Technische Universität Berlin

Ageing: Introduction to the School & Health System Challenges

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Demographic context

- Population ageing, due to:
  - increases in life expectancy, also due to better health of elderly *(good news!)*
  - falling fertility rates
  - insufficient inward migration
- Europe, with a median age of 38 years, is the world's oldest continent in demographic terms

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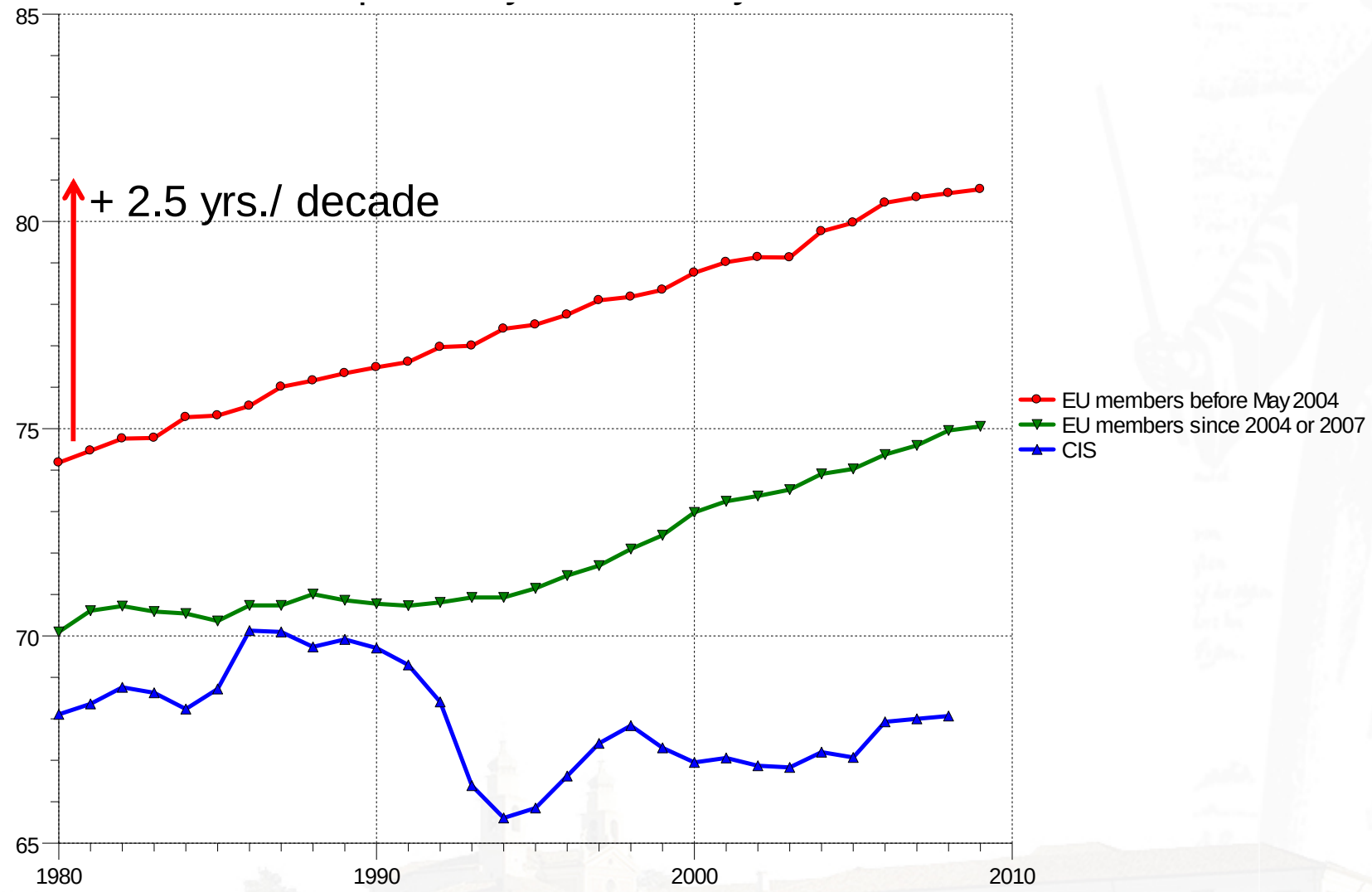
Life expectancy at birth in Europe, 1980-2010



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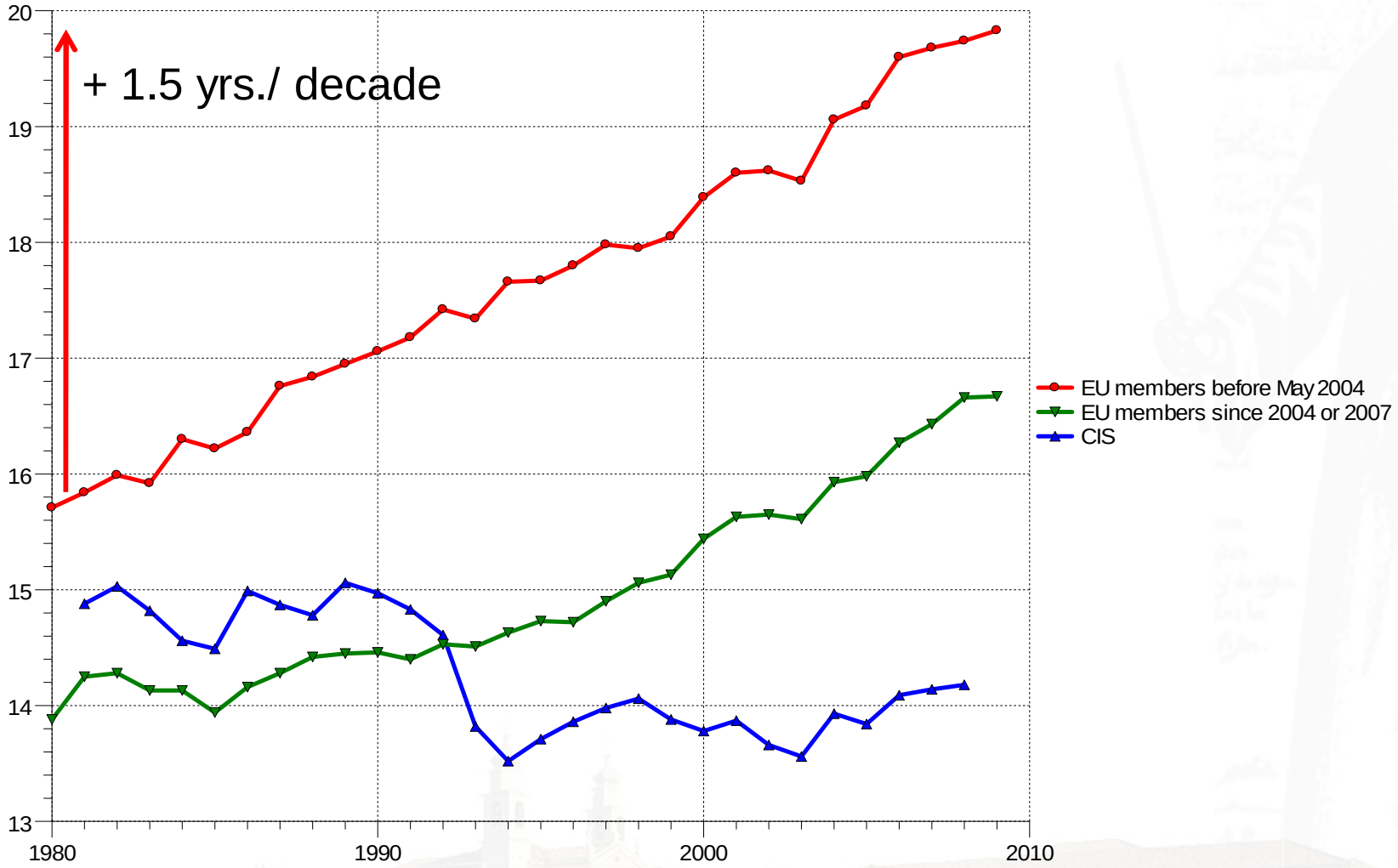
→ Details and projections in lecture A4

Life expectancy at age 65 in Europe, 1980-2010



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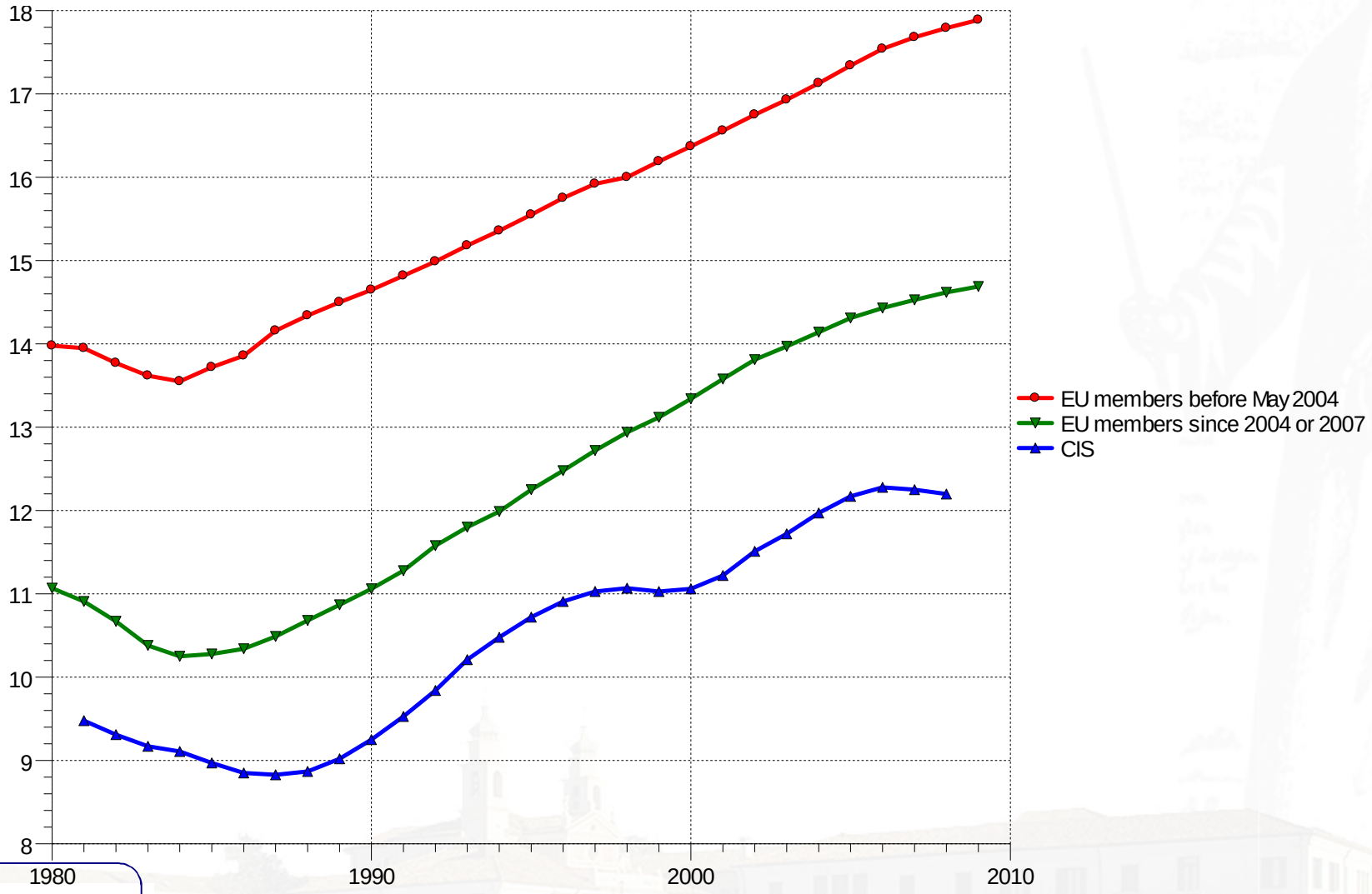
Percentage of population aged 65+ years in Europe, 1980-2010



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→ Details and projections in lecture A4

Demographic context

- Further population ageing is projected
- In the European Union (EU-25) by 2050:
  - life expectancy is projected to rise by six years
  - fertility rates will remain below replacement rates
  - inward migration will only partially counterbalance this trend
- Old-age dependency ratios are projected to double, so that there will be only two people of working age for every elderly person

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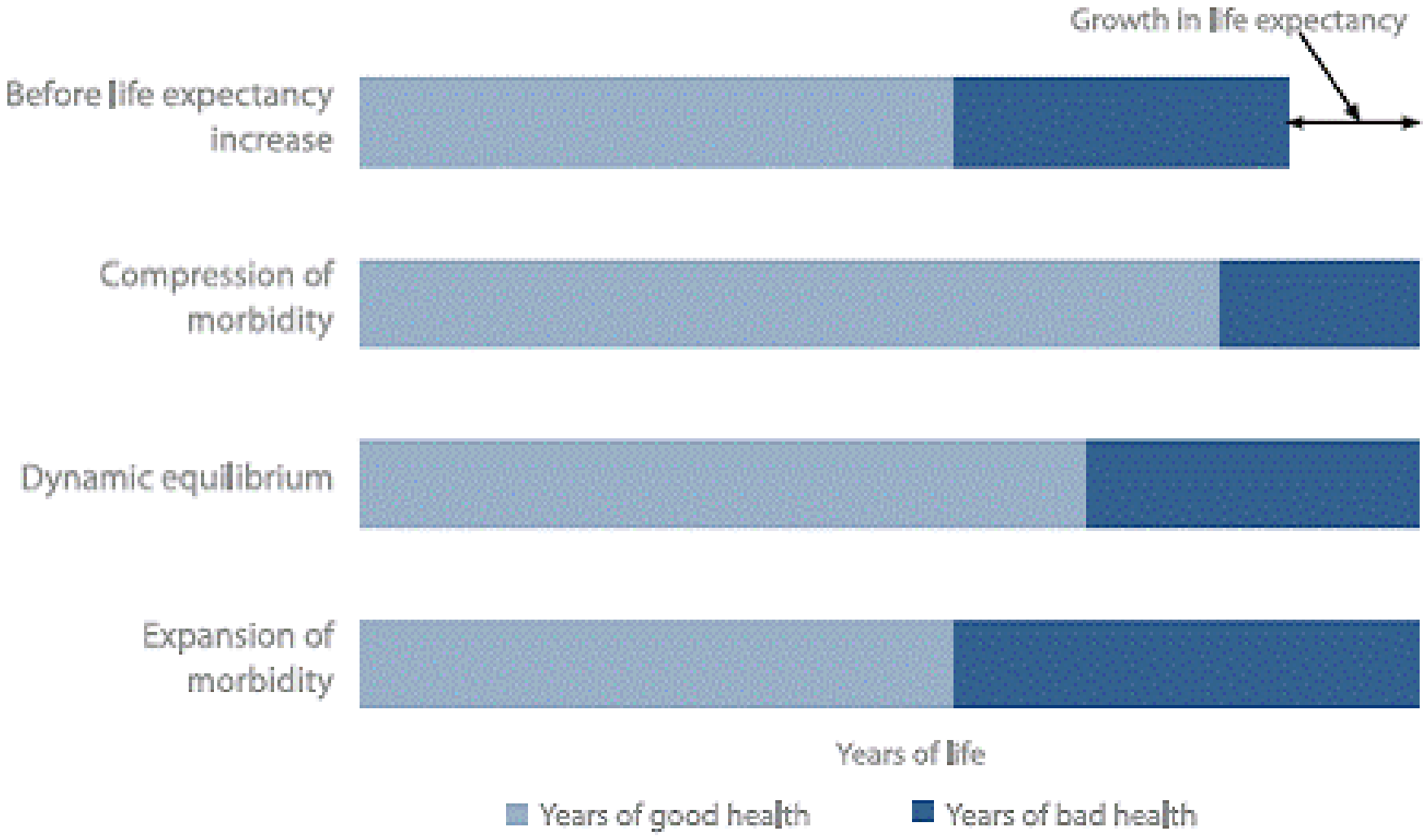
→ Details and projections in lecture A4

The good news: We get older, because we are healthier (even though some still have doubts)

Figure 6.3: Possible future health states in years of life



Implications for health system

- In many industrialized countries, a compression of morbidity has occurred in the last decades
- However, there is a growing number of frail people with functional impairments
- There is a growing number of people with (multiple) chronic diseases
- There is also a growing number of obese and overweight people

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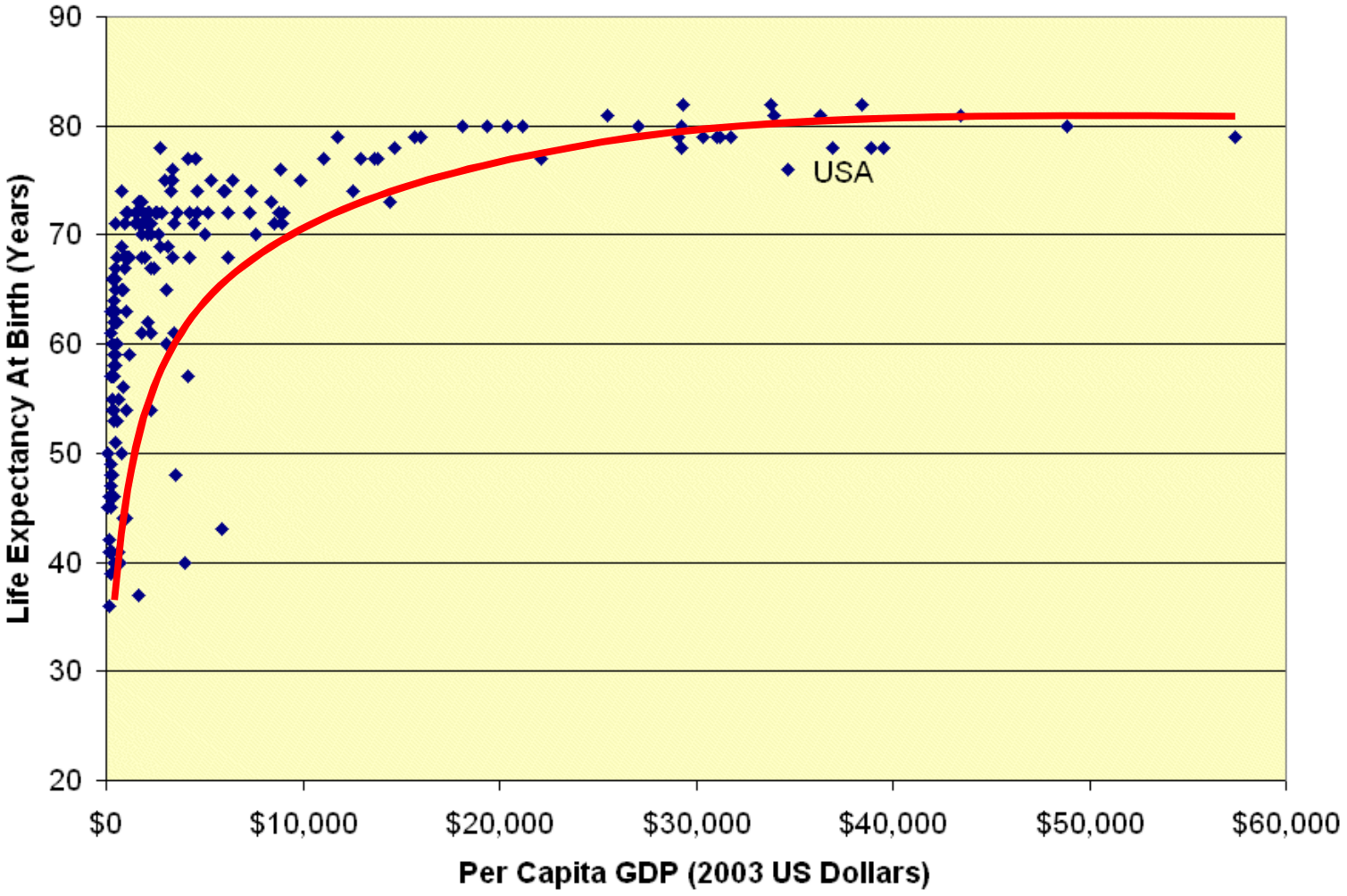
Health and wealth: definetely correlated (but chicken and egg problem)



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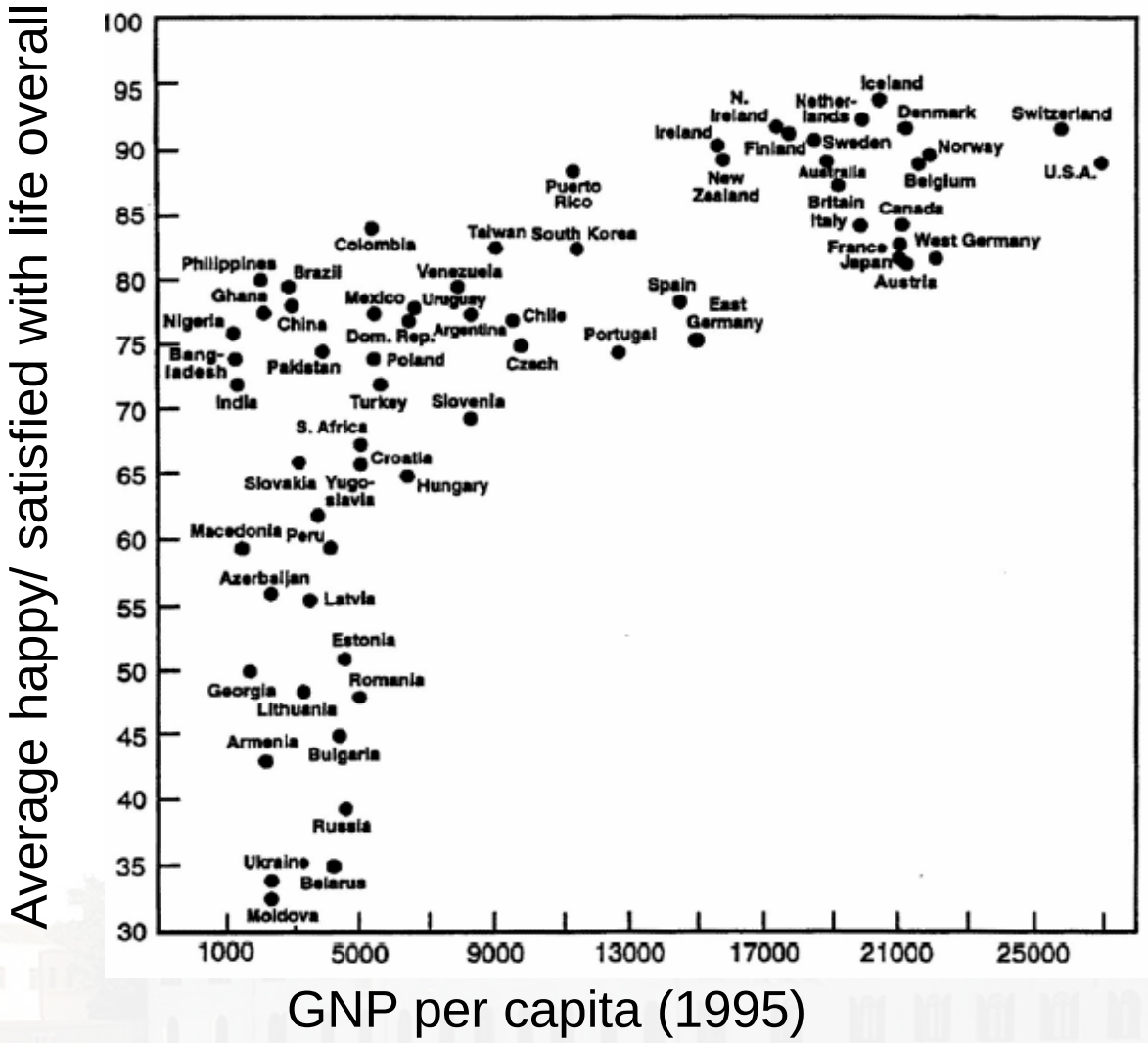
(in passing:) Wealth also seems to increase happiness (despite what they say)



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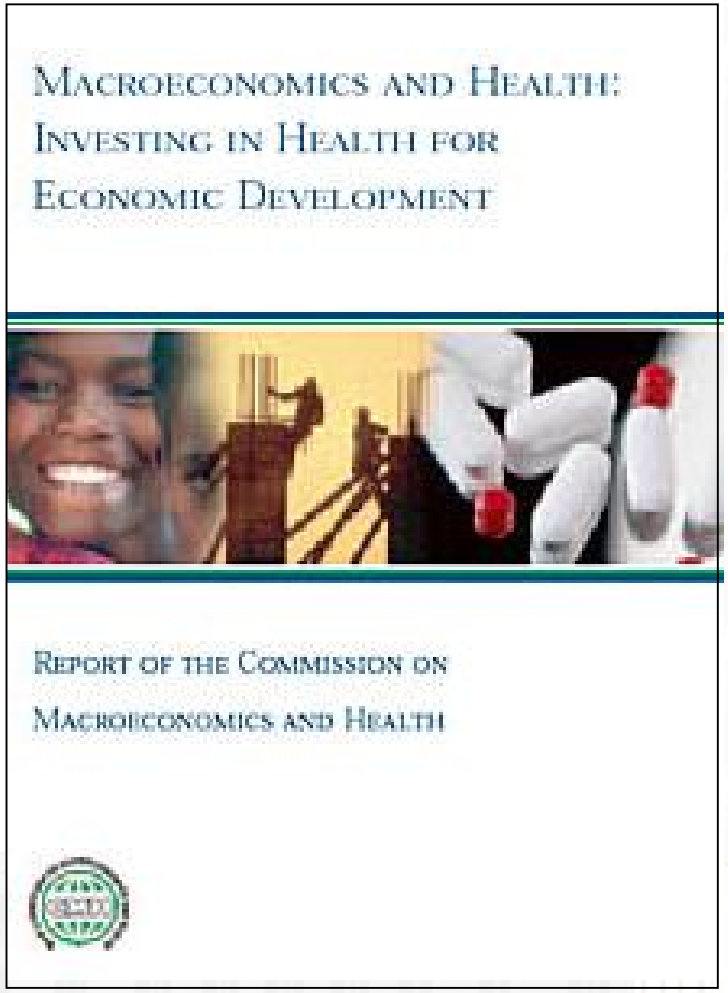
Health → wealth: Commission on Macroeconomics and Health

- Better health promotes economic growth in poor countries
- Now growing evidence that this is also true in in HIGH-income European countries



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But not all is good news: Implications for health system and health care financing

- Two major potential pressures on health care finances:
  - an increased utilization of health services *(but: old = ill?)*
  - a decreased income due to a falling proportion of the population being economically active
- However, there is a growing consensus that ageing does not have to be an inevitable drain on health care resources

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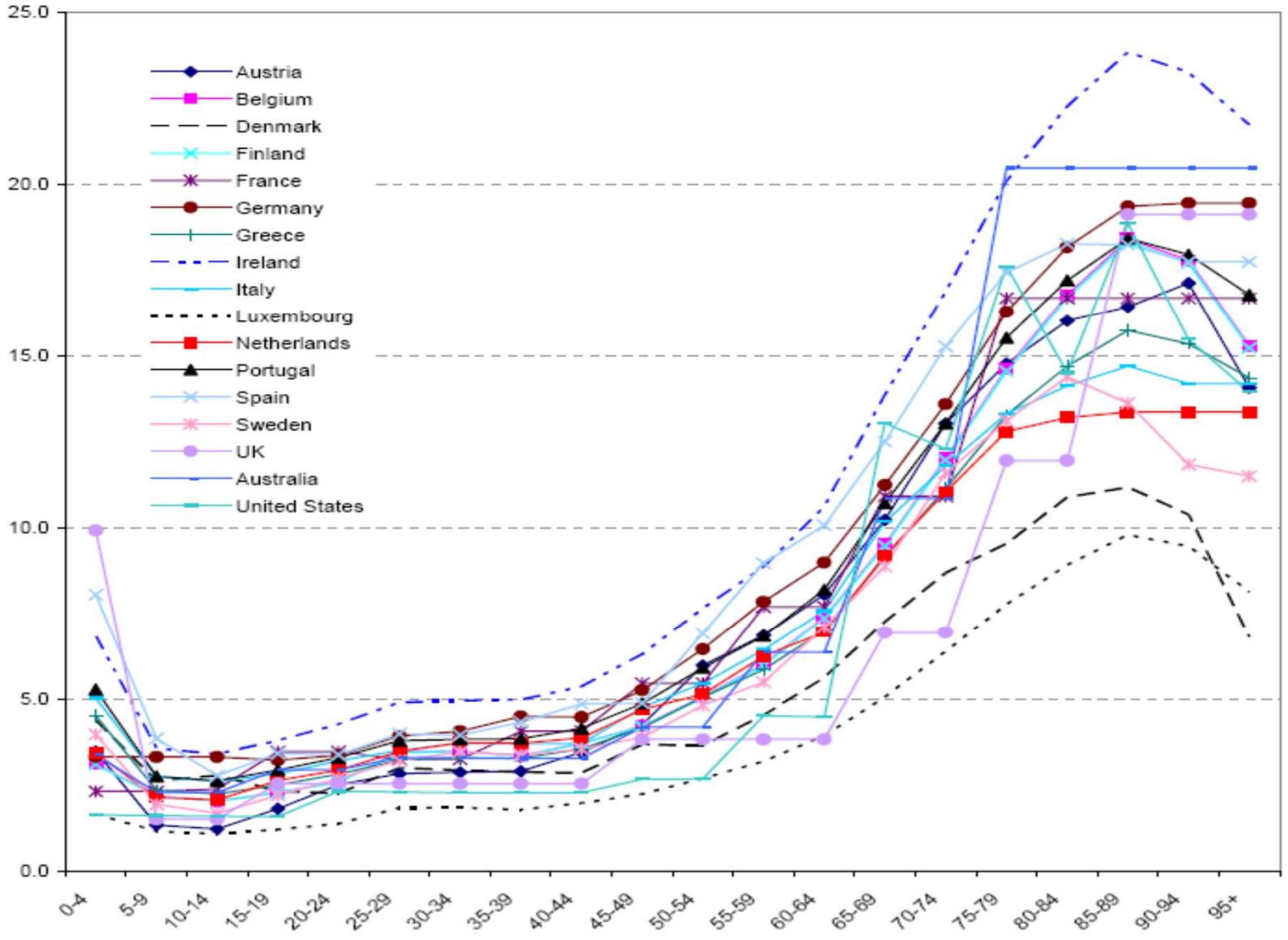
Public spending on health in each age group, share of GDP per capita (%)



Source: OECD

The “costs of dying”

- A large share of health care costs over the lifetime of an individual falls into the last year of life
- Everybody dies only once (costs of dying have to be deducted from health care costs of survivors)
- The “costs of dying” are lower in older age groups
- It follows that ageing is associated with lower costs of dying

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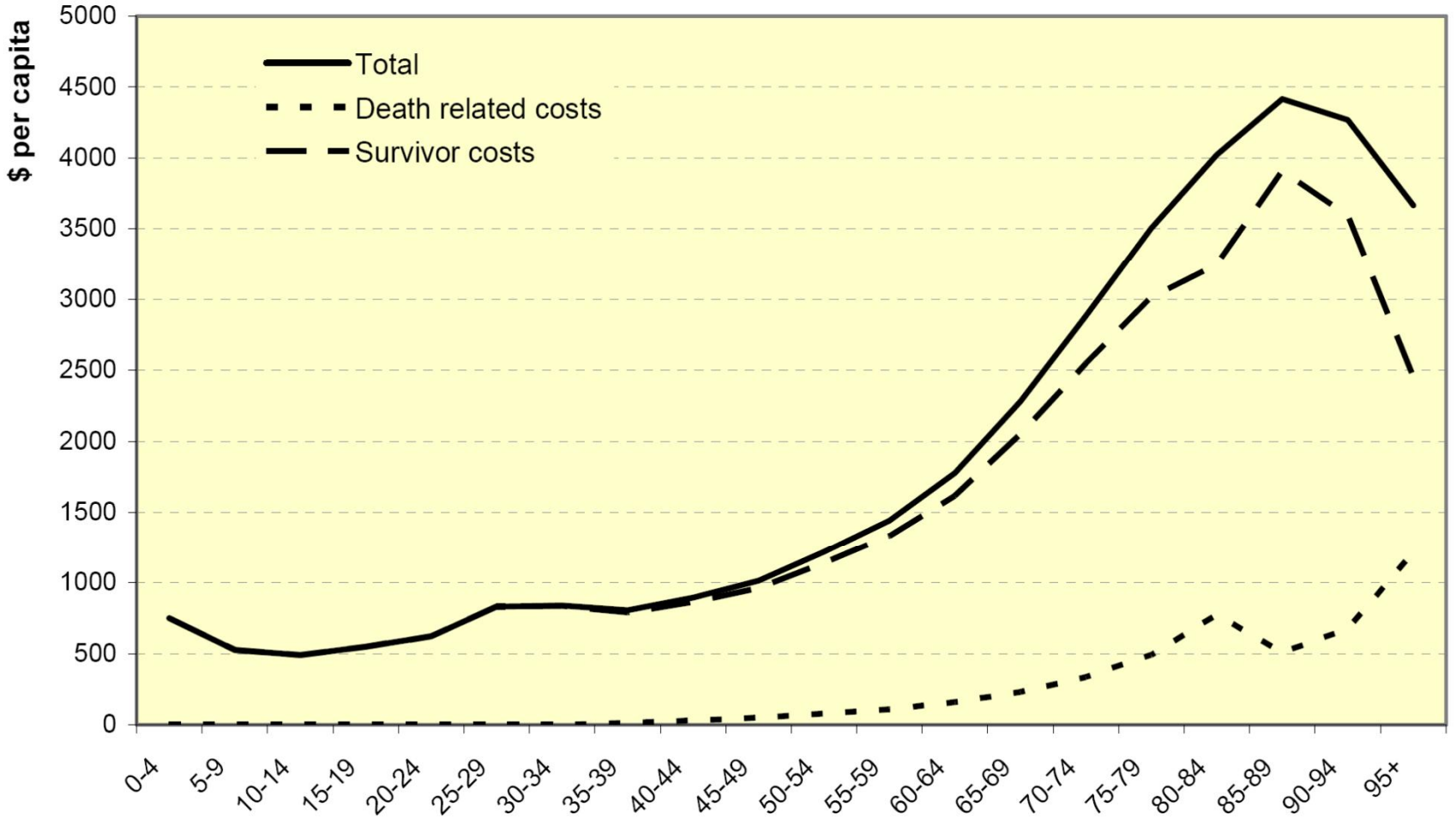
Separating the (high) costs of dying from overall health-care costs shows a more modest picture



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Decomposing growth in public health spending: avg expenditure growth rates per year 1971-2002 [* 1981-2002]	Age effect	Income effect[3]	Residual, i.e. other factors	Total spending
Australia (to 2001 only)	0.5	1.7	1.7 *(1.4)**	4.0 *(3.6)**
Austria	0.2	2.5	1.5 *(0.0)**	4.2 *(2.2)**
Belgium (from 1995 only)	0.4	2.2	0.6	2.9
Canada	0.6	2.1	0.4 *(0.6)**	3.1 *(2.6)**
Denmark	0.2	1.6	0.1 *(-0.5)**	1.9 *(1.3)**
Finland	0.6	2.4	0.5 *(0.2)**	3.4 *(2.6)**
France	0.3	1.9	1.6 *(1.0)**	3.9 *(2.8)**
Germany	0.3	1.6	1.9 *(1.0)**	3.7 *(2.2)**
Greece (from 1987 only)	0.4	2.1	0.8	3.4
Ireland	0.0	4.4	0.9 *(-1.0)**	5.3 *(3.9)**
Italy (from 1988 only)	0.7	2.2	-0.1	2.1
Japan (to 2001 only)	0.6	2.6	1.8 *(1.1)**	4.9 *(3.8)**
Luxembourg (from1975 only)	0.0	3.3	0.7 *(-0.1)**	4.2 *(3.8)**
Netherlands (from 1972 only)	0.4	2.0	0.9 *(0.3)**	3.3 *(2.6)**
New Zealand	0.2	1.2	1.4 *(1.0)**	2.9 *(2.7)**
Norway	0.1	3.0	2.2 *(1.5)**	5.4 *(4.0)**
Portugal	0.5	2.9	4.4 *(2.8)**	8.0 *(5.9)**
Spain	0.4	2.4	2.5 *(0.8)**	5.4 *(3.4)**
Sweden	0.3		7 *(-0.4)**	2.5 *(1.5)**
Switzerland (from 1985 only)	0.2		2.9	3.8
United Kingdom	0.1		.5 *(1.0)**	3.8 *(3.4)**
United States	0.3		7 *(2.6)**	5.1 *(4.7)**
Average	**0.4 *(0.3)****	**2.5 *(2.3)****	**1.5 *(1.0)****	**4.3 *(3.6)****

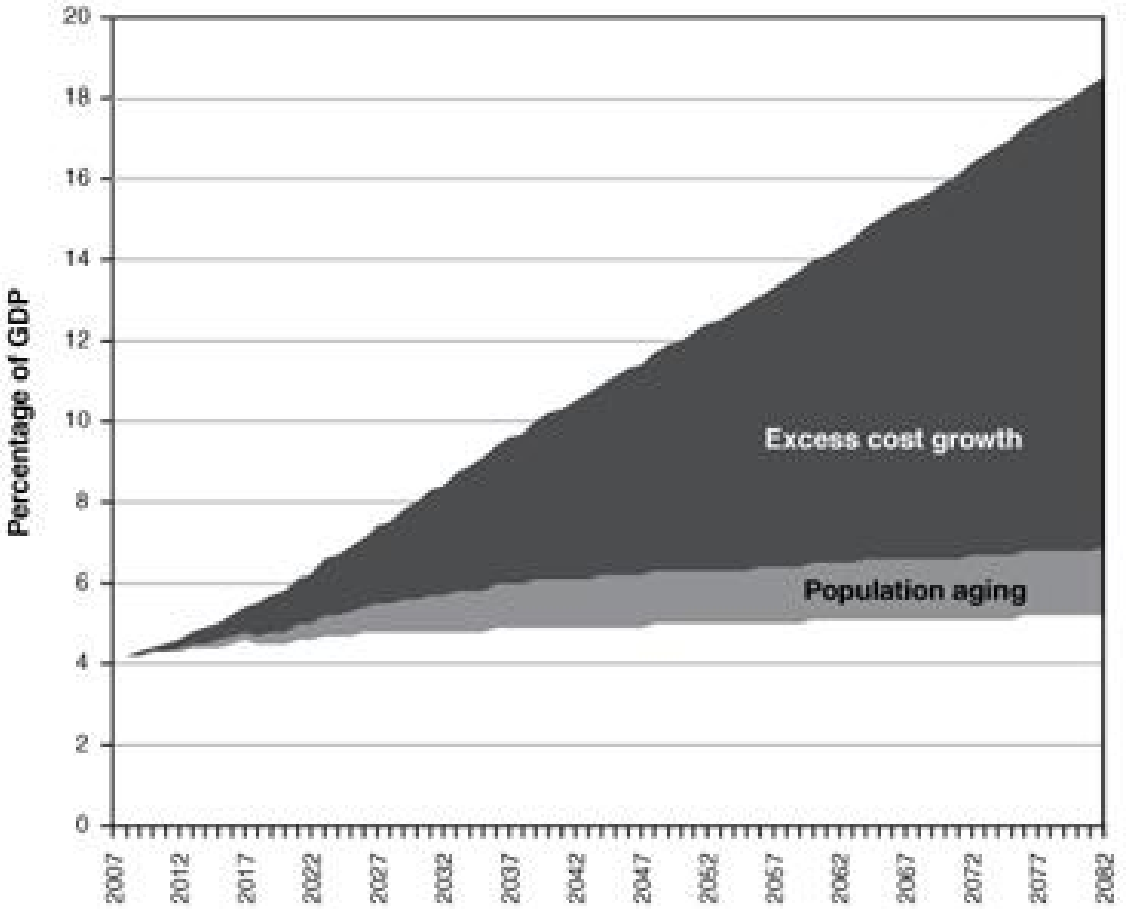
1/10th

1/3rd and modifiable

US forecast …

FIGURE 1

CONTRIBUTIONS OF POPULATION AGING AND EXCESS HEALTH CARE COST GROWTH TO MEDICARE AND MEDICAID COSTS



SOURCE: Congressional Budget Office (CBO), *The Long-Term Outlook for Health Care Spending* (Washington, DC: CBO, November 2007), available at www.cbo.gov/ftpdocs/87xx/doc8758/11-13-LT-Health.pdf (accessed July 30, 2008).

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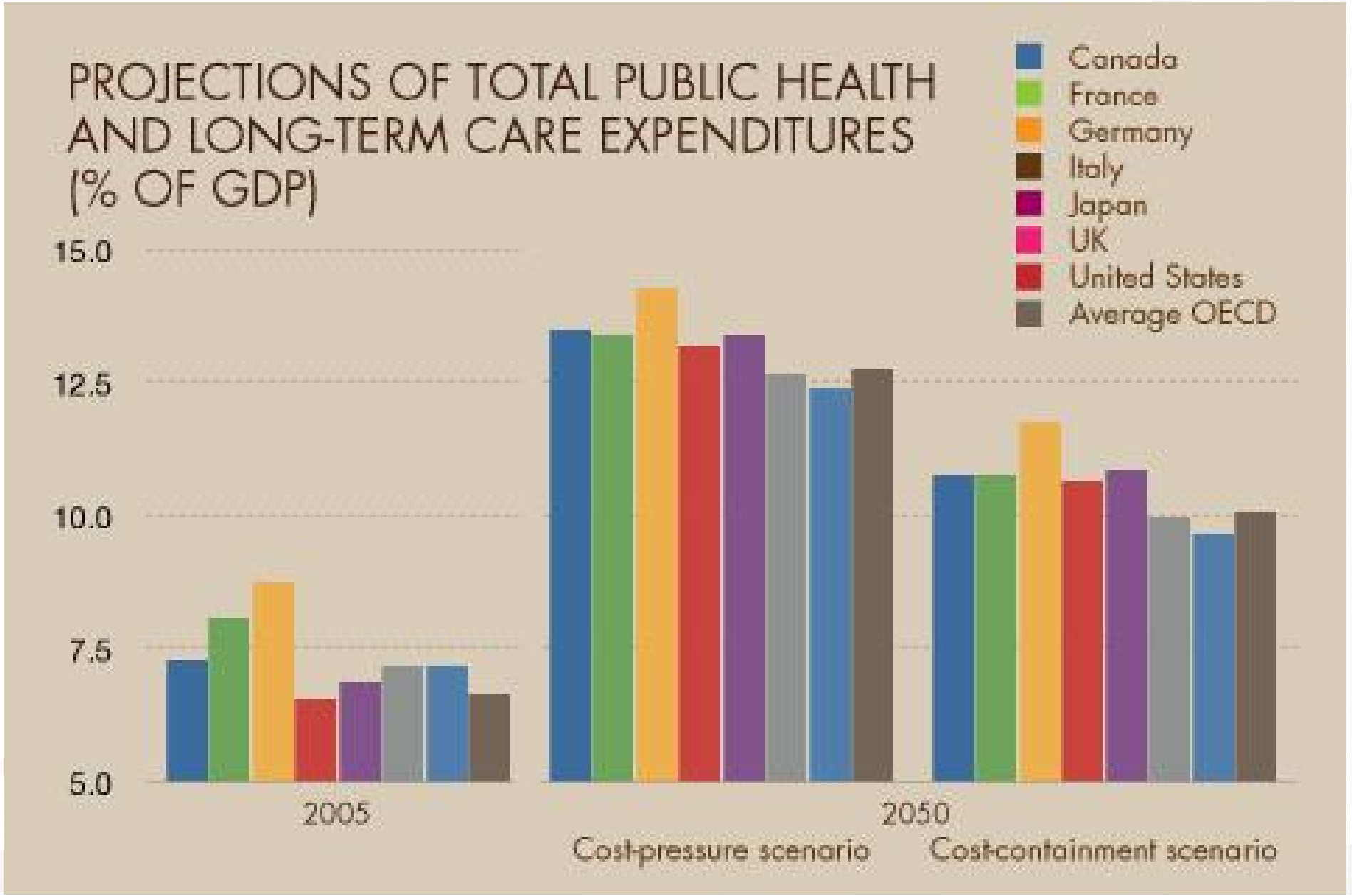
Important to concentrate on the modifiable portion



Policy options

Strengthen data collection and comparability

- Much of the research on the impacts of ageing on health care expenditure is based on data from the United States
- More extensive European research into these questions is needed, making sure that data are collected consistently and uniformly and are comparable across countries

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Policy options

Supporting healthy ageing (decrease need for health care)

- Helping people stay healthy into old age is the best way of reducing the potential impact of ageing populations
- This can include:
  - health promotion programmes
  - fall prevention programmes
  - improving safety and transport

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→ Details in lecture B2

Policy options

Manage existing technologies and their utilization better

- Make better use of self-care
- Disease management & integrated care
- Strengthen coordinating primary care
- Improve hospital admission and discharge management
- Ensure that health care is effective, appropriate and efficient (Health Technology Assessment etc.)

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→ Details in lecture C1

Policy options

Create an environment that new technologies for elderly are developed and introduced

- Technologies to enable people to stay at home longer
- Technologies to save (make better use of) health professionals
- Telemedicine

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→ Details in lecture C2

Policy options

Enabling older people who wish so (or mandate everybody) to work longer

- In line with increases in healthy life expectancy and the preferences of older employees, people should be allowed (or forced) to work longer

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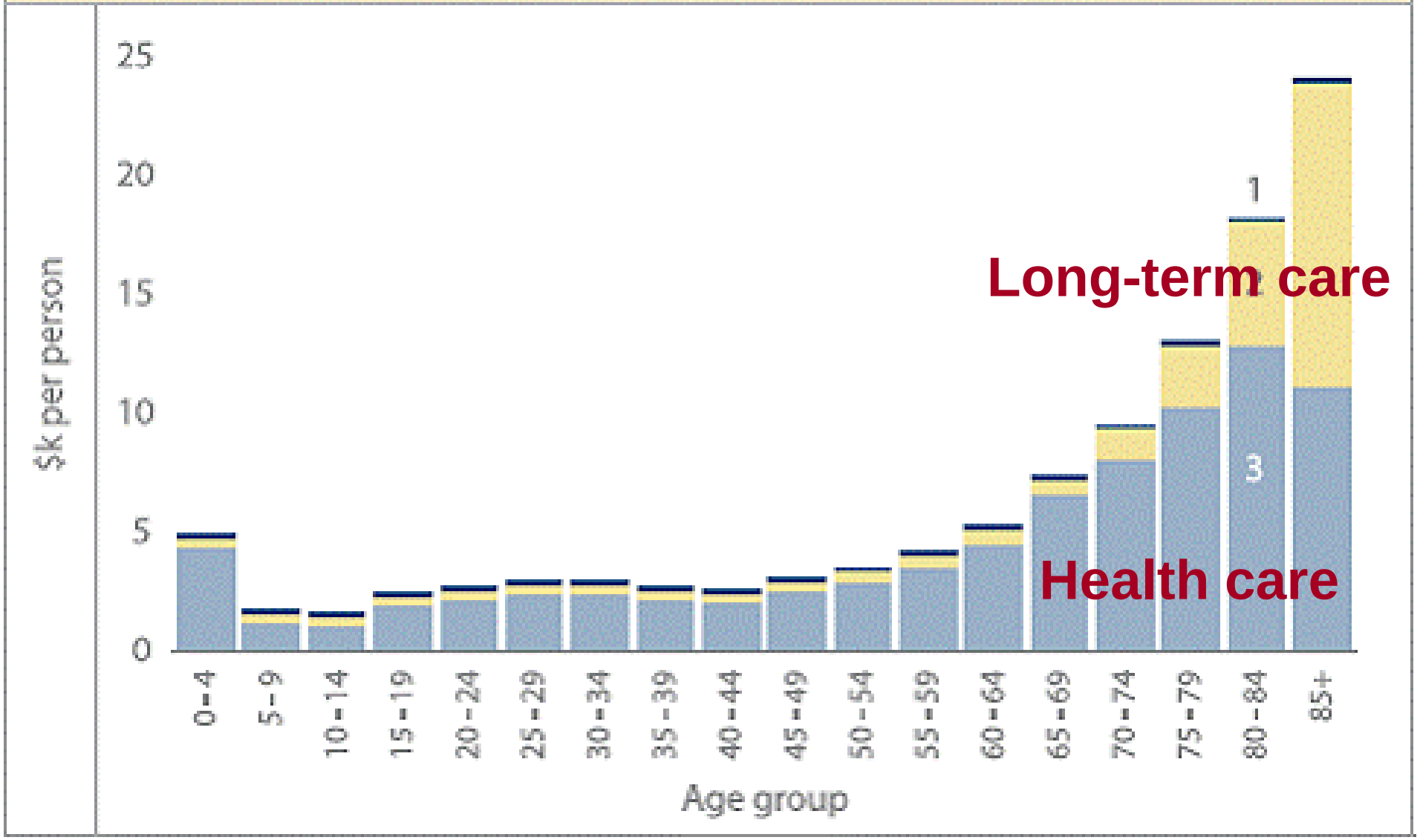
Health care and long-term care → different patterns

Figure 6.2: Annual government health expenditure by age and service group (males and females combined), 2003/04



Implications for long-term care

- The need for long-term care is certain to increase with ageing
- This can be resource intensive, but the impacts falls first on social care provision
- Critical mitigating factors include
  - Keeping people engaged and cheerful
  - Coordination of health and social provision to individuals
  - Combining formal and informal care

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HEALTH SYSTEMS AND POLICY ANALYSIS

POLICY BRIEF 10

How can health systems respond to population ageing?

Bernd Rechel, Yvonne Doyle, Emily Grundy, Martin McKee

Increasing health aspirations is about people of all ages not writing off their quality of life because of engrained attitudes towards illness and age

HEALTH ASPIRATION

With more and more people living longer, the health service and its partners must address some communities' low expectations on quality of life, says Claire Laurent

OLD IS NOT ILL

WORLD HEALTH ORGANIZATION EUROPE

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HEN Health Evidence Network

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