

Long-Term Care Challenges and Opportunities in Latin America and the Caribbean

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Population aging in Latin America and the Caribbean (LAC) has been one of the fastest in the world with the share of the population age 65 and older increasing from 5 percent in 1990 to 9 percent in 2019. And the trend will continue as that share is projected to double by 2050.¹ With age, levels of functional ability may become impaired due to a variety of internal and external factors. Ultimately this can reduce autonomy, compromise an individual's ability to meet day-to-day needs, and limit a person's capacity to learn, grow, make decisions, build and maintain relationships, and contribute to society.² Already there are approximately 8 million older people in LAC who need to receive long-term care and support (also known as "long-term care") to perform at least one basic activity of daily living. This translates to 12 percent of the population age 60 and over, and 27 percent of the population over age 80, who need assistance with activities such as bathing or showering, eating, or moving around a room. By 2050, the number of older people with severe long-term care needs in LAC is projected to grow to 27 million, representing more than 3 percent of the total population and approximately 14 percent of people aged 60 and above in the region.³ As the population ages and more people require long-term services and supports, the promotion of healthy aging is essential for maximizing individual autonomy and preventing the long-term care systems from being overwhelmed.

The United Nations Decade of Healthy Ageing (2021-2030) is based on the premise that every person should have access to environments and opportunities that enable their right to live a long and healthy life. The initiative seeks to promote access to quality and timely long-term care services with the double objective of meeting current support needs and reducing the intensity of future needs through the preservation and

recovery of older persons' functional capacities.⁴ The majority of long-term care in LAC is provided by family members — mostly women — who receive limited support from governments.¹ Along with being unfair to women, the situation is also unsustainable due to reductions in family size, increased participation of women in the formal job market, and the growing recognition of unpaid care provision as a key source of gender inequity.^{5,6} Governments can enhance access to affordable, quality services through the development of national care and support systems for older people experiencing or at risk of developing long-term care needs as well as for their unpaid caregivers.⁵

The Case of Uruguay

In 2015, Uruguay became the first country in LAC to establish a nationwide care policy. Known as the Uruguayan National Integrated Care System, this universal system aims to provide access to quality care to all individuals, regardless of income or place of residence.⁷ The target population includes older persons with long-term care needs, persons living with disabilities, children, and family caregivers. Projects and programming include the provision of subsidized home care assistants for individuals with severe impairment, telehealth, and the management of day centers for those with mild or moderate impairment. Support for caregivers is prioritized, including formalizing the position and training. Eligibility for care is based on age and levels of functional ability. For example, persons aged 80 and older with severe functional impairment are eligible to receive home-based, long-term care services. The system is financed through general revenues plus, in the case of home care and telehealth care, user co-payments. However, fewer than 15 percent of beneficiaries are required to pay

¹ Women provide 80% of all long-term care provided in LAC. Stampini et al. (2020) <https://publications.iadb.org/en/working-less-take-care-parents-labor-market-effects-family-long-term-care-latin-america>.

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because the obligation of a co-payment is based on household income.

Other countries, including Costa Rica, the Dominican Republic, and Peru, are now following Uruguay's program, fueled by long-term care garnering political attention.

Financial Challenges

Securing the necessary financial resources for a national long-term care system within contexts of strained budgets is a fundamental challenge. Even within the context of improving the social protection of older persons, long-term care needs compete with other priorities, such as improving the coverage and quality of pensions and health care. Depending on the target population and on the services to be provided, the estimated cost of a national long-term care system ranges between 0.3 percent and 1 percent of GDP.⁹ By contrast, Uruguay spends 0.04 percent of GDP on long-term care (2017) and Chile 0.02 percent (2019).^{9,10} The lack of financial resources allocated towards long-term care in these and other countries significantly limits

the amount of services that can be provided and the number of people supported. For example, in Uruguay, only 11 percent of older persons with severe long-term care needs receive services from the government (including home care or teleassistance subsidies, day care, or residential care). In Chile, coverage is estimated to be 6 percent.¹¹

The financial costs of establishing a long-term care system should be considered jointly with the savings that system can potentially facilitate. In particular, long-term care services can reduce costs in the health care sector and can boost economic productivity by enabling family caregivers, who are primarily women, to increasingly participate in the labor market.

Improving Care and Regulation

The quality of services represents another important challenge. Most countries in LAC have set legal standards for residential and day care centers regarding their infrastructure, user-to-staff ratio, and the type of services that should be offered by authorized providers. However,

⁹ Authors' own calculations based on data from household surveys (ELPS Uruguay 2013 and ELPS Chile 2015), Aranco and Sorio (2018), and Molina et al. (2019).

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compliance with these standards is low due to a lack of resources for monitoring. Data from Uruguay shows that in 2019, only 2 percent of residence centers had legal authorization to operate.⁹ In Argentina and Chile, the absence of a national registry of institutional service providers makes monitoring even harder.^{10,11} As a result, the number of institutions that operate without legal authorization — and hence, unverified quality standards — remains high.

Compounding the regulatory issues is a long-term care workforce that is characterized by low levels of training, low salaries, and high levels of informality. The formalization of caregiving is key to ensuring service quality as well as the redistribution of the care work across genders. In Colombia, only 30 percent of care workers in the institutional sector has adequate training.¹² In Mexico, a staggering figure of only 3 percent of workers are adequately trained.¹³ Uruguay sought to address the lack of training with a national care policy that explicitly invests in the training and formalization of paid caregivers. However, the country hasn't been able to keep pace with demand, as the strengthened educational system has been encumbered with long wait lists for training and accreditation courses.

The Path Forward

Investing in implementing and strengthening long-term care systems is key to providing the expansive care and support the aging population of LAC will require. Not only do LAC governments need to provide the necessary financial support but they must also find ways to improve their regulatory authority and help train a sufficient workforce and secure quality care. Making these investments will enhance access to affordable, quality services and supports at a critical time when the number of older people needing assistance is projected to grow with the overall aging of the population. ●

¹ United Nations. World Population Ageing 2019: Highlights [Internet]. Department of Economic and Social Affairs, Population Division; 2019 [cited 2021 Oct 13]. Available from: <https://www.un.org/en/development/desa/population/publications/pdf/ageing/WorldPopulationAgeing2019-Highlights.pdf>

² World Health Organization. Decade of healthy ageing: baseline report [Internet]. Geneva, Switzerland; 2020 [cited 2020 Dec 28]. Available from: <https://www.who.int/publications/m/item/decade-of-healthy-ageing-baseline-report>

³ Aranco N, Stampini M, Ibararán P, Medellín N. Panorama de envejecimiento y dependencia en América Latina y el Caribe [Internet]. Inter-American Development Bank; 2018 Jan [cited 2021 Aug 13]. Available from: <https://publications.iadb.org/handle/11319/8757>

⁴ Curry N. Preventive Social Care: Is it cost effective? [Internet]. Kings Fund; 2006 [cited 2021 Sep 2]. Available from: <https://www.kingsfund.org.uk/sites/default/files/preventive-social-care-wanless-background-paper-natasha-curry2006.pdf>

⁵ Cafagna G, Aranco N, Ibararán P, Medellín N, Oliveri ML, Stampini M. Envejecer con cuidado: Atención a la dependencia en América Latina y el Caribe [Internet]. Inter-American Development Bank; 2019 [cited 2021 Jul 22]. Available from: <https://publications.iadb.org/es/envejecer-con-cuidado-atencion-la-dependencia-en-america-latina-y-el-caribe>

⁶ Chioda L. Work and Family : Latin American and Caribbean Women in Search of a New Balance [Internet]. Latin American Development Forum: World Bank; 2016 [cited 2021 Aug 3]. Available from: <https://openknowledge.worldbank.org/handle/10986/23748>

⁷ Aguirre R, Ferrari F. La construcción del sistema de cuidados en el Uruguay: En busca de consensos para una protección social más igualitaria [Internet]. CEPAL: United Nations; 2014 [cited 2021 Jul 21]. Available from: <https://www.cepal.org/es/publicaciones/36721-la-construccion-sistema-cuidados-uruguay-busca-consensos-proteccion-social-mas>

⁸ Medellín N. Cost Simulation Tool for Long Term Care Systems [Internet]. Inter-American Development Bank; 2020 Sep [cited 2021 Jun 29]. Available from: <https://publications.iadb.org/en/node/28858/>

⁹ Aranco N, Sorio R. Envejecimiento y atención a la dependencia en Uruguay [Internet]. Inter-American Development Bank; 2019 Aug [cited 2021 Jul 15]. Available from: <https://publications.iadb.org/es/envejecimiento-y-atencion-la-dependencia-en-uruguay>

¹⁰ Molina H, Sarmiento L, Aranco N, Jara P. Envejecimiento y atención a la dependencia en Chile [Internet]. Inter-American Development Bank; 2020 Sep [cited 2021 Jul 20]. Available from: <https://publications.iadb.org/es/node/28903>

¹¹ Oliveri ML. Envejecimiento y atención a la dependencia en Argentina [Internet]. Inter-American Development Bank; 2020 Nov [cited 2021 Jul 15]. Available from: <https://publications.iadb.org/es/node/29416>

¹² Flórez CE, Martínez L, Aranco N. Envejecimiento y atención a la dependencia en Colombia [Publications [Internet]. 2019 [cited 2021 Aug 17]. Available from: https://publications.iadb.org/publications/spanish/document/Envejecimiento_y_atenci%C3%B3n_a_la_dependencia_en_Colombia_es.pdf

¹³ López-Ortega M, Aranco N. Envejecimiento y atención a la dependencia en México [Internet]. Inter-American Development Bank; 2019 Aug [cited 2021 Jul 15]. Available from: <https://publications.iadb.org/es/envejecimiento-y-atencion-la-dependencia-en-mexico>



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