LONG-TERM CARE: OPTIONS FOR FUTURE WORK

4th Meeting of the Health Committee

To be held Wednesday 10 December and Thursday 11 December 2008
OECD Conference Centre, 2 rue André-Pascal, 75016 Paris

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NOTE BY THE SECRETARIAT

1. During 2008, activities by the Health Committee on long-term care (LTC) have primarily focused on improving statistics on LTC resources (other than financial) and utilisation -- including data on long-term care beds, recipients, and workers [See DELSA/HEA/HD(2008)2]. This data-oriented work contributed to, and was supplemented by, a paper reviewing the published literature on policies to address the long-term care workforce shortages [for reference: DELSA/ELSA/WP2/HEA(2008)7].

2. After briefly reporting on the ongoing data activities on LTC by the OECD Health Division, this note draws special attention to changes in the proposal for joint work by the Working Party on Social Policy and the Health Committee on thematic country reviews on long-term care policies for the 2009-2010 biennium. This proposal was originally discussed and endorsed by the Health Committee and the Working Party on Social Policy at their meetings on 19/20 November 2007 and 5/6 December 2007, respectively [see DELSA/HEA(2007)15-ANNEX2 and DELSA/ELSA/WP1(2007)21]. However, countries’ initial support has not been matched by actual commitments. The Secretariat has therefore identified an alternative plan of action for analytical work on long-term care, to be undertaken over the 2009-2010 biennium. This consists in preparing a comparative report addressing two issues: i) long-term care workforce (both formal workers and informal caregivers); ii) the financial sustainability of LTC systems.

3. This alternative plan of action received strong support from the Working Party on Social Policy at its meeting on 5-6 November 2008 [DELSA/ELSA/WP1(2008)]]. Delegates reiterated their strong policy interest in the implications of population ageing for the performance of LTC systems. There was broad support for refocusing the proposed work on the two specific areas of LTC workforce and financial sustainability. This alternative plan will only be possible, however, if countries commit adequate voluntary contributions over the next biennium.

4. Delegates are invited to:
   - **NOTE** the progress on data and analytical work on long-term care.
   - **COMMENT** on the options for future work on long-term care.
1. INTRODUCTION

5. This note briefly summarises the discussion on data collection on LTC resources and utilisation that took place at the 8-9 October Meeting of OECD Health Data National Correspondents. It then discusses a proposal for 2009-2010 work and, in particular, changes to the original idea of conducting country thematic reviews of long-term care that was agreed at the 19/20 November 2007 meeting of the Health Committee and the 5/6 December 2007 meeting of the Working Party on Social Policy.

2. PROGRESS ON LONG-TERM CARE DATA WORK DURING 2008

6. In addition to data on long-term care expenditure assembled under the framework of the System of Health Account (SHA), the OECD Health Division collects data on indicators of long-term care resources (other than financial) and utilisation, in collaboration with data Correspondents from OECD member countries. These indicators include: 1) Data on long-term care beds in nursing homes; 2) Data on long-term care recipients; 3) Data on long-term care workforce from a pilot undertaken during spring 2008.

7. At their 9-10 October Meeting, the OECD Health Data National Correspondents noted the many data challenges for data collection on LTC and, in some cases, highlighted the limits in data availability. They expressed strong support for continuing efforts to strengthen the standards and reporting on existing LTC indicators in the 2009-2010 Programme of Work and Budget. They agreed that further expanding data collection on LTC resources and utilisation would not be desirable until data quality and comparability on a core set of indicators and specifications were improved.

8. In terms of options for reporting LTC data, the Secretariat proposed two alternatives to OECD Health Data National Correspondents: i) relying on the regular OECD Health Data correspondents; ii) setting up a dedicated network of LTC experts. A majority of Delegates expressed preference for the first option, although two countries recommended the establishment of a different network and one country suggested using a dedicated network on a temporary basis, particularly on LTC workforce. There were mixed views about the frequency – yearly or every other year -- of data collection.

9. Based on the comments received, and given the many technical challenges, efforts to strengthen standards and reporting on long-term care will be included in the 2009-2010 Programme of Work and Budget. In relation to specific issues discussed at the meeting of OECD Health Data National Correspondents, the Secretariat recommends the following approach:

- OECD Health Data National Correspondents will remain the primary group with overarching responsibilities for guiding and organising data collection on LTC resources and utilisation. However, the Secretariat will encourage correspondents to involve other LTC experts to continue improving LTC data quality and comprehensiveness.
Data on LTC beds, recipients and workforce will be reported in the annual data collection of OECD Health Data. The specification on sources of financing for LTC recipients will be dropped – due to lack of available data in a large majority of countries – while data on LTC workforce will initially focus on a limited set of specifications (i.e., care settings; nurses versus caregivers; gender; and informal carers).

Efforts will be made to clarify definitions and data coverage with countries, in relation to two specific aspects; i) Inclusion of LTC recipients of help with Instrumental Activities of Daily Living only; ii) Inclusion of data on LTC recipients and LTC workforce in hospitals.

3. PROPOSAL FOR 2009-2019 WORK: REVIEWS OF LONG-TERM CARE POLICIES

3.1 Last year delegates expressed interest in a proposal on thematic reviews of long-term care

At the last meeting of the Health Committee (HC) on 19-20 November 2007 and the 26th meeting of the Working Party on Social Policy (WPSP) on 5-6 December 2007, delegates discussed a proposal for thematic country reviews on long-term care (see DELSA/ELSA/WP1(2007)21 and DELSA/HEA(2007)15/ANNEX2). A total of 12 countries expressed interest in the proposal at one of the two meetings. On the basis of this interest, the proposal was included in the draft Programme of Work and Budget (PWB) 2009-2010 of both the Health Committee and of the Employment, Labour and Social Affairs Committee (ELSAC), and the Secretariat commenced planning for the reviews.

The proposal reflected significant policy concerns in many OECD countries. Population ageing and a growing number of dependent elderly will put upward pressure on the demand for LTC services in the future. Meanwhile, societal transformation (e.g. declining size of the family, the greater geographical mobility of adult children and the increase in female participation in the formal labour market) will reduce the supply of care provided by informal family caregivers, while growing workforce shortages will endanger the capacity of health and social care systems to supply care.

On the basis of the interest expressed by countries, the Secretariat prepared a planning document outlining what each review would cover, process and procedures, which was discussed bilaterally with interested countries. The plan was for each review to include the following chapters: 1. Introduction and context; 2. Identifying and protecting care dependants; 3. Addressing caring responsibilities; 4. Maximising outcomes: healthy ageing, the quest for care quality and user satisfaction; 5. Achieving sustainable financing and efficiency in long-term care systems; 6. Conclusions and policy recommendations.

3.2 Countries’ initial interest has not been followed by an actual commitment

Countries’ initial enthusiasm has, however, not been matched by firm commitments to participate in the project. So far, one country (the Netherlands) has provided a voluntary contribution to the project. Significant interest was also expressed by another country, with an extra two countries interested but noncommittal. By the end of October 2008, four other countries have formally communicated to the Secretariat that they would not be able to participate in the project.
14. Among the reasons for this lack of enthusiasm are the following: i) lack of funds; ii) lack of human resources in the country to help the Secretariat organise the review; iii) reluctance to be “under review”; and iv) fragmented responsibilities for long-term care across different authorities, ministries and offices, making co-ordination more difficult. This has prompted the Secretariat to question whether the approach to work on long-term care for the next biennium should be reconsidered, as the basic premises under which the proposal was made and the work was planned have not come to pass.

3.3 Where do we go from here?

15. Convinced that there is still significant member country interest in long-term care issues, but not in pursuing them with a thematic review, the Secretariat proposes the following two alternatives:

16. A) Consider a different approach to analytical work on long-term care. Instead of all-encompassing country reviews, this project would involve an investigation of specific themes that were not addressed comprehensively in the 2001-2004 OECD project on long-term care (see OECD (2005), Long-term care for Older People, Paris). The Secretariat has in particular identified the following two main issues that could be addressed:


17. Access to LTC services depends critically on the availability of sufficient care providers. Given the context of growing demand for care, the reduction in the share of informal care and expected labour shortages of health professionals are likely to exacerbate workforce shortages in long-term care systems. Moreover, societal changes call into question the traditional role of the family in caring for the dependent elderly. This part of the activity would look at how responsibilities for caring for long-term-care dependent people are shared across society. With regard to the role of the formal sector, workforce issues related to retention, training, the role of domestic and migrant caregivers, and job attractiveness would be examined. With relation to the role of the informal sector, policies to reconcile work and caring responsibilities would be analysed. The design of LTC systems seeks to ensure that caring responsibilities are combined with paid work to help contain public cost and avoid imposing an excessive burden on taxpayers. This work would also draw from data collected by the Health Committee in the 2007-2008 biennium [See DELSA/HEA/HD(2008)2] and from data work included in the draft Health Committee PWB. A forthcoming working paper offering an overview of the LTC workforce and strategies for addressing looming LTC workforce shortages will also offer a background to this analytical work [see, for reference, DELSA/ELSA/WP2/HEA(2008)7].

A2) New social-insurance models for addressing long-term care financing and sustainability.

18. Growing demand for care and the prospect of shortages in supply will put pressure on sustainable financing via higher care volumes and workforce wages, making sustainable financing both a key policy objective and a challenge to maintain. Governments of OECD countries have different preferences regarding the role of the private and public sectors in financing long-term care. Regardless of such choices, the fiscal and cost sustainability of LTC systems will require matching available finances with several design features of each country’s system, including: i) the mix between public and private sources of financing; ii) how income and asset eligibility criteria are set in systems targeting benefits to the most needed; iii) the way benefits are defined (e.g., fix or cost-related), and their generosity; iii) the efficacy of

\[1\] In the original proposal, countries were asked to commit 75,000 EUROS to cover part of the cost of the review.
assessment procedures; iv) the incentives provided to elderly and dependent people to remain independent and to informal caregivers to continue supplying care; and v) the degree of patient cost-sharing remaining at the charge of individuals. In some OECD countries, recent reforms and new approaches to address the issue of financial sustainability are leading to a “new” social protection model, involving, for example, the creation of a dedicated LTC social health insurance system (Germany, Japan, Korea) or the set up of a new pillar of the social security system (France). This part of the activity will consider how the design features of the long-term care coverage and delivery system, its institutional and governance structure, and co-ordination with the health system impact upon value for money and financial sustainability, focusing in particular on emerging new models of social insurance to cover LTC risk. This work would draw on data on long-term care (expenditure, resources and utilisation) which are collected by the Health Committee.

19. To address these issues, the Secretariat would prepare a data and policy questionnaire to be sent to countries. An expert group could also be set up to guide the work of the Secretariat. A limited number of country case studies or short country missions could also be envisaged depending on available resources.

20. **B) Drop entirely this activity from the POWB for 2009/2010** (Output area 2.2.3, output result 5.1 in the POWB of ELSAC; Output area 2.4.2, output result 4.1 in the POWB of the Health Committee).

3.4 Financial implications

21. The two options presented above clearly have different financial implications (Table 2):

**Option A.** Under option A, the Secretariat would maintain the same amount of contributions from the regular budget as originally planned for the thematic reviews of long-term care, but would still rely on voluntary contributions to complete the work. Indeed it would only be possible to undertake this option if countries commit voluntary contributions in sufficient scale.

**Option B** would involve a “0” budget for Output area 2.2.3, output result 5.1 in the POWB of ELSAC and for Output area 2.4.2, output results 4.1 in the POWB of the Health Committee (dropping option). Under this option, the Part I resources allocated to the output result would be redistributed to other output results after consultation with the HC and ELSAC/WPSP delegates.

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<tr>
<th>Table 1. Total financial implications of alternative options over the entire biennium 2009-10 (K EUR)</th>
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<tr>
<th>Option</th>
<th>Health Committee</th>
<th>Working Party on Social Policy</th>
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<tr>
<td>Regular budget</td>
<td>Voluntary contributions</td>
<td>Regular budget</td>
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<tr>
<td>A) Selected issues in long-term care: LTC workforce and the new LTC social model</td>
<td>59</td>
<td>218</td>
</tr>
<tr>
<td>B) Drop the activity</td>
<td>0</td>
<td>0</td>
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<tr>
<td>For reference: - Original plans: thematic reviews of long-term care</td>
<td>54</td>
<td>461</td>
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4. NEXT STEPS

22. The Secretariat is seeking feedback from the Health Committee on the two options proposed in section 3 of this paper by 12 December 2008, as the draft POWB 2009-2010 of the Working Party on Social Policy and the Health Committee may need to be revised in light of reactions.

REFERENCES


OECD Health Data 2008