

**Aged Care Association Australia
25th Annual Congress**

Ensuring quality long-term care
in ageing societies:
a comparative overview

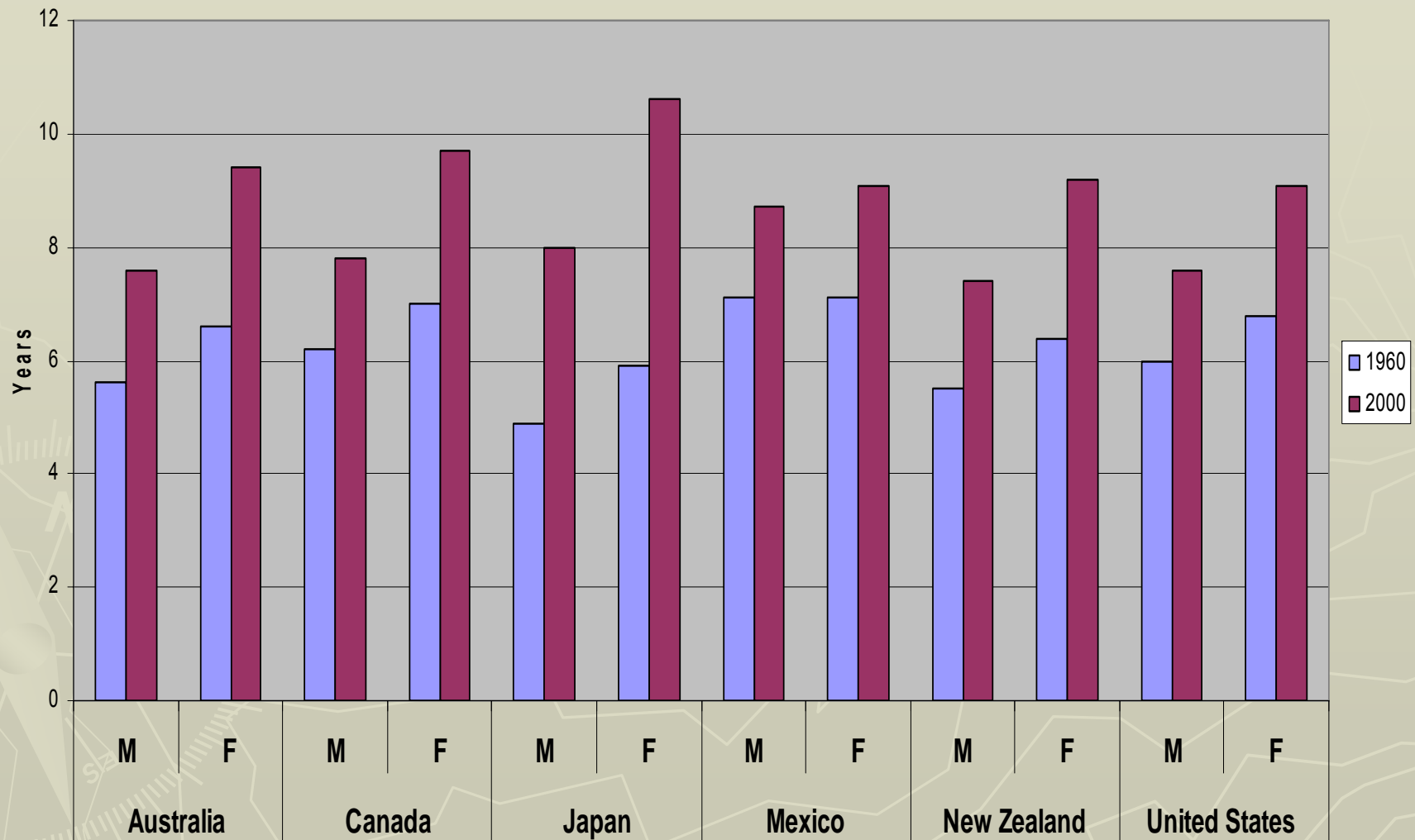
Patrick Hennessy

The demographic challenge

- ▶ Longer lives
- ▶ More years after age 80
- ▶ Added years may not mean added years of disability
- ▶ But there will be many more people in their 80s 90s and 100s

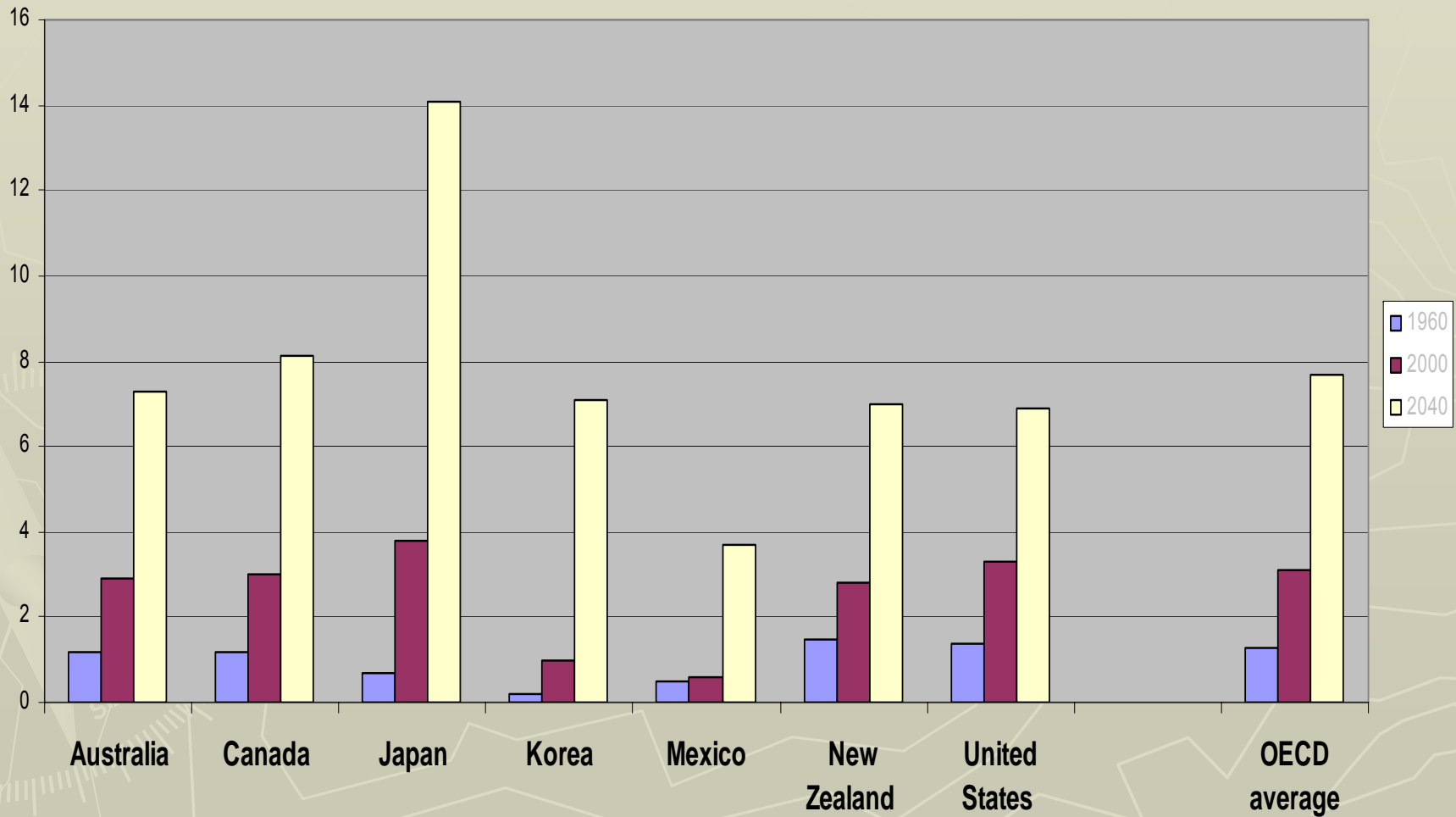
Life expectancy at age 80, selected Pacific region countries, 1960-2000

(Source: OECD Health Data)



Percentage of population aged 80 and over, selected Pacific region countries, 1960-2040

(Source: OECD Health Data)



The demographic challenge

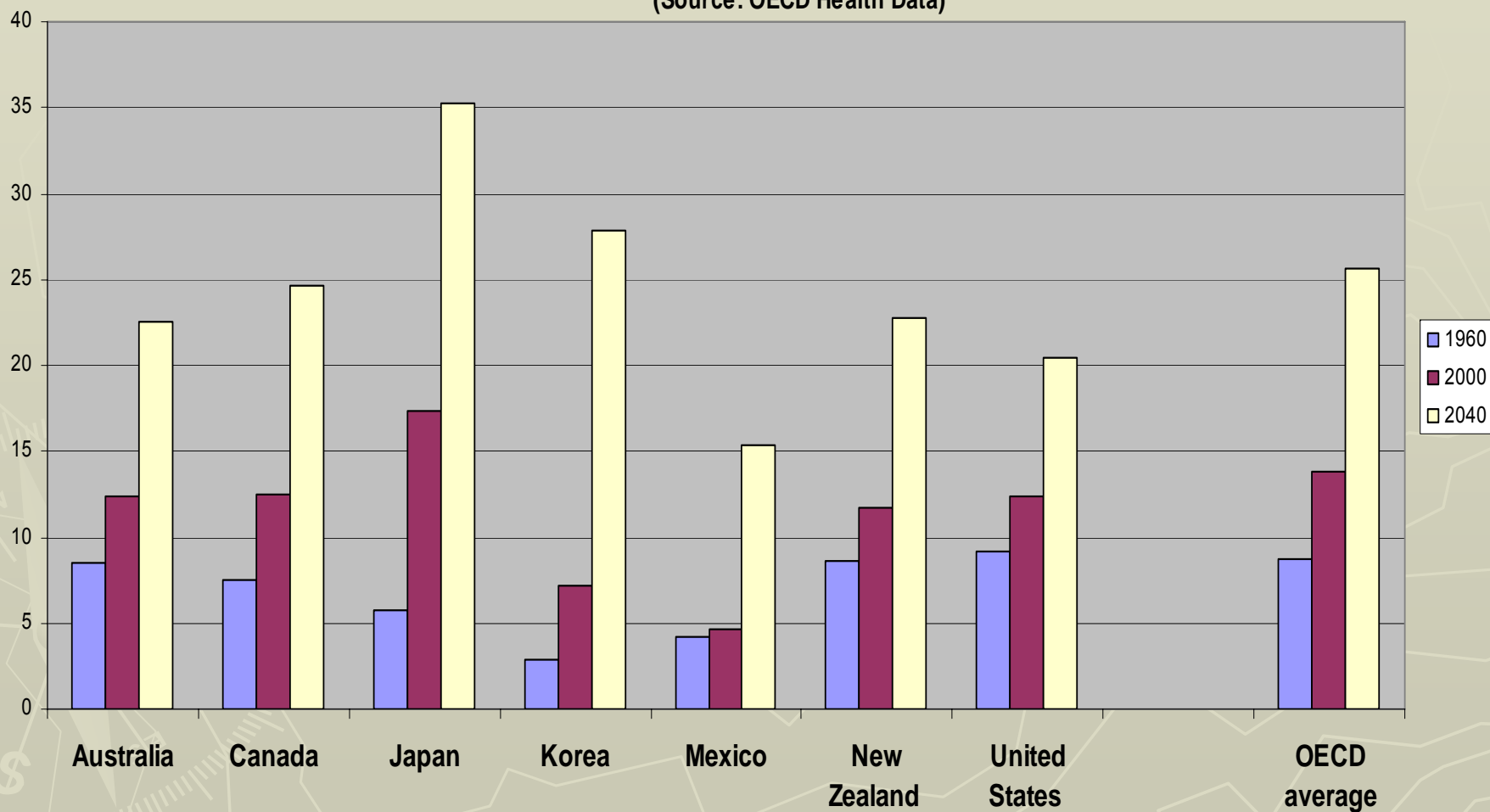
- ▶ Leading to increases in people suffering age-related health conditions
- ▶ Scope for reductions in some age-related conditions, e.g., heart disease, stroke
- ▶ Less for others, e.g., Alzheimer's
- ▶ New health issues, e.g., obesity, diabetes

The demographic challenge

- ▶ The population balance is shifting
- ▶ A lower proportion of “working age”
- ▶ A higher proportion aged 65 and over
- ▶ The ‘age dependency ratio’ (20-64/65+) is changing

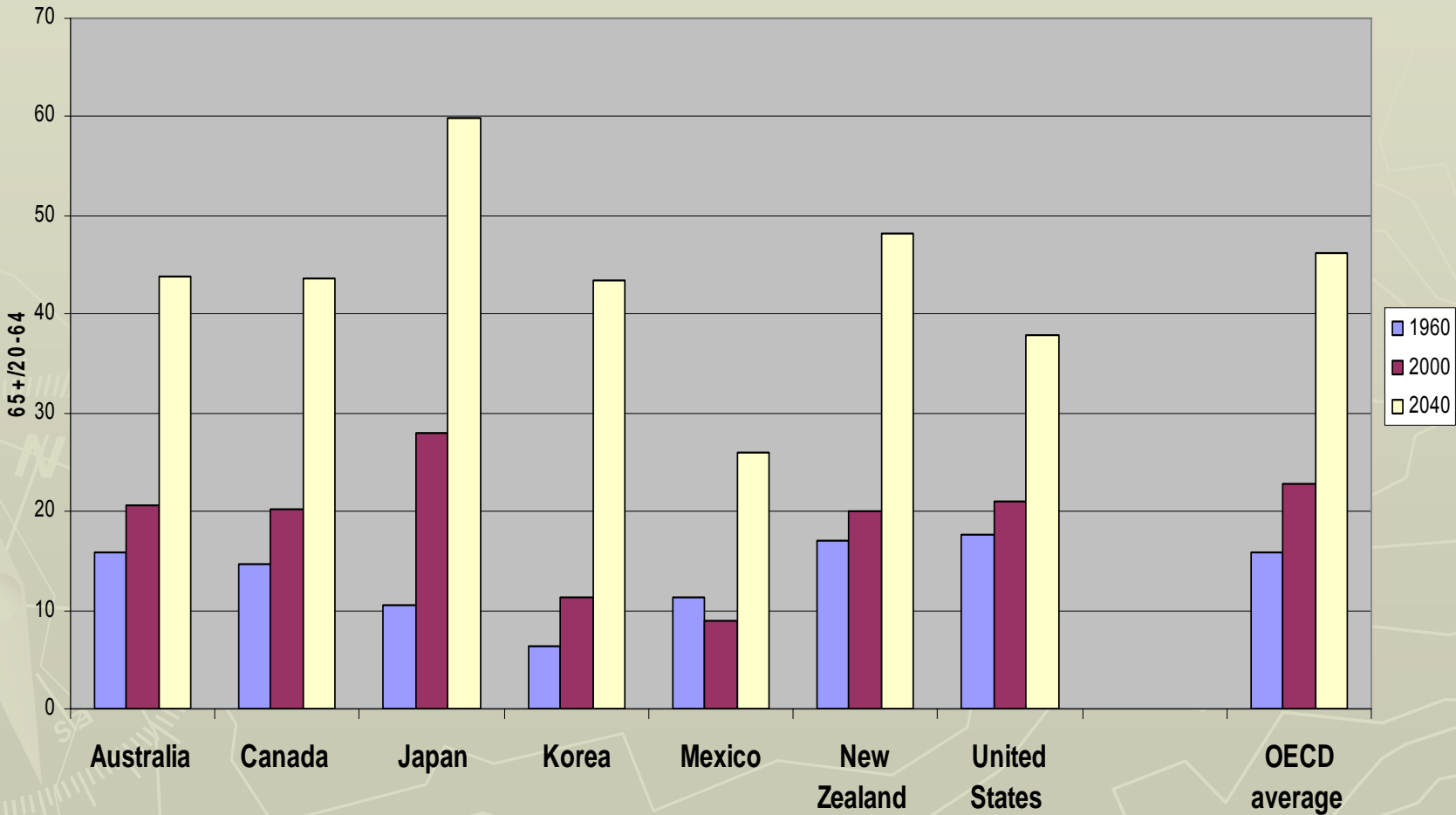
Percentage of population aged 65 and over, selected Pacific region countries, 1960-2040

(Source: OECD Health Data)



Old-age dependency ratio, selected Pacific region countries, 1960-2040

(Source: OECD Health Data)



The demographic challenge

- ▶ This has implications for financial sustainability of services
- ▶ Whether public or paid for privately
- ▶ And for the age care workforce
- ▶ And for family caring

The demographic challenge

- ▶ No existing society can act as a model – we are heading towards societies more aged than the most aged today
- ▶ It is not just pattern of care services that will need to change
- ▶ Social, employment, cultural patterns will need to change
- ▶ Care providers at the forefront of these changes

The policy response

- ▶ Better co-ordination across the care spectrum:
 - Single assessment process
 - Integrated payment scales
 - Care managers
 - Integration at same level of government
 - Case management with single budget

The policy response

- ▶ More consumer-direction:
 - More choice of service options
 - Personal budgets and employment of care assistants
 - Cash allowances to those needing care
 - Payments to informal caregivers as income support

The policy response

▶ Better quality assurance:

- Setting standards through government regulation or self regulation
- Linking performance monitoring to quality improvements
- Consumer empowerment and market competition

The policy response

- ▶ New sources of financing:
 - Public long-term care insurance
 - Private long-term care insurance
 - Higher consumer payments
 - Equity plans and accommodation bonds
 - Raising public pension age

What people want

- ▶ More community-based
- ▶ More service-centred, less building-centred
- ▶ More supportive and enabling, less replacing and separate
- ▶ More flexible and responsive, less the latest model
- ▶ More focus on the family carer in their own right

How do we support this?

- ▶ Higher levels of employment, especially of older people
- ▶ More productive workforce – better skills, lifelong learning
- ▶ Social expenditure targeted on support of children, disabled and the elderly
- ▶ And encouraging participation in the labour force not discouraging

How do we support this?

- ▶ A greater proportion of national resources directed to support in old age
- ▶ More public expenditure devoted to ageing? Yes.
- ▶ Higher pension saving through working life? Yes.
- ▶ Higher personal payments for services by the aged? Yes.

How do we support this?

- ▶ Better health through the life span
- ▶ Means healthier, more active older age groups
- ▶ Longer disability-free life years
- ▶ The potential health gains are great
- ▶ But only if we start now

For further information

- ▶ OECD (2005), *Long Term Care for Older People*, OECD, Paris.
- ▶ OECD (2005), *'Ensuring quality long-term care for older people'*, Policy brief, OECD, Paris.
 - OECD long-term care report team: Manfred Huber, Patrick Hennessy, Junichi Izumi, Weonjong Kim, Jens Lundsgaard.
- ▶ OECD (2006), *OECD Health Data 2006*, OECD, Paris.
- ▶ OECD (2006), *Live Longer, Work Longer*, OECD, Paris.

www.oecd.org/health