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Improving long-term care policy in Lithuania

This chapter summarises the high-level recommendations for Lithuania to improve long-term care. Three important avenues for reform are highlighted: integrating the health and social services for older people, pooled and increased funding for care benefits and services and strengthening the workforce. Recommendations build on the comparison with other EU and OECD countries.

Long-term care (LTC) support in Lithuania is comprehensive but fragmented and insufficient. Its fragmentation relates to the division of responsibilities, the lack of harmonisation to access benefits and services across the health and social sectors and intricate funding. Its insufficiencies relate to comparatively low number of beneficiaries and benefit amounts that can leave older people at a high risk of poverty, as well as relatively low resources, both in terms of spending levels and a low rate of LTC workers.

There is currently a political will to introduce national-level reforms of the Lithuanian long-term care system. The Ministry of Health requested the support of the Directorate General for Structural Reform Support (DG REFORM) of the European Commission and the Directorate for Employment, Labour and Social Affairs of the OECD for the analysis of the current system and recommendations for a new national framework on long-term care. The present report summarises the key messages of this project.

The recommendations below build upon Part I of this report on the current situation of long-term care support in Lithuania and upon Part II on good practices in other OECD countries, as well as several stakeholder consultations and a workshop with Lithuanian stakeholders and international experts. The recommendations are intended to highlight directions for reform based on elements of policies and programmes from other countries which can be properly adapted and integrated into the overall Lithuanian policy landscape.

Improving governance for care integration through a new legal framework

Different actors are providing different services for older people, generating inefficiencies and duplication of efforts and there is also a lack of clarity about entitlements in terms of benefits and services. This stems from different separate legislation for the health and social services which cover benefits and services for older people.

- **Consider unifying the governance on access to long-term care services, including with a legislative framework.** Lithuania could establish a single legislative framework for long-term care. It would be important that the legislative framework includes some key elements: a common definition of LTC; the lines of responsibilities across ministries and subnational areas; the type of LTC services and cash benefits; a needs assessment and eligibility criteria; the funding routes and the financing schemes. Lithuania needs to find a fine balance in the legislative framework to have a level of precision without creating unnecessary rigidities. For example, it could introduce a law presenting the essential elements and produce later on more technical, subsidiary laws that could be changed more easily. Lithuania would have to decide whether only older people would be eligible for LTC benefits, or whether it needs to harmonise benefits across different ages (i.e. for younger people with severe disabilities who have long-term care needs).
- **Clarify the division of responsibilities.** While the Ministry of Health and the Ministry of Social Security could oversee the long-term care sector, it would be important to clarify joint and separate responsibilities. The legislation in Lithuania should also comprise the division of responsibilities between national and subnational levels. As municipalities in Lithuania already have important responsibilities in the assessment, provision and management of services, it would make sense that municipalities have the responsibility of managing and providing LTC services and benefits at the local level. In this sense, the new model would be similar to Scandinavian countries and Japan. Lithuania could also consider establishing one LTC organisation in charge of LTC funding, financing and provision, although the stakeholder consultations indicated mixed support for such a measure.

Different services and care settings currently have different needs assessment. The needs-assessment tool for social services takes into account the age, the functional disorders, the social risks, and the family's ability to take care of the individual, while for nursing care services at home, the Barthel index is used. There is no standardised needs assessment tool for admission to nursing hospitals – one only needs the prescription of a doctor.

- Consider harmonising needs-assessment tools across different health and social services (outpatient nursing services, nursing hospitals, social services). Lithuania could harmonise needs-assessment tools for health and social services at home, and if possible for care institutions and nursing hospitals. This way, Lithuania could encourage older people to use the right service in the different settings based on the complexity of their needs. It could be valuable to see whether the assessment could be used to plan care and perhaps develop a short version for triage. Changing needs assessment requires making decisions on whether to rely on existing scales and instruments or build a new one more adapted to its population, and whether to develop a digital version, in which case data collected would be more “information-rich”, although it would require an excellent IT system and trained staff. In addition, a new assessment is also an opportunity to rethink the range of people who could perform the assessment and how often older people's needs should be re-evaluated.

Older people can turn to health care providers, social care providers or municipalities for information. There is currently a lack of knowledge of professionals about available services in the other sectors, co-ordination for transfer and discharge, and the current system is complex. When assessing needs, municipalities cannot verify if people are already receiving health services because they do not have access to the patient records of the health care database.

- **Expand dissemination of information efforts to improve clarity on availability of social services.** Lithuania could provide support to municipalities to improve access to information on what LTC services are available and how to access them, as well as information on waiting lists and waiting times. Lithuania could make information available online through municipal websites (e.g. following the example of Vilnius municipal website).
- **Regulate information sharing across different providers, including digital information.** While the health care sector in Lithuania is undergoing a digitalisation process, the digital integration between the social and health care sides has not started yet. Lithuania could find ways to improve the interoperability of the health and social services' registries to improve the integration across the two sides of service provision. The process of data integration would allow Lithuania to obtain a better picture of the overall landscape of LTC services provision, thus improving co-ordination. It would also help providers from the two sides to plan care and evaluate whether care meets the needs.

There is a range of services, both at home, in day centres, institutions and hospitals with different conditions for access, such as means-testing, and cap on volume. Eligibility conditions across different services lack alignment and cash benefits can be combined with services. Access to health care does not rely on means-testing eligibility, contrary to social services, but spending is controlled with a volume cap of 104 services per year for outpatient home nursing services¹ and 120 days per year for nursing hospitals and nursing beds in hospitals. Social services are means-tested, with rather strict eligibility criteria, but there is no volume cap. The cash benefits are not means-tested.

- **Consider providing a single benefit with different care grades which could be in-kind or cash.** Lithuania could use a ladder with a number of categories to ensure that the access to benefits are harmonised and identical for everyone (assuming that the supply can provide sufficient services across the territory). Lithuania could let people freely choose the type of services and benefits' arrangement – services, a cash benefit to older people, cash benefits for informal caregivers, or possible combinations. Otherwise, it could link the grades to the services.

- **Harmonise eligibility criteria between benefits and services.** The eligibility criteria of the cash benefits should be designed taking into account the needs assessment, the other (financial) eligibility criteria, and the care grades.
- **Harmonise quality standards for long-term care.** Lithuania could consider developing a quality framework across the health and social sectors, improving transparency about standards and ensuring timely evaluation. At a minimum, quality indicators could be better monitored and published online. Efforts could also be made to include a range of process and outcome indicators, to ensure all dimensions of care are truly captured.

Designing sustainable funding for long-term care

Current funding is divided across actors. The public funding of long-term care social services stems from the municipal budget – mostly funded by the state through general grants – and targeted state grants. Out-of-pocket (OOP) payments can be important for social services – up to 80% of personal income for long-term social care. The health component of long-term care is primarily funded by the Compulsory Health Insurance Fund.

- **Pool together current resources.** One starting point for Lithuania to establish an integrated system would be to have clear funding routes, with a dedicated budget. Pooled funding is perhaps the most commonly used form of financing integrated care for older people (OECD, 2015^[1]). In a pooled funding scheme, each body involved in service delivery contributes to a common fund to be spent on pooled functions or agreed services. Pooling existing funding to one well-defined budget would improve transparency and facilitate the distribution of existing funds in an effective and efficient manner. It would help to reduce unnecessary activities, overuse of services, duplication of efforts, and cost shifting. Lithuania could also reflect on how to relate multi-annual programmes to allow future changes.

Current spending is lower than the OECD average: LTC spending is estimated to account to 1.1% of GDP in Lithuania, compared to 1.5% across OECD countries. Spending needs will grow with the share of the population aged 65 years and over is expected to grow from 20% in 2019 to 32% in 2050. Currently, unmet needs are substantial. Lithuania counts 20 LTC beds per 1 000 older people, a rate well-below the OECD average of 47 LTC beds per 1 000 older people.

- **Consider whether to set a long-term care insurance to guarantee funding.** If Lithuania were to implement an LTC insurance, it would have to decide on the insurance base (e.g. labour income, unemployment benefits), other eligibility criteria (e.g. working-age population or also including older people, only those above 40, etc.) and the amount(s) of the premium. Extending the premiums to the unemployed and the self-employed has the advantages of broadening the base and obviating equity issues. In Lithuania as in Germany, the premiums could be levied on the wages of employed and self-employed workers and unemployment benefits (but perhaps not disability benefits), and not on pensioners. There would not be any difference by age group, contrary to Japan. It would be wise to start with a very small premium to minimise the potential impact on employment and growth – Germany started with a lower premium and has been slowly increasing it.
- **Wage support to raise taxes.** To limit the impact of an LTC insurance on the tax wedge or if Lithuania considers using taxation-based funding only, Lithuania could aim to combine an LTC insurance with a broad-base tax. Lithuania could consider higher property taxes and reduce the scope of non-standard value-added tax/VAT (e.g. a narrower scope of reduced VAT or exemptions).² Lithuania could also benefit from increasing the working-age population to increase the tax base, for instance by reducing early retirement and promoting the employment of older workers. Furthermore, Lithuania could consider measures to reduce informality in LTC to broaden the tax base while also providing better social protection to LTC workers.

- **Explore the possibility of a private funding route.** Lithuania could also encourage private home equity programmes to help cash properties, although the potential of such programs is very limited. Lithuania would need a robust regulatory framework and the public administration may need to act as lenders.

Given how population ageing is likely to increase public expenditures for LTC and the preference given during the stakeholder's consultation to find financing options to control spending, Lithuania would need to look at possible options to ensure sustainability. There is currently a lack of emphasis on preventive services and healthy ageing. Municipalities set prices of social services.

- **Preventive and rehabilitation LTC services.** Lithuania could consider introducing preventive and rehabilitation services, such as home visits, drawing on the examples of Scandinavian countries and Japan. Rehabilitation and preventive services could potentially limit costs increases and improve quality of life.
- **Pricing and financing of LTC services.** Lithuania could set tariffs or maximum prices at the national level (with possible differences across municipalities to reflect different purchasing power) and municipalities could be responsible to contract with providers – as currently. Alternatively, Lithuania may consider to follow a point system, but such a system is complex. In addition, without commitment to field research, relying on historical prices might be a reasonable option.

Ensuring sufficiently trained carers

Lithuania has one of the lowest levels of LTC workers in the EU with only 1 worker per 100 people aged 65 or above compared to the EU average of 4 workers per 100 older people in 2019. There are staff shortages, in particular nurse assistants, and low staffing levels affect the quality of care provided to older people.

- **Address workforce shortages by promoting training for LTC workers.** Lithuania could recruit unemployed and inactive people and people working in sectors with declining labour demand to the LTC sector. Providing financial support for LTC training is an effective policy option, as its impact on recruitment can be large. Japan has sponsored basic training programmes for both new students and experienced workers willing to return to work after a long break. These initiatives led to an increase in the number of LTC workers of around 20% between 2011 and 2015. Lithuania could also include offering placement opportunities to nurse students and personal care workers during their studies.
- **Consider recruitment options to expand the pool of workers.** Lithuania can also attract Lithuanian emigrants – by providing favourable return conditions such as a tax relief – and foreign-born workers – by facilitating the immigration and skills recognition process.

LTC social workers' salaries in Lithuania depend on municipal budgets, thus municipalities with higher budgets may pay LTC social workers better, through the provision of higher bonuses and premiums, and are better able to retain workers. While training options are available, different workers perform similar tasks and there are gaps.

- **Improve working conditions of LTC workers.** Increasing retention rates through better job quality and training is a top policy priority to develop an adequate LTC workforce. Low wages, stress, a heavy workload and onerous working conditions all make it hard to keep people in the LTC sector. Improving the pay and other working conditions are avenues to bolster the workforce. However, wage increases need to be financed and regulated. Otherwise, wage increases that are not matched by increases in resources lead to increased workload and duties.

- **Enhance training opportunities of LTC workers.** Training programs could be developed to improve the skills of workers, increasing their confidence and motivation. Specific training could focus on: dementia, which is crucial when working with older people; management of administrative tasks that LTC workers are required to perform and for which they sometimes do not feel adequately prepared; and digital skills, given that a knowledgeable workforce is essential to facilitate the digitalisation of the sector.
- **Develop career pathways for workers.** Lithuania could encourage those with the lowest positions to progress in their career, by improving the career pathway. Lithuania could introduce the position of care managers/care co-ordinators in charge of creating a care plan with the eligible older people. This new profile could ensure a people-centred approach and broaden career perspectives.

Informal or family carers provide the bulk of care. While informal carers help to contain public costs, those costs are borne elsewhere, in terms of reduced labour market participation and health problems. With population ageing, the pool of informal carers reducing and the working-age social contribution- and tax-payers declining, it is important for Lithuania to continue to strengthen support to informal carers.

- **Develop training options for informal carers.** Lithuania could start by collaborating with NGOs to develop online training programmes freely available. Material could be on specific diseases, like dementia, symptoms management, emergency management and practical nursing skills. There is an important share of older people among carers, many of whom may not know well enough how to use digital tools. Such carers could benefit from a training model similar to the United Kingdom, where the subnational authorities responsible for social services subcontract NGOs to provide training, within a national framework.
- **Introduce leave for informal carers.** Lithuania could align with the European directive on care leave. According to the directive, carers are entitled to five working days of leave per year, although there is no requirement that carers' leave should be paid. If Lithuania is unable to find sufficient funds for this policy, it could consider an initial unpaid leave at first.

Reference

OECD (2015), *Integrating Social Services for Vulnerable Groups: Bridging Sectors for Better Service Delivery*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264233775-en>. [1]

Notes

¹ In July 2022, the maximum number of visits per year for the patients with the most severe needs was increased to 260 services, which means that older people with the most severe LTC needs are now able to receive outpatient nursing services up to 5 times a week. This new regulation was passed shortly after the end of the project.

² This report assumes that Lithuania does not wish to increase corporate taxes, although it is another funding route.

Integrating Services for Older People in Lithuania

Lithuania's population is ageing rapidly. The share of the population aged 65 years and over is expected to grow from 20% in 2019 to 32% in 2050 – faster than the EU average. A growing share of people who need help with their daily activities – so called long-term care. The governance of long-term care is fragmented between the Ministry of Health, the Ministry of Social Security and Labour and the municipalities. This results in a lack of integration of services between social workers and nurses and inequalities in access as eligibility conditions differ. Older people still have unmet needs and face substantial costs. Lithuania has one of the lowest levels of long-term care workers in the EU with only 1 worker per 100 people aged 65 or above compared to the EU average of 4 workers per 100 in 2019. This report suggests avenues to adapt funding streams, improve the coordination and access to long-term care services and strengthen the workforce in the sector.



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