Long Term Care Policy

Country: Austria
Partner Institute: Institute for Advanced Studies (IHS), Vienna
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Health Policy Issues: Long term care
Current Process Stages

	Idea	Pilot	Policy Paper	Legislation	**Implementation**	**Evaluation**	Change

Featured in half-yearly report: Health Policy Developments Issue 2

1. Abstract

As a part of social policy, the Austrian government adopted a plan for long-term care. The plan seeks to provide equal access to health care regardless of peoples' income. It enables people to purchase health care services according to their needs and secures staying at home as long as possible. Currently, more than 80 percent of people older than 60 years are receiving health care at home.

2. Purpose of health policy or idea

To reorganize and harmonize LTC in Austria.

Main objectives

- To grant needs based access to LTC services according to seven needs based catgories
- To enable people to purchase services according to their needs
- To promote independence and
- To secure staying at home as long as possible

Type of incentives

LTC cash benefits are earmarked and cover long term care related additional expenditure; they are not intended to supplement income; beneficiaries are not required to prove how they spend this cash benefit, or if it is spent for nursing at all.

With the introduction of LTC benefits it was expected that a market will be created for providing those services; thus, this measure is a supply side policy as well as a demand side policy.

Groups affected
People in need for long term care, Families, women

3. Characteristics of this policy

Degree of Innovation	traditional	innovative
Degree of Controversy	consensual	highly controversial
Structural or Systemic Impact	marginal	fundamental
Public Visibility	very low	very high
Transferability	strongly system-dependent	system-neutral

4. Political and economic background

No explict reference to current legislation in the current policy paper (April 2003); the name of the chapter on health policy is however: "Gesundheit und Pflege".

5. Purpose and process analysis

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Origins of health policy idea

Eligibility comprises all persons in need regardless of income according to the principal equal services for equal needs.

In recent years eligibility was enlarged to priests, employees of the stock exchange, certain physicians, lawyers; further to people receiving victim benefits; from March 2002 on those groups of people are eligible to receive services up to category seven; prior to 2002 services were only granted up to needs category 2.

Pooling and allocation of the federal nursing sheme is carried out by the social pension funds.

Approach of idea

The approach of the idea is described as: new: amended:

Stakeholder positions

Implementation in Jannuary 1993; legislative base is the federal nursing scheme "Bundespflegegesetz" (BPGG) which is accorded in nine state government nursing schemes "Landespflegegesetze"; Of the total of amount spent on the

nursing scheme in 2002 about 84% or Euro 1.309 million is paid by the federal government;

This piece of legislation at the time of implementation was well received on behalf of all stakeholders and it is been still considered as an important step to timely social policy.

Currently, more than 80 percent of people older than 60 are being cared of at home; in order to ensure that people could also be cared of in other settings, the general agreement between the federal government and states, entails the obligation of the states to provide benefits in kind, i.e. provision of mobile nursing services, nursing homes);

Representatives of the biggest opposition party sometimes claims to re-organize long term care and to provide long-term-care insurance instead of paying cash benefits.

Monitoring and evaluation

In an evaluation in 1997, it was found that the targeting of the scheme was satisfactory and care givers also showed a high degree of satisfaction; respondents however claimed that there is still scope for providing more services and that social services are not enough integrated ; in addition, care givers are not adequately secured with social benefits; this problem was partly dealt with as legislation was implemented for care givers to get a discounted old age insurance
In an evaluation carried out in 2002 on behalf the Ministry of Social Security and Generation, it was found out that 90 percent of beneficiaries in a representative sample was very satisfied with the care delivered at home; 9 percent were satisfied; problems are indicated with respect to the physiological and psychological burden of private care givers; whereas an information deficit was indicated as being the biggest problem, financial constraints were rated as being minor.

6. Expected outcome

In 2003 beneficiaries will receive between Euro 145, 5 per month in needs category 1 to 1.531,5 in needs category 7; in all categories more femals than males receive benefits; 36% of all beneficiaries are concentrated in category 2, of which the number of female beneficiaries is almost twice as high; 44% percent of beneficiaries receive benefits above category 2; however, the share of beneficiaries declines between category 3 (17,2%) and category 7 (1,6%) more than 15 percentage points. Over time uncertainties concerning the categorization could be reduced, and benefits are targeted more tighly to needs.
Within the EU-Project: Forecasting the effects of aging on health expenditure, projections were carried out utilizing various population and cost scenarios (see reference above).
In 2000 federal nursing scheme expenditure corresponded to 0.67% of GDP, with 0.37% or more than half of it accounting for the age group 80+. An additional 0.20% of GDP accounted for the age group 65-79. Due to the sharply increasing expenditure profile and the growing share elderly people take in the entire population, the expenditure distribution according to age groups will considerably shift in the future. The expenditure for younger people as share of GDP will remain almost constant. In line with these developments the future increase in federal nursing care expenditure is mainly due to the growing share the age group 80+ has in the entire population: In the population forecast's medium variant the federal government's long-term care expenditure as share of GDP will more than double until 2050. In the model calculation it rises by 0.87% of GDP, with the expenditure for the age group 80+ alone

increasing by 0.78%.
These model calculations are based on the assumption that health and thus the use of health or long-term care benefits remain constant in the future, although it can be expected that along with the rising life expectancy the health status of the elderly is likely to improve. Taking into account this hypothesis the current calculations may be overestimating the demand for long-term care benefits in the future. Preliminary evidence suggests that, if persons aged 75 in 2050 have the same health status as persons aged 70 now, the total federal nursing scheme expenditure increases only by a quarter, compared to a doubling of expenditure in the central scenario.

Quality of Health Care Services	marginal		fundamental
Level of Equity	system less equitable		system more equitable

Since 1995 the cash benefits were neither raised nor adjusted to inflation leading to benefit losses; for example whereas prior to 1996 the scheme provided for category 1 Euro 191,5 per month the current amount is Euro 145,5; thus there is quite a debate about raising the benefits to at least account for inflation; it is frequently been indicated that in addtion to those failures the costs of services and care have rosen thus aggravating the situation of the beneficiaries and their care givers.
Another problem seems to concern the monitoring of the state policies with respect to building up and running nursing homes; recently there was a debate about the quality of care provided in one of the biggest nursing homes in Vienna; the director of the nursing home was laid off after an investigation was carried out revealing bad nursing practices which were mainly justified on grounds of shortages of nurses; a news articel in late October 2003 pointed to a situation in Lower Austria where a private nursing home was investigated already two years ago but not yet shut down even though the then submitted report indicated that the insitution did not comply with all the regulations.
We believe, that political tensions with respect to the level of benefits are likely to increase in the future as latest from 2000 on the number of people qualifying for long term care benefits will increase at a higher rate than in the past and thus the monies to be earmarked for those benefits will have to increase accordingly (see above) and even more so if beneficiaries should no longer be confronted with real benefit losses.

7. References

Sources of Information

Sources of Information
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