

TENTH MEETING REPORT

May 22th, 2024

Sustainability and Financing of Long-Term Care Systems: Needs, Practices and Lessons Learned

The tenth meeting of RedCUIDAR+ focused on an exchange of regional and international experiences and best practices on the issue of sustainability and financing of long-term care systems.

For the fourth consecutive time, the meeting was led by a member country, which actively participated in the preparation of the meeting's contents.

The Oriental Republic of Uruguay hosted the tenth meeting of the RedCUIDAR+. The institutions leading the RedCUIDAR+, the French Development Agency (AFD), the European Union's Program EUROsociAL and the Inter-American Development Bank (IDB), thank Uruguay for its leadership and invite other countries to take on the role of host at future meetings.

RedCUIDAR+

The Long-Term Care Policies Network in Latin America and the Caribbean is an initiative promoted by the Inter-American Development Bank, the European Union's Program EUROsociAL and the French Development Agency.

The main objective of the Network is to promote and facilitate the exchange of knowledge and experiences, as well as to strengthen opportunities for collaboration, among those responsible for the formulation of long-term care policies in the region. Thus, the Network contributes to building institutional and technical capacity in member countries, promoting good practices in the implementation of long-term care services.

The meeting, which was held virtually, was attended by 82 people, including 49 representatives from 14 countries.

Patricia Jara, Lead Social Protection Specialist at the Inter-American Development Bank, opened and moderated the session, which was organized in two parts. First, an exchange of regional experiences between Uruguay, Chile, and France, which followed a conversational format, guided by three moderating questions. Secondly, a brief plenary session was held, in which all the countries were able to participate and give their perspectives on the subject. This brief note summarizes what was discussed in the first part of the meeting.

The complete event can be found at this link: <https://vimeo.com/1009999966>.

The second part (plenary discussion) is considered an internal session of exchange between countries and, therefore, is not included in this summary.

Opening words were given by Florencia Krall, Director of Care of the Ministry of Social Development of Uruguay, host country of the event; Markus Handke, Head of Cooperation of the Embassy of the European Union in Uruguay; and Diana Rodríguez Franco, Special Advisor on Gender and Diversity to the President of the Inter-American Development Bank.

The opening remarks highlighted the importance of ensuring the long-term financial sustainability of care systems to accompany the implementation of public policy. After a welcome from the host country, Markus Handke emphasized that lack of financing often becomes an obstacle to the development of services and that, in order to overcome this barrier, it is important to view care as an intelligent investment with high economic and social returns.

Diana Rodríguez, for her part, emphasized the double gender dimension of care, in which older women are not only those who need care the most, but also those who care the most and, therefore, the role of care systems in helping to reduce these gender inequalities. She also stressed the IDB's role in providing technical and financial support to countries that want to build or strengthen their care systems.

After the opening remarks, Florencia Krall, Director of Care of the Ministry of Social Development of Uruguay, Francisca Gallegos, Undersecretary of Social Services of the Ministry of Social Development and Family of Chile, and Alexandre Farnault, Deputy Director of Support for the Management of the Care Supply at the National Solidarity Fund for Autonomy (CNSA) of France, participated in a conversation, where they answered three questions that moderated the discussion:

Funding mechanisms for long-term care services:

- How are long-term care services currently funded in your country?

Budget management of LTC services:

- How does the country formulate the budget allocated to care services?
- Is there a regulatory mechanism to secure these resources?

Budgetary governance in LTC services:

- What coordination mechanism is used to harmonize budgets among the different institutions and territories in the care system?

Regarding the first question, the **financing mechanisms**, Florencia Krall explained that in Uruguay the care services offered by the system are mainly financed by general taxes, although for some services, such as Personal Assistants, there are co-payments that depend on the income level of the beneficiaries. He emphasized the fact that the budget is always insufficient to provide the desired coverage and that, therefore, innovative ways must be sought to provide the service more efficiently, as Uruguay is doing, for example, through the development of caregivers' cooperatives.

In Chile, which is in the process of building its policy, financing is also provided through the national budget; as of 2022, there is a specific section to be allocated to care policies. This budget is complemented by a contributory part coming from the Ministry of Health, to finance long-stay facilities. But - as in the case of Uruguay - the budget is not sufficient and only provides 20% coverage. In 2024, the aim is to increase the budget by 25% in order to close this gap. To this end, Ms. Gallegos stressed the importance of prioritizing people with high levels of dependency.

Mr. Alexandre Farnault explained that France, like the rest of the aging countries, is going through a paradigm shift, where, due to the increasing prevalence of chronic diseases, dependency care is becoming more relevant, compared to the previous model that focused

on the treatment of acute diseases. This has led to an increase in the budget for social spending. In France, the process of allocating the budget to care services differs from that of previous countries, as it is defined jointly at the national and local level. In that sense, the budget to cover the health part of care is defined at the national level, while the budget to cover the social part of care is defined at the local government level, which often generates tensions. The figures he gave were convincing: the budget for the care sector amounts to 40 billion euros, which is equivalent to 5% of the national budget.

With regard to **budget management** in Chile, Francisca Gallegos said that the care policy that is being developed proposes co-responsibility for financing between the central government and local governments. Along with the approval of the policy, work is being done on the first National Support and Care Plan, which will be valid for two years and will establish very clear programmatic and budgetary commitments. He emphasized the intersectoral nature of the Plan, which involves not only the Ministry of Social Development, but also sectors such as health, labor, transportation and others.

Alexandre Farnault explained that, in France, each year a law that defines the general social security budget for the following year is passed in Parliament. From this general budget, the national government determines what should be allocated to the health sector and then, at the territorial level, the budget for social services is determined. Faced with a health sector that needs more and more resources, Mr. Farnault stressed the importance of dialogue between the health and social services sectors in order to manage the tensions that arise in the distribution of the budget.

In Uruguay, the System's budget is determined every five years, at the beginning of each government period, through the National Budget Law. This budget can be adjusted annually, with justification, through the Accountability Law. This, as Florencia Krall emphasized, requires responsible and strategic planning by each ministry. The Director of the System in Uruguay also emphasized the need for coordination and articulation among all SNIC stakeholders, as well as between the State and the private sector, in the financing of services.

The last question concerned **budgetary governance** and, in particular, the different articulation mechanisms used to harmonize budgets at both the inter-sectoral and territorial levels.

In France, as Mr. Farnault explained, this is a major challenge. As he explained earlier, the budget devoted to care comes partly from the health sector (defined at the national level) and partly from the social sector (defined at the territorial level). This implies that there are disparities in the services offered in the different territories, depending on the priorities of local governments. Moreover, in many cases, it may present a break in the continuity of care (for example, when health services and social services differ in the level of quality). Recently, and with the aim of easing any tensions that may arise, legislation has made it compulsory for the different levels of government and the different ministries to have a discussion forum to agree on the distribution of the budget.

In Uruguay, the budget is determined at the national level. However, the role of local governments, acting in coordination with the national government, can be important in the provision of certain facilities. For example, in the case of day centers for the elderly, local governments usually provide the infrastructure or transportation, while the national government provides the budget to cover operating costs.

Although territorial articulation in a small country like Uruguay was not mentioned as one of the most important challenges in the discussion, Florencia Krall did emphasize the importance of intersectoral articulation to complement the budget, particularly with the

National Institute for the Elderly (INMAYORES) and the National Institute for Children and Adolescents (INAU).

In Chile, a governance model is proposed that complements programmatic planning with budgetary planning, identifying the budgetary efforts to be made by each Ministry and each territory. The Undersecretary of Social Services emphasized the need to take into account Chile's territorial diversity when designing the governance of the system as a whole and its relationship with budget allocation.

Finally, it is worth noting that some issues were present in a cross-cutting manner in the interventions of all the panelists. The first of these, which came up constantly throughout the conversation, is the need for strong inter-institutional coordination, particularly - but not only - with the health sector. This point proved to be a challenge for all participants.

The second point is the need to determine the budget based on population projections and their levels of dependency, in order to adjust services to the needs of the population. In this regard, the importance of strengthening home care services was also emphasized; these are not only more cost-effective than institutionalization, but, above all, respect the preferences of the elderly who, for the most part, prefer to age at home.

Finally, there was a strong consensus among all participants on the need to see care as an investment, which will not only improve the quality of life of those receiving care, but also of those providing care, generating economic returns in the health sector, labor, and the economy as a whole.

After this discussion session, an internal plenary session was opened, where participants from all the countries were able to continue and deepen their understanding of the advances and challenges related to the topic, generating a very rich exchange. The event closed with a farewell speech by Alfonso Martínez Saez, Coordinator of Gender and Social Protection Projects in Latin America and the Caribbean, from Expertise France.

Link to event materials:

<https://vimeo.com/1009999966>

Participants

Name	Country
Colleen Walcott	Barbados
Mirian Queiroz	Brazil
Cosntanza Contreras	Chile
Cristina Gutiérrez	Chile
Francisca Gallegos Jara	Chile
Nicole Martinez	Chile
Diana Monsalve	Colombia
Diana Valverde	Costa Rica
Fernanda Zeledón Marin	Costa Rica
Cinthia Rosero	Ecuador
Diter Uscocovich	Ecuador
Elisa Ordoñez	Ecuador
Camilo Nolasco	El Salvador
Carlos Alberto Coca Muñoz	El Salvador
Erika Guevara	El Salvador
Irma Yolanda Núñez	El Salvador
Yanci Salmeron	El Salvador
Alexandre Farnault	Francia
Orlando Cano	Guatemala
HBisesar	Guyana
Beatriz García Cruz	Mexico
Carmen Garcia Peña	Mexico
Diana L. Jiménez	Mexico
Emilia Chino	Mexico
Juanita Sepulveda	Mexico
Magdalena Castro	Mexico
Marlene Moquillaza	Peru
Anabel Rivas	Dominican Republic
Ángel Serafín Cuello P.	Dominican Republic
Diana Carolina Mejia de Moronta	Dominican Republic
Kaly Peña	Dominican Republic
María Medina	Dominican Republic
Rosa Cañete Alonso	Dominican Republic
Saoni Brea	Dominican Republic
Cecilia Caulin	Uruguay
Cecilia Tambasco	Uruguay
Daniel Lauría	Uruguay
Daniel Radiccioni	Uruguay
eduardo mendez	Uruguay
Fernando Salas Rosso	Uruguay
Florencia Faedo	Uruguay

Florencia Krall	Uruguay
Lucia Belen	Uruguay
Manuel	Uruguay
Natalia Lucas	Uruguay
Nathalia Balmelli	Uruguay
Olga de las Heras	Uruguay
Paula González	Uruguay
Rosina Peña	Uruguay
Alfonso Martínez Saez	AFD
Ivanna Moreira	AFD
Virginia Tedeschi	AFD
Alexandre Bagolle	IDB
Beatrice Fabiani	IDB
Chae Hyun Lim	IDB
Emilia Badin	IDB
Eugenia Simhan	IDB
Fiorella Benedetti	IDB
Florencia Savoca Truzzo	IDB
Hajime Takeuchi	IDB
Hyunju Lee	IDB
Leonardo Pinzon	IDB
Marco Stampini	IDB
Milagros García Díaz	IDB
Narumi Akita	IDB
Natalia Aranco	IDB
Patricia Jara	IDB
Rita Sorio	IDB
C.Pena	IILA
Fausto Petrachi	IILA
Francesco Chiodi	EuroSociAL+
Clelia de la Fuente	European Union
Markus Handke	European Union