

Care homes for older Europeans: Public, for-profit and non-profit providers

Introduction

This report provides an overview of how public and private (both for-profit and non-profit) provision of care homes for older people has changed over the last decade. Even though there has been considerable change in the size and ownership of care homes, there are no EU-wide harmonised data disaggregated by type of ownership and/or the economic purpose of service providers. The report draws together the available data and also provides information from studies, evaluations and surveys about the differences between the accessibility, quality and efficiency of services provided in public and private care homes for older people. The information was gathered mainly through a literature review and by Eurofound's Network of European Correspondents, which provided data from national statistical offices and studies.

Policy context

Most of the debate and policy initiatives at the EU level on long-term care do not make specific reference to public or private provision. In the 2017 Annual Growth Survey, which kick-starts the European Semester process, the European Commission called for further investment in long-term care in order to decrease the burden on informal carers. It also highlighted the need to increase the efficiency and accessibility of long-term care, given the expected rise in expenditure due to the ageing of the population and technological advancements. The Social Protection Committee has argued that long-term care systems must also boost preventive healthcare, rehabilitation and independent living. Country Specific Recommendations tend to focus on improving the cost effectiveness and cost efficiency of expenditure on long-term care, while ensuring the accessibility of services and improving service quality and provision. The European Social Pillar includes the right to affordable long-term care services of good quality, in particular home care and community-based services.

Key findings

Trends in provision

Over the last 10 years, there has been an increase in the number of care homes in nearly all the countries for which there are data available. In Romania, Slovakia and Slovenia, the number of private care homes has doubled (albeit from a very low starting point). At the same time, the number of public care homes is either decreasing (Croatia, the Czech Republic, France, Germany, Norway, Slovenia and the UK (Scotland)), or growing at a slower pace than private care homes (Cyprus, Lithuania, Romania and Slovakia). Malta and Spain are an exception to this trend, with the number of public care homes increasing faster than private ones in both countries.

Over the last decade the number and share of places have increased in private care homes to a greater extent than in public care homes in all countries for which there are data, with the exception of Spain. Places in non-profit care homes increased more than in homes run by for-profit providers in Belgium and Norway, whereas the opposite was the case in the UK (Scotland). The latest data show that private provision constitutes more than two-thirds of the total number of places in Greece, the Netherlands (where it is almost entirely non-profit), the UK (Scotland), Ireland, Spain, and Belgium. The public and private share of places is more or less the same in France, Austria, Malta, Lithuania and Romania. Public provision constitutes approximately 70% of the total number of places in the Czech Republic, Lithuania, Poland, Slovakia and Slovenia, and nearly 90% in Norway. In some countries there are marked differences between the size of public and private care homes. In Slovenia and Malta public care homes have twice the average number of places as private ones. Over the last decade the average size of private care homes in the Czech Republic, Malta, Lithuania and Spain has increased considerably, whereas the size of public care homes has decreased or remained stable.

Implications for service delivery

Financial pressures on care home providers are a major issue (e.g. in the UK), one that is increasing with the rising number of people needing care, the costs of providing services and recruiting staff, and the promotion of quality for users. In some countries, private care homes provide fewer specialist medical services than public care homes. As private provision increases, costs to users are likely to become a more significant issue unless there is an increase in public benefits to subsidise funding. There are also differences in the location of different types of care homes, with private care homes more likely to be found in affluent urban areas. The types of residents prevalent in each type of care home are influenced by the profitability of the services they require – residents who require less profitable care services are more likely to be in public care homes. In most countries where information about staff-to-resident ratios was available, there were more staff per resident in public care homes.

There is a lack of agreed quality indicators, particularly on quality of life for service users in long-term care. The range and quality of services in public and private care homes differ from country to country, with studies tending to focus on the aspects of quality that are easier to measure. Differences have been reported in terms of having a single room, level of hygiene, the residents' choice of food and activities, attitude of staff, nutrition, continuity of care, preventive healthcare and care practice.

Comparison of cost efficiency of public and private care homes seem to be greatly influenced by staff costs and differences in the types of resident, with public care homes often having a higher share of residents with health complications or who are less profitable.

Policy pointers

Importance of analysing possible trade-offs between efficiency, quality and accessibility of services: Several studies highlight how private providers are facing a dilemma between cutting costs by decreasing the quality of service or increasing prices and thus losing competitiveness. Studies that document differences between different types of providers need to document whether improvements in one area come at the expense of others.

Clear common definitions essential: In order to better monitor the extent of public and private provision, it is essential to have clear common definitions that allow gathering data about the different types of long-term care services and providers. Definitions and data about public, for-profit and non-profit provision should take into account the legal status, ownership and economic activity of providers.

Need to aggregate and review studies systematically at national and European level: The studies gathered in this report provide an indication of the differences in the accessibility, quality and efficiency of services. With results differing between studies and between countries, to gain more definitive conclusions about differences in service delivery it is important to aggregate and review studies systematically, at national and European level. Findings and data can be used at European level (in particular, in the European Semester) to better understand the extent of different types of service provision.

Further information

The report *Care homes for older Europeans: Public, for-profit and non-profit providers* is available at <https://www.eurofound.europa.eu/publications/report/2017/care-homes-for-older-europeans-public-private-and-not-for-profit-providers>

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