Aged and Long-Term Care in the Developing World, with a focus on Asia

Philip O'Keefe
World Bank
Sydney, August 2018



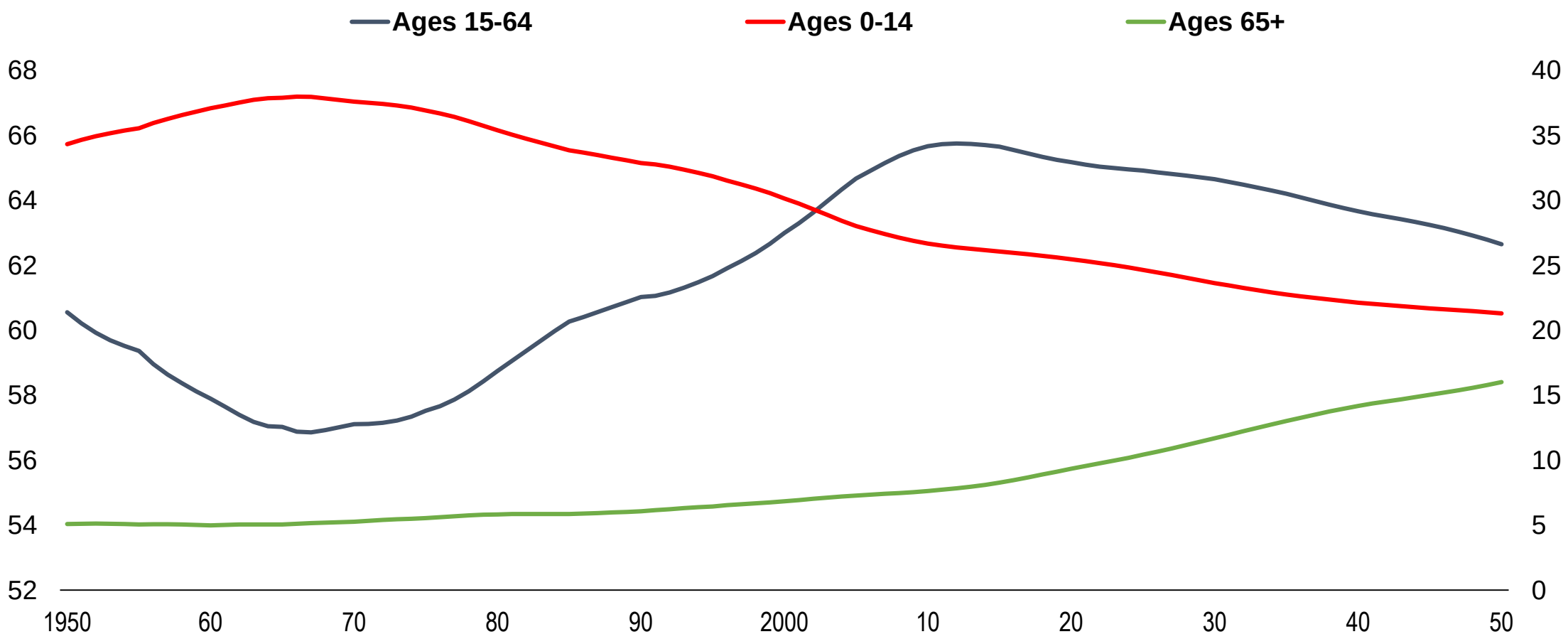

WORLD BANK GROUP

Presentation outline

- Context and emerging needs for aged and LTC in developing countries
- The current and emerging situation on aged and LTC
- Key challenges in LTC in developing countries

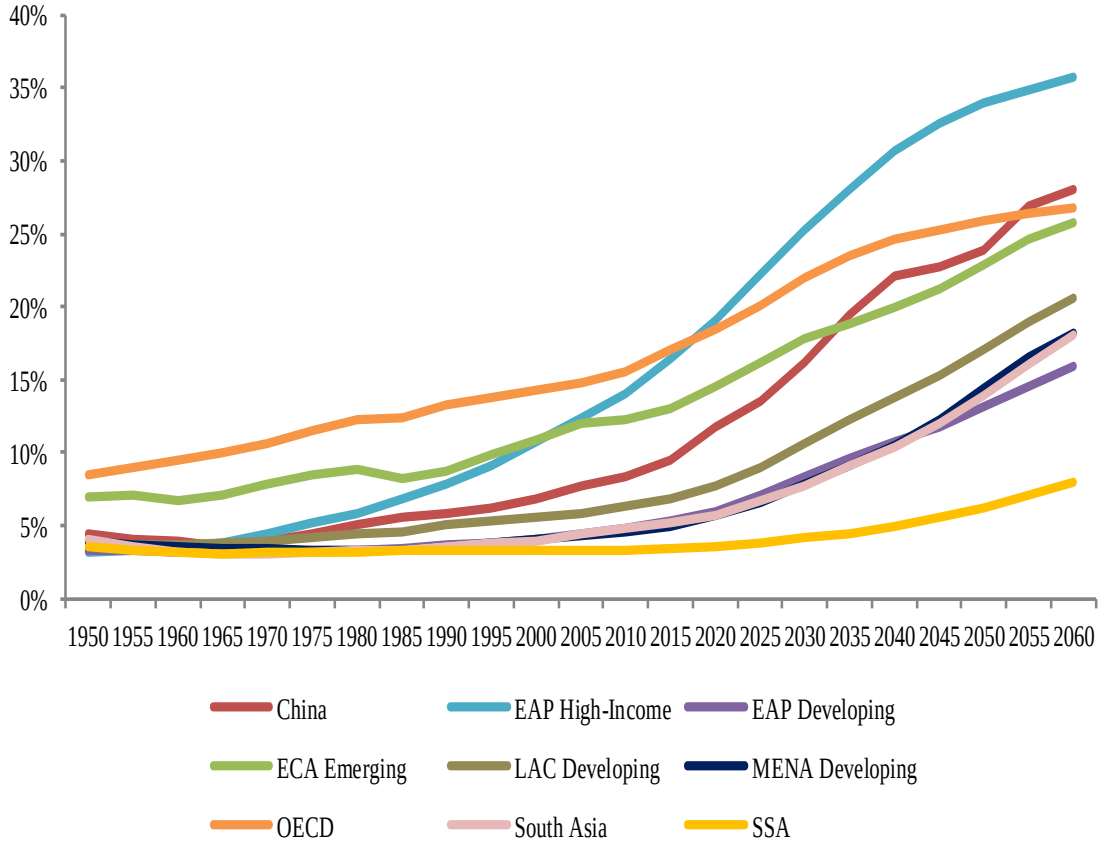
The share of global working age population has begun a steady decline as elderly share rises…

(World Bank, based on UN)

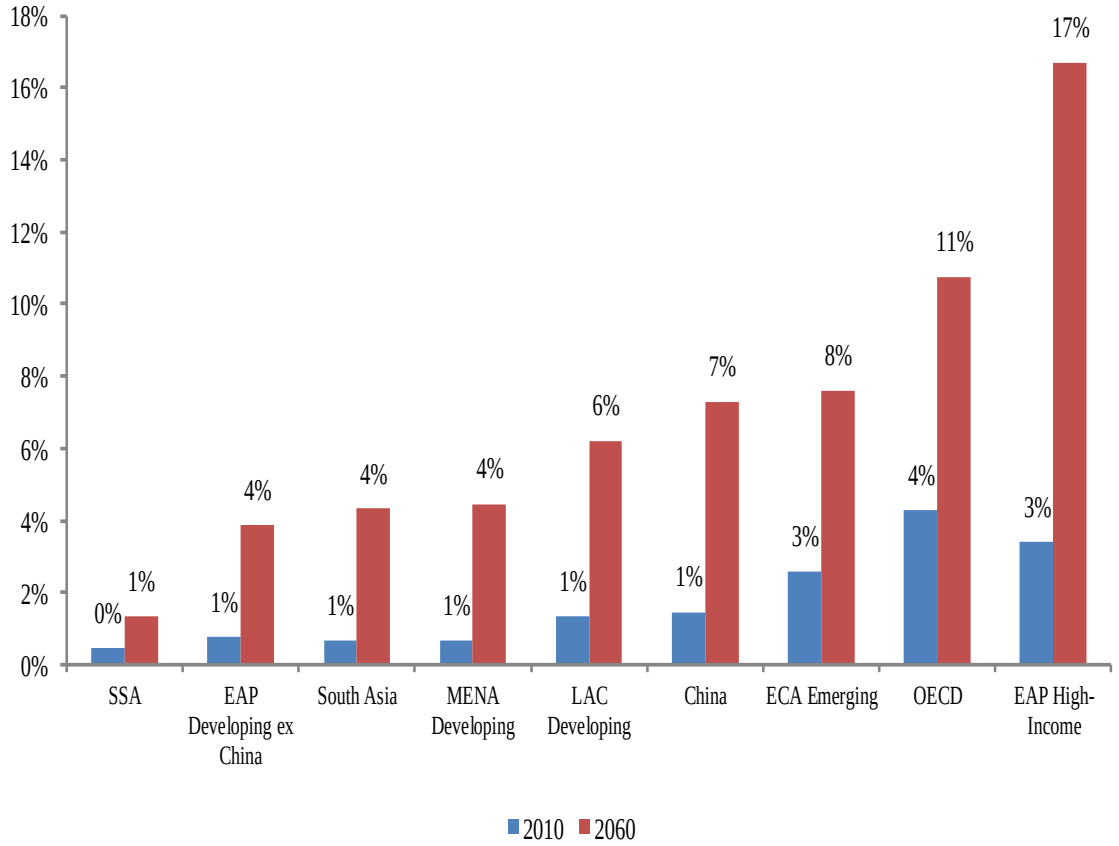


And the developing world will increasingly account for the growth in elderly population, including the older elderly

Share of population 65+, 1950-2060 (UN)

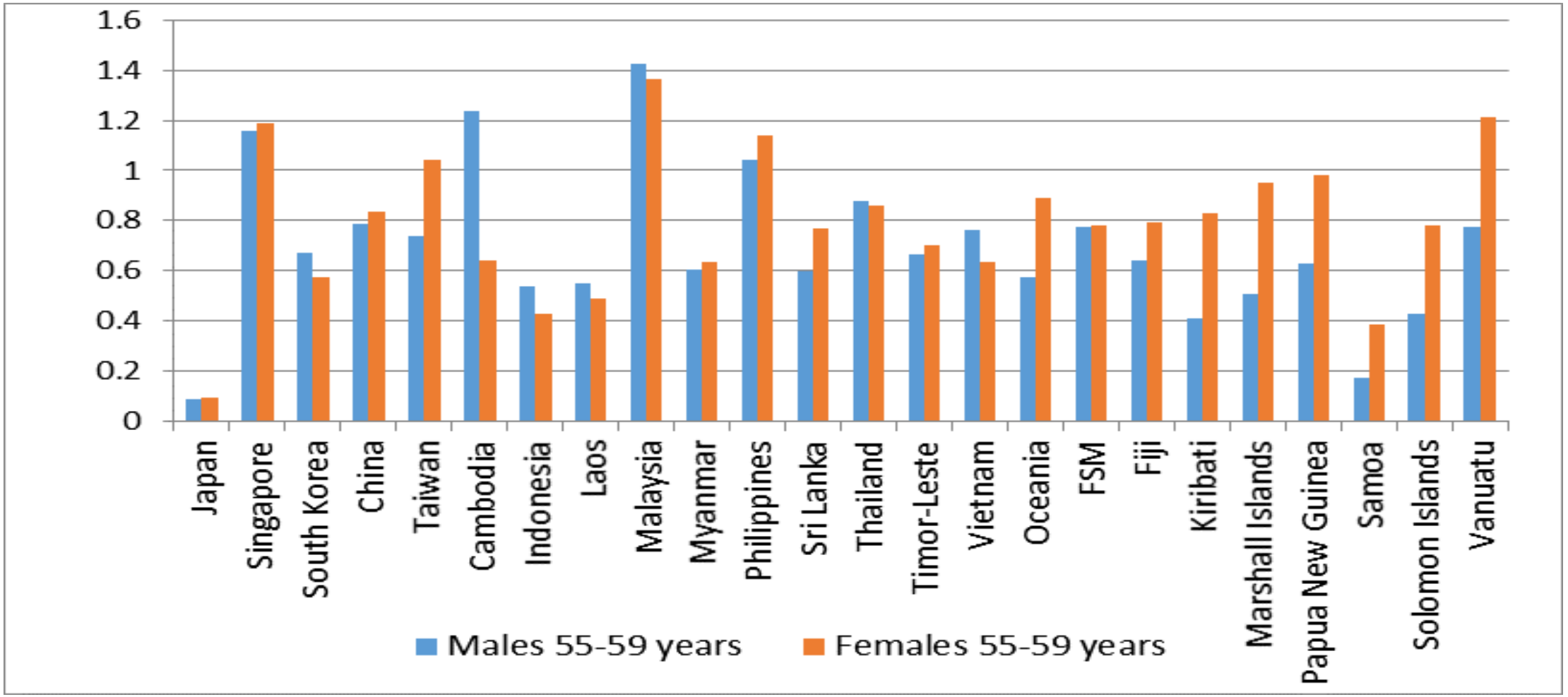


Share of population 80+,2010 and 2060 (UN)



In the process, years lived with a disabling condition are steadily rising in many developing countries even at younger ages

(% increase in years lived with disability, 1990-2010 for selected Asia-Pacific, IHME)



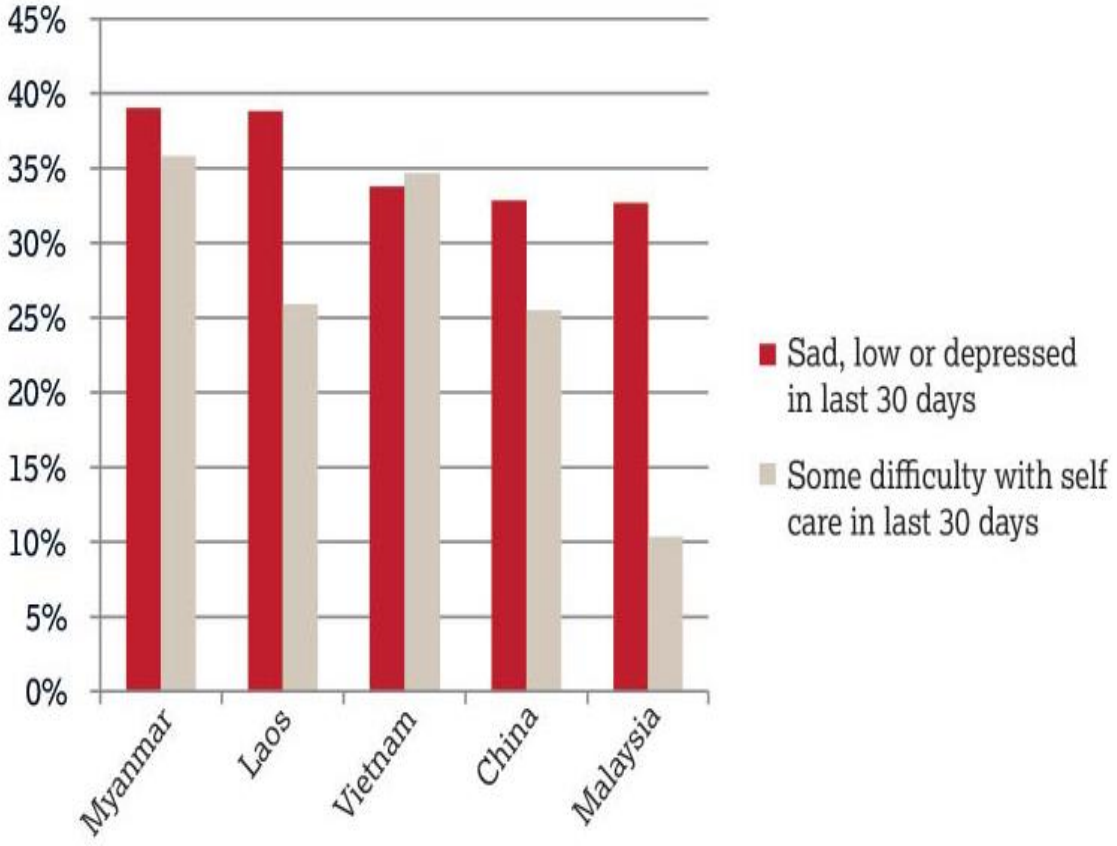
The prevalence and cost of dementia in developing Asia is high & will rise rapidly

(Alzheimer's International, 2014)

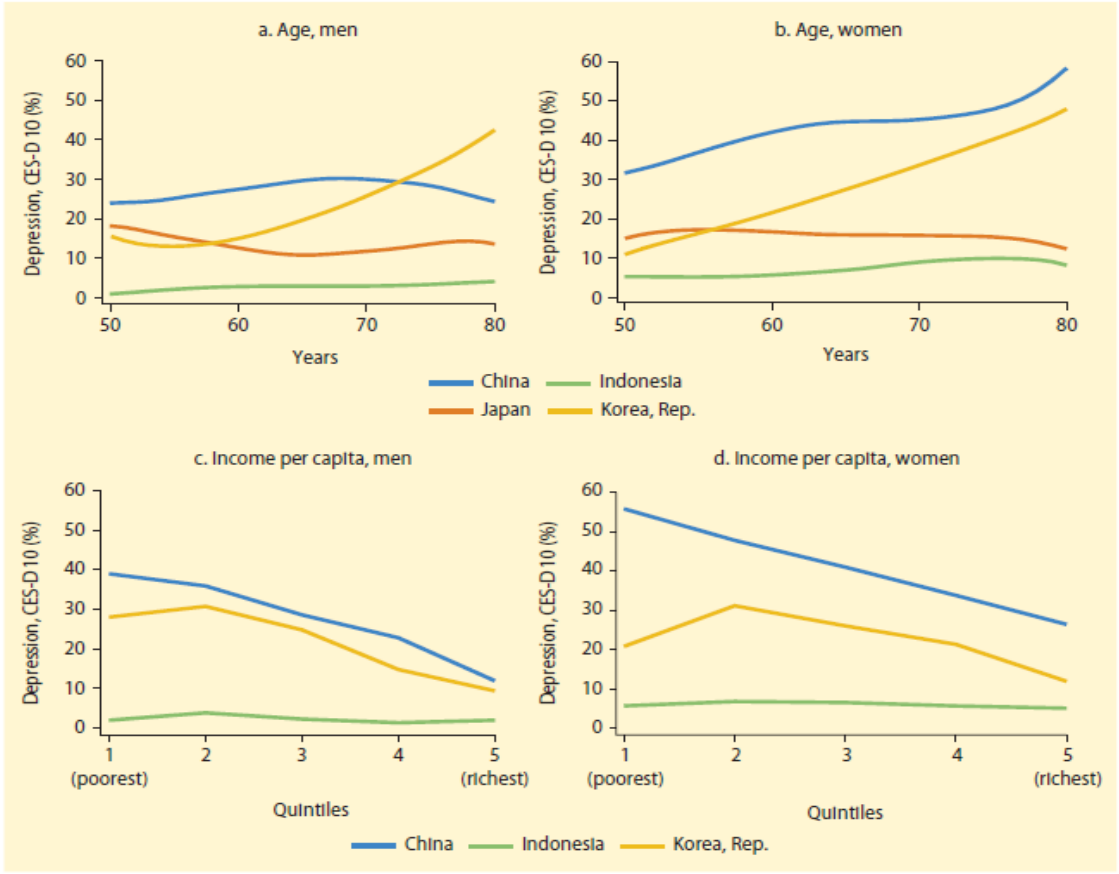
	Estimated Number of People with Dementia ('000)+			Estimated Costs US$ (mil)
	Y2015	Y2030	Y2050	2015
ADI Members				
Australia	328	520	864	$12,892
Bangladesh	460	834	2,193	$321
China, P.R	10,590	18,116	32,184	$44,619
Taiwan, China	260	461	840	$6,990
India	4,031	6,743	15,542	$4,620
Indonesia	1,033	1,894	3,979	$1,777
Japan	3,014	4,421	5,214	$93,240
Malaysia	123	261	590	$705
Nepal	78	134	285	$52
New Zealand	60	96	154	$1,199
Pakistan	450	712	1,422	$642
Phillipines	301	568	1,149	$599
Singapore	45	103	241	$1,664
Republic of Korea	462	974	2,113	$8,676
Sri Lanka	147	262	462	$230
Thailand	600	1,117	2,077	$1,810
ADI members total	**22,100**	**37,438**	**66,772**	**$183,422**
Non ADI members*	1,179	1,970	4,209	$1,446
Total Asia Pacific	**23,279**	**39,409**	**70,981**	**$184,868**

Mental health issues also are on the rise among older people in some developing countries

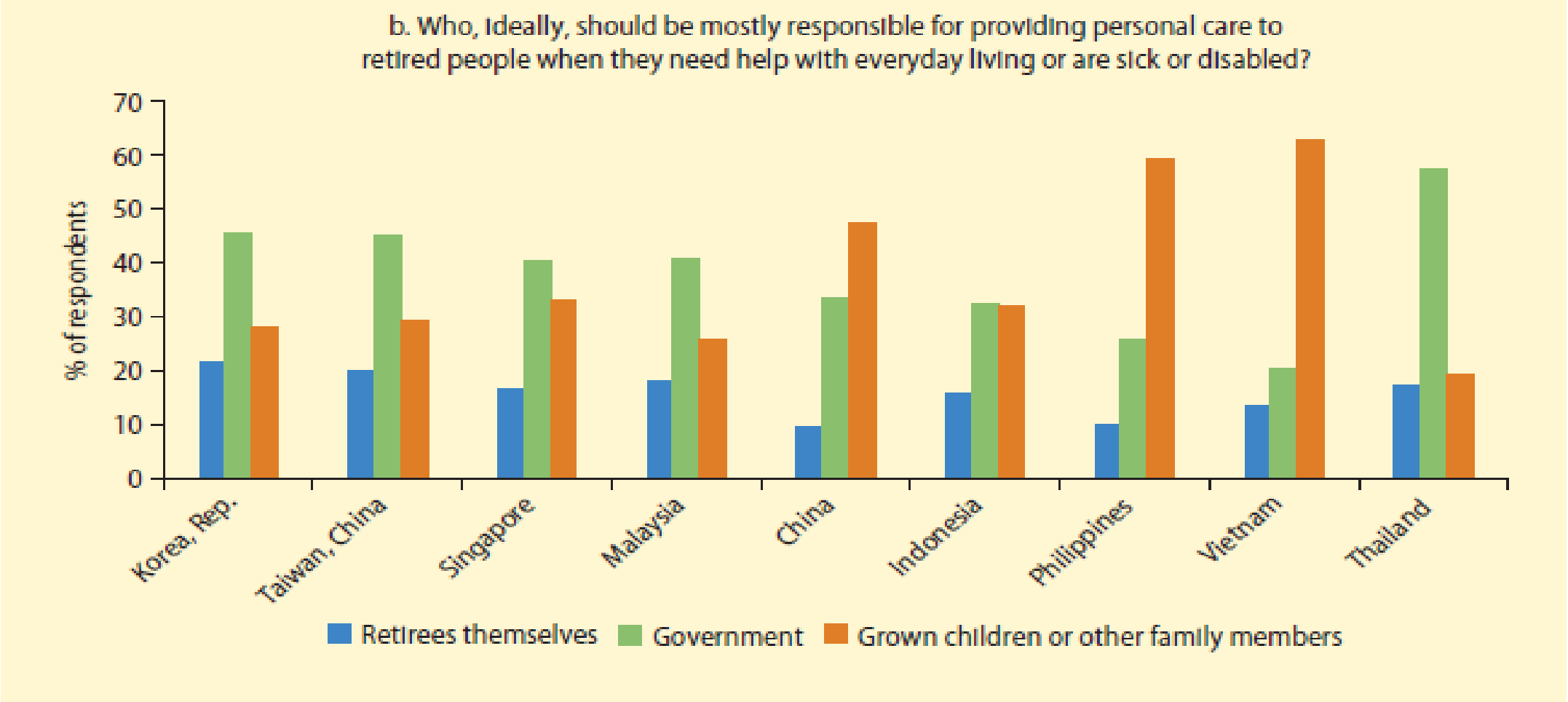
% elderly self-reporting sadness and care challenges *(HelpAge International)*



% of older depressed on CES-D 10 measure *(Giles and Huang)*



As ageing accelerates & care needs rise, expectations of the state are considerable in some developing countries



Source: Jackson and Peter 2015.

Despite emerging needs, published research on long-term care in developing countries remains negligible…

	Share of global population aged 65+ y in 2010 (%)	Share of relevant PubMed studies (%)	Share of relevant PubMed and other gerontology studies (%)
More developed regions[a]	37.5	95.5	93.9
Less developed regions	62.4	4.5	6.1
LMICs in less developed regions[b]	60.5	1.8	2.6
Africa	6.9	0.3	0.4
Asia	53.3	7.1	8.2
Europe	22.8	16.5	22.5
Northern America	8.6	77.2	70.0
Latin America and the Caribbean	7.7	0.4	0.4
Australia and New Zealand	0.7	2.1	3.1
East Asia	28.6	6.9	7.2
China (excluding Hong Kong)	21.0	0.9	1.5
India	13.0	0.0	0.2
United States of America	7.7	68.0	60.1
Japan	5.5	3.3	2.9
Russian Federation	3.5	0.0	0.0
Brazil	2.6	0.0	0.0
Canada	1.0	9.0	9.9
United Kingdom	1.9	7.3	10.2

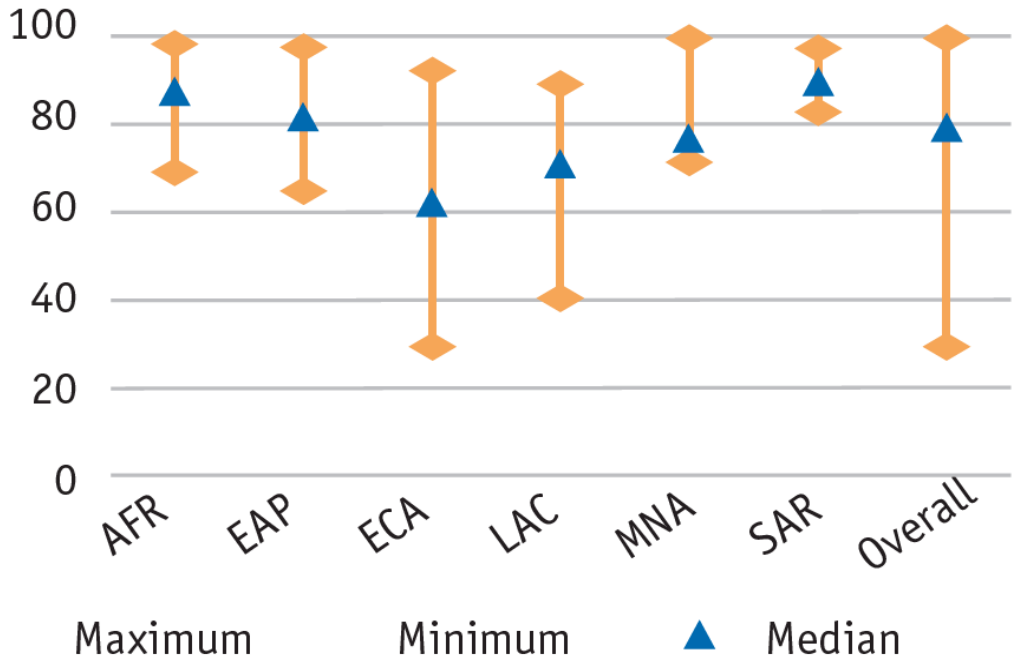
(Lloyd-Sherlock, 2014)

So what is the emerging situation with long-term care?

Co-residence rates of elderly & adult children remains high across the developing world, though falls with country income

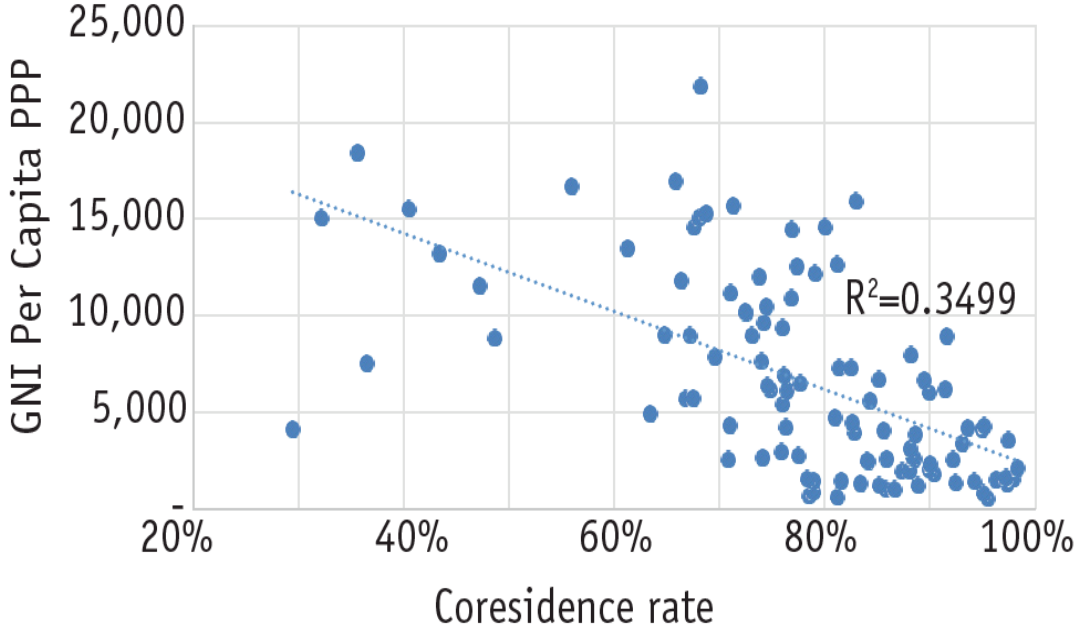
(Palacios & Evans, World Bank 2015)

Figure 2: Co-residence rate by region



Source: Authors' calculations based on sample countries.

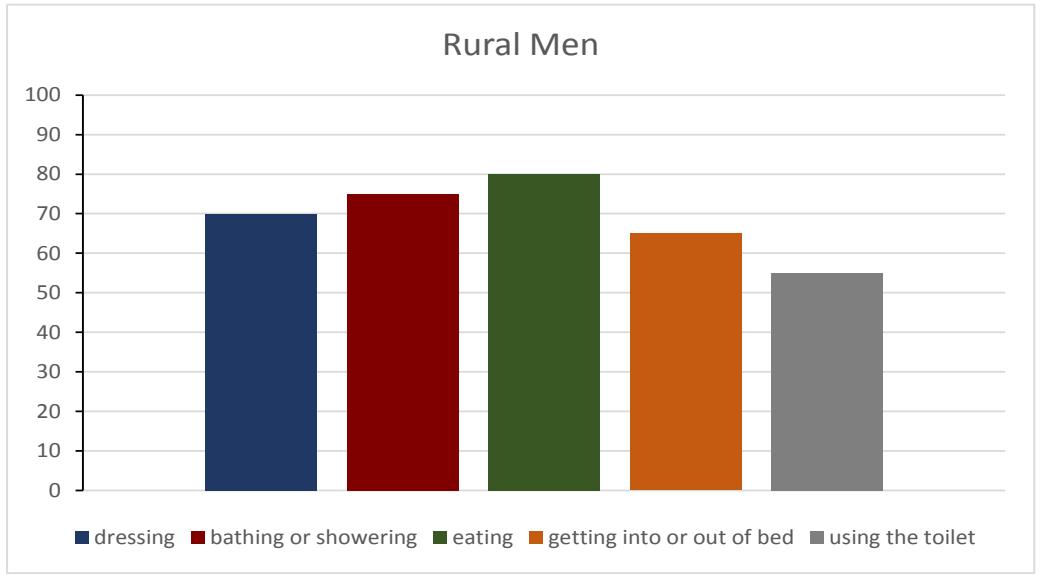
Figure 3: Co-residence rate and national income per capita

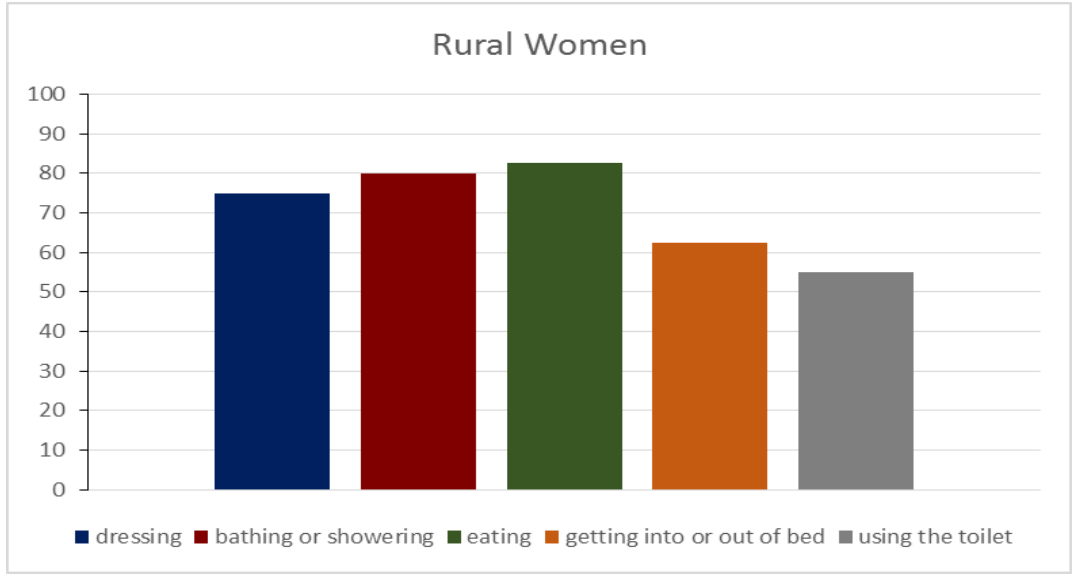


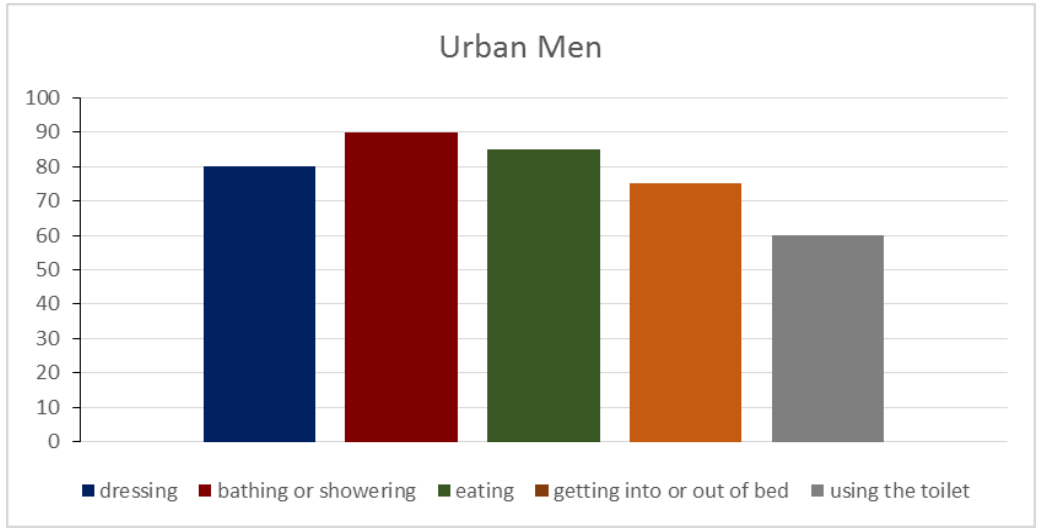
Source: Authors' calculations based on ASPIRE and World Development Indicators. GNI per capita in 2010 PPP current international $

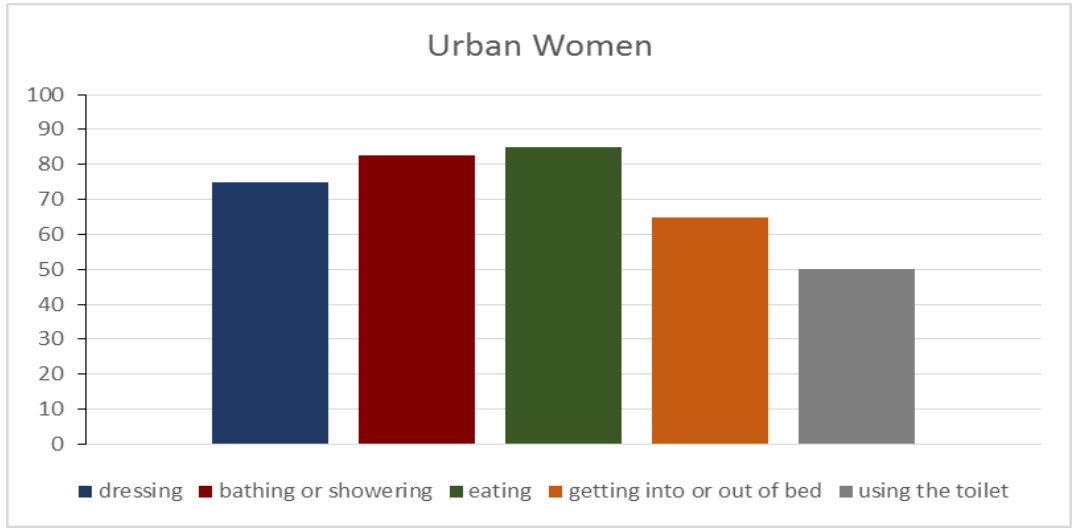
While most people report receiving care support for most ADL needs, most is family provided

(China CHARLS 2013, in Giles et al 2016)









While the care provision is spread, women often bear the brunt...

(Myanmar, HAI 2014)

Among respondents who received assistance, who helped the most (% distribution)			
spouse	21.7	63.3	23.4
son	9.2	5.6	8.5
daughter	48.9	26.8	53.8
son-in-law	0.1	0.0	0.0
daughter-in-law	5.6	1.3	7.3
grandchild	8.3	2.8	4.3
other relative	4.9	0.3	1.5
friend or neighbour	1.4	0.0	1.2
total	100	100	100

And older adults provide a significant amount of care for their elderly relatives

(CHARLS 2013, in Giles et al 2016)

Incidence and Time Spent Caring for Elderly Parents and Parents-in-Law									
	What share of older adults provide care?					How many hours per week are spent providing care?			
	Rural		Urban			Rural		Urban	
Age	Men	Women	Men	Women		Men	Women	Men	Women
Overall	0.14	0.17	0.12	0.12		16.6	17.9	19.4	17.8
45-49	0.28	0.34	0.25	0.26		15.1	17.0	20.4	20.4
50-54	0.27	0.29	0.22	0.21		13.3	17.5	16.0	14.5
55-59	0.18	0.20	0.14	0.14		15.1	16.5	12.6	16.6
60-64	0.10	0.07	0.08	0.06		26.5	20.9	32.2	20.0
65+	0.03	0.02	0.03	0.02		23.8	32.9	24.7	14.9

But shrinking & mobile families point to emerging strains on the family care model…

Brazil, 2020 & 2040 family caregiver projections

Table 4.13 Projections of the Caregiver to Frail Elderly Ratio, 2020 and 2040

	2020		2040	
Elderly group	*Caregiver 1: Proportion of family caregivers remains constant*	*Caregiver 2: Proportion of family caregivers becomes smaller*	*Caregiver 1: Proportion of family caregivers remains constant*	*Caregiver 2: Proportion of family caregivers becomes smaller*
Frail 1: No further frailty improvement	4.3	2.5	2.0	0.6
Frail 2: Further frailty improvement	6.0	3.5	3.7	1.0
2008	5.2			

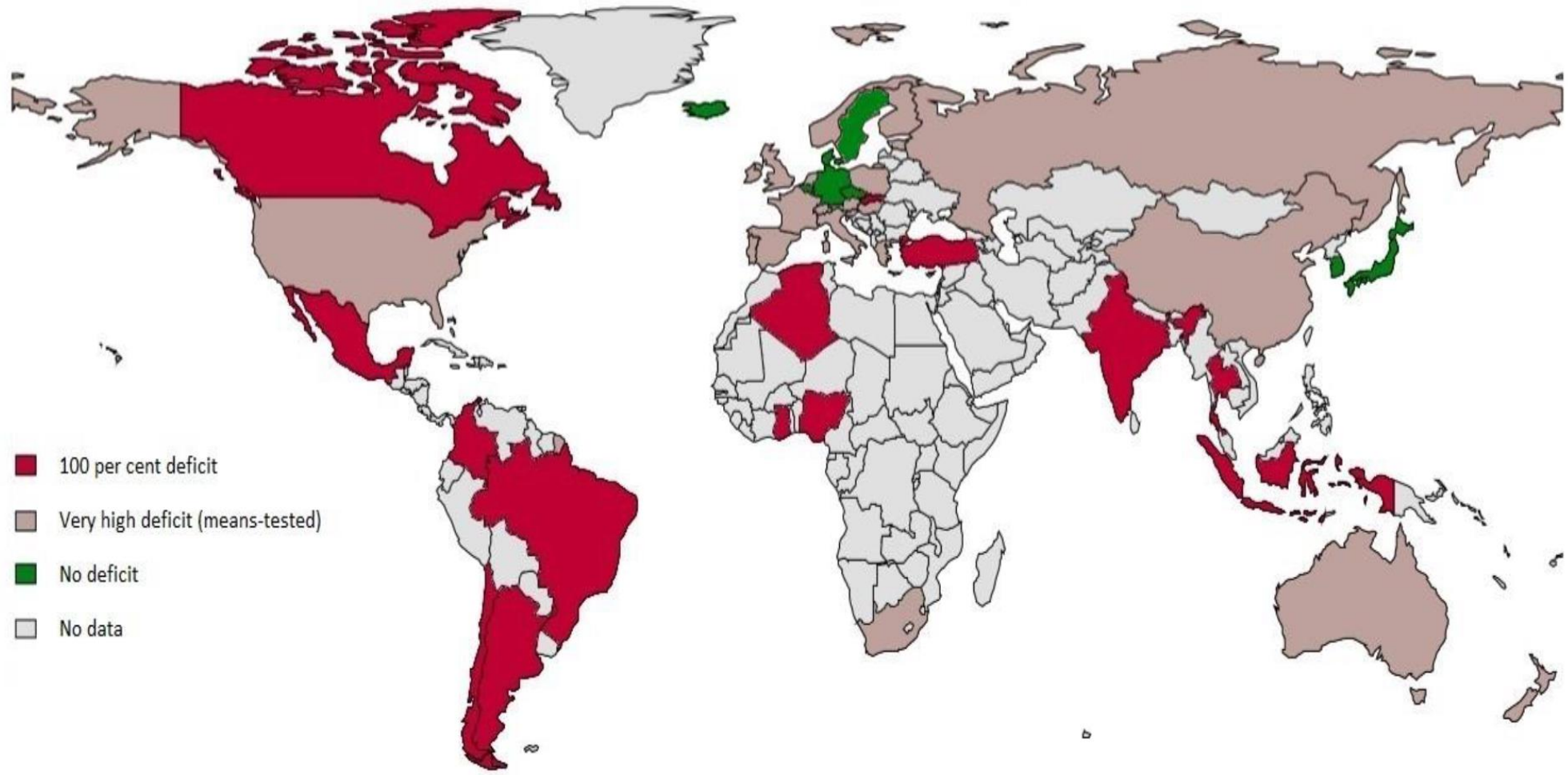
Source: Camarano 2010.

Despite strains on the family care model, publicly-funded LTC/aged care services are scarce or non-existent in most developing countries *(HAI, 2015)*

- "There are no support services available to older people in my community. Only family members are taken as or believed to provide assistance with daily activities. But this does not happen for all." Nepal, 71-year-old woman
- "The truth is these services are scarce and cannot meet the demand." Zambia, 72-year-old man
- "The family is the main caregiver and provider of palliative care. It is a responsibility that the state has almost completely delegated to the family." Colombia, group discussion
- "[A barrier to accessing care and support is] family members not having enough income to hire a paid carer or to send their parents to a care centre." Myanmar, group discussion
- "Some people say they cannot leave their parents in a care centre since people will gossip and say they have been defeated in caring for their parents." Sudan, group discussion
- "The truth is current programmes or provisions of the government are unfit and incompatible or inappropriate for the needs of older persons." Philippines, group discussion

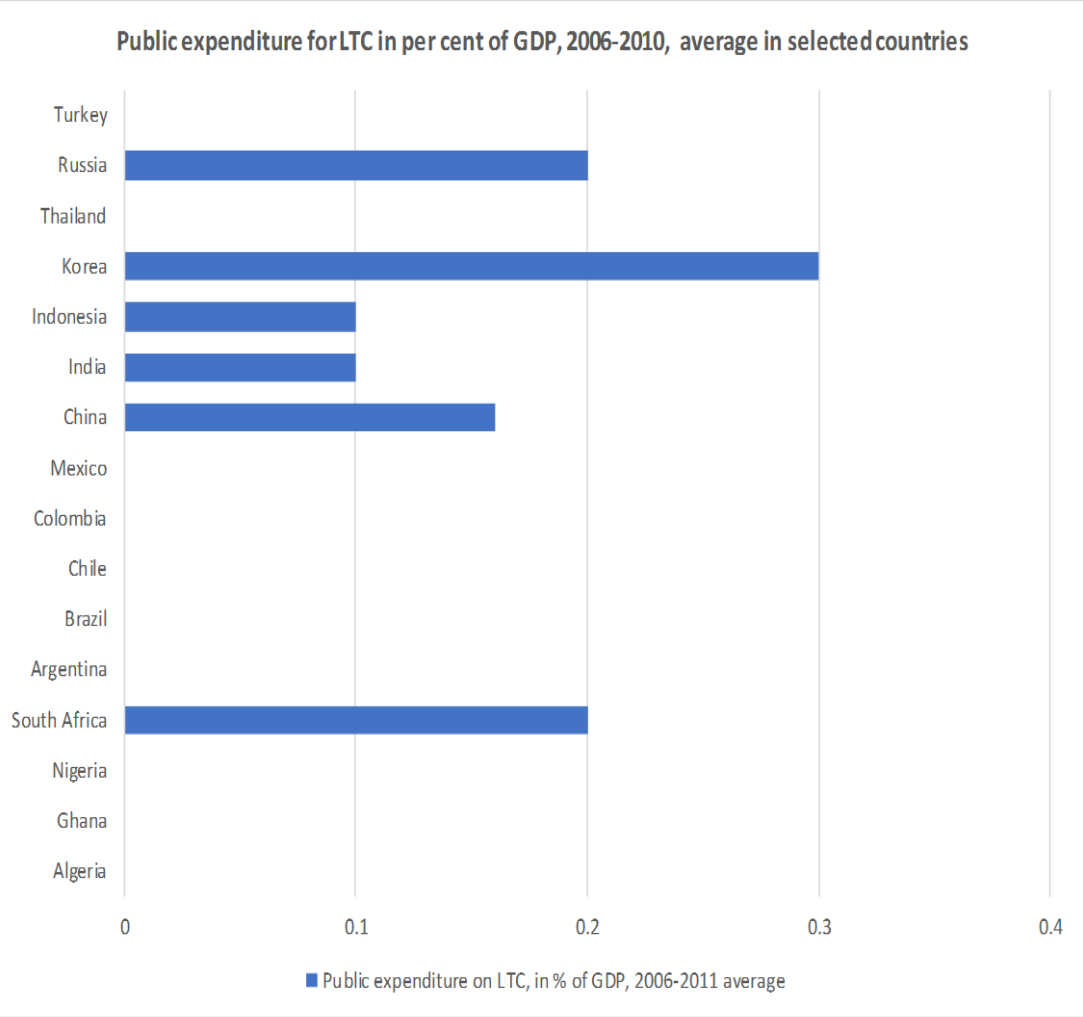
Legal rights to public-supported LTC are largely limited or unknown in developing countries

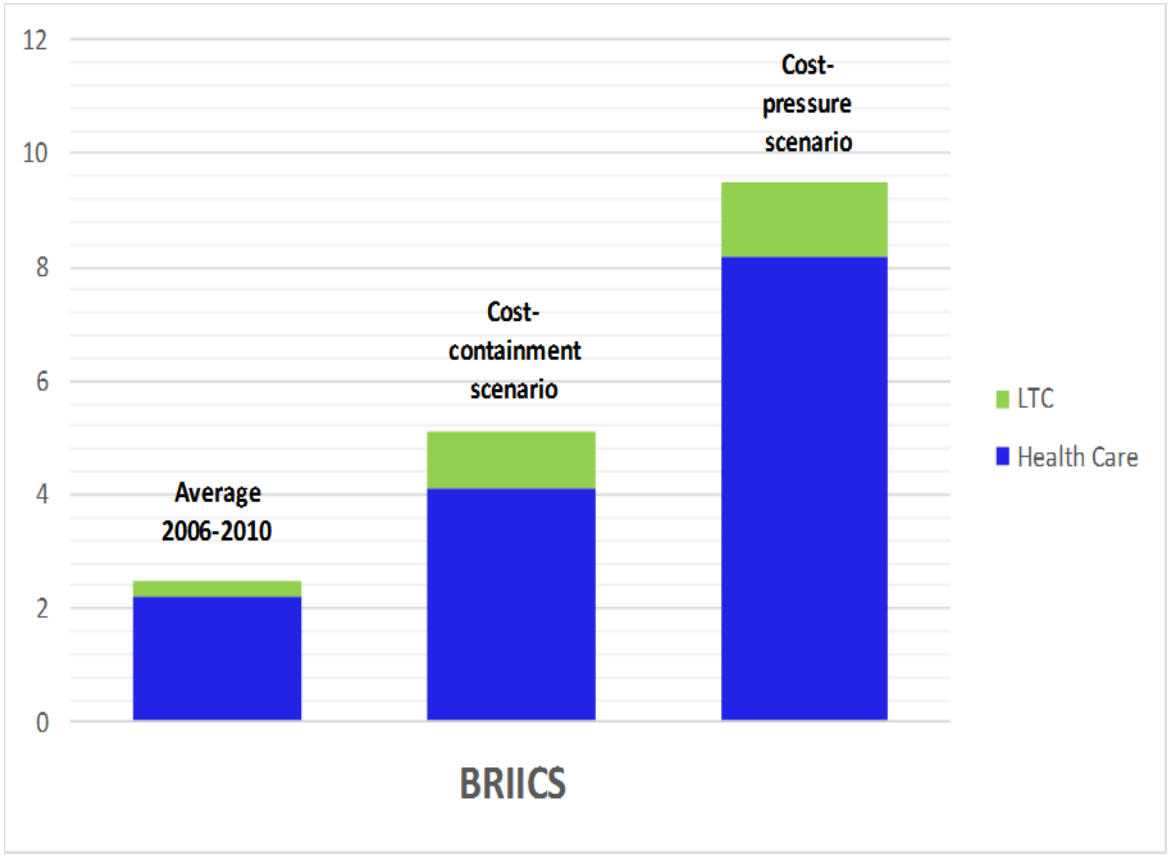
Legal right to LTC coverage, 2015 (Scheil-Adlung for ILO)



Current LTC public spending in developing world negligible but available projections suggest steady increase

(Scheil-Adlung for ILO LHS; OECD projections as GDP % RHS)

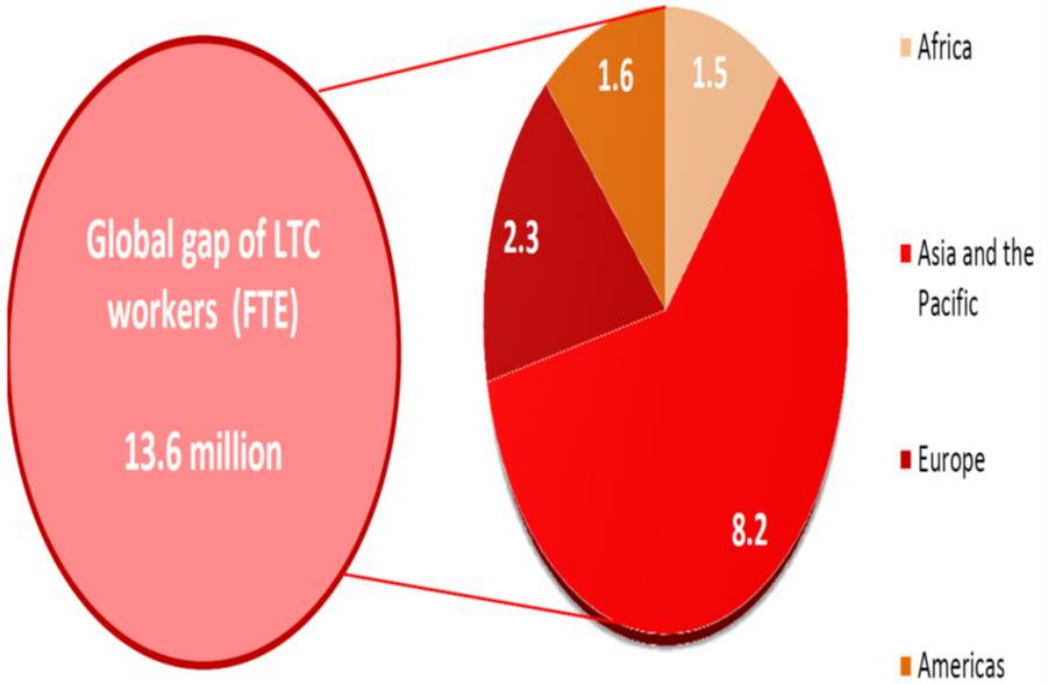




Cost pressure: healthy ageing, income elasticity=0.8, residual=1.7% per year
Cost containment: healthy ageing, income elasticity=0.8, residual phasing out over the projection period

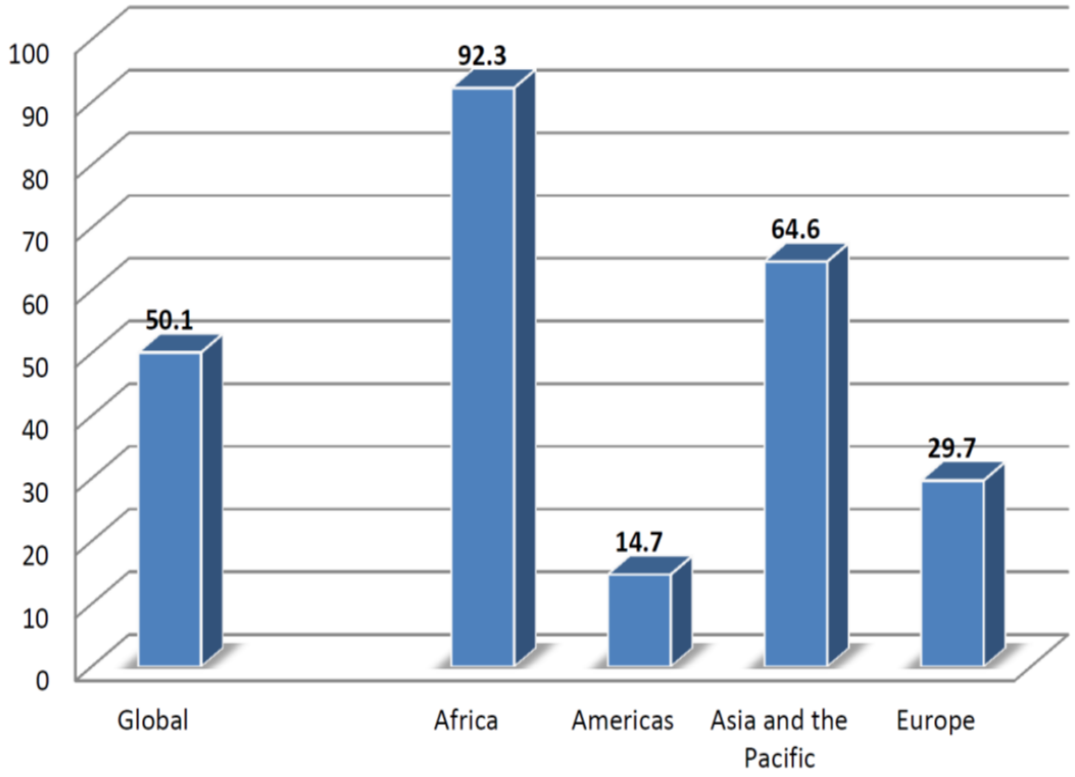
LTC workforce shortages are acute in both developing and some developed countries

Gap in LTC workforce, 2014



LTC access deficits as % of 65+, 2014

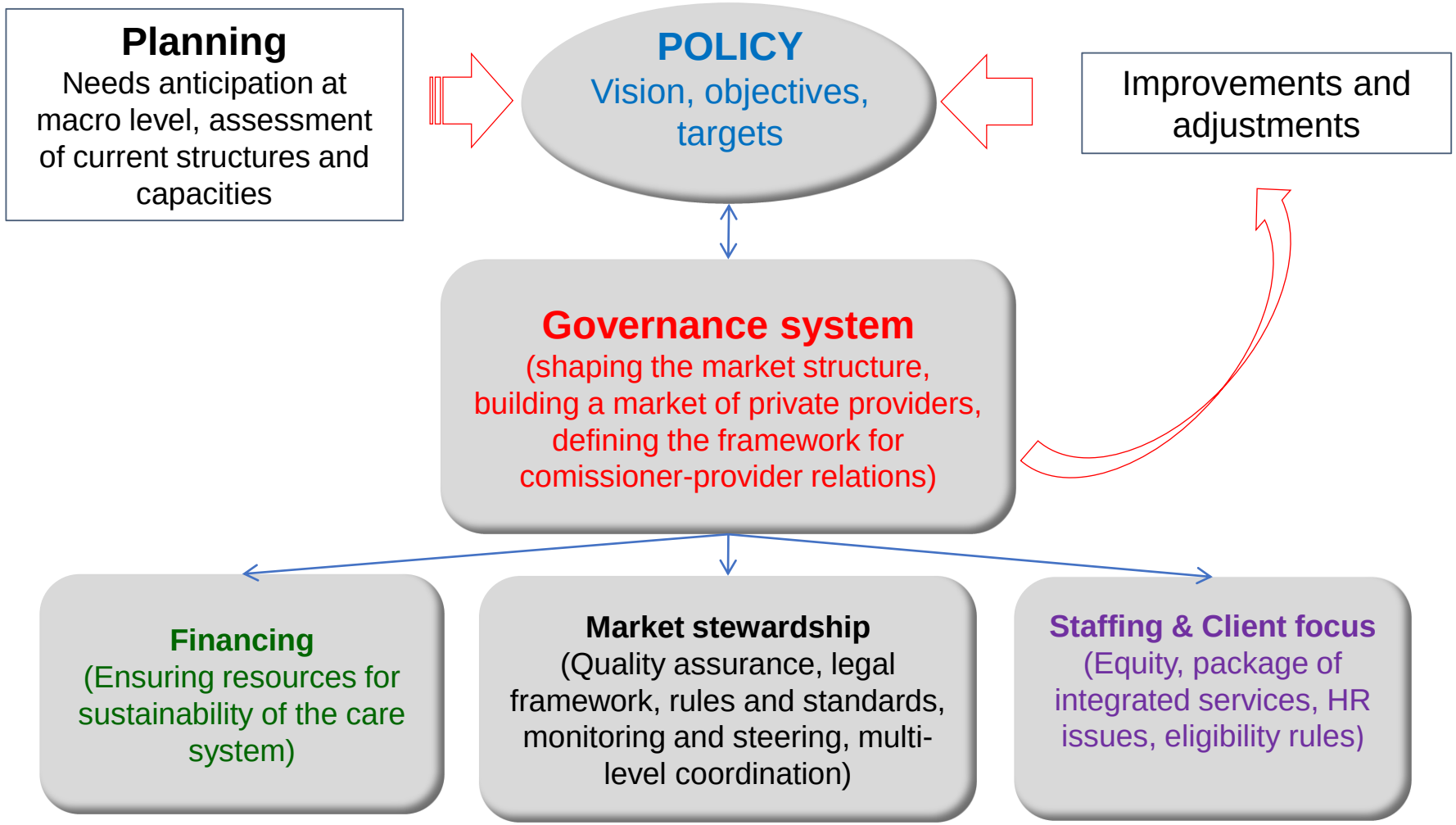
(relative to 4.2 FTE workers per 100 65+)



Key challenges in LTC in developing countries

Policy framework for LTC

Building blocks of community and home care – key responsiblities of the government



1. First is need for dedicated policies and institutional clarity on aged & LTC

- Most developing countries **lack dedicated aged/LTC policies** – and often default to a healthcare-oriented approach by intention or default

- At same time, a growing number are **legislating the care obligations of family members**, e.g. China, India, Brazil, Mexico, Russia, Turkey, Algeria, Argentina

- Where policies do exist, **recognition of importance of home- and community-based care**

- Often **lack of clarity on the institutional mandates** across health & social ministries, and thus limited vision on continuum of care often

- Even where dedicated policies exist, there is often **lack of definition of basic package of aged/LTC services** for public funding: parallels to defining basic UHC package

- Advanced developing countries recognize that **government role will shift from direct "supplier & provider" to "purchaser & regulator"** – but struggle with framing policies

But exceptions - policy development in China has been rapid & comprehensive since 2010...

2013: Opinions on Accelerating Training of Workforce for Elderly Care Service Industry

2013: Notice on Carrying Out Comprehensive Reform Pilots for Elderly Care Service Industry

2014: Announcement on Encouraging Foreign Investors to Establish for-Profit Elderly Care Institutions

2016: Guidance on Financial Support to Accelerate Development of Elderly Care Service Industry

2. Weak regulatory oversight & stewardship capacity

- **Stewardship for whole aged/LTC sector often unclear** – various actors but no real steward for whole of aged care sector and/or lack of oversight of private sector providers

- **Operational governance of aged care fragmented**, making regulation and service integration across public & private, across levels of care, and between social care and health services challenging, e.g., registration of institutional and individual providers

- **Definition of roles and responsibilities of national and subnational governments** often not fully clear or aligned with resources to perform roles

- **Under-developed regulatory standards** at national level, particularly for home- and community-based care and **standards tend not to address quality of care/life,** with weak emphasis on performance of providers and low enforcement capacity

- **No standardized and robust individual need/disability assessment tool** currently in many developing countries, but active adoption/adaptation of global instruments (InterRai; EasyCare)

- **Information systems** for aged care operations, oversight and performance measurement under-developed and fragmented: typically no unified system with data on public and private providers

- **Limited capacity to forecast needs for care**, resulting in sub-optimal match between demand & supply.

3. Belated efforts to build professionalisation of aged/LTC service providers – but how professional is enough & feasible?

- **Lack of capacity among policymakers and public managers** of LTC systems to play more sophisticated stewardship roles which are needed to operate mixed LTC system

- **Common shortage of GPs and nurses** impacts aged care sector

- Belated but **major efforts to expand training of care workers** across developing Asia, but shortages of skilled care workers remain common issue for home-care providers (low prestige/pay, high turnover, etc.)
- Private providers (for-profit as well as not-for-profit) are challenged to develop state-of-the-art **managerial and technical skills**
- Demand for aged care/LTC markets has initiated process of **professionalization of voluntary and non-profit organizations**
- Recognition of the **continued importance of informal and low trained support services**, e.g. Vietnam Inter-Generational SHG mainstreaming; Thailand rural carer allowances
- **Lots of experimentation & innovation** among non-public providers, e.g., time banks in China; community-lead palliative care in Kerala; OAPs across South East Asia.

4. The financing model for aged/LTC remains absent or unclear in most developing countries

- **Out-of-pocket spending dominates**, with access to services depending on ability to pay for large majority of people in developing countries

- Most developing countries have a **default financing approach for LTC through healthcare system**, but that is expensive and inefficient. Lower levels of social aged care highly restricted or non-government financed. Thus difficult to have clear/full picture on public financing

- Where LTC public financing exists, the **focus tends to be on supply side financing** & much less on demand side carer subsidies (though Thai rural carer allowance example). Direct subsidies to infrastructure & providers do not encourage efficient provision & may bias towards institutional care

- **Possibilities for standalone socialized LTC insurance limited** for large majority of people in most developing countries due to low coverage of contributory social insurance: though experimentation in China at subnational level & social HI offers lessons perhaps
- **Private LTC insurance is non-existent** in most developing countries or for the very well-off only.
- Discussion of **innovative financing instruments** such as social impact bonds or development impact bonds, but as yet operational in LTC sector

5. Involving the private sector

- **Lack of "level playing field" between public and private providers** impedes growth of private sector providers
- **Private provision of home- and community-based care specially challenging**, despite being government priorities. Generating interest from private providers in rural areas a special challenge
- **Unclear vision on the respective roles of for-profit and not-for-profit providers** and optimal engagement across tiers of care
- **Private sector pricing of aged care services is challenging**, leading to low occupancy & unsustainable business models
- **Structuring contracts** with private sector providers remains a challenge (though different PPP models evolving, e.g. ECA and China), particularly with respect to monitoring and rewarding performance
- **Quality assurance mechanism for providers is weak** and emphasis largely on quality of infrastructure rather than services themselves
- **Low and uncertain public financing** limits the market assurance/floor function of government and hinders private provider entry

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

THANK YOU