

Quality and cost-effectiveness in long-term care and dependency prevention



## POLICY SUMMARY: Austria

# Tightening Eligibility Criteria of the Long-term Care Allowance

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Policy theme	Policies aiming to reduce dependency cost-effectively/Cross-cutting measure
Design and implementation level	National design, national implementation
Policy objective	Reduce the number of people eligible for long-term care allowances
Start date – End date	2011, amended in 2015

## Aims

The Austrian LTC Allowance scheme embraces the highest share of people eligible across Europe – about 5.2% of the population are receiving this benefit (as against about 2.6% in the Netherlands or in

Germany). In order to put a brake on the constantly rising number of beneficiaries, thresholds for accessing the benefit (determined by the number of hours of care needed per month) were raised.

## Implementation

By 2011, the thresholds for entitlement to levels 1 or 2 (out of 7) were raised from 50 to 60 hours of care needed (level 1) and from 75 to 85 hours (level 2).

In 2015, the thresholds were further raised, to 65 hours for level 1 and 95 for level 2.

## Target group

All citizens with long-term care needs (the Austrian LTC allowance covers all age groups, although more than 80% of beneficiaries are over 65).

## Eligibility criteria

General eligibility criteria are still based on needs assessment to identify individual care needs in terms of hours of care needed per month. Depending on the assigned level of care (1 as the lowest, 7 as the highest) the following (lump sum) amounts are paid to the beneficiary (2017):

Level	Amount (hours/month)	Care needs
Level 1	€157.30	65 hours
Level 2	€290.00	95 hours
Level 3	€451.80	120 hours
Level 4	€677.60	160 hours
Level 5	€920.30	180 hours*
Level 6	€1.285.20	180 hours*
Level 7	€1.688.90	180 hours*

\* For levels 5, 6 and 7 additional conditions need to be fulfilled.

## Resources

The tax-funded Austrian LTC Allowance is the key instrument for funding and tackling the risk of LTC in this country.

Currently, about €2.5 billion of the federal budget is spent on this scheme.

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## Performance assessment and monitoring

Not available – the performance of the LTC System is monitored and reported by a working group consisting of representatives of regional governments and the Federal Ministry of Labour, Social Affairs and Consumer Protection, which publishes a

yearly report. Apart from the estimated reduction in the number of new beneficiaries – see Evidence of Success below – there has been no rigorous study on the effects of this measure (e.g. on the onset or pace of frailty).

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## Evidence of success (outcomes, quality, satisfaction, awareness)

The amendment in 2011 resulted in a nominal short-term reduction of about 8,000-10,000 new beneficiaries (not controlled for potential demographic factors) in 2012. A large number of stakeholder organisations contested the measure but without success

– on the contrary, more severe measures were implemented in 2015, raising the threshold for levels 1 and 2 to 65 hours and 95 hours, respectively. It is expected that this will reduce the number of beneficiaries by another 6,000.

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## Transferability/uniqueness

The ‘re-definition’ of the target group and more restrictive definitions of eligibility criteria are a relatively widespread cost-cutting strategy.

The issue is whether it is cost-effective to exclude persons with lower levels of care needs from accessing the LTC system.

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## Is this an emergent practice? (degree of innovation)

There has long been a discussion on the relative generosity of the Pflegegeld in Austria, particularly when compared with similar benefits in Europe, and on the need to limit eligibility. This was, however the first

time such a measure has been implemented since the inception of the Pflegegeld.

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## Sustainability

Targeting and regulating eligibility criteria may contribute to the sustainability of benefit schemes.

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## Academic literature on this action

No specific studies available for Austria.

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