



## **Assessing Needs of Care in European Nations**

**<http://www.ancien-longtermcare.eu/>**

### **Project Context and Objectives**

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The ANCIEN project studied long-term care (LTC) for the elderly in Europe and made projections of future LTC use and expenditure. The project's main objectives are to analyse the effect of demography and lifestyle on care needs, the supply and demand of informal and formal care, the potential role of technology in LTC, efforts to improve the quality of LTC, to project the use of LTC on the basis of developments in needs and supply and to assess the performance of different LTC systems.

Work Package 1 (WP1) described the variety of LTC systems in Europe in 22 country reports and collected data on their organizational, financial and other characteristics. It developed typologies specifically for LTC systems that were the basis for the selection of four representative countries: Germany, the Netherlands, Spain and Poland. Individual responsibility for LTC turned out to be an important factor to characterise LTC systems: how large is the role of informal care and private funding versus public expenditures? WP2 analysed for the representative countries the need for LTC by making models for the number of persons with limitations in basic activities of daily living (ADL). It used Eurostat population projections as basis for its need for care projections. The impact of smoking and obesity on the future need for LTC was also studied, but it turned out that demographic developments dominated the projections. WPs 3 and 6 studied the use of care, including the choice between formal and informal care, and the choice between care at home and in an institution. The supply of informal and formal care was also analysed. The numbers of care users are projected to increase in all countries, but with large country differences, different trends for formal and informal care, and important effects of alternative needs and socio-demographic scenarios. As the projected trends in supply of formal and informal care do not keep pace with the projected increases in LTC use, policy measures to increase LTC capacity will be needed in all countries if the current level of LTC intensity is to be maintained. WP4 studied the potential impact of technology on LTC provision and use. Technological solutions that are likely to affect LTC were identified from the literature. Economic, cultural, regulatory and organizational factors were identified that may influence the impact of technology on LTC. The potential impact of key technologies on LTC provision and use has been analyzed for dementia, diabetes and obesity. This impact turned out to be very dependent on the nature and the stage of the condition. WP5 analysed LTC quality assurance by comparing quality policies of different EU-countries. This WP collected data for 15 countries on quality indicators and quality policies. These data were used to cluster countries according to quality policies and to compare these quality typologies with the general LTC system typologies developed in WP1. WP7 assessed the performance of LTC systems. As part of this assessment, it analysed the quality of life of (potential) LTC users in 13 European countries using SHARE and the equity of the LTC systems of four representative countries. It disentangled the effects of demography and the disability level from other effects on the use of care. There turned out to be large differences in care use among countries for a given age, gender and disability composition of the population. Thus differences in the projected level of LTC use among countries are to a large extent determined by these country-specific patterns of care use. WP7 carried out an overall evaluation of the quality of life of LTC users, the quality of care, the burden of LTC and the equity in the four representative countries. Inclusion of informal care giving in the evaluation had an important impact. This made countries with high public spending and relatively low informal care giving score better on the burden of care. Such countries also score higher on equity, because informal care giving and private funding are less equitable ways of funding LTC, while these sources keep the public expenditures lower.

## The Potential Policy Implications of ANCIEN

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The new typologies developed in the ANCIEN project that are specifically aimed at LTC systems, have the potential to change the way policy makers look at LTC systems. The key defining characteristics may be different from what was traditionally expected. Factors such as informal care use, private financing and support for informal care givers provide new insights about the type of system and its impact. Looking at LTC systems on the basis of traditional and more general typologies is not always as informative. An example is the distinction between tax-financed and premium-financed systems that does not say a lot about the functioning of the system.

Different scenarios for future ADL disability made in the project were based on explicit assumptions about changes in mortality and incidence of disability. This can give policy makers a much sharper insight into the potential impact of healthy ageing on future disability. Though healthy ageing is important for older persons and society and mitigates the rise in the future number of disabled, underlying demographic factors such as the ageing of the baby boom generation are dominant. In a traditional scenario with constant age-specific prevalence rates of disability, the number of disabled older persons increases by 80 to 130% between 2008 and 2040 in the four representative countries. The mitigating effect of the ANCIEN base scenario with delayed disability is limited to 10 to 30 percentage points of the increase. Even though it is very welcome, health ageing has only a limited impact on the projected increase in disability.

In policy discussions, prevention is often mentioned as a possible way to limit the increase of future health care costs. However, successful prevention policies that increase the lifespan, such as anti-smoking policies, may lead to more disability over the lifetime and higher costs in later years. Although there are sound public health arguments to pursue anti-smoking policies, the strength of the cost argument is unclear. The risk factor scenarios support public health policies aimed at quitting smoking. It turns out that even wildly successful anti-smoking policies will only increase the future number of disabled elderly in a very limited way.

The ANCIEN results show that obesity mostly has an impact on disability and not on mortality. Thus anti-obesity policies can be expected to improve public health and mitigate future increases in care costs at the same time. Unfortunately, the effect of very successful anti-obesity policies on future disability is also small: the decrease in projected disability is limited. Naturally there are many other reasons to promote a healthy weight for the population.

Future research into the potential of technology to solve LTC problems may be facilitated by the framework that was developed in the ANCIEN project. The framework encourages very specific analyses, because it makes a clear distinction between different disorders or limitations and the stage of the disorder. This may shed much more light on technological opportunities than just the use of general principles. Furthermore, the analysis shows that governments can play an important role in creating the right conditions for technological developments in LTC, by increasing awareness and supporting knowledge.

The projections of supply and use of LTC show clearly that both an informal care gap and a formal care gap will open up if no action is taken. This analysis has the potential to alert societies to this danger and to stimulate the thinking about possible solutions. The analysis also makes it clear that future developments in intergenerational care are for a large part determined by basic demographics (the development in the number of persons aged 50 - 64 years). Even if children (in law) will be equally inclined to take care of their parents despite increasing labour market participation and more geographic scattering of families, policymakers still have to realize that developments in the number of persons in the relevant age brackets are unfavourable. This is an argument in favour of policies to increase the formal care supply.

The equity analysis that was part of the evaluation of systems shows other disadvantages of relying too heavily on informal care. In societies with a strong public coverage of care risks, the funding is shared by everybody, not just those who have someone close to them who needs LTC. Relying largely on informal

care (or private financing), is a comparatively unfair way to distribute the burden of LTC. It is important to support informal care givers and make access to formal care possible.

An increase in the supply of formal care is important to close the expected care gap that will open up given the current pattern of care use, but for countries with generous systems the ANCIEN analysis draws attention to the relatively intensive pattern of care use. The analysis showed that countries with a generous LTC system, such as the Netherlands, will spend a relatively large part of GDP on LTC in the future under conditions of ageing with the current pattern of care use. ANCIEN did not include a complete sustainability analysis, but such countries have to keep in mind that they may be confronted with sustainability problems in the future. In this respect, a very relevant result is that the high LTC expenditure in the Netherlands is not caused by an unfavourable composition of the population regarding age, gender and disability. On the contrary, the composition is favourable compared to the other representative countries, but the pattern of care use is very intensive. The analysis makes clear that one policy option is to make the pattern of public care use less intensive.

It turned out that the differences in the pattern of care use among European countries with a different level of economic development can be very large (such as the difference between Poland and the Netherlands). This may be food for thought for policy makers at both extremes of the distribution. Not only may countries with generous systems encounter sustainability problems in the future, countries with rudimentary formal care systems that usually lean heavily on the availability of informal care, may have to consider a future increase in formal care supply.

The results and policy implications of the ANCIEN project are of particular importance to women, as they play a large role both in providing informal care and as users of formal care.

## ANCIEN Publications

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ANCIEN project published a substantial body of research, including 22 country reports, 28 research reports and 8 separate policy briefs. The reports have been published on the ANCIEN web page (<http://www.ancien-longtermcare.eu>) and also available as part of the ENEPRI Research Report series on the CEPS webpage ([http://www.ceps.eu/publication\\_series](http://www.ceps.eu/publication_series)). The ENEPRI Research Reports series are also accessible through the European Network of Economic Policy Research Institutes (ENEPRI) website ([www.enepri.org](http://www.enepri.org)).

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