



Peer Review on “Financing Long-term Care”

Peer Country Comments Paper - France

Estonia, 22-23 September 2020

DG Employment, Social Affairs and Inclusion

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Table of Contents

1	Introduction	1
2	Situation in the peer country	1
3	Assessment of the policy measure.....	1
3.1	Similarities between LTC in France and in Estonia.....	1
3.2	Differences between LTC in France and in Estonia	2
4	Assessment of success factors and transferability	3
5	Questions	4
6	List of references	5
	Annex 1 Summary table	6
	Annex 2 Example of relevant practice.....	7

1 Introduction

This paper has been prepared for the Peer Review on "Financing long-term care". It provides a comparative assessment of the policy example of the Host Country and the situation in France. For information on the host country policy example, please refer to the Host Country Discussion Paper.

2 Situation in the peer country

In France, 2.2% of the population is over 85 years old (Eurostat, 2019). By 2050, this share will increase to 6.5%.

In 2016, nearly 7,500 regulated residential care homes for dependent seniors (*Etablissements d'hébergement pour personnes âgées dépendantes, EHPAD*) housed more than 600,000 people while nearly 760,000 people with loss of autonomy benefited from care services at home and personal assistance services. The ageing of the population will increase the financing needs and decrease the proportion of workers, and therefore tax contributions to finance this provision.

France has one of the highest life expectancy rates at birth, reaching 85.3 years for women and 79.3 years for men. But the healthy life years expectancy, i.e. the number of years a person can expect to live without a disability or limitations in everyday life, is only 64.1 years for women and 62.7 years for men; these figures that have remained stable for the past ten years (DREES, 2016).

The challenge is also financial: the overall financing requirement related to dependency amounts to approximately 30 billion euros, or 1.4% of French GDP (DREES, 2019). This need is expected to double by 2060 to 2.78% of GDP, or nearly 50 billion euros. In addition, the current difference between the needs expressed and the public expenditure committed indicates an annual amount of about seven billion euros remaining at the charge of dependent elderly people and their families.

A law reforming long-term care (LTC) is currently under discussion at the Parliament. The objective of this reform is to "give the possibility of care at home for as long as possible"; entry into an institution must become the exception. The reform, due before the end of 2020, will also take into account all the health and social consequences generated by the Covid-19 crisis.

3 Assessment of the policy measure

3.1 Similarities between LTC in France and in Estonia

The French LTC system has similar issues as the Estonian one. Like most European member states, both countries are experiencing an ageing population and are confronted with the consequences of this social transformation. The organization of financing and the distribution of competences between the different national and regional levels and institutions must adapt to this evolution. Three examples illustrate these common points:

The **issue of out-of-pocket payments** financed by service users and their families, which is the amount remaining to be paid after the use of all public allowances, including compensation benefits and social assistance ("*le reste à charge*"). The current difference between the needs expressed and the public expenditure committed is indicated at an annual amount of approximately seven billion euros remaining at the charge of dependent seniors and their families. This average excess of out-of-pocket payments by the patient amounts to 5,830 EUR per year, or approximately 490 EUR per month.

It varies greatly depending on the type of support the person receives: at home or in residential care home or institution. Regardless of the type of care, the remaining costs on care expenses are

limited since they are mainly covered by social security or individual health insurance schemes. It is the remaining component, which includes all expenses that are neither care nor dependency-related, which weighs heavily on the budget of the elderly and their families, particularly for EHPAD residents. This component includes expenses related to their accommodation (food, laundry, etc.), which are invoiced by the residential care home.

Like Estonia, France faces the **challenge of reducing territorial disparities in financing LTC**. In fact, it is at the local level of the "*Département*" (territorial division with autonomy for social policies), which decides the amounts for the support of dependent persons and pays them out.

As this support is mainly financed by local resources (taxes, levies), there are strong territorial disparities such as a deficit in tax revenue in the poorest departments or an over-representation of people aged 75 and over in other localities. If decentralized management is justified in view of the necessary proximity between beneficiaries/service users and decision-makers, it is also often questioned. It could lead to differences between territories or regions, with an average amount of support benefits that can vary from 258.83 EUR to 548.47 EUR depending on the *Département*. These territorial differences affect the principle of equality between citizens, which is at the foundation of the French Republic.

Finally, another example of similarities between the French and Estonian situation is the important place of **family assistance and, especially, the role of women** in this field. Women are both the most dependent and the main providers of assistance - as employees in the eldercare sector and as family caregivers.

French women are more affected by the phenomenon of dependency because their life expectancy at birth is six years longer than that of men, while their life expectancy in good health is only one and a half years longer than that of men.

They also find it more difficult to finance their dependency on care and assistance, given the income inequalities accumulated throughout their lives. The individualization of social rights (payment of benefits to the person and not to the household) leads to reduced gender inequalities. However, within the family, the majority of care is still provided by women: in 2015, 60 % of family caregivers were women. They represent up to 74% of caregivers when the person's loss of autonomy worsens or mental health deteriorates and the care is more complex. The proportion is even higher from a professional point of view: women represent 87% of the staff employed in residential care homes, mostly in jobs for non-medical staff, which are also paid the lowest.

3.2 Differences between LTC in France and in Estonia

France addresses the challenges set by the ageing of its population in a comprehensive approach that takes into account not only financing but also related social issues.

The law of 28 December 2015¹ on the adaptation of society to ageing is a major act in terms of old-age policies, with the ambition to create a **renewed "French model" of support** for dependent persons. Above all, it aims to raise national awareness of the imminence and importance of the ageing of the population in France.

Far from being a side issue, ageing is at the heart of societal projects and must be mainstreamed into all public policies. It also involves a discourse on old age that is no longer focused solely on the loss of autonomy.

¹ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000031700731>

The consideration of ageing is based on three pillars, or «**triple A**»: **Anticipation of ageing, Adaptation of society, Accompaniment during the loss of autonomy.**

The law of 2015 gives a **new definition of caregivers**: this may be the spouse, the partner or cohabitee, a relative, defined as a family caregiver. It can also be someone residing with or having close and stable ties with the person concerned. The law also gives priority to assistance and care at home for people with loss of autonomy and takes measures to facilitate the work of such care workers. It recognizes the "right to respite" which provides the means for a caregiver to take a break. A caregiver can benefit from assistance of up to 500 EUR per year to finance the care of the dependent person in another setting, so that they can free up time for themselves.

In 2017, a **family carer's leave** has been created, allowing employees in the private sector to suspend or reduce their professional activity in order to support a relative with a significant loss of autonomy. It has been extended to civil servants in 2019 and will become paid leave at the end of 2020. It can be taken for three months, which can be split throughout the entire career, and will open up pension rights: 52 EUR per day for a single person and 43 EUR per day for people living in a couple.

4 Assessment of success factors and transferability

There are similarities between the organization of French and Estonian LTC. The division of competences between the State (Social Security in France) and local authorities exists in both countries. This is why it would be possible to transfer certain aspects of current French policy to Estonia.

The integrated and mainstreamed approach to ageing, in all national public policies, as well as the "triple A" approach: Anticipation of ageing, Adaptation of society, Accompaniment of the loss of autonomy, could be adapted. Also, the implementation of a "prevention and anticipation of ageing" policy would be complementary to the LTC policy already existing in Estonia.

France has chosen to adapt its LTC system in order to switch from a medical to a rights-based approach. This evolution has two consequences:

- Taking into account the desire of a large majority of the elderly to grow old at home (80% of French people want to die at home). France has implemented a prevention policy that allows this objective to be achieved;
- Work on the environment and the entourage of the elderly (e.g. the opening of day care centres).

This is why France set up a broad public consultation entitled "*Grand âge et autonomie*" (Old age and autonomy) from October to December 2018. Among other things, it mobilized 414,000 participants during 10 national workshops and a citizens' consultation that received more than 1.7 million contributions.

The objective of this reform is to continue to improve the quality of services offered to the elderly, while at the same time carrying out a thorough reform of the financing of this policy.

Day Centres for the Elderly

Day centres are intended for seniors over 60 living at home. They allow welcoming them for a period ranging from half a day to several days per week with the objective of maintaining autonomy and social relations. They allow to continue living at home, to renew social contacts and also to relieve the burden on caregivers and families. The day care centres can be attached to an EHPAD or be independently run.

Day care centres allow seniors to benefit from activities aimed at stimulating and maintaining their autonomy and preserving social ties. They involve them in small group workshops and community life.

Day centres are situated between home and institutionalization. They provide the most vulnerable elderly people with a day care service including transportation, meals and appropriate activities in small groups (manual activities, memory maintenance, etc.), while maintaining the possibility to live at home.

5 Questions

- In the financing reform put in place in January 2020, how can the Estonian administration determine which services cannot be developed locally? Is there some kind of reference guide or an adaptation to each situation?
- Which digital tools are used by the State and local services? Are there connections between these tools?

6 List of references

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Bernard BONNE et Michelle MEUNIER, 2019. *Sur le financement de la dépendance, Rapport d'information n° 428 (2018-2019)*. Sénat, Mission d'évaluation et de contrôle de la sécurité sociale et de la commission des affaires sociales.

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Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- 1.5 million people aged 85 and over
- The number of healthy life years a person can expect to live without is 64.1 years for women and 62.7 years for men.
- Financing requirement related to dependency amounts to approximately 30 billion euros.

Assessment of the policy measure

- LTC costs financed by service users and their families via out-of-pocket payments
- Reducing territorial disparities
- The important place of family assistance and especially the role of women
- Main difference is a comprehensive approach that takes into account not only financing but also social issues.

Assessment of success factors and transferability

- The transferability of integrated approach to ageing is possible, as the organization of French and Estonian long-term care are similar.
- However, France has decided to change its model: broad public consultation entitled "Grand âge et autonomie".

Questions

- *Which digital tools are used by the State and local services? Are there connections between these tools?*
- *In the financing reform put in place in January 2020, how can the Estonian administration determine which services cannot be developed locally? A guide for reference or an adaptation to each situation?*

Annex 2 Example of relevant practice

Name of the practice:	Caregiver leave
Year of implementation:	<p>Caregiver leave was created in 2017 for employees and extended to civil servants in 2019. It allows them to suspend or reduce their professional activity to support a family member who suffers from a significant loss of autonomy. From October 2020, a person taking a caregiver leave will receive a daily allowance for up to three months. This allowance will be €52 per day for a single person and €43 per day for people living as a couple.</p> <p>The care receiver may be the spouse or partner, an ascendant (of the applicant or their spouse), an elderly person with whom they reside or with whom they have close and stable ties.</p>
Coordinating authority:	<p>The caregiver leave was created by the law of 28 December 2015 on the adaptation of society to ageing from Ministry for Solidarity and Health.</p> <p>The daily allowance was created by Social Security financing act for 2020.</p>
Objectives:	To allow an employee to suspend or reduce their professional activity in order to support a relative with a significant loss of autonomy. The employer may not refuse or postpone the start date of the carer's leave if the employee requests to take it on a one-off full-time basis. Its maximum duration is 3 months, renewable up to a maximum of one year over the entire professional career. The carer is guaranteed to get his or her job back when they returns.
Main activities:	
Results so far:	8.3 million people in France regularly help a family member with a loss of autonomy, nearly one in two is employed: around 4 million people are eligible for the scheme.

