

Public Money for Private Elderly Care

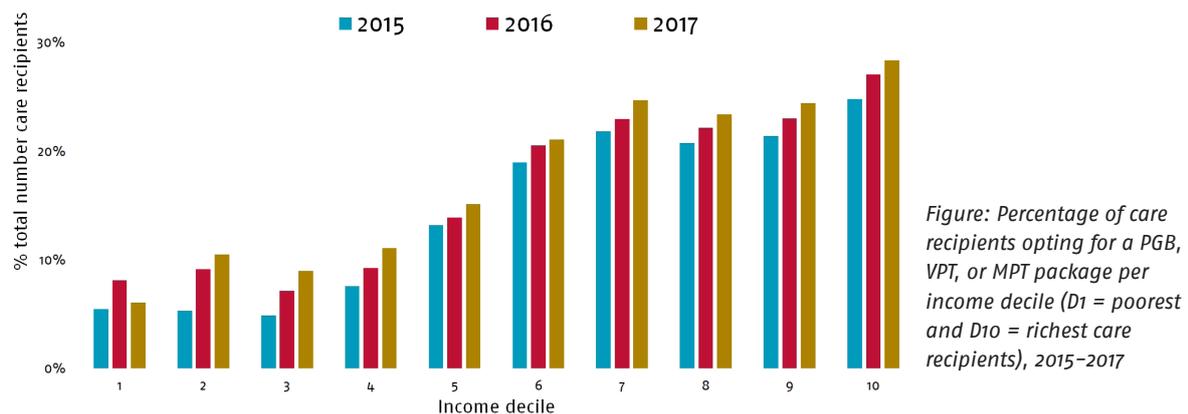
More freedom of choice, but not everybody avails themselves of the options to the same extent

Arjen Hussem, Marianne Tenand en Pieter Bakx – PGGM; ESHPM/EUR; ESHPM/EUR

In the Netherlands, people who have a right to publicly funded nursing home care can choose to receive a personal budget (PGB) or a complete or modular home package (VPT or MPT). These arrangements increase the sense of freedom of care in a self-chosen setting: 20% of PGB users and 50% of VPT users use that money for a stay at a private facility. These are predominantly seniors with a high income and minimal care needs. Low-income people have fewer options, in effect, because one has to pay extra for many of the additional provisions.

Principal Findings

- The PGB, VPT, and MPT arrangements are being employed by a significant, and growing, share of users for stays in private residential care institutions.
- These regulations offer more freedom of choice by, for example, allowing “topping up”: the recipient can pay extra to receive more comfort or more care and treatment.
- The arrangements are particularly popular among high-income seniors: 40% of seniors with the highest income choose these options in 25% of the cases, which is five times higher than seniors in the lowest 20% of the income spectrum (at 5%).
- Since the additional provisions cannot be paid for with public money, the inequality between high- and low-income seniors might increase.



Key Takeaways for the Industry

- The options for receiving care in a setting of the patient's choosing through the PGB, VPT, and MPT arrangements are not equally taken advantage of by people.
- This raises the question of how alternative types of accommodation for low-income seniors might be adequately financed.
- Little is known, however, about the waiting times and quality of care in regular and private nursing homes, meaning that the added value of the private supply is uncertain.



Want to know more? Read the paper

'Publieke middelen voor particuliere ouderenzorg' (in Dutch)