AIM Healthcare and social benefits for all

AIM RECOMMENDATIONS FOR THE FUTURE OF LTC

AIM issues the following set of recommendations to decision-makers as a contribution to the ongoing debate on the future adequacy and sustainability of Long-Term Care systems. Demographic changes and rising rates of chronic diseases are putting European Long-Term Care (LT) systems under pressure. That burden is expected to rise, as demand increases and contributions to social security systems decrease. As non-profit healthcare payers, the members of the leading international organisation of healthcare mutuals and funds, AIM, are deeply concerned about the health and well-being of citizens, and about the sustainability of both healthcare and LTC systems.

1. Ensure that data on LTC gathered across Member States is comparable:

The first step in solving a problem is understanding its breadth. An initial measure in achieving comparable data is the establishment of EU indicators for LTC. AIM therefore welcomes the work of the European Commission in the field and encourages further efforts, on which AIM will be pleased to collaborate.

2. Establish common needs assessment and eligibility criteria:

AIM would welcome EU guidelines on needs assessment and eligibility criteria for LTC. They could support Member States in the establishment of national standards. Such an initiative is key, in our view, to fight inequities between and within Member States.

3. Set minimum quality requirements for providers and develop European outcome indicators for the assessment of LTC:

Minimum quality requirements for providers (carers, nursing homes, etc.) should be set at European level to contribute to guarantee high quality levels of care. Developing outcome indicators at European level could encourage objective and standardised assessment of LTC, which in turn would allow the collection of comparable data across MS.

4. Watch out for the dangers of marketization:

AIM warns against marketization of LTC systems and the impact of for-profit provision, which would reinforce inequities and hinder access. We ask the European Commission to look into the potential effects of such a trend on accessibility and quality of LTC.

5. AIM calls for the establishment of a Steering Group on LTC:

There is no one size-fits-all solution when it comes to the organisation and financing of LTC systems. However, Member States are often facing similar challenges. There is a clear added value in discussing possible solutions at European level. The European Commission could establish a Steering Group on LTC, similar to the existing one on health promotion and disease prevention. It would facilitate the exchange and the implementation of best practices.

6. Involve payers and patients in the development of innovative eSolutions:

Information and technology services can contribute to strengthen prevention interventions, reach more efficient LTC delivery, improve the coordination of care, and provide support to LTC users and their carers and families. To be a real added value, those solutions should be developed in collaboration with their users but also with payers organisations, especially if they are responsible for making solutions accessible to patients/citizens.

7. Develop and encourage policies which promote healthy and active ageing:

The costs of healthcare and LTC related to ageing can be controlled through policies which promote healthy and active ageing. Interventions which encourage behavioural changes, support activity and prevent or slow down diseases and care dependency are key.[1]

8. Ensure better integrated care and look into new care roles:

AIM calls on the European Commission to encourage the exchange of best practices between Member States regarding innovative care roles or LTC governance systems. Such an exchange could take place in the above mentioned Steering Group. The needs of LTC beneficiaries often go far beyond care need and include topics such as housing and income needs. A proper integration of health and social care delivery would benefit not only individuals but also welfare systems, as it would help control costs and improve care quality.

9. Avoid 'abrupt' deinstitutionalisation and make a progressive shift towards community-based care:

Deinstitutionalisation should not happen at all costs. It should be a progressive process which follows a socially inclusive approach holding human dignity and human rights at its heart. Given the variety of needs, high-quality services should be made available within communities while continuing to provide mainstream services. AIM calls on the European Commission and Member States to take that point into account when discussing further developments regarding the organisation and provision of LTC.

10. Ensure a clear working status and proper working conditions for informal carers:

It is key to guarantee that carers enjoy proper working conditions and a better work-life balance. This would benefit both carers' and LTC beneficiaries' health, which in turn will be beneficial to healthcare and LTC systems as a whole. The work life balance directive is a first initiative in the right direction. AIM hopes that the new European Commission will put forward bold proposals which will pave the way towards the recognition of informal carers' status.

1. See Annex – AIM Reflexion Paper on LTC

Annex – AIM Reflexion Paper on LTC

Demographic developments and their impact on welfare systems are (one of) the greatest challenge(s) of the years to come. In the Euro Area, OECD figures show that the elderly population ratio has grown from 14.76% in 1993 to 19.13% in 2013.[1] That proportion is further increasing, raising challenges for the sustainability of our social protection systems and for healthcare coverage and delivery. Increased LTC needs will call for innovative solutions in the way services are organised, financed and delivered.

This paper aims at highlighting, from an AIM's point of view, the aspects to which particular attention should be paid in the development of national or European policies in the field of long term care.

While healthcare and long-term care services should remain a Member State's competence, best practices can be highlighted so as to set implementable examples. Guidance can be provided and standards developed at European level, so as to contribute to ensuring the quality and availability of LTC services across the EU.

AIM calls for a clear and objective definition of eligibility criteria for LTC and based guidelines to fight inequities.

For health care insurance funds - which play an important role in both health care and LTC in countries like for example Germany and the Netherlands- geographically bound LTC entitlements pose different problems of planning and coordination. Payers are indeed often only responsible for their affiliates, who are not necessarily from the same geographic area. Moreover, even when risk equalisation schemes are put in place, geographically bound LTC coverage leads to disparities in benefits. Those geographical determinants of LTC entitlements are therefore an obstacle to universal access to LTC services, which AIM defends and strives for.

LTC is currently far from universal. Out-of-pocket expenditure remains very high and institutional care, which is often a safety net for those having no means to purchase other types of care, is for some the only option available. Furthermore, the lack of availability often means a greater dependence of the system on informal care (e.g. relatives) which in turn means higher expenditure for households, a negative impact on the health and well-being of relatives, and further exacerbated inequities. AIM believes that a clear and objective definition of the eligibility criteria and an assessment of needs based on established guidelines is key to overcome those inequities. Nowadays, social service officers are often responsible for deciding on the need of care, sometimes without clear and objective criteria (e.g. Sweden). European guidelines should be decided upon so as to help MS establish national standards.

AIM calls for the establishment of financing and organisational systems so as to ensure that every citizen in the EU has sustainable access to high quality LTC.

Recently, the development of market-based approaches to LTC delivery combined to the will to further empower users have led to the development of a strong consumerism focus. Private for- profit providers are increasingly contracted to deliver public services, replacing a more trust- based system. Experts detect a clear trend towards privatisation and a market-driven approach to LTC in Europe. Such a trend could exacerbate inequities, leaving the most vulnerable groups with unmet needs due to a lack of affordability and the potential implementation of systems which rely on risk selection.

[1] OECD (2019), Elderly population (indicator). doi: 10.1787/8d805ea1-en (Accessed on 04 November 2019)

In Sweden, an act meant to forbid 'for-profit' in LTC was to be presented at the end of 2017. It was postponed and is on the agenda for the next political mandate. This clearly indicates the growing public scepticism towards the profit orientation of LTC services and policy makers in Europa should take account of it. However, should it be adopted, its impact on the quality and accessibility of LTC services would still have to be assessed so as to be able to identify it (or not) as an example to follow.

AIM calls for a more horizontal coordination between social and healthcare and the development of new care roles.

The needs of LTC beneficiaries often go far beyond care need and include issues such as housing and income needs. A proper integration of health and social care delivery would benefit not only individuals but also welfare systems, as it would help control costs and improve care quality. Currently, governance of LTC is characterised by multiple stakeholders, a division of responsibilities in the regulation, delivery and funding of care and multiple governance mechanisms. It is decentralized and fragmented with regional or local levels of government playing a much greater role in financing or regulating the sector. Collaboration between health care professionals with LTC and social care professionals is often difficult because of non- compatible funding, quality systems and different eligibility criteria. A more horizontal coordination between social and healthcare is necessary and new care roles should be developed.

Integrated care often implies care at local level. When talking about elderly dependence, the issue of isolation and solitude are highlighted as key challenges to tackle. Such issues are only aggravated by the individualistic penchant of our societies. A way of overcoming them is thus to reorganise our societies so as to make the most of interpersonal relationships.

AIM warns against the dangers of 'abrupt' deinstitutionalisation and calls for a progressive shift towards community-based care.

Figures clearly reflect a shift away from institutional care in most EU Member States, with home care being favoured and encouraged. Deinstitutionalisation should however not happen at all costs and should be a progressive process which follows a socially inclusive approach holding human dignity and human rights at its heart. Given the variety of needs, high-quality services should be made available within communities while continuing to provide mainstream services.

In Lithuania, people living in remote areas and with limited means prefer moving to the hospital in the cold months rather than investing in heating their homes. Deinstitutionalisation should only happen if solutions are put in place for all to access quality LTC and when a better integration of health and social services like housing is achieved.

AIM calls for filling the financing gap and ensuring the accessibility of LTC services for all.

One of the biggest challenges for LTC is its financing. Systems heavily relying on payroll contributions could find themselves lacking revenues, should a large proportion of old people simultaneously retire. The decline in the share of the population active in paid employment will most probably slow down the revenue generation growth. Systems will thus need to be redesigned so as to 'fill the financing gap' while ensuring the accessibility of LTC services.

Some countries have shifted to mandatory LTC insurance arrangements. Individuals contribute through payroll or pension contribution depending on their income and coverage is expanded to all irrespective of income. Still, this does not necessarily fill the gap. In Germany for example, there are rising out-of-pockets payments (no comprehensive cover) and a rising insurance rate. Filling the gap would mean far higher rates and increased inequities. There is of course no one size-fits-all solution. However, there is a clear added value in discussing, at European level, possible solutions, as Member States are all facing similar issues.

AIM calls for European policies to help ensure a clear working status and proper working conditions for informal carers and to set minimum requirements to guarantee high quality care.

As far as formal care is concerned, nearly 30% of workers are nurses (according to the OECD average), while the other 70% are personal care workers, who may have different titles in different countries. In many Member States, most care workers lack a LTC-related qualification. Indeed, while nurses generally have at least three years of training, there are often no standard or minimum requirements for personal carers, especially if they work in home care.[2] Minimum requirements should be set at European level to contribute to guarantee high quality levels of care.

Though universal access to quality formal services should remain the main objective, informal care is such a growing trend that it cannot be overlooked. Indeed, apart from the above mentioned formal workers, LTC systems currently highly rely on informal LTC. 80 percent of LTC is estimated to be provided by families and other "informal" carers. Informal care provides the backbone of LTC in many countries. Yet, in most cases, informal carers do not receive proper training and no minimum requirements exists which would guarantee high quality of care. On the one hand, it is important to set minimum requirements and to offer training to those needing it. Innovative tools, such as online training as well as counselling and guidance for relatives acting as carers could be helpful. On the other hand, it is key to guarantee that workers enjoy proper working conditions and a better work-life balance. This would benefit both carers' and LTC beneficiaries' health, which in turn will be beneficial to healthcare systems as a whole.

AIM calls for the further development of innovative eSolutions in collaboration with users and payers.

Innovative solutions can help ensure sustainable LTC by improving prevention, rehabilitation allowing individuals to live healthier and longer lives at home should they wish while supporting both formal and informal carers in their tasks. Information and technology services can contribute to strengthen prevention interventions, reach more efficient LTC delivery, improve the coordination of care, and provide support to LTC users and theirs carers and families (notably to navigate the LTC system, a maze in which it is often complicated to find one's way). Yet, to be a real added value to people's lives, those solutions are to be developed together with users so as to cover concrete needs. Payers are also to be included in the process. Not only will they bear the costs but they are also aware of the needs of their affiliates. They can help set priorities which would contribute to guaranteeing the sustainability and accessibility of services.

[2] European Commission, *Adequate social protection for long-term care needs in an ageing* society, Luxembourg: 2014, 19.

AIM calls for the development of European outcome indicators for the assessment of LTC.

Data on, and proper monitoring of LTC needs, service provision and quality of care are essential for ensuring that policies are effective and efficient. Developing outcome indicators at European level would be a good way to encourage objective and standardised assessment of LTC, which in turn would allow the collection of comparable data across MS. Such data would be highly valuable and could highlight needs and priorities and guide European action in the field.

In Sweden, for example, a comparison of elderly care in municipalities across 45 different areas is published every year, which contributes to get a more equal service and increases quality by putting pressure on politicians. Apart from this yearly comparison, a 'senior alert register' enables to follow-up quality of hospitals and other providers (and incentivise them financially) and to carry out standardized risk assessments (malnutrition, fall injuries, etc.).

Policies which promote healthy and active ageing should be further developed and encouraged.

While it is unquestionable that LTC demand will grow in the decades to come, population ageing might not have the 'devastating' impact on healthcare expenditure which is often depicted. According to a report published by the European Observatory on Health Systems and Policies, the metrics used for forecasts are in many cases misleading as they assume that people become dependent of society from a certain age, which is not always the case. Healthy and active older people are less costly to care for and contribute to the economy in ways which are often not properly measured. Many older people have recourse to private resources, including income for their own continued work or from accumulated assets. They continue providing paid or unpaid work sometimes beyond official retirement age and make a positive societal and economic contributions. Moreover, they still contribute to increase tax revenues, 30 to 50% of which are non-labour related (in OECD countries).[3] The costs of healthcare and LTC related to ageing can therefore be controlled through policies which promote healthy and active ageing. Interventions which encourage behavioural changes, support activity and prevent or slow down diseases and care dependency are key.

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The International Association of Mutual Benefit Societies (AIM) is an international umbrella organisation of federations of health mutuals and other not-for-profit healthcare payers. It has 57 members from 30 countries in Europe, Latin America and Africa and the Middle East. 33 of its members, from 20 countries, are based in the European Union. AIM members provide compulsory and/or supplementary health coverage to around 240 million people around the world, including close to 200 million people in Europe, on a not-for-profit basis. Some AIM members also manage health and social services. Collectively, they have a turnover of almost €300 billion.
AIM members are either mutual or health insurance fund.
They are: private or public legal entities; solidarity based; not-for-profit oriented organisations: surpluses are used to benefit the members; democratically-elected members play a role in the governance of the organisation.
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[3] European Observatory on Health Systems and Policies, *Will population ageing spell the end of the welfare state? A review of evidence and policy options.*, Copenhagen, 2018