

Foreword

The Member States of the World Health Organization are obligated to strengthen their financing systems to ensure that all people have access to essential services and are protected against financial hardship in paying for these services. While payment methods have received a great deal of attention among policymakers and practitioners, less attention has been paid to price setting and how it can also contribute to broader system objectives.

This study focuses on financing for long-term care (LTC). LTC involves a range of services including medical and nursing care, personal care services, assistance services and social services that help people live independently or in residential settings when they can no longer carry out routine activities on their own. Governments invest in LTC to provide access to care that older persons need, ensure financial protection against high out-of-pocket spending, and provide a social safety net for those unable to pay for required services.

The objectives of this study are to describe experiences in financing and price setting and how pricing has been used to attain better coverage, quality, financial protection, and outcomes in LTC. Policy choices are critical in how health and social services for older people are delivered, and how the prices of these services are set or negotiated. These choices include the means of defining eligibility for public benefits, the use of means-testing, and the definition of the benefits package. In this context, pricing is not only about covering the costs of service delivery. Pricing is also an important policy tool that provides the right incentives to ensure that budgetary goals are met, to promote quality, to increase equity, and to foster coordination and integration with health services.

This report focuses on high-income countries that are several decades ahead of low- and middle-income countries in investing in formal LTC. Formal LTC has been organized and financed in these settings because of the demand for health and social services appropriate to the needs of older persons and reduced availability of informal caregivers, particularly with reductions in birth rates and greater participation by women in the labour market. As such, experiences in these countries may inform the policy options for other settings. The continued evolution of policies and practices may help other countries that are considering their policy options and how to align LTC with overarching system goals, including access to needed services and financial protection. The importance of reducing pressure on the acute care hospital system may be particularly important where resources are scarce.

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The authors of this report are Sarah L Barber, World Health Organization Centre for Health Development, Kobe, Japan; Kees van Gool, Sarah Wise and Michael Woods, Centre for Health Economics Research and Evaluation, University of Technology, Sydney, Australia; Zeynep Or and Anne Penneau, Institut de recherche et documentation en économie de la santé, Paris, France; Ricarda Milstein, Hamburg Center for Health Economics, University of Hamburg, Hamburg, Germany; Naoki Ikegami, Keio University, Tokyo, Japan; Soonman Kwon, School of Public Health, Seoul National University, Seoul, Republic of Korea; Pieter Bakx, Erik Schut and Bram Wouterse, Erasmus School of Health Policy and Management, Erasmus University, Rotterdam, the Netherlands; Manuel Flores, Research Institute for Evaluation and Public Policies, Universitat Internacional de Catalunya, Barcelona, Spain; and, Luca Lorenzoni, Organisation for Economic Co-operation and Development, Paris, France.

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