Ageing, Health and Innovation: Policy Reforms to Enable Healthy and Active Ageing in OECD Countries

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OECD Living Longer

Life Expectancy in different OECD countries 1960-2007

OECD Declining Fertility

Number of children per woman aged 15-49

Source: OECD (2010c)
OECD Aging Shift

OECD population by age groups

Shift in Old-Age Dependency Ratio

Key driver for “zero sum” policies changes, e.g. reducing benefits and increasing tax/social security contributions

Dependency ratio - selected OECD countries

- Australia
- Belgium
- Finland
- Germany
- Italy
- Japan
- Mexico

Source: UN (2008)
Zero-Sum Approach: Challenge and Conflict

Solutions are incremental

- Increase retirement age
- Adjust benefit payouts
- Higher healthcare co-payments, contributions

Belief that baby boomers are bringing massive health and social care costs, which are being paid for by smaller younger cohorts and that older workers working longer blocks jobs for the young
Life Course Approach: Leads to Opportunities

Core Assumptions
- Each generation provides value to society
- Requires a focus on seniors staying active and productive
- Seniors have experience and knowledge to benefit the marketplace
- Re-think “Middle Age” and “Seniors”
- Society does have room to accommodate both older and younger workers

Belief that employers and younger workers can benefit from the skills and experience of older workers and that as the older population becomes larger, the more important it becomes as a consumer market for existing products and services and new innovations.
OECD Focus Areas

- Address Chronic Disease
- Increase Technological Innovation
- Reform Health Care Funding Models
- Keep Older Individuals Independent and Productive as They Age

Live Longer AND Better
OECD Powered by Innovation

- Research and investment in biomedical and biotech fields
- Focus on disease prevention and management
- Policy reforms promoting healthy and active lifestyles, community engagement and personal independence (e.g. Age-friendly Cities)
OECD Non-Health Policy Reforms

**Pensions**
- Raising normal retirement age
- Limiting early retirement to allow more contributions and delayed payouts
- Promoting personal savings through tax incentives

**Work**
- Possibility of adjusting starting date of pension benefits
- Adjustment of older labor supply
- Changes in market institutions and conditions to accommodate later retirement
- Age-related tax credits for business and Individuals
- New skills and learning

**Housing**
- Owner Occupier Retirement Housing (OORH) – apartment blocks with communal facilities and support staff
- Integrate housing and workplace
- New architecture and engineering – MIT Age Lab/UK Business Lab
OECD Health Policy Reforms

- National Institute of Health and Clinical Excellence (UK)
- High Authority for Health (France)
- Institute for Quality and Economics in Healthcare (Germany)
- Drive innovative medical science for NCD progress – Alzheimer’s to Sarcopenia

Pharmaceutical Care Reviews
- Prescriptions per person down from 12.4 to 10.7 (Sweden)
- 73% of nursing home patients inappropriately prescribed medications (Ireland)

- “Reshaping Care” (Scotland)
- Patient hotels (Scandinavia)

- Pre-funding health care (Canada)
- Mandatory long-term care insurance (Japan)
Wellness Case Study: Scotland

“Reshaping Care in Scotland” themes:

• Partnerships in a community business model to keep people out of the formal care system

• Helping people remain at home using telecare and home adaptation, supporting healthy ageing through diet, exercise and falls prevention

• Creating effective care pathways including anticipatory care plans, managed care networks, re-ablement, and implementation of the dementia strategy.

We must “change attitudes and implement a philosophical shift from a culture of “dependence” and “incapacity” to one of “independence” and “capacity.””

If care services for older people in Scotland were to continue as they had been, there would be a 22% rise in costs by 2016.
Technology Case Study: CAALYX Project

EU-funded home monitoring system for older individuals living alone or with chronic conditions

- "Caretaker System" - Links patient to health care team and relatives
- "Mobile System" - Uses sensors in garments to monitor patient’s physiological parameters and alert health care staff if needed
- "Home System" - Allows patient to interact with monitoring system through smart phone and with family and health care team through television using modified Nintendo Wii
- "Wearable Light Device" - Monitors temperature, falls and mobility through component with sensors that can alert health care system
European Innovation Partnership on Active and Healthy Ageing

Goals:

• **Enable** healthy, active, independent living as we age
• **Improve** sustainability of health and social care systems
• **Create** new opportunities for business and growth