Financing home and community-based care

Social pensions and community-based organisations

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Ageing Asia and the Pacific:
Developing long term care systems and effective responses
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Asian Development Bank, Manila, Philippines
• 3 broad scenarios of ageing
• 3 sets of broad social and economic implications
• Multiple context-specific solutions
Available LTC expenditure projections: pure demographics play minor role in cost increases in OECD, more significant for BRIICS

Source: De la Maisonneuve and Martins, 2013. OECD.

Quoted from ‘Ageing, Health and long-term care in East Asia & Pacific’ Aparnaa Somanathan, Naoko Miake and Ying Ho, 2014
How to fill the growing care gap?

DEMAND:
Growing number of older people with care needs

SUPPLY:
Reduced informal care numbers and more complex needs

Decrease demand:
Prevention, promotion, active ageing, self-care

Extension of LTC services - particularly community-based

Increase supply:
support to families, engagement of volunteers
Home and Community-based care (HCBC) aims at:

- Maintaining functionality
  - Active ageing
  - Self-care
- Recovering functionality
- Instrumental are the community-based organisation (CBOs)
Multifunctional and holistic Older People Association (OPA)

Total Cost (10,000 USD per OPA)
- Grant directly to the OPA: 5,000 USD
- On going capacity building: 2,500 USD
- M&E and Management cost: 2,500 USD

- Create synergies between activities
- Meet the real needs of people
- Adapt to local context
- Inclusive
- OPAs become relevant actors in local development
LTC and social pensions

Social pensions can indirectly contribute to LTC as older people can use the pension money to cover some expenditures that improve and reduce demand for LTC

- **Food** – improved nutrition/support families
- **Health care services** – medication and transport to access to health care service
- **Participation in cultural and social activities** – reduced isolation/improved psychological well-being
- **Home repairs** – enabling environment for care at home
- **Small financial contribution**
Pension coverage (60+)

Sources: HIES 2010 (Bangladesh), NLSS 2010/11 (Nepal), PSOA 2007 (Philippines), SOPT 2014 (Thailand), VNAS 2011 (Vietnam). For social pensions in the Philippines, estimates have been made using administrative data shared by the Department of Social Welfare and Development.
Social pensions: small share of total household income

- Social pension as a share of total household income (in recipient households)

How Old-age allowance spent, Thailand

Source: Worawet Suwanrada, 2014
Asia lagging behind

Average benefit level of social pension by region

Source: HelpAge International, Social Pensions Database.
Are universal pensions affordable?

Simulation of cost in 50 countries

Benefit level of 20% of GDP per capita

- Gray bars: 60+
- Red bars: 65+
- Orange bars: 70+