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# Comparison on Country Level of Different Approaches to the Logistical and Social Challenges of Elderly Care Systems

## 1 Abstract

This paper demonstrates how elderly care can differ between countries and examines practiced logistical processes to deliver medical aid products on an international level. The overall aim is to find the most applicable benefits of the different elderly systems and an ideal process for the supply of medical aid products for the German elderly society

Besides Germany, nine countries' elderly care systems, their innovations and demographic trends are examined. All represented countries are facing different challenges. European elderlies struggle mostly with the lack of qualified medical personnel. Elderlies in East Asia are facing problems with poverty or changing family structures. Also the U.S. has to cope with poverty, especially with the income differences between ethnic groups. Australia tries to find appropriate housing solutions for elderlies.

The paper should trigger an increased awareness to future developments within an aging world and encourages other persons to delve into this topic.

## 2 Introduction

### 2.1 Problem and Goal Definition

Due to increased health awareness and improved medical structures, progresses and research, the world's share of people aged over 65 is going to double until 2050<sup>1</sup>: in 2010, 524 million people were aged over 65 or older, which corresponds to 8% of the world population. Whereas by 2050, this number is expected to triple to 1.5 billion people which will be equivalent to 16% of the world's population. The following graph illustrates this development by compar-

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<sup>1</sup> cf. The Lancet (2014).

ing the percentage of the population between the younger and the older generation<sup>2</sup>:

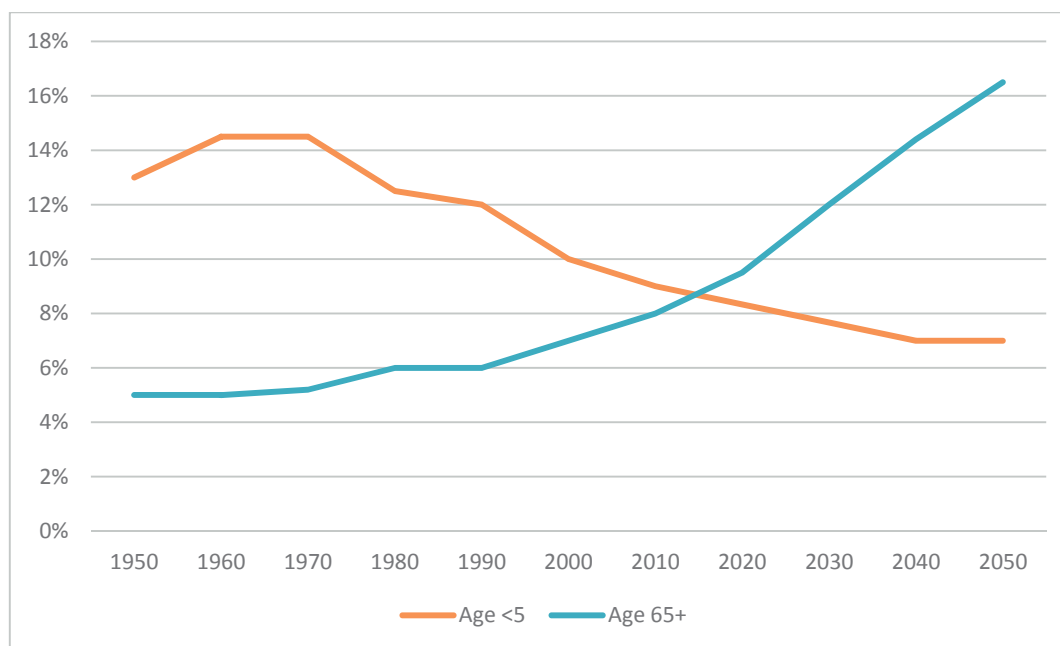


Figure 1: Comparison of the percentage of global population between young children and elderly people, in the period from 1950 to 2050

Family structures are changing worldwide. As learned from the first graph the birth rates are decreasing, which leads to less care possibilities and support from family members for older generations. Moreover, adult children are the primary source of support and care for elderly people. They intend to live in urban areas, due to the increased availability of working opportunities, the parent and grandparents generation remain often in rural areas, with insufficient care services and without the financial help or presence of their family members. Developed countries like the United Kingdom face similar problems, when it comes to an appropriate treatment of their elderly generations. “What happens in Britain is people retire, sell-up, and either move to a seaside town or a country cottage. And actually the countryside is the last place for creating the inclusive accessible environment that older people need with access to highly specialized hospitals and care.” Especially in undeveloped sub-Saharan Africa the situation is very delicate, since older generations are left without their adult child generation due to the high mortality rates of HIV or AIDS, but need to raise their grandchildren. “In Zambia, for example, 30 percent of older women head such households”.

To face those very diverse challenges among elderly people generations, the worldwide existing social care systems need to react. The paper intends to conduct an international comparison of the currently existing social care systems

<sup>2</sup> cf. Global Health and Aging (2011), p. 2 f.



and its social challenges. Based on this comparison the given paper is to analyze the various processes and approaches every country uses to face their challenges.

## 2.2 Paper Background and Methodology

The analysis is derived from a previous paper called “Logistics and the Demographic Change – Improvement of the Supply Chain by a Continuous IT System”, written by A. Carstensen, J. Grubmüller, A. Lübstorf, D. Sipahi and L. Bode within the course “Research Project in Applied Logistics and Economics” of the study program Global Logistics at the University of Applied Sciences in Frankfurt and the Master Thesis submitted by Alwine Lübstorf.

The given paper uses secondary sources to get a first overview of each country’s social care system and its cultural or political impact. The research part is based on primary sources by conducting interviews with international experts working in different social care systems or having a deep knowledge of its challenges. Thus, the obtained findings are based on individual experiences and knowledge. Since this topic is barely explored, expert interviews are the optimal way to gain first scientific findings. Due to complexity reasons not every country can be considered for the interviews, instead the focus is on exemplary selected emerging and developed countries facing similar challenges in their social care systems like Germany. All in all, 46 persons and institutions were contacted, whereas 9 interviews with foreign experts in this field took place.

## 3 Direct Country Comparison

The following table shows the main differences and similarities between the compared countries.



Country / Benchmark	Germany	Sweden	Finland	Switzerland	Belgium	Japan	South Korea	Vietnam	Australia	United States of America
<b>Challenges for elderly (E) and LTC</b>	Dependency on basic pension, Lack of care givers	Insufficient care in rural areas, current revision of LTC	Lack of qualified care givers	Lack of doctors	Changing family structures	Changing family structures, poverty	Changing family structures, poverty	Insufficient care in rural areas; baby boomer generation	Ethical differences, poverty	
<b>LTC</b>										
<b>Organization</b>	Central	Decentral	Decentral	Decentral	Central	Central	Decentral	Decentral	Decentral	
<b>Way of funding</b>	Payment into long-term care insurance fund	Municipal taxes and government grants	N. a.	Payments into the health insurance funds	Social security contributions, taxes	Compulsory premiums into insurance, funded taxation	Payment into national insurance fund	Only private insurance possible	Taxes	Payment into Medicaid
<b>Focus on home care or residential care</b>	Home care	Home care	Home care, but changing	Home care	Home care	Home care	No focus on one service	N. a.	Home care	
<b>Co-payments or incentives from government</b>	Strong financial benefit for home care for patients	Paying of home and residential care equally	N. a.	Both subsidized by cantons, fees for home care are lower for patient	Institutions very expensive, home care is totally funded by communities	Extra fee for patients for care in institutions	Less fees paid by patient in home care	No co-payments and not wanted	Depending on income, budget for patients in home care	Subsidies through Medicaid for patients in home care
<b>Characteristics / special features</b>	High financial support for home care	No costs for care recipient	Financial support for informal home care	Privately bought health care insurance	Geriatrics department in hospitals	Government negotiate prices	Newly introduced	Only private care available	Customer-orientated home care	Very intransparent

Country / Benchmark	Germany	Sweden	Finland	Switzerland	Belgium	Japan	South Korea	Vietnam	Australia	USA
<b>Supply with...</b>										
<b>Consumable care aids</b>	Direct and through vendor, subsidized by LTC	Subsidized only on prescription	Through family or care service provider	Through family or care service provider	Through family or care service provider	Negotiated by government, supported per care giver	N. a.	Not used in care	Bought from care budget by family or patient	Through family or care service provider
<b>Care in rural areas</b>	Mostly through families or care giver	Staying at home as long as possible	Problematic, wide distances	Care in rural available, overnight care	No large distances, unproblematic	Supported, enhanced per government	Not well organized	Through family	Moving to cities, retirement areas	N. a.
<b>Innovation</b>										
<b>Communication</b>	N. a.	N. a.	N. a.	N. a.	Post deliv-ers directly to E	Care manager	N. a.	N. a.	N. a.	Training through Meals on Wheels
<b>Technologies</b>	N. a.	Electronic medical record systems, handheld devices	Skype in care, smart phones	Electronic medical record system, limited access	Project with sensor technology	N. a.	N. a.	N. a.	Electronic medical record system, sensor technology	N. a.
<b>Discharging from hospital process</b>	E depend on family, no information change	Esther project	Round tables, special teams checking home	Round tables	N. a.	N. a.	N. a.	N. a.	Social workers achieve housing for home care patients, transitional care	E depend on family, no information change

Table: Direct country comparison