

**Title:** A framework for measuring long-term care expenditure in Europe

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This paper proposes a framework for indicators to monitor trends in long-term care expenditure in Europe and illustrates it with data from five European countries.

Availability and comparability of such data sets are an important concern for policy analysts and researchers who want to study efficiency and financial sustainability of public long-term care programmes across Europe against the background of rapidly ageing populations. Long-term care brings together a broad range of health and social services and countries greatly differ in the division of labour at the boundary between health and social care. Moreover, division of labour can undergo abrupt changes during system reform. Measuring and analysing “long-term care” expenditure over time and between countries is therefore notoriously difficult.

A number of data sets that follow different methodological approaches have been published in recent years, most importantly as part of *OECD Health Data*, and in the Eurostat database of the *European System of Integrated Social Protection Statistics* (ESSPROS), but also for a number of ad-hoc research purposes, such as the OECD and ECFIN projections of public long-term care expenditure. As this paper will show, expenditure levels for individual countries vary substantially between data sets with a “magnitude of error” that can be up to 50% for a range of countries that include different social models of organising long-term care at the boundary of health and social services, such as Austria or Sweden. Obviously this limits the usefulness of these data sets for analytical purposes.

This paper compares internationally reported public long-term care expenditure data for 20 European Union countries that represent health and social care systems at different stages of development of public programmes for long-term care services. Differences in reporting are both due to differences in the underlying classifications and methodological frameworks and in the fact that national reporting to these data sets does not comply with the reporting rules that have been established by either system. This will be analysed in detail for a sub-sample of five countries: Austria, Germany, the Netherlands, Spain, and Sweden.

The more general question of the desirability and feasibility of reconciling both methodologies in a mid-term perspective will also be discussed. The paper will argue that this question is imbedded in the broader question of an integrated system of care indicators for monitoring care provision and resource utilisation, expenditure and aspects of access and quality, which are all data that have to be analysed within a consistent framework for efficiency analysis.

The paper will conclude that both the OECD system and the ESSPROS framework need further refinement in these respects and substantial improvements in classification and estimation guidelines for producing better data for the purpose of policy analysis. A concrete proposal for such a framework will be made in this respect.