

Trends in the Use of Personal Care

“2015 Reforms have not lead to a more efficient use of elderly care”

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A major objective of 2015 Long-term care Reform instituted in 2015 was to enhance the financial sustainability of elderly care in the Netherlands. Expenditure growth was curtailed through financial incentives and other measures to induce a more efficient use of care. As it turns out, though, the use of nursing and personal care increased more quickly than before the reforms. This thus raises the question of whether the reforms have led to a more efficient use of such services.

Principal Findings

- Since 2015, the use of nursing and personal care has been limited by budgeting at the national level and by selective purchasing by health insurers.
- Health insurers have little financial incentive to pursue efficiency, however, due to the design of the risk equalization.
- The number of people making little or short-term use of such care grew more sharply than before the reform; the number of intensive users decreased.
- The splitting up of elderly care across three public financing schemes led to coordination problems between municipalities, regional procurement offices and health insurers.

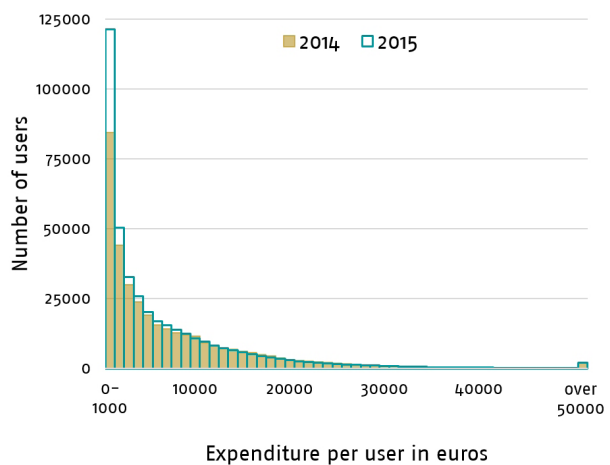


Figure: Distribution of nursing and personal care

Key Takeaways for the Industry

- Health insurers (and regional procurement offices) have limited financial incentives for achieving efficiency; better risk equalization could strengthen those incentives. A better allocation of block grants for assistance is needed to weaken the financial incentive for cost shifting for municipalities.
- In addition, a better understanding of the quality differences among providers of in-home nursing services is needed.
- The incentives for care recipients could be enhanced by employing comparable eligibility criteria and coinsurance rates for comparable forms of home care.



Want to know more? Read the paper (in Dutch)

'Home care use after the Dutch long-term care reform in 2015'