

Italian Health Economics Association (AIES)

23rd Annual Conference

National Healthcare Systems and universal coverage: are they still feasible?

Lessons learned and challenges ahead after 70 years of the British NHS and 40 years of the Italian NHS

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2018 CALL FOR ABSTRACTS

- **Researcher(s)**

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- **Topic**

- Ageing, savings and retirement

- **Presentation format**

- Oral sessions

- **Title**

- Long Term Care: pitfalls and economic sustainability of a highly fragmented system. Comparison between the Italian and the German schemes.

- **Background**

- Epidemiological and socio-demographic trends make long-term care a crucial policy challenge for all modern health care systems. While some countries have consistently developed dedicated solutions to face such challenge, others, including Italy, have rather amassed a series of disconnected initiatives that target specific settings with no coherent link. LTC literature is growing accordingly, although contributions are still needed to tackle relevant problems and possible solutions to this expanding concern.

- **Objectives and expected results**

- The main aim of the work is to analyze the economic sustainability of the Italian long term care (LTC) system. In particular, the research will highlight the main features of the Italian financing system, displaying total financial resources currently available, the incidence of each institutional actor's contribution, the relevance of out-of-pocket expenses and how each of these features contributes to make this LTC system highly fragmented and inefficient.
- Such fragmentation entails extreme heterogeneity in the attainment of needs, poorly integrated pillars that are driven by their production capacity rather than by patients' actual needs, a poorly

integrated production chain, and an excessive burden on caregivers that have to substitute the public system and shop around to reassemble the basket of services needed. The second phase of the work will analyze whether a shift towards a true universalist model, such as the German one, where same needs are taken care of in the same way and the boundaries of what is guaranteed and what is not are clearly defined, could be economically sustainable for Italy and which institutional adjustments would be needed to implement it.

- **Methodology**

- Our research will be divided in three parts.
- Firstly, we will conduct analysing a descriptive analysis of the Italian LCT system, studying epidemiological, demographic data and more importantly the peculiar Italian financing scheme. The analysis will be based on secondary data, both quantitative (Ministero della Salute, ISTAT, Inps) and qualitative.
- Secondly, our aim will be to test analytically the intuition that the fragmented nature of Italian LTC system, is one of the causes of its effectiveness. Established frameworks classify public long-term care systems based on the scope of the entitlements they guarantee and the number of different existent services and programmes (OECD, 2011). Based on these criteria, three main clusters can be identified, each of which can be further classified in sub-groups:
 - Universal coverage within a single programme;
 - Mixed systems;
 - Means-tested safety net-schemes.
- We will highlight the advantages and disadvantages of each model in terms of equity – coverage, eligibility, criteria, level of co-payments – and efficiency (Mossialos and Dixon 2002) – effects of the division of responsibilities, ability to target the most vulnerable – and assessing how the fragmentation of the Italian system may hinder the achievement of specific outcomes and results that are more suited to other approaches.
- Lastly, the third part will aim at testing whether a shift towards a Public Long-Term Insurance model would be feasible, both fiscally and institutionally, in the Italian context. In fact, although the current archetypes are still extremely heterogeneous, many countries are now evolving in a similar direction towards consumer choice and universalism. In the last 15 years, both Japan and South Korea decided to shift to a Public Long-term Insurance model, citing, among other reasons, the will not to trap women into their caring roles, the thinning of family networks and the excessive phenomenon of the social-hospitalisation of the elderly needing long-term care (Kwon, 2008; Campbell and Ikegami, 2000; Campbell et al., 2009). All of these reasons can be applicable in a similar fashion to the current Italian context, where further concerns on the sustainability of the current system are raised by the demographic pyramid. To perform the simulation, the German system will be used as a comparator for two reasons: i) richness of data, where both federal and state-level sources are available; ii) Germany was the first country to establish such model and its dimension and demographic context are similar to Italy's. The economic sustainability of a universalist model will be assessed through a scenario analysis that will test how different model parameters (economic values of monetary and in-kind services, beneficiaries' choices, regional differences) will affect the overall sustainability of the proposal.