The economic cost of long term care in Turkey

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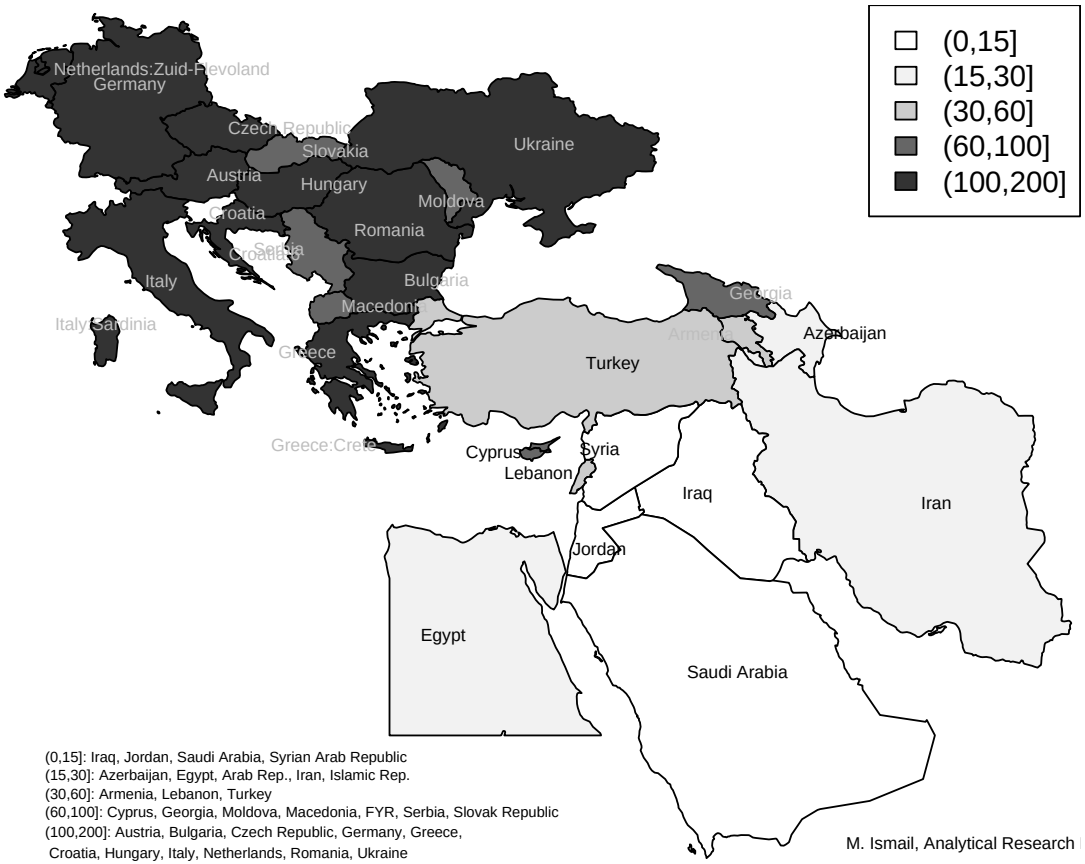
Introduction

- This presentation aims to:
  - Give an overview of the state of long term care in Turkey.
  - Highlights the likely future economic cost.
- It builds on field work and visits.
- It uses data from (WHO, WB, OECD and US Census Beureau).
- All graphs, maps, calculations are authors' own.

Aging index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Ukraine
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Hungary
Moldova
Croatia
Romania
Serbia
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Bulgaria
Macedonia
Italy:Sardinia
Greece
Georgia
Armenia
Azerbaijan
Turkey
Greece:Crete
Cyprus
Syria
Lebanon
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Iran
Jordan
Egypt
Saudi Arabia
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Croatia, Hungary, Italy, Netherlands, Romania, Ukraine
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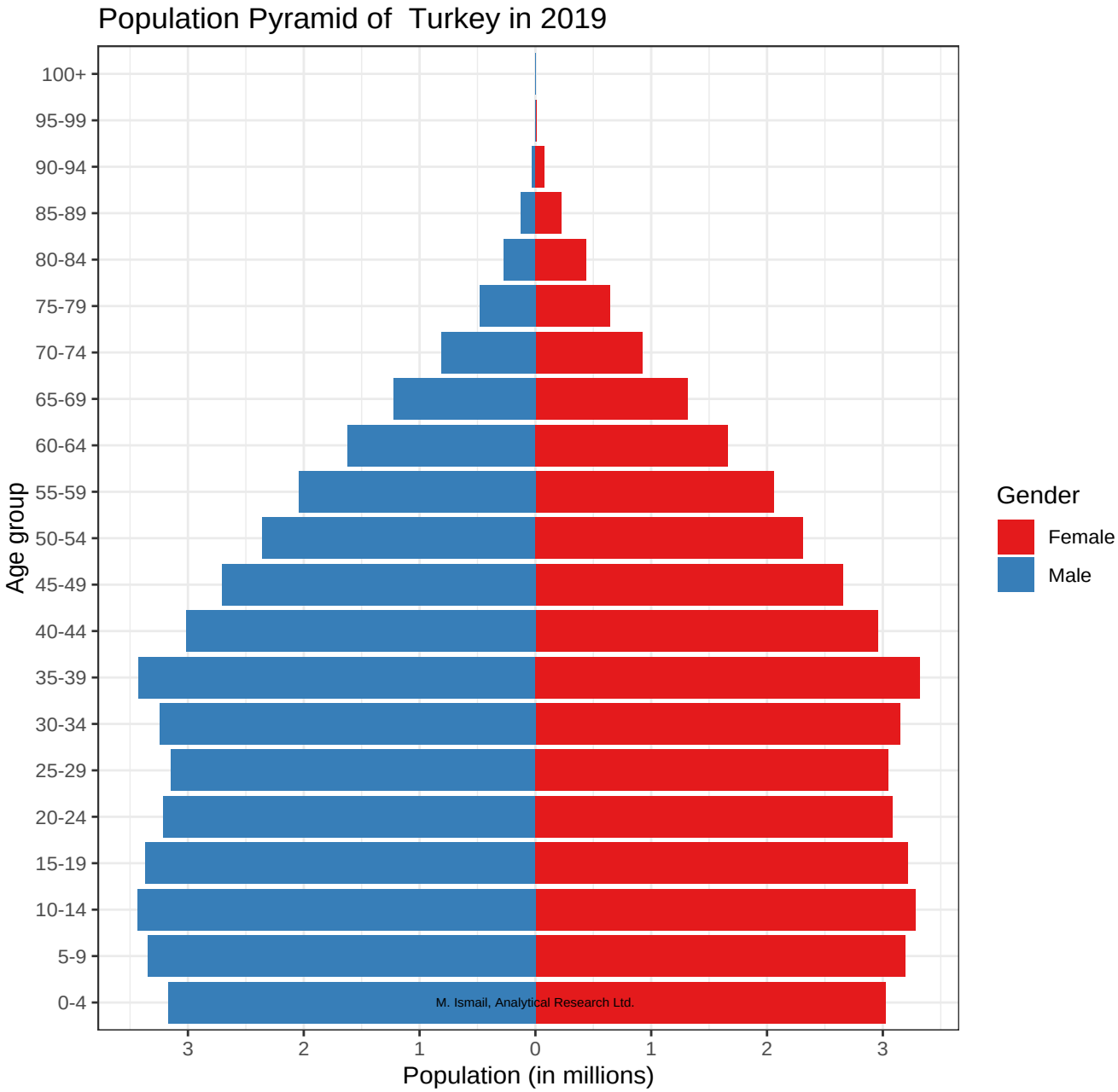
Population Pyramid of Turkey in 2019
100+
95-99
90-94
85-89
80-84
75-79
70-74
65-69
60-64
55-59
50-54
45-49
40-44
35-39
30-34
25-29
20-24
15-19
10-14
5-9
0-4
Age group
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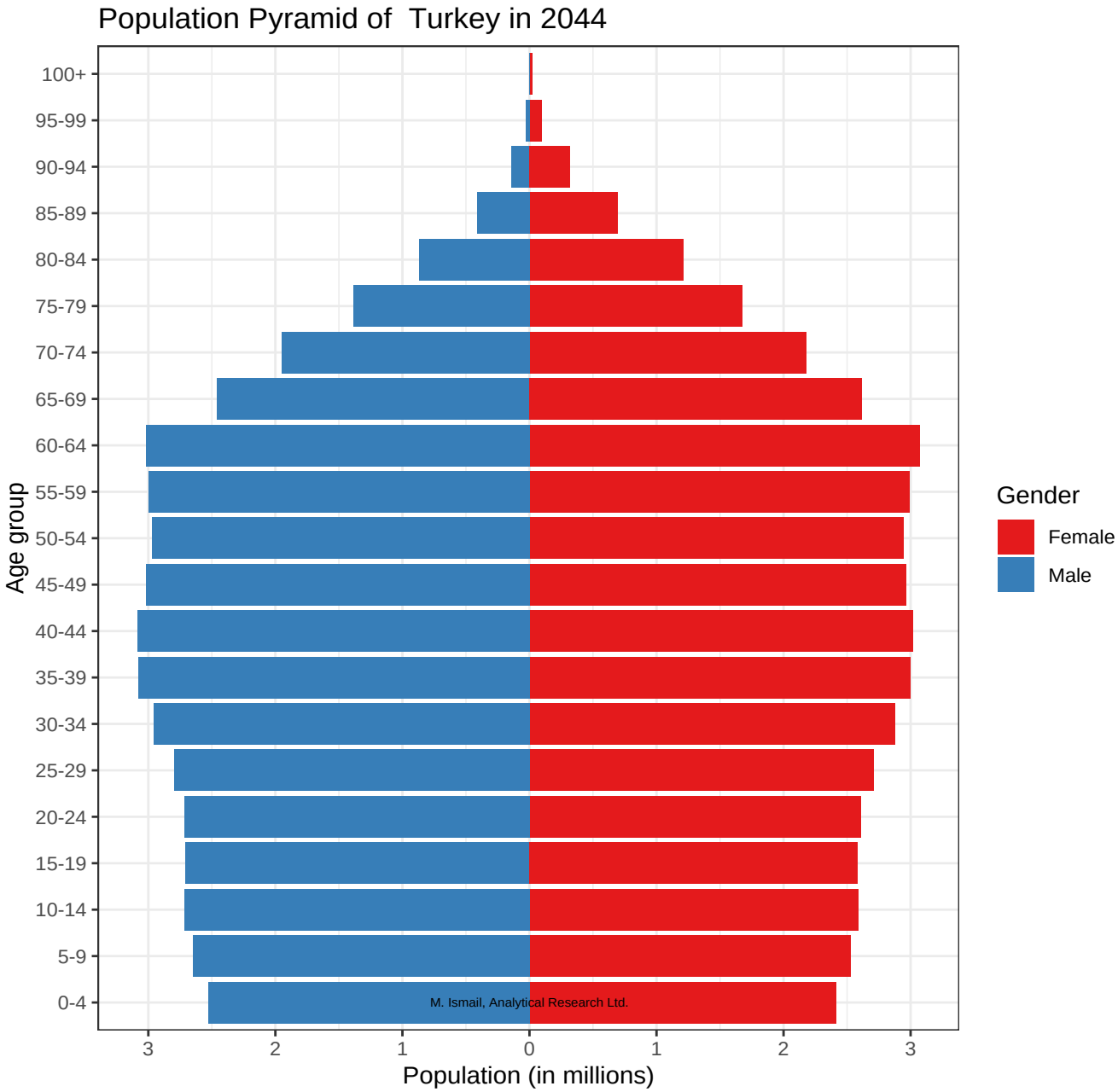
3
2
1
0
1
2
3
Population (in millions)
Gender
Female
Male


Population Pyramid of Turkey in 2044
100+
95-99
90-94
85-89
80-84
75-79
70-74
65-69
60-64
55-59
50-54
45-49
40-44
35-39
30-34
25-29
20-24
15-19
10-14
5-9
0-4
Age group
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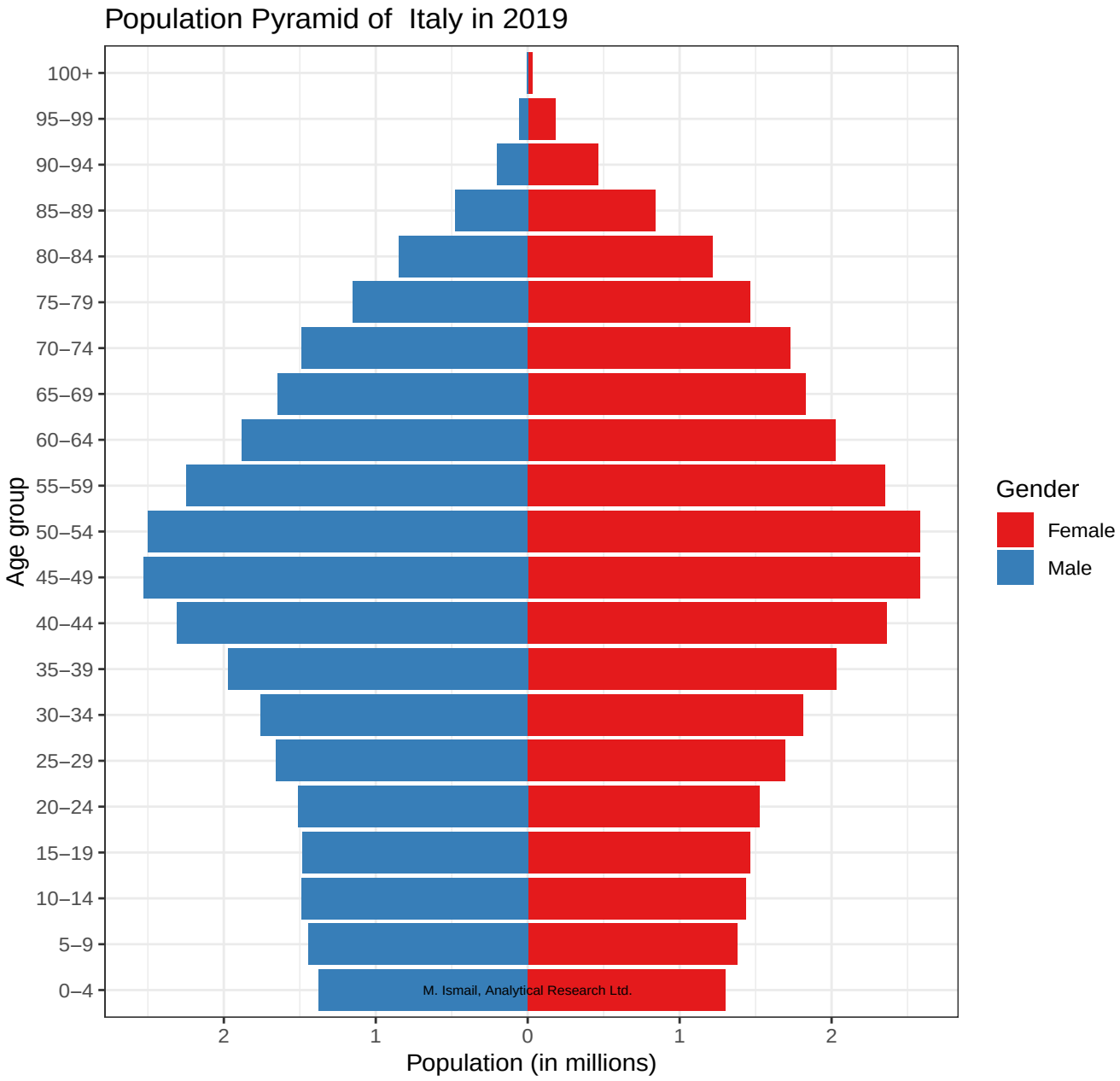
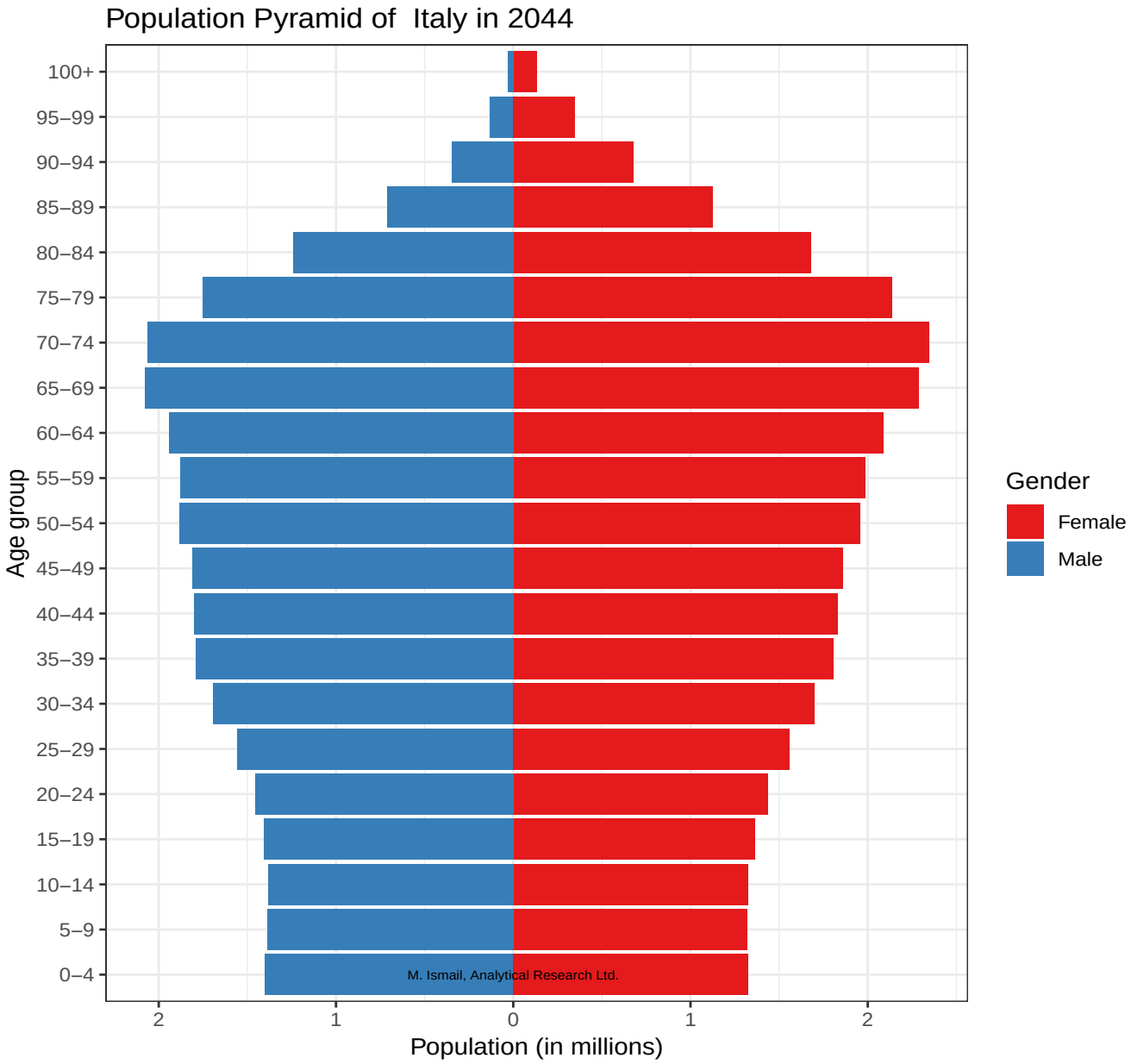
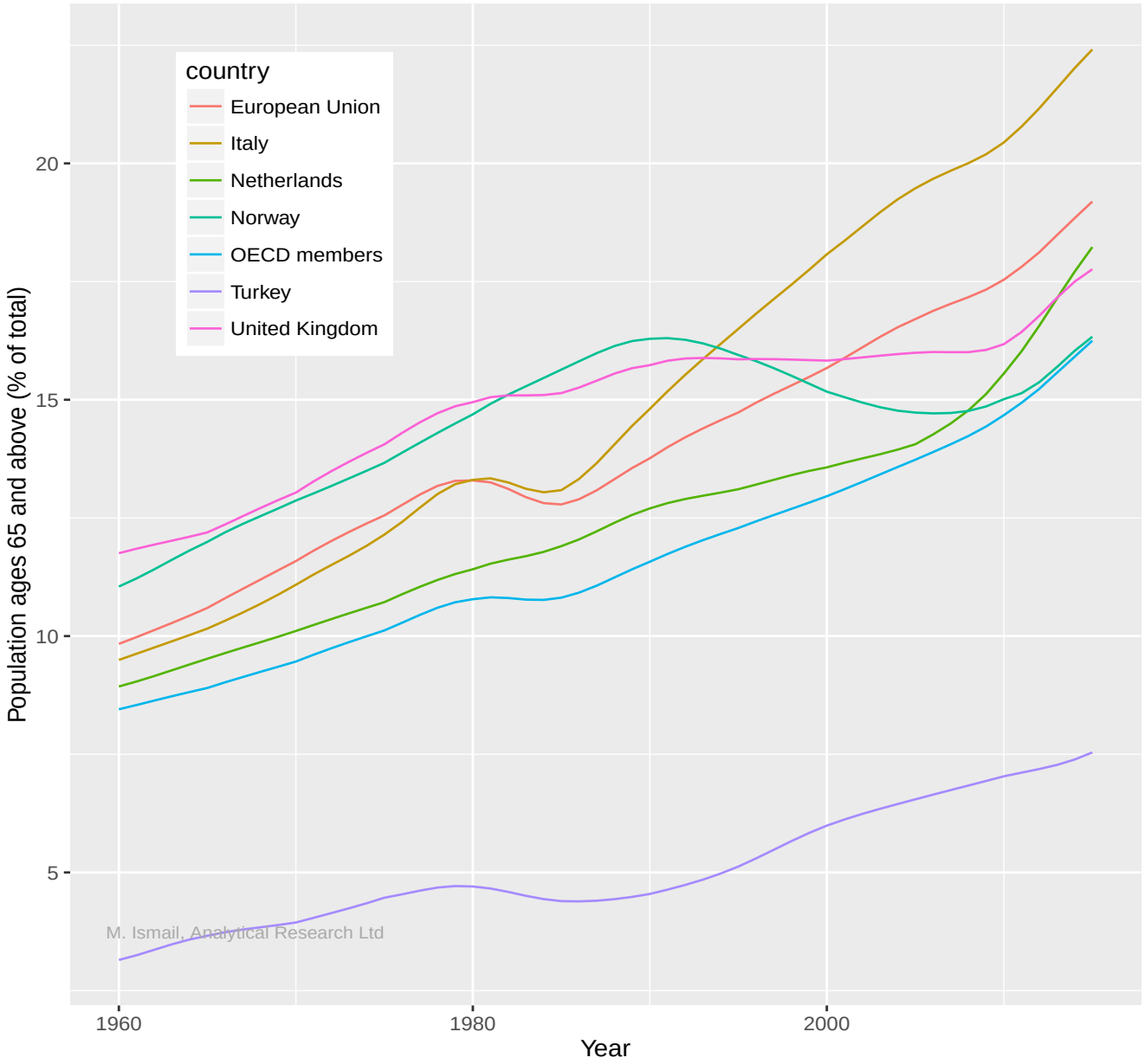
3
2
1
0
1
2
3
Population (in millions)
Gender
Female
Male


Population Pyramid of Italy in 2019
100+
95–99
90–94
85–89
80–84
75–79
70–74
65–69
60–64
55–59
50–54
45–49
40–44
35–39
30–34
25–29
20–24
15–19
10–14
5–9
0–4
Age group
M. Ismail, Analytical Research Ltd.
2
1
0
1
2
Population (in millions)
Gender
Female
Male


Population Pyramid of Italy in 2044
100+
95–99
90–94
85–89
80–84
75–79
70–74
65–69
60–64
55–59
50–54
45–49
40–44
35–39
30–34
25–29
20–24
15–19
10–14
5–9
0–4
Age group
M. Ismail, Analytical Research Ltd.
2
1
0
1
2
Population (in millions)
Gender
Female
Male


country
European Union
Italy
Netherlands
Norway
OECD members
Turkey
United Kingdom
Population ages 65 and above (% of total)
20
15
10
5
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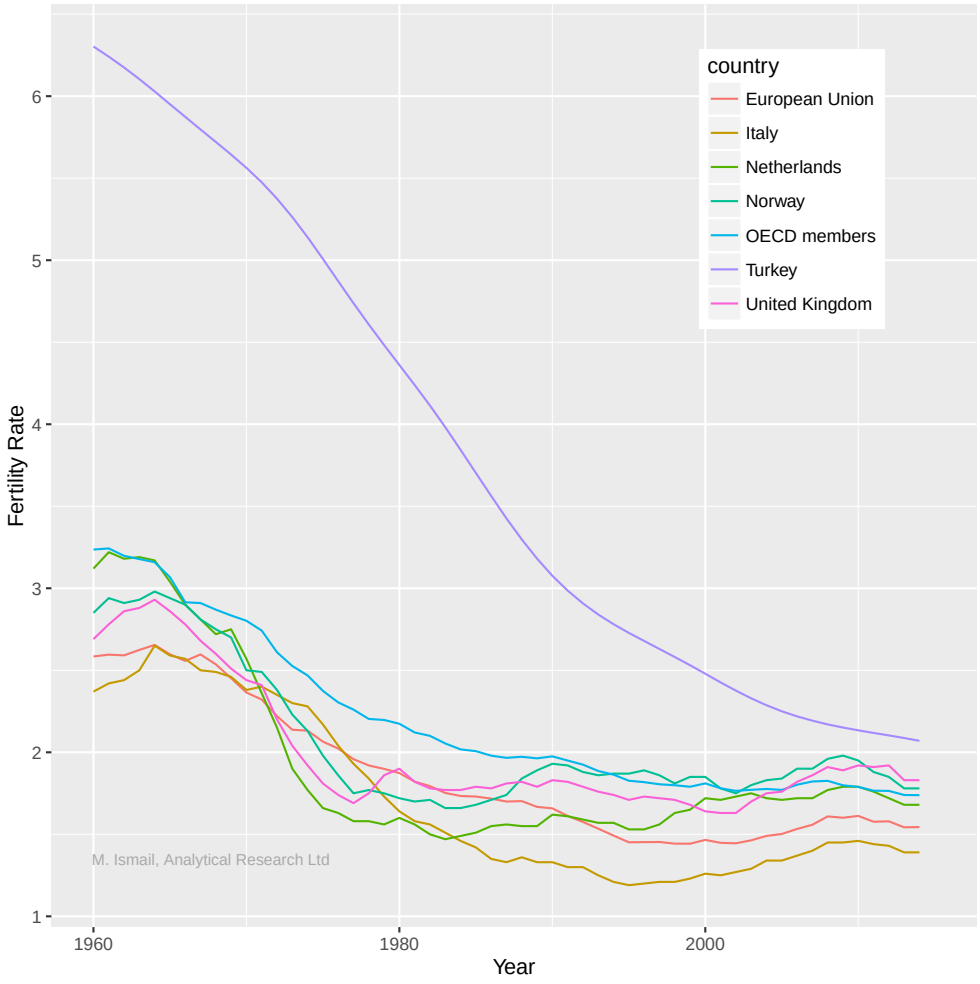
1960
1980
2000
Year


country
European Union
Italy
Netherlands
Norway
OECD members
Turkey
United Kingdom
Fertility Rate
6
5
4
3
2
1
1960
1980
2000
Year
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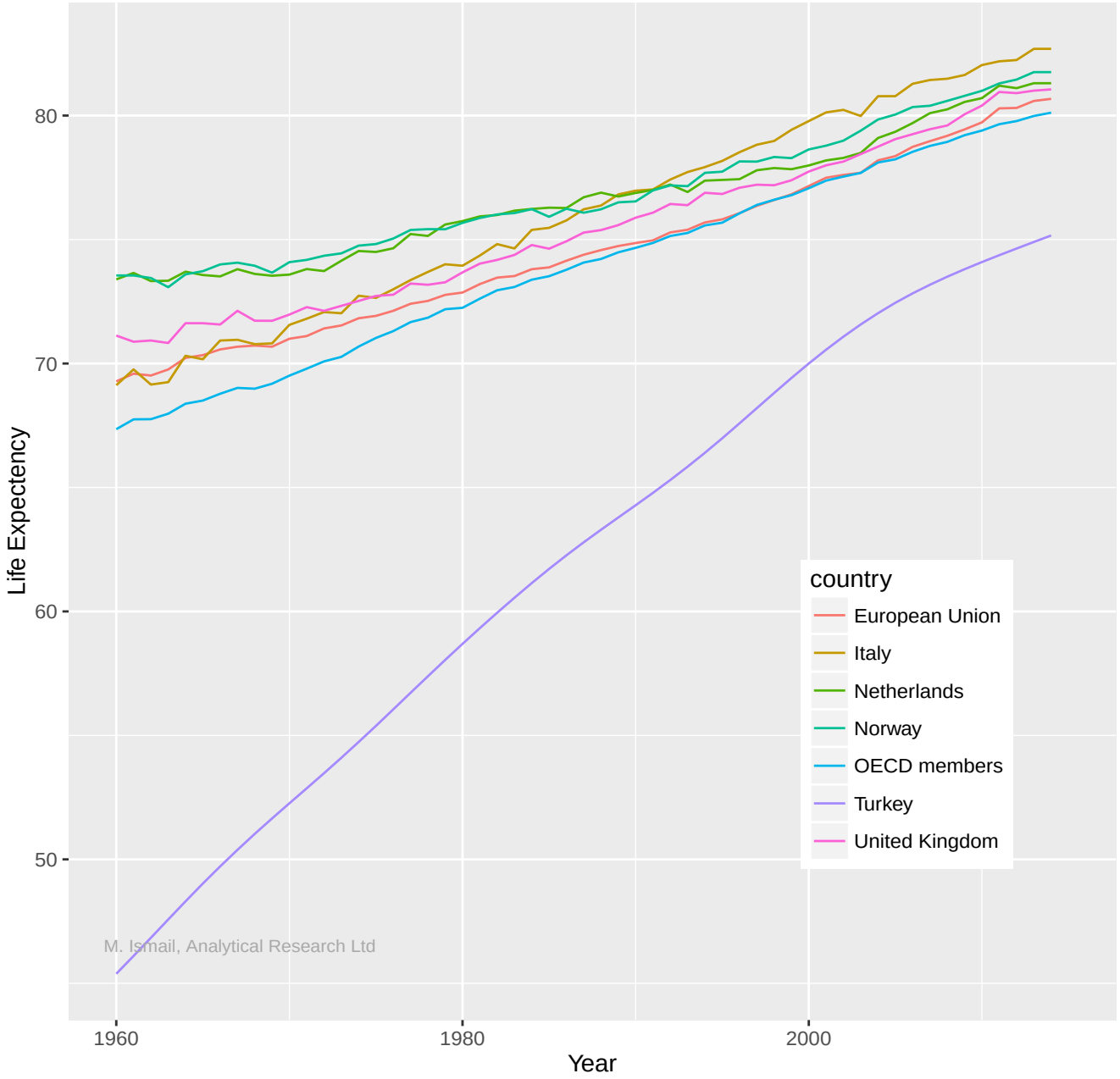
80
70
60
50
Life Expectency
1960
1980
2000
Year
country
European Union
Italy
Netherlands
Norway
OECD members
Turkey
United Kingdom
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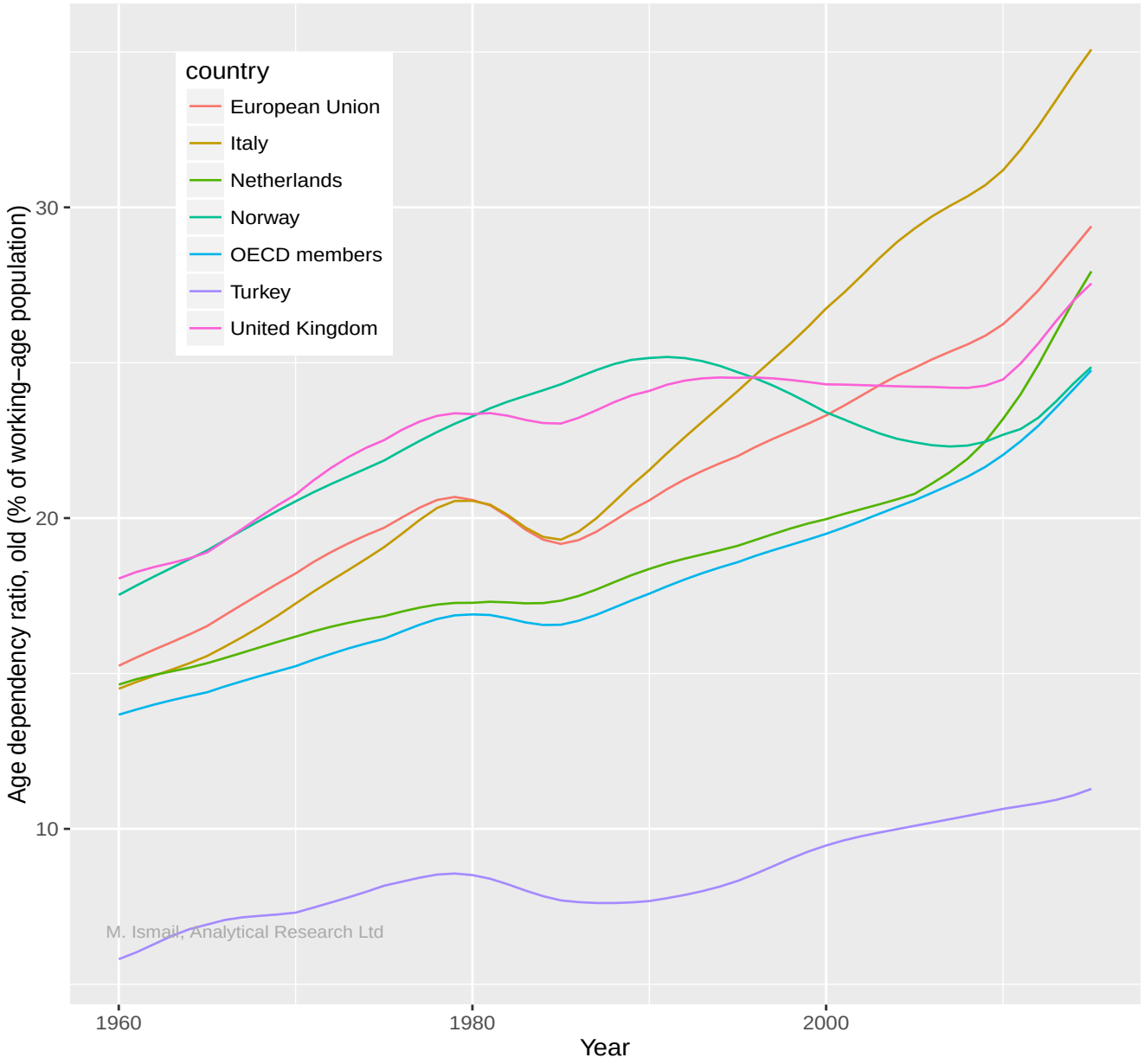

country
European Union
Italy
Netherlands
Norway
OECD members
Turkey
United Kingdom
Age dependency ratio, old (% of working−age population)
30
20
10
M. Ismail, Analytical Research Ltd
1960
1980
2000
Year

State of LTC system in Turkey

- Two main (parallel) systems of long-term care
  - informal care providers, such as unpaid family members
  - formal care providers,
    - Range of state, private & NGOs provision with various extent and quality
    - Social assistance programme- mixture of service and cash benefits
    - Improved generalised provision of palliative care (from capacity building in 2006; WHO 2104))
- Family-based with majority of LTC provided by women
  - High financial, emotional and physical burden on the family
  - Implications on women's labour participation, physical health and emotional wellbeing (26% female labour participation vs. 71% for men)

Where do we stand?

- A focus on institutional care with lack of home-based LTC provision
- Variability in provision across municipalities
- Strong norms & cultural beliefs of duty of care to the elderly
- Gender imbalance of expectations of LTC with high informal care reliance
- Emerging mixed-market: regulations and standards are in need of updating

Moving Forward

- Build on what is available and address gaps and shortfalls
- Prepare for projected increased demands
- Adapt from the European experiences to the specific Turkish context
- Move towards ‘system approach’ rather than isolated interventions

- Italy:
  - LTC expenditures accounts for 1.12% of GDP
  - 80% of budget devoted to care in the community (cash and service in kind)
  - Only 3% of older people use care homes
  - Funded through general taxation system
  - Funding, governance and management responsibilities spread over municipalities
  - Family plays an important role supported by various cash allowances ‘cash-for-care’ (family based model)
  - Significant regional variations

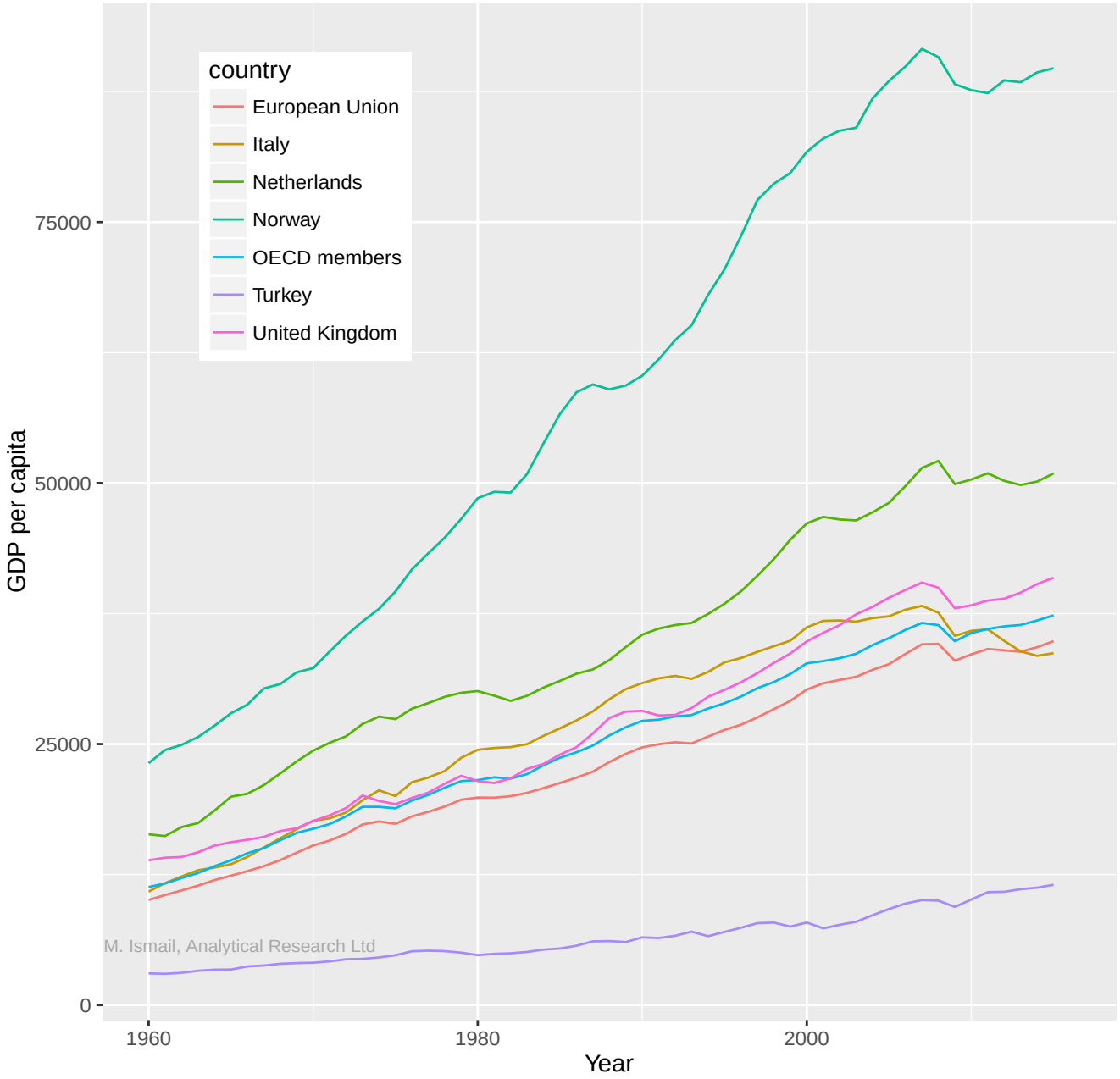
- The Netherlands:
  - Highest public expenditures on LTC in OECD countries at 3.7% of GDP
  - The philosophy that the state bears the responsibility of LTC not the individual or the family
  - Funded by national insurance scheme covering all citizens- covering both home and residential care; with some contribution based on income (Corporatist model)
  - Introduced some forms of cash-for-care but this was stopped in 2010

- Norway:
  - LTC expenditures accounts for 2.2% of GDP + 2% of GDP spent for health related LTC
  - Universal coverage with little contribution from individuals (Universal model)
  - Moved steadily from institutional to home care
  - All LTC services traditionally provided in kind with recent introduction of cash for care option (only 2 to 3%)
  - No assumptions about family responsibility
  - Funded through national & local taxations
  - Care organisations affiliated with municipalities
  - Strong policies of extending working lives

- The United Kingdom:
  - Public spending on LTC has fallen significantly over the past 10 years – currently around 1% of GDP
    - declining from a budget of around £8.3 billion in 2005 to £6.3 billion in real terms in 2015 – budget projections show further reductions over the coming year
  - The Care Act 2014 made Personal Budgets to be offered to 100% of eligible users
  - Financed by central and local government, the National Health Service (some nursing homes), charities and individuals
  - The model is based on mixed-market economy and is means-tested to protect the most vulnerable (residual model)

Market Shaping

- Setting necessary standards and regulations for a responsive, diverse and sustainable LTC market
- Commissioning and approval processes
- Recognise, and integrate LTC services with other services
- Incentives for businesses to provide varied, high quality and affordable services
- Estimate the cost and plan for funding


country
European Union
Italy
Netherlands
Norway
OECD members
Turkey
United Kingdom
GDP per capita
75000
50000
25000
0
1960
1980
2000
Year
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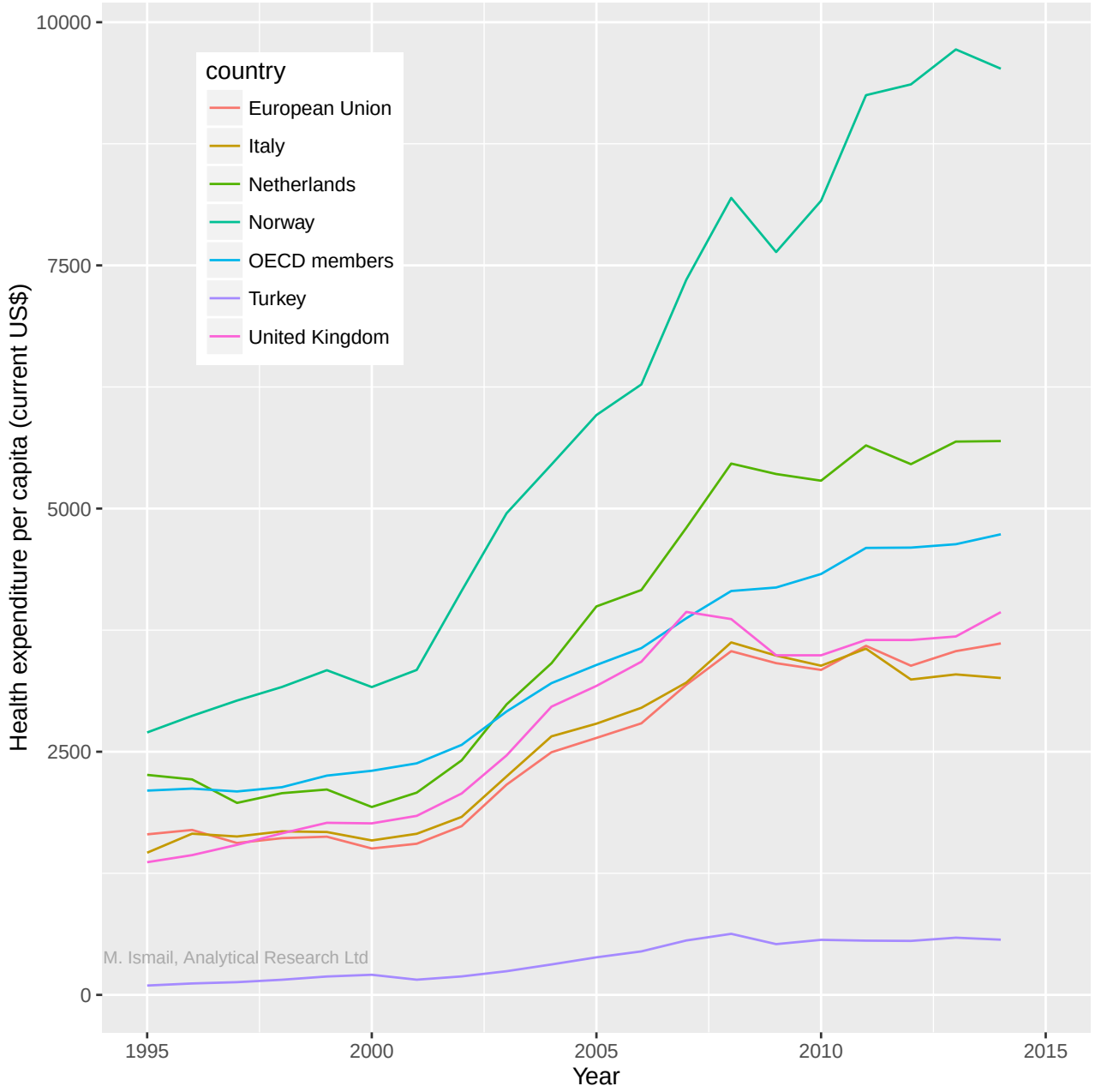
country
European Union
Italy
Netherlands
Norway
OECD members
Turkey
United Kingdom
Health expenditure per capita (current US$)
10000
7500
5000
2500
0
1995
2000
2005
2010
2015
Year
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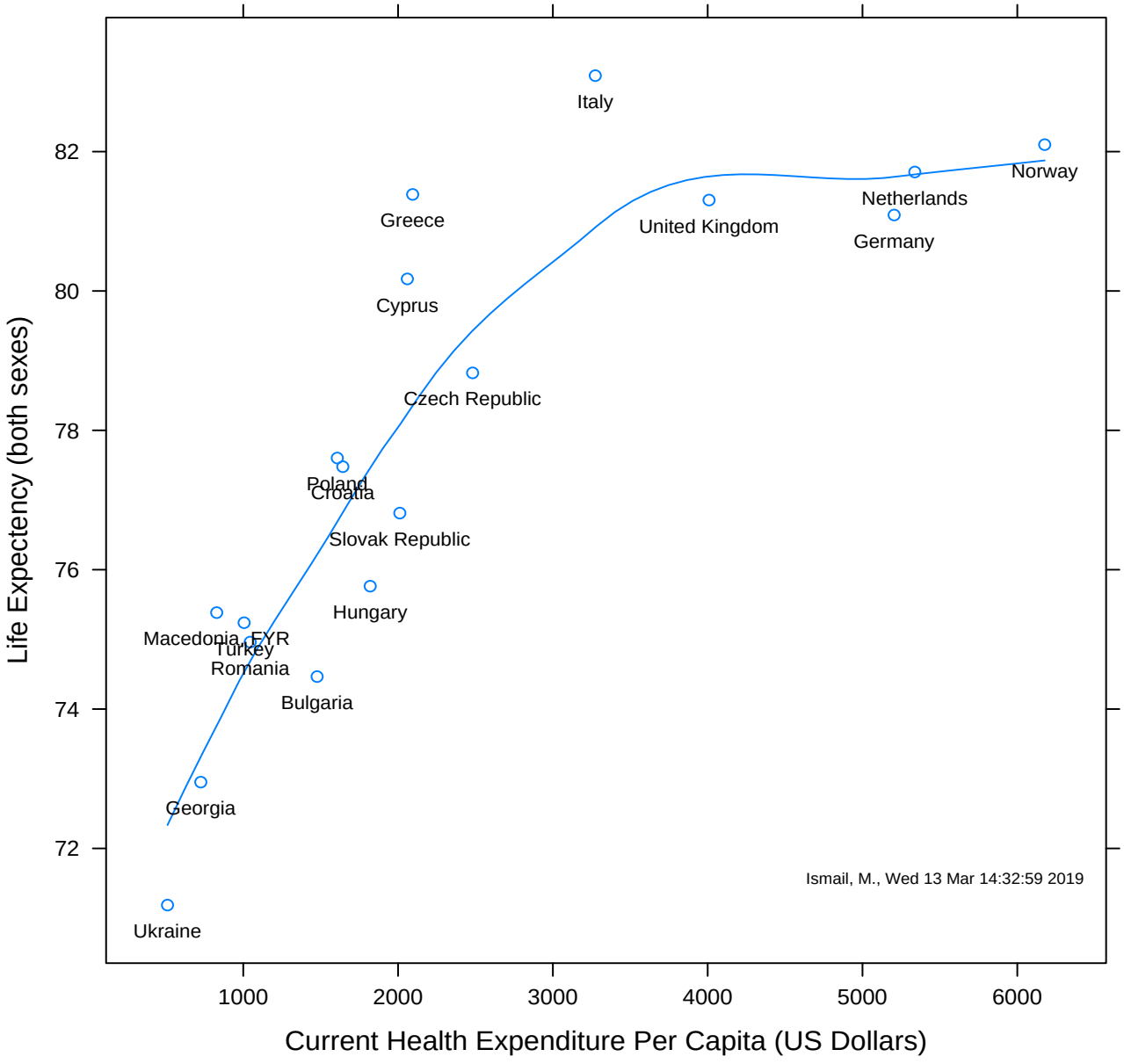
Life Expectency (both sexes)
82
80
78
76
74
72
1000
2000
3000
4000
5000
6000
Current Health Expenditure Per Capita (US Dollars)
Italy
Norway
Netherlands
Germany
United Kingdom
Greece
Cyprus
Czech Republic
Poland
Croatia
Slovak Republic
Hungary
Macedonia, FYR
Turkey
Romania
Bulgaria
Georgia
Ukraine
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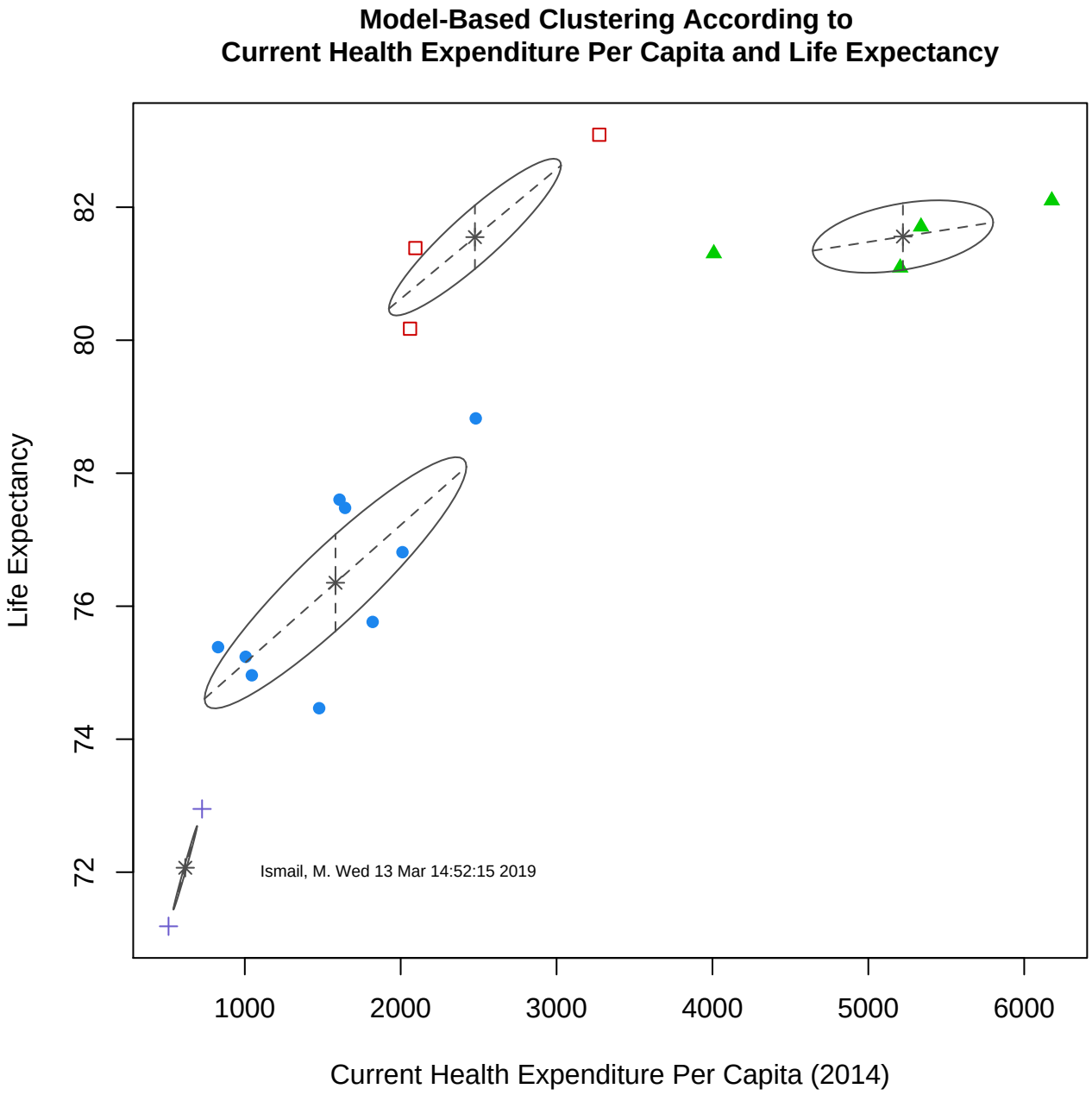
Model-Based Clustering According to
Current Health Expenditure Per Capita and Life Expectancy
Life Expectancy
72
74
76
78
80
82
1000
2000
3000
4000
5000
6000
Current Health Expenditure Per Capita (2014)
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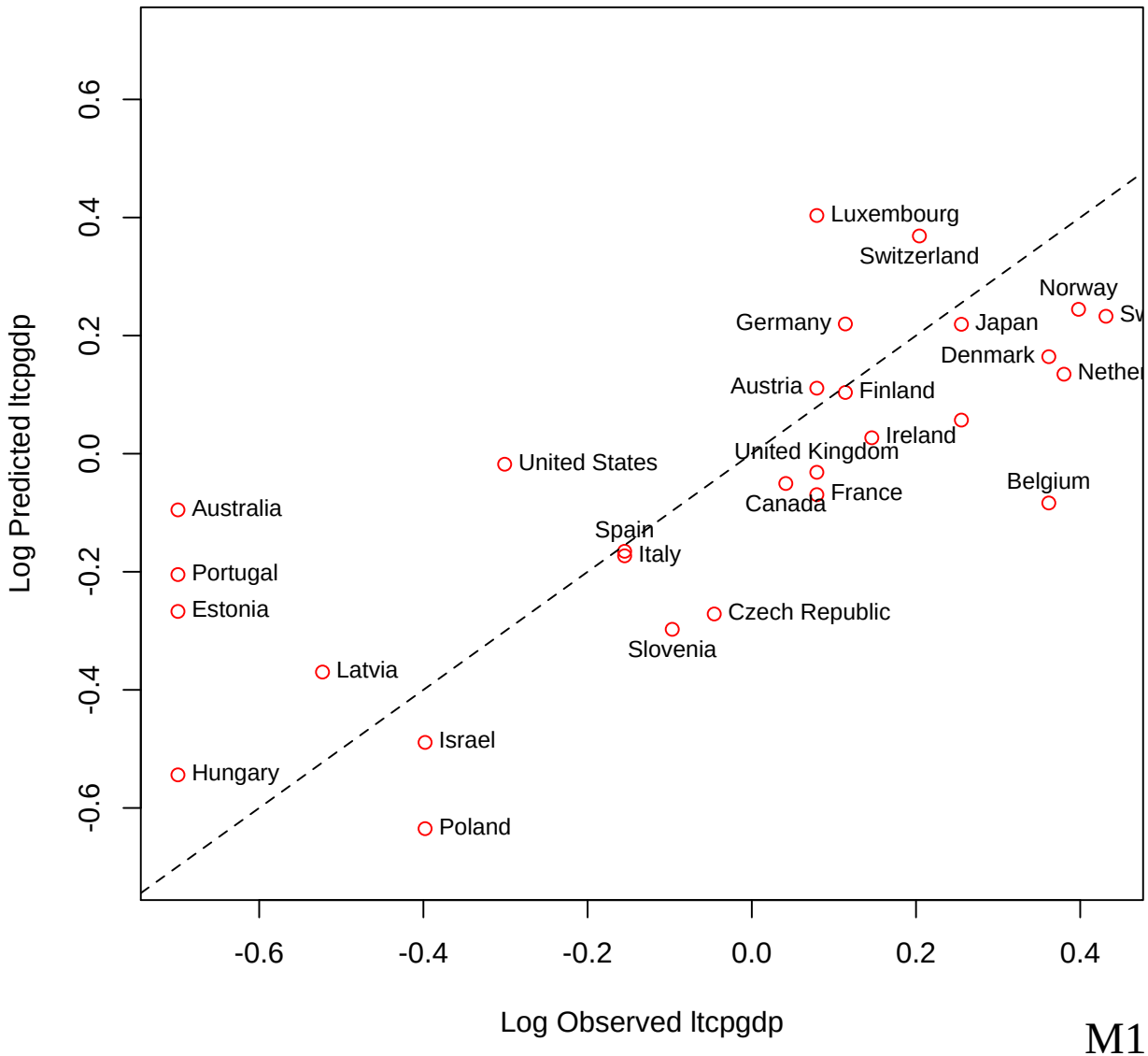
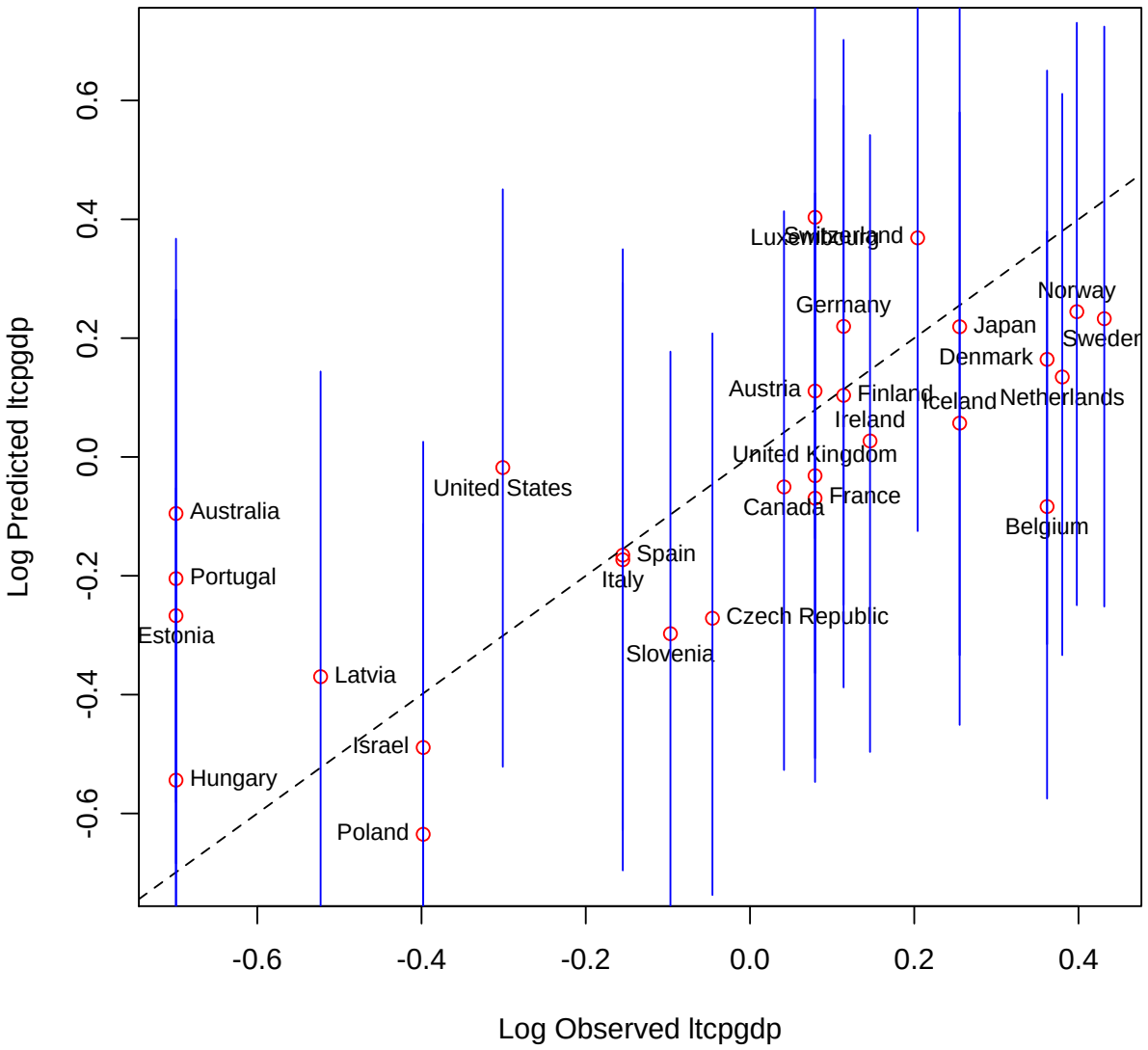
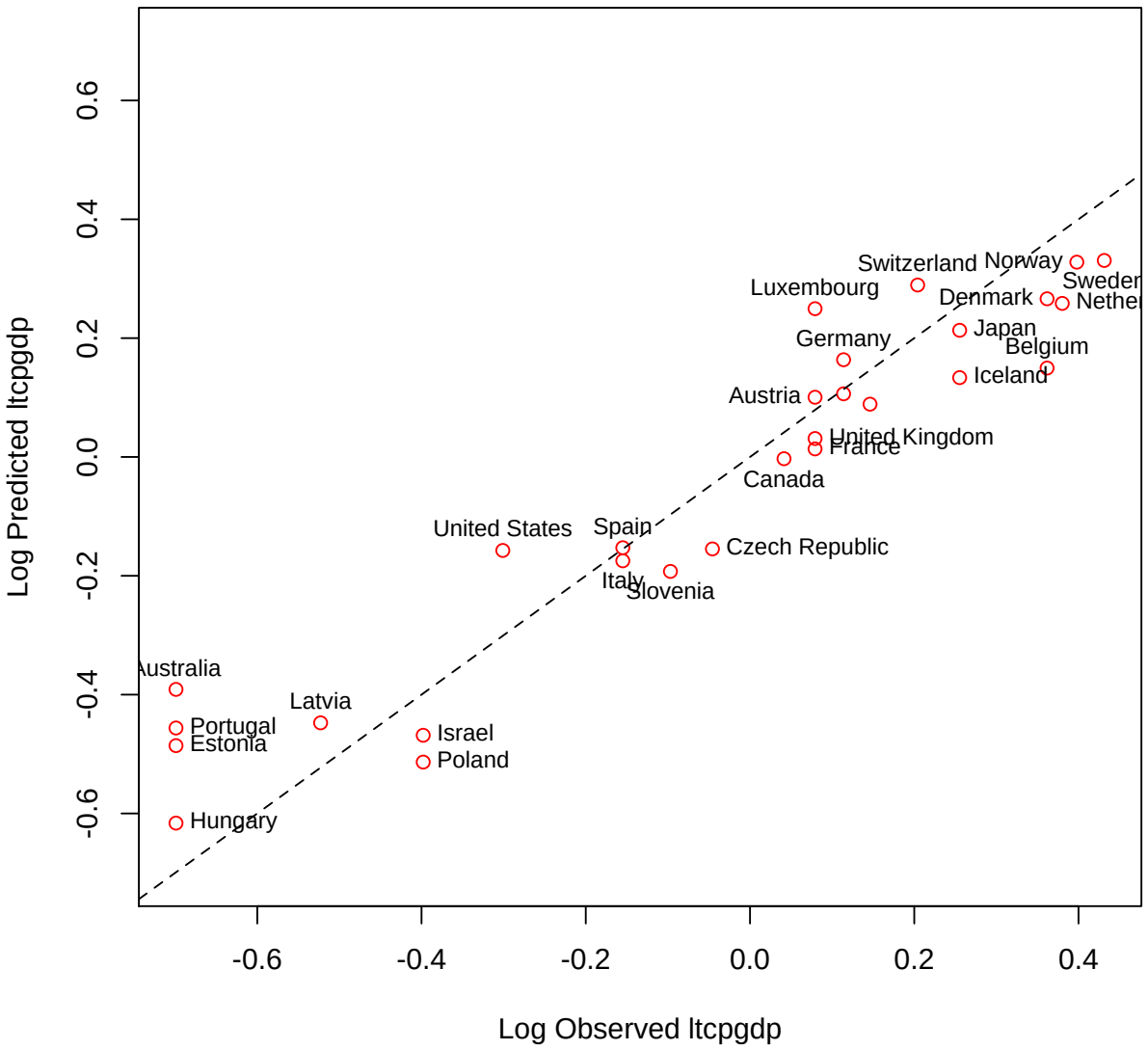


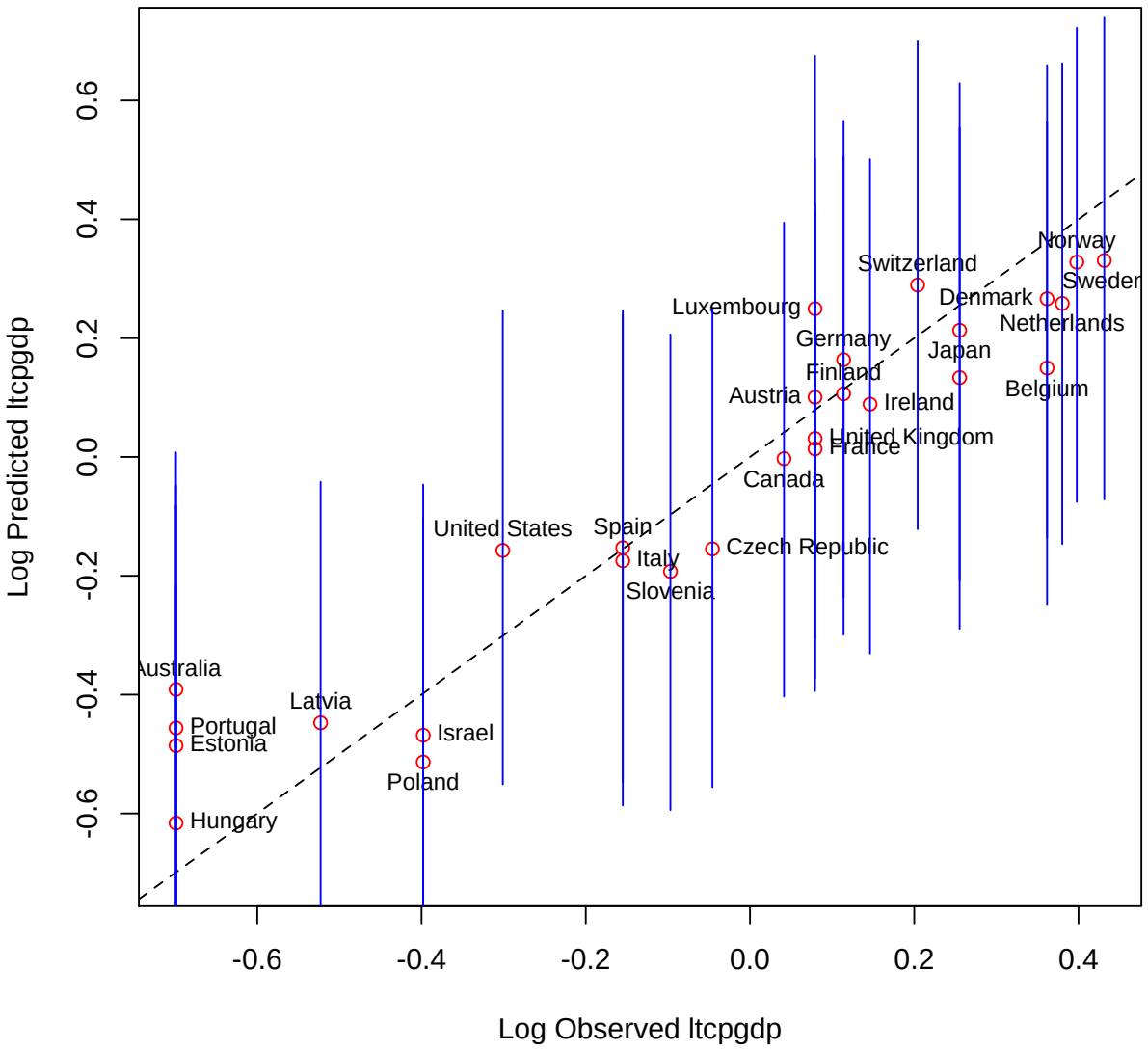
M1: LTC spending



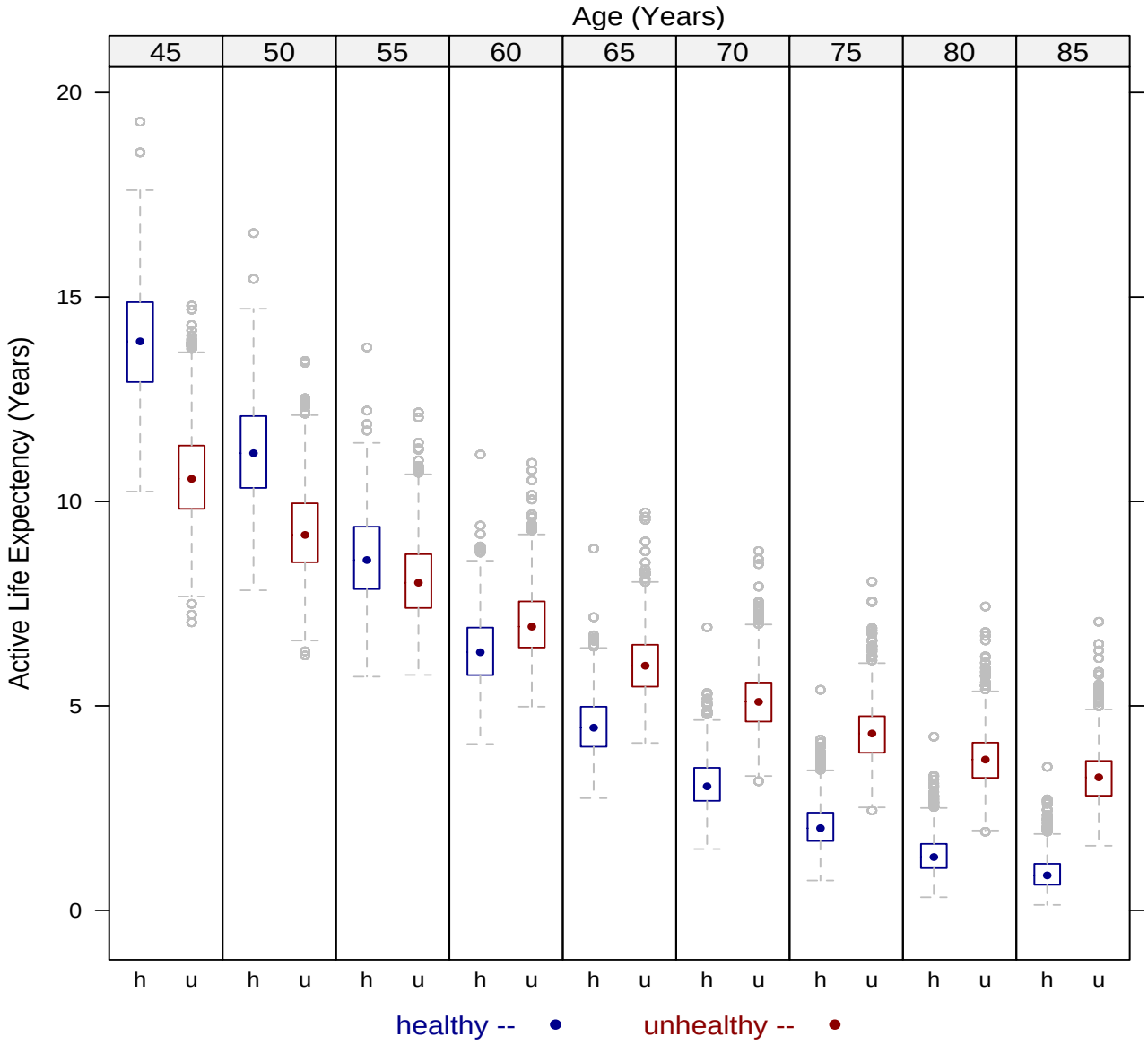
M1: LTC spending



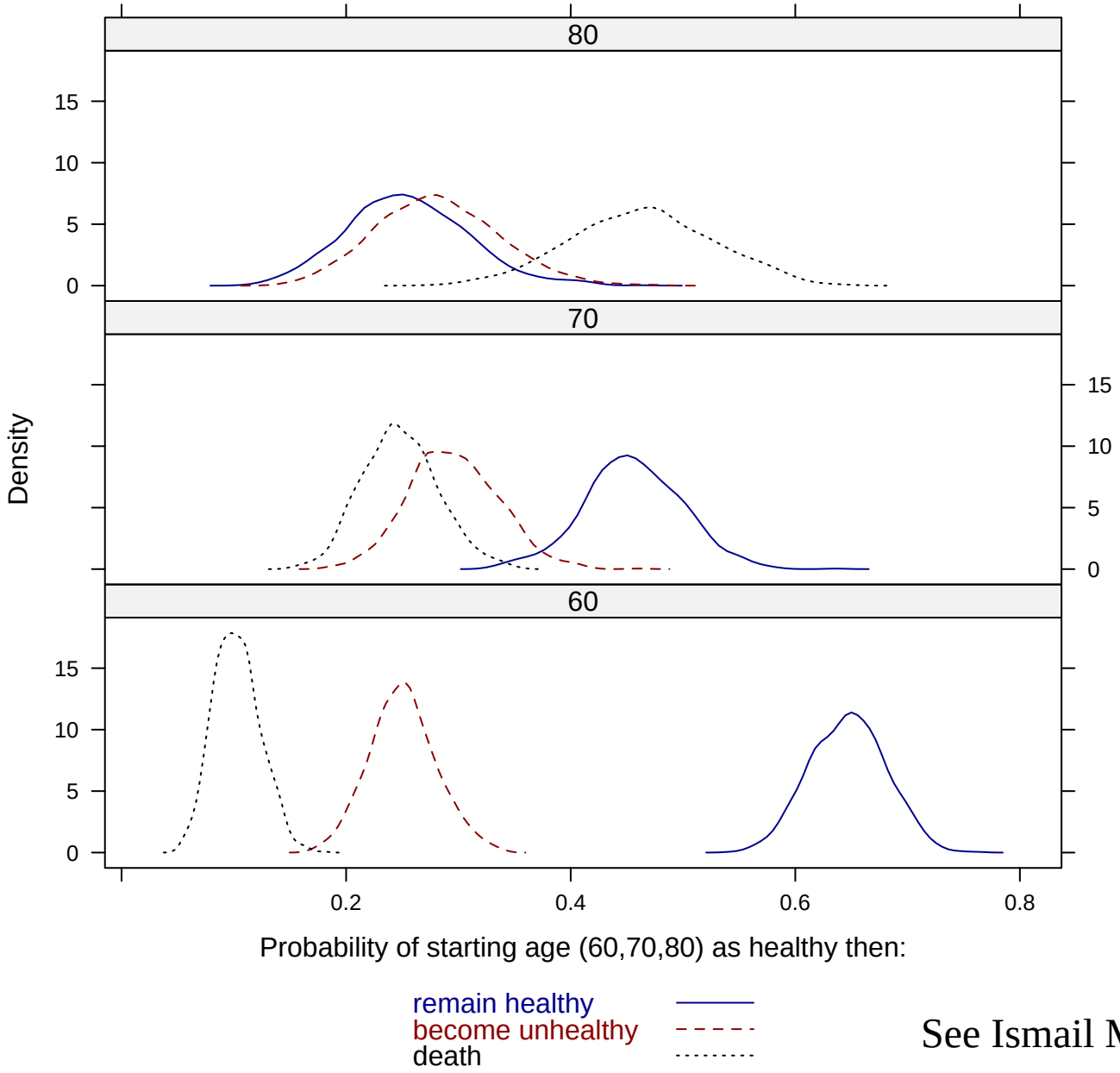
M2: LTC spending



M2: LTC spending



A would be an alternative approach.
See Ismail M., 2014



See Ismail M., 2014

Conclusion

- Different demographic transition stages and health expenditure
- Various ideologies of care and responsibilities
- All moving steadily towards ‘ageing in place’ with a focus on home and community care
- Funding, regulations and workforce issues are key challenges and receive considerable debate
- Thinking about the Turkish context and formulating a context-specific LTC model
- Personal budgets are likely to emerge as one of the favorite options.

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Thank you!

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