

## A Review of Long Term Care systems in 5 Developed Countries and Hong Kong

(Main source : Long-Term Care Laws in Five Developed Countries : A Review, J. Brodsky, J. Habib, I. Mizrahi, WHO. Sept, 2000, p.8- 14)

- *All of the 5 countries provide LTC service by statutory program (social insurance approach) based on personal entitlement.*

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>LTC program name</b>	The Federal LTC Allowance Act; The Provincial LTC Act	LTC Insurance Law, or Social Dependency Insurance Program	The Exceptional Medical Expenses Act	Community LTC Insurance Law	LTC Insurance Program or the Care Insurance Law for the Elderly	No such Law at the moment
<b>Date of initial implementation</b>	January 1, 1994	April, 1995 (community care); Expanded to include institutional care on July 1, 1996	January 1, 1968  Changes over time in kinds of services covered	April 1, 1988	April 1, 2000	N.A.
<b>Nature of the program &amp; the Insuring Agency</b> a) Special/part of health or social insurance b) Insuring agency	a) Special program b) Ministry of Labour, Health & Social Affairs	a) Special Program b) Care funds linked to sickness funds	a) Special Program b) Ministry of Health, Welfare and Sport <sup>1</sup>	a) Special program b) National Insurance Institute (Social Security)	a) Special program b) Municipal Government	N.A.

<sup>1</sup> The AWBZ is managed through health insurers : the health insurance funds, or private health insurance companies approved by the government. The government is responsible since insurance organizations cannot take financial risk to cover AWBZ.

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>Eligibility criteria</b>						
a) Age	a) 3+	a) all ages	a) all ages	a) Women 60+, men 65+	a) 40+	a) 60+
b) Health, functional status	b) Disability in ADL, IADL	b) Disability in 2 or more ADL	b) health problems, functional disability	b) Disability in ADL &/or need for constant supervision	b) 40 – 64 : age-related disease 65 : difficulty in ADL, cognitive ability, sensory ability; minimum level includes almost independent people <sup>2</sup>	b) impairment in cognition, ADL & IADL
c) Availability & extent of family assistance	c) not considered	c) not considered	c) considered	c) not considered	c) not considered	c) considered
<b>Means test</b>	None	None	None	Yes, for full benefit-income not higher than average wage for single person, and 1.5 for couple	None	None
<b>Assessment tools</b>	Structured; uniform nationwide	Structured; variation among provinces	Discretionary; uniform protocol being prepared	Structured, uniform nationwide	Structured; uniform nationwide	Structured; uniform across territory

<sup>2</sup> The minimum level of disability includes people who are able to sustain an independent daily life. Services are aimed at improving the current situation and preventing the deterioration of underlying conditions. Services include periodic home visits to provide guidance to family caregivers and health counseling (Okamoto, 2000).

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>Responsibility for assessment</b>	Insuring agent	Medical Board	Regional assessment boards (RIO)	National Insurance Institute <sup>3</sup>	Municipality	Assessors accredited by government
<b>Benefits</b> <b>Cash allowance</b> (unrestricted/restricted <sup>4</sup> ), <b>in-kind</b> services, or combination of both	<b>Cash allowance</b> (unrestricted)	<b>Both for home care</b> - in-kind services and unrestricted cash allowance - value of cash allowance is lower than that of in-kind services (45% - 53% of benefit depending on disability level)  <b>in-kind only for institutional care</b>	<b>In-kind</b> services - a minority of elderly receiving LTC are given restricted cash allowance in the form of a 'personal budget', to purchase services, including those from family members (accounts for <5% of total LTC expenditure for older people)	<b>In-kind</b> services - cash – 80% of the benefit offered only in the absence of services (very few beneficiaries)	<b>In-kind</b> services <sup>5</sup>	<b>In-kind</b> services <i>*Besides, quite a number of the aged people receiving public assistance are using private aged home services, i.e. the government indirectly pay them cash to support for their institutional care</i>

<sup>3</sup> The National Insurance Institute pays independent public health nurses per assessment

<sup>4</sup> Unrestricted ones allows beneficiaries to use the funds freely, but restricted ones only allow them to purchase services.

<sup>5</sup> It was decided in 2000 that the beneficiary meeting certain criteria would be granted ¥ 100,000 (about \$900). This is not an insurance benefit of the LTC Insurance, but a grant paid out of general revenues.

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>Main services covered :</b> a) institutional care b) Home care c) Day care d) Others	Beneficiary's choice, in all categories	a) Yes b) Yes c) Yes d) Respite care, night centres, assistive devices	a) Yes b) Yes c) Yes d) Assistive devices, Home nursing, Respite care, Rehabilitation	a) Yes b) Yes c) Yes d) Absorbent Undergarmen ts, Laundry services, Emergency Alarm system	a) Yes b) Yes c) Yes d) Respite care, Visiting nurse, Assistive devices, Rehabilitation, home adaptations, medical supervision	a) Yes b) Yes c) Yes d) Respite care, Emergency Alarm system (cash assistance)
<b>Level of benefits per month (estimated in US\$)</b>	Between \$160 & \$1,686 (cash allowance) as of 1998 <sup>6</sup>	Community care : - in-kind services : between \$375 and \$1,400 (or \$1,875 in hardship cases); - cash allowance : between \$200 and \$650 (as of 1999)  Institutional care : in kind services : between \$1,000 and \$1,400 (or \$1,650 in	Not specified – no formal limit on total benefit, maximum limit in specific services (such as 3 hours per day for home nursing)	Between \$360 and \$540 (for in-kind services) (as of 1999) <sup>8</sup>	Between \$560 and \$3,260 (for in-kind services) (as of 2000) <sup>9</sup>	Community care <sup>10</sup> : - in-kind services : a) HH : \$150 <sup>11</sup> b) EHCCS : \$490 <sup>12</sup> c) DE : \$620 - 830 <sup>13</sup>  Institutional care : - in kind services : a) H/A : \$525 <sup>14</sup>

<sup>6</sup> Calculated according to exchange rates : ATS 12.5 = \$1

		hardship cases) (as of 1999) <sup>7</sup>					b) C&A : \$650 - 1110 <sup>15</sup> c) NH : \$1650 <sup>16</sup> d) Infirmary : \$3,840 <sup>17</sup>
--	--	---	--	--	--	--	---

<sup>7</sup> Calculated according to exchange rates : DM 2 = \$1

<sup>8</sup> Calculated according to exchange rates : NIS 4.1= \$1

<sup>9</sup> Calculated according to exchange rates : ¥109.8 = \$1

<sup>10</sup> Calculated according to exchange rates : HK\$7.8 = \$1

<sup>11</sup> Excluding service fee (3 levels depending on the client's financial situation); HK\$1266 as of 2001

<sup>12</sup> Excluding service fee (3 levels depending on the client's financial situation); HK\$3882 as of 2001

<sup>13</sup> HK\$4844 - \$6490 as of 2001

<sup>14</sup> Excluding service fee of HK\$1,429 - \$1,506 (depending on whether the client is having disability allowance), HK\$4100 as of 2001.

<sup>15</sup> Excluding service fee of HK\$1,605 - \$1,813 (depending on whether the client is having disability allowance), HK\$5072 - 8708 as of 2001

<sup>16</sup> Excluding service fee of HK\$1,994 , HK\$12784 as of 2001.

<sup>17</sup>HK\$30,000 as of 2001

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>Auspices of service providers</b>	Government; NGOs; For-profit organizations	Government; NGOs; For-profit organizations	Government; NGOs; For-profit organizations	NGOs; For-profit organizations	Government; NGOs; For-profit organizations	NGOs; (those receiving public assistance may reside in private aged homes run by for-profit organization services)
<b>Responsibility of care planning</b>	Beneficiary	Medical Board / Beneficiary <sup>18</sup>	Beneficiary / Service Provider	Regional committee	Care manager / Beneficiary	Case worker / Service Provider
<b>Sources of Finance :</b> a) special payment / premium b) General taxation c) Co-payment	a) No b) Yes (100%) c) Yes (for institutional care only)	a) Yes b) No c) Yes (for institutional care only )	a) Yes b) Yes c) Yes (for all services)	a) Yes b) Yes (20% - to cover those who have not accumulated a minimum residency period, such as new immigrants) c) No	a) Yes b) Yes (50%, 25% prefectural & 25% municipal) c) Yes (for all services)	a) No <sup>19</sup> b) Yes c) Yes (for all services)

<sup>18</sup> The actual care planning is made by a senior care worker of the provider agency

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>Premium cost<sup>20</sup></b>	Not relevant	<ul style="list-style-type: none"> <li>- 1.7% of gross wages</li> <li>- ceiling contribution – DM 6375 (former West Germany) DM 5400 (former East Germany)</li> <li>- equal contribution of employer and employee, retirees share cost with pension fund (pay half of the premium)</li> <li>- employers are compensated for their share in the payroll tax by designation of a holiday as a working day.</li> </ul>	<ul style="list-style-type: none"> <li>- 9.6% of taxable income between NFL 8,600 and NFL 47,000;</li> <li>- above this wage, annual flat payment for those with higher income;</li> <li>- majority paid by employer, remainder paid by employee</li> </ul>	<ul style="list-style-type: none"> <li>- 0.16% payroll tax shared by employee (0.1%) &amp; employer (0.06%), i.e. employees pay &gt; than employers;</li> <li>- pensioners are not required to pay</li> <li>- the Israel program is in deficit and is financed by surpluses in other branches of social security</li> </ul>	<p><b>Premium Type I :</b></p> <ul style="list-style-type: none"> <li>- paid by those 65+, deducted from pension;</li> <li>- amount of premium depends on the services available in the municipalities and the income of the elderly (5 levels);</li> <li>- average premium is \$26/month</li> </ul> <p><b>Premium Type II :</b></p> <ul style="list-style-type: none"> <li>- paid by those aged 40 to 64</li> <li>- premium shared equally between employer and employee (1:1)</li> <li>- premium for self-employed is based on their income &amp; assets.</li> </ul>	Not applicable since no LTC insurance

<sup>19</sup> Unlike the other 5 countries, HK does not have a social insurance program for LTC.

<sup>20</sup> Premium contributions for the self-employed may be different, and the premium for those who are not employed may be covered by other funds.

	<b>Austria</b>	<b>Germany</b>	<b>Netherlands</b>	<b>Israel</b>	<b>Japan</b>	<b>Hong Kong</b>
<b>Coverage</b> a) No. of recipients b) % of benefit recipients	a) 324,000 b) 3.9% of total population (about 17% of those aged 61+)	a) 1.8 million (1999) b) 2.19% of total population (9.6% of those aged 65+) <sup>21</sup>	a) . b) A minimum estimate of 20% of the elderly (1990) <sup>22</sup>	a) 88,000 b) 12.07% among women age 60+, men age 65+	a) began in 2000; b) estimated no. for 2000 is 1.35 million elderly (6.2% of the elderly)	a) 55,595 (2001) (24,584 in residential care; 31,011 in community care) (excluding those receiving public assistance and residing in for-profit residential care) b) 7.4% of those aged 65+
<b>Cost</b> a) Cost in local currency b) Estimated cost in US\$ c) Estimated % of the GNP	a) Expenditures for 1998 : ATS 21 bln. <sup>23</sup> b) \$1.7 bln. c) 0.9%	a) Expenditures for 1999 : DM 31 bln. b) \$15.5 bln. c) 0.9%	a) Expenditures for 1997 : NFL 26.27 bln. <sup>24</sup> b) \$13 bln. c) 3.6%	a) Expenditures for 1999 : NJS 1.5 bln. <sup>25</sup> b) \$370 mln. c) 0.36%  * in deficit, supplemented with surpluses from social security.	a) Estimated expenditures for 2000 : ¥ 4.3 trillion b) \$39 bln. c) 0.9%	a) Actual expenditure for Elder Care in 2001-02 : HK\$3064million b) \$392 mln.

<sup>21</sup> Estimated by utilization rates by age group, based on Enge, 1999.

<sup>22</sup> Estimated by utilization rates of the elderly by type of services, based on Coolen, 1995.

<sup>23</sup> Expenditures for the Federal LTC Allowance Act are about ATS 18 bln., and for the Provincial LTC Allowance Act about ATS 3 bln. on average.

<sup>24</sup> Expenditures are for the broad package of services available to the entire population.

<sup>25</sup> Expenditures are only for community services for the elderly.