

Direct Payments in Long Term Care in some European countries

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What are Direct Payments ?

- The beneficiary can opt for a cash payment instead of in kind services ... But it could be a combination of the two
- The budget is given directly to the dependent person to purchase care, help and .. sometimes, support
- The amount depends on the assessed level of care dependency of the beneficiary in some countries
- The budget can be used to pay care provided by the family, but in some countries not for the very close relatives

Personal Budgets in Netherlands

- Two PGB for disabled and elderly people
 - one given within the AWBZ Scheme (1995)
 - one given by municipalities for home care (WMO), 2006
 - reflection to create a new personal budget given by health insurances for persons with mental health
- Two different evaluations :
 - the CIZ, an independant public advisory board, for the AWBZ
 - Local Authorities for WMO

Personal Budgets in Netherlands (2)

- Around 110 000 persons receiving personal budgets from AWBZ, 20% are over 65 years old
- 96% have less than 50000 Euros/year
- 4% have more than 50000 Euros/year (maximum budget : 100000 Euros/year)
- Most municipalities provide domestic care in kind; only a quarter of recipients receive personal budgets personal budgets under the new WMO legislation

Direct Payments in England (1)

- Introduced in 1996 for disabled people and extended to older people in 2000
- Local council cash payments for people who have been assessed as needing help from social services
- Alternative to services in-kind or mixed
- Linked to the services assessed
- Each local authority sets eligibility criteria

Direct Payments in England (2)

- 55900 beneficiaries in England (2008)
- 3% only are older people
- Not possible for residential care
- Savings and the capital are taken in account above a set limit (23000 Livres)
- A copayment may be asked by local authorities
- Direct payments cannot be used to pay a spouse, a partner or a close relative living in the same household

Direct Payments in England (3)

- Considerable variation in criteria eligibility, access and copayment between local Authorities (post code lottery)
- Little formal employment protection for directly employed workers
- Reflection to build a “National Care Service”

Italy, the “*indennita di accompagnamento*” (1)

- Little development of formal residential or community based care services
- Services are completely decentralised
- Reliance on family and informal care
- The “*indennita di accompagnamento*” is a non-means tested benefits available to disabled and older people who are dependents
- Also local means-tested care allowances subject to local variations

Italy, the “*indennita di accompagnamento*” (2)

- No restrictions are placed upon its uses
- Sometimes used as a supplement to the family income and not paid directly for care
- A lack of regulation which implies very often the recourse to foreign and illegal workers (grey market)

To conclude ...

- The aim of cash for care : choice, flexibility and control by the user
- But ... not used a lot by older people
- could create inequities according to the geographical residence
- Lack of qualified workforce and gendered impact of these schemes

To conclude ...

- Unconditional cash allowances favour the informal market (Mediterranean countries, Austria) ... and lead to the recourse to foreign female workers (sometimes illegal), not qualified, with low rates of pay

To conclude ...

- Introduction of quasi-market mechanisms to stimulate supply (Austria, England, Netherlands, Spain)
- The contribution and opportunity of costs of informal care are highly influenced by public expectations about family obligations (Back to family)

To conclude ...

- Family remains a main source of support and appears as a pivot of cash for care schemes
- Cash payments offer significant opportunities for containing costs (?)

