

### Key Facts

- In 2011, about 16.9% (OECD average 15%) of France's population is aged over 65 and about 5.5% (OECD average 4%) over 80.
- In 2008, France's total long-term care expenditures were equivalent to about 1.8% GDP (OECD average 1.5%). More than 70% of LTC expenditures are targeted to institutional care (i.e., hospitals and nursing and residential care facilities)<sup>1</sup>.
- In 2007, about 6.7% of the population over the age of 65 were recipients of LTC in an institution (selected OECD country average of about 4%) while about 6.5% received care at home (selected OECD country average of about 9%).
- In 2008, there were about 52 long-term care beds per 1000 persons aged 65 and over (OECD average of about 44 beds) (OECD Health Data, 2010).

### Background

France is a unitary state subdivided in administration regions (departments). Support for the provision of long-term care, either at home or in an institution, is mainly provided through the public health insurance system and through the allowance for the autonomy (allocation personnalisée d'autonomie - APA). While support provided to elderly for activities of daily living (ADL) or instrumental activities of daily living (IADL) is viewed as a social risk, the public health insurance system continues to play a major role in financing ADL-support services. Considerations are currently given to bring about change to the existing LTC systems in France.

### Public Health Insurance System

Generally, the public health insurance system (*Sécurité Sociale - Assurance Maladie*) covers health services provided to a patient who requires long-term care due to a chronic or acute medical condition. These include health services provided in institutions and home nursing care (services de soins infirmiers à domicile (Ssiad)).

### Home Nursing Care

Home nursing care (e.g., Ssiad services) includes support for ADLs such as personal hygiene, and eating. In 2008, there were about 106,000 home nursing care (Ssiad) places, with 95 per cent of the places targeted to dependant individuals 60 years and over (Drees n. 739). As part of the *Plan solidarité grand âge* home nursing care capacity is planned to number 232,000 places in 2025. Prescribed home nursing care is fully covered by the public health insurance system.

### Institutional Care (For disabled and dependent elderly people)

In 2007, there were about 657 000 individuals living in institutional care. In France, residential institutions includes about 6,500 traditional home for the elderly, about 2,800 sheltered housing facilities and about 900 nursing homes. 57 per cent of institutional care facilities are public facilities, about 27 per cent are private not-for-profit facilities and about 16 per cent are private for-profit facilities (source: Drees no 689). In those institutions, there were the equivalent of 140,000 FTE nurses and personal carers (aide-soignant), of which 92 per cent are women (source: Drees no 689).

The cost of nursing and residential care facilities is split in three components, the health cost (tarif de soins), the dependence cost (le tarif dépendance) and hotel cost (tarif d'hébergement). As for the dependent cost, see section below on APA.

Residents are responsible for hotel costs. Those who cannot afford to pay the full-cost of long term residential care may be eligible to public social assistance for housing (l'aide sociale à l'hébergement).

<sup>1</sup> Long-term care expenditures include expenditures on young people with disabilities.

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### **Allocation Personalisee d'Autonomie (APA)**

As a complement to the support provided by public health insurance, APA provides individuals with ADL restrictions additional cash support towards the cost they incur as a result of their dependence. APA is available for people aged 60 or older, who are dependent (assessed according to four levels – Groupe iso-resource 1 to 4) and live either at home or in a retirement centre. APA is administered by local departments, which leads to some differences in the level of APA benefits provided across beneficiaries.

For those living at home, APA provides support towards any expenses incurred in line with a personalised support plan identified by a social-medical team. Plans generally include support for both ADL and IADL services through the employment of a caregiver (except for their spouse or partner). For those living in a retirement centre, APA offset a portion of the dependence cost while the remaining is paid by the resident (about 33% of the dependence costs on average - source: Drees n 666).

The monthly cash allowance varies according to the assessed level of dependence and is limited to national ceilings (in 2010 : GIR 1: 1,235 Euros, GIR 2: 1,059 Euros, GIR 3: 794 Euros and GIR 4: 530 Euros). Depending on their level of income beneficiaries are required to forgo a certain percentage of the assessed level of APA down to a prescribed floor (up to a 90 per cent reduction). In 2009, close to 1.2 million individuals received a total 5.1 billion Euros in APA benefits, of these, about 40% of APA beneficiaries were living in institutions. On average, the proposed level of APA benefits is equivalent to 70% of the national ceilings.

In 2009-10, as part of the government's stimulus package, APA beneficiaries were eligible to an additional 200 Euros through a 'Chèques emploi service universel (Cesu)'. The Cesu could be used to reduce the amount of co-payment that APA beneficiaries had to pay.

Individuals with a disability (less than 60 years of age) are eligible to an allowance (la Prestation de compensation du handicap - PCH). Relative to APA, benefit levels are generally higher under PCH.

### **Caisse national de solidarite pour l'autonomie (CNSA)**

The CNSA is the national referee agency for the compensation policy for disabled and dependent elderly people. Its main missions are to finance the compensation policy for the disable and dependent elderly (APA) and to guarantee territorial equity in the provision of services.

The CNSA budget of 17 billion euros in 2008 is composed of national taxes, labour income taxes, a specific solidarity tax (contribution solidarite autonomie (CSA), which is effectively a payroll tax) and funds from the public health insurance programme (about \$11.4 billion euros in 2008).

### **Complementary Income Tax Deductions**

For dependent individuals, tax measures include an income tax reduction (up to 10000 Euros annually) in recognition of the costs (net of public support) incurred to hire an individual to support them with eligible IADL or ADL activities. In addition, individuals above the age of 70 who hire an individual to support them with either IADL or ADL activities are exempted from paying compulsory employer-contributions. Furthermore, an income tax reduction (up to 2,500 Euro annually) is provided to individuals living in institutions in recognition of eligible expenses they incurred in association with their dependency in an institution.

### **Long Term Care Insurance**

France, with the United States, is one of the two leading markets in terms of the share of its population covered by private LTC insurance. In France, in 2010, the equivalent of 15 per cent of the population aged

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over 40 years had private LTC coverage, compared to about 5 per cent in the United States. In France, the group LTC insurance market is relatively large and represents about 45 per cent of the market (FFSA 2009). Indemnity policies are the prominent model of private coverage arrangements in France, under which an individual typically pays annual premiums in exchange of a determined future stream of income (rente) once the individuals is deemed to have become dependent.

### Caregivers

In 2003, about 75 per cent of APA beneficiaries received care from a family member. The majority of caregivers are women (62 per cent, average age of 58 years old). Only about 10% of informal (family) caregivers are paid in the context of APA.

As for combining care and work activities, employed family caregivers can take 3 months of unpaid leave (up to 1 year over one's career) to care for a dependent or a person with disabilities. Lastly, specific tax reductions are also available to individuals who care for a dependent person.

### References

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

OECD Health Data 2010

OECD Social and Labour Demographics Database 2010