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The future of Social Services of General Interest

Synthesis Report

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Preface

Peer Reviews in the Field of Social Inclusion Policies

Under the Community Action Programme to encourage cooperation between Member States to combat social exclusion as part of the overall framework of the Open Method of Coordination, a Peer Review Programme was launched to promote the identification and exchange of good practices in the field of social inclusion policies in the European Union.

The overall objectives of the Peer Reviews are to contribute to a more comprehensive and reciprocal understanding of the Member States' policies in combating poverty and social exclusion, laid down in their National Action Plans (NAPs/incl) and implementation reports and thus to improve the efficiency and effectiveness of policies and strategies for social inclusion at Member State and EU level, by mutual learning from the experiences in other Member States, in particular by facilitating the transfer of key components of successful policies and approaches.

Fifteen Peer Reviews were held in different Member States in 2004 and 2005. They involved national and regional authorities, independent social inclusion experts, stakeholders' representatives and European Commission officials. These reviews examined specific social inclusion policies in order to assess whether and how they can be effectively transferred to other Member States.

The Belgian Peer Review on "*Long-term care for older people: The future of Social Services of General Interest in the European Union*" was held on 29 May 2007. It is a novel approach to bring discussions on the social policy of long-term care together with the objective of spreading the knowledge and awareness of the possible implications of relevant EU-level regulations on the future of long-term care services. It takes place in the context of a wider, ongoing, process of consultations on various levels, about the future of *Social Services of General Interest*.

The Peer Review was held in Brussels (Belgium) on 29 May 2007 and hosted by the *Belgian Federal Public Service for Social Security*. In addition to the host country, seven peer countries took part: Finland, France, Germany, Italy, Lithuania, Luxembourg and Poland. Also participating were stakeholder representatives from AGE (the European Older People's Platform), AIM (the International Association of Mutualities), Caritas Europe and the European Social Platform, together with representatives of the European Commission, DG Employment, Social Affairs and Equal Opportunities.

This synthesis report documents the wide range of topics that have been discussed during the Peer Reviews meeting. It follows the structure of the Peer Review and its accompanying questionnaire, and it also builds on its thematic background paper.

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Executive summary

The Peer Review on “*Long-term care for older people: The future of Social Services of General Interest in the European Union*” was held in Brussels (Belgium) on 29 May 2007 and hosted by the Belgian Federal Public Service for Social Security. In addition to the host country, seven peer countries took part: Finland, France, Germany, Italy, Lithuania, Luxembourg and Poland. Stakeholder representatives from AGE (the European Older People’s Platform), AIM (the International Association of Mutualities), Caritas Europe and the European Social Platform also contributed. The country questionnaire and the discussions at the Peer Review Meeting focused on Legal issues, including competition rules, trends in long-term care services, as well as questions of financial sustainability and of the quality of services

The evolution of long-term care services

The complex array of long-term care services has evolved differently between countries and is currently at very different levels of development. Long-term care also differs greatly in the public and private resources available, and in the division of responsibilities between various levels of government and of public programmes involved, such as health and social services (including social assistance and/or public housing in some cases). In many cases, they now comprise a broader range of services, which have become more complex in response to the expectations and needs of populations including both services provided at home and for those residing in institutions. There is a general trend to put policies in place that allow older people to stay at home as long as possible.

The Peer Review has confirmed that long-term care is embedded in national contexts, such as national traditions of solidarity and concepts of personal services. Long-term care is currently undergoing changes and modernisation of care is driven primarily by the quest for value for money. But the requirement for financial sustainability is balanced by the acceptance that quality should be, and in some cases must be, improved. One modernisation trend in many countries is that more consumer choice is granted for older people living at home and for their informal care networks (family and friends).

There remain, however, many challenges of better integrating care for older persons between health and social services. Frail older persons have complex service needs that often combine acute health care (in particular for chronic conditions), rehabilitation, nursing care and other social services. Provision across this range of services is typically fragmented. At the European level, this calls for coherence between policies on health and on social care.

The European context: increasing internationalisation

The long-term care sector is increasingly subject to international influences. The cross-border hiring of care workers who are from new Member States or from outside the EU - often without work permit - is partially fostered by systems that promote choice in long-term care – such as voucher schemes or personal care budgets.

Large international companies are now entering the long-term care market in some Member States, e.g. in Belgium. Concern was expressed that - through economies of scale -, they may be achieving competitive advantages in public tendering vis-a-vis smaller local providers.

Long-term care as services of general interest

EU law relevant for long-term care services includes the rules on competition and state aid, the freedom to provide services, freedom of establishment, public procurement rules and the free movement of persons. These EU rules apply to long-term care services which are of an economic nature in so far as the application of such rules does not obstruct the performance of their mission. During the peer review, concerns in relation to the uncertainty over the implications of European Court of Justice (ECJ) rulings were expressed.

Knowledge of regulators and service providers about the notion of “Social services of general interest” (SSGI) as well as of the EU rules and of the ECJ case law is currently limited. This is coupled with concern about the possible directions any regulatory steps the Commission may undertake. The Peer Review has confirmed that national notions and definitions of long-term care services make to varying degrees the concepts that are characteristics of SSGI explicit. There seems, however, to be a trend of increasingly taking this concept into account in reforms of the regulations that the sector is undergoing in some countries.

The Peer Review also demonstrated the interests and demand for the more intensive consultation processes and clarifications that have been launched recently by the Commission. These processes will lead to a new Commission’s Communication before the end of 2007.

The financing and governance of long-term care

The expansion of service provision that occurred in some countries, notably with the introduction of new or more universal public programmes, has its price. The same is true for the need to invest in better quality care structures, and for investments in staff qualification and for improving working conditions in this sector where the thread of staff shortage is a major concern. Moreover, the financing of long-term care is, in most cases, a co-responsibility of public and private funds - for example through partial coverage.

Possible new modes of financing include “reverse mortgages”, in which most of a person’s life savings may be spent on the cost of care in old age. If means testing of long-term care includes family savings more broadly, the challenge is how to protect private pension savings that play an increasing role given current trends of pension reform.

How to improve quality of services?

Care is subject to increasingly complex rules, as regards both accreditation and quality assurance. But there is evidence that the quality of services is frequently not up to the growing expectation of users or of their families.

Systems of accreditation have now become commonplace in countries that are at various stages of developing quality improvement strategies. But in some cases, major ongoing investments are needed before the accreditation requirements can be met. As was emphasised by stakeholder representatives, the empowerment of users is another important aspect of quality improvement strategies. This may include non-formal quality mechanisms, e.g. in the form of residents’ council or ombuds persons.

There is a general trend to complement traditional control and inspection mechanisms with a variety of quality assurance methods that are deemed to be more adequate for quality development. For the quality control of services, the methods initially developed in the commercial sector – ISO and other quality management standards are increasingly adopted and used as a tool to describe, to steer and to improve long-term care services. This is a field where there are ample opportunities for mutual learning and exchange of practice between countries.

1. Introduction: the evolution of national LTC policies in the European context

Long-term care brings together a range of services for people who depend on ongoing help for an extended period of time with the activities of daily living, due to chronic conditions of physical or mental disability. These services can include help with everyday activities of housekeeping, transport, self-management and social activities but have usually a focus on more intensive personal care such as bathing, dressing, getting in and out of bed or chair, moving around and using the bathroom.

In terms of time spent on long-term care, the majority of services is provided in private households by informal care givers (family and friends), with or without the support of publicly provided services. This is the case for all (European) countries.

There is concern that care needs will grow steeply with the strong growth of the number of very old people (80 years of age and older).¹ At the same time, age-dependency ratios will have increased steeply, which poses limits on the growth of public budgets that will be available from contributions of the working-age population.

In addition to demographic changes, the needs for care are also changing. Twenty years ago, institutions and services were mainly addressed to people experiencing social difficulties (insufficiency of resources or absence of family environment). Today, long-term care services are requested to provide more professionalised and often more medicalised services to a broader and more differentiated segment of the population. As a result, long-term care has undergone important changes in many countries, with a trend to diversify organisation, and the public-private mix of provision. Persons in need of long-term care often also demand services along the full range of health care services, but problems at the interface between health and social services prevail in many cases.²

Chapter 1 will argue that EU law on the internal market and on competition have increasingly become important as EU-wide regulatory frame for long-term care. As Chapter 2 will discuss, there is now a general tendency to put public programmes in place that help people who are in need of care to stay in their homes, or in the community as long as possible (e.g. in assisted housing), as this is the preferred form of living for most of them. But at the other end of the long-term care spectrum, a substantial number of people receive intensive care in an

¹ The share of this group in the population is expected to increase over the next two decades by over 50% in most EU countries and will have more than doubled in all of the EU25 countries, with the exception of Sweden (according to the latest Eurostat demographic projections).

² See also SHSGI final report, 2007, forthcoming, on a detailed analysis of modernisation trends in long-term care.

institutional setting (nursing homes or specially adapted wards in other institutions), which is often the last resort for persons who are living alone, are bedridden or suffer from severe dementia. The questions on how to finance long-term care from public and private sources are the subject of Chapter 3. Chapter 4 will report on the evidence about strategies to improve the quality of long-term care that is often not up to the growing expectations of users and their families.

Long-term care in the framework of the Open Method of Coordination

In 2004, long-term care, (together with health care), was included in the Open Method of Coordination (OMC) that was developed by the European Council and European Member States. The OMC promotes a closer cooperation among Member States on the modernisation of long-term care systems.³

Under the OMC, the core objectives for long-term care are:

- Access for all to adequate long-term care and that the need for care does not lead to poverty and financial dependency; and that inequities in access to care are addressed;
- Quality in long-term care and by adapting care, including developing preventive care, to the changing needs and preferences of society and individuals, notably by developing quality standards reflecting best international practice and by strengthening the responsibility of health professionals and of patients and care recipients;
- That adequate and high quality long-term care remains affordable and financially sustainable by promoting a rational use of resources, notably through appropriate incentives for users and providers, good governance and coordination between care systems and public and private institutions. Long-term sustainability and quality require the promotion of healthy and active life styles and good human resources for the care sector.

2. Long-term care as social services of general interest

In response to the challenges discussed above, but also as a result of a general modernisation trend in Member States to improve public sector management, and to foster “value for money” in public services, long-term care services are undergoing important changes in Member States. In many instances, there is a trend towards a more important role for private initiatives and of market-based principles.

As a result of these reform trends, the provision of long-term care, as any other social and health services, has fallen in the field of application of certain EU rules (competition/state aid, internal market/public procurements). Therefore, the influence of EU Community rules on the way social and health services operate in Member States has become more important over recent years and there is an increasing concern among stakeholders and policy makers about legal uncertainties and about lack of knowledge and understanding in Member States of the sometimes complex legal issues at stake.

³ See http://ec.europa.eu/employment_social/social_protection/index_en.htm.

For health and social services, there is now an increasing body of European Court of Justice (ECJ) case law, of which a majority had a focus on health care provision and on social security programmes. The discussions during the Belgium Peer Review have confirmed that there is now the concern among service providers and public authorities that these cases might only show the tip of an iceberg of potential wider applications of EU-level regulation and ECJ case law to a broad range of social services in the future. There is in fact much uncertainty about the full extent to which this might be the case, as well as about the consequences this might have for the organisation and financing of social services at various levels of government.

A central question discussed during the Peer Review was therefore: What is the room for manoeuvre for Member States in this respect? The concept of SSGI is key to this analysis.

How are SSGI defined?

The key concept and legal term of “services of general economic interest” in this respect refers to Art.86(2) in the Treaty which allows for certain exemptions from EU law, in particular from the rules on competition, for services that are recognised by public authorities as fulfilling a task or mission of “general interest”. Social services of general interest (SSGI) are distinguishable from other services by specific missions of general interest defined by public authorities and public service obligations that providers have to fulfil. This is in particular the case for person-oriented services like long-term care that are subject to special public regulations, including quality and safety criteria in order to protect users and their families. Social services of general interest are a relatively new concept in the EU policy debate, which considerably accelerated and deepened since 2003.⁴ The following provides a brief overview of the main elements of the legal and political background of this discussion.⁵

The Peer Review confirmed that there is some awareness about potential challenges for long-term care organisation and financing from EU-law and the implementation and/or repercussion from European Court of Justice (ECJ) jurisprudence in the countries that participated, but overall, these concerns have only partially been taken into account in recent reforms of the sector.⁶

What are the main issues at stake?

Although it is the choice of Member States to introduce market-based principles in the way public services are provided, among the consequences of such a choice is that the question of the application of certain EU rules, (in particular competition and internal market rules) becomes relevant. The discussions during the Peer Review also illustrated how these issues are perceived in the participating countries and to which extent the existing room for manoeuvre that is left within the EU rules, is used to find solutions on national or sub-national

⁴ Much of the discussions on this concept, as well as initiatives of the Commission, and its dialogue with Member States, initially had a focus on services of general economic interest of the big network industries (such as transport, water, gas and telecommunication) and social services, such as long-term care, have only recently received growing attention in this debate.

⁵ See Annex 2 of the thematic background paper (Huber 2007), for a more detailed overview and the forthcoming SHSGI final report, Chapter 13 15.

⁶ See, however, below the discussion about ECJ rulings on the possibility to “export” benefits of long-term care systems.

level. A core question in this respect is how close national notions and characteristics of long-term care services can be linked to the notion of missions of general interest that are crucial for limiting the impact from certain EU rules (see above).

The discussions during the Peer Review have confirmed that defining missions of general interest clearly in the context of accreditation and authorisation agreements but in compliance with EU-level regulations has increasingly become a challenge. The main question with respect to EU legislation is the one of compatibility of such authorisations and agreements - that can be found in all Member States under one form or another with respect to providers of long-term care - with EU competition and state aid rules, as well as with public procurement rules and with internal market law.

The Commission Communication “Implementing the Community Lisbon programme – Social services of general interest in the European Union” of April 2006 has addressed these uncertainties and contributes to further specifying the characteristics of social services of general interest and to clarifying how EU law relates to them.

The need for further clarification of these complex legal questions also stems from the fact that the majority of social services – those for persons and families in need - have been exempted from the range of services that are covered in the current version of the Service Directive. There remains, however, the question on how to apply this Directive to care providers (such as assisted living institutions) that offer a continuum of care options: from residential services to long-term care options.

The Peer Review has also illustrated that countries are currently at different stages of explicitly defining the “general interest” characteristics of long-term care services in national law and regulations. This can be all the more challenging in systems where part of the responsibilities for long-term care have been delegated from national to the provincial or local level, where know-how on the design of rules and regulations in compliance with the EU-level legal framework might only be emerging.

Cross-border issues: export of cash benefits

The question of whether cash benefits related to long-term care can be exported to other countries has been answered by the ECJ differently ways depending on the organisation of the underlying social programme (social insurance-type health-bound cash programme: Austria, Germany) versus means-tested tax funded systems (UK carer allowance).

Can care allowances be claimed while living in another EU country?

The Court of Justice of the European Communities has been confronted with questions on national long-term care provisions, especially with difficulties to “export” acquired rights on long-term care benefits within the frame of regulation 1408/71 on coordination of basic social security systems.

As an outcome, the **German** long-term care insurance is now obliged to finance cash benefits from Germany to, for example, France if the care need is estimated by the Medical Service of the health care insurance (MDK) and the conditions for entitlements (in Germany) were met.

The Court similarly confirmed that the Austrian care allowance could be exported. The same is the case for the “Indennità di accompagnamento” in Italy. The **UK** carer allowance however can only be claimed within the country, and this has been confirmed by a case that had been brought up to the ECJ.

In **Belgium**, access to long-term care is considered a social right, and as the Belgium contribution concludes, there are concerns that more legal clarification on EU level might be needed to ensure that these characteristics of the Belgium long-term care system can be maintained, under the subsidiarity principle.

Although Belgium has so far not encountered any specific problems in long-term care with European law, these could pose problems for regulation of the care sector in Belgium, where no rest home can open without prior authorisation. The financing, requirements for the type of personnel to be employed, building norms, equality and the internal organisation of the institutions are all issues on which Belgium places clear restrictions on the operation of market forces and the mobility of services in the care sector.

At the same time, the arrival of commercial operators from other countries is leading Belgium authorities to wonder whether its own national legislation is capable of resisting such developments. Another topic relevant for Belgium are employment issues, namely the effects of an open job market in the EU for the care sector, e.g., how many of the newly arriving care workers that come from the new EU Member States. At the same time, Belgium has seen inflows of care home residents from France and the Netherlands. This has an impact on the financing of the Belgian system and on waiting lists.

Finland provided further concrete examples on possible implications of EU law and regulation on the development of long-term care in Finland. Long-term care currently receives public support through a slot machine association, which is likely to prove problematic in terms of EU competition rules, and in view of possible future EU regulations to abandon public monopolies in lottery etc.

Finnish legislation does not recognise the concept of social services of general interest in the form introduced by the EU as this leaves room for interpretation. The meaning of that concept is unclear to most stakeholders in Finland. It is not yet known what practical impact it will have, when taken in conjunction with EU rules on the free movement of persons and services and on competition. Distinguishing between economic and non-economic services is difficult in Finland.

In Finland, the social service system is politically defined by the parliament and its definition is based on the needs of the whole population, not on the characteristics of the services. How much flexibility is possible with regard to the EU Treaty to leave the definition of social services of general interest to Member States? What deviation from the internal market rules and EU competition law will be possible for social services, and under which circumstances? A political issue is the proper level of subsidiarity to be applied in this context. The need to maintain current welfare regimes in different parts of Europe is also a political matter. The principle of proportionality and its application should be examined. Finally, there is a need to determine the factors that should not be utilised in a competitive environment.

The following section briefly summarises how other countries contributed to this discussion on EU legal issues, such as in the form of their written answers to the questionnaire for preparing the Peer Review Meeting.

In **Lithuania**, experience with Community law in the field of long-term care is currently limited, but public procurement rules could become relevant after the implementation of a new Law on Social Services which will change the way of financing and make use of State subsidies to municipalities for organising the provision of services.

The regulation 1408/71 on trans-border care was quoted as main example from **Luxembourg** concerning experience with Community law as it concerns questions regarding service providers from abroad and access on services and benefits for people living abroad, which is especially relevant for a country like Luxembourg that is economically closely integrated with its neighbouring regions in other countries.

Conclusions on EU legal issues

The discussion during the Peer Review confirmed the growing influence on national care provision and financing from European level developments, both on the legal level, and from the movement of clients and care workers, and, illustrated with some examples, the reasons, why this has led to concern among policy makers and stakeholders who request further clarification for a number of relevant questions regarding the extent to which their care systems would have to adopt new rules, or would remain protected under the subsidiarity principle and how they could be defined as services of general interest.

This Peer Review takes place in the context of a wider, ongoing consultation between the Commission and Member States on ways ahead to providing clarification on the, sometimes complex, legal issues at stake. It has contributed a number of examples that provide good illustrations for the main topics of the current discussions in Member States at various levels of government.

An example for a specific point for clarification is how the role of un-paid voluntary work provided for NGOs can be maintained under EU competition law (Finland). Also, there seems to be the need for more transparency - including data - on actual trans-border movement of clients and care workers.

Finally, some evidence was provided that public procurement rules might tend to work in favour of multinational enterprises that have started to enter national long-term care provision. The discussion also made clear that important issues are raised by the trends of modernisation in the countries in question, and the growing internationalisation of the market for services, both on the provider side, and by people using their national care allowances to pay for care received in another country, a possibility created by the spread of "choice" schemes such as care allowances.

Up to now, there are only few instances where long-term care systems in the participating countries of the Peer Review have encountered specific problems with European law, but there is agreement that clarification on the room for manoeuvre in the future is sought for.

In most European countries, the separation of health and social care leads to difficulties in co-ordination of care packages for dependent people. Measures have recently been introduced to favour integration of health and social care services in some cases as health and social services are increasingly seen as a joint responsibility. From the perspective of long-term care

as SSGI, this raises the need for any possible future legal or regulatory clarification on EU-level to establish rules that seamlessly apply across the health versus social care boundaries.

3. The financing and governance of long-term care services

Member States still differ widely in the ways long-term care is organised and funded, and in the total public expenditure made available. This is the case for all the core aspects of long-term care: access to services and their financing, the public-private mix of provision, as well as the quality of care. Moreover, long-term care systems in European countries have undergone major changes during the past decade in terms of financing, planning, provision and quality developments.

Long-term care services now no longer provide only help to people at risk of poverty but offer social protection against potentially catastrophic⁷ expenditure on long-term care more universally. In addition, changing needs have led to the development of new types of services that are tailored to meet evolving and differentiated medical and social needs, at home and in institutions. The need to improve quality of services, and staff shortages and the need to improve working conditions have put additional pressure on the unit-costs of long-term in many countries.

The public-private mix of care provision has undergone significant changes in a number of European countries. There is now considerable competition among different types of suppliers of long-term care in many European countries, which has in some instances helped to drive the agenda of assuring internal quality management and increased reporting to the public.

Trends in modernisation of long-term care services

Modernisation within the field of long-term care is driven by the socio-economic transformations sketched above that affect both the needs for care and the needs for financing.⁸

Reform of long-term care systems can be grouped in a number of strategies, such as increasing coverage, sometimes in the form of personal budgets and other cash programmes that give more choice to people with care needs and of their families on how to organise a bundle of services, including informal care or paid care assistants outside of the professional care market.

There is a general trend toward increasing the supply of support services for family care and care in the community: e.g. respite care and counselling and of improving the care assessment process, in some instances by better cooperation between health and long-term care and by better integrating health promotion and prevention strategies into care management. Quality management and assessment including making information on care supply and its quality public (e.g. over the Internet) has spread (see the next Chapter) and responsibilities have been shifted from national to local organisation of services.

⁷ "Catastrophic" in the sense that these may consume the bulk of both a pensioners' income and household assets, in particular when care in a nursing home is needed.

⁸ See SHSGI final report, Part III.

Focus on user empowerment is accompanied in many countries by the introduction of market-based regulatory mechanisms that entail usually a move from public provision of institutional or home-based care towards the privatisation of professional provision of care. Private sector involvement of both non-profit and for-profit providers now plays a more important role in many cases.

In **Luxembourg**, long-term care insurance was introduced in 1998 for all those covered by the health care insurance. One of its aims is to help people to stay in their own homes if possible. It is not means-tested and is available to dependent persons of all ages. There are no co-payments, but the coverage has a threshold of 3.5 hours of assistance per week. For people on lower incomes who require help below that threshold, means-tested State subsidies are also available. Extra payments such as “hotel costs” in nursing homes are not covered by the insurance.⁹ The system also depends on investment subsidies for the construction of nursing homes and homes for older people.

Because public long-term care is universal, there is no opportunity for skimming off good risks and the contribution rates and benefits apply for all. There is a free choice of care providers, and no distinction is made between publicly owned and privately owned providers. Contribution rates have increased from 1% before 2007 to 1.4% that are fully funded from employees contributions plus on capital. Another 45% of the expenditure comes directly from the State budget. The State’s share will be renegotiated in 2009, when it is likely to go down to 40%.

In **Lithuania**, the years 1991-2000 saw a quantitative leap in the development of social services. New types of care, such as day care, became available and the number of people receiving care at home or in institutions has doubled over the past five years, where day care has shown particularly strong growth.

Social services are currently financed by the State budget, the municipal budgets, EU structural funds, foreign foundations, charities and users’ own payments for services. The State finances the biggest share. Under the Social Services Provision Reform for 2003-2010 there is an emphasis on improving quality of services that are accessible, affordable and correspond to people’s needs. Priority social groups of people will be defined for matching the available financial and human resources. User’s involvement in social services will be increased and a regulated market for social services will be introduced with the same requirements for all providers in order to create a level playing field for competition.

From 2007 onwards, long-term care is funded entirely from targeted State contributions to municipal budgets. User charges will be varied according to the type of services and the individual’s capacity to pay. For example, the charge to be paid for daytime care in day care centres or at home may not exceed 20% of the income of a person living alone or in a family whose income does not exceed three times the State-supported income level. For other people, this can go up to 80% of a person’s income if short-term or respite care or other forms of long-term care are needed. Only the poorest people will be able to receive social services free of charge. It is hoped that these reforms will improve access to social care and lead to a more effective use of State funding. Help will also to be provided to those who care for people with disabilities within the family but who wish to participate in the labour market.

⁹ The “hotel costs” are high in Luxembourg, and this could explain why some people prefer Belgian care homes.

Among member organisations of the **AGE network**, there is great concern about the financing of services for dependent people, even in countries where those finances are currently well organised. Needs are evolving very rapidly, due both to the ageing of the population and to higher expectations. Unfortunately, the financing seems to be evolving in the opposite direction. There are more and more expectations and less and less resources, which has led to a tendency of re-individualising dependency risks, e.g. by increasing thresholds for entitlement to services, with the role of informal care increasing again.

There is also an important interaction between growing need for private pension savings and family obligations to contribute to long-term care funding for older family members. Moreover homes are also being re-mortgaged to cover care costs, and the full implications of this have not yet been assessed. As a result, some older people do not request the care that they need. Although there is now a growing market for private insurance to cover dependency needs, questions have been raised during the discussion about discrimination on grounds of health conditions.

Moreover, there is concern about the trend in some countries to decentralise funding of long-term care to the local level, which can result in greater regional variation in access to quality services (e.g. in the Netherlands). Finally, the definition of the term “services of general interest” better takes people’s entitlements into account and follows the fundamental principles of equal access to quality services.

Conclusions on financing and organisation

The discussions at the Peer Review meeting have confirmed that social policy in Member States is confronted with a number of challenges for long-term care policies. How will additional investments and further improvements that are certainly necessary in this sector for many countries be financed and distributed to guarantee equal access and sustainability? How should the mix of available long-term care services evolve and which roles will the users of these services and their families play? Moreover, the need to improve the quality of services and to reach out to an increasing number of people is now among the main drivers of public spending growth.

Improved and continuing cooperation of formal care services with informal care provision by families and friends will be key for financial sustainability. No country would be able to provide all or most of care needed by formal, professional services. Where care allowances are now in place (Germany, and Austria), these “pay” for only a (smaller) part of the officially assessed care needs (in terms of hours of informal or formal care needed).

As there are many pensioner households in all countries that do not have the financial means to cover considerable monthly payments to care providers, social assistance remains in many cases an important source of funding. The share of private funding in total long-term care can also be high for some countries where public long-term care provision is currently small (e.g. in Italy), or as a means to increase financing in order to expand services (e.g. Lithuania). Staff shortages have started to pose important risks on the future (financial) sustainability of care systems in some countries. There is a “window of opportunity” to address these staff shortages now in order to avoid expensive shortages in the future.

4. Assessing and improving quality of services

Quality assurance is an increasingly important issue in most countries' care services. There is a growing emphasis on "value for money". From a previously mainly regulatory approach, countries are now gradually moving towards quality management and strategies of constant improvements. This shifts the responsibility more towards the care providers themselves, who are partially adopting the kind of quality management techniques found in the commercial sector. This has contributed to better outcomes and greater security for those in care. However, it has also made regulation more complex. More particularly, it has complicated the definition by public authorities of what constitutes a mission of general interest.

The rules currently governing long-term care in **France** are complex. In response to a growing demand for an ageing population, service provision is becoming more and more diversified, with strong growth of the private sector. Quality and equality of treatment are main guiding principles of long-term care. In that sense, "the general interest" is a concept of French political and legal thinking, as the ultimate goal of public action. But achieving that goal across the range of different services involved is difficult.

There is a strong policy of keeping older people in their own homes for as long as possible. Home help services, home care services and a range of home improvement grants help to achieve that. The personalised autonomy allowance helps to pay for other measures that maintain a person's independence. On the residential care side, great emphasis has been placed in recent years on the quality of care, including the emerging private sector.

Priorities are established through planning and the sector is tightly regulated, but this has so far not caused problems vis-a-vis the European rules, as the same regulations apply to all providers. Since 1990, commercial establishments are obliged to draw up contracts with their residents, including clauses on entry and resiliation, the services provided and the price for those services, and invoicing procedures in case of hospitalisation. Accommodation prices can be set freely by the for-profit sector. However, the State regulates the subsequent development of these prices. Cost of accommodation is normally charged to the person concerned with wide regional variations, often exceeding average pensions. For people in need, it is covered by social assistance.

Quality regulations include the linkage between the different elements of the care continuum, staff training (a major issue at a time when staff are in short supply), and the modernisation of establishments (many of which are quite old and no longer comply with current norms). Quality assurance tools include tripartite agreements between the State, the General Council and the establishment concerned. These concern tariffs but also quality benchmarking. Establishments are required to have both an internal assessment every five years and an assessment by an external body every seven years.

Specific measures help residents and their families to gain an insight into the establishment concerned and there are advisers who liaise with families, and mediators who can serve as go-betweens for a resident, the family and the establishment in case of need. Legal penalties apply if norms are not respected. Although not very severe, these penalties do help to guarantee quality. The prevention of ill-treatment, both in residential care and at home, is receiving particular attention at present.

Italy is currently preparing new legislation on the minimum level of long-term care with the aim to establish a system at the national level that will give all citizens the same rights of access to information and services, at a time when Italy has seen the development of quite different welfare systems at the regional level. The current lack of territorial uniformity leads to discrimination in terms of access to care services.

Innovative approaches to the care of dependent elderly people are being adopted in some areas, especially Tuscany, where a “health society” has been created – a type of independent agency based on integration of the two profiles. It works with non-profit organisations and defines the criteria for them to become service providers. The level of co-payment by users varies according to the financial resources of the municipality concerned and these differ greatly.

The government has the responsibility for determining the essential level of services and the regions have the competence to allocate resources and define the main objectives of the programme. The national law also highlights the importance of integrating the health and care aspects.

The law providing for accreditation of non-profit providers is seen as an important step towards delivering a high-quality service. In general, free market rules are not applied to this sector, and most Italians do not think that they should be. The development of quality standards is currently stronger in the health sector than in long-term care. For long-term care it is more difficult to tell the regions what quality standards they should apply. New legislation to come soon, will define dependency, based on WHO definitions. This programme will more clearly set out the social and health services to be provided for the person and the family. It may also include allowances and other financial interventions where appropriate.

Both the health care system and the social assistance system are involved in the provision of long-term care in **Poland**. Most institutional care is within the health system, whereas the social assistance provides some home-based services. Institutional long-term care is provided mainly in establishments run by the local communities. A last resort is provided by so-called social assistance houses, which provide accommodation together with services for persons needing permanent care.

Quality standards are determined by the law governing social services and the voivods (the regional-level government) are responsible for implementing quality control. The quality regulation lays down general rules – for example, that the houses should provide care tailored to people’s needs. It also sets out very detailed requirements on matters ranging from meals and building specifications to care and support services. In addition to these nationally regulated services, local authorities have fairly broad scope for making additional provision on their own initiative. There is currently a debate in Poland about how to ensure that these local services, and those provided by NGOs and private operators, come up to the same standards as the national ones. Since 2004, these other providers must also apply the legal rules if they are involved in long-term care for elderly people.

By checking the registers, citizens can see if an institution meets the required standards. In cases of non-compliance, the voivod can report the institution to the administrative court or can impose penalties. Private or commercial entities that provide 24-hour care without authorisation are also subject to penalties. These are imposed administratively, with a right of appeal to the Minister responsible for social affairs. The other providers covered by the legislation since 2004

have until 2010 to come up to standard. Some State subsidies are available for renovating buildings and for new construction. But for many regions, there is a lack of qualified inspectors and it is currently not clear where to accommodate the residents of the homes that may have to be closed in 2010 for failing to come up to standard.

While some member organisations of **Caritas Europe** have no activities in long-term care within Europe, a smaller group, especially in Germany, Belgium and Luxembourg, are active providers of care services (e.g. for some 30% of long-term care in Belgium).

Quality within social services is becoming more and more of a priority for some European-level NGO networks, which are now meeting regularly on this issue. Quality should be tackled together, along with accessibility, affordability, transparency and efficiency. A concern for quality is particularly important in the social economy, where good on-the-job training must be provided for staff.

Moreover, care users are important as co-producers within the care process (as well as their families or neighbours) and their participation is key to good quality services. This can involve non-formal complaint procedures or residents' councils. More generally, quality is linked to fundamental rights and principles such as continuity and sustainability (e.g. to avoid closure of institutions). Other preconditions are good working conditions, with sufficient staff numbers and qualifications. In addition, certain limits should be imposed to profit-making behaviours, advertising and "marketability", such as being quoted on the stock market.

A central issue at the EU level is how to ensure public responsibility in the field of social and health care while recognising the growing role of private standards organisations, such as ISO or EQRM. These have their part to play.

Social and health care vary widely across Europe, and so therefore does the responsibilities of members of the **European Social Network**. Asked about the topics discussed in this Peer Review, many ESN members emphasised the need to respect economic and cultural differences and the subsidiarity principle. Moreover, most felt that some competition between different sectors in a local environment can be positive if adequately regulated.

Among the quality issues raised by ESN members were the balance between choice and equity and the financial sustainability of high quality services, including the need to counter shortages of qualified staff. From a user's perspective there is also the need for clear information, support and advocacy, in order to make decisions about their own lives.

Most people want to stay at home for as long as possible and supportive social and health care are important here, and cooperation between health, social services, transport and housing services is key to quality of services. Another quality criteria is that services are available locally, where they were brought up and where their family lives.

ESN members feel that clear quality standards should be developed, with impartial inspection and audit and that the public should be able to access the reports and to be informed about the quality of the service being provided. Overall quality should promote learning and development, and be seen as continuous process, including continuous training efforts.

In some countries, comparative tables on quality of care have been developed. This may or may not be an option that others wish to pursue. However, some degree of comparison at the European, national and local level may be useful in learning from each other's experiences.

At the macro level, the planning of service provision must also be part of the local corporate planning process. For example, in many areas of Europe, the cost of land has become prohibitive. Where are we going to locate future care services for old people? If new care institutions are built in some areas, they will be prohibitively expensive. Service planning will involve trade-offs between economic and social benefits in communities. It must be part of the regeneration process. Ensuring sustainable services also entails dialogue with all the stakeholders, including the commercial sector.

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