

Reforming our care system: What can England learn from Japan & Germany?

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Social care reform: Groundhog Day

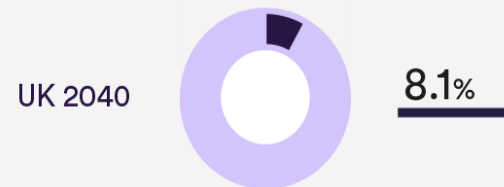
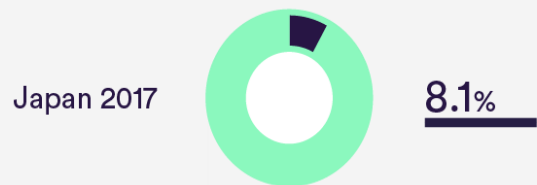


The impact of inaction: a system in crisis

- 8 years of austerity: local government funding has **halved** in real terms¹
- Projected shortfall in the social care budget of £2.5 billion by 2020/21 and **£4.4 billion** by 2023/24²
- Means test set at **£23,250** in 2010 and hasn't changed since: only those with lowest means and very highest needs can access support
- One in ten people face care costs in excess of **£100,000**³
- **25% fewer** people able to access state-funded care than in 2010/11
- Workforce shortages increasing: **100k+ vacancies**⁴
- Estimated **7.3 million** adult carers in England up from 5.4 million in 2011⁵
- Knock-on effect on **NHS** from DTOCs and unplanned admissions⁶

Why look abroad?

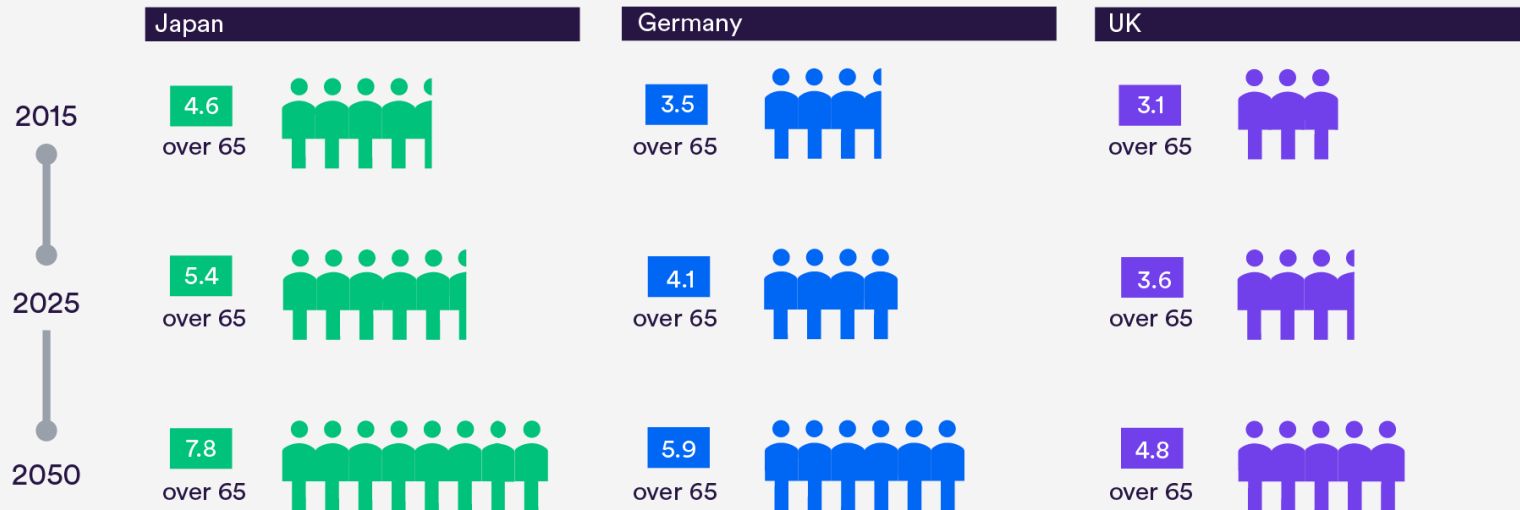
Population aged 80 and older



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

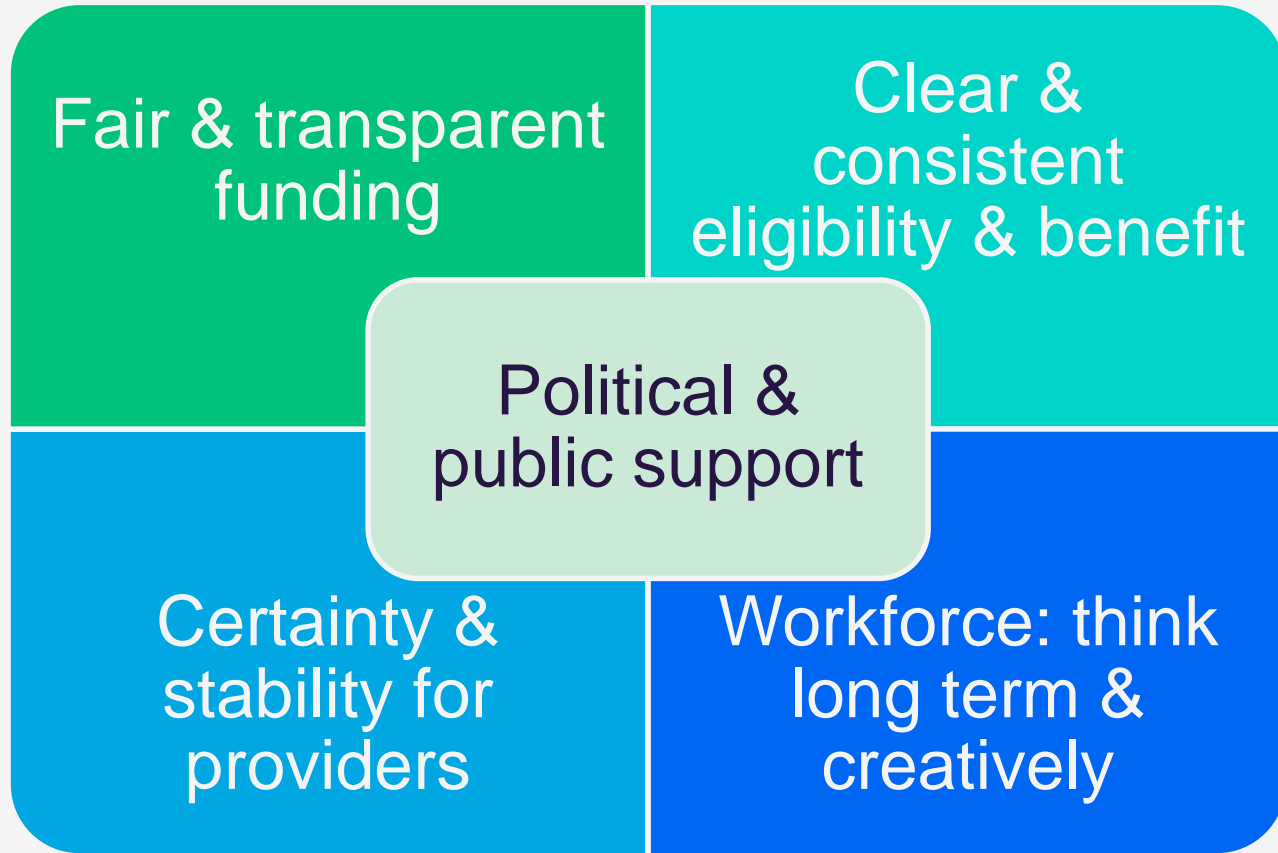
Dependency ratio: projections

Number of dependent older people (over 65) for every 10 working-age adults



OECD 2017b

Japan & Germany: What can we learn?





1. Political & public support

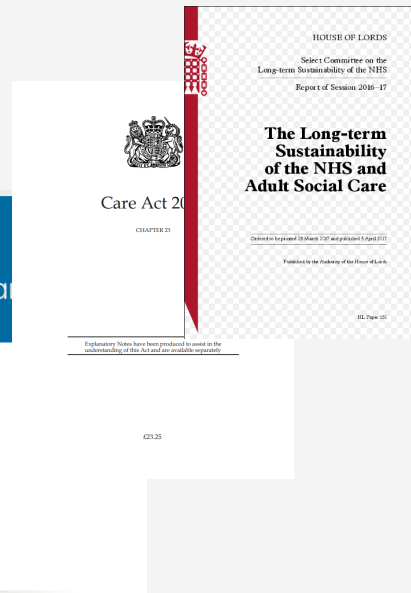
Fair & transparent
funding

Clear & consistent
eligibility & benefit

Political & public
support

Certainty & stability
for providers

Workforce: think
long term &
creatively

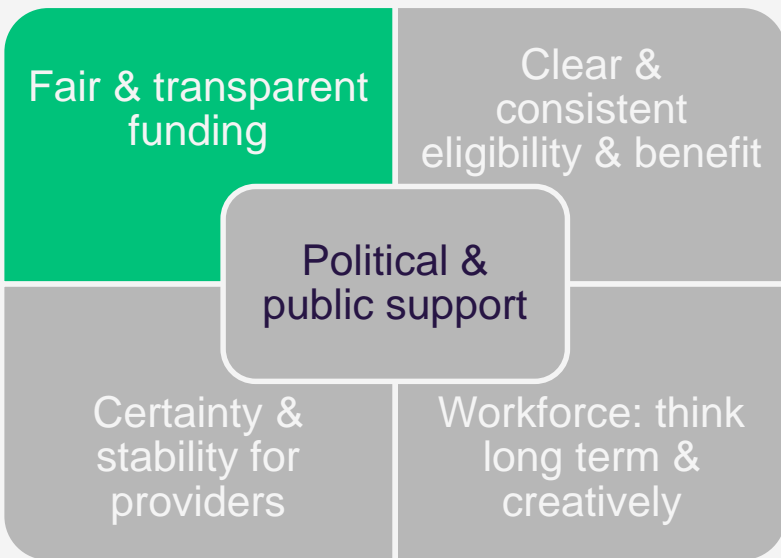




Driving change: making the case for change

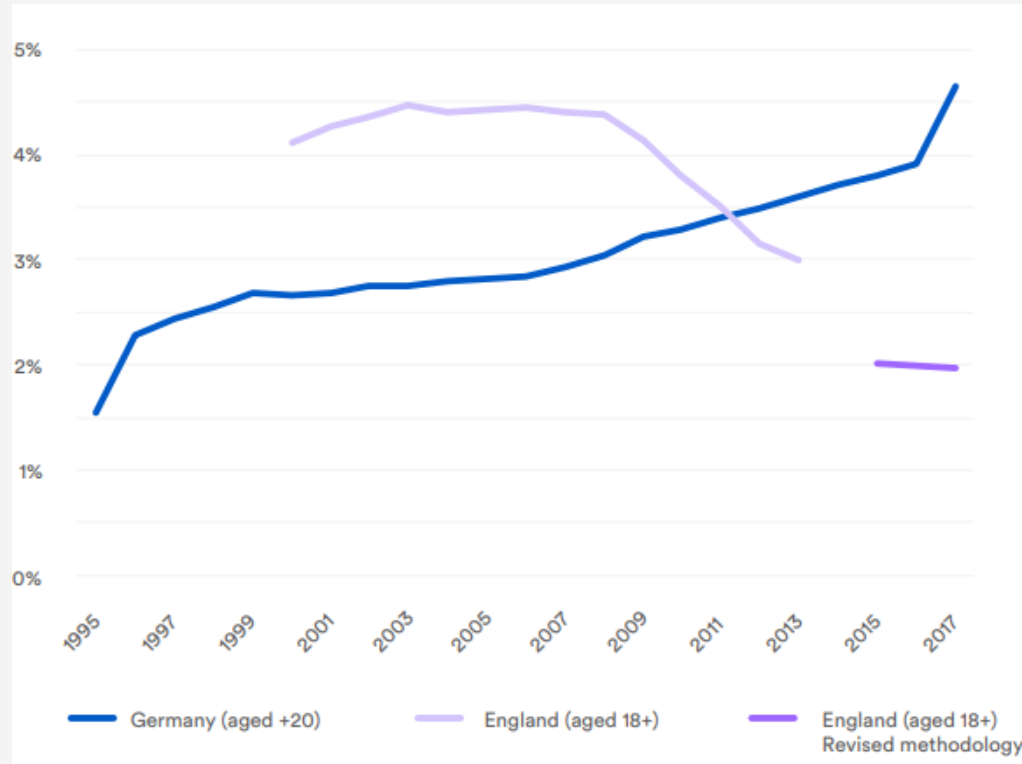
- 1 Discussions took time
- 2 Widespread public discontent re lack of care/costs of care
- 3 Cross-party cooperation & strong political leadership
- 4 Discussions re reform sought to directly address the issues of concern to the public: went with the grain of wider social change
- 5 Economic & political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

2. Funding: where should the money come from?





- 43% of local authority spend was on adult social care (2016/17)
- Local authority spending on adult social care fell by 8% between 2010/11 – 2016/17 (£700m lower)
- But requests for help have risen by 2% (2015/16-17/18)
- Means-test threshold (£23,250) has not changed since 2010/11

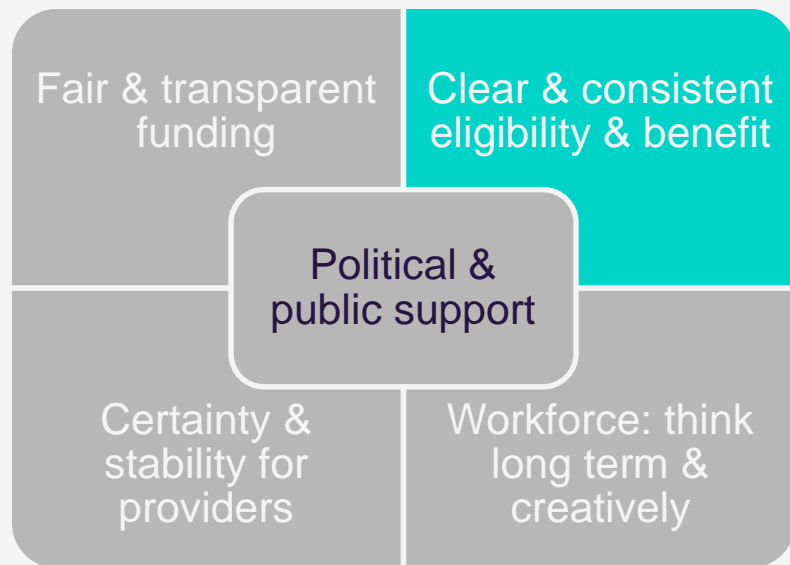
Care recipients as proportion of general population



Funding: fair & transparent

		
<i>Collective: pools risk</i>	Everyone pays in from 40	Everyone in employment
<i>Transparent</i>	50% funding from social insurance (50% from tax)	100% funded by social insurance. Administered by arms-length bodies
<i>Clarity</i>	Contributions are fixed % of income (shared with employer) and paid monthly (c. 3%)	
<i>Intergenerational fairness</i>	Retired continue to pay in (full % from pensions)	
<i>Shared state & individual responsibility</i>	On accessing services, users contribute to costs	

3. Variability in eligibility & access



Eligibility still varies despite Care Act



Care assessments & packages not portable

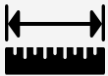


Prices paid by self-funders varies by area

National frameworks for eligibility & benefits



National eligibility criteria base only on need = 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)



Users contribute on accessing services: not free at point of use. In Japan, user contributions are capped. In Germany they are not capped.

Partial coverage of costs: rising user costs



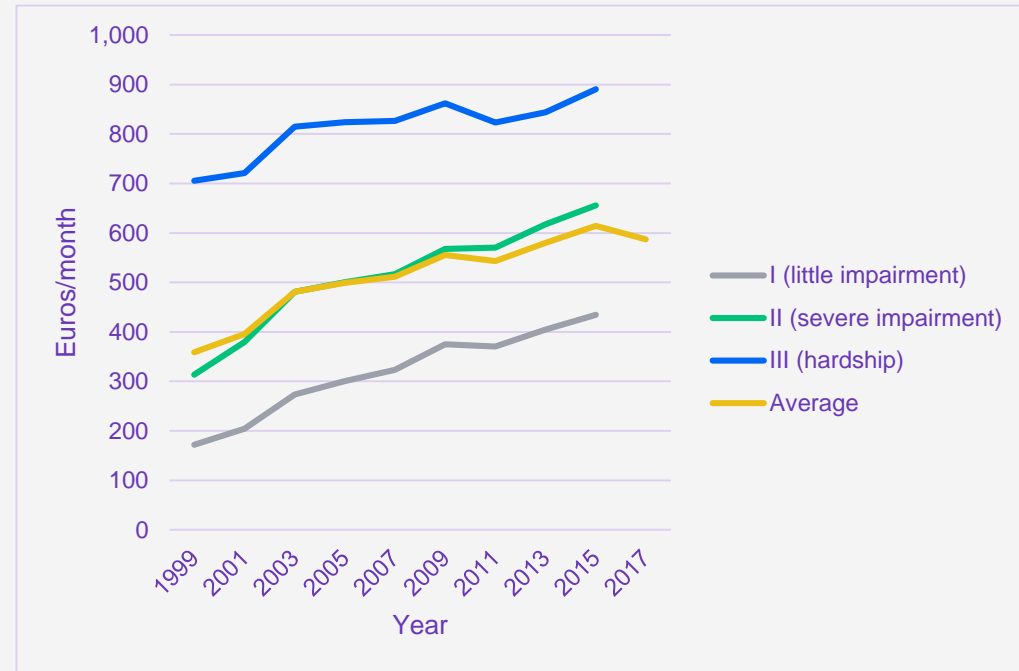
Cost containment lever: any rising costs passed on to individual



Attempts to introduce individual supplementary insurance unsuccessful

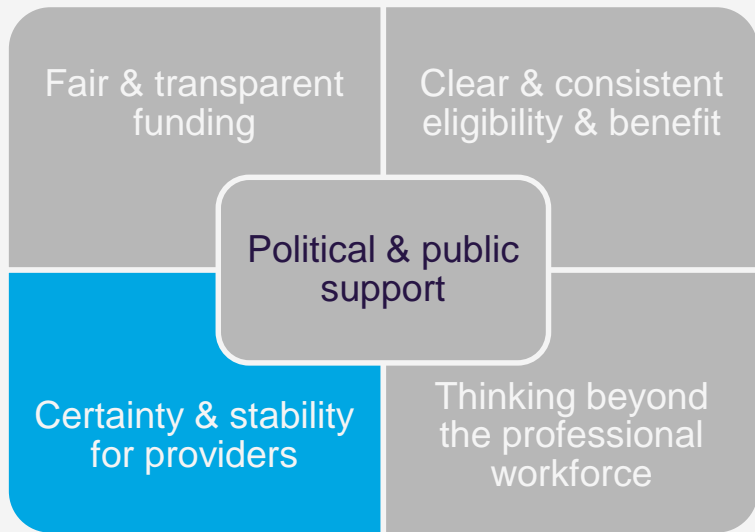


Live discussions re introducing a cap on costs



Rising costs of care

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

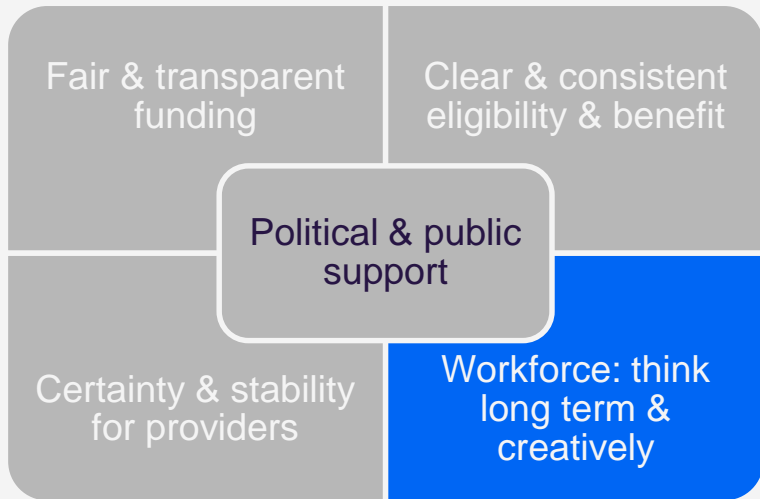


Builds in mechanism for controlling costs



Role of local government?

5. Workforce challenges



100k+ vacancies & high turnover



Low pay & status



Immigration white paper risks exacerbating shortages



Growing reliance on 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: professionalization is only *part* of the answer



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: heavy reliance on unpaid carers
- Supporting **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

What questions need to be asked?

- What do we want a social care system to deliver? What is the 'offer'? What are the expectations of families/informal carers versus state support?
- What would fair & sustainable funding look like in an English context? Should funding be ring-fenced?
- How should it work alongside other services, especially the NHS?
- How can we provide consistency & stability AND strengthen local authority role?
- How can we plan for future workforce shortages?
- How can we raise awareness among the public and drive support for reform?



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