

# LTC policy in South Asia – What are the challenges?

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**Aging Asia and the Pacific:  
Developing long term care systems and effective  
responses**

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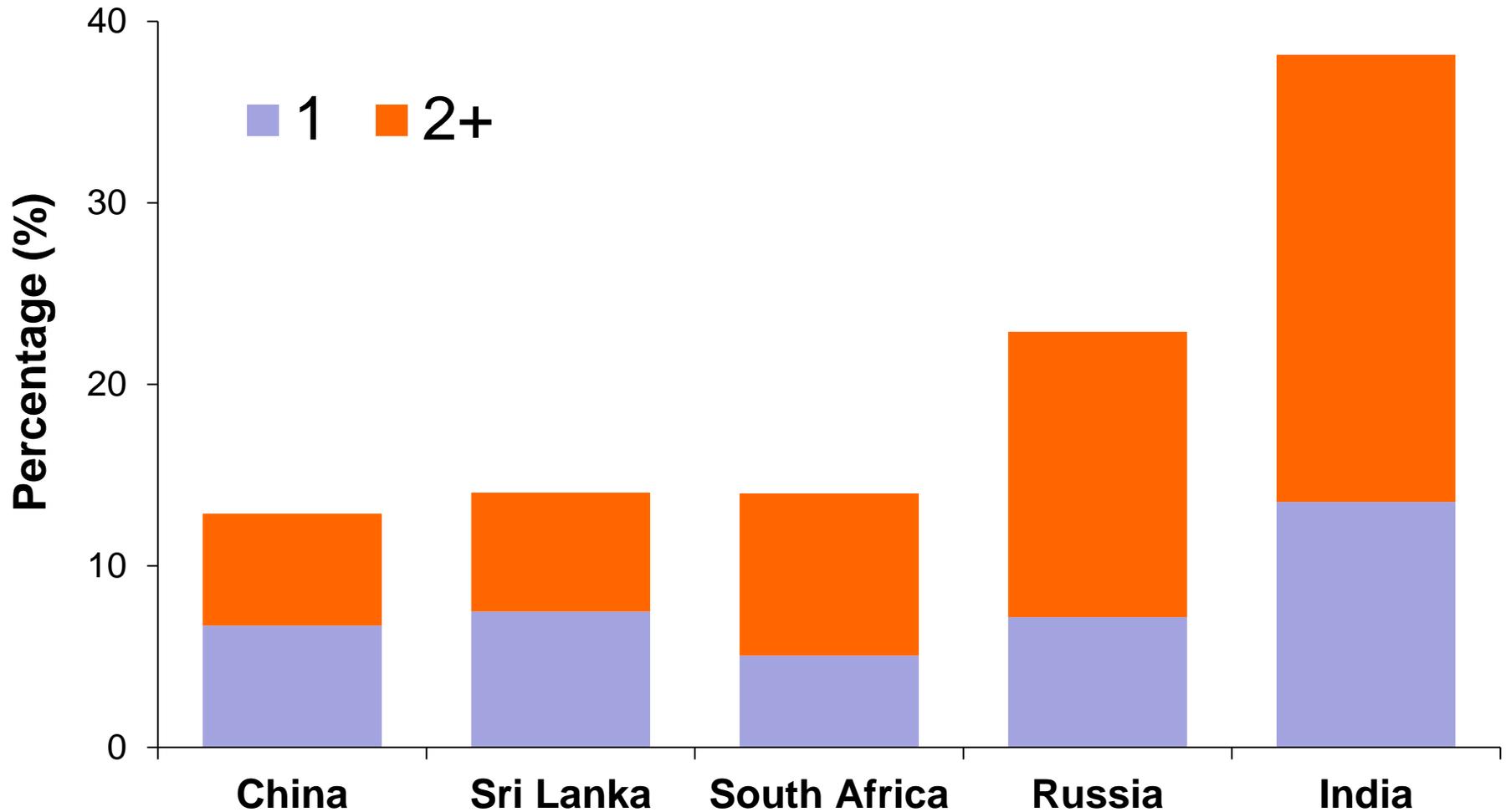
ADB, Manila



# South Asian Context

- **24% of global population = 1.7 billion people [2015]**
  - Relatively young population (exception Sri Lanka)
  - Will age and account for substantial proportion of global elderly by 2050 (rapid aging in Sri Lanka)
  - 60+ >350 million by 2050
- **Limited evidence suggests relatively high underlying trends in need**
  - Higher rates of physical infirmity in elderly than in East Asia or Europe
  - Some evidence that high disease burden and poor education in childhood and youth contributing to increased impairment in elderly
  - Higher and increasing rates of NCD/chronic disease morbidity and mortality in elderly than in developed nations (exception Sri Lanka)

# Age standardized prevalence of ADL deficiency (adults >50 years)



Source: World Bank Sri Lanka Aging Survey 2006, WHO SAGE Wave 1

# Current LTC scenario

- **Traditional norms and expectations remain dominant**
  - High levels of co-residence in elderly, but changing in urban areas
  - Elderly expectations of being cared for by children, but changing norms amongst younger adults
  - High levels of distress amongst some elderly
- **Minimal organized LTC provision and financing**
  - Most care provided by families/community
  - Very limited supply of formal services
    - Limited public sector/charitable services
  - Private services growing but patchy in urban areas
    - Formal care services option only for top 1–5% of population

# LTC Policy Scenario

- **LTC policy largely non-existent**
  - Essentially no meaningful LTC policies at national level
    - Strong on aspirations and coordination, but weak on action or financing
  - “Elderly” or “Aging” or “Geriatric” care policies, but no substantive LTC policies that identify the problem, options and trade-offs
- **LTC policy evolution still at primordial stage**
  - Individuals have personal experience of LTC needs, but limited understanding/appreciation by high-level policy makers/society that a societal problem exists
  - Limited awareness of society and stakeholders of need for systematic (*i.e.*, collective) financing and possible options/trade-offs
  - Limited awareness of and ability to relate to global experience outside South Asia

# Reality check

- **LTC financing ultimately requires sizeable public resource mobilization (2%+ of GDP)**
  - LTC involves people looking after people, so cost is inevitably large as share of output
- **But in most of South Asia:**
  - Countries lack adequate organized financing for healthcare
    - Public expenditure on health <2% of GDP
  - Most of population lack pensions or old age income security
  - Most of population lack access to adequate education
- **Global experience is that countries tackle LTC usually only after achieving mass education, adequate healthcare, adequate pensions ...**
  - Indeed all of these are critical parts of the foundation for effective LTC policy

# Likely policy constraints

- **Social protection remains largely dependent on general revenue financing**
  - Historical legacy + small formal sectors limit social insurance
- **Expansion of social health protection likely to be dependent on tax mechanisms (exception – Maldives)**
  - Where insurance has been proposed, achievement remains questionable
  - Sizeable insurance schemes largely tax-financed, *e.g.*, state health insurance schemes in India that finance private care
- **LTC financing?**
  - More likely to build on the Anglo-Saxon model by default or by intent
  - Unlikely to be on any country's agenda till 2020s (LKA) or later (IND, PAK, BGD)

# What financing and what provision models will ensure sustainable LTC?

## Policy choices

- Choices imply values and trade-offs
  - Family self-reliance vs. state vs. social solidarity?
  - Public money for LTC for non-rich vs tax-cuts for non-poor?
  - Build on imperfect public delivery systems vs. establish new insurance models?
- Informed, substantive discussion about policy choices in building sustainable and effective LTC likely to be premature in most of South Asia for some time

# Immediate Agenda

## What should be done?

1. Sustained multi-year push to build awareness of LTC problem and options in civil society and policy elites
  1. Invest in improving evidence base on LTC needs in South Asia
  2. Invest in increasing awareness of LTC policy change outside region
2. Prioritize expansion of healthcare coverage to improve health of future elderly and older workers
  - Sustained increases in public financing in almost all countries
  - Scale-up effective critical NCD interventions, particularly CVD
  - Whilst completing the infectious disease/MCH agenda
3. Focus on ensuring expansions in old age income security that are fiscally efficient
4. Support community caring mechanisms as stop-gap