

# Denmark

## Long-term Care

18 May 2011

### Key Facts

- Approximately 16.1% of the Danish population is aged over 65 (OECD average 15%) while 4.1% of the population is over 80 (OECD average 4%).
- Denmark spent 2% of its GDP on health related long-term care in 2007, of which 1.8% was publicly funded. Denmark spent 1.2% GDP on home long-term care and 0.8% on institutional long-term care in 2007.
- In 2006 approximately 4.8% of Denmark's population over the age of 65 received LTC at home and 9.5% received care in an institution.
- In 2007, there were 9.5 formal long-term care workers per 1000 population over the age 65, above the OECD average of 6.1 workers.
- In 2008, there were 14.5 long-term care beds per 1,000 population aged 65 years old and over, substantially lower than OECD-average of 44.5 beds (OECD Health Data, 2010).

### Background

The Danish long-term care (LTC) system for the elderly and people with disability, including home-help services, is a universal system. The Danish Central government is responsible for determining the overall principles underpinning the long-term care system. Local authorities are responsible for the delivery of LTC services, make and implement LTC policy and decide how LTC resources are allocated.

### Benefits and Eligibility Criteria

The Danish LTC system provides comprehensive coverage for a wide-range of social services, including home adaptation, assistive devices and home help. One of the main aims of the social services for elderly and disabled people is to ensure that they can manage in their own homes. In cases where elderly or disabled people cannot manage on their own, they can move to residential care homes and sheltered homes.

Eligibility is based on a needs' assessment performed by the local authority. Eligible individuals may receive a cash benefit in order to employ necessary assistance. In order to qualify for this allowance, an individual must meet a given level of need.

### Funding

Local authorities finance the costs of long-term care through block grants received from the government, local taxes and equalisation amounts received from other local authorities. The overall budget for long-term care services is global, and is set annually. Legislation allows local authorities some limited freedom in setting charges for home help and some other non health-related expenses. Thus, user charges only account for a small part of the total LTC expenses (out-of-pocket payments account for 0.25% of GDP or about 10% of total LTC expenditure)

### Care Provision

At the local level, both local authorities and private providers supply personal (mainly support for ADL) and practical (mainly support for IADL services) services. Since 2003, through the establishment of the "free choice reform", local authorities have allowed private providers to enter the market. Private providers have to meet quality standards, and in some cases, price requirements, established by local authorities, according to the special needs of each municipality. The Consolidation Act of Social Services, fully implemented in 2010, gives the local authorities an option to arrange services by providing a user a service certificate, which allows a person to employ his/her own personal helper among individual persons and companies. Local authorities can also give cash benefits.

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### **Home care**

One of the objectives of Denmark's LTC system is to encourage and enable the elderly to stay at home for as long as possible. Under Denmark's public LTC system, personal care (ADL) and practical assistance (IADL) are available to all dependent individuals, and is not subject to co-payments. Home care services also include support towards technical aids and consumer durables, when such devices may provide considerable relief to a person with reduced functional capacity. The system may also offer assistance for home adaptations of individuals with reduced physical or mental functional capacity.

In addition, complementary coverage is provided for necessary additional expenses, when these expenses are a direct consequence of the person's reduced functional capacity. Assistance is also offered for activities outside of the beneficiary's home, as well as for the purchase of a car, if a car will substantially facilitate the achievement or sustainment of employment or education or participation in activities of daily living, where the disability leads to a significant need for transportation by car.

### **Institutional Care**

A basic principle of Denmark's senior policy is that the type of home should not dictate the offers of care to older people. All eligible individuals have free choice of care providers. These include senior citizen residences, gated communities, assisted living units and nursing homes. Nursing homes may be conventional or in the form of subsidised, non-profit housing for the elderly. Moreover, day-care centres are available to those who do not wish to move permanently. Older people (or disabled people) generally pay the rent for living in a non-profit or conventional nursing home.

### **Informal caregivers**

Compared to other countries, informal caregivers in Denmark play a relatively smaller role as part of the caring system. According to data from SHARE, 8.3% of the population is providing help with ADL as informal caregivers, which is one of the lowest among EU and other selected OECD countries. Informal carers can claim compensation for lost wages (care allowance). The local council decides on the payment of the care allowance, after a doctor assesses the care receiver and agrees that he/she should be cared for at home. Moreover, the local authorities offer substitute care or respite services to a spouse, parent or other close relative caring for a person with impaired physical or mental function. These services may be granted for a few hours up to full-time, depending on the needs and preferences of the primary caregiver and the person with disability.

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