Germany
Long-term Care

Pflege-Fakten

- 1,3 Prozent des deutschen Bruttolandesproduktes flossen 2008 in die Langzeitpflege älterer Menschen – ein großer Teil davon (0,9 Prozent des BIP) kam aus öffentlichen Mitteln.

Background

Prior to the Long-Term Care act (1994), the public LTC system in Germany was characterised by substantial co-payments for services, which were mainly laid down within welfare system or the health insurance coverage. With the introduction of an independent, statutory LTC insurance scheme, Germany expanded universal LTC coverage and further developed benefit provisions.

Benefits and Eligibility Criteria

Social LTC protection is provided to everybody who is insured in the statutory health insurance scheme. The compulsory statutory LTC scheme includes social and private LTC insurances. The benefits are fixed by statute and are identical in both systems. When LTC insurance benefits do not suffice, social assistance will supplement in a means-tested fashion and there is also family obligation to help pay for LTC. All citizens are free to purchase supplementary private LTC coverage. As of 2009, close to 1,6 million people own additional private insurance(s).

Since 2008, eligibility for public LTC benefits is based on a qualifying period of at least 2 years of LTCI contribution within a decade prior to application (before 2008 it was 5 years). In addition, necessary medical and LTC assessments\(^1\) are undertaken by the Medical Review Board (Medizinischer Dienst der Krankenversicherung - MDK), chiefly skilled care staff and doctors.

There is a binding choice for the beneficiary between cash, in-kind, or a combination of both benefits every six months, if there is no change in the individual’s severity. These benefits are differentiated according to three dependency levels. About 67% of LTC beneficiaries are aged 65 and over (OECD Health Data 2010). About 8% of beneficiaries use cash and in-kind benefits, 17% use only in-kind benefits, and 30% use institutional care. The 2008 Act ensures that benefits will be adjusted periodically to compensate for fluctuations in purchasing power.

Social LTC insurance provides in-kind benefits such as nursing home and outpatient services, low-threshold support by volunteers or care at home, and cash benefits. Home based care benefits are set at a national level by law and the value of in-kind benefits are about double that of cash benefits.

Cash benefits correspond to 3 care levels and amount to EUR 225 (level 1,), EUR 430 (level 2) and EUR 685 (level 3) per month (2010). In 2010, benefits in-kind were a maximum of EUR 440 (level 1), EUR 1 040 (level2) and EUR 1 510 (level 3) per month. For auxiliary care products that assist the elderly in independent living, a supplement of a maximum of EUR 2 557 annually is available, subject to copayments.

In 2010, monthly social LTCI benefits for institutional care range from EUR 1 023 (level 1) to EUR 1 510 (level 3). For up to 3-5% of individuals who need the highest level of care, EUR 1 918 per month are available. The residual costs (e.g. co-payments, board & lodging, investment costs) differ across the 16 Länder and even between providers. The expected average co-payment for formal care, regardless of care setting, is EUR 350 per month (Augurzky et al 2008:240, in Rothgang 2010).

Additional day and night care, which covers transportation costs between institutions, is available according to the beneficiary’s dependency level. In 2010, allowances were a maximum of EUR 440 (level 1), EUR 1 041 (level 2) and EUR 1 510 (level 3) per month. There are also supplementary monetary grants for people in

\(^1\)The range described in the Act, from 1.5 hours (level 1) to 5 hours (level 3) of help per day by a non-professional caregiver, is only a “benchmark” for the assessment procedure of the MDK, but not for the delivery of services.

OECD (2011), Help Wanted? Providing and Paying for Long-Term Care, Paris,

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special circumstances; particularly individuals who suffer from mental diseases or dementia are given an additional EUR 1 200 or EUR 2 400 per year, depending on severity.

Benefits for Caregivers

Family carers are eligible for a maximum of four weeks vacation during which the LTCI will cover expenses and arrange for the provision of care to the recipient, equal to a maximum of EUR 1 510. Subject to certain business requirements, employees may take a 10 days leave or a maximum of half a year unpaid leave to organise or provide LTC for a family member, under the Nursing Care Time Act.

Family caregivers are also given options for free educational and training courses. Family carers who work less than 30 hours a week and provide care for at least 14 hours a week are paid pensions by the LTCI and they are covered by accident insurance. Measures in favour of caregiving relatives have also been introduced, including an increased care allowance for people with dementia, the introduction of an official Pflegestufe Null payment, and measures to reduce the tax-(and social insurance) burden of hiring legally allowed providers.

Funding and Coverage

LTC insurance is a social insurance representing a pay-as-you-go system and is almost entirely financed by contributions and premiums. Contributions are income dependent and shared equally between the employee (50%) and the employer (50%), with the exception of pensioners. Since 2005 childless members pay an additional contribution of 0.25%. Pensioners must contribute the amounts themselves while the contributions from the unemployed are covered by the Unemployment Insurance. After the 2008 Act, standard contribution rates for the first EUR 44 550 of annual income are 1.95% and 2.2% for childless contributors. Public spending makes up more than 50% of total LTC expenditure but out-of-pocket payments remain a significant 31% of expenditure and is especially prevalent in nursing home care. (Rothgang et al. 2008:88)

Delivery (Institutions)

LTC is managed by a number of LTCI funds. Inter alia charges/remunerations for services are negotiated in advance between the "costbearers" and the service providers and not by the government. Formal care services are almost entirely (97%) provided by private for profit and non-profit providers who have been contracted by LTCI funds. Similarly, semi-residential home providers are overwhelmingly private, with non-profit originations representing over half of all such homes. LTC in kind is only provided by those who are licensed and contracted by LTC insurers. The Arbitration board (Schiedsstelle) inspects annually the quality of home care and residential providers.

Workforce

Since 2003 the Altenpflegegesetz has centralized the requirements for education of specialized staff on federal level, replacing pre-existing requirements at Länder level and adjusted the framework on vocational training with the one of other health professions, mainly nurses. Furthermore, as of July 2010 a minimum wage floor has been implemented for caregiving workers in LTC facilities.

References


OECD 2009-2010 Questionnaire on Long-Term Care Workforce and Financing


OECD Social and Labour Demographics Database 2010

OECD Long Term Care for Older People 2005
