



Data, analysis, perspectives | No. 4, 2016

Long-term care

In many parts of Germany, the costs for long-term care exceed seniors' financial means

- **Good supply:** nationwide, there are sufficient nursing homes in Germany.
Supply is significantly better in cities than in rural areas
- **Large price spread:** fees for institutional care range between €88 and €153 per day
- **Low income:** in over half of Germany's districts, the average income of individuals over 80 cannot cover professional institutional care – 41 percent of those in need of care are also dependent on welfare
- **Flexible mixture of different care options:** the choice to receive care from relatives, home-based care services or institutional care depends on the place of residence and the quality of community-based services, but also on income
- **Skilled workers in demand:** in future, rural areas and areas where a disproportionate number of people receive institutional care will be affected more strongly by a skilled labor shortage

Author

Dr. Stefan Etgeton
Senior Expert
stefan.etgeton@bertelsmann-stiftung.de

Long-term care is a focus of the current legislative period of the Bundestag. Certainly, the most important element of the three Long-Term Care Strengthening Acts involves the introduction of a new definition of “in need of care.” In addition, strengthening the role of communities in care services will be targeted.

Measuring the success of this reform – the most significant of its kind since the introduction of long-term care insurance in the mid-1990s – requires a comprehensive stocktaking of the current long-term care landscape in Germany. The Bertelsmann Stiftung study featured here takes a close look at the structure and supply of long-term care, placing particular emphasis on the public perspective. The study addresses the following questions:

- How accessible are institutional care facilities?
- How is the quality of long-term care in the region evaluated?
- Which services do I receive for my money?
- Is my income sufficient to cover professional long-term care?
- How is long-term care provided locally: by relatives, home-based care services or institutional care services?
- Will my region feature sufficient long-term care staff in future?

The stocktaking is intended to help decision makers in communities and at the Länder (federal state) level obtain a more clear picture of the landscape of long-term care in their region and

“In the long-term care sector, there is a lack of consumer-relevant information on regionally available services, the staffing of nursing homes and the quality of life there.”

Federal Minister for Justice and Consumer Protection, Heiko Maas, at the Bertelsmann Stiftung Long-Term Care Symposium in Berlin,
8 June 2015.

identify reference points for improvements in the local care infrastructure.

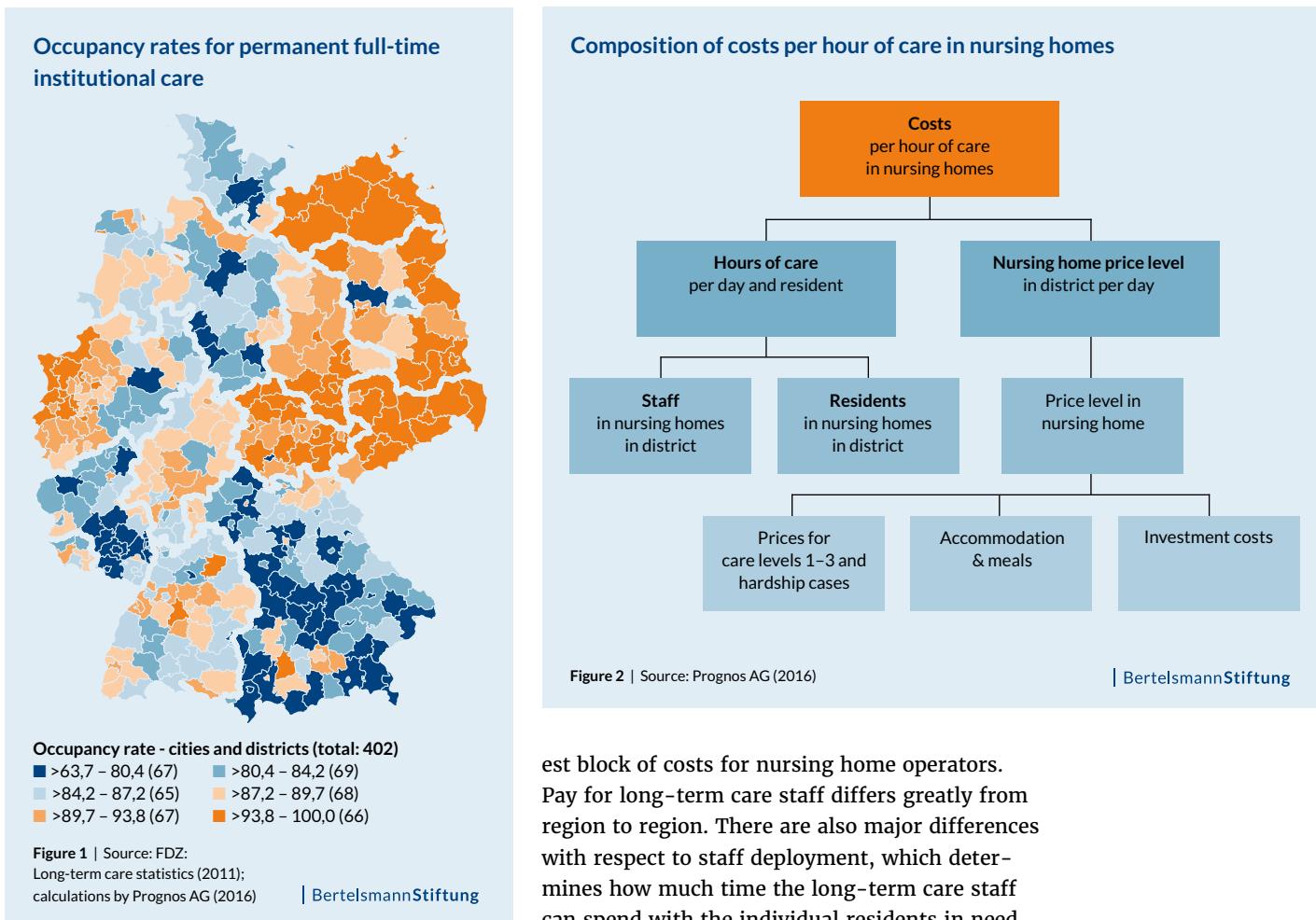
The analysis has therefore focused on district-level infrastructure. All available data for the 402 German cities and districts have been used. To present the different aspects of local long-term care as best as possible, data have also been used that are available only at the Länder level, such as the net income of individuals over 80 (for whom long-term care is particularly relevant). These data have been mapped to the district level, allowing the data to be used for local and regional comparisons.

Enough nursing homes, but beds are not always available

Most people want to live at home for as long as possible. If they have to move into a nursing home, they prefer to remain in a familiar environment, where friends and acquaintances live, or want to be accommodated near their relatives. For individuals looking for a nursing home for themselves or a relative, it is thus important that there are corresponding facilities with beds available at short notice nearby.

The supply of nursing homes in Germany is good nationwide. However, supply varies strongly from region to region. According to analysis conducted by the Bertelsmann Stiftung, there is a much broader selection in cities than in rural areas. Institutional care facilities can be found in close proximity everywhere – even in rural districts the average distance to the nearest two nursing homes is a maximum of 8.2 kilometers (as the crow flies). In some city districts, nursing homes are an average of 500 meters away from each other. All in all, there is sufficient availability in institutional care, especially in densely populated districts and cities.

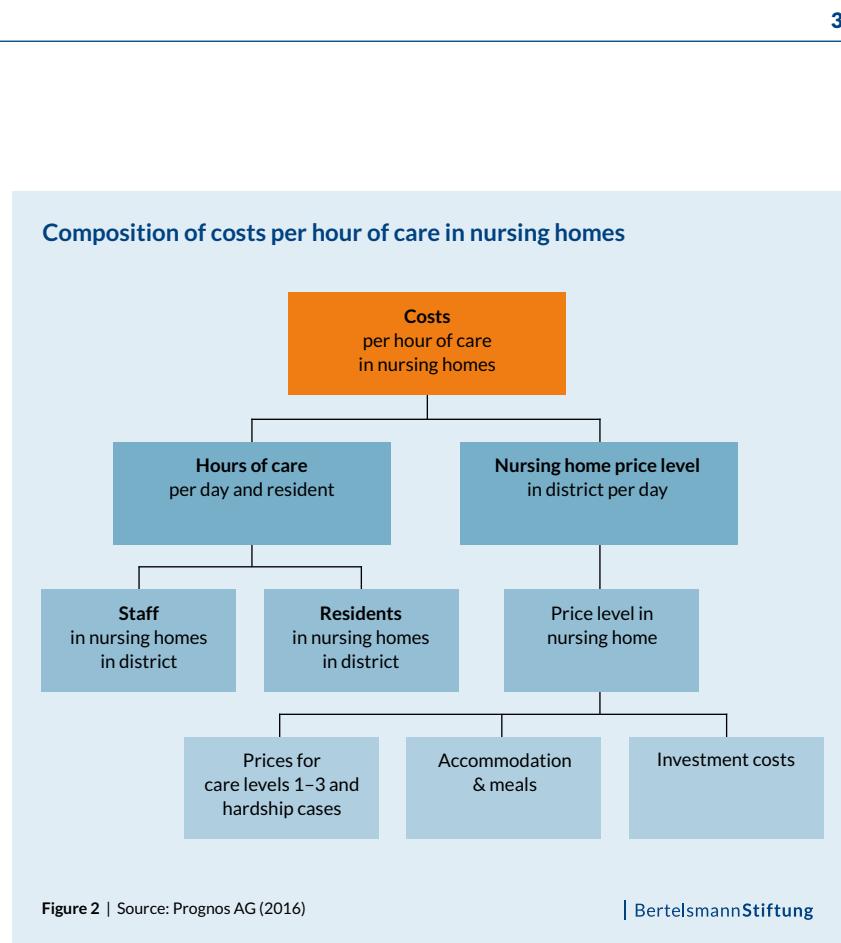
However, beds are not available everywhere. According to the Destatis long-term care statistics, the occupancy rate of nursing homes at the district level was between 64 percent and 100 percent in 2011 – meaning full occupancy in some

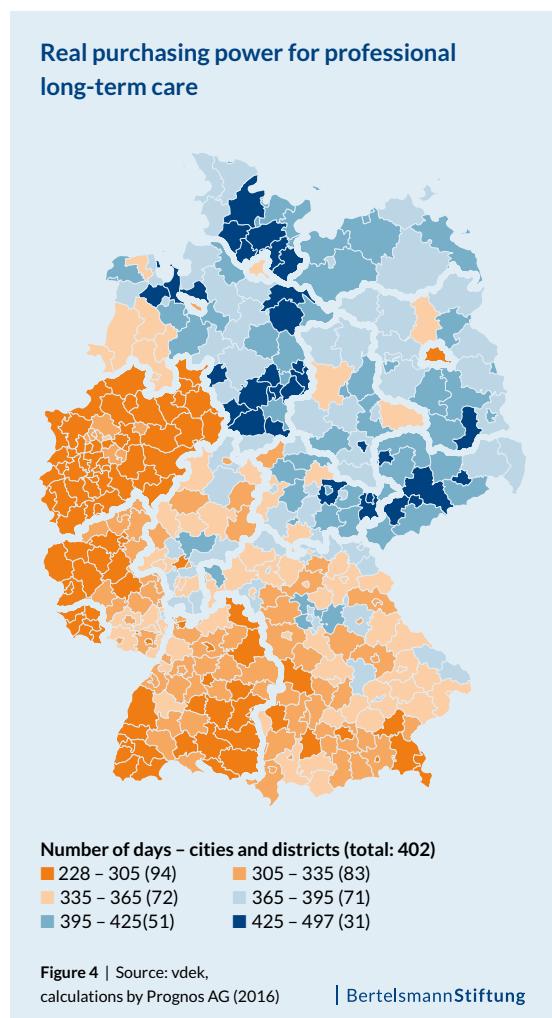
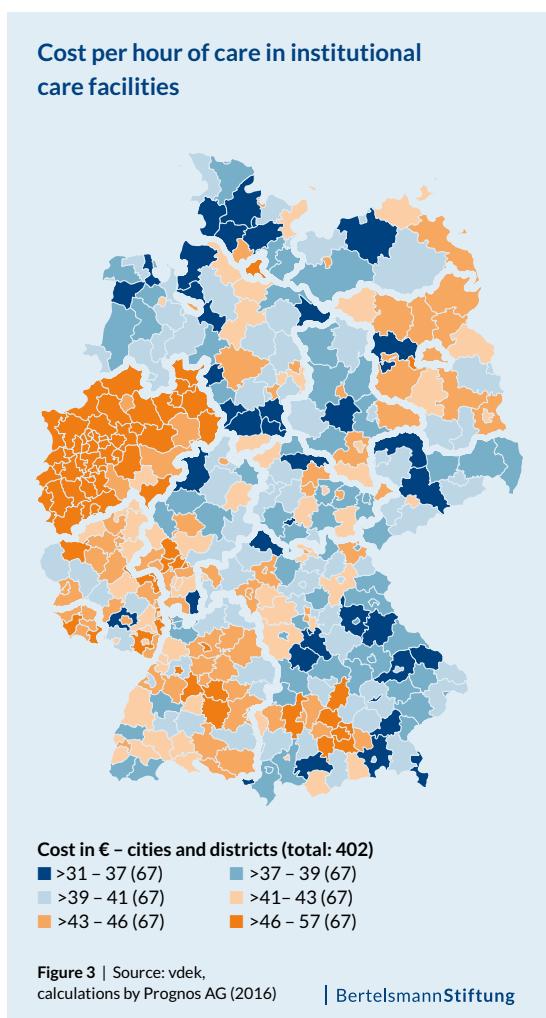


cases. Five years ago, a federal average of 87 percent of beds for full-time institutional care were occupied. While the occupancy rates in Bavaria, Rhineland-Palatinate, Schleswig-Holstein and parts of Lower Saxony were comparatively low, in the former East German states (excluding Berlin) they were an average of 94 percent – far above the federal average. Occupancy rates were also high in the Rhineland, in parts of Hesse, around Stuttgart, Augsburg and Munich – and are also increasing (see Figure 1).

The cost of professional long-term care differs from region to region

In Germany, professional long-term care in nursing homes costs between €88 and €153 per day. This includes the costs for institutional care (weighted according to care level), for accommodation and meals, as well as investment costs. There are significant regional differences in the price level for long-term care. One reason for this may be personnel costs, which represent the larg-





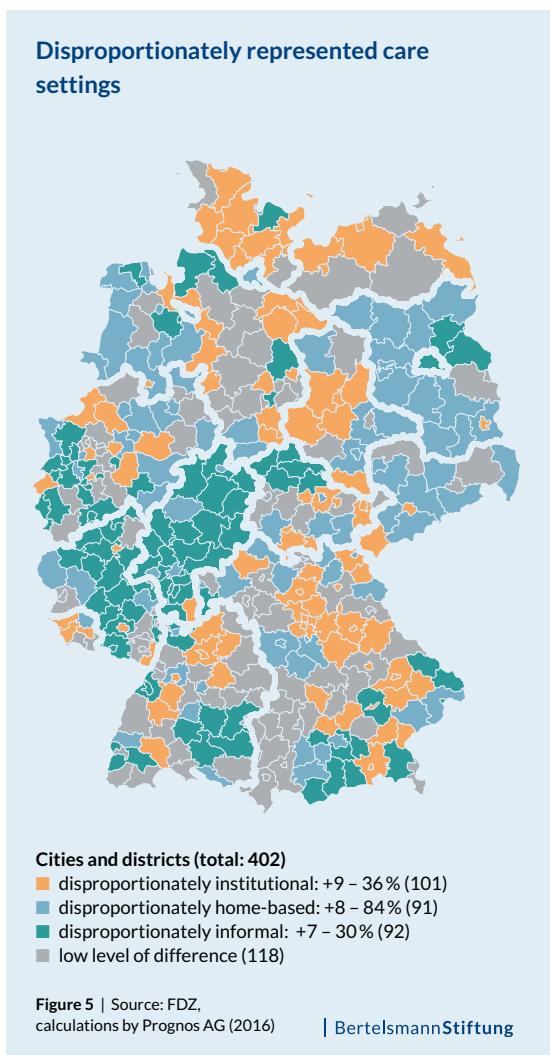
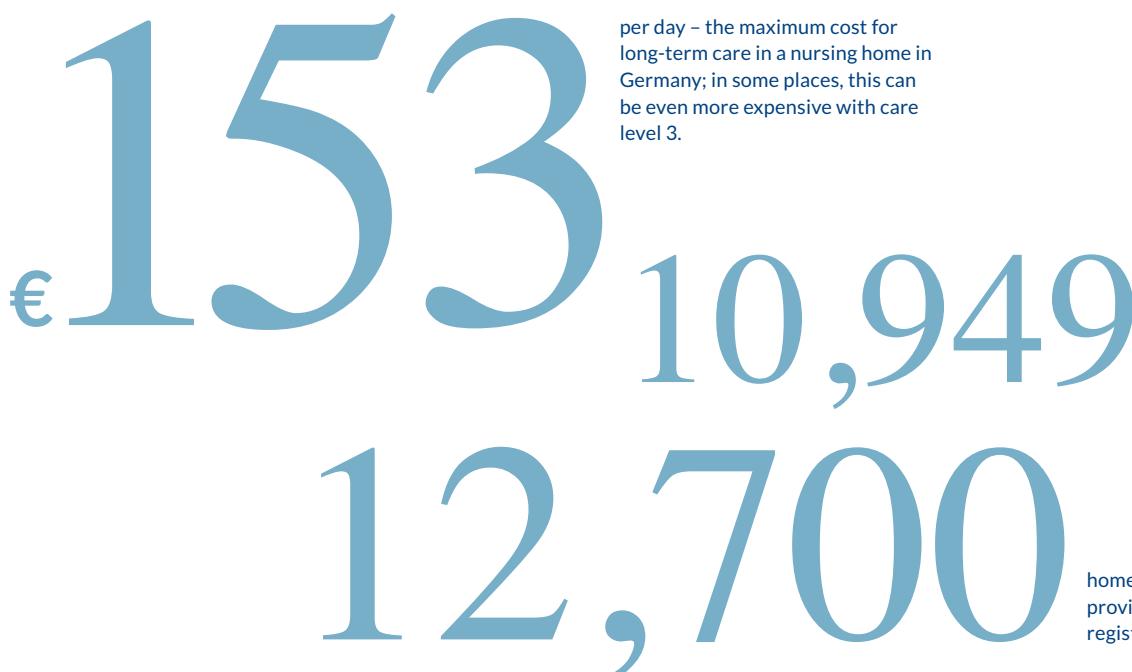
In 249 districts, the average income does not cover the costs of long-term care

In addition to availability, financial considerations also play a role in the choice of care (home-based or institutional) and the selection of facility. Are one's own funds sufficient to cover the out-of-pocket costs of a nursing home? The Bertelsmann Stiftung has calculated that the average regular income of individuals over 80 is not, on its own, enough in far more than half the cities and districts – 249 out of 402, or 62 percent (see the orange districts in Figure 4). In almost a quarter of the districts (94 out of 402), the purchasing power of those in need of care covers a maximum of 10 months in a nursing home; in a further 83 districts it covers 11 months. The average annual income for individuals over 80 thus covers the payments for a maximum of 11 months in 177 districts. The shortfall is covered by welfare, if those in need of care go into a nursing home anyway, have no assets and no relatives able to con-

tribute in covering costs. In 2013, 41 percent of those in need of care received additional welfare.

This issue has an impact in particular on North Rhine-Westphalia, Rhineland-Palatinate, the Saarland, Baden-Württemberg and the city states of Berlin, Hamburg and Bremen. In these places, seniors with an average income cannot, by themselves, afford 365 days of professional care in a year. In contrast, the average regular income of the elderly covers the average costs of care in the former East German states, Schleswig-Holstein and large parts of Lower Saxony. In a fifth of all districts, their purchasing power would theoretically cover even 13 months or more per year.

To derive the purchasing power, the net equivalent income of individuals over 80 years old in each of the 402 cities and districts was calculated and compared with the respective average prices for full-time institutional care (less contributions from long-term care insurance). The real purchasing power thus calculated is reported in days and correspondingly shows how many days of



care those in need of care in the respective district can afford on average annually (see Figure 4).

The mixture of different care options differs from region to region and depends on supply and purchasing power

The desire to receive long-term care in an area close to home and to stay in one's home for as long as possible is widespread among the public. In addition to this, the scope and access to support options in the area determine in which setting long-term care can take place: through relatives, home-based care, or in a nursing home. These local conditions are primarily determined by communities. The regional mixture of care options is thus a good indicator for judging the quality of community care. A general principle of preferring home-based care to institutional care applies.

How commonly long-term care is provided by relatives, through home-based services or in a nursing home differs greatly from region to region. This should primarily depend on how many people are in need of care and the level of care they require. However, the comparison of the actual mixture of care options in a region (district) with the mixture of care options that should be expected based on population and settlement structure (relative to the federal average) reveals significant differences (see Figure 5). For example, institutional care is disproportionately

represented in Schleswig-Holstein and Mecklenburg-Vorpommern. In addition, home-based care is disproportionately represented in many of the former East German districts, while informal care is disproportionately common in Hesse and the Rhineland and their surrounds. In contrast, the southern German states have a more heterogeneous long-term care landscape.

Further Bertelsmann Stiftung statistical analyses show that scarcer financial resources are associated with a higher share of informal care.

“Quality care is one of the major challenges of our times. It is imperative that we create now the right framework for future care.”

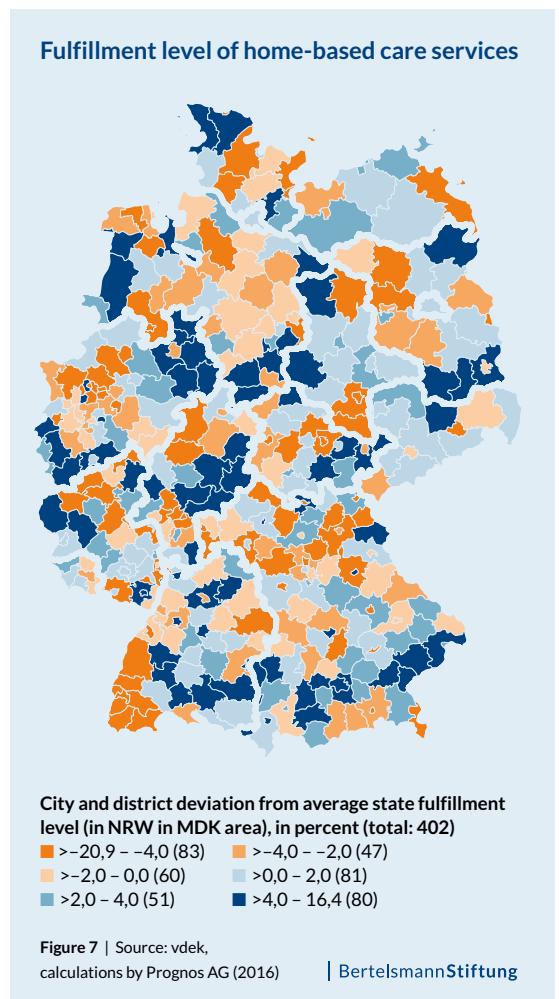
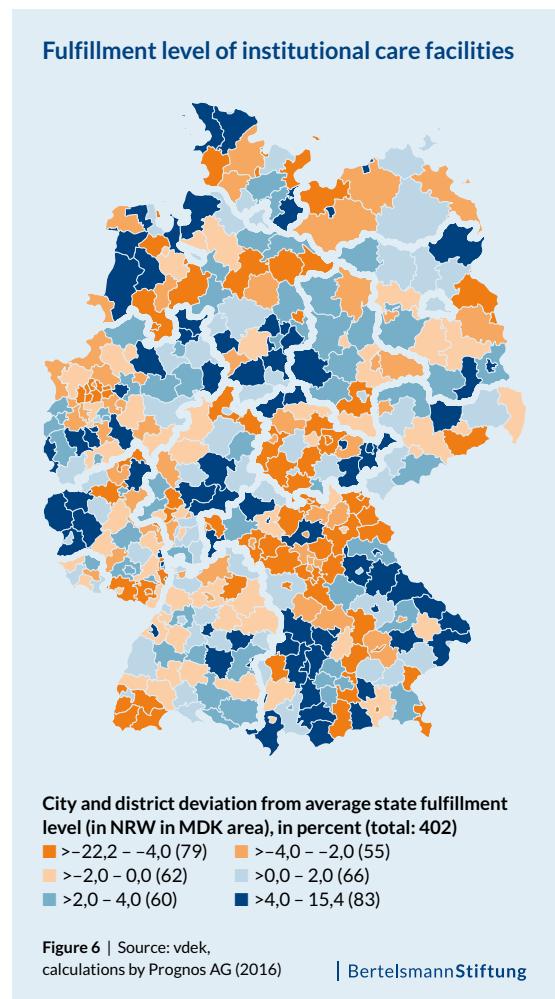
State Secretary at the Federal Ministry of Health Karl-Josef Laumann, Commissioner for Patients' Affairs and Delegate for Long-term Care

The choice of care setting thus depends not only on the needs of the individual and their relatives, but evidently also on their financial means.

Differences in quality reviews in long-term care

An important criterion in selecting a care facility is the quality of care. The Medical Service of the Health Funds (Medizinische Dienst der Krankenversicherung – MDK) reviews this on an annual basis. The grading system, which allows poor marks in one area to be balanced out with good marks in another, levels out the differences in quality between facilities, however, and is currently being redesigned.

The Weisse Liste internet portal has modified the presentation of the review results: in doing so, only those MDK indicators that are relevant to the actual care provided are taken into consideration. Instead of giving marks, a fulfillment level is determined and reported as a percentage value. A fulfillment level of 100 percent indicates that the review criterion was reported as fulfilled



by all residents reviewed in a care facility. This presentation of results gives a clearer impression of differences in quality between long-term care service providers.

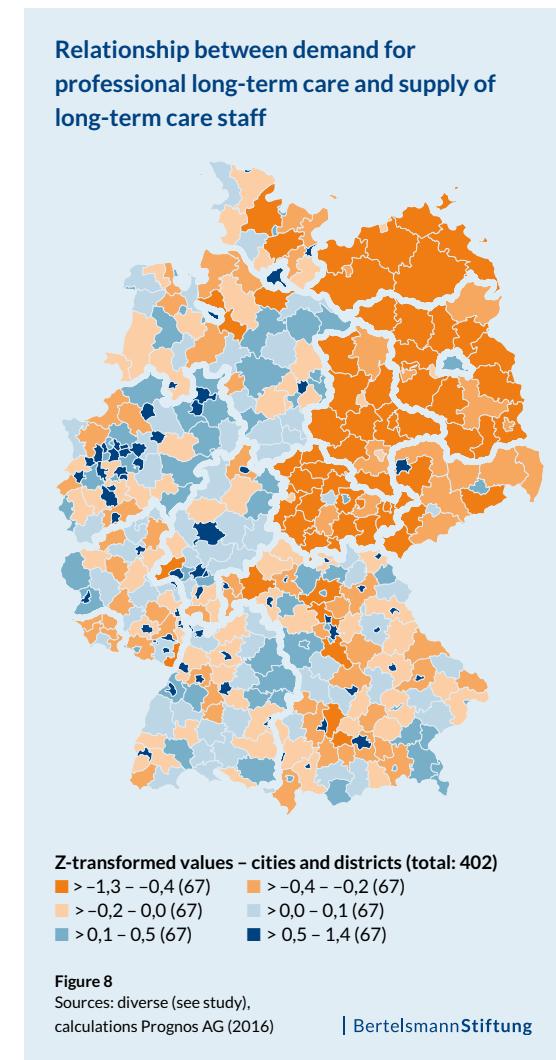
In order to compare the quality of care in the 402 cities and districts, an average fulfillment level for all care facilities is determined for all districts – with institutional and home-based care reported separately. In 60 percent of districts, this average deviates by a maximum of 4 percent from the respective state average for both home-based care and institutional care facilities. Some 20 percent of districts had larger deviations: for institutional care up to 22.2 percent above (better quality) and 15.4 percent below (worse fulfillment of the minimum standards); for home-based care, the maximum upward deviation was 16.4 percent while the maximum downward deviation was 20.9 percent.

Large-scale regional patterns relating to the fulfillment level are not apparent. A heterogeneous picture is revealed across Germany and in the individual German states for both institutional care (see Figure 6) and home-based care (see Figure 7). The decision to compare city and district results to the state average was made because differences in the review practices of the respective MDK result in differences in the average review results of states.

Personnel shortages to be expected mainly in the former East Germany

By 2030, the number of people in need of care in Germany will increase from today's level of around 2.6 million to 3.4 million. According to the Bertelsmann Stiftung's analysis, over the next 15 years, this rapidly increasing demand for professional long-term care will face a low supply of long-term care staff in most former East German districts and cities (see Figure 8). In many places in some West German states – including Bavaria and Schleswig-Holstein – the high demand will exceed the supply of personnel (which is good to average today). The market for long-term care staff looks significantly more positive in large areas of Hesse and Baden-Württemberg.

As institutional care represents the most personnel-intensive form of care, districts with a higher proportion of institutional care will be more heavily impacted by personnel issues in future. Although already very high today, the demand for professional long-term care services can be expected to increase even further according



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For more information,
please refer to the report
“Pflegeinfrastruktur – Die
pflegerische Versorgung
im Regionalvergleich” (in
German only)

Download the study at
[bertelsmann-stiftung.de/
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Recommended action

Helping the public understand long-term care

The Bertelsmann Stiftung study makes clear the increasing importance of applying the limited long-term care resources efficiently, in order to meet the needs of individuals in need of care. As such, the following recommendations for action apply, especially at the community level:

Systematically analyze the regional long-term care landscape

- Transparency with respect to the local long-term care landscape, based on the information that consumers need
- Small-scale analysis of long-term care structures, taking particular account of the current and future expected mixture of long-term care options
- Regional analysis of personnel deployment, financial conditions and access to long-term care services

Improve supply structures

- Ensure coordinated activity among decision makers at the local level, in particular the providers of long-term care services, local and state administrations, local politicians, investors in the care market and social insurance providers
- Expand support services for caregiving relatives, such as house-keeping and daycare
- Foster home-based care and close-to-home support measures in districts with a high proportion of institutional care as a means of managing skilled labor shortages

Improve conditions

- Increasing the attractiveness of careers in the long-term care sector through measures which, for example, introduce performance-linked salary schemes for long-term care staff in all regions that derive from collective wage agreements
- Improving the data on the long-term care structures at the local, state and federal levels, especially with respect to long-term care consulting, low-threshold demand, and day and short-term care
- Improve statistical office staffing in order to be able to use the data necessary for regional analysis in a timely manner.

SPOTLIGHT GESUNDHEIT is an initiative of the “Improving Healthcare – Informing Patients” program at the Bertelsmann Stiftung. Published several times a year, SPOTLIGHT HEALTHCARE addresses topical issues in healthcare. The Bertelsmann Stiftung is committed to promoting a healthcare system relevant to public needs. Through its projects, the Stiftung aims to ensure the provision of needs-based and sustainable high-quality healthcare in which patients are empowered by access to readily understandable information.

The SPOTLIGHT GESUNDHEIT edition addressing long-term care infrastructure is a product of the “Local Long-Term Care” project which aims to provide cities and communities effective strategies in managing increasing long-term care needs. The project also targets decision makers at all levels of government by providing them strategies for improving municipal participation in long-term care.

Further information:

bertelsmann-stiftung.de/pflege-vor-ort

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Contact: Sonja Lütke-Bornefeld sonja.luetke-bornefeld@bertelsmann-stiftung.de Tel: +49 5241 81-81431	