What can England learn from the long-term care system in Japan and Germany?

Session 4: Making social care reform happen

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Social care reform: Groundhog Day

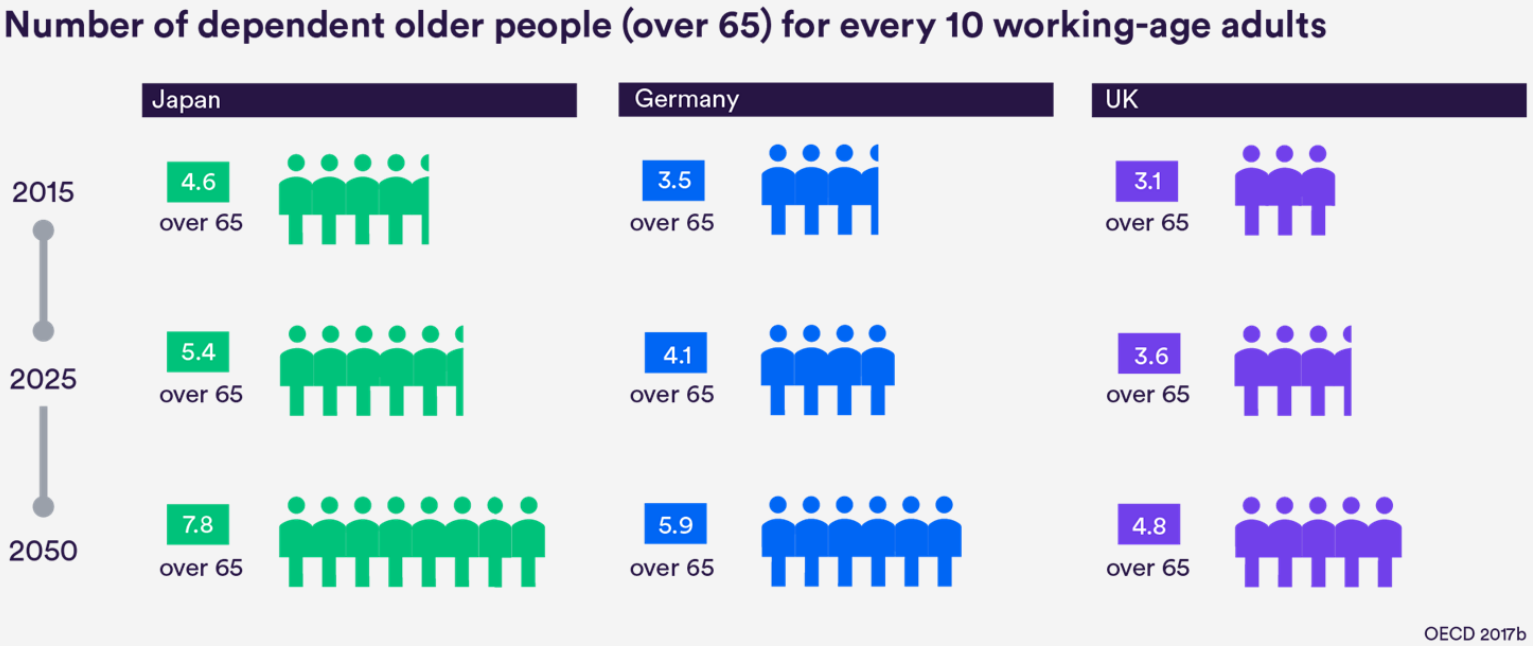
Social Care Green Paper ~~2017~~ ~~2018~~ 2019?

Why look abroad?

Population aged 80 and older

2017: World Bank (2018);
2040: UNDESA (2017)

Dependency ratio: projections



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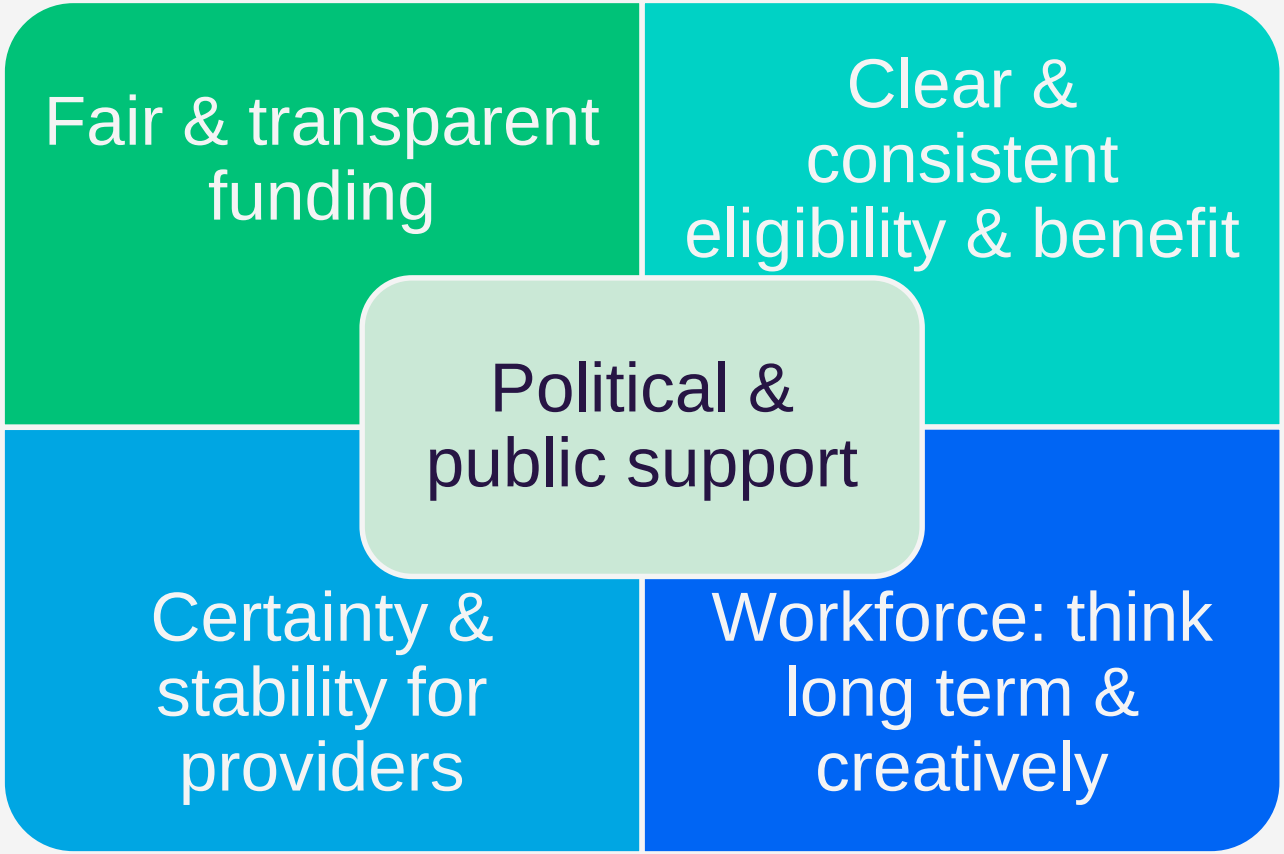
Japan & Germany: What can we learn?


Fair & transparent funding
Clear & consistent eligibility & benefit
Political & public support
Certainty & stability for providers
Workforce: think long term & creatively

1. Political & public support

Fair & transparent funding

Clear & consistent eligibility & benefit

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Certainty & stability for providers

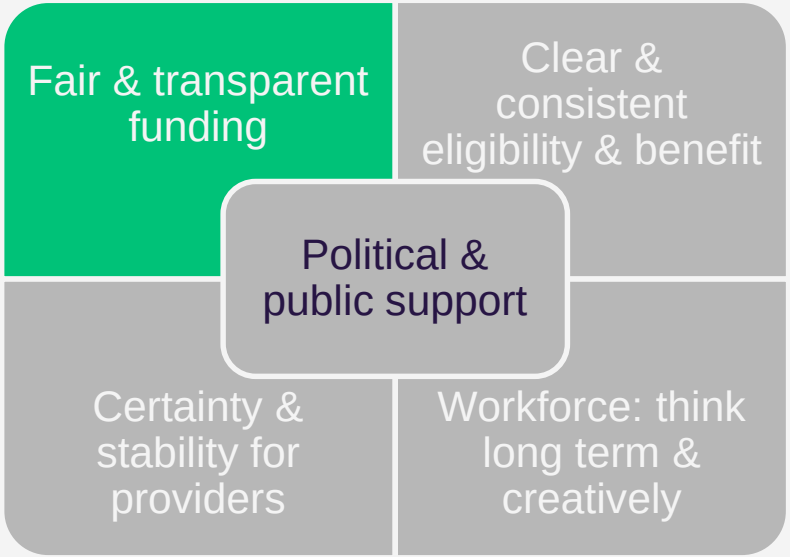
Workforce: think long term & creatively

Driving change: making the case for change

1. Discussions took time
2. Widespread public discontent re lack of care/costs of care
3. Discussions re reform sought to directly address the issues of concern to the public: went with the grain of wider social change
4. Economic & political upheaval opened opportunity for change

*"People were quite convinced there was a need for a solution. The only discussion in the process was **how** to solve it, not **if to solve it**" German policy-maker*

2. Funding: where should the money come from?



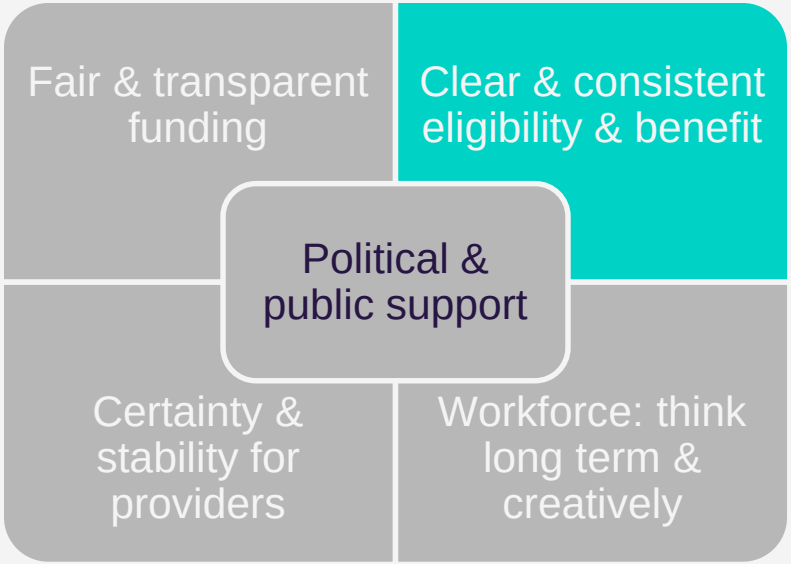
"I always thought that Britain is not that poor…[but] there is no way of taking care of something which is not an exception but the average… Either you've got the money or bad luck.“

(German CEO of provider chain reflecting on the English system)

Funding: fair & transparent

Collective: pools risk	Everyone pays in from 40	Everyone in employment pays in from 23
Transparent	50% funding from social insurance (50% from tax)	100% funded by social insurance. Administered by arms-length bodies
Clarity	Contributions are fixed % of income (shared with employer) and paid **monthly (c. 2.5% - 3%)**	
Intergenerational fairness	Retired continue to pay in (full %)	

3. Variability in eligibility & access



- Eligibility still varies despite Care Act
- Care assessments & packages not portable
- Prices paid by self-funders varies by area

National frameworks for eligibility & benefits

National eligibility criteria = consistency in access

Individuals assigned to care level = consistency in benefit

Care level associated with fixed **monthly** budget for care = clarity in benefit ('hotel fees' charged on top in residential settings)

But, the two systems diverge.

Benefits in kind only: increased **workforce pressures**

Service users pay 10-30% of care costs that are **capped monthly**

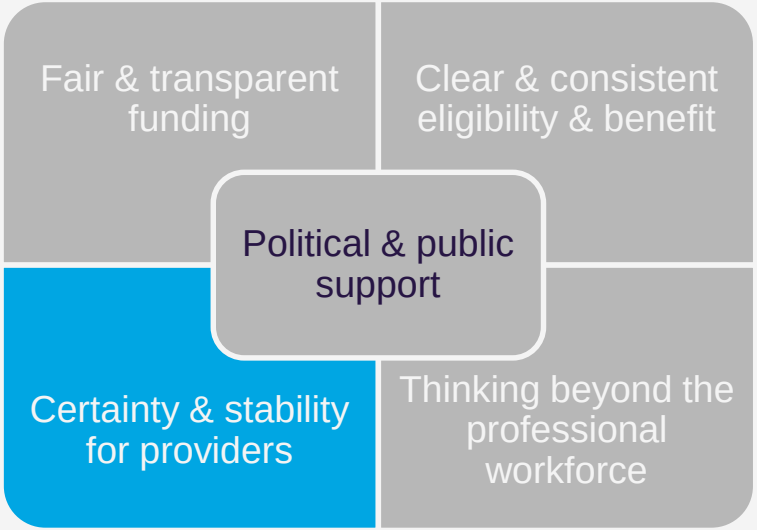
Consistent with health service

Germany offers cash or in kind

Benefits cover **basic costs** & there is **no cap** on user contributions = **rising costs** for individuals

Not consistent with health service = confusing

4. Provider market instability



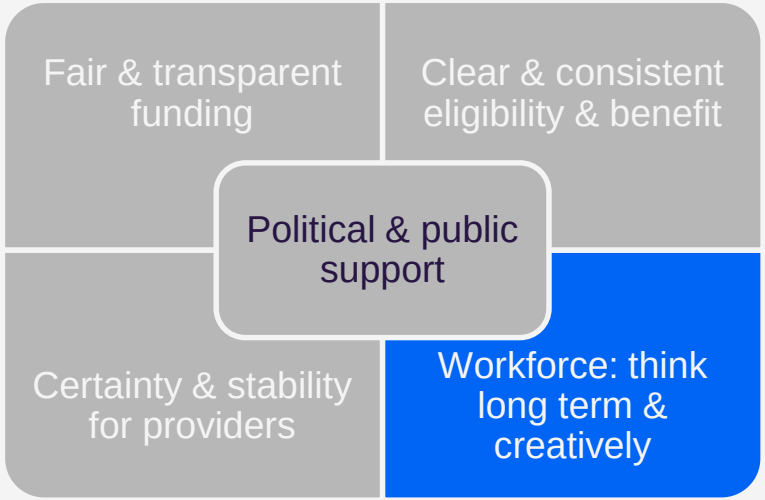
- Downward pressure on fees
- Providers handing back contracts & going out of business
- Discontinuity of care

Stability & certainty: National fee schedule

Providers paid based on fixed fee (set for 2+ years) for level of care need & staffing levels:

- Offers certainty to providers = stable and competitive markets
- Allows government to shape market & incentivise desired types of care
- Builds in mechanism for controlling costs

5. Workforce challenges



- 100k+ vacancies
- High turnover
- Low pay & status
- Lack of support for informal carers

Think long-term and beyond pay

Make workforce an integral part of funding and service delivery reform **from the outset**

Not just pay but conditions and **status** too

Recruiting from abroad is part of the solution: we will be **competing** for the same staff

Be **realistic** about technology

Think beyond professionals

- Harnessing the power of communities and volunteering – **invest** in them
- Create **communities** where people are supported to live **independently**
- Focus on **prevention**: keeping people well, independent & reduce **isolation**

- Clear re expectations of **families**
- Provide cash payments to **facilitate** informal care: deliberate design
- Care for the **carers**: make it easier to care through leave and loans – **joined up** policy

What principles could work here?

- ✓ **Fair**: Funding system to spread the risk across society
- ✓ **Transparent** : Contributions & benefits on monthly basis
- ✓ **Consistent**: National eligibility & benefits
- ✓ **Stable**: Establish national fee schedule for providers
- ✓ **Sustainable**: think long term & holistically