

# Arrangement for older people social work essay



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## **Introduction**

Towards the end of the twentieth century, a widespread and profound reform on long term care policy and system was undertaken across the European continent. Major European countries, including England and Germany, radically altered their existing long term care scheme, attempting to satisfy the increasing need for a more efficient, secure and personalized long term care system. England, with its implementation of direct payment and the sequent proposal of " individual budget", aimed at endowing the citizens with more choice and control (Glendinning 2008). Germany, based on the traditional welfare mix concept, the national historical-institutional context and political-administrative structure, announced the new Long-Term Care Insurance (LTCI) (Theobald 2012). The LTCI announced and implemented by Germany emphasized the family's central position in the system, restructured the interplay between different parities including family, state, third sector and party, and strived to meet the cost containment agenda possessed by the government. Considering the increase of aging population in both nations, the reform on long term care policy and system undertaken in the two nations affected the older people the most, which is the primary purpose of the paper. The paper intends to first comb through the evolution of long term care policy and system of the two nations respectively, focusing on the strategies and practices closely related to older people, and then through a comparison between the long term care arrangement of older people in these two societies, discuss the progress achieved by the reforms undertaken in these societies and the common challenges facing the two nations.

## **Review of Long Term Care Arrangement Development in Two Nations**

In the early 1990s, the social care framework of England started changing radically with the publishing of Caring for People White Paper in 1989. The core of the reform was the change of funding structure of social care (Lymbery 2010). Before the reform, the state financially supported those people who received care in residential or nursing home without an assessment of their needs. As the tension between inadequate budget and increasing population receiving care grew, the government published the White Paper in 1989, in which the limited cash for social care was transferred to local authorities, as well as the responsibility for budget control (Lewis and Glennerster 1996). The consequence can be easily speculated. Local authorities had to set strict restrictions on the threshold of receiving social care in order to avoid deficit. Therefore, it was highly possible that people could not obtain the care they needed. This situation more severely endangered older people. On one hand, the care they need is often more complicated, specialized and thus expensive. On the other hand, due to the tight budget, the resources were inevitably tilted towards the more acute conditions and those people in more urgent needs. Therefore, preventive measures were less covered by the scheme which in return caused greater burden on the future social care work. Organizations of disabled people initiated the campaign requiring the change from providing conventional service to giving cash payment so that people would be able to determine the service they receive and make independent purchase (Glendinning 2000). The campaign spoke for the rest of the service users as well and expressed their concerns that the existing service provision mode placed the

interest of the service providers over the needs of the users. Under the influence of the campaign, local authorities started adjusting their policies. Many local authorities adopted an indirect payment scheme which delivered the funding to local disability and independent living organizations. It was up to those organizations to re-allocate money among disabled people. With the money, the disabled people would be able to purchase the service they needed. In April 1997, local authorities were permitted to make direct payment to disabled people under the age of 65. In 2000, the direct payment scheme was extended to older people as well. Since then, older people started enjoying the same freedom and autonomy as disabled people did. Entering the 21st century, the publishing of critical documents, including the Green Paper on Adult Social Care in 2005 and the White Paper in 2006, promised a new vision on England's social care. Enhancing the independence of service users by proposing "individual budget" was the key content of the Green Paper, while the White Paper advocated more and deeper collaboration between health and social care and the devotion of more resources to prevention. The individual budget proposed by the Green Paper suggested that all the resources and funding streams be pooled together for eligible individuals so as to enhance the flexibility and efficiency of care service purchase (Glendinning 2008). Between 2006 and 2008, the individual budget was piloted in 13 English local authorities. Despite the uncertainty of its future development, the enlarging choice and stronger control given to the recipients seem to be still the trend. Compared with England, Germany undertook a milder and more conservative reform on long term care arrangement (Cuellar and Wiener 1999). Germany maintained the tradition of providing care to older people with the family. When the family cannot

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afford caring the older people, the welfare organizations will offer assistance with means-tested payments based on the 1962 Federal Social Assistance Law (Theobald 2011). Towards the end of the 1970s, the nation faced rising risks of care dependency and the local authorities suffered from the increase of fiscal burden, which together triggered the reform and the introduction of LTCI (Theobald 2011). Statistics show that before the LTCI initiated, 80% of older people in Germany who lived in nursing homes and received care there could not afford the fees and charges (Geraedts, Heller, and Harrington 2000). The community-run social welfare system had to cover their fees and charges which resulted in an increasing deficit of communities. Besides, the heavy physical and mental burden on family care givers and the stronger desire for working (mostly women) in order to lessen the fiscal burden facing the family led to a decrease in family care provision, which might cause more older people to turn to communities for assistance and thus exacerbate the community's fiscal condition. In such context, Germany released the new LTCI. Following the "solidarity principle" which relies on the collective action to take care of the well-being of every social member, LTCI requires the employees and employers to make equal contributions while the Federal Employment Agency is responsible for contributing to the LTCI for the unemployed (Geraedts, Heller, and Harrington 2000). Germany's LTCI shared commonalities with England's Green Paper and White Paper on certain basic principles. Both of them regulated strict restrictions on the eligibility criteria, as a consequence of the inadequate resources and ever-growing needs. Besides, both reforms intended to provide the recipients with freer choices and increasing independence. Peculiar features presented by LTCI might be its emphasis on family care provision and the social care quality. Family care

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provision was still regarded as being at the central position of the whole scheme. A clear definition of quality standards and a complete quality control system was stated within LTCI so as to ensure the effectiveness of care provision. Through the brief review of long term care arrangement development in England and Germany, certain regular patterns can be easily traced: the evolution from a provider-controlled mode to a user-oriented mode, the continuous effort on curbing expenditure both at the state level and at the local level, and the potential care provision re-organization caused by the reform. Despite the noteworthy progresses achieved by these two reforms, both of them face great challenges at the current stage and in the future as well, which is the primary focus of this paper and will be discussed in detail in the following section.

## **Problems and Possible References: Practices of the Two Nations Compared**

Both the Green Paper of England and LTCI of Germany receive broadly positive responses. Nevertheless, criticism should not be and could not be overwhelmed by the " warm persuasiveness" and " apparent attraction" of the reform (Glendinning 2008). Reviewing the criticism of the two reforms, it can be found that certain problems are shared by both nations. The rest of the section will summarize and analyze these problems facing both of the two nations, with a particular attention to those problems related to older people. The difference reflected in the efforts of dealing with those problems made by the two nations can provide beneficial reference for the future policy adjustment of the two nations and other nations facing similar situation. Increasing Inequality Caused by Freer Market Before the reform,

older and disabled people in England enjoyed little freedom during the choice of long term care services. Care managers were inserted between the service users and service providers to assess the needs, grant access, and manage the service package. Service users often complained about the lack of control over the timing of service and the type of tasks undertaken by service providers (Glendinning 2008). The promotion of direct payment and later the individual budget took back the controlling power from the professional care managers and enabled individuals to be their own care managers. Nevertheless, new problems arise along with the increase of choice and control. From an economic perspective, the return of controlling power to service users will increase the fluidity of the care market. Service providers in both nations are inadequate. More competent service providers are even more lacking in the market. Therefore, the potential competition between service users, between individual service user and welfare organizations, might cause inequality in the market which will deprive "poorer" service users from receiving high quality and effective care. Besides, certain groups of older people require more time consuming and more complicated services, which might leave them with less bargaining power in the market. The LTCI implemented in Germany opened up the care market as well. Since the introduction of LTCI, non-profit and for-profit care providers have equal access to the market which intends to improve competition within the market. The opening up of care market leads to the increase in for-profit care providers thus increase the fluidity of the market like the situation of England. However, it should be noted that Germany implements the contract management measure so as to strengthen the regulatory status of the state, to the largest extent protecting the fairness and equality of the

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care market. The LTCI stipulates that care insurance funds have the rights and obligations to sign contracts with care providers that meet the preconditions of establishment. In the meanwhile, the prices for the defined care packages within home-based care, the residential care service rates, and the quality standards are clearly regulated within the contract as well (Theobald 2012). Potential equality is not rooted out in Germany. The more time consuming and more specialized care services were often missing in the contract (Runde et al. 2003), which triggered the development of grey market services and the influx of migrant care workers. The state has taken measures to regulate the grey market and draw the service users back to the regular market through tax deductions. Generally speaking, the opening up of care market in Germany is accompanied with a stronger state presence and more complete regulations, which ensure the stability and effective function of the care market and become a beneficial reference to England.

Contradiction between Independence and Dependence The reform on social care undertaken in England intends to give the service users more freedom; nevertheless, certain groups among the older people are not capable of making independent choices for themselves or are not willing to do so. Despite the generally positive response, the reform does not take the complication of older people's situation into consideration. For those people who suffer from mental disease like dementia or Alzheimer, the free choice might in return cause obstacles against their enjoyment of long term care. Moreover, it is pointed out by some critics that whether the implementation of independence choice is appropriate or not depends on the permanency and predictability of the needs (King 2005; Glendinning 2008). In terms of older people, their changing circumstances will impede the execution of their

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free choice. It can be concluded that at least the older people require the external assistance to choose the services that best fit their complicated conditions. Regarding the contradiction between independence and dependence, Germany is in similar situation with England. The majority of older people welcomed the increasing freedom, which enabled them to live their lives in the way they desire the most. Nevertheless, to certain groups of older people, it is either difficult or impossible to plan and manage their care service provision completely on their own. Professional, timely, and fair guidance and assistance is required. Tension between Limited Resources and Increasing Needs It is projected that the number of people aged 85 or above in 2050 would be 2.5 times the number in 2000. Accordingly, the total expenditure on long term care in 2050 is projected to increase 112% of the gross domestic product (GDP) in England (Comas-Herrera, Wittenberg et al. 2006). The tension between limited resources and increasing needs remains to be the critical problem facing the reform and on-going policy adjustments. As long as the tension remains unresolved, local authorities of England will keep weighting the "critical" and "substantial" needs over the "moderate" and "low" needs. Statistics show that in 73% of local authorities, only the "substantial" needs are met, while a few other authorities offer services only to those with "critical" needs (Carvel 2007). The lack of attention given to the "moderate" and "low" needs means insufficient investment in care services aiming at prevention, which will strengthen the burden of social care in the future. A vicious circle is noted; however, without sufficient resources, no effective measures have been found yet. Germany, as the world's second oldest nation, faces a more severe situation regarding the tension between limited resources and increasing needs than England.

Statistics show that the number of care service recipients rose from 563, 000 in 1994 to 2. 34 million in 2009 (Federal Statistical Office 2011). In 2050, it is projected that the number of dependent older people will be more than doubled and the total expenditure on long term care in 2050 is projected to increase 168% of the gross domestic product (GDP), a much higher increase than England (Comas-Herrera, Wittenberg et al. 2006). The above data predicts a more severe challenge facing Germany in the following years. In reality, compared with England and other European countries, the LTCI in Germany is defined much narrower (Comas-Herrera, Wittenberg et al. 2006). Its eligibility criteria consists of three levels (considerable, severe and extreme need) with the entry level requiring the help of at least 90 minutes every day of the week and of at least two activities involving personal hygiene and eating (Geraedts, Heller, and Harrington 2000). Considering the fact that those people with lower levels of dependency are not involved in this scheme, it can be speculated that the tension between limited resources and increasing needs in Germany will continue growing in the following years, which might be exacerbated by the current economic downturn.

**Inadequate Technical Support and Difficulty in Management** An up-to-date service information system and a transparent and efficient management mode is required for the better execution of individual budget in England. Service users need the information about the available types of services and their prices, and the information about their conditions as well. Timely update on the above mentioned information is the prerequisite for service users to choose the service best fits themselves. The dilemma facing those older people who are in need of more specialized or highly complicated services might be that despite their willingness of exerting free choice, social

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care organizations and professionals grasp the more accurate and timely information that they need. Apart from the provision of information, the quality control and participant management is equally important and thorny. Given the provision of service and the receiving of service take place simultaneously, ensuring the service quality through proper supervision and management is of great importance to the service users and the operation of the service market. Like the situation of England, the implementation of LTCI was accompanied with emerging complexities, including the need of relevant information and the concerns about service quality. Addressing these complexities, the state initiated prompt and effective measures and achieved generally satisfying results. In terms of quality control, an integrated assessment and management system was established. Apart from including quality standards to the contract signed between care insurance funds and care providers, LTCI assigns two professional carers to regularly visit the service recipients, assess the service quality and seek for room of improvement (Theobald 2012). Legal and regulatory measures were also taken to ensure the service quality. In 2002, The Quality Assurance and Consumer Protection law was enacted, which strengthened external control over service quality by asking the Medical Services of the Health Insurance to perform the duty. In 2008, a reform was taken to further enhance the control over service quality and the transparency of service information by regulating a mandatory control on care providers for at least once a year, with the result published in comprehensible language to common people (Rothgang 2010). Survey results demonstrate a quite high satisfaction rate about the care service accessibility and quality among service users (Bauer 2008), which should be attributed to the continuous efforts of establishing a

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complete quality management system. In terms of information availability and transparency, the state adopted relevant measures as well. After the 2008 reform, Germany established local information centers and announced that care service recipients are entitled to the right of attaining relevant information of free charge. These efforts increased the transparency of information among service users. Of course, the current information system is not perfect. For instance, critics note that since phone calls, advertisements in local information centers and in media are the major channels for service users to obtain information, those with lower educational level and the migrant population are underrepresented (Bauer 2008). Improvement is certainly required yet the progress achieved by Germany in the past several years is worthwhile noticing and learning.

## **Conclusion**

The social, demographic, and economic changes towards the end of twentieth century contributed to the reform on long term care policies in Europe. Theobald (2011) summarizes that the New Public Management elements are to various extents added to the long term care policies, with the aim of enhancing efficiency of care service provision, inviting competition to the market, and endowing freer choice and stronger control with service users. Germany and England, two major countries of Europe, undertook reforms on their respective long term care policies which exerted long-lasting and profound influences on society and participants of care market. The reform taken in England was featured with personalization. Along with the implementation of direct payment and the sequent proposal and trial of individual budget, England attempts to increase the choice and

control among service users. Mixed with the warm responses and positive expectations are the emerging problems which have not received full attention by the state (Lymbery 2010). The most prominent problems are discussed in the previous section, namely the increasing inequality caused by freer market, the contradiction between independence and dependence, the tension between limited resources and increasing needs, and the inadequate technical support and difficulty in management. Through a comparative analysis on the case of Germany, it can be easily found that similar problems arose in Germany as well. However, more timely and effective measures were taken in Germany to address to these problems and continuous efforts were made to improve and complete the long term care insurance scheme. With a reorganization of care service provision, together with a relatively complete supporting system consisted of quality control and information offering, Germany's LTCI receives quite high satisfaction rate among the service users. In the future, both England and Germany have to deal with the growing tension between limited resources and increasing needs. Forced by the increasing number of aging people and the depth and width of their needs, the state might continue adjusting their long term care arrangement. However, the regulatory and legal measures are still behind-time. It is of greater significance for the two nations to strengthen the critical research on the existing policies and leverage the research results to initiate more preventive measures.