



Czech Republic to support informal carers with a new long-term carer's allowance

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A new sickness insurance allowance has just been introduced (on 1 June 2018) to improve the financial situation of family members providing long-term care for their relatives. This new direct cash benefit, called "long-term caregiver's allowance" (dlouhodobé ošetřovné), is expected, in particular, to improve the labour and social position of employed women.

Description

The Parliament passed an amendment to Act No. 187/2006 Coll. in September 2017, introducing a new direct cash benefit called "long-term caregiver's allowance" (dlouhodobé ošetřovné). Since 1 June 2018, the carer, whether employed or self-employed, is compensated for the loss of income from work due to caring responsibilities, at the same rate as in the case of short-term care, during the period when he/she provides care for a family member discharged from the hospital after at least a 7-day hospitalisation and requiring at least 30 days of further care (maximum 90 days). The entitlement is subject to the approval of the responsible physician.

The group of potential caregivers is defined quite broadly: not only parents, grandparents, children, siblings and their spouses or unmarried partners, but also other relatives (for instance uncles or nieces of the person being cared for, and their spouses or even unmarried partners). To be entitled, the carer must have contributed to the sickness insurance system for at least three months.

If he/she is employed, the carer cannot be dismissed and, after the termination of his/her care responsibilities, he/she is guaranteed a return to the same job under the new Labour Code regulation. In order to balance this with the

interests of employers, employers are given the right to refuse to grant the care leave – because of "serious operational reasons". (For more details see Kučerová, 2017.)

The Business Chamber has criticised the new allowance in that the social system is already complicated, and the new cash benefit is bound to be misused. However, the amendment passed through both chambers of Parliament swiftly, gaining 78 votes against 21 in the House of Representatives and just five senators voted against it in the Senate.

Outlook & commentary

Available estimates of the long-term caregiver's allowance's potential impact are based on the statistics of hospitalised patients, of whom there are about 2 million per year. Of them, about 300,000 persons are provided with continuing care in long-term hospitals, and/or other inpatient care in specialised institutions, and are likely to need further care for longer than 30 days after being released into home care. Taking into account the existing restrictions, the Ministry of Labour and Social Affairs estimates that the number of benefits to be drawn could be about 30,000 per year (MPSV/MLSA, 2017b). It also estimates that the new allowance will prevent the utilisation of inpatient services by approximately one-quarter

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(about 7,500) of the estimated number of persons eligible for the allowance. This would save almost 900 million CZK/€36 million per year (7,500 persons x CZK 1,300 in average bed costs per day x 90 days).

If we consider the current average level of the short-term care allowance (about 350 CZK/€14) and the median wage level for women (who are the most common carers and whose median wage is, according to the Ministry, more relevant for the observed average amount of the allowance), the overall impact on the central government's budget balance would be about 1.8 billion CZK/€70 million annually (MPSV/MLSA, 2017b). This includes both the expenditure on the benefit itself

and the loss of income from insurance premiums and social security taxes. In addition, the annual financial impact involves an expected reduction in the collection of healthcare insurance premiums of 242 million CZK/€9.6 million (MPSV/MLSA 2017b).

The policy resolves a difficult family social situation for just three months – quite obviously due to financial constraints – so the problem of long-term care provision and lack of good quality support services remains. However, it can be effective in facilitating the transition to home care or a sudden need for care before the family arranges for another sustainable form of care.

Further reading

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Zákon č.262/2006 Zákoník práce [Act No. 262/2006 Coll. Labour Code]. Online. Available at:

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