Analytics Cambridge

Resourcing Care for the Elderly

SUMMARY

Prepared for Hertfordshire County Council

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1 Summary

1.1.1 This project examines the financial implications of, and comparisons between, caring for the elderly in the community and in hospital.

1.1.2 It does this in three stages:

1. The potential demand for health related services for the elderly in Hertfordshire

2. Research and evidence on the costs and benefits of hospital and community care

3. Scenarios of need and costs of community and hospital care

1.2 Potential demand for services

1.2.1 The numbers of elderly (65 and over) in Hertfordshire have increased considerably over the last 20 years, with the numbers aged 85 and over doubling.

1.2.2 The number of those aged 65 and over is projected to increase between 2014 and 2020 by 23,000 or 12%.

1.2.3 The numbers aged 65-74 may decline by close to 5%, but the numbers for older age groups are expected to increase.

1.2.4 The largest increase in numbers by age group is for those aged 70-74 where there is a projected increase of 12,600.

1.2.5 The numbers aged 90 and over are projected to increase by 3,500; over one third.

1.2.6 Depending on the assumptions used, changes in the number of elderly with a condition which limits their daily activities show potential increases between 11,600 and 14,600 (from 2014 to 2020).

1.3 Research and evidence on the costs and benefits of hospital and community care

1.3.1 Care for the elderly is a complex area involving older people themselves, a variety of conditions which might affect them (often in combination) and whether these can be if not prevented then at least the effects delayed or reduced.

1.3.2 Ways in which care can be provided include:

- Care the elderly provide for themselves
- The care provided by their families
- Support for the families who provide this care
- Provision of care through a variety of organisations including the voluntary and community sector
- A range of more formal care which is traditionally termed social care (which could include that provided by Nursing Homes)
- A range of medical services in different settings and from different services, ranging from nursing care, to GPs, to hospitals

1.3.3 The value of care in the community needs to be taken into account. Connolly, S. et al. (2014) looked at the economic and social costs of dementia in Ireland and found that forty-eight per cent of the total cost is accounted for by informal care from family and friends, 43% is from residential long-stay care. Formal health and social care costs only come to around 9% of the total.

1.3.4 There is no doubt that care which can be defined as health care, as opposed to social care, is more expensive. It is also clearly necessary at certain times. The (52) studies reviewed are those which look at a whole variety of programmes and projects where existing social and health care practices are changed.

1.3.5 The studies found that there are no changes in broad approach which can be *clearly* shown to save money in *every example* of where they have been implemented.

1.3.6 There are examples where specific projects have saved money:

- Projects can be implemented which reduce the proportion of older people using nursing homes for long-term care (Bardo, A.R. et al. (2013))
- There are interventions for preventing falls (and resulting costs) from people aged over 60 living in the community (Gillespie L.D. et al. (2012))
- Community-based health promotion programs can help prevent disabilities and improve health and functioning in older adults (Mayer C, et al. (2010))
- Home-based nursing health promotion for older people can result in lower number of admissions to hospital or a lower number of days spent in hospital (Markle-Reid, M. et al. (2006))
- Around 40% of nursing home to hospital transfers can be considered inappropriate – residents could have been cared for safely at a lower level of care. (Grabowski, D.C., O'Malley, J., and Barhydt, N.R., (2007))
- Increasing family caregiving margins can save money broadly if the family member is not working. The overall impact is different if they stop work or reduce their hours. (Van Houtven, C. H. and Norton, E. C. (2004))
- Personal assistance for older adults can save money compared to treatment as usual (Montgomery P., Dennis JA, and Mayo-Wilson E. (2008))
- Greater attention to improving the discharge planning process can decrease costs associated with rehospitalisation, reduce spending, and ultimately improve the lives of older adults (Chapin, R., K., et al. (2014))
- Adult day programs can act as a transition option from hospital to home and reduce readmission rates (Jones, K. R. et al. (2011))

1.3.7 The precise applicability of these would need to be evaluated in the light of current arrangements and practice in Hertfordshire.

1.3.8 A number of studies show that *how* a change is implemented can have an effect as well as what is done. A key to many programmes considered successful is good communications between the people involved. This can be by those who are service

providers, but communication with informal care providers (e.g. the family) is also important.

1.3.9 Sometimes the consequences of some changes may not be those expected. Increased medical care in a community setting may be a way of reducing that provided in hospitals. But closer medical care in the community can allow the earlier diagnosis of medical conditions. This might lead to the need for increased medical care.

1.4 Scenarios of need and costs of community and hospital care

1.4.1 The number of care packages in Hertfordshire provided has increased from 13,620 to 13,750 between 2011/12 and 2013/14. The number of packages of day care, direct payments and flexicare increased by 490 over the three year period. The number of packages of home care, long stay nursing home and long stay residential home care have decreased in the same period by 370.

1.4.2 Those aged 65 to 69 received an average of 1.22 packages per client. For those aged 95 or over this has reduced to a level of 1.11 packages per client.

1.4.3 In 2013/14 £126,782,700 was spent on these packages for the elderly. Close to half of the money (46%) is spent on care in long stay residential homes. Spending on home care is 27% of the total and money spent on long stay nursing home care accounts for the next greatest amount.

1.4.4 Although long stay residential home packages had the most money spent on them, there has only been a 1% increase overall for that category from 2011/12 to 2013/14. The increase in the amount of money spent on long stay nursing home care has also been relatively small, at 2%. Looking at the six categories of package, while direct payments had a relatively small amount of money spent on it this increased by £1,700,700 or 44% between 2011/12 and 2013/14.

1.4.5 Over the three years, the overall cost of care for those aged over 90 has declined by 5% for those aged 90 to 94, and by 35% for those aged 95 and over. The greatest absolute rises in costs are for those aged 65 to 69, followed by those aged 80 to 84.

1.4.6 Six scenarios have been produced to look at potential for future costs in providing care packages for the elderly. These scenarios use projected number of people and then the two projections for the numbers with limiting long term illness. These have been examined both with fixed costs and then also with costs which follow the trends experienced over the three years.

1.4.7 The potential cost changes for 2014 through to 2020 from these scenarios range from an increase of around £25.5million through to £57.8million.