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August Österle

The Long-Term Care System in Austria

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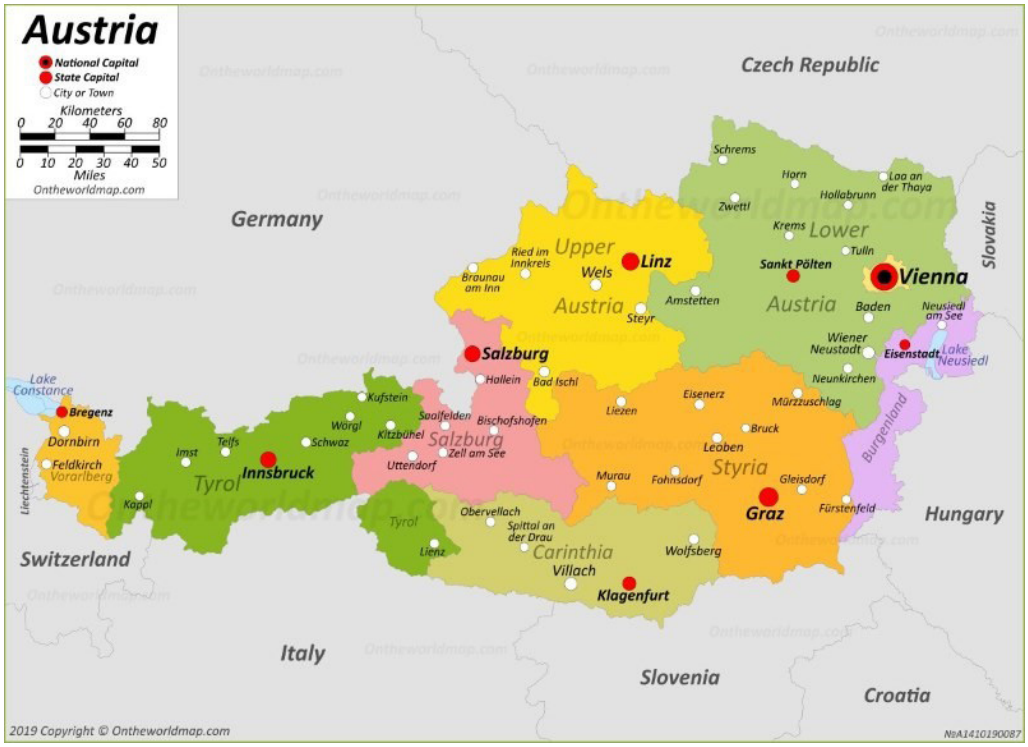
1. Country Overview



Source: https://ontheworldmap.com/austria/ (Accessed: May 20, 2021)

- Sub-Region: Western Europe
- Capital: Vienna
- Official Language: German
- Population size: 8,901,064 (Statistik Austria 2021, value 1.1.2020)
- Share of rural population: 41.5% (UN 2021)
- GDP: 445.075 billion (WB 2021; value 2019; currency US$)
- Income group: High income (WB 2021)
- Gini Index: 30.8 (WB 2021; value 2018)

1. Long-term care dependency

a. Population statistics

	Total number	*Share of total population*
Older population [Statistik Austria 2021; value 1.1.2020]		
Population 60+	2,259,262	25.38%
Population 70+	1,243,246	13.97%
Population 80+	474,047	5.33%
Long-term care dependent population [Statistik Austria 2021; average 2019]		
Number of beneficiaries LTC allowance	467,752	5.25%

Source: Statistik Austria 2021

b. National definition and measurement of long-term care dependency

In Austria, the long-term care system is usually referred to as "*Pflegesystem*", "*Langzeitpflegesystem*" or "*Pflegevorsorgesystem*". In this context, "*Pflege*" is used as an umbrella term to cover the broad range of services in a long-term care system. However, when addressing a profession or specific tasks, "*Pflege*" is the terminology used for the work undertaken by nurses. Other tasks in long-term care are called "*Betreuung*". Hence, "*Pflege und Betreuung*" is often used for addressing work in this sector.

According to the Federal Law on Long-term Care Allowances (*Bundespflegegeldgesetz, BPGG*), eligibility requires a continuous (expected to last at least 6 months) need for care and help (long-term care need, *Pflegebedarf*) because of physical, mental or sensory limitations. The level of the benefit is determined by the level of long-term care dependency. The assessment is undertaken by a medical doctor. For applicants living in nursing homes or using home help services, staff has to be questioned and care documentation considered. Also, applicants have the right to involve a person of trust, e.g. a family carer.

BPGG: https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10008859

2. First public scheme on long-term care

a. Legal introduction

Name and type of law	Federal Law on Long-term Care Allowances (*Bundespflegegeldgesetz, BPGG*), 1993
Date the law was passed	February 12, 1993
Date of *de jure* implementation	July 1, 1993
Brief summary of content	The main purpose of the law is the introduction of a new, universal long-term care benefit. According to § 1 of the law, the long-term care allowance is defined as a flat-rate contribution to care-related expenses in order to ensure the necessary care and help and to support autonomy and needs orientation. The law establishes eligibility criteria, benefit levels, procedures for decision-making and specific situations (e.g. hospitalization or admission to residential care, changes to care needs, etc.), and its relation to pre-existing or still existing other benefits pertaining to care needs or disabilities. The long-term care allowance (*Pflegegeld*) is paid to those in need of care, according to seven levels of care needs. Eligibility is for care dependency in all age-groups. There is no means-testing and no asset-testing. For dependency levels and benefits see Table 1.
Socio-political context of introduction	The reform efforts were very much driven by disability groups from the 1980s. They continuously pushed the agenda and strongly advocated a cash-for-care system. Several commissions involving disability groups and representatives of the older population as well as central and provincial government representatives dealt with the agenda. In the years prior to introduction, three provinces (*Bundesländer*) initiated provincial cash–for-care programmes which became an additional push factor for national reform. The year 1993 proved to be a window of opportunity. The introduction of the law received broad political support, even though the reasons for supporting the cash orientation varied (support for family care, autonomy of users, market development). (For further details see Österle 2013)

Name and type of agreement	State Agreement according to Section 15a of the Federal Constitutional Law between federal level and provincial level on measures for persons in need of long-term care (*Vereinbarung zwischen dem Bund und den Ländern gemäß Art. 15a B-VG über gemeinsame Maßnahmen des Bundes und der Länder für pflegebedürftige Personen*), 1993
Date the agreement was signed	6 May 1993
Date of *de jure* implementation	1 January 1994
Brief summary of content	Competences in long-term care are split between federal and provincial (*Bundesländer*) levels. In recognition of this competence structure, an agreement between federal and provincial levels established a federal responsibility for long-term care allowances, a subsidiary provincial responsibility for long-term care allowances following the same objectives and principles as the federal legislation for those not covered under federal law, and a provincial responsibility to provide a minimum level of long-term care services. This agreement does not establish a legal social right to services, but a provincial responsibility to develop a needs-oriented service infrastructure in residential care and in home care. To achieve this, provinces are required to draw up provincial development plans. Nationwide specific aims, e.g. in terms of bed density, are not given.
Socio-political context of introduction	This State Agreement is the result of the competence structure of the federal Austrian system and the outcome of the policy process discussed above.

b. Characteristics of the long-term care scheme at introduction

The long-term care scheme established in 1993 allocates responsibilities for cash benefits to the federal level, and for services and cash benefits for persons not covered by the national legislation to the provincial level. At that time, the actual administration of the cash-for-care programme was allocated to several institutions, usually those in charge of public old age pensions or accident pensions for those in need of care. For persons with disabilities, administration of the cash-for-care benefit took place at provincial level.

The 1993 scheme was established as a universal system covering the entire population. The long-term care benefit is a tax-funded allowance, paid on a monthly basis according to one of seven levels of care dependency. These levels have since been adjusted slightly in gradual steps, without questioning the overall structure. The long-term care allowance is a tax-funded benefit.

Services are administered at provincial and local levels. Potential users need to contact the respective institution on the local level. Funding is based on a combination of user contributions and public funding. In residential care, user contributions include the long-term care allowances, (pension) income (excluding a small pocket money allowance) as well as asset-related contributions (this was abolished later on). In the case of home care, user contributions are determined by income and the long-term care allowance. In principle, users are free to choose providers, though in reality there might be limitations in the choices, in particular in rural areas with only one provider. As services are under provincial responsibility, the details of funding, provision and administration vary.

3. Subsequent major reforms in long-term care

a. Major reform I

Name and type of law	Federal Law on Care in Private Homes (*Hausbetreuungsgesetz, HBeG*), 2007
Date the law was passed	29 June 2007
Date of *de jure* implementation	1 July 2007
Brief summary of content	This law establishes the foundations for the regularization of migrant care work in private households (either in self-employment or in an employer-employee relationship). It establishes rules for the employment relationship, some very basic principles on quality assurance and – as changes to other laws – the tasks that migrant care workers are allowed to perform. In addition, as a change to the Federal Law on Long-term Care Allowances, a new means-tested benefit was introduced. This 24-hour care benefit was introduced to financially support the take-up of 24-hour care in this new legal frame. In addition, eligibility is linked to a certain level of care dependency of the user and minimal qualification requirements of the care worker.
Socio-political context of introduction	In 2006, right before national elections, the illegality of migrant care work in private households became a major political issue. This led to a broad consensus about the need to regularize migrant care work in private households, while at the same time preserving particular features of the pre-existing arrangements (rotational migration between Central Eastern European countries and Austria, bi-weekly or more shifts for migrant care workers in private households, and "affordability"). (For further details see Österle and Bauer 2016)
Brief summary of characteristics of the programme	Unlike regularization efforts in other countries, the new legal frame was widely accepted, but applied almost exclusively in relation to self-employment. By 2020, about 60,000 migrant care workers – the majority originating from Romania and Slovakia – were working on bi-weekly or more shifts in about 30,000 private households.

b. Major reform II

Name and type of law	Federal Law on the Long-term Care Fund (*Pflegefondsgesetz*, PFG), 2011
Date the law was passed	29 July 2011
Date of *de jure* implementation	Financial support 2011; LTC service documentation from 1 July 2012
Brief summary of content	The law establishes a long-term care fund (*Pflegefonds*). According to the aforementioned Section 15a agreement, the *Bundesländer* are in charge of providing and funding long-term care services. The aim of the newly established *Pflegefonds* is to financially support needs-oriented and affordable service development at provincial and local levels, in particular to ensure a better harmonized system of service provision and to promote innovation. In addition, the law includes provisions for the establishment of a harmonized system for the documentation of long-term care service provision across the country.
Socio-political context of introduction	With this law, the federal level becomes more strongly involved in funding services. Growing budgetary pressure on provinces – due to increasing needs and the ongoing extension of services – had led to growing calls for re-organizing the funding of long-term care. The federal level addressed that issue, but by linking additional federal contributions to service development.

Brief summary of characteristics of the programme	Following the law and state agreements in accordance with Section 15a of the Federal Constitutional Law, in 2020, about € 400 million were allocated to provinces via this fund (compared to € 200 million in 2013). Subsidies from the fund are linked to specific purposes, in particular the extension of services (residential care, home care, respite care, alternative living arrangements, hospice care as well as case and care management) and programmes for quality and innovation in services provision. In that context, the law also gives a definition of the respective services. The funds available are allocated to the *Pflegefonds* according to the law in the process of fiscal equalization.

In addition to the above-mentioned laws and amendments, Austria has seen several other reforms addressing specific issues related to long-term care. These include, among others,

- measures supporting family care and family carers (e.g. providing social insurance coverage for informal carers, care leave and part-time programmes for family carers or respite care)
- measures related to care professions (e.g. a State Agreement in accordance with Section 15a of the Federal Constitutional Law on social care professions), or
- a law ensuring autonomy and personal freedom of residents in nursing homes and similar institutions providing care as well as a law ensuring the patient's provision.

4. Description of current long-term care system

a. Organizational structure

With the 1993 reform, long-term care was established as a separate welfare state pillar. Harmonizing a widely scattered system of policies and benefits was one of the main aims and successes of the reform. Long-term care was established as a universal system, addressing all age groups, and neither considering causes of care needs nor employment status of those in need of care. The long-term care allowance is the same for the entire country. However, while the long-term care allowance is a national responsibility, services are the responsibility of the provinces. This leads to some variation in the organization, funding and delivery of services. In general, the system provides contributions to care-related costs rather than full coverage of costs.

As of 2021, political responsibility for long-term care lies with the *Ministry for Social Affairs, Health Care, Long-term Care and Consumer Protection*, and with those in charge of social care issues at provincial level. The long-term care allowance is administered by the institutions responsible for paying public old-age or accident pensions, i.e. the social pension insurance fund (Pensionsversicherungsanstalt), the pension fund for public employees and the social accident insurance fund. Services are administered by provincial and local authorities.

b. Service provision

Long-term care service provision can take different forms. Long-term care is provided by informal carers (family care), a mix of formal and informal care provision (family care and home care) or predominantly formal care (residential care, 24h care). (see Table 1)

As shown in Table 1, by the end of 2019, 467,752 persons were paid a long-term care allowance. Considering the end of year figures given in the table, the actual provision of care and help for more than half of those receiving a long-term care allowance is (almost) exclusively informal. By the end of 2019, about 70,000 persons are living in residential care. Another 100,000 persons use home care services. The main providers of residential care are public and non-profit sector institutions. In community care, non-profits are the main providers. In both sectors, the share of for-profit organizations is much lower but on the increase. In addition to the use of residential care and home care, about 60,000 24-hour care workers support about 30,000 persons in need of care in their private homes. 24-hour care workers are self-employed, working in private households on a rotational basis (two care workers alternating in bi-weekly shifts or more) and originating from Central Eastern European countries, above all from Romania and Slovakia.

Table 1. *Cash for care and long-term care services in Austria (2019)*[1]

Cash for Care	LTC services
Recipients of care allowance by benefit level (end of 2019)[2]: level 1 (€ 162.50): 131,637 level 2 (€ 299.60): 99,614 level 3 (€ 466.80): 85,269 level 4 (€700.10): 68,747 level 5 (€ 951.00): 52,672 level 6 (€ 1,327.90): 20,342 level 7 (€ 1,745.10): 9,471 Recipients in total: 467,752 Public expenditure: € 2,645 million	Residential care Users[3]: 70,312 Care workers (FTE)[4]: 35,972 Public net expenditure[5]: € 1,933 million Home care Users (end of 2019)[3]: 98,589 Care workers (FTE)[4]: 12,654 Public net expenditure[5]: € 459 million 24-hour care Users: 30,000 Care workers: 60,123 Public expenditure[6]: € 158 million

Notes: [1] 2019 for expenditure data, end of 2019 for the other figures; [2] The benefit is for 2021, the number of recipients for 2019 (to allow for comparison with service users); [3] Users for whom services are publicly (co-)funded; [4] FTE: full-time equivalents; [5] Public net expenditure: public gross expenditure minus user contributions from cash-for-care benefits and from income-related co-payments; [6] Public expenditure for the means-tested 24-hour care benefit (see below), which was paid to a monthly average of 24,837 beneficiaries in 2019.

Source: Updated table from Österle (2018), data from BMSGPK (2021) and Statistik Austria (2021).

c. Financing

LTC in Austria is largely financed from taxes and users' contributions. The long-term care allowance is fully tax-funded, but explicitly defined as a contribution to care-related expenses. Community care and residential care are provincial responsibilities. There is some variation in the details of the funding arrangements. In general, community care services are funded by a combination of tax sources and user contributions. The latter are determined by the level of the long-term care allowance and the income of the user. In the case of residential care, a residents' (pension) income and their long-term care allowance are paid to the provider of the service (excluding a small pocket money allowance). The difference between that user contribution and the daily rate for a place in the respective residence is covered publicly. The daily rate is fixed in an agreement between provider and provinces and is a combination of a basic amount and an amount related to the level of care dependency. Recourse to residents' assets was abolished in 2018.

According to OECD figures, public long-term care expenditure (health related) in Austria is 1.1% of GDP in 2017 (OECD 2019), below the EU and OECD average. However, the Austrian figure does not take what is defined as social care related expenditure into consideration (though it is included for other countries). If one adds the above-mentioned expenditure data (see Table 1) for long-term care allowances, the 24-hour care benefit and public net expenditure for residential care and home care, long-term care expenditure (in total: € 5,195 million) is at least 1.3% of GDP. This figure does not include other services or provisions (such as semi-residential care, assisted living arrangements, measures supporting family care via social insurance coverage, respite care options or financial support for care leave).

d. Regulation

The *regulation* of long-term care falls under the *Ministry of Social Affairs, Health Care, Long-term Care and Consumer Protection* and the provincial social affairs departments. In addition, social insurance funds are involved in the administration of the long-term care allowances, while different arrangements exist in provinces and local communities to administer and coordinate service provision.

Benefits are a mix of cash and in-kind provisions. The main cash benefits are the long-term care allowance and the 24-hour care benefit. Services include residential care services, home care services, and – on significantly lower levels – other services including case management, semi-residential and respite care services or assisted living arrangements.

Eligibility for a long-term care allowance is by application and is solely determined by the level of care needs (see Table 2). The assessment follows the Federal Law on Long-term Care Allowances, a ministerial decree on

assessment, and another ministerial decree on the assessment of children in need of long-term care. Age, occupational or income status are not taken into account. Eligibility for the 24-hour care benefit is means-tested and defines minimum criteria in terms of care needs of the user and minimal requirements in terms of qualification or experience of the care worker. Eligibility for residential care services and home care services is defined at provincial level. In general, the application and provision of respective services is based on the long-term care dependency level assessed for the long-term care allowance, and follows an individual assessment of care needs to identify adequate services.

Table 2. Long-term care dependency, long-term care allowances (2021) and recipients (2019) by benefit level [1)]

	Care needs	Benefit 2021	Recipients 2019	% of all recipients
Level 1	> 65 hours	€ 162.50	131,637	28.1%
Level 2	> 95 hours	€ 299.60	99,614	21.3%
Level 3	> 120 hours	€ 466.80	85,269	18.2%
Level 4	> 160 hours	€ 700.10	68,747	14.7%
Level 5	> 180 hours, for extraordinary care expenses	€ 951.00	52,672	11.3%
Level 6	> 180 hours, if uncoordinated support is required over a period of time and if such support has to be provided regularly during day and night time, or the continued presence of a care assistant is required during day and night time because of a risk of self-endangerment or endangerment of others	€ 1,327.90	20,342	4.3%
Level 7	> 180 hours, if no precise movement of all four limbs is possible or a similar situation exists	€ 1,745.10	9,471	2.0%

Notes: [1)] The benefit is for 2021, the number of recipients for 31 December 2019 (to allow for comparison with services in Table 1).

Source: BMSGPK (2021)

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