



Reform of the long-term care insurance in Germany

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Description

The German Federal Parliament passed a reform of the long-term care insurance (LTCI) which includes a fundamental change in the definition of “in need of care” and will be implemented as of 2017. To the difference with the previous definition, based only on physiological impairments, the new definition builds on physical, mental and psychological disabilities. Due to rising expenditure, the LTCI contribution rate will increase by 0.2%.

In Germany, long-term care insurance (LTCI) was established in 1995. According to the law, people are eligible to claim benefits from the LTCI if they are in need of care because of an illness or disability. In general, there are three different arrangements a recipient can choose from: care allowance, home care (in kind), and residential care. The definition of “in need of care” is fundamental for eligibility and the level of benefits received. Since 1995 the LTCI has distinguished between three levels of care based on the severity of the health condition:

- Care Level I (considerable need for care): this arises when a person requires help at least once a day, and an average of at least 90 minutes of help every day of the week.
- Care Level II (severe need for care): this arises when a person needs help at least three times a day and requires an average of at least 180 minutes of help every day of the week.
- Care Level III (extreme need for care): this arises when a person needs round-the-clock help every day and requires an average of at least 300 minutes of help every day of the week.

As this definition of “in need of care” takes into account only remaining physical abilities (assessment in minutes per day), the care in particular of

dementia sufferers is insufficient. Therefore, a report presented by an advisory committee of experts in 2013 suggested that the assessment of the need for care should be changed to also take into account mental and psychological disabilities. This recommendation is being implemented now: the Federal Parliament passed a reform of the LTCI at the end of 2015 within the framework of the “Second Act on Strengthening Long-Term Care” (“Pflegestärkungsgesetz” II). This reform, which will come into force at the beginning of 2017, includes a fundamental change in the definition of “in need of care”.

The previous definition of three care-levels based on physiological impairments will be replaced by five care-grades based on physical, mental and psychological disabilities. The condition of “in need of care” is determined by impairments of independence or incapacitation in six fields (modules), which are weighted as follows: Mobility (10%), Cognitive and communicative abilities (15%), Behaviour patterns and psychological problems (15%), Level of self-sufficiency (40%), Health restrictions, demands and stress due to therapies (20%), and Structure of everyday life and social contacts (20%).

The weighted results are added to a total

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result which includes a value on a scale between 0 and 100 points. The scale is divided into five segments which correspond to five grades of "need for care" (the previous time requirements are no longer relevant). It goes from "Grade 1: Little impairment of independence" (12.5 up to 27 points) up to "Grade 5: Hardship cases" (90 up to 100 points).

The five grades of "need for care" are combined with new benefit amounts in cash and in kind:

Benefits from the LTCI 2017 in € per month

Type of benefits	Care-grade 1	Care-grade 2	Care-grade 3	Care-grade 4	Care-grade 5
Care allowance	125	316	545	728	901
Outpatient care: benefits in kind		689	1,298	1,612	1,995
Inpatient care: benefits in kind	125	770	1,262	1,775	2005

Outlook & Commentary

This reform was long overdue and was unanimously welcomed in the social policy debate. It remains to be seen how the change in the definition of "in need of care" will be implemented in practice at the beginning of 2017. The grade of care will be formally assessed by the independent Medical Review Board of the Statutory Health Insurance Funds (MDK). Anyone who is already receiving benefits from the LTCI will be automatically transferred to the new system. In any case, the amount of the benefit will be the same, but the vast majority of recipients will get more. In particular dementia sufferers will be significantly better off. By the end of 2017 at the earliest, there

should be reliable information available on how high the expected rise in the number of benefit recipients, subdivided by type of benefit and care-grade, will be.

As a result, LCTI expenditures will increase. The contribution rate will therefore be raised starting in January 2017 by 0.2 percent points to 2.55 percent (for people without children: 2.8 percent).

Although this reform represents an important step towards improving the situation of those in need of care, many problems remain unresolved.

This applies above all to the inadequate staffing in outpatient and inpatient care. High quality care requires sufficient staff, in both quantitative and qualitative terms. The lack of nurses has become even more severe in recent years. According to experts' estimates, there is a current unmet need of 35,000 qualified nurses.

Further reading

Nakielski, H. Die große Pflegereform kommt - Die Änderungen des Pflegestärkungsgesetzes II (The major reform of the long-term care insurance is in sight - the amendments to the Second Act on Strengthening Long-Term Care), in: Soziale Sicherheit 10/2015.

Bundesministerium für Gesundheit, Das Pflegestärkungsgesetz II – Das Wichtigste im Überblick (Federal Ministry of Health, The Second Act on Strengthening Long-Term Care - the most important points at a glance), Berlin 2016.

<http://www.bmg.bund.de/en/long-term-care/first-act-to-strengthen-long-term-care.html>

<http://www.bmg.bund.de/en/long-term-care/second-bill-to-strengthen-long-term-care.html>

Bericht des Expertenbeirats zur konkreten Ausgestaltung des neuen Pflegebedürftigkeitsbegriffs (Report by the advisory committee of experts on the formulation of the new concept of "in need of care"), Berlin 2013.

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