New Webinar Series
Panorama of Aging and Long-Term Care
Presented by:

Nadin Medellín
Inter-American Development Bank
Social Protection and Health Division

Marco Stampini
Inter-American Development Bank
Social Protection and Health Division

Moderator: Pablo Ibarrarán
Before we start...

40 minutes + 15 minutes

Follow us: @BIDgente

Visit Panorama: iadb.org/en/panorama/panorama-aging

Questions via chat

#aging
There will be more older adults with functional dependence in Latin America and the Caribbean. How to be prepared?

Presented by Nadín Medellín and Marco Stampini

FEBRUARY 25 - 2020 | 1:30 PM EST
Latin America and the Caribbean is the fastest-aging region in the world.

In 2085, 1 in 3 people will be over 65.
Chronic diseases are on the rise

Hypertension in Mexico

- 34% in 50 to 59
- 47% in 60 to 69
- 53% in 70 to 79
- 55% in 80+

Comparison:
- 2001:
  - 32%
  - 40%
  - 40%
- 2015:
  - 43%
Rise in care dependence

Difficulties with daily activities

Extended duration

Need of help from others
Care dependence

8 MILLIONS in 2015

12% among 60+ individuals
27% among those 80+

→ 27 MILLIONS in 2050
Market for long-term care practically non-existent
In the region, only about 0.5% of older adults live in nursing homes / assisted living facilities.

In Mexico in 2015, among older adults who received care at home, only 2.6% paid for the service.
Families provide care
Family long-term care is insufficient

In Mexico in 2015, 1 in every 4 older adults with severe care dependence didn’t receive any long-term care

25% without support
The burden falls on women

Percentage of caregivers who are women

- **Chile**: 70
- **Colombia**: 85
- **Costa Rica**: 80
Women who provide care compared to those who do not

Reduction in employment rate in percentage points:

- Chile: 10
- Colombia: 14
- Costa Rica: 16
Double workload

- in weekly hours worked (conditional on working)
  - CHILE: -2
  - COLOMBIA: -3
  - COSTA RICA: -2

- in weekly hours of work and caregiving (conditional on working)
  - CHILE: +14
  - COLOMBIA: +6
  - COSTA RICA: +4
3 trends

- older dependents
- children
- work by women
1. How do countries design a long-term care system?

2. What are the countries in the region doing?

3. How much would a long-term care system cost?

4. Where should we start?
How do countries design a long-term care system?

Who to provide long-term care services to

Which services to provide

How to finance care services

How to ensure quality care
### Level of care dependence

<table>
<thead>
<tr>
<th>Activities of daily living</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age group</td>
</tr>
<tr>
<td>Self-feeding</td>
<td></td>
</tr>
<tr>
<td>Toilet hygiene</td>
<td></td>
</tr>
<tr>
<td>Showering</td>
<td></td>
</tr>
<tr>
<td>Grooming and other personal hygiene</td>
<td></td>
</tr>
<tr>
<td>Dressing</td>
<td></td>
</tr>
<tr>
<td>Maintaining health</td>
<td></td>
</tr>
<tr>
<td>Change body posture</td>
<td></td>
</tr>
<tr>
<td>Functional mobility indoors</td>
<td></td>
</tr>
<tr>
<td>Functional mobility outdoors</td>
<td></td>
</tr>
<tr>
<td>Cleaning and maintaining the house</td>
<td></td>
</tr>
<tr>
<td>Decision making</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>
Funding mechanism

- Social insurance
- Taxes
- Private insurance
- Out-of-pocket
Funding mechanism

[Diagram showing the funding mechanism for different countries: The Netherlands, Germany, Japan, Spain, and Sweden. The diagram uses different colors to represent social insurance, private insurance, taxes, out-of-pocket spending by households, and other sources.]
<table>
<thead>
<tr>
<th>Social Insurance</th>
<th>General Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficult to evade (mandatory contributions)</td>
<td>Broader tax base</td>
</tr>
<tr>
<td>Predictable resources</td>
<td>Less predictable funds</td>
</tr>
<tr>
<td>Limited coverage</td>
<td>Universal coverage</td>
</tr>
</tbody>
</table>

Funding mechanism
Private insurance

< 2%

except Belgium and Japan

Funding mechanism
Regulation and quality control

- Promotion
- Regulation
- Supervision

Training and other human resource policies

Regulate and monitor service quality
Training and other human resource policies

- Communication
- Motivation
- Conflict resolution
- Planning skills
Regulating and monitoring quality

- Infrastructure standards
- Caregiver support ratio
- Minimum training
- Licences and certifications
- Inspections

Regulation and quality control
1. How do countries design a long-term care system?

2. What are the countries in the region doing?

3. How much would a long-term care system cost?

4. Where should we start?
Countries in the region are starting to build national long-term-care systems

(Uruguay is the first)
What are the countries in the region doing?

- National system
- Eligibility based on care dependence and age
- Financed through general taxation and complemented by out-of-pocket payments

Uruguay
What are the countries in the region doing?

- National system
- Eligibility based on level of dependence, age, income, and family support
- Financed through social insurance

Argentina

PAMI
INSSJP
What are the countries in the region doing?

- 20 municipalities out of 346
- Eligibility based on level of care dependence, age and income
- Funded through general taxation
1. How do countries design a long-term care system?
2. What are the countries in the region doing?
3. How much would a long-term care system cost?
4. Where should we start?
TARGET POPULATION
- Demand for services
- Eligibility criteria

COVERAGE LEVEL

UNIT COST OF THE SERVICE

NUMBER OF HOURS WORKED PER MONTH
× 12

ADMINISTRATIVE COST

COST OF A LONG-TERM CARE SYSTEM

BENEFICIARIES

ANNUAL COST OF THE SERVICE

Tool coming soon in Panorama
OECD countries invest 1.7% of GDP

A basic system would cost between 0.2 - 0.5% of the GDP in LAC
1. How do countries design a long-term care system?

2. What are the countries in the region doing?

3. How much would a long-term care system cost?

4. Where should we start?
6 keys for the expansion of long-term care
Social insurance
Labor informality

General taxation
Low tax revenue
Use **mixed** funding to implement a **single system**
Also younger persons can be care dependent

<table>
<thead>
<tr>
<th>Costa Rica</th>
<th>18-59</th>
<th>60-79</th>
<th>80+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevalence of care dependence</td>
<td>5%</td>
<td>12%</td>
<td>28%</td>
</tr>
<tr>
<td>Persons with care dependence</td>
<td>54%</td>
<td>31%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Select **beneficiaries** based on the level of **care dependence** (not their age)
People prefer to age at **home**

Family-provided care is **insufficient**

Family caregivers are **overburdened**
Expand **home care services**
(not nursing homes)
Cash transfers have important advantages...

But they can reinforce traditional unqiual gender norms and limit market growth.
Transfers should be linked to the purchase of services (avoid untied cash transfers)
Train human resources and establish quality standards
Formal jobs

95% jobs to women

Fuente imagen
https://www.aclmericas.coop/Desafios-para-el-cooperativismo-uruguayo-nace-el-Sistema-Nacional-de-Cuidados
Leverage the **private sector** to generate **formal employment**
For the **rights** and **quality of life** of older adults

For **gender equity**

For the **sustainability** of the **healthcare system**
Panorama of Aging and Long-Term Care

TECHNICAL RESEARCH

REGIONAL INDICATORS

DEPENDENCY CALCULATOR
Thank You
NEXT WEBINAR

Person-centered long-term care

The experience of the Basque Country

Presented by Mayte Sancho

17 April 2020 | 10:00 AM (EST)