The economic cost of long term care in Turkey

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Introduction

• This presentation aims to:
  – Give an overview of the state of long term care in Turkey.
  – Highlights the likely future economic cost.
• It builds on field work and visits.
• It uses data from (WHO, WB, OECD and US Census Bureau).
• All graphs, maps, calculations are authors’ own.
Aging index

- (0,15]: Iraq, Jordan, Saudi Arabia, Syrian Arab Republic
- (15,30]: Azerbaijan, Egypt, Arab Rep., Iran, Islamic Rep.
- (30,60]: Armenia, Lebanon, Turkey
- (60,100]: Cyprus, Georgia, Moldova, Macedonia, FYR, Serbia, Slovak Republic
- (100,200]: Austria, Bulgaria, Czech Republic, Germany, Greece, Croatia, Hungary, Italy, Netherlands, Romania, Ukraine
Population Pyramid of Turkey in 2019

Gender
- Female
- Male

Population in millions

Age group
- 0-4
- 5-9
- 10-14
- 15-19
- 20-24
- 25-29
- 30-34
- 35-39
- 40-44
- 45-49
- 50-54
- 55-59
- 60-64
- 65-69
- 70-74
- 75-79
- 80-84
- 85-89
- 90-94
- 95-99
- 100+

AUC, Cairo

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Age dependency ratio, old (% of working-age population)

M. Ismail, Analytical Research Ltd

AUC, Cairo

Apr, 2019
State of LTC system in Turkey

- Two main (parallel) systems of long-term care
  - informal care providers, such as unpaid family members
  - formal care providers,
    - Range of state, private & NGOs provision with various extent and quality
    - Social assistance programme- mixture of service and cash benefits
    - Improved generalised provision of palliative care (from capacity building in 2006; WHO 2104))

- Family-based with majority of LTC provided by women
  - High financial, emotional and physical burden on the family
  - Implications on women’s labour participation, physical health and emotional wellbeing (26% female labour participation vs. 71% for men)
Where do we stand?

- A focus on institutional care with lack of home-based LTC provision
- Variability in provision across municipalities
- Strong norms & cultural beliefs of duty of care to the elderly
- Gender imbalance of expectations of LTC with high informal care reliance
- Emerging mixed-market: regulations and standards are in need of updating
Moving Forward

• Build on what is available and address gaps and shortfalls
• Prepare for projected increased demands
• Adapt from the European experiences to the specific Turkish context
• Move towards ‘system approach’ rather than isolated interventions
• Italy:
  – LTC expenditures accounts for 1.12% of GDP
  – 80% of budget devoted to care in the community (cash and service in kind)
  – Only 3% of older people use care homes
  – Funded through general taxation system
  – Funding, governance and management responsibilities spread over municipalities
  – Family plays an important role supported by various cash allowances ‘cash-for-care’ (family based model)
  – Significant regional variations
The Netherlands:

- Highest public expenditures on LTC in OECD countries at 3.7% of GDP
- The philosophy that the state bears the responsibility of LTC not the individual or the family
- Funded by national insurance scheme covering all citizens- covering both home and residential care; with some contribution based on income (Corporatist model)
- Introduced some forms of cash-for-care but this was stopped in 2010
• Norway:
  – LTC expenditures accounts for 2.2% of GDP + 2% of GDP spent for health related LTC
  – Universal coverage with little contribution from individuals (Universal model)
  – Moved steadily from institutional to home care
  – All LTC services traditionally provided in kind with recent introduction of cash for care option (only 2 to 3%)
  – No assumptions about family responsibility
  – Funded through national & local taxations
  – Care organisations affiliated with municipalities
  – Strong policies of extending working lives
• The United Kingdom:
  – Public spending on LTC has fallen significantly over the past 10 years – currently around 1% of GDP
    • declining from a budget of around £8.3 billion in 2005 to £6.3 billion in real terms in 2015 – budget projections show further reductions over the coming year
  – The Care Act 2014 made Personal Budgets to be offered to 100% of eligible users
  – Financed by central and local government, the National Health Service (some nursing homes), charities and individuals
  – The model is based on mixed-market economy and is means-tested to protect the most vulnerable (residual model)
Market Shaping

• Setting necessary standards and regulations for a responsive, diverse and sustainable LTC market
• Commissioning and approval processes
• Recognise, and integrate LTC services with other services
• Incentives for businesses to provide varied, high quality and affordable services
• Estimate the cost and plan for funding
GDP per capita by country from 1960 to 2000:
- European Union
- Italy
- Netherlands
- Norway
- OECD members
- Turkey
- United Kingdom

Source: M. Ismail, Analytical Research Ltd

AUC, Cairo Apr, 2019
Model-Based Clustering According to Current Health Expenditure Per Capita and Life Expectancy

Ismail, M. Wed 13 Mar 14:52:15 2019

AUC, Cairo

Apr, 2019
M1: LTC spending
M1: LTC spending
Log Observed ltcpgdp vs Log Predicted ltcpgdp for countries:

- Australia
- Austria
- Belgium
- Canada
- Czech Republic
- Denmark
- Estonia
- France
- Germany
- Hungary
- Iceland
- Israel
- Italy
- Latvia
- Luxembourg
- Netherlands
- Norway
- Poland
- Portugal
- Slovenia
- Spain
- Sweden
- Switzerland
- United Kingdom
- United States
- Austria
- Switzerland
- Norway
- Sweden
- Nether
- Denmark
- Belgium
- Netherlands
- Iceland
- Iceland
- France
- Czech Republic
- United Kingdom
- United States

M2: LTC spending
M2: LTC spending
<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>45</th>
<th>50</th>
<th>55</th>
<th>60</th>
<th>65</th>
<th>70</th>
<th>75</th>
<th>80</th>
<th>85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Life Expectancy (Years)</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
</tr>
</tbody>
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A would be an alternative approach.
See Ismail M., 2014
Probability of starting age (60, 70, 80) as healthy then:

- remain healthy
- become unhealthy
- death

See Ismail M., 2014
Conclusion

• Different demographic transition stages and health expenditure
• Various ideologies of care and responsibilities
• All moving steadily towards ‘ageing in place’ with a focus on home and community care
• Funding, regulations and workforce issues are key challenges and receive considerable debate
• Thinking about the Turkish context and formulating a context-specific LTC model
• Personal budgets are likely to emerge as one of the favorite options.
References

Thank you!

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