

Summary

1 Introduction

This study describes an explanatory model for nursing and care. This model is then used to construct profiles of applicants for and consumers of nursing and care services. The model explains the take-up of services that are paid for under the Dutch General Exceptional Medical Expenses Act (AWBZ) and explains the potential demand for these forms of nursing and care. This potential demand comes from people whose health problems are such that they are eligible for AWBZ-funded provisions. In practice, many of them do not in fact use these provisions, preferring to pay for help themselves or to receive informal care.

This summary follows the pattern of the report, which is dictated by the following research questions:

- 1 How do people with limitations solve their care needs?
- 2 Which population characteristics determine the extent of the potential demand and take-up, and how can the distribution of applicants and consumers across care packages be explained?
- 3 Which characteristics typify applicants for and consumers of care?
- 4 How great is the potential demand for AWBZ-funded nursing and care services and how great is the take-up of these services, now and in the future?
- 5 What effects do policy measures have on demand for and take-up of care?

2 *How do people with limitations solve their care needs?*

Two-thirds of the more than 5 million people with limitations in the Netherlands get by without any help. Of the people who do receive help – just over 2 million persons – 30% receive only informal help from a partner, family or friends. A further 30% pay for private help, possibly combined with informal help. The remaining 40% (600,000 persons) receive AWBZ-funded nursing and care. Roughly a quarter of all those receiving AWBZ-funded help live in a residential care or nursing home.

3 *Determinants of demand for and take-up of help*

Physical and psychological limitations are among the key determinants of potential demand and take-up. The presence of limitations is a condition for receiving AWBZ-funded help, so that this finding is fairly unsurprising. Less obvious is that age and household composition also strongly influence the potential demand and take-up, even when allowance is made for limitations. People living alone, older persons

and in particular the very elderly have a greater chance of an indication for care than younger adults and cohabiting persons with the same limitations; moreover, they actually receive that help more frequently.

Other key determinants influence potential demand in a different way from take-up. For example, people with chronic disorders and well-educated people have a much greater chance of becoming applicants than people without chronic disorders and people with a lower education level who otherwise have the same characteristics. However, they do not make use of AWBZ-funded nursing and care any more frequently than others. The determinant 'household income' actually has an inverse effect: a higher income increases the chance of potential demand for services, but reduces the chance of take-up of AWBZ-funded help. People with a higher income use privately funded help to meet their care needs.

The characteristics that determine the potential demand also partly determine the choice between admission to an institution and receiving care in the home setting. Household composition (single persons) and great age increase the chance of potential demand for admission. People with severe limitations and suffering from more chronic illnesses are also more likely to become part of the potential demand for admission.

It was expected that the factors that determine take-up of residential care would largely be the same as the determinants of the potential demand for that care. This does indeed hold for characteristics such as great age, living alone and suffering from limitations, but there are also some differences. For example, the role of disorders plays a much smaller role in the actual choice for admission to an institution than in the potential demand for admission. In addition, women have a much smaller chance of being admitted to a residential home than men with the same characteristics, while their potential demand does not differ from that of men.

4 *Profiles of applicants and consumers*

The main consumers of all forms of AWBZ-funded help are found to be older persons with physical limitations and one or more disorders. The higher income brackets and the better educated are underrepresented in this group, while women and single persons are overrepresented.

Consumers of AWBZ-funded help involving admission to a care or nursing home are mainly very elderly persons living alone who have severe limitations and who almost all suffer from one or more disorders. The majority of them did not go through further education and most of them are in the lowest income categories.

Comparing potential demand and actual take-up enables specific groups to be examined more closely. One of these groups consists of people who are potential applicants but who do not make use of AWBZ-funded provisions. These persons are not any less healthy, nor less in need of help than those who do take-up AWBZ-funded provisions. According to the letter of the law, therefore, potential applicants are people whose need entitles them to AWBZ-funded nursing and care provision. In practice, however, potential applicants who do become consumers more frequently live alone than non-consumers, are slightly older on average (2.5 years) and have a much lower income. They are therefore more vulnerable in other areas than the non-consumers.

The potential demand for care by no means always matches the care actually received. Sometimes the care received is too light, something which often appears to be a choice by the care recipient. Sometimes, however, the care received is more than is required. Thus almost a quarter of potential applicants for residential care receive AWBZ-funded home care. Compared with care home residents with the same care need, people living at home are less often single, more often male and have a higher income.

5 Trends in determinants

The forecasts constructed with the help of the explanatory model hide the assumption that trends in the determinants will dictate changes in potential demand and take-up. It is thus the changing composition of the population that determines the outcome of the forecasts.

It is assumed that the influence of the six determinants in the model (chronic disorders, age, sex, household composition, education level and income) will be the same in 2020 as in 2000. To investigate how plausible this assumption is, a retrospective analysis was carried out going back almost 20 years. This showed that the main determinants of potential demand and take-up in 1982 were the same as those in 2000, and that they still pointed in the same directions (tending either to increase or reduce potential demand and take-up). Even the weight of the determinants generally remained the same. The one exception was institutionalised care: here, physical limitations and great age have become much more important.

One of the main drivers of changes in potential demand and take-up is the size of the population, and especially the older population. The number of Dutch citizens aged 30 years and older is forecast to increase by 15% between 2000 and 2020, while the population aged over 65 is predicted to grow by 50%. One striking feature of the development within age groups is that the very elderly population (80 years and older)

does not grow more rapidly up to 2020 than the total elderly population. This suggests that the 'double ageing process' is over for the time being.

A similar trend can be observed in the distribution according to household composition. In the past the proportion of single persons in the population increased continually, including among the older population. In the coming decades there will be a further slight increase (from 20% in 2000 to 23% in 2020). This growth will be accounted for by the younger population; the proportion of single elderly persons will actually decrease slightly (from 40% in 2000 to 37% in 2020).

The trend in household composition is caused partly by the converging life expectancy of men and women. As a result, women spend fewer years of their lives living alone following the loss of their partner. Not surprisingly, this trend means that the numerical ratio of men to women, which is out of balance in the older age groups in particular, is also changing: the number of older women per 100 older men is projected to fall from 144 to 112 between 2000 and 2020.

The National Institute for Public Health and the Environment (RIVM) calculated trends in the prevalence of disorders for the purposes of this study. Organic trend changes were found for six disorders. In one case, nervous diseases, the trend was falling; in the other cases, the trend was upwards. In three cases – diabetes, strokes and asthma/COPD – this increase leads to a rise of around 50% in the number of people suffering from the disorder in question in the period 2000-2020. The prevalence of heart disease and injuries due to accidents rises by around 30% over the same period.

On average, the Dutch population is becoming increasingly well-educated, and this trend will continue over the next 20 years. As a result, the proportion of persons who have followed only elementary education will virtually halve from 20% in 2000 to 11% in 2020. This reduction will also occur among older persons, who generally have a much lower level of education. At present 41% of this group have only an elementary education background; by 2020 this is projected to have fallen to no more than 18%.

The share of the population with at least a secondary education background will continue to increase markedly, from 47% in 2000 to 57% in 2020. The increase among older persons will be even greater, from 25% in 2000 to 44% in 2020.

It is often assumed that older people will be much wealthier in the future than they are today thanks to improvements in pension provisions. This, it is claimed, will lead to additional growth in their average income, over and above the general rise in prosperity. There is however little evidence of this over the last 30 years. Older persons

have benefited proportionately from the rise in prosperity, but no more than that. It is assumed that this situation will not change in the next 20 years.

The Netherlands Bureau for Economic Policy Analysis (CPB) is forecasting an increase in prosperity over the longer term of 0.75% per annum in the Netherlands. This will of course lead to changes in the income distribution. In 2000 the median of that distribution lay at just under € 1,700 per month; that means that 50% of the population aged 30 years and older had an income of less than € 1,700, and 50% had an income above this figure. A rise in prosperity of 0.75% per annum will mean that in 2020 only a third have an income below € 1,700.

6 Outcome of the forecasts

In order to be able to use the explanatory model to construct forecasts, a micro-model population was constructed. For the year 2000 this gives the observed composition of the population on the basis of the six determinants discussed earlier. Adding the trends in those determinants creates a model population for each of the years up to 2020. Applying the explanatory model to the model populations results in forecasts.

The potential demand for nursing and care rises by almost 40% between 2000 and 2020 according to the forecasts, whereas the population increases by only 15%. The growth in the elderly population and the improvement in the socio-economic position of the Dutch are the main reasons behind this increase: better educated and wealthier people have a higher potential demand than others.

The potential demand for domestic care, support and day care services rises at the same rate (around 37%); the potential demand for support rises to a slightly lesser extent (28%) and that for nursing rises by slightly more (43%). Support is requested more often by the (relatively shrinking) group of non-older persons, while nursing is frequently needed by (the strongly growing group of) diabetics.

Disorders are also part of the reason for the growth in the potential demand for admission to nursing homes of 48%, rather higher than the increase in demand for residential care. The key determinants here are psychological disorders and the results of accidents, not diabetes.

The forecasts of the take-up of AWBZ-funded nursing and care provisions suggest growth of 28%, considerably less than the growth in the potential demand (39%). Two determinants are responsible for this difference: disorders lead to potential demand but not to take-up of AWBZ-funded care, while a better socio-economic position correlates with higher potential demand but lower take-up. The influence of this latter determinant is clearly visible in the estimate of privately funded help, which is

forecast to increase by no less than 77% between 2000 and 2020. This means that care needs will in future be met relatively more frequently by means of privately funded help, and that the relative share of AWBZ-funded provisions will decrease. The share of informal help in the total will also fall, and to an even greater degree: take-up of informal care is forecast to rise by 17% between 2000 and 2020, only slightly higher than the growth in the population.

7 Policy variants

A third potential application for the nursing and care explanatory model is to forecast the effects of proposed or possible policy. This summary presents only a few examples of the applications discussed in the report.

Fewer smokers

Chronic disorders are found to influence the potential demand for and take-up of a number of AWBZ-funded provisions, such as nursing. The study therefore investigated whether preventing such disorders might reduce the pressure on AWBZ-funded care. It was decided to look at the cause of many disorders, namely smoking. The effect was explored of a change in the behaviour of the less well-educated which resulted in their smoking patterns corresponding with those of the better educated, a group which today contains far fewer smokers. This assumption is found to have little effect on potential demand, and reduces take-up by only 3%. As regards individual care packages, the effect is found to be greatest on the take-up of admission care, which reduces by 5%.

The effect is thus not major. This is partly because people with a low education level also exhibit other risk behaviour which poses a threat to their health. The gains from lower prevalence of smoking-related diseases are therefore partly cancelled out by the incidence of other illnesses.

Though not great, however, the effect is nonetheless substantial; a rough estimate suggests that successful prevention in line with this example could save around half a billion euros.

No growth in prosperity

Household income is an important determinant of both potential demand and take-up: it tends to increase the former and impede the latter. The assumed growth in prosperity is therefore one of the most important drivers of increasing take-up of privately funded help and consequent slower growth in the take-up of AWBZ-funded care. The assumed trend of 0.75% annual prosperity growth mentioned earlier is the most uncertain of the small number of trends that undergo change according to the

explanatory model. A variant was therefore calculated in which no welfare growth is predicted and in which incomes are frozen at 2000 levels.

The main effect of freezing incomes is a major reduction in demand for privately funded help (200,000 persons fewer). A majority of these will receive no help whatsoever, but people with a lower income in particular will turn to AWBZ-funded care. As a result, 14,000 more people will be receiving help at home in 2020 than in the baseline estimate; the number of applications for admission to an institution will be 7,000 higher. Expressed in euros at 2002 prices, this would mean that spending on AWBZ-funded care would be roughly half a billion euros higher.

Care at home under the Social Support Act

There are plans to fund a part of the care provided at home under a new Social Support Act (*Wet maatschappelijke ondersteuning*). This would in any event include domestic care and probably support, but possibly also personal care. This switch would be accompanied by a more restrictive policy in which help is only available to people who are considered vulnerable.

It is possible that, at the moment they see their rights diminishing, members of the public will begin investigating whether there are any other publicly funded provisions that could meet their care needs. To assess the risk of this happening, the potential demand of consumers of domestic and personal care were subjected to separate analysis. According to the explanatory model, there are 200,000 consumers of domestic and/or personal care who cannot be classed as vulnerable. Introduction of the Social Support Act would mean they would lose the publicly funded help they receive at present. 50,000 of these persons have a potential demand such that they would be eligible for provisions that would probably continue to be funded under the Exceptional Medical Expenses Act (AWBZ), such as home nursing and care involving admission to an institution.

Set against the gain in the form of 150,000 persons who would have to make their own care arrangements and would therefore no longer be drawing on public funds (a saving estimated at roughly 1.5 billion euros) is a loss in the form of 50,000 persons who would be able to draw on relatively expensive publicly funded provisions (costs: 2.1 billion euros). The net effect of the whole exercise is thus negative.