

DYING BROKE

What Long-Term Care Looks Like Around the World

Most countries spend more than the United States on care, but middle class and affluent people still bear a substantial portion of the costs.



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An elder care facility in Tokyo, where long-term care insurance is mandatory for citizens age 40 and over. Behrouz Mehri/Agence France-Presse — Getty Images

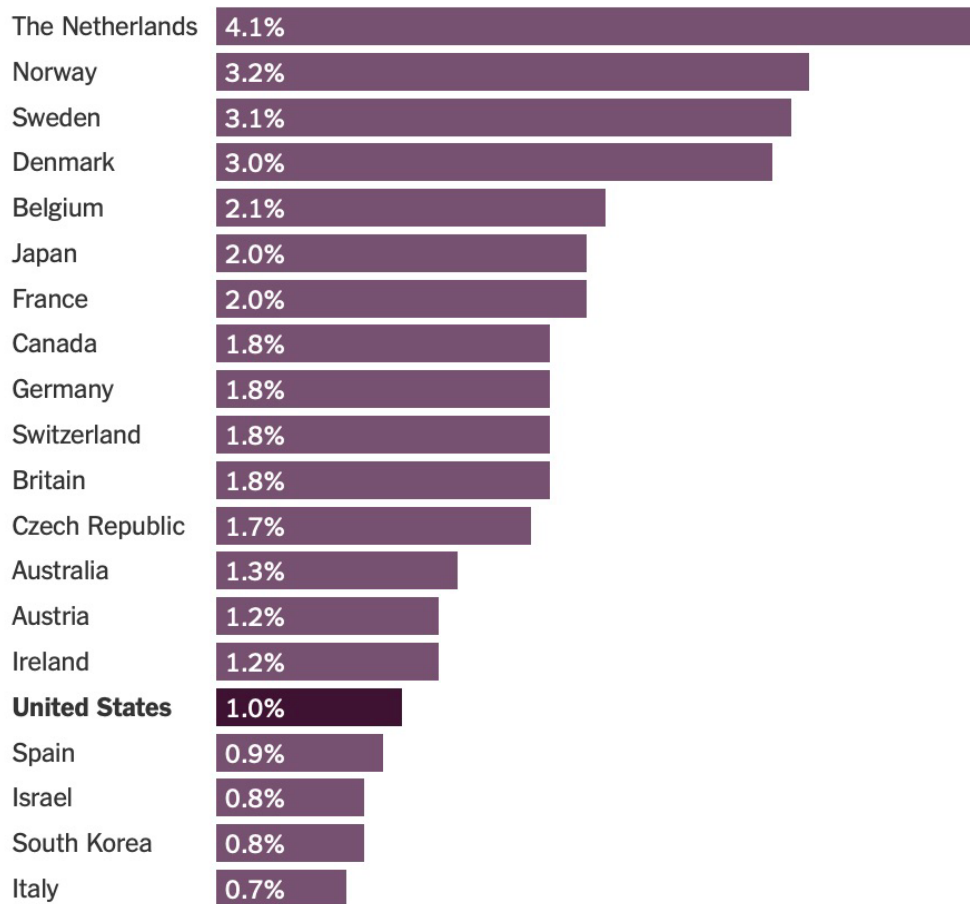
By Jordan Rau

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Around the world, wealthy countries are struggling to afford long-term care for rapidly aging populations. Most spend more than the United States through government funding or insurance that individuals are legally required to obtain. Some protect individuals from exhausting all their income or wealth paying for long-term care. But as in the United States, middle-class and affluent individuals in many countries can bear a substantial portion of the costs.



The U.S. spends less as a share of G.D.P. on long-term care than most other wealthy countries



Notes: Figures show government funding and compulsory insurance spending on long-term care as a percentage of gross domestic product. Figures are for 2021 spending for all countries except Japan and Australia, which use 2020 figures. • Source: Organization for Economic Cooperation and Development • By Albert Sun

Here's how five other countries pay for long-term care.

JAPAN. Long-term care insurance is mandatory for Japanese citizens age 40 and over, while in the United States only a small portion of people voluntarily obtain coverage. Half the funding for Japan's program comes from tax revenues and half from premiums. Older adults contribute 10 to 30 percent of the cost of services, depending on their income, and insurance picks up the rest. There is a maximum amount people have to spend from their income before the insurance covers the remainder of the cost. Workers can also take up to 93

days of paid leave to help relatives with long-term care needs. Japan assigns a care manager to each person using services; each manager oversees about 40 older adults. In 2020, Japan spent 2 percent of its gross domestic product on long-term care, 67 percent more than the United States spent that year.

U.S. Views on Long-Term Care Plans

Card 1 of 4

Millions of Americans are unaware of the financial strain caused by providing long-term care for aging relatives. A [poll by KFF](#), formerly known as the Kaiser Family Foundation, explored people's plans. Here are the poll's [main findings](#): **A lack of communication.** Fewer than half of American adults have seriously discussed long-term care plans with a loved one. When it comes to the choices families are having to make to arrange long-term care for a relative, many are woefully unprepared.

Concerns and contingency plans. A majority of respondents 50 or older said they were most worried about paying for long-term care during retirement. Despite their anxiety, most of them said that they hadn't saved money or researched their options regarding long-term care.

The cost of care. Most people who had been in a facility or had a loved one there in the last two years said that finding long-term care, and affording it, was difficult. Some families said that they were shocked by the high costs of nursing homes and aides when considering those options.



THE NETHERLANDS. The Dutch have included long-term care in their universal health care system since 1968. One public insurance program pays for nursing homes and other institutional settings, and another pays for nursing and personal care at home. Enrollment is mandatory. Dutch taxpayers contribute nearly 10 percent of their income toward insurance premiums, up to a set amount. Out-of-pocket payments amount to about 7 percent of the cost of institutional care. General taxes pay for a third program in which municipalities provide financial assistance and social support for older people living at home. There is no private long-term care insurance. The Netherlands spent 4.1 percent of its gross domestic product on long-term care in 2021, more than any other country tracked by the Organization for Economic Cooperation and Development, and four times the amount the United States spent.



CANADA. Provinces and territories fund long-term care services through general tax revenue. Money budgeted is not always enough to cover all services, and some localities give priority to those with the greatest needs. The amount of subsidies people can receive, the costs they have to pay out of pocket and the availability of services vary by province and territory, as they do in the United States with state Medicaid programs. The mix of providers [also varies regionally](#): For instance, nursing home care in Quebec is mostly run by a public system while homes in Ontario are mostly for-profit. Notably, Canada's long-term care system is separate from its national health care system, which pays for hospitals and doctors with no out-of-pocket costs to patients. In 2021, Canada spent 1.8 percent of its G.D.P. on long-term care, 80 percent more than the United States spent.



BRITAIN. Local authorities pay for most long-term care through taxes and central government grants. Private providers usually supply services. Government contributions are based on financial need, with co-payments usually required. As in the United States, middle-class and wealthy people pay most or all of the costs themselves. Unlike in the United States, the government provides payments directly to lower-income people so they can hire workers to care for them in their homes. Britain has also taken steps to shield people from losing all of their wealth to pay for long-term care. It subsidizes care for people with savings and property of less than about \$30,000, while in the United States most people don't qualify for Medicaid until they have run through all but \$2,000 to \$3,000 of their assets. In 2022, the [government proposed](#) extending subsidies to people who have as much as \$105,000 of wealth and property, with a lifetime cap of about \$100,000 on how much anyone spends on long-term medical care, excluding room and board in a nursing home. But the plan has been postponed to 2025. In 2021, Britain spent 1.8 percent of its G.D.P. on long-term care, 80 percent more than the United States did.



SINGAPORE. Singapore recently instituted a system of mandatory long-term care insurance for those born in 1980 or later. Citizens and permanent residents are automatically enrolled in an insurance plan called [CareShield](#)

[Life](#) starting at age 30. They must pay premiums until they retire or turn 67 (whichever comes later) or are approved to use services. The government subsidizes 20 to 30 percent of premiums for those who earn around \$2,000 a month or less. Monthly payouts start at about \$440. Government subsidies for nursing homes and other institutional care can range from [10 percent to 75 percent](#) depending on ability to pay. Those who make more than \$2,000 a month receive no subsidies. CareShield is optional for Singaporeans born in 1979 or earlier; they are covered under an older, voluntary plan. Singapore also provides a means-tested monthly cash grant — this year about \$290 — to help with caregiving expenses.

Sources: [The National Bureau of Economic Research project on international comparisons of long-term care](#); [Kathleen McGarry](#), an economics professor at UCLA; [The Commonwealth Fund](#); [Organization for Economic Cooperation and Development](#); government websites.

Note: Spending comparisons with the United States are based on the most recent O.E.C.D. data and include spending from government and compulsory insurance programs as a percent of each country's gross domestic product, which is the total monetary value of all the finished goods and services produced within a country's borders. The comparisons cover people of all ages and exclude spending from voluntary insurance plans and out-of-pocket costs. All currency figures are in U.S. dollars.

<https://www.nytimes.com/2023/11/14/health/long-term-care-insurance-global.html>