**Abstract**

**RS-128**

Title: **«**Evaluation and forecast of the demand in long-term care for the senior citizens and people with disabilities and the development of proposals for long-term care financial model»

Head of the Project: O.V. Sinyavskaya

Department: Institute for Social Policy

**The object of this study** is the demand for long-term care (LTC), financial flows and the financial model of the LTC system and the challenges of the LTC during a pandemic.

**Goal of research is** to evaluate the potential of aggregate and commercial demand for LTC services in Russian Federation on the base of predictive estimates of the demand for LTC, to model financial flows of LTC system and to develop practical proposals for improving the modern system of LTC for elderly and disabled.

**Methodology** desk research, including analysis of scientific and expert publications, departmental statistics, multivariate statistical analysis of survey data and modeling techniques.

**Empirical base of research** official and departmental statistics of the volume and conditions of providing social services, including data obtained from a number of constituent entities of the Russian Federation at the request of the Higher School of Economics, data from sample surveys conducted by Rosstat, the microcensus of 2015 and a special survey on the prevalence of geriatric syndromes «Eucalyptus».

**Results of research**

A review of publications on the organization of long-term care in various countries showed that neither budgetary nor insurance financing of LTC can be recognized as the most effective principle of resource provision of the system. Apparently, the choice of financial model is mainly described with peculiarities of financing the social sphere as a whole. It may be developed as a result of a direct redistributive policy of the state (tax systems) or attempts of workers and employers to independently solve the problem of social risks (insurance systems). At the same time, it is obvious that public funding cannot remain the only source of funds in such a resource-intensive area as long-term care. In the systems of all developed countries, to a greater or lesser extent, clients themselves or their relatives contribute to payment for LTC services. In the LTC, the distribution of the burden of expenditures is carried out, as a rule, on a targeted basis in combination with an assessment of the health status. The state compensates a large share of expenditures of the poor and individuals with a more pronounced deficit of autonomy.

Continued monitoring of the implementation of 442-FL indicated the presence in Russia of significant regional differentiation in the existing system of social services. First, it is based on the differences in the legal framework at the regional level and the practices of the federal law. Secondly, only 5% of financing of social services comes from the federal budget, the rest is from regional budgets, and the size of these funds depends on the economic security of the subject. As a result, the total expenditures of the regions on social services and, as a consequence, the availability of services for the population, are highly differentiated. The share of co-payments of population for all forms of social services in 2019 fluctuated in the regions in the range from 9% to 20% of all social services costs.

The currently observed practice of regional tariffs indexation for social services indicates the absence of any consistency and clear criteria. The problem of tariffs is a serious barrier to the development of the social service system and it should be the subject of a longer and more detailed monitoring.

The study shows that the available data of public statistics on social services is limited and do not allow the assessment by regions, especially in terms of the implementation of the long-term care system. Departmental statistics data is broader and include indicators on forms of social services, types of social organizations, financial support, information on service providers in commercial and non-commercial forms, allow regional comparisons, but the access to them is not public.

During the spread of the new coronavirus infection, the LTC of all countries faced additional difficulties. According to foreign statistics, nursing homes are foci of disease and make a significant (up to half) contribution to mortality rates. Unfortunately, the criminal liability for infection with coronavirus, which is in force in Russia and in several other countries of the world, leads to a deliberate concealment of information about infections in public and private hospitals and, as a result, to a delay in quarantine measures and treatment of patients.

Foreign experience indicates the importance of a set of measures aimed at reducing the risks of virus penetration into nursing homes and early detection of foci of infection. Closing nursing homes for visiting is not enough here. We need measures to quarantine those arriving (from homes or hospitals) to nursing homes, to promptly isolate the sick. One important step is regular testing of patients and nursing home staff and contact tracing of sick people. To achieve high efficiency of measures, they should be implemented on the principles of an interdepartmental approach and coordination of decisions at all levels: federal, regional and local.

During a pandemic, those individuals in need of social services who live at home also have increased risks of morbidity and mortality. The presence of a significant unmet demand for social services on their part is indicated by the wide scale of the volunteer movement that unfolded in Russia during the period of self-isolation.

One of the main problems of the creation of LTC in Russia is the evaluation of the demand for long-term care. Official statistics does not include all people in need of care and there are no reliable estimates of persons receiving informal care. According to estimates obtained during the project, the total number of “severe” patients requiring inpatient care is estimated at 448 thousand people in 2019 and is projected to increase to 823 thousand people by 2040. The total number of "light" patients in need of home care is estimated at 3,653,000 in 2019 and is projected to increase to 6,237,000 by 2040. Taking into account this forecast and the annual indexation, it is predicted that the costs of social services for budget will increase from 251 billion rubles in 2019 to 1,312 billion rubles in 2040. The inclusion of citizens with serious self-care deficits (cannot survive without constant outside help) into the care system will require additional expenditures of 86 billion rubles in prices of 2019, and the total cost increase will be 34 % of the current level. In case of the implementation of the most radical scenario, which involves the inclusion of all citizens with self-service deficits, the total costs could grow by 296 billion rubles, or 118% to the current level.

The rate of increase of expenditures on LTC in the coming years will depend on several parameters: the rate of demographic ageing of the population, the conditions of entry into the system, including the possibilities of involving persons who are not currently receiving social services, established tariffs for care services, indexation of costs.

**Level of implementation, recommendations on implementation or outcomes of the implementation of the results**

The work was carried out in the interests of the Government of the Russian Federation. Based on the results of the project, 5 analytical notes were prepared. Separate materials of the project are the results of expert work on behalf of the Ministry of Labor of the Russian Federation. The results of the project were discussed at the regular seminar of the Institute for Social Policy "Active Ageing Policy and Pension Reforms: Russian and International Experience".

**Level of implementation**

The results of this project can be used for consultation of federal and regional authorities and improving existing or developing legislation in the fields of social services and development of LTC system in order to increase their effectiveness. They can also be useful to nongovernmental organizations (both for-profit and non-profit) working in the provision of social services and long-term care