3. Long-Term Care Insurance

A. General

A long-term care insurance program within the scope of the National Insurance Law was approved by the Knesset in 1980 and came into effect in April 1988. The purpose of long-term care insurance is to help the elderly to continue leading relatively independent lives within the community for as long as possible, by providing personal care to those needing assistance with daily activities or supervision and thus, help families who are caring for them. The law applies to all insureds under Old-age and Survivors insurance, to housewives (married women who do not work outside the home) and to new immigrants who are not insured under Old-age and Survivors insurance. Every elderly person residing in Israel with impaired physical and/or cognitive functioning and who passes the means test and the test of dependence on others in performing activities of daily living is eligible for the benefit, provided that he is living in the community (in his home, in the home of a family member or in an "assisted living" residence). Anyone residing in a long-term-care institution or in a long-term-care ward in a senior-citizens residence is not eligible for this benefit.

The ADL dependence test (Activities of Daily Living) evaluates the extent of a person's dependence on assistance from others in order to perform basic activities of daily living: bathing, dressing, mobility (moving about the home, or stumbles frequently), continence/incontinence and eating (including the ability to heat up food and beverages). The ADL dependence test also evaluates the need for supervision due to impaired cognitive capabilities, deteriorating mental health or a need for supervision due to a physical-medical condition. Professional evaluators, including nurses, occupational therapists and physiotherapists who undergo appropriate training, perform the test of ADL dependence on the assistance of others. Since July 2008, following the passing of a private draft bill, a physician specializing in geriatrics can perform ADL dependence testing of elderly persons who have reached the age of 90, at a hospital, at a clinic or in a public institution. The means test, whose rules were prescribed in the law's regulations, is a personal test. As a precondition for receiving a benefit in kind – i.e., long-term care services – solely the income of the elderly person and that of his/her spouse are examined. As a precondition for receiving a benefit in cash, the income of the family member who is caring for and residing with the elderly person is also examined.

In January 2007, three levels of long-term care benefits were defined, corresponding to three levels of dependency: a benefit at the rate of 91% of the full disability pension for an individual, which funds 9.75 hours of home caregiving per week; a benefit at the rate of 150% of the full disability pension for an individual, which funds 16 hours of home caregiving per week; and a benefit at the rate of 168% of the full disability pension for an individual, which funds 18 hours of home caregiving per week. An individual is eligible

for a full long-term care benefit according to the determined level of dependence if his or her income does not exceed the average wage (NIS 8,015 in 2010). If the individual's income exceeds the average wage, then he or she is eligible for half of the benefit. If the individual's income exceeds 1.5 times the average wage, then he or she is not eligible for a benefit. In the instance of a couple, eligibility for a full benefit is contingent upon their combined income not exceeding 1.5 times the average wage; if their combined income does not exceed 2.25 times the average wage, they are eligible for half of the benefit. Anyone whose income exceeds 2.25 times the average wage is not eligible for a long-term care benefit. When both spouses are filing a claim for this benefit, their combined income is divided in half and the means test is performed for each of them separately as if they were single individuals. An NII claims clerk performs the means test. In January 2010, the long-term care benefit was updated at the rate of 3.8% according to the rise in prices in 2009, and, in January 2011 – at the rate of 2.3%, according to the rise in prices during 2010.

The long-term care benefit is not paid in cash, but rather in the form of services to those eligible, which are provided by organizations, whose services are paid for by the NII. The basket of long-term care services covered by the benefit includes personal caregiving or supervision provided in the elderly person's home, transportation and personal caregiving at a seniors' day-care center, the provision of absorbent products, laundry services and funding for the use of medical-alert transmitters (however, the services ordered via the medical-alert transmitters, such as house calls or ambulances, are not covered by the benefit). A benefit in cash is granted to eligible persons residing in any locality nationwide where services are not available or where services cannot be provided within the timeframes specified in the law, and to those eligible within the framework of a pilot program being operated at a number of NII branches.

In March 2008, the NII initiated a pilot program providing a benefit in cash in communities belonging to the NII's branches in Ashkelon, Bnei Brak, Nahariya and Ramat Gan. In May 2010, the program was expanded and also began operating in communities belonging to the NII's branches in Ashdod, Tiberias and Jerusalem, and, in June 2011, also in communities belonging to the NII's branches in Holon and Netanya. Within the scope of the program, elderly persons residing in these communities can opt for a long-term care benefit in cash, provided that they are eligible for the benefit at the rate of 150% or 168% (or to half of the benefit, as a result of the means test) and provided that they are actually receiving long-term care services from a caregiver who is other than a family member for at least 12 hours a day six days a week. Elderly persons can choose to switch to a benefit in cash or to return to a benefit in kind at any time. The pilot program was the subject of a research study that examined the characteristics of those who opted for the benefit in cash, compared with all those eligible, and audited the quality of the long-term care that recipients of the benefit in cash are receiving, compared with the

long-term care that recipients of the benefit in kind are receiving in the same regions and in other regions.

Since March 2009, any recipient of a long-term care benefit at the two highest benefit levels who employs only an Israeli caregiver and employs no foreign worker at all (whether as a caregiver within the scope of the long-term care benefit or outside the scope of the benefit in another capacity), is eligible for additional weekly hours of care. Anyone who is severely dependent on assistance from others; i.e., is eligible for a benefit at the rate of 150% of the full disability pension, is eligible for an additional three hours of care per week. Anyone who is totally dependent on assistance from others and, therefore, is eligible for a benefit at the rate of 168% of the full disability pension, is eligible for an additional four hours of care per week. Anyone who is eligible for half of the benefit as a result of the means test is eligible for half of the additional hours according to the level of dependence determined for him. From March to September, 2009, these additional hours were paid pursuant to an agreement with the Ministry of Finance and were funded by the ministry. Since October 2009, under the Economic Efficiency Law (Legislated Amendments for Implementing the Economic Plan for 2009 – 2010), the additional hours have been paid under the National Insurance Law and have been funded by the NII.

The law prescribes that the Minister of Social Affairs and Social Services must appoint local professional committees, whose members include a social worker at the local authority, a nurse from a sick fund and a representative of the NII. These local committees are charged with formulating a plan for caring for those elderly persons who are eligible for the benefit: what services should be provided to each elderly person and who will be providing those services. These committees must also ensure that these services are indeed being provided, or alternatively, to expressly determine that no services are available for a particular elderly person. The committees have also been empowered to respond to requests to receive the long-term care benefit in cash within the scope of the pilot program, to ascertain whether they believe that the elderly person and his family are fit to use the benefit money for the purposes for which it is intended, to determine whether the personal caregiver is suitable and whether the long-term care services that the elderly person is receiving are adequate. These committees are also empowered to revoke the payment of a benefit in cash, and to obligate the recipient to receive the benefit in kind (through services).

B. Legislative Amendments

Under the National Insurance Law (Amendment no. 117), 5770 – 2010, the long-term care benefit is paid to anyone hospitalized other than for prolonged hospitalization for the first 14 days of hospitalization. Anyone whose long-term care benefit was denied because he was hospitalized will receive a long-term care benefit as of the date of his

discharge from the hospital, according to the benefit level determined for him prior to the hospitalization, provided that he is discharged from the hospital within a 90-day period.

Prior to the legislative amendment, hospitalized persons were not eligible for a long-term care benefit during their hospitalization and the long-term care services were discontinued during the hospitalization period. For those eligible for this benefit, who were discharged within the first 90 days of hospitalization, their eligibility for the long-term care benefit was reinstated as it had been prior to that hospitalization. Those eligible for this benefit who were hospitalized for more than 90 days were obligated to submit a new claim for a long-term care benefit, and their eligibility was re-examined.

The temporary order that had enabled the provision of a benefit in cash in lieu of a benefit in kind expired in December 2010. At the beginning of 2011, the validity of the temporary order was extended until December 2012.

C. Administrative Amendments

The National Insurance Law prescribes that any elderly person who needs supervision is eligible for a long-term care benefit at the level of 91%. Partial supervision is approved when a person may be left alone and unattended for a certain number of hours without posing a danger to himself or to those around him, compared with constant supervision, which is approved in instances when a person cannot be left alone and unattended, even for short periods. Prior to August 2010, scoring of the extent of supervision needed was determined using the ADL dependence test (Activities of Daily Living). This resulted in elderly persons not receiving eligibility points because they had no difficulties performing activities of daily living, but, who, in terms of their mental state or cognitive functioning, needed supervision during part of the day. Therefore, the decision was reached that anyone found to be in need of partial supervision would be eligible for a long-term care benefit at the level of 91%, unless the eligibility points he received from the ADL dependence test entitled him to a higher benefit level.

D. Claims for a Long-Term Care Benefit

The number of claims for long-term care benefits rose by 1.2% in 2010 compared with 2009, and reached approximately 77,900 claims. Thus, the uptrend in the number of claims per annum is persisting, as it has during most of the last decade. The number of initial claims declined by approximately 0.4% in 2010 compared with 2009; however, the number of repeat claims (second claim, third claim, etc.) rose by approximately 2.3%. The ratio of repeat claims to total claims in 2010 rose from 59% to 59.7%.

In 2010, the percentage of claims approved under an initial decision of eligibility decreased to 44.1%. The ratio of approved claims to all initial claims submitted in 2010 decreased to 51.6% from 52.7% in 2009, and the ratio of approved repeat claims

Table 1
Claims, Percentages of Approved Claims and Repeat Claims, 2006–2010

Year	Claims	Annual growth rate	Percentage of repeat claims	Percentage of claims approved*
2006	72,257	1.0	58.2	49.2
2007	75,375	4.3	58.2	47.3
2008	74,085	-1.7	59.1	47.4
2009	77,003	3.4	59.0	46.0
2010	77,926	1.2	59.7	44.1

* Claims approved relative to the initial eligibility. The calculation does not include claims submitted by people who subsequently died or whose eligibility was suspended.

also decreased to 39.1% from 41.3% in 2009. The percentage of "false claims" (claims for which a score of 0 to 1 was obtained in the ADL-dependence-test portion of the evaluations) rose from 40.5% in 2009 to 41.5% in 2010, and the percentage of applicants who received 2.5 points – which is the threshold score conferring eligibility for a benefit – decreased from 16.3% in 2009 to 15.3% in 2010. Both of these phenomena provide the main explanation for the decrease in the ratio of approved claims in 2010 compared with 2009. It should be noted that when analyzing the percentage of approved claims, the percentage of false claims and the percentage of those eligible for a benefit at the minimum qualifying score also included claims for which no dependency test was conducted and claims not approved due to preconditions, such as age.

E. Persons Eligible for a Long-Term Care Benefit

1. General

The number of elderly persons eligible for a long-term care benefit continued to rise in 2010 by approximately 3.5%, and reached a monthly average of 141,400 persons. The number of persons eligible has risen from 1991 to 2010 by 355%, notwithstanding the raise in the eligibility age. This is an extremely high percentage, and is significantly higher than the increase in the number of elderly persons during that period. During 2009, the eligibility age for women was raised to 62, and will remain in effect for three years (as per the process specified in the Retirement Age Law, which was reviewed in previous Annual Surveys, particularly in the chapter on old-age and survivors' pensions). The process of raising the eligibility age for men to 67 was completed in 2009. It should be noted that in 2010, for the first time in six years, the eligibility age for men and women did not change at all during the entire year. The ratio of elderly persons eligible for a long-term care benefit to total elderly persons in the population rose significantly, from approximately 6% during the initial years after the inception of the law to 17.3% in 2009 and 2010 (estimated). This ratio of eligible elderly persons was calculated using an estimate of the number of elderly persons who have reached the eligibility ages for a long-term care benefit (62 for women and 67 for men).

Table 2
Persons Eligible for a Long-Term Care Benefit, and the Elderly Population in Israel, 2006–2010

Year	Elderly persons eligible for a long-term care benefit*		Elderly persons in Israel**		Coverage ratio***
	Numbers (thousands)	Annual growth rate	Numbers (thousands)	Annual growth rate	
2006	120.3	4.6	813.8	2.4	14.8
2007	125.5	4.3	836.5	2.8	15.1
2008	131.5	4.9	859.1	2.8	15.3
2009	136.6	3.9	788.4	4.7	17.3
2010	141.4	3.5	816.8****	3.6	17.3****

* Monthly average.

** Until 2008 – average population of men at and above the age of 65 and women at and above the age of 60, according to data from the Central Bureau of Statistics. The data for 2009- 2010 are for men at and above the age of 67 and women at and above the age of 62.

*** The number of those eligible for a benefit as a percentage of the number of elderly persons in the population. Since mid-2004, the retirement age has been raised gradually from 65 to 67 for men and from 60 to 62 for women. Therefore, up until 2008, the number of elderly persons according to the former retirement age was greater, while the coverage ratio was lower. Since 2009, the ratio relates to the same age brackets both relative to the number of elderly persons in the population and the number of those eligible for a benefit.

**** The figures for 2010 are estimates.

2. Characteristics of eligible persons

An examination of the demographic characteristics of eligible persons in 2010 shows that seven out of every ten eligible persons are women, and the ratio of eligible women to all eligible persons has not changed relative to 2009. In terms of the distribution by age, more than one third of all eligible persons are at or above the age of 85, and nearly two-thirds (64.1%) are at or above the age of 80. Similarly to 2009, the increase in the number of eligible persons in 2010 was mainly among those at or above the age of 85, which rose from 34.9% to 36.9% of all recipients, while the ratio of those eligible who are at or below the age of 80 is steadily decreasing.

The aging of the recipients of the long-term care benefit has been a steady trend: thus, for example, in 2001, elderly persons at and above the age of 85 constituted less than one third (32.1%) of those eligible, and elderly persons at and above the age of 80 constituted less than three-fifths (55.2%) of all eligible persons. The aging of the population of those eligible derives, in part, from the raising of the retirement age: the number of women in the age bracket of 60 – 64 who are eligible for a benefit is decreasing, and so is the number of both men and women in the 65-69 age bracket, due to the raising of the retirement age for men.

When we examine family composition, the data between 2009 and 2010 have remained stable: nearly half of those eligible are living alone, two out of every five are living with a spouse, and one out of seven is living with someone else, usually a son or daughter. When we examine the statistics relative to number of years since immigration to Israel, the data between 2009 and 2010 have also remained stable: one out of every

four eligible persons immigrated to Israel after 1989, while one out of every eight eligible persons immigrated after 1999.

Table 3 illustrates the aging of the population of eligible persons, and indicates a trend of a change in the composition of those eligible by benefit levels in 2010 compared with 2009: the ratio of recipients of a benefit at the rate of 91% of a full disability pension for a single person (the lowest level of dependency) decreased from 56.6% in 2009 to 55.6% in 2010; the ratio of recipients at the rate of 150% (severely dependent) rose from 24.7% in 2009 to 24.9% in 2010; and the ratio of recipients at the rate of 168% (totally dependent) rose from 18.8% in 2009 to 19.5% in 2010.

Table 3
Persons Eligible for a Long-term Care Benefit, by Demographic Characteristics and Benefit Level (monthly average), 2010

	Absolute numbers	Percentages
Total	**141,430**	**100.0**
Gender		
Men	41,202	29.1
Women	100,228	70.9
Age bracket		
Up to 64*	1,162	0.8
65 – 69	5,663	4.0
70 – 74	16,237	11.5
75 – 79	27,647	19.5
80 – 84	38,491	27.2
85+	52,230	36.9
Family composition		
Living alone	65,919	46.6
Living with a spouse	55,620	39.3
Living with children or with others	19,891	14.1
Residence in Israel		
Veteran residents	106,643	75.4
Immigrants** – total	34,787	24.6
of which: immigrated after 1999	4,033	2.9
Benefit level		
Very dependent (91%)	78,657	55.6
Severely dependent (150%)	35,166	24.9
Totally dependent (168%)	27,607	19.5
Eligible for an additional 3 hours***	18,247	62.3
Eligible for an additional 4 hours***	11,043	37.7

* This age bracket includes women only.
** Elderly who immigrated to Israel after 1989.
*** December 2010.

The ratio of those eligible for a benefit at the highest level has been steadily increasing – from 13.7% in 2007 to 19.5% in 2010, and this group has the highest growth rate. Compared with 2009, the number of benefit recipients at the lowest level in 2010 increased by 1.8%, at the high level (severely dependent) by 4.3%, while at the highest level (completely dependent) the number of benefit recipients has increased by 7.6% compared with 2009.

In March 2009, hours of care were added to whoever employs an Israeli caregiver only. The absolute numbers of recipients of additional hours for the employment of Israeli caregivers at both benefit levels increased compared with December 2009 – approximately one thousand persons were eligible for additional hours at each benefit level. A discussion of the addition of hours of caregiving and of its possible influence on a shift in employment practices, from foreign caregivers to Israeli caregivers, is presented in Box 1 in this chapter.

3. Benefit in cash – pilot program

In December 2010, 904 eligible persons received a long-term care benefit in cash in the seven regions included in the pilot program. In the four NII branches that have been taking part in the pilot since March 2008 (Ashkelon, Bnei Brak, Nahariya and Ramat Gan), 670 eligible persons received a benefit in cash, and they constituted 8.2% of all potential eligible recipients of benefits at the levels of 150% or 168% in these regions. In the three NII branches that have been taking part in the pilot since May 2010 (Ashdod, Tiberias and Jerusalem), 234 eligible persons received a benefit in cash, and they constituted 2.5% of all potential eligible recipients at the level of 150% or 168% in these regions. A discussion of the trends in the pilot program providing a benefit in cash is presented in Box 2 in this chapter.

Box 1
Employment of Israeli caregivers in lieu of foreign caregivers in the provision of long-term care services

With the objective of encouraging the employment of Israeli caregivers in the provision of long-term care services, the NII increases the rates of the long-term care benefits paid to those who opt to employ Israeli caregivers. Since March 2009, the number of hours of personal care that the NII funds within the scope of benefits at the levels of 150% and 168% was increased for anyone who employs solely Israeli caregivers (anyone who is not a permit-holder for the employment of a foreign worker or whose permit was suspended), as presented in Table 1: recipients of benefits at the level of 150% are eligible for an additional three hours of personal care per week, while recipients of benefits at the level of 168% are eligible for an additional four hours of personal care per week. Those eligible for half of the benefit receive half of the hours increment.

Table 1
Number of Hours of Personal Care Paid to those Eligible for a Long-Term Care Benefit, by Type of Caregiver

Level of benefit/ number of hours of personal care	when employing a foreign caregiver	when employing an Israeli caregiver
150%	16	19
75%	8	9.5
168%	18	22
84%	9	11

The ratio of those employing solely Israeli caregivers to all persons eligible for a benefit at the levels of 150% or 168% (and for half of these benefits) has risen gradually – from 45.1% in January 2010 to 47.6% in December 2010. The number of permit-holders out of all recipients of the benefit at the said two levels remained quite stable, approximately 33,500, but the percentage of permit-holders at all benefit levels has decreased (Table 2). The ratio of permit-holders to all persons eligible at the benefit level of 150% decreased by approximately 5.6%, compared with a decrease of about 4.4% in the ratio of permit-holders at the benefit level of 168% (Table 2). This gap may reflect the fact that the incentive being offered – an addition of four hours of personal caregiving per week – satisfies relatively fewer eligible persons, since they need more hours of long-term caregiving. Furthermore, the percentage of permit-holders for the employment of foreign caregivers is higher among recipients of half benefits, which attests to the higher economic resources of these recipients, and therefore, may indicate that they consider the addition of 1.5 to 2 hours per week (Table 1) as being insignificant.

Another evident difference is the percentage of the decrease in the employment of foreign caregivers between those eligible for a long-term care benefit at the level of

Table 2
Ratio of Permit-holders for the Employment of a Foreign Caregiver to All Recipients of Long-term Care Benefits at the Levels of 150% or 168%, by Benefit Level (December 2010 versus January 2010)

	150%		75%		168%		84%		Total	
Benefit level	Cases	%	Cases	%	Cases	%	Cases	%	Cases	%
January 2010	15,345	47.7	1,586	73.0	15,144	60.9	1,449	76.1	33,524	54.9
December 2010	15,082	45.1	1,618	69.2	15,276	58.2	1,575	74.5	33,551	52.3
Change[1*?]	-263	-5.6	32	-5.3	132	-4.4	126	-2.1	27	-4.7

1*? The rate of the change in percentages indicates the change in the percentages of permit-holders for the employment of a foreign caregiver in December 2010 compared with the percentages of permit-holders for the employment of a foreign caregiver in January 2010.

75% and those eligible at the level of 84%: a decrease of 5.3% versus 2.1%, respectively, due to the aging of those eligible for benefit at the level of 84% and their increasing need for more hours of long-term caregiving, which, for the most part, are being provided by foreign caregivers.

The decrease in the percentage of those employing foreign caregivers in 2010 may indicate that the hours increment being funded by Long-term Care insurance is having a favorable impact; i.e., this incentive is encouraging a shift to the employment of Israelis in long-term caregiving. A prevalent claim is that a significant shift in employment practices from foreign caregivers to Israeli caregivers in the Long-term Care insurance branch will occur when the cost of employing an Israeli caregiver will be the same as that of employing a foreign caregiver:[1,2?]

> " […] it has become evident that the financial factor is central in the considerations favoring the employment of a foreign caregiver, which is considered a convenient way of coping and a cheap solution, compared with the employment of an Israeli caregiver. If an alternative was offered that eliminates the cost advantage afforded by the employment of a foreign caregiver, such as through a wage supplement by the NII, the preference towards employing such a caregiver would diminish, and patients themselves would increasingly favor employing Israeli caregivers."

In order to answer the questions: Does the decrease in the percentage of those employing foreign caregivers in 2010 fully tap the existing forecast?; Should an increase be made in the hours increment being given to encourage the employment of Israeli caregivers or will this shift in employment practices continue and gain momentum? – the Research and Planning Administration of the NII will continue to monitor the employment practices relative to Israeli and foreign caregivers in the future as well.

Table 3 presents the changes that have occurred in the ratio of permit-holders during the period from January to December 2010, according to NII local branches. The most conspicuous difference can be seen between branches in the Gush Dan district and in central Israel, compared with NII branches in the outlying regions in the north and south of the country. The percentage of permit-holders for the employment of foreign caregivers in long-term care among those eligible at the benefit levels of 150% or 168% in the central region and in Gush Dan tends to be quite high, as illustrated by the NII branches in Kfar Saba (74.7%), Bnei Brak (68.9%), Ramat Gan (68.7%), Tel Aviv (66.8%) and in Petach Tikva (63.8%). On the other hand, the percentage

1,2? Ronny Bar-Zuri, "Permit-holders for the Employment of Foreign Caregivers – Overview," Ministry of Industry, Trade and Labor, January 2010, p. 65. This study, conducted by the Research and Economics Administration at the Ministry of Industry Trade and Labor, found that 7.3% of those eligible for a long-term care benefit and their families are willing to switch from a foreign caregiver to an Israeli caregiver when the incentive is 3-4 additional hours (ibid, 64).

Table 3
Ratio of Permit-holders for the Employment of Foreign Caregivers at Benefit Levels of 150% or 168%, by NII branch

Branch	Ratio of permit-holders for the employment of foreign caregivers, January 2010	Ratio of permit-holders for the employment of foreign caregivers, December 2010
Branches not offering the option of a benefit in cash, correct to December 2010		
Kfar Saba	78.0	74.7
Tel Aviv	69.1	66.8
Petach-Tikva	68.1	63.8
Haifa	57.7	56.5
Rehovot	59.1	55.3
Netanya	56.9	54.7
Rishon LeZion	55.4	54.1
Holon	55.3	53.1
Ramle	57.3	51.8
Jaffa	52.2	49.6
Krayot	49.5	46.7
Hadera	47.0	44.0
Afula	43.6	42.3
Be'er Sheva	39.2	35.7
Nazareth	23.4	22.1
Carmiel	21.4	22.0
Branches offering the option of a benefit in cash, since March 2008		
Bnei-Brak	72.8	68.9
Ramat-Gan	69.7	68.7
Nahariya	46.2	43.2
Ashkelon	42.7	40.3
Branches offering the option of a benefit in cash, since May 2010		
Jerusalem	54.9	51.4
Tiberias	45.4	47.0
Ashdod	32.5	31.5

of permit-holders for the employment of foreign caregivers tends to be significantly lower in outlying regions both in the north and south of the country, as illustrated by the NII branches in Carmiel (22.0%), Nazareth (22.1%), Ashdod (31.5%) and Be'er Sheva (35.7%). These differences in employment practices between the branches are a result of numerous variables, including the nature of the eligible population and its socio-demographic and cultural characteristics (including their needs for long-term caregiving and their economic capabilities), the availability of foreign caregivers compared with Israeli caregivers, and the population's attitude towards employing foreign caregivers.

Table 4 presents characteristics of those eligible for a long-term care benefit and who possess a permit to employ a foreign caregiver, versus those who have no such permit: more women apply for a permit than do men; the tendency to apply for a permit rises with age; recipients of the long-term care benefit at the level of 168% apply more than do recipients of a long-term care benefit at the level of 150%; the tendency to apply for a permit rises at higher income levels; more recipients living alone apply for a permit than do recipients living with their spouses and/or with other relatives; more long-term residents of Israel apply for a permit than do new immigrants.

The data presented in table 4 show that there are two primary types of variables that influence the decision to apply for a permit to employ a foreign caregiver: the first

Table 4
Characteristics of Persons Eligible for a Long-term Care Benefit at the Levels of 150% or 168%, Permit-holders versus Non-Permit-Holders for the Employment of a Foreign Caregiver

Characteristic		Permit-holders for the employment of a foreign caregiver		Non-permit-holders for the employment of a foreign caregiver	
		Cases	%	Cases	%
Total		**33,725**	**52.3**	**30,719**	**47.7**
Gender	Women	24,201	53.6	20,912	46.4
	Men	9,524	49.3	9,807	50.7
Age	From retirement age to age 79	7,542	42.7	10,112	57.3
	80 – 84	8,633	52.3	7,885	47.7
	85 – 89	10,094	57.0	7,627	43.0
	90 +	7,456	59.4	5,095	40.6
Benefit level	150%	16,760	46.7	19,129	53.3
	168%	16,965	59.4	11,590	40.6
Income level	Up to 1/4 of the average wage	8,590	37.2	14,506	62.8
	From 1/4 to 1/2 of the average wage	8,110	54.8	6,685	45.2
	From 1/2 to 3/4 of the average wage	6,815	63.0	4,003	37.0
	From 3/4 of the average wage to the average wage	4,761	64.3	2,647	35.7
	Above the average wage	5,449	65.4	2,878	34.6
Living arrangements	Alone	17,662	56.6	13,549	43.4
	With a spouse	12,421	49.9	12,494	50.1
	Other	3,642	43.8	4,676	56.2
Years in Israel	Long-standing resident	31,634	60.2	20,892	39.8
	Immigrant (after 1990)	2,091	17.5	9,827	82.5

type concerns the caregiving needs (age; gender – more women apply than men, due to women's longer life expectancy) and the living arrangements (whether living alone or with others); while the second type of variable concerns the capability of paying for the caregiving (e.g., the patient's income level).

In order to examine the independent impact of each of the variables in table 4 and in table 3 (relating to the location of the NII branch, coupled with the option of receiving a benefit in cash), a multi-year logistic regression was performed, isolating one variable and maintaining all other variables as constants. The results of this regression show that, for all independent variables, there is a clear statistical impact on the tendency of a person eligible for a long-term care benefit at the levels of 150% or 168% to hold a permit for the employment of a foreign caregiver (N=64,444, r^2=0.185). For example, the probability that men will be permit-holders for the employment of a foreign caregiver is 25.6% lower than that of women. Furthermore, the probability that a person whose income is up to one quarter of the average wage will be a permit-holder for the employment of a foreign caregiver is 44.3% of the probability of anyone whose income exceeds the average wage. The results of the multi-year logistic regression reinforce the data presented in table 4.

F. Organizations Providing Long-Term Care Services, and the Services Provided

The services provided under long-term care insurance are provided through official organizations that have been recognized by the Ministry of Social Affairs and Social Services as authorized service-providers pursuant to a contract drawn up between them and the NII. The NII published a number of tenders in recent years, the purpose being to establish a pool of long-term care service-providers for eligible persons; however, agencies and nonprofit organizations filed petitions against each of the published tenders, which were not pursued for various reasons, among them, the intense pressure applied by service-providers, who preferred working under a format of contractual engagements. At the end of 2009, the results of a new tender were published, along with the names of the agencies eligible to provide long-term care services.

A long-term care service-provider can be a public nonprofit organization, such as "Matav" (an association of home caregivers) or seniors' daycare centers, and it can be a private organization operating as a business. In December 2010, 111 long-term care service-providers were operating: 44 nonprofit organizations and 67 private agencies. Table 4 below presents the distribution of the number of hours of personal home caregiving provided in December 2010 by type of service-provider. In December 2010, service-providers provided approximately 7.5 million hours of personal caregiving in the homes of those eligible for the long-term care benefit. Approximately 5.4 million hours were provided by private organizations (71.6%), approximately 1.2 million hours were

Table 4
Number of Hours of Personal Caregiving Provided, by Type of Service-Provider, December 2010

Type of service-provider	Numbers (thousands)	Percentages
Total	**7,544**	**100.0**
Private organization	5,401	71.6
Matav	1,243	16.5
Nonprofit organization	888	11.8
Other	12	0.1

provided by caregiver organizations (16.5%), and the rest, approximately 0.9 million hours (11.9%), were provided by public and other nonprofit organizations.

Table 5 presents the distribution of recipients of long-term care services in December 2010 by the type of service provided to them. It should be recalled that a person who is eligible for a benefit can receive more than one type of service and, it is for this reason that the total number of recipients of long-term care services is greater than the number of persons eligible for a benefit.

The vast majority (97.9%) of recipients of long-term care services in December 2010 received personal care at home from an Israeli or foreign caregiver. 7.3% received personal care at a seniors' daycare center, 20.6% received absorbent products and 12.8% received a medical-alert transmitter. 68.3% of the recipients of personal care in the home received this service as the sole item from the basket of services. Only 6.9% of the recipients of personal care at a seniors' daycare center received the service as the sole item, while the rest combined the caregiving service with other services.

Table 5
Recipients of Long-Term Care Services, by Type of Service, December 2010

Type of service	Number of recipients	Percentage receiving the service: out of all those eligible for a benefit	Percentage receiving the service: as the sole item, out of all recipients of this service
Total*	**199,846**	–	–
Personal caregiving in the home	140,819	97.9	68.3
Personal caregiving at a seniors' daycare center	10,433	7.3	6.9
Absorbent products	29,607	20.6	0.3
Medical-alert transmitter	18,406	12.8	0.4
Laundry services	581	0.4	0.9

* A person eligible for a benefit can receive more than one type of service. Therefore, the total number of recipients of long-term care services in this table is larger than the number of persons eligible for a benefit; in December 2010 – 143,846 persons.

Box 2
Pilot Program Providing the Long-term Care Benefit in Cash: Percentages and Characteristics of those Choosing this Option

The NII has been operating a pilot program for the provision of the long-term care benefit in cash in lieu of the benefit in kind, from the perspective that views those eligible for a long-term care benefit as being capable of decision-making and of planning ahead, even in terms of whether they need assistance and support.

At the end of 2010, 904 eligible persons opted for the benefit in cash, out of 17,427 eligible persons residing in areas where the pilot program is being operated (see table below). The pace of the increase in the percentage of those opting for the benefit in cash has been moderate up until now, and, since the additional NII branches have been added to the pilot program, the majority of the increase in the percentage of those opting for the benefit in cash derives from these branches.

In the NII branches in Ashkelon, Bnei Brak and Ramat Gan, which have been participating in the pilot since March 2008,[1] the percentage of those opting for the benefit in cash in December 2010 rose to more than double the percentage of those opting for it in April 2009. On the other hand, the pace of the increase was slower at

Number of Potential Elderly Recipients versus the Number who Received the Long-term Care Benefit in Cash, December 2010

Region/NII branch	Total eligible potential recipients		Total who opted for the long-term care benefit in cash	
	Total	With a permit to employ a foreign caregiver	Cases	Ratio of total eligible potential recipients
Total in pilot regions	**17,427**	**53.3**	**904**	**5.2**
Branches participating since 2008	8,220	60.1	670	8.2
Ashkelon	1,782	42.0	148	8.3
Bnei Brak	928	71.2	45	4.8
Nahariya	1,312	44.8	30	2.3
Ramat Gan	4,198	70.1	447	10.6
Branches participating since 2010	9,207	47.2	234	2.5
Ashdod	2,136	31.5	56	2.6
Tiberias	1,493	48.0	33	2.2
Jerusalem	5,578	53.0	145	2.6

1 See the NII Annual Survey 2009, 177. For more information, see Ramsees Gharrah, "Long-term Care Benefit in Cash – Study Accompanying the Pilot," Research Studies 103, Jerusalem: NII Research and Planning Administration, December 2010.

the NII branch in Nahariya (where the percentage of those opting for this benefit had already been extremely low in April 2009). Nearly all of those opting for the benefit in cash are employing foreign caregivers.

An analysis of those opting for the benefit in cash by characteristics (gender, age, benefit level, living arrangements, income level and number of years of residency in Israel) indicates that the trends are persisting over time:[2] the percentage of men who opted for the benefit in cash is higher than the percentage of women; the percentage of those opting for a benefit in cash tends to drop inversely proportional to the age of the recipient; the percentage of recipients of a long-term care benefit at the level of 168% is higher than the percentage of recipients of a long-term care benefit at the level of 150%; the percentage of those living alone is higher than the percentage of those living with a spouse; the percentage of those opting for this benefit tends to rise at higher income levels; the percentage of long-term residents of Israel opting for a benefit in cash is significantly higher than the percentage among new immigrants.

Multi-year logistic regression analyses were performed separately for the branches participating since 2008 and for the branches participating since 2010. The dependent variable in each of the regressions was opting/not opting for the benefit in cash, while the independent variables were gender, age when joining the arrangement, benefit level, living arrangements, income level of the recipient and his/her spouse, number of years of residence in Israel, and location of the NII branch. In relation to the initial participating branches, the variables of branch location, age when joining the arrangement, benefit level, and years in Israel were found to have a clear statistical impact at the level of $p<0.01$, the variables of income level and living arrangements were found to have a clear statistical impact at the level of $p<0.1$, while the gender variable was not found to have a clear impact. In relation to the branches who joined the pilot in 2010, the variables of branch, income level, benefit level and years in Israel were found to have a clear statistical impact at the level of $p<0.01$, while the remaining variables (gender, age when joining the arrangement and living arrangements) were not found to have a clear statistical impact. However, the ability of the variables to explain the dependent variable in the two regression analyses (pseudo-r^2) was very low. Apparently, the reason for this was the relatively low number of recipients of the benefit in cash in both groups of branches.

Between May and August 2010, the Long-term Care insurance branch of the NII conducted audit inspections of the quality of the long-term caregiving services using a random sampling of 168 cases out of all recipients of the benefit in cash through the NII branches in Ashkelon, Bnei Brak, Nahariya and Ramat Gan. The audit focused on the following subjects: the quality of the caregiving and the living conditions of

2 See footnote 1.

the elderly person (cleanliness of his clothing and surroundings, the level of safety in his home and surroundings, whether he is receiving meals regularly, whether he is receiving hot meals, the quality of the interpersonal communications between him and those around him, and whether he is subject to neglect and abuse); the compatibility and suitability of the caregiver for the elderly person (interpersonal communications, whether the days and hours of caregiving are adequate for the elderly person's needs, whether the caregiver is assisting the elderly person according to his patient's needs, whether the caregiver is treating the elderly person appropriately and whether or not the caregiver is abusing him); and the caregivers' employment conditions, the majority of whom are foreign workers (whether their lodgings are reasonable and afford them with privacy, whether the food is adequate, whether their wages are being paid on time, whether their hours of rest are adequate and whether the attitude of the elderly person and of those around him towards the caregiver is fair). In the 161 audit inspections that were carried out (in a few of the cases, the benefit recipients had died, or the audit inspections were not carried out for other reasons), it was found that the quality of the care of the recipients of the benefit in cash was very high – positive evaluations were given for all audit topics at the ratio of 96.2% of all evaluations conducted, at the very least and, in the majority of the audit topics, the percentage of positive evaluations exceeded 98%. In relation to all audited topics, the quality of the long-term care being provided to recipients of the benefit in cash was similar in standard to the quality of the long-term care being provided to recipients of the benefit in kind through long-term care agencies. During the audit inspections conducted, it was also found that the vast majority of the caregivers were enjoying proper conditions. The main problem identified is the absence of reasonable lodgings allowing privacy for approximately one tenth of the foreign caregivers.

G. Volume of Payments

Concurrent with the direct payments of benefits, the National Insurance Law mandates that payments must be made for additional items associated with long-term care insurance. Fifteen percent of the annual receipts are allocated to the Ministry of Health and to the Ministry of Social Affairs and Social Services to fund the growing number of persons hospitalized in institutions. In fact, the Ministry of Health usually utilizes its entire allocation, while the Ministry of Social Affairs and Social Services utilizes only a portion thereof. Funds are also allocated to the Fund for the Development of Community and Institutional Services for the Elderly.

In 2010, the total volume of payments transferred to fund Long-term Care insurance under the National Insurance Law reached approximately NIS 4 billion (at 2010 prices): approximately NIS 3.8 billion for the provision of services to those eligible, while the balance was for developing services in institutions and services in the community, and

Table 6
Total Payments of Long-Term Care Insurance, by Type of Payment (NIS millions, 2010 prices), 2006–2010

Year	Total	Long-term care benefit	Transfer to entities outside the NII*	Development of services	Hospitalization in long-term-care institutions	Pursuant to agreements with the Ministry of Finance
2006	3,032.2	2,829.3	68.9	33.3	98.1	2.5
2007	3,409.3	3,196.1	78.4	39.6	92.5	2.5
2008	3,501.3	3,310.4	83.8	21.9	82.6	2.3
2009	3,778.0	3,506.7	83.1	22.4	81.0	82.5
2010	3,996.4	3,778.1	85.2	43.8	85.9	3.4

* Transfers to the Ministry of Social Affairs and Social Services and to Clalit Health Services to fund the preparation of treatment plans for eligible persons, and transfers to fund the conducting of ADL dependence tests.

for conducting ADL dependence tests. The sum of NIS 85.9 million was transferred to the Ministry of Health and to the Ministry of Social Affairs and Social Services to help cover the growing number of those hospitalized in long-term-care institutions (table 6). Additionally, the sum of NIS 85.2 million was transferred to the Ministry of Social Affairs and Social Services, to the sick funds and to evaluators to fund costs of preparing treatment plans for eligible persons and costs of conducting ADL dependence tests.

In 2010, the volume of payments under long-term-care insurance increased by approximately 8.6% at constant prices (2010 prices). The payments of benefits increased by approximately 7.7% as a result of an increase in the number of persons eligible for the benefit, particularly those eligible for the highest level of benefit. The average level of benefit at constant prices rose in 2010 at the rate of 1.5%.