The Dutch long-term care reform: trends in home care use

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The 2015 long-term care reform entailed major changes to the long-term care financing system in the Netherlands. This Design Paper explains that it is not clear whether these changes improved the sustainability of the system, which was one of the goals of the reform. After the reform potential users, health insurers and suppliers did not have stronger financial incentives for efficient use of nursing and personal care than under the old system.

Based on individual-level administrative data for all Dutch 65+ individuals for the period 2011-2017, we show that after the reform the number of users increased faster than before. This increase is caused by an increase in the inflow of the number of new users; the outflow of existing users to nursing home care was also slightly higher in the year after the reform than in the prior year. The pattern of use also changed: the number of users who used nursing and personal care temporarily and less intensively increased, while the number of users who used much decreased.

The analysis of the changes in the financial incentives and the empirical results suggest that the reform did not lead to more efficient allocation of nursing and personal care.