

STUDY 2021

The future of long-term care

Summary

The Future of Long-term Care research stream

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Executive Summary

This report assesses the current state of long-term care in the EU and Estonia constructs future scenarios of the development of Estonia's long-term care sector. The scenarios are based on information gathered in the literature review, case studies of two EU countries, analysis of interviews and focus groups, and a nation-wide survey.

Analysis of previous research on the future of long-term care in Europe indicates that due to demographic ageing, all EU countries will face a rise in long-term care expenditure along with workforce shortage in the coming decades and should therefore work towards more effective and sustainable care systems. Although technological innovation and increased workforce mobility are part of the solution, the key priority of all EU countries should be to provide more opportunities for formal care at home and to develop a wider variety of formal care services (e.g. supported living homes) in order to reduce reliance on family carers.

In Estonia, demand for care will be affected by the percentage of those people aged 65+ who suffer from limited mobility or a mental health problem, which is higher than the EU average, as well as the percentage of people at risk of poverty, particularly in rural areas. The main deficiencies of the current system are a lack of coordination and insufficient spending, which would have to increase to 2–2.5% of the GDP to ensure the efficiency of the care system in the future. Long-term care for severely disabled children and adults also needs to be reviewed and significantly improved.

The key solution to those problems, as proposed by previous research, is deinstitutionalisation – the transition of care to the community with an emphasis on helping the elderly maintain their independence. Ideally, the burden of family carers should decrease with more formal care services becoming available, while e-solutions at home and prevention should help cut costs.

The two EU countries that provide a good example of recent effective reforms in the care system are Germany and the Netherlands, where care services are organised by local governments and provided by the private sector or NGOs. There is mandatory long-term care insurance in place in both countries and patients and their families

cover some of the care costs. Meanwhile, informal carers are supported by different formal services, counselling and guaranteed care leave.

The solutions proposed by experts in interviews and focus groups involved an increase in public spending on care, innovation, involvement of migrant workers, prevention, and improving digital literacy. The interviewees expressed belief that the government should regulate the care system and impose national standards while people should be able to choose their preferred services. Experts favour deinstitutionalisation and community-based care but fear that in Estonia this might reinforce inequalities between different local areas. It is emphasised that informal carers should be supported by the government and that home-based formal services as well as supported living homes should become more widely available. As for funding the care system, experts believe that the government and the individual should have shared responsibility and that mandatory care insurance could be part of the solution.

The study suggests four scenarios of long-term care are: lifestyle-based scenario (central organisation combined with individual responsibility), market economy based scenario (local organisation with individual responsibility), synergy in the local community (local organisation with central responsibility) and care insurance based scenario (central organisation with central responsibility). The options allow the reader to evaluate different effects of choices and decide about the positioning of the ideal system.

The scenario based on market economy is the closest to the prevailing system in Estonia. It is characterised by increasing wealth inequality and polarization in the future. Only four per cent of the survey participants support the current system.

37% of participants support a scenario in which the government provides the regulation of care but services are organised locally. There is also significant support (37%) for the combined contribution of the government and the individual towards care costs. Although community-based care relieves the burden of family carers and ensures a good quality of life for those in need of care, one of its downsides could be a lack of service providers in more distant and rural areas.

The scenario based on long-term care insurance would most likely require a significant proportion of care recipients to sell their real estate in order to cover care costs. 13%

of the survey participants are prepared to exchange their real estate for long-term care services.

The most effective long-term care system should be universally available as well as financially viable. It should provide those in need of care with a good quality of life, sufficient choice, independence and involvement in the community. Both experts and survey participants found that the care system should be regulated by the government and that there should be uniform, nation-wide care standards in place.



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