

Long-term care financing and coverage: a rapid scoping review of initiatives

Summary

- We conducted a rapid scoping review of recent publications (2017–2022) on the impact of public initiatives to improve long-term care (LTC) coverage, quality, financial protection and financial sustainability for older adults (age ≥ 60 years).
- Of the 24 research reports included in the review, 15 were based in China, including Taiwan, China, three in the United States of America (USA), two in Singapore and one in Netherlands (Kingdom of the); the remaining three reports covered multiple countries.
- LTC funding models are evolving. Recent initiatives demonstrate that governments are recognizing the increasing demand and need for care of their ageing populations, and are developing programmes to address this need.

Key findings

- In 2016, 15 municipalities in China designed long-term care insurance (LTCI) pilot programmes. Participation was mandatory for employees aged 45 years and older, and cities could include additional participants such as urban and rural residents. Most cities targeted the severely disabled. Eligible residents received health and social support based on assessed needs and were reimbursed by 40–90%. Five studies reported reductions in out-of-pocket (OOP) medical expenditure. Other studies reported improvements in self-reported health status, reductions in hospital admissions and the use of informal care. Negative aspects of the pilots included the strict eligibility criteria, limited benefits, focus on urban areas, inequalities in access and the exclusion of vulnerable populations with no health insurance coverage.
- After two decades of experimentation with voluntary LTCI, Singapore mandated LTCI in 2019 for those aged 30 years and older, with government payment of premiums for low-income groups. Notably, risk pooling occurs only within age cohorts with each cohort funding its own future needs. Monthly cash payments (3773 United States dollars) are made to the severely disabled (assessed as being unable to perform 3 out of the 6 activities of daily living or ADLs). No formal evaluation has been conducted.
- The 2016 expansion of the publicly funded LTC initiative (known as LTC 2.0) in Taiwan, China was reported on in two studies. Both publications investigated how coverage of LTC services was affected by the expansion of the programme, and found that integration across agencies and government is essential to the smooth delivery of LTC services. Eligible populations include people aged 65 years and older with ADL limitations as well as frailty, and people with dementia aged 50 years and older.
- Eight states in the USA implemented the Community First Choice programme from 2011, which offers a 6% federal increase in matching payments for participating states to shift spending from institutional to home-based care. Under the programme, low-income Medicaid-eligible individuals who qualify for institutional care were provided with home- and community-based services and support needed to remain at home. No formal evaluation of the programme was reported. Uptake of the programme was suboptimal, influenced by leadership in the LTC and Medicaid programmes, local fiscal status and the strength of existing home- and community-based services.



- During 2015–2019 LTC reforms were implemented in Netherlands (Kingdom of the) to decentralize some responsibilities for LTC to municipalities, and to make health insurers responsible for contracting community nursing. Funding for the comprehensive public LTC insurance scheme was reallocated to three purchasers: a new public LTCl for institutional care and intensive home health care; the mandatory basic health insurance scheme for home health care and community nursing; and the Social Support Act to support people with disabilities. Studies found a series of unanticipated outcomes, including cost-shifting. Municipalities with insufficient budget to support home care encouraged people to choose nursing home care that was paid for by public LTCl, shifting the cost back to central government. Other challenges included poor coordination and inefficient use of LTC services.
- Multi-country studies mostly focused on the impact of current LTC initiatives on financial protection. One study covering 14 Organisation of Economic Cooperation and Development countries and subnational areas reported that public LTC systems mostly targeted those with severe care needs and lower income. The authors estimate that approximately 50% of older people with care needs would experience income poverty in the absence of public LTC systems. Among those with severe care needs, that figure would be approximately 90%. Women are disproportionately affected as they are more likely to experience care needs and lack resources. Public LTC systems guaranteeing that no older person experiences income poverty, even among those with low care needs, exist in only seven countries/subnational areas (Finland, France, Germany, Luxembourg, Netherlands (Kingdom of the) and Slovakia; Reykjavik in Iceland). Financial protection is differentiated according to care setting, with all but four countries/subnations guaranteeing that older people will be able to afford the OOP costs of institutional care.

Lessons learned

- Initiatives to improve coverage and funding of LTC services tended to focus on breadth at the expense of depth of services, and applied strict eligibility criteria.
- Income poverty remains a risk among older people with LTC needs, and lowers the potential for people to receive care services in their homes. This extends to older people with low LTC needs and middle-income older people with moderate needs. Where financial coverage for institutional care exceeds that of home or outpatient care, access to home or outpatient care may be limited.
- Integration of the financing of LTC system components (i.e. hospital, specialized institutions and home care) would promote financial sustainability, namely by preventing cost-shifting to other institutions.
- Quality objectives were absent from the studies included in this review. In expanding coverage, quality should also be considered.
- Improving public coverage for LTC services has impacts beyond reducing the unmet care needs of older people. The availability of LTC reduces demands on informal caregivers and care (and OOP) expenditure, providing financial protection.

Macdonald M, Langman E, Caruso J. Initiatives to improve the coverage, quality, financial protection and financial sustainability of long-term care: a rapid scoping review. Geneva: World Health Organization; 2023.
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