



# ESPN Thematic Report on Challenges in long-term care

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Theodorou, M., Kantaris, M. and C. Koutsampelas  
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*Contact:* Giulia Pagliani

*E-mail:* [Giulia.PAGLIANI@ec.europa.eu](mailto:Giulia.PAGLIANI@ec.europa.eu)

*European Commission  
B-1049 Brussels*

**European Social Policy Network (ESPN)**

**ESPN Thematic Report on  
Challenges in long-term care**

**Cyprus**

**2018**

*Mamas Theodorou, Open University of Cyprus  
Marios Kantaris, Open University of Cyprus  
and  
Christos Koutsampelas, University of Cyprus*

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## Summary

Cyprus displays all the characteristics of an ageing western society with increasing needs and alarming projections, particularly with respect to dependency ratios. A significant increase in the number of dependent persons is expected in the next decades, which is predicted to be much higher than in the EU. Furthermore, the fraction of the population being dependent for everyday life activities is growing at a greater pace than in the EU (58% increase in Cyprus versus 36% in the EU) (European Commission, 2016). As for health status, recent projections on life expectancy and healthy life years lie close to the EU average levels. At the same time, total long-term care (LTC) expenditure in Cyprus accounts for only 0.3% of GDP, which is far from the European average, which is 1.6%, while only 21% of the dependent population receives LTC services. Taking into account demographic changes, the expected dependency ratios and the currently very low coverage and spending on LTC, it is clear that Cyprus needs to make considerable progress and allocate more resources to adequately meet the LTC needs of its population.

Cyprus lacks a comprehensive LTC scheme of universal coverage, despite the positive steps that have taken place in recent years. The aspects of care related to long-term healthcare are overseen by the Ministry of Health (MoH) while those relating to long-term social care fall within the domain of the Ministry of Labour, Welfare and Social Insurance (MLWSI) and are overseen by the Social Welfare Services (SWS) and the Department for Social Inclusion of Persons with Disabilities (DSIPD). The fragmentation of services and lack of coordination gives rise to problems in the access to services.

The Guaranteed Minimum Income (GMI) scheme and, in particular, the Social Benefits Decree of 2014 - administered by the SWS of the MLWSI - incorporates the Scheme for the Subsidisation of Care Services, which covers the social care needs of the GMI recipients and their family members. The scheme mainly provides cash benefits and, in justified cases, in-kind services. It can be described as a strict and 'rights based' scheme which has recently replaced the old 'relaxed' and discretionary system of Public Assistance. Only GMI recipients can apply for subsidisation, the only exception being individuals with severe disability. Persons with disabilities are entitled to additional benefits that compensate for the cost of disability.

Formal LTC services include day care, residential care and home care. These services are provided by the public and private sectors, non-governmental organisations (NGOs) and local authorities. However, only a small number of dependants receives care under formal arrangements, which implies low coverage and/or inadequacies in LTC care. Inadequacy in formal provision has also been feeding informal care, with many dependants in Cyprus having to rely on informal care by relatives, next of kin and migrant domestic helpers. The majority of LTC benefits are in the form of cash benefits/allowances.

The implementation of the new National Health System (NHS) is of paramount importance and a first priority for the proper functioning and sustainability of the health and long-term care systems. The present system of LTC does not appear to be keeping pace with the modern approaches of proactive and preventive policies in LTC. The lack of specific legislation to regulate home and community care creates serious bottlenecks and prevents the development of appropriate mechanisms for assessing the need for LTC. The lack of coordination and collaboration between the two main players seems to be detrimental to the financial sustainability of the current system.

The main recommendations to address the LTC challenges in Cyprus are: (a) the introduction of a comprehensive public LTC system to address the current institutional, operational and funding problems; (b) the search for alternative and complementary sources of funding; (c) the further development of cooperation between the competent services; (d) the expansion of community care with simultaneous education and training

for informal carers; and (e) the development of a more proactive policy approach aimed at preventing the loss of individual autonomy.

## **1 Description of the main features of the country's long-term care system(s)**

### **1.1 Description and overall design**

Cyprus, despite some small but steady steps forward, has still not developed a comprehensive and integrated system of long-term care (LTC). LTC expenditure as a percentage of GDP is among the lowest in the EU member states, resulting in high out-of-pocket payments. In particular, the LTC system outlined below needs to be further developed, both in the range of benefits provided and in terms of coverage.

The current LTC system is divided into two distinct parts, one under the responsibility of the Ministry of Health (MoH) and the other under the responsibility of the Ministry of Labour, Welfare and Social Insurance (MLWSI). The MoH is responsible for the provision of health services, including long-term health care, while the MLWSI is responsible for the governance of the social protection system and the administration of most cash and in-kind benefits. The regulation and supervision of LTC is the responsibility of the Social Welfare Services (SWS) of the MLWSI. This responsibility includes inspecting and evaluating the quality of services provided by home carers and professionals, as well as the coordination of relevant initiatives taken by local communities. Furthermore, the Department for Social Inclusion of Persons with Disabilities (DSIPD), which falls under the responsibility of the MLWSI, provides a wide array of disability benefits, targeting among others elderly persons with disabilities. Both long-term health and social care are financed by general taxation.

LTC services in Cyprus are also provided by local communities, voluntary bodies, non-governmental organisations (NGOs) and the private sector in a variety of settings, including geriatric clinics, homes for older people, hospice centres, state homes and day care clinics. Equally, the family has an important and substantial role in LTC provision, and care is often provided by close relatives.

### **1.2 Structure and main rules governing the long-term care system**

The GMI (Guaranteed Minimum Income) scheme and, in particular, the Social Benefits (Emergency Needs and Care Needs) Decree of 2014, incorporates the Scheme for the Subsidisation of Care Services, which covers the LTC needs of GMI recipients and their family members. This scheme mainly provides cash benefits and, in justified cases, in-kind services. In addition, the SWS operate community nursing homes and provide full-time residential care for the elderly and persons with mental and physical disabilities. It is explicit that only GMI recipients are entitled to long-term social care subsidies, with the only exception being individuals with a severe disability (who are entitled to subsidisation regardless of their income). Despite some resistance and criticism in the early days of its implementation, this new system for subsidising care services has been fully implemented. It cannot be said, however, with certainty that there will not be future adjustments or adoptions of new approaches in order to 'fine-tune' it.

The request to join the scheme for the subsidisation of care services is made through the GMI application form. The SWS, after receiving the application, compile information on the care needs of the claimant through house visits and specific assessment tools. Additional evidence and supporting documents such as certificates, including medical reports, can be requested from other public services and organisations. Specialised assessment teams of the SWS assess all information and, in those cases where the request is approved, a care plan is developed with the cooperation of the beneficiary and

the responsible officers. The beneficiary has the right to make his/her own personal arrangements; however, the amount of subsidisation cannot exceed certain levels.

Depending on the specific case and needs, individuals who meet the scheme's criteria are potentially entitled to the following types of care:

- Home care: the GMI decree sets a ceiling on the fees paid for home care at EUR 400 per month. In some cases, the state may pay home care provided by a domestic helper. In this case, the amount is set at EUR 397.78 (EUR 309 wage and EUR 88.78 social insurance contributions). It can be higher in reasoned circumstances where more than one helper is necessary. The home care scheme provides for a comprehensive set of personal and home care services including bathing, dressing and personal hygiene, house cleaning, meal preparation, shopping, payment of utility bills, washing of clothes and administration of medication.
- Day care, which includes entertainment and other social activities, provided by an approved day care centre for adults, usually operated by NGOs, local authorities or private for-profit organisations. The cash benefit to recipients of long-term day care may reach EUR 137 per month.
- Residential care in public institutions, for which cash benefits vary from EUR 625 to EUR 745 per month, depending on the needs of the beneficiary. In addition, beneficiaries of residential care may receive an additional personal comfort benefit (EUR 30 for mobility and EUR 52 for non-mobility problems).
- Respite care: the amount provided depends on the beneficiary's needs. This is a short-term provision aimed at relieving informal carers from their responsibilities. It can be in the form of home, residential or day care.

In addition to GMI, elderly persons with disabilities may be entitled to disability benefits. Disability is assessed and certified by a Disability Assessment Centre (DAC). The DAC is a relatively new development and represents the point of reference for disability in Cyprus. It falls under the responsibility of the DSIPD. The assessment of disability is carried out by teams of specialised clinicians, following which a complete assessment report is prepared and a disability card is issued. Disability cardholders may be entitled to a broad range of benefits depending on their situation<sup>1</sup>.

Furthermore, GMI recipients and individuals with a high level of dependency arising from old age – as well as individuals with serious and debilitating chronic conditions or physical, learning and mental disabilities – are entitled to a medical card (*karta nosilias*), which provides free access to public health care services. Specifically, individuals in LTC may benefit from various health services such as community nursing, which provides home visits to mentally ill patients, disabled people, artificially ventilated patients, and elderly people who live alone and encounter severe health problems (MoH, 2018).

There are no precise national data on the utilisation of the above-mentioned services. However, information published in the European Commission 2015 Ageing Report regarding the country-specific coverage rates of LTC recipients shows that only 21% of the dependent population receives LTC services, classifying Cyprus third from bottom with Hungary and Latvia in the last two positions. From the same source, Cyprus appears to cover LTC needs mostly by cash benefits (over 50% of the recipients) with the remainder being distributed almost evenly between home and institutional care services. There are no further data concerning the condition, the access and the utilisation of LTC services. The lack of a comprehensive LTC scheme is hindering the collection of such data. However, the integration of LTC social benefits with the GMI scheme could help in

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<sup>1</sup> For example, among other benefits, there is a care allowance for quadriplegic persons, a care allowance for paraplegic persons, a special allowance for blind persons, etc.



extracting information on the type and the nature of LTC services used in the near future.

The formal workforce participating in the provision of LTC in the public sector is well qualified and its conditions and terms of employment can be described as satisfactory. However, this is not always the case for the private sector, which is still unregulated. Recently, new private institutional and home care providers have emerged; however, it is not known whether they employ adequately qualified formal carers. The level of pay and the working conditions in the private LTC sector are not as favourable as in the public sector.

The demand for LTC services is expected to increase in the forthcoming decades. Life expectancy is increasing in Cyprus for both men and women with all projections pointing in the direction of an ageing society (European Commission, 2015). The phenomenon of population ageing in Cyprus, however, should be examined in conjunction with the health status of the population. If no parallel improvement in the health status of the elderly population is observed, this will lead to increased numbers of dependants and increased needs for LTC. Currently, healthy life expectancy at birth for Cyprus is at levels similar to the OECD-25 and Eurozone averages (OECD, 2017). This performance should not be considered as particularly encouraging as the majority of these countries are already facing increased LTC needs.

### **1.3 The role of informal care**

The role of informal care is substantial, with care services provided by spouses/partners, other members of the household, relatives or neighbours – often substituting for inadequate state provision. In many cases, care for frail elderly people (along with other housework duties) is provided by live-in domestic helpers<sup>2</sup>, usually women from Sri Lanka, the Philippines and Vietnam (Kantaris et al., 2014). The number of foreign domestic workers fell during the economic crisis, but is now on the rise again due to the recovery of the economy. Domestic helpers usually reside in the household for which they work. Their monthly gross salary is currently set by law at EUR 460 (EUR 309 net). According to 2017 data, 20,877 migrant domestic helpers are legally employed in Cyprus (Department of Social Insurance, 2017), while another 10,000 are estimated to be working in Cyprus without proper documentation and work permits.

In this context, cash benefits are used by recipients to partly cover the salary of domestic helpers and other care expenses or to make up for income lost as a result of absence from the labour market. In an attempt to alleviate the high dependency on informal care the MLWSI has recently been providing subsidies for the full employment of 100 trained carers in order to offer specialised support services to people with severe motor disabilities. The implementation of the project began on 1 November 2017 with the aim of subsidising the Cyprus Paraplegics Organisation for the full employment of 100 caregivers for a period of 24 months.

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<sup>2</sup> For the purposes of this report, domestic helpers are included in the category of informal carers, despite the fact that they offer paid services to the households. The reason for including them in the informal care sector is that their services are more similar to the type of informal care provided by family members and less comparable to services provided by qualified LTC professionals.

## **2 Analysis of the main long-term care challenges in the country and the way in which they are tackled**

### **2.1 Recent reforms**

The recent economic crisis reduced the resources available for spending on long-term health care, while overloading the public system and increasing waiting lists due to the return of many patients to the free-of-charge public system. On the other hand, however, it highlighted the need for introducing the new universal National Health System (NHS), which is expected to be fully implemented by June 2020. The new system will have a positive impact on long-term health care recipients as it is anticipated to increase access to health services and reduce the financial burden of out-of-pocket payments. The new system will be financed by the state budget and contributions levied on wages and pensions.

In 2014, during the period of economic crisis, the government implemented an important reform through the relevant legislation for the introduction of the GMI scheme. The GMI provides a minimum income allowance to every low-income person or family that meets certain criteria, with the aim of guaranteeing a minimum standard of living to everyone. The SWS are responsible for the application of article 10 of the GMI Law, which refers explicitly to the (long-term) care and special needs of recipients.

The GMI legislation clearly sets concrete and measurable criteria regarding the eligibility of the benefits paid to GMI recipients, following a rights-based approach. There are specific conditions for the use of cash benefits to receive home care. Home care providers (physical or legal entities) must be approved and registered with the SWS. The register of approved LTC home care providers is available at the SWS website along with the specific criteria in order to become an approved provider. New legislation is expected to be introduced in the very near future which will exclusively regulate LTC home care providers in Cyprus.

This is in contradiction to the old regime of Public Assistance where the scope for discretionary benefits was quite broad, assigning to the director of the SWS considerable freedom in exercising his/her discretion over any decision to grant public assistance. It is argued however that in the new situation, the discretionary power, or at least part of it, has been transferred to the groups of professionals belonging to the SWS, who have the responsibility to evaluate the needs of applicants. According to Pashardes and Koutsampelas (2015), the government is currently in a 'fine-tuning process', trying to find the proper mix of a rights-based and a discretionary approach.

### **2.2 Access and adequacy challenge**

It is self-evident that both access and adequacy in LTC services are major challenges for any social care system. These challenges are even greater and pressing for Cyprus, since the current LTC system is incomplete, fragmented, and poor in terms of infrastructure and technology, with limited coordination and regulation, resulting in very low scores on patient access and coverage in comparison with most other EU member states. In 2010, out of 49,617 disabled persons, 7,427 were cared for in institutions and 42,190 were supported by informal care without receiving any formal LTC support (Amitsis and Phellas, 2013). These numbers show that formal services were provided to only a marginal part of the population concerned and highlight the dominance and, consequently, the important role of informal care.

In addition to the above, the lack of a comprehensive LTC scheme leads to many disparities concerning coverage, adequacy and access to services, particularly as far as disabled groups are concerned. Furthermore, the absence of a rehabilitation policy (physiotherapy, speech therapy, occupational therapy etc.) forces persons with

disabilities to use their cash benefits, or even incur out-of-pocket payments, in order to cover the cost of such LTC services.

Amidst this problematic situation, two more factors must also be taken into account; population ageing and the consequent rise in the old-age dependency ratio 15-64<sup>3</sup> (from 22.2% in 2016 to 30.8% in 2030), leading to an increase in the number of dependent elderly and in LTC needs (European Commission, 2017). Despite the unfavourable conditions, this issue per se has low priority in government planning and among health policy makers. It seems that solidarity and mutual support between family members, which still exists largely in Cyprus, together with the low-cost solution of third-country domestic helpers, act as decompression valves for the current system. It is mainly due to these two factors that informal care for the elderly is a major part of LTC in Cyprus, and the rate of substitution with formal care is very slow, mainly due to the public sector's inadequacy.

That is why the implementation of the new NHS is of the utmost importance and necessity, as it is expected to significantly improve access to, and the adequacy of, specific LTC services. However, policies and infrastructures will need to be better organised and further developed in areas of LTC services that are currently lagging behind, such as rehabilitation and palliative care, as well as residential and nursing care. This will facilitate and expand access for more patients and disabled people who are either waiting on long waiting lists or not looking for such services, considering that these are not sufficient enough to meet local needs.

### 2.3 Quality challenge

Quality remains a key issue in health services over time, and the lack of a comprehensive LTC provision scheme is a fundamental issue for ensuring quality of care. As long as the need-assessment process remains fragmented and incomplete, as it is at present in Cyprus, the demand and quality of care cannot be accurately assessed and quantified.

The quality of the provision of services in residential care and day care centres is monitored by reference to the minimum standards set out in the respective legislation and through regular inspections of the centres (Papatheodoulou and Agathangelou, 2013). No specific legislation is yet in place to regulate quality standards for home care even though home care is provided by both the public and the private sector. It is envisaged that this law will regulate the provision of home care services and determine the minimum quality standards as well the qualification requirements of carers. At present, the SWS monitor home care provided by the public sector through regular visits by Social Services Officers to the house of the recipients and through close cooperation with the NGOs and the local authorities that provide home care services.

Home care services provided in the private sector appear to be completely unregulated without any monitoring of quality. It is envisaged that this challenge will be met with the introduction of the much-anticipated legislation for home care services. According to a report by Papatheodoulou and Agathangelou (2013), there have been plans by the SWS for introducing indicators to improve quality, efficiency and effectiveness in the health and social care services as well as patient and user satisfaction. Interestingly, two studies, carried out in two different periods with entirely different circumstances, measuring the levels of satisfaction among users of home care services, revealed high levels of satisfaction with respect to the quality of care services (Georgiades 2008; Kouta et al., 2015). According to Kouta et al., (2015) the study participants reported high levels of satisfaction with the nursing staff involved in the provision of their home care.

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<sup>3</sup> The old-age dependency ratio (15-64) is defined as the population aged 65 and over as a percentage of the population aged 15-64.

Regarding the quality of jobs offered in LTC there is a huge contrast between the public and the private sector. The staff involved in health and/or social care services in the public sector are civil servants, which means they have higher salaries and better conditions of employment than their colleagues in the private sector. Public health sector employees, mostly nurses, social workers and rehabilitation professionals, are all university graduates, and in some cases have undertaken postgraduate studies.

Conversely, in the private sector informal care workers have very limited amounts of the skills necessary for caring for the elderly and/or the disabled. Institutionally, the training of informal carers in order to acquire the necessary caring skills and competencies is mainly the responsibility of nurses in home care services (community nursing) as well as staff nurses at hospitals, NGOs and other community and non-profit organisations. Since 2007, a liaison and advisory service has operated between community nursing services and the Nicosia General Hospital, which among other things provides counselling, guidance and education to family carers on health care issues as well as on promoting the autonomy and independence of patients. Mental health and community mental health nurses provide education to family carers in managing symptoms of mental illness, medication, coping and psycho-education.

Since informal care occupies a dominant position in the provision of LTC in Cyprus, it is suggested that a scheme for the compulsory training or up-skilling of informal carers (family members, next of kin and migrant domestic helpers) should be introduced in order to ensure that this type of LTC (largely unregulated and hard to monitor) is provided by adequately qualified individuals.

## 2.4 Employment challenge

The high incidence of informal care resulting from the lack of comprehensiveness of the LTC system and the highly targeted subsidisation of LTC is currently translated into informal care being provided by live-in migrant domestic helpers, and in many cases by spouses, family members, close relatives or next of kin with the moral obligation to provide informal care. Furthermore, unlike other EU countries, Cyprus does not have care-specific leave schemes and flexible time arrangements for carers.

According to Pashardes et al. (2018), the lack of specific support provisions can jeopardise the job security of individuals with care responsibilities and/or push them into atypical job contracts. This might be particularly the case for women. In 2016, the share of women aged 20-64 who worked in part-time employment was 14.7%, whereas the respective figure for men was 9.9%. Among women in part-time jobs, 14.3% stated that 'looking after children or incapacitated adults' was the reason for choosing this type of job. Moreover, the percentage of women aged 20-64 who were inactive for the same reason was 19.2% in 2016 (18.6% in the EU) (Eurostat, 2018). Nevertheless, the effect on female employment might not be so negative, in the sense that the rate of female employment in Cyprus is similar to the EU average (64.1% vs. 64.3% in 2015). This may be attributed to the high incidence of informal care (i.e. relatives and migrant women), which potentially absorbs some of the impact of the lack of a comprehensive formal care system in Cyprus. On the other hand, it could be argued that patterns of family obligation and reciprocity are responsible for creating an anti-reformist trap for the welfare state: the prevalence of in-kind or in-cash informal intra-household transfers works against the creation of the crucial political mass necessary for triggering far-reaching structural reforms in the field of LTC.

In 2016, the MLWSI and the Human Resource Development Authority announced a call for participation in a training programme for the provision of supportive care services, targeting exclusively the unemployed and aimed at their integration or reinstatement into employment. The purpose of the programme was to train unemployed persons to acquire, enrich and/or upgrade their knowledge and skills in care provision for people

with quadriplegia/paraplegia as well as people requiring any kind of care who are under the GMI scheme.

In a parallel development, the MLWSI has recently announced the employment of carers for people with severe motor disabilities, in an attempt to alleviate high dependency in informal care. The MLWSI will be providing subsidies for the full employment of 100 trained carers in order to offer specialised support services to people with severe motor disabilities. The implementation of this project begun in November 2017 with the aim of subsidising the Cyprus Paraplegics Organisation for the full employment of 100 caregivers for a period of 24 months. Similar attempts aimed at the skill validation and vocational training of informal carers have also been implemented in the past, mostly organised by the MoH and local authorities (Strovolos Municipality, 2015; MoH 2018).

It is obvious that the training of informal carers should be a priority for every health and LTC system, since it improves professional standards and also increases carers' employability.

## 2.5 Financial sustainability challenge

A number of international reports underline the importance of setting up an efficient and sustainable system for providing LTC services. This necessity is based on financial sustainability forecasts, suggesting that population ageing will increase the pressure for more and more spending year by year. In addition, the organisation and operation of a new and modern LTC infrastructure ultimately means additional financial resources in the short and medium term, which is quite difficult under the current economic conditions and the limited economic capacities of the state budget.

For increasing the funding sources and raising extra economic resources, the following could be considered separately or in combination: (a) increasing direct or indirect taxation – for example, increasing excise taxes on certain goods deemed harmful to society (tobacco, alcohol, soft drinks, sugar, fast foods etc.), as the prices of these products in Cyprus are relatively low in comparison with other countries; (b) mobilising the private sector, local authorities and voluntary organisations, by providing incentives for investing in LTC infrastructure, such as homes for older people, day care centres, hospice centres, rehabilitation centres etc.; (c) exploring the potential of private insurance to play a supplementary role in financing some LTC services; and (d) improving the governance and coordination of the different schemes and actors, by delegating responsibilities and resources to the regional and local authorities.

## 2.6 Policy recommendations

Policymakers in Cyprus should consider:

- Developing a comprehensive LTC system to address the institutional, operational and funding challenges of providing adequate services to elderly persons requiring constant care. The expected implementation of the new NHS by 2020 will be the first major step in this direction.
- Searching for alternative and complementary sources of funding, with the participation of both the voluntary and private sectors, including the private insurance market, in clearly defined roles.
- Improving communication and cooperation between pertinent services and different LTC schemes so as to improve effectiveness and efficiency.
- Developing a more proactive policy approach aimed at preventing the loss of individual autonomy, thereby reducing the demand for care services and furthermore strengthening the efficiency and cost-effectiveness of the provision of care services.

- Expanding community care, with simultaneous education and training of informal carers.

### 3 Analysis of the indicators available in the country for measuring long-term care

Life expectancy at birth in Cyprus stands at 80.7 years for men and 84.5 years for women, while life expectancy at 65 is 19.0 years for men and 21.3 for women. The very elderly population (80 and over) amount to 3.4% of the total population and 22.0% of the elderly population (65 and over). On the other hand, the fertility rate will fluctuate in the coming years from 1.40 to 1.60, and is one of the lowest in Europe. Projections based on these data show that by 2070 Cyprus will have one of the highest total age-dependency ratios in the EU. These new figures, provided by the 2018 Ageing Report, show that the indicators of a constantly ageing society are steadily on the rise.

The same report projects that the very elderly population is expected to rise to 10.3% of the total population, and 32.6% of the elderly population, by 2060 (European Commission, 2017). The poor performance in healthy life expectancy over 65 years<sup>4</sup> again suggests that, in conjunction with the demographic projection, the LTC sector in Cyprus will be facing increased demands in the decades to come.

According to the 2014 EU Health Survey<sup>5</sup> for Cyprus, 82.2% of people aged 65 and above responded that they are able to cope with everyday tasks such as eating, sitting and getting up from bed, dressing and using the toilet without any difficulty. For participants over 85 significant reductions in the ability to execute these tasks were observed. It is projected that the number of people depending on others to carry out everyday tasks will increase significantly (an increase of 105% versus 40% in the EU) in the decades to follow, from 6,000 people to around 13,000 by 2060 (European Commission, 2016). In response to a question concerning the provision of informal care to the very elderly, chronically ill or disabled persons by individuals over 15 years of age, 10.8% said they did provide informal care at least once every week (Statistical Service, 2016).

The availability and the capacity (propensity) of informal carers to provide informal care should be an issue of concern, particularly for Cyprus where informal care has the biggest share of LTC provision (Lipsyc et al., 2012). In the decades to follow until 2060 it is projected that the number of people aged 20-64 (potential informal carers) will decrease whereas the number of people aged 65-80+ (potential dependants) will increase, thus posing a threat to the availability of potential informal carers. As regards the propensity to provide informal care, this is affected by the degree of participation of more elderly individuals in the labour market in years to come and their physical or mental ability to provide such care considering that they are becoming older and frailer (European Commission, 2015).

LTC public spending is currently estimated at 0.3% of GDP (well below the average European average of 1.6%), and it is forecast to increase in the following decades by between 0.2 and 1.9 percentage points according to various simulation scenarios (European Commission, 2015)<sup>6</sup>. Public spending comprises 39% in-kind benefits and 61% in-cash benefits (European Commission, 2016). Usage of formal LTC in Cyprus is

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<sup>4</sup> According to the European Health and Life Expectancy Information System (EHLEIS) (2015), Cypriot women had 3.4 years without chronic morbidity out of 21.6 life expectancy years at age 65 while Cypriot men had 4.6 out of 18.6.

<sup>5</sup> This report presents the results of the European Health Survey conducted by the Statistical Service during September-December 2014, covering a representative sample of 2,600 households in all the government-controlled areas of Cyprus.

<sup>6</sup> Pages 354-356 of the report provide a list of indicators associated with the assessment of LTC provision.

low (1.6% of the population over 65 versus 4.2% in the EU, and 21% of dependants versus 53% in the EU). This can be attributed to the absence of a formal public LTC scheme and the inadequate provision of LTC services.

Apart from a few ad hoc studies (i.e. user satisfaction surveys) and some basic statistical indicators, there are no further data to assess the various dimensions of the quality (accessibility, timeliness, degree of responsiveness, users' quality of life, etc.) of LTC services in Cyprus. Aspects affecting access and coverage cannot be assessed due to the lack of data on the extent of coverage by gender, socioeconomic status and geographic location.

There are no estimates of the current and projected extent of out-of-pocket payments for LTC services and no clear information exists with respect to the methods of distribution of LTC or the way in which different population groups are affected by the costs incurred through direct payments. The funding mechanisms and budget preparation for LTC are still underdeveloped and there are no sufficient data to assess financial sustainability.

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