



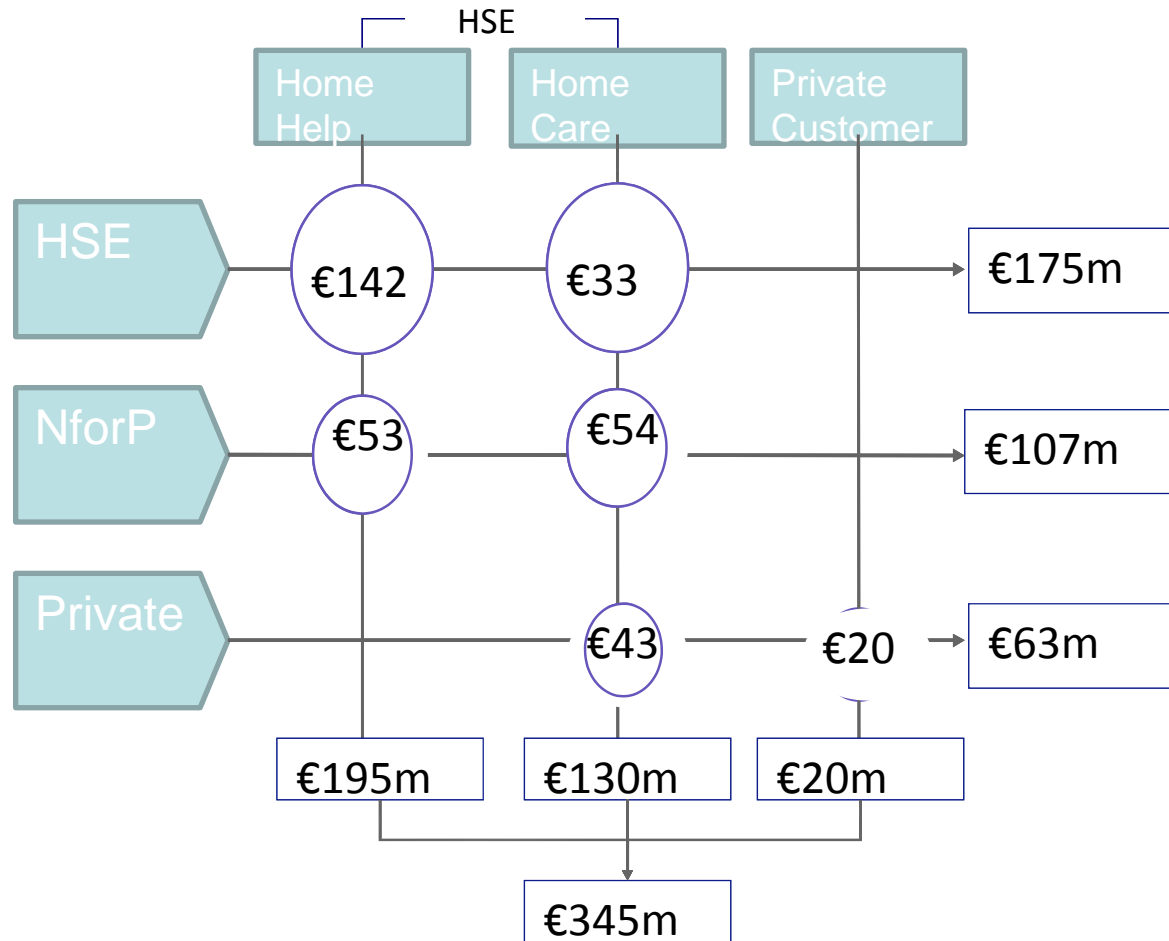
Funding Long-Term Care in Ireland

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Care of Older People

Year	Spending on Care of Older People €m	As % of all HSE Gross Non-Capital	Per Capita over 65 €
2009	1,738	12.4	3,514
2010	1,683	12.4	3,299
2011	1,433	11.0	2,720
2012	1,365	10.4	2,509
2013	1,366	10.5	2,429
2014	1,468	11.1	2,528
2015	1,569	11.3	2,612

Home Care Market 2014



Ageing Reforms

- Care of the Aged Report 1968
- Years Ahead Report 1988 – community orientation
- Health (Nursing Homes) Act 1990
- Nursing Homes Support Scheme (Fair Deal) 2009
- National Dementia Strategy 2014

Fair Deal

- People generally contribute 80 per cent of their pension towards cost of care
- 7.5 per cent annual contribution from the asset value of the family home - charged for three years.
- Cost €948 million in 2015 for 22,000 people
- Reviewed in 2015 - sustainability concerns

Advantages of Fair Deal

- Certainty
- Statute-based
- Transparent
- Choice
- Market stability
- Equity within older people cohort
(compared to previous arrangements)

Criticisms of Fair Deal

- Cost sharing
- Means-testing
- Bureaucracy
- Residential bias
- Farm assets
- Inequity – relative to other age cohorts, illnesses and diseases

Home Care

- Fair Deal confined to residential care
- No statutory basis for home care
- Uncertainty of community-based funding
- Significant un-met need in the community
- Reliance on family care
- Supply-driven model
- Personalised care only developing
- Social model is weak

What Do Older People Want?

- Good information
- Choice
- Individualisation of care
- Integrated care
- Family involvement
- Opportunity to live well at home

Principles for Funding Long-Stay Care

- Care requirements should determine funding - individualisation
- Funding bias towards home care solutions - different funding bundles
- Access to public resources on the basis of need
- Common measure of dependency – Single Assessment Tool

Financing Options

- Family
- Market
- Private insurance
- General taxation
- Social insurance

Family

- Families provide bulk of care in Ireland
- Contribute close to 50% of total cost of dementia care – around 1 billion euro
- Family responsibility – freely chosen or compulsory?
- Mutuality
- Longitudinal issues
- Support structures

Private Markets

- Development of private home care market
- Private expenditure on home care services and supports is increasing
- Autonomy and choice – preference revelation – likely to increase
- Equity - voice and exit issues
- Public-private mix – is there optimal mix?

Private Insurance

- Moral hazard
- Adverse selection
- Affordability
- Appropriate products – biased to residential care
- Cost sharing levels unacceptably high
- Information deficiencies
- Consumer myopia

General Taxation

- Structures already exist for collection and administration of funds
- Broadness of tax base; maximum risk pooling
- Democratically accountable
- Universality
- Problem of accessing money - competing priorities
- Taxation has not delivered for home care

Social Insurance

- Visibility of long-term care
- Transparency and accountability
- Risk pooling-albeit narrower than tax base
- Life-time contribution – solidarity and reciprocity
- Competitiveness issues
- Contribution may be too high for political system to bear

Co-Payments

- Cost-sharing
- Supplements taxation and social insurance system – keeps taxes and social insurance payments lower
- Incentives and nudges
- Impact on demand and use of services
- Universality – citizenship
- Means testing - costs and benefits

Conclusion

- Spending 3 times more on residential care than home care
- Family carers remain central of the care system
- Need individualised home care solutions, more choice, including better/different housing
- Community-based care requires additional and statutory-based funding
- Social insurance should be re-examined as potential funding model for long-stay care in Ireland