

APPROACHES OF DIFFERENT COUNTRIES IN FUNDING LTC (5 EUROPEAN COUNTRIES, AUSTRALIA & CANADA)

(source : Funding Health Care : Options for Europe, European Observatory on Health Care System Series, Open University Press, World Health Organization. 2002 : 236)

- “In Europe, long-stay hospital services have been nearly universally reduced and replaced by residential and nursing home care. Arrangements for funding replacement services (replacing long-stay hospital) vary between countries : some are financed from health care budgets, some from social service budgets and some by users themselves.” (WHO, 2002)

Country	Funding source	User charges ?		Rate of elderly ¹ receiving		Who provides the services ?
		Institutional care	home care	institutional care	home care	
Denmark	<ul style="list-style-type: none"> ■ General taxation for both health & social services 	<ul style="list-style-type: none"> ■ charges for rent & basic care ■ the charge is related to pension levels. 	Free of user charges.	6%	20%	Mostly by Public sector
France	<ul style="list-style-type: none"> ■ Health insurance covers care costs in long-stay hospital and nursing home care and nursing at home but not home care 	<ul style="list-style-type: none"> ■ User charges for hotel costs in hospitals & care homes 	<ul style="list-style-type: none"> ■ Free for nursing services at home that are medically 	5%	10%	

¹ “No more than 5% of older people in Austria, Germany, Ireland, Italy, Portugal and Spain receive home help versus more than 10% in Denmark, Finland, Norway and Sweden.” (OECD 1996).

	<p>services.</p> <p>Health insurance :</p> <ul style="list-style-type: none"> - covers nursing component of care in long-stay sections of hospitals & in retirement homes that have a medical section <p>Social insurance :</p> <ul style="list-style-type: none"> - contributory - covers social care 		<ul style="list-style-type: none"> ■ prescribed Charges for home care & based on income 			
Germany	<ul style="list-style-type: none"> ■ Statutory insurance scheme for LTC covers both residential & home care; ■ funded by social security contributions ■ Before this new scheme, social security did not cover LTC 	<ul style="list-style-type: none"> ■ Users paid the cost according to a means-tested social assistance safety net ■ provides for 3 levels of benefit depending on an assessment of care needs ■ eligible people can choose cash or services 	5%	<5%	Mostly by voluntary sector	
The Netherlands	<ul style="list-style-type: none"> ■ LTC funded by a special national care fund set up in 1968 - finances nursing home care & community health services but with 	<p>Co-payment required for most services</p> <ul style="list-style-type: none"> ■ A minority of elderly receiving LTC are given cash benefits in the form of a 'personal budget' 	6.5%	5 – 10%	Mostly by private sector	

	<p>co-payment</p> <ul style="list-style-type: none"> - based on tax-related contributions supplemented by central government financing ■ Local authorities finance residential care and home care and apply a means test ■ Social health insurance funds health services for most of the population and private health insurance for the wealthier ■ Social insurance is funded by contributions by employers and employees supplemented by deficit funding from the Central government 	<p>with which to purchase services.</p> <ul style="list-style-type: none"> ■ Personal budgets account for <5% of total LTC expenditure for older people 			
UK	<ul style="list-style-type: none"> ■ National Health Service covers hospital and community health services but not residential or domiciliary social care. 	<ul style="list-style-type: none"> ■ Health services : mainly free ■ Social services : mostly subject to charges; residential care subject to a national means-test (considers most income & 	5%	>10%	<ul style="list-style-type: none"> ■ Since 1993, local authority given responsibility for assessing care needs & arranging care.

	<ul style="list-style-type: none"> ■ Most health services : general taxation ■ Social services : central & local taxation 	assets); Local authorities set charges for home care.			<ul style="list-style-type: none"> ■ Mixed provision : public, voluntary & private sectors
Sweden	<ul style="list-style-type: none"> ■ The municipalities are funding hospital care when it is no longer required for health reasons and discharge is delayed by a lack of adequate community services. ■ The municipalities are responsible for LTC for elderly and disabled people since 1992. 				
Canada	<ul style="list-style-type: none"> ■ Health care financed by general taxation, both federal & provincial ■ Public sector funding represents about 72% of total health expenditure, while the rest of 28% is financed privately through supplementary insurance, employer-sponsored benefits or directly 				<ul style="list-style-type: none"> ■ Both public & private in most provinces

	<ul style="list-style-type: none"> ■ out-of-pocket. ■ Institutional care paid by the provincial government, but accommodation costs (room & board) paid by the user. ■ These costs may be paid out-of-pocket or through private insurance. 				
Australia	<ul style="list-style-type: none"> ■ Social care funded by all levels of government ■ Commonwealth financed the Residential aged care ■ Commonwealth and states jointly fund and administer community care services. ■ Commonwealth introduced nursing home subsidies in 1962 as part of a health policy intended to shift the LTC of OP out of hospitals. home sector. ■ 	<ul style="list-style-type: none"> ■ Funding arrangements for residential care changed in 1997 & 1998 with the extension of income-tested resident co-payments for nursing homes, which were unified with hostels, with funding allocated on the basis of resident dependency. ■ Formerly, the Commonwealth subsidy and the Old Age Pension had covered most of the fees. New arrangements for accommodation payments were also introduced with all residential care facilities able to seek a contribution (for capital improvements) from residents able to pay. 			<ul style="list-style-type: none"> ■ Social care is provided by a mix of government, voluntary sector and commercial providers ■ Residential aged care is provided mainly by the private sector ■ OPs are increasingly cared for in Commonwealth subsidized nursing homes rather than in State hospitals, accompanied by a major expansion of the private nursing

