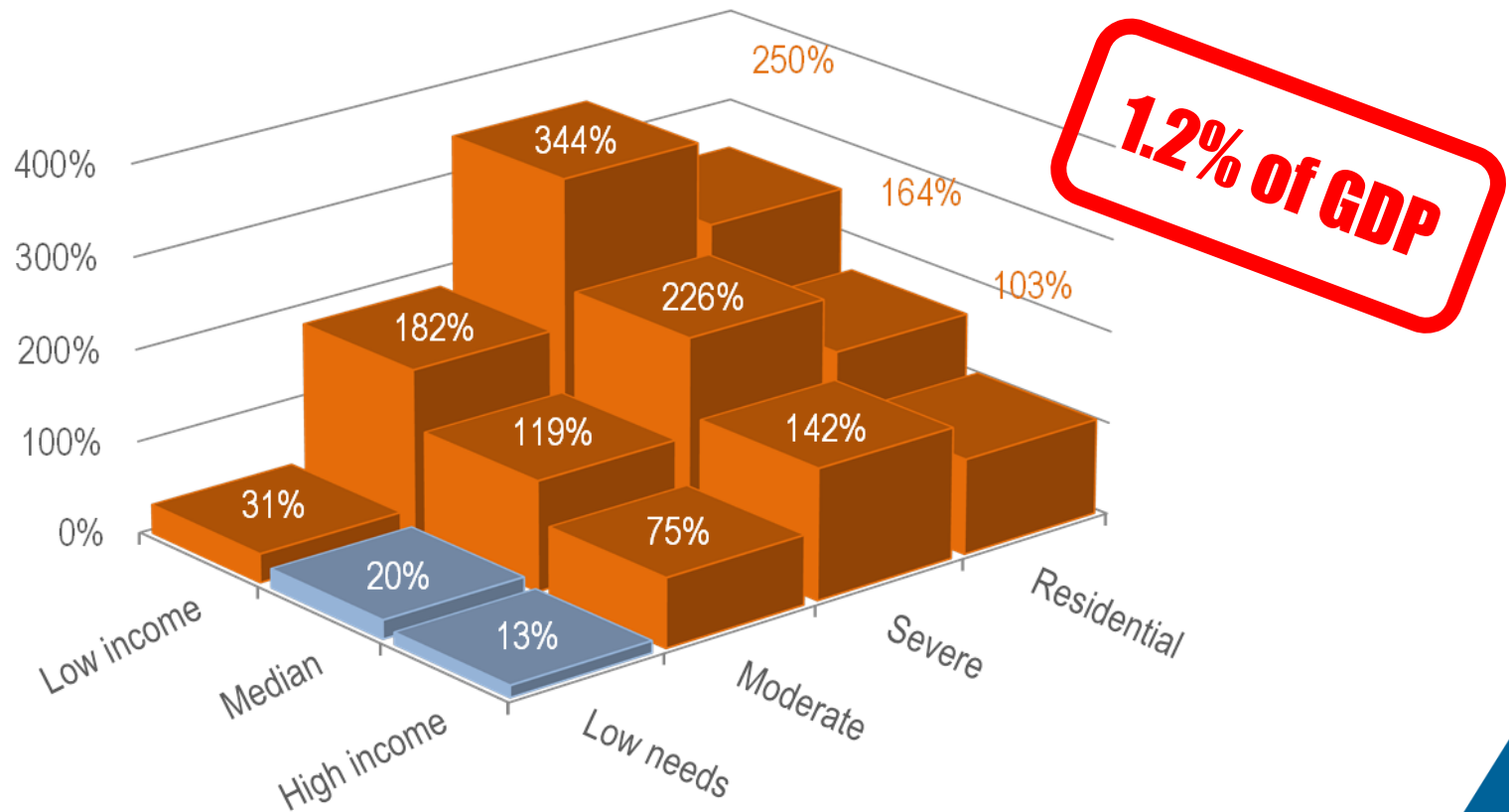
Out-of-pocket costs for LTC in England as a % of income (people with low assets)





# ...but that's partly because people who have savings aren't covered

Out-of-pocket costs for LTC in England as a % of income (people with high assets)





# Staying in touch with the OECD

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