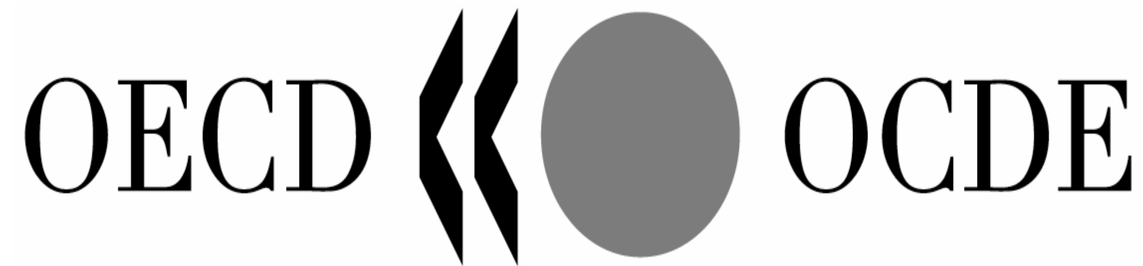

6. Estimating expenditure on long-term care: Methodological issues and current estimates

Meeting of Experts in National Health Accounts
27-28 October, 2003

Background of recent work on long-term care expenditure, scope and purpose

- *Core study on long-term care* under the OECD Health Project (2001-2003)
- Design basic data set for comparative analysis of long-term care systems (including numbers of recipients, informal care, living situation of the elderly, etc.
- Review of existing estimates and national definitions used on detailed (programme) level
- Twofold purpose: preliminary data set for analysis plus refined definitions of expenditure categories and boundaries

Study method: iteration between methodology and estimations

- Questionnaire of the core study on long-term care asking for data on "programme level" (sources of funding) with initial suggestion of refined definitions
- Secretariat estimates and comparison with other sources
- Comparisons with national statistics (original publications) and definitions used..
- .. plus national studies (recent projections; surveys on long-term care)

Starting point for the definition of “long-term care” in health accounts

- Definition of care needs and care levels for persons with long-term functional limitations
- Help with ADL restrictions
- Help with IADL restrictions
- Services of accommodation (board and living) in institutions dedicated to LTC services
- Services to support informal care giving
- Other services

Table 3. Proposal for the treatment of long-term care expenditure in health accounts

	Expenditure category	ICHA-HC code
1	**Total expenditure on long-term care services for people living at home**	
2	Formal long-term care services: help with ADL restrictions	HC.3.3
3	Formal long-term care services: day care	HC.3.2
4	**Programmes of consumer choice and services for informal carers**	HC.3.3
5	Cash benefits to support informal care giving (help for ADL and IADL restrictions)	HC.3.3
6	Respite care (temporary substitute caregiver)	HC.3.3
7	Other social benefits for informal care givers	HC.3.3
8	Other benefits for carers and dependent elderly people (please specify)	HC.3.3

Table 3. Long-term care in health accounts (cont.)

9	**Total expenditure on long-term care services for people staying in institutions**	
10	**Nursing homes and the like**	
11	Long-term care services: help with ADL restrictions including board and accomodation	HC.3.1
12	**Hospitals (general or specialised)**	
13	Long-term care services: help with ADL restrictions; including board and accomodation	HC.3.1
14	**All other residential and community care facilities**	
15	Long-term care services services: help with ADL restrictions	HC.3.1
16	**Total long-term care expenditure in health accounts**	HC.3

Table 3. Long-term care in health accounts (cont.)

17	**Services not ito be included under health accounts**
18	**Social care for LTC patients at home**
19	Personal services: help with IADL restrictions
20	Other social services for LTC patients
21	**Board and accomodation in residential and community care facilities, including assisted living facilities**

Methodological challenges: differences in care levels used as cut-off points in statistical systems

- Although similar eligibility criteria (definition of care needs by level of ADL restrictions and time value) may be used in countries..
- ..expenditure estimates may vary considerably if data are gathered on facility level rather than on service level
- Data on facility level are especially problematic as starting point for estimations for multifunctional facilities caring for both post-acute (rehabilitation) patients and long-term care patients

Methodological challenges: aged care versus other spending

- Data for the aged 65+ are more difficult to estimate than total expenditure
- Different models of functional differentiation of care, and care facilities in countries (aged care; mental health; care for disabled)

Data challenges: private expenditure

- Share of private spending big for long-term care
- Private out-of-pocket spending: special surveys missing
- Private long-term care insurance: limited coverage as primary source of funding but growing number of complementary contracts in several countries (and limited data coverage)
- Role of social assistance as financing agent not always transparent in available statistical systems

Comparison of alternative estimates

- Secretariat estimates based on replies to long-term care questionnaire
- Estimates from SHA implementations
- Data provided to *OECD Health Data 2003*
- Estimates from research studies, commission reports and the like

Long-term care in health accounts: a growing component?

- LTC is an important component of total expenditure on health. (10-15% of total spending for high expenditure level countries). In some countries long-term care expenditure is probably only partially included.

- Progress of inclusion of LTC expenditure in health accounts has been uneven across countries.

- Work on SHA implementations important source for improved data and methodological progress

The delegates are invited to:

- COMMENT on definitions and estimation methods proposed
  - Are they conceptually sound and feasible?
- COMMENT on the proposed estimates to be published in the *Long-term care study*
- PROVIDE information on the availability of additional data in each country (in particular on private expenditure)