Switzerland

Long-term Care

18 May 2011

Key Facts

- About 17.3% (OECD average 15%) of the Swiss population is over the age of 65 years with about 5% (OECD average 4%) over the age of 80 years.
- The overall (public and private) expenditure on long-term care is estimated at around 1.8% of GDP for institutional care (OECD average about 0.9%), and 0.2% for care services at home (OECD average 0.3%), placing Switzerland above the average for total LTC spending in OECD countries.
- In 2008, 6.4% of the population over the age of 65 were recipients of LTC in an institution or health care facility, while 12.3% received care at home.
- There were 72 beds in institutions per 1000 population aged 65 years and over and 7.6 LTC workers per 1000 population aged 65 years and over in 2007. Both indicators of LTC capacity rank among the highest in the OECD (OECD Health Data, 2010).

Background

According to the Swiss Federal Constitution, responsibilities for long-term care (LTC) lie with sub-national authorities. Municipalities and, to a lesser extent, Cantons organise and provide or guarantee care for the aged. Unlike Germany, the Netherlands and Japan, there is no mandatory, comprehensive, long-term care social insurance for the elderly. While long-term care is largely regarded as an individual and family responsibility, part of LTC expenditure is covered by the mandatory health insurance (Health Insurance Law, LAMal), the Old-Age and invalidity benefit system (AVS-AI), and the so-called supplementary benefits to AVS-AI pensions.

Benefits and Eligibility Criteria

The *Health Insurance law (LAMal)* is a mandatory health insurance organised through competing non-profit insurers. In relation to long-term care, the LAMal provides *universal in-kind* benefits, covering the medical costs and a contribution to the care costs (ADL support) incurred in nursing homes (but not other cost such as accommodation), as well as part of the cost of home-care services. The reimbursement offered by the LAMal varies with the intensity of care needs and the out-of-pocket contribution of insurees, with the outstanding amount paid for by the Canton of residence of the insured person.

Long-term care benefits (invalidity allowances -- "allocations pour impotence") are also provided to recipients affected by permanent or long-term incapacity under the legal frameworks of the *Federal Law on Old Age and Survivors Insurance (LAVS)* and of the *Federal Law on Invalidity insurance (LAI)*. These allowances are provided to people with severe, moderate or mild invalidity, who were estimated to be 44 913 in total. The amount of the cash benefit varies depending on the degree of disability and whether they reside at home or in an institution. The amount of the benefit, thus, ranges from CHF 1 256 (EUR 998) for those with slight disability to CHF 20 318 (EUR 16 140) for those with severe disabilities. There are no restrictions on the services that can be purchased or financed with this allowance.

In addition, supplementary benefits (*prestations complémentaires*, PC) are non contributory means-tested benefits provided to the elderly, the survivors and disabled people. The amount corresponds to the share of "living" expenses exceeding own income and resources". The federal law defines the living expenses that are included in the calculation, for example per-diems paid in nursing homes and some home-care cost. Per diems are fixed by cantons for nursing homes located on their territory. There is no upper limit for supplementary benefits (except for the reimbursement of costs due to sickness and disability). The supplementary benefit for AVS pensioner in a home for the elderly amounts to CHF 2 500 (EUR 1 985) per month on average. It was estimated that 6.6% of the population aged between 18 and 64 years old received benefit from an AI pension, 37.2% of which also received supplementary benefits to AI. 11.7% of beneficiaries of an old-age pension receive supplementary benefits to AVS.

The only AVS cash benefit older persons are entitled to apart from pensions and supplementary benefits is the invalidity allowance. A prerequisite for this is to be entitled to an old-age pension or supplementary

pensions (Overview of Swiss Social Security pensions). Invalidity allowances are not means tested. Older people are not entitled to invalidity benefits (AI) and receive therefore benefits based on AVS legislation.
Finally, in-kind benefits are provided under the AVS-AI system, such as prevention and rehabilitation services and some transport services. There are ceiling to the amount of these benefits.

In June 2008, the federal Parliament adopted some changes affecting the LAMal, the AVS-AI and the complementary benefits (PC) under AVS-AI, to come into force on first of January 2011. For example, the new rules introduce invalidity allowances for old-age pensioners with mild disabilities residing at home (see http://www.admin.ch/ch/f/ff/2008/4751.pdf), including an allowance to pay a person providing assistance with personal care (activities of daily living). These allowances are received independently fromany rights acquired as an AI pensioner.

Long-term care provision

Formal care is provided in old-age or disability homes, in medical nursing homes and at the homes of the care beneficiaries (so-called Spitex).

The cantons generally subsidise the construction and running costs of public and certain private nursing and old-age homes. These institutions are subject to the same system of cantonal planning as hospitals. Two-thirds of nursing homes and other providers of institutional care are public institutions or non-profit organisations, while the remaining third consists of private for-profit institutions. Total bed capacity is around 85 200, with occupancy rates of 95-97% in 2005. Some elderly people requiring nursing care are admitted to hospitals due to waiting lists for entry to nursing homes. The majority of nursing-home residents are aged 80 years and over. There are no standardised criteria for assessing the severity of cases across Switzerland. Institutions use three different systems (Plaisir, Rai/Rug and Besa) to evaluate the need for care.

Home-based care activities are also an important component of the system. Spitex is the Swiss-German acronym for domestic aid and care services provided especially to the disabled and frail elderly outside hospitals. Home care is organised on a local or canton basis, predominantly by non-profit, private organisations. Spitex offer fairly comprehensive and wide-ranging health and social-support services. About half of the cost is met through public sources.

Funding

According to the Swiss health accounts, long-term care is financed for about 40% through a complex system of public support and social insurance and about 60% by households. The financial burden of the households is however significantly reduced through supplementary benefits to old-age and invalidity pensions paid by the federal and regional government (24% of the total expenditure) and is finally estimated at 36%

Long-term care workforce and informal carers

Service provision is a responsibility of cantons. Specific national strategies or targets concerning the general workforce are lacking but are actually being developed. Informal carers play an important role. An estimated 21% of the Swiss resident population, especially women, provides informal help to children or adult relatives (2010 Office fédéral de la statistique, Neuchâtel).

Health care and health related care is probably a small part of these services. No special benefits are paid to carers, but carers can avail of paid and unpaid leave, and depending on the sector/employer, flexible work arrangements may apply. Furthermore persons caring for relatives living in the same household may claim a bonus for care-taking which is considered in the calculation in the old-age pension. Tax deductions are also possible. A pilot project (“bourse de temps”) aims to encourage informal caring to elderly people by providing carers with a credit on their own future care needs.

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According to a draft reform of the invalidity insurance disabled persons living at home wishing to organize their own care providers' network would be financially supported to this purpose (Federal Department of Home Affairs, Switzerland, 2009).

References

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