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 living 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 everyone insured 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 (nursing) institution or in a nursing ward in a senior-citizens residence is not eligible for this benefit.

The ADL (Activities of Daily Living) dependence test evaluates the extent of a person's dependence on assistance from others to perform basic activities of daily living: bathing, dressing, mobility (moving about the home, or frequent falls), 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 ADL dependence test. A person aged 90 or over may have the ADL evaluation done by a physician specializing in geriatrics in a hospital, clinic or public institution, and from May 2012 – this also applies to those aged 80-89 under a pilot program being tried for a year in three local NII branches. For the means test, whose rules are defined in the regulations, only the income of the elderly person and his spouse are examined[1].

In January 2007, three levels of long-term care benefits were defined, corresponding to three levels of dependency: 91% of the full disability individual pension, a level that funds 9.75 hours of home care per week; 150% of the full disability individual pension, funding 16 hours of home care per week; and 168% of the full disability individual pension, which funds 18 hours of home care per week. A person is eligible for a full long-term care benefit according to the determined level of dependence if his or her income does not

1 The law differentiates between those who receive the benefit in cash as part of the pilot and those who receive the benefit in cash because there is no way to provide them with services in kind. For the former, the means test is identical to the one conducted for those getting the benefit in kind. For t1he latter, as a condition for receiving the benefit in cash, the income of the family member caring for the elderly person and living with him is also examined.

exceed the average wage (NIS 8,619 in 2012), and for half the benefit if the individual's income is above the average wage but no more than 1.5 times the average wage. If the person's income exceeds 1.5 times the average wage, then he or she is not eligible for a benefit. A couple is eligible for a full benefit if their combined income does not exceed 1.5 times the average wage; and for half the benefit if their combined income is over 1.5 times the average wage but does not exceed 2.25 times the average wage. A couple 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. In January 2012, the long-term care benefit was updated by 2.6% in accordance with the price rises in 2011, and in January 2013 – by 1.4%, in accordance with the price rises during 2012.

The long-term care benefit is not paid in cash, but rather in the form of services provided by private organizations and paid for by the NII

The long-term care benefit is not paid in cash, but rather in the form of services provided by private organizations and paid for by the NII (in-kind benefits). The basket of long-term care services covered by the benefit includes personal care or supervision in the person's home, transportation and care at a seniors' day-care center, absorbent products, laundry services and medical-distress transmitters. A cash benefit is granted to those for whom services are not available locally or cannot be provided at the times specified in the law, and to those eligible under the pilot program operated at a number of local NII branches.

In March 2008, the NII initiated a pilot program providing a cash benefit

In March 2008, the NII initiated a pilot program providing a cash benefit in towns covered by the NII local branches of Ashkelon, Bnei Brak, Nahariya and Ramat Gan. In May 2010, the program was expanded to Ashdod, Tiberias and Jerusalem, and in June 2011 also to Holon and Netanya. Under this program, elderly persons residing in these towns 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% of the full individual disability pension (or to half of the benefit, following the means test) and provided that they are receiving long-term care services from a caregiver who is not a family member for at least 12 hours a day, six days a week. One may choose to switch to a benefit in cash or to return to a benefit in kind at any time. The pilot program is being accompanied by a study that examines the characteristics of those who opt for the benefit in cash, and that reviews the quality of the long-term care provided to recipients of the benefit in cash compared to that provided to recipients of the benefit in kind.

The accompanying study examines the characteristics of those who opt for the benefit in cash

A recipient of a long-term care benefit at one of the two higher levels who employs an Israeli caregiver only (in the scope of long-term care insurance or in any other framework), is eligible for additional weekly care hours . One who is extensively dependent on assistance from others – i.e., is eligible for a benefit at the rate of 150% of the full individual disability pension – may receive an additional three weekly care hours. One who is totally dependent on assistance from others – and therefore is eligible for a

benefit at the rate of 168% of the full individual disability pension – may receive for an additional four weekly care hours. One who is eligible for half the benefit as a result of the means test may receive half the additional hours according to the dependence level determined for him[2].

The law prescribes that the Minister of Welfare 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 elderly persons eligible for the benefit: what services should be provided and who will provide them. The 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 are authorized to refuse requests to receive the long-term care benefit in cash in the scope of the pilot program, if they believe that the elderly person and his family are not capable of using this cash for its intended purposes. The committees are also authorized to determine whether the personal caregiver is suitable and whether the long-term care services that the elderly person is receiving are adequate. Moreover, the committees are empowered to revoke the payment of a cash benefit and to obligate the person to receive the benefit in kind.

B. Legislative and Administrative Changes

Pursuant to the National Insurance Law (Amendment 132 – Temporary Provision), 5772-2012, a pilot program was introduced under which persons aged 80-89 may choose a geriatrician to assess their dependence as a condition of eligibility for the long-term care benefit[3]. The dependence test must be done at the claimant's home and not in the physician's clinic, in the course of physician's work at a public medical institution. Claimants are not required to pay for the assessment, apart from a small fee as under the rules of the National Health Law. They may also choose to have the assessment done by NII assessors, as in the past.

This pilot program will be in force for one year, from May 1st 2012 to April 30th 2013, and it is operating in owns covered by the Tiberias, Jerusalem and Petach Tikva local NII branches.

Following the dispersion of the 18th Knesset and the elections to the 19th Knesset, and pursuant to Section 38 of the Basic Law: The Knesset, the pilot program offering the benefit in cash in nine local NII branches was extended to the end of April 2013.

2 From March to September 2009, this addition was paid according to an agreement with the Finance Ministry and funded by it. Since October 2009, according to the Economic Efficiency Law for 2009-2010, the addition is paid according to the National Insurance Law and funded by the NII.

3 Pursuant to Section 224(c)(2) of the National Insurance Law (Combined Version), 5755-1995, since August 2008 those aged 90 and over can choose a geriatrician to assess their dependence instead of an NII evaluator.

The "short-term fast track" for functional assessment: from May 2012 functional assessment may be based on medical documents for persons who, due to a sudden medical incident, become dependent on others for basic ADL for up to two months. To be eligible for this track, the individual must be receiving the long-term care benefit for the first time, be suffering from a temporary failing, and not have suffered any permanent mental, intellectual or cognitive damage, and the treating physician must confirm that the condition is a temporary one (is not expected to last more than two months). The rate of this benefit is 91% of the full individual disability pension (or half of this, depending on the means test).

C. Claims for Benefit

The number of claims for long-term care benefits rose by 1.7% compared with 2011, reaching approximately 80,900 claims. In 2012, 40.5% of claims were first-time claims and 59.5% were repeat claims

The number of claims for long-term care benefits in 2012 rose by 1.7% compared with 2011, reaching approximately 80,900 claims[4]. In 2012, 40.5% of claims were first-time claims (compared to 39% in 2011) and 59.5% were repeat claims (compared to 61% in 2011). The number of first-time claims in 2012 rose by 5.5% compared to 2011, and the number of repeat claims fell by 1% (Table 1). 55.1% of the first-time claims in 2012 were approved (compared to 52.1% in 2011), and 44.9% were rejected (compared to 47.9% in 2011). However, 41.4% of repeat claims in 2012 were approved (compared to 40.4% in 2011) and 58.6% were rejected (compared to 59.6% in 2011). In all, 46.9% of claims for long-term care benefit were approved in 2012 (compared to 45% in 2011), and 53.1% were rejected (compared to 53.1% in 2011). There is thus a clear increase in the rate of approved claims.

Table 1
Claims, Approved Claims, First-Time Claims and Repeat Claims* (numbers and percentages), 2008-2012

Year	Total claims (numbers)	Annual rate of increase	Percentage of claims approved	Percentage of first time claims approved~	Percentage of repeat claims	Percentage of repeat claims approved
2008	74,085	-1.7	47.4	54.3	59.3	42.7
2009	77,003	3.9	46.0	52.7	59.4	41.3
2010	77,926	1.2	44.1	51.6	59.9	39.1
2011	79,542	2.1	45.0	52.1	61.0	40.4
2012	80,885	1.7	46.9	55.1	59.5	41.4

* (1) The calculation does not include claims submitted by people who subsequently died or whose eligibility was suspended. (2) The results of claims in the first eligibility decision are shown. (3) Claims include claims still being handled in 2012. The percentage of approved claims, the percentage of approved first claims, the percentage of repeat claims and the percentage of approved repeat claims only include claims for which handling was completed in 2012.

4 Including claims still being handled.

The percentage of "void claims" (claims for which a score of 0 or 0.5 was obtained in the ADL dependence tests [5] and no eligibility for supervision was determined) was 35.3% in 2012 compared to 34% in 2011. and the percentage of applicants who received 2.5 points –the threshold score conferring eligibility for a benefit – fell from 17.7% in 2011 to 16.8% in 2012[6].

The percentage of "void claims" was 35.3% in 2012 compared to 34% in 2011

D. Entitlement to Benefit

1. General

The number of persons entitled to a long-term care benefit continued to rise in 2012, reaching a monthly average of 152,700 persons – an increase of 5.4% (Table 2). The number of entitled persons almost quadrupled from 1991 to 2011, despite the higher entitlement age. This is an extremely high rate of growth, significantly higher than the increase in the number of elderly persons during that period. One possible explanation for this is that more entitled people are claiming the benefit because awareness of it has risen over the years. During 2009, the entitlement age for women was raised to 62, and this will remain in effect until the end of 2016. The process of raising the entitlement age for men to age 67 was completed in 2009. In 2012, as in 2011, the eligibility age for men and women did not change during the entire year. The proportion of elderly persons

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Table 2
Persons Entitled to Long-Term Care Benefit, Elderly persons in Israel and Coverage Rates, 2008-2012

	Entitled to benefit*		Elderly Persons in Israel**		
Year	Numbers (thousands)	Annual rate of increase	Numbers (thousands)	Annual rate of increase	Rate of cover***
2008	131.5	4.5	859.1	2.8	15.3
2009	136.6	4.0	788.4	4.7	17.3
2010	141.4	3.4	812.7	3.1	17.4
2011	145.6	2.7	840.3	3.4	17.3
2012	152.7	5.4	868.9****	3.4	17.6

* Monthly average.
** Until 2008 – the average population of men aged 65 and over, and women aged 60 and over, according to figures from the Central Bureau of Statistics. The figures for 2009-2010 refer to men aged 67 and over and women aged 62 and over.
*** The number of those eligible for the benefit as a percentage of the number of elderly; from mid-2004, the retirement age rose gradually from 65 to 67 for men and from 60 to 62 for women. Therefore, by 2008, the number of elderly persons according to the former retirement age was larger and the rate of cover was lower. From 2009, the rate refers to the same age brackets for numbers of elderly and numbers of those eligible for the benefit.
**** The figure for 2012 is an estimate.

5 See the Annual Survey for 2011, page 125.
6 The threshold for entry to the long-term care system is 2.5 points in the functional assessment for someone who is not single ("lone individual") or 2 points in the functional assessment plus 0.5 points for a lone individual.

entitled to long-term care benefit rose significantly, from approximately 6% of the total elderly population during the initial years after implementation of the law to 17.6% in 2012 (estimated). This proportion was calculated using an estimate of the number of elderly persons who have reached the entitlement ages for the benefit (62 for women and 67 for men).

2. Characteristics of eligible persons

Seven out of every 10 entitled persons are women, and that the ratio of entitled women to all entitled persons fell slightly compared to 2011

An examination of the demographic characteristics of entitled persons in 2012 shows that seven out of every 10 entitled persons are women, and that the ratio of entitled women to all entitled persons fell slightly compared to 2011. In terms of distribution by age, almost 40% are aged 85 or over, and nearly two-thirds (66%) are aged 80 or over. As in 2011, in 2012, the increase in the number of eligible persons was mainly among those aged 85 or over, whose share rose from 38.6% of all recipients to 39.4%, while the proportion of eligible persons aged 84 or under is steadily decreasing.

The aging trend among the recipients of long-term care benefit continues

The aging trend among the recipients of long-term care benefit continues: for example, in 2001, persons aged 85 and over constituted less than one third (32.1%) of those entitled, while those aged 80 and over constituted less than three-fifths (55.2%) of all entitled persons. The aging trend derives, in part, from the raising of the retirement age: the number of women in the 60-64 age bracket who are entitled to the benefit is decreasing, as is the number of both men and women in the 65-69 age bracket, due to the raising of the retirement age for men.

In terms of family composition, the data remained stable in 2012 compared to 2011: nearly half of those entitled are living alone

In terms of family composition[7], the data remained stable in 2012 compared to 2011: nearly half of those entitled 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. The figures relating to number of years in Israel have also remained stable in these two years: one out of every four entitled persons immigrated to Israel after 1989, while one out of every eight entitled persons immigrated after 1999. Entitled persons who immigrated to Israel after 1989 as a proportion of all entitled persons increased from 24.9% in 2011 to 25.1% in 2012, while the proportion of those who immigrated after 1999 rose from 3.1% to 3.3% in these two years.

The aging trend in the population of entitled persons has led to an increase in the rate of recipients of high levels of benefit

The aging trend in the population of entitled persons has led to changes in the composition of those entitled by benefit level in 2012 compared with 2011; namely, an increase in the rate of recipients of high levels of benefit: the proportion of persons receiving a benefit at the rate of 91% of a full individual disability pension (the lowest level) decreased from 55.0% to 54.0%; the proportion of those receiving 150% (high level) rose from 25.0% to 25.1%; and the proportion of those receiving 168% (the highest level) rose from 20.0% to 20.9% between those two years (Table 3).

7 In the data for 2011 there is a change in the definitions "Living with a Spouse" and "Living with Children or Others". The definition "Living with a Spouse" now includes those who live with a spouse and with other people.

Table 3
Entitlement to Long-Term Care Benefit by Demographic Characteristics and Benefit Level (monthly averages), 2012

Characteristics	Numbers	Percentages
Total	**152,712**	**100.0**
Sex		
Men	44,388	29.1
Women	108,324	70.9
Age		
Up to 64*	1,150	0.8
65-69	6,035	3.9
70-74	15,864	10.4
75-79	28,868	18.9
80-84	40,693	26.6
85+	60,102	39.4
Family composition		
Living alone	70,981	46.5
Living with spouse	60,702	39.7
Living with son/daughter or others	21,029	13.8
Length of time in Israel		
Veterans	114,344	74.9
Immigrants** – total	38,368	25.1
Thereof: immigrated in 2000 or later	5,005	3.3
Level of benefit		
Low level (91%)	82,478	54.0
High level (150%)	38,306	25.1
Very high level (168%)	31,928	20.9
Eligible for an extra 3 hours	22,403	58.5***
Eligible for an extra 4 hours	14,171	44.4***

* This age group covers only women.
** People who immigrated to Israel from 1990 onwards.
*** Those eligible for extra hours as a percentage of all eligible persons at the same level of benefit.

The proportion of those entitled to a benefit at the highest level has been steadily increasing – from 17.6% in 2008 to 20.9% in 2012 – and this group has the highest growth rate. Compared with 2011, the number of benefit recipients at the lowest level in 2012 increased by 3.2%, at the high level by 5.8%, and at the highest level, the number of benefit recipients has increased by 11.8% compared with 2011.

The proportion of those entitled to a benefit at the highest level has been steadily increasing and this group has the highest growth rate

In March 2009, extra care hours were added for those who employ an Israeli caregiver only. The monthly average number of recipients of additional hours for the employment of Israeli caregivers at the upper benefit levels increased in 2012 compared to 2011; approximately 2,400 persons were entitled to additional hours at the high benefit level and approximately 2,000 persons at the highest level. The main factor affecting the

growth in the number of Israeli care workers employed is the relative shortage of foreign care workers; from June 2010 the Government imposed quotas in the carer industry[8]. Apparently the additional hours are encouraging the employment of Israeli carers, although the effect is very limited[9].

In 2011 the Organization of Economic Cooperation and Development (OECD) published figures from 2008 on the rate of eligibility for long term care services in the community and in publicly funded institutions in half the organization's member countries[10]. Israel was not included in the data, but on the basis of National Insurance data from 2008, Israel is in first place, alone or with other countries, in the four groups that were examined: women aged 65-79, men aged 65-79, women aged 80 and over, and men aged 80 and over (Box 1). Regarding Israel, only the rate of eligibility for the long term benefit was examined, but if we take into account elderly persons in publicly subsidized institutions or those who receive the equivalent of the benefit[11], the rates of eligibility are even higher than those presented there.

Box 1
Entitlement to Long Term Care Benefit for the Elderly – Israel and OECD Countries

From time to time allegations are heard according to which a fairly high proportion of elderly people claiming long-term care benefit are found to be ineligible under the means test and the functional dependence tests of the Long Term Care Insurance cheme. Data from the National Insurance Institute indicate that about half of claims submitted each year are rejected because the claimants were not found to be dependent to a degree that would grant them eligibility for the benefit[1]. A few claims were rejected because the income of the claimants was higher than the top threshold that grants eligibility to half the benefit, according to dependence level[2].

Israel was one of the first countries to introduce a social security scheme for Long-term Care Insurance. The equivalent insurance schemes in other countries are differentiated by their principles: the population potentially eligible for the benefits

1 See various Annual Surveys from the National Insurance Institute.
2 About 2% of the claims for long-term care benefit each year are rejected due to the high income of the claimant and his/her spouse.

8 If 1% or more of the foreign care workers in Israel with permits are not employed during the year, no permits are issued to bring in more foreign care workers. Private employment bureaus that received a permit to bring care workers to Israel are permitted to increase the number of foreign workers by 10% each year, if their placement rate is no lower than the threshold determined in the procedures of the Immigration & Population Authority of the Ministry of the Interior (97%).
9 Regarding the effect of additional hours in encouraging the employment of Israeli carers, see the chapter on Long Term Care Insurance in the Annual Survey for 2010.
10 Colombo, F. et al. (2011), Help wanted? Providing and paying for long-term care. Paris: OECD Publishing, p. 41.

(the elderly or the general population); methods of payment (in kind or in cash); the services included in the benefit and how they are provided (for example, is it possible to pay for care given by a relative); and methods of assessing dependence[3]. Because of these and other differences involved in international comparisons – such as the use of different definitions – a comparison of care insurance schemes or care services in the community provided for the elderly population is not an easy task.

One of the important indices – though certainly not the only one – in the comparison concerns the degree of public support for the care needs of the elderly, that is the rate of elderly persons eligible for public funding to pay for some of their care needs. It must be stressed that the declared aim of the care insurance program in Israel is not to fund the entire cost of care, but rather to relieve the physical, mental and financial burden on the old person and his/her family, involved in the purchase of formal care services (provided for payment).

One of the important indices in the comparison between countries concerns the rate of elderly persons eligible for public funding to pay for some of their care needs

The Organization for Economic Cooperation and Development (OECD) segmented the elderly by sex and age and presented the differences between women and men related to life expectancy and family ties in old age, and particularly on the effect of age on the chances of being dependent on paid-for care.

Data on the rate of the elderly who are eligible for public subsidies for care services in Israel and in 17 of the OECD countries[4] in 2007 or 2008 (Table 1), show that Israel is ranked first in all the categories, and in some of the categories it shares first place with one or more countries. A possible conclusion is that the conditions of eligibility for long term care benefit in Israel permit a considerable number of the elderly to be included.

Data on the rate of the elderly who are eligible for public subsidies for care services show that Israel is ranked first in all the categories

It should be noted that the data on Israel (Table 1) concerns only entitlement to the benefit. If we include those entitled to the attendance allowance and to equivalent benefits (from the Ministry of Defense) as well as those in public care institutions, then the rate in Israel would be even higher. In all, about a fifth of the elderly in Israel receive public subsidies for their care in the community or in an institution.

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3 See surveys of long-term care systems in various European countries (the ANCIEN Project: Assessing Needs of Care in European Nations): http://ancien-longtermcare.eu

4 The source of the information about the OECD countries is:
Colombo, F. et al. (2011), Help wanted? Providing and paying for long-term care. Paris: OECD Publishing.
Asiskovitch, S. (2013). The long-term care insurance program in Israel: Solidarity with the elderly in a changing society, Israel Journal of Health Policy Research, 2:3.
The source of data on Israel is The NII data on the monthly average number of persons eligible for long term care benefit in 2008 as a proportion of the relevant population, monthly average in 2008 according to NII data. This table was published in Asiskovitch, S. (2013). The long-term care insurance program in Israel: Solidarity with the elderly in a changing society, Israel Journal of Health Policy Research, 2:3.

Table 1
People Eligible for Publicly Funded Care Services in Various Countries by Age and Sex as a Proportion of the Potential Population

Country	Year	Women		Men	
		Aged 65-79	Aged 80+	Aged 65-79	Aged 80+
Poland	2008	0	2	1	3
South Korea	2008	2	10	1	6
Canada	2007	1	11	1	7
Slovenia	2008	2	14	2	7
Ireland	2008	1	14	1	9
Hungary	2008	8	17	6	12
Sweden	2008	2	18	2	11
Iceland	2008	2	19	2	13
Switzerland	2008	2	21	1	11
Holland	2007	3	23	2	13
Germany	2008	5	33	5	20
Finland	2008	6	34	5	23
Luxemburg	2007	6	35	5	23
Australia	2007	6	36	3	20
Czech Republic	2008	7	40	5	24
New Zealand	2008	10	44	5	27
Norway	2008	8	46	6	32
Israel (men and women aged 65+)	2008	13	47	6	32
Israel's ranking		1	1	1-4	1-2
Israel (women aged 62+ and men aged 67+)	2008	10	47	7	32
Israel's ranking		1-2	1	1	1-2

* The figures are rounded.
** The figures for all countries except Israel refer to care services in the community and in institutions. The figures for Israel refer only to people eligible for a long term care benefit in the community.
*** The figures for Israel refer to the monthly average of the number of people entitled to the care benefit as a percentage of the monthly average number of old people according to CBS data.

The decrease in the rate of entitlement among the younger elderly, both men and women, reflects the sharp increase in the number of elderly people and their relative proportion, which began in recent years, and may also indicate an improvement in their health condition

Figures on the rates of elderly in Israel according to sex and age who were entitled to the long-term care benefit in 2008 and 2011 show that in this period there was an increase in the rate of entitled persons aged over 80, both men and women, as a proportion of the total population aged 80+ (Table 2). On the other hand, the proportion of younger entitled persons fell during this period. These trends are an expression of an aging population entitled to the benefit – as shown by the Annual Surveys of the NII over the last decade. In addition, the decrease in the rate of entitlement among the younger elderly (aged under 79), both men and women, reflects the sharp increase in the number of elderly people and their relative proportion, which began in recent years, and may also indicate an improvement in their health condition.

Table 2
Rates of Elderly by Sex and Age Eligible for Care Benefit*, 2008-2011 (percentages)

	Women		Men	
Year	Aged 62-79	Aged 80 and over	Aged 67-79	Aged 80 and over
2008	10.4	46.9	7.2	32.3
2011	9.0	49.1	6.6	33.6
	Aged 65-79	Aged 80 and over	Aged 65-79	Aged 80 and over
2008	12.7	46.9	6.1	32.3
2011	11.6	49.1	5.3	33.6

The rate of elderly people receiving public subsidy is affected by various factors, such as the composition and characteristics of the population, availability and extent of public resources, and legal arrangements regarding eligibility and benefits. For example, although most countries examine the degree of dependence on others for performing basic daily activities (ADL) according to different versions of the same dependence tests (Barthel, Katz or FIM), they independently determine the threshold for eligibility and for moving between different benefit levels. Moreover, there are countries such as Germany and Belgium where the dependence tests also cover daily activities that are not basic (instrumentality – IADL), such as the ability to manage a household. Also, in the different countries there are different rules regarding the number of benefits and their size, and other rules such as the need to prove dependence on others for a specific period (for example, Germany).

Two of the main characteristics of the long-term care benefit system in Israel are the small number of benefit levels and the relatively low level of the benefit for the most dependent. Until 2007 there were only two levels of benefit, and since 2007 – three levels. This number is small compared to other countries. In Austria, for example, there are seven levels, and in Japan and Spain – six levels. Compared to other countries, such as Germany, the benefit in Israel for people with fairly few care needs is generous, while the higher benefit levels are less generous: the benefit in Israel covers 25%-56% of care needs for people with low levels of dependence, compared to 37% in Germany; 27%-45% of the needs of people with moderate levels of dependence compared to 45% in Germany; and 23%-35% of the needs of people with high levels of dependence, compared to 38% in Germany[5]. The NII is aware of the characteristics

Two of the main characteristics of the long-term care benefit system in Israel are the small number of benefit levels and the relatively low level of the benefit for the most dependent

5 Coverage rates in Israel were calculated according to: Reis, A., Allocation of Care Resources – Absence of balance in the allocation of care resources compared to the need of help from others. National Insurance Institute, Long Term Care Division, Position Paper, May 5th 2008. For Germany, see: Muiser, J., & Carrin, G. (2007). Financing long-term care programmes in health systems; with a situation .assessment in selected high-, middle-, and low-income countries. Geneva: WHO, 2007.

of its long-term care benefit compared to OECD countries, and of the need to adjust them to the changing needs of the elderly, taking into account significant changes in Israeli society, as well as the extent of the possibility of meeting these needs from other sources, such as the family, and is promotes proposals for a reform of the structure of the long-term care benefits[6].

6 See: National Insurance Institute, Annual Survey 2011, Jerusalem, October 2012, 128-132.

C. Payment in cash – the pilot program

At the end of 2012, individuals eligible for the long-term care benefit in towns covered by nine local NII branches were offered the option of a benefit in cash. The number of recipients of the cash benefit in this arrangement was 1,250 in December 2012, compared to 1,144 in December 2011 – an increase of 9.3%. Table 4 shows the changes in the number of recipients of the cash benefit by local NII branch in 2012 compared to 2011.

In three local NII branches – Ashkelon, Ashdod and Bnei Brak – the number of recipients of the benefit in cash declined, while in the other six branches the number increased

In three local NII branches – Ashkelon, Ashdod and Bnei Brak – the number of recipients of the benefit in cash declined, while in the other six branches, in the center and north of the country, the number increased. In Holon and Netanya, which joined the pilot program in the late third stage, the rate of increase was higher than in the other branches. The lower rates of increase in branches that joined the program at an earlier stage show that over time, the proportion of persons choosing the benefit in cash stabilizes relative to the total number of potentially eligible individuals in each region.

It is possible to point to gaps in the rates of eligibility for the benefit in cash by date of joining the program. In the four local NII branches that joined in March 2008 (Ashkelon, Bnei Brak, Nahariya and Ramat Gan), the rate of recipients in cash was 7.7%

Table 4
Recipients of Care Benefit in Cash, by Local NII Branch and Date of Joining, December 2012 and December 2011

Local NII branch	Date joined pilot	Potentially eligible			December 2012		December 2011		Change in no. of recipients in 2012 in %
		December		Change in %	Number	% of potential	Number	% of potential	
		2012	2011						
Ashdod	May 2010	2,319	2,298	0.9	69	3.0	76	3.3	-9.2
Ashkelon	March 2008	2,040	1,864	9.4	125	6.1	146	7.8	-14.4
Bnei Brak	March 2008	1,067	1,004	6.3	48	4.5	49	4.9	-2.0
Holon	June 2011	3,699	3,644	1.5	94	2.5	67	1.8	40.3
Tiberias	May 2010	1,578	1,504	4.9	42	2.7	37	2.5	13.5
Jerusalem	May 2010	6,539	5,987	9.2	243	3.7	217	3.6	12.0
Nahariya	March 2008	1,642	1,502	9.3	39	2.4	36	2.4	8.3
Netanya	June 2011	4,067	3,807	6.8	87	2.1	50	1.3	74.0
Ramat Gan	March 2008	4,517	4,410	2.4	503	11.1	466	10.6	7.9

in December 2012 (compared to 7.9% at the end of 2011). The number of recipients at the end of 2012 grew by 18 since December 2011, but their proportion among all potentially eligible persons fell slightly. In the three branches that joined in May 2010 (Ashdod, Tiberias and Jerusalem), the rate of recipients in cash was 3.4% in December 2012 (similar to December 2011), and the number of recipients grew by 24. In the two branches that joined the program in June 2011, 2.3% of eligible persons received the benefit in cash in December 2012 (compared to 1.6% in December 2011), and their number grew by 64%.

As time passes and it appears that the rate of uptake is stabilizing in the branches, it is possible to define an overall uptake rate for all branches: about 4.6%. However, it should be emphasized that since the program began at various points of time in different branches and has therefore lasted for different periods, the overall eligibility rate – that is, the proportion of potentially eligible individuals who choose a benefit in cash at any point in time – is a problematic figure.

Among the branches that joined the program at the same point in time, it is possible to distinguish differences in the rates of choosing the benefit in cash. Possible reasons for this are differences in the availability of foreign care workers (almost all eligible persons who receive the benefit in cash employ non-Israeli carers), particularly in outlying areas compared to the center of the country, and cultural and socio-economic differences between regions and between towns in the same regions in their willingness to employ foreign carers or their economic ability to do so.

In December 2012, 1,220 out of 1,250 entitled persons (97.6%) had a permit to employ a foreign carer, compared to 1,120 out of 1,144 (97.9%) in December 2011. The rate of eligible individuals receiving the benefit in cash out of holders of a permit to employ a foreign carer in December 2012 was 9.6%; in branches that joined the program in March 2008 – 14.7%; in branches that joined in May 2010 – 8.2%; and in branches that joined in June 2011 – 4.6%.

In December 2012, 1,220 out of 1,250 entitled persons had a permit to employ a foreign carer, compared to 1,120 out of 1,144 in December 2011

E. Organizations Supplying Care Services and the Services Supplied

The services provided in the framework of Lon-term Care Insurance are supplied by official organizations recognized by the Ministry of Welfare and Social Services as authorized service providers according to a contract drawn up between them and the NII. In recent years the NII has published a number of tenders to establish a pool of suppliers of care services for eligible persons, but each time the agencies and non-profit associations filed petitions against the published tenders and they were not implemented, partly due to intense pressure from the service providers, who preferred to operate under previous arrangements where they were not selected by a tender process. At the end of 2009 the results of a new tender were published along with the names of the agencies entitled to provide long-term care services.

Table 5
Number of Hours of Personal Care Provided by Type of Service Provider (monthly average), 2012

Type of service provider	Number of hours (thousands)	Percentages
Total	**8,802**	**100.0**
Private organizations	5,882	72.8
Non-profit public organizations	2,200	27.2

At the end of 2012 there were 112 suppliers of care services: 46 non-profit organizations and 66 private agencies. The average monthly number of personal care hours rose by 4.8% – from 7.409 million in 2009 to 7.767 million in 2012

The supplier of long term care services may be a non-profit public organization, such as Matav (Association of Home Carers) or a seniors' day care center, or it may be a private organization operating as a business. At the end of 2012 there were 112 suppliers of care services: 46 non-profit organizations and 66 private agencies. Table 5 shows the breakdown of the average monthly number of personal care hours in the home provided in 2012 by type of service provider. In all, in 2012 service providers provided on average 7,767,000 hours per month of personal care in the homes of people entitled to the benefit – about 5,628,000 hours from private organizations (72.5%) and about 2,139,000 hours from public organizations (27.5%).

The average monthly total number of hours of care increased by 4.8% in 2012: from 7,409,000 in 2011 to 7,767,000 in 2012. The proportion of hours provided by private companies grew by 5.4% – from 5,342,000 in 2011 to 5,628,000 in 2012 – while the proportion provided by non-profit organizations grew by 3.5%: from 2,067,000 in 2011 to 2,139,000 in 2012. The share of private companies of the total hours provided grew from 72.1% in 2011 to 72.5% in 2012.

The overwhelming majority (98.2%) of recipients of care services[12] in December 2012 received personal care at home from a local carer or a foreign carer, 21.8% received absorbent products, and 12.1% received a distress transmitter (Table 6)[13]. 68.8% of those

Table 6
Recipients of Long Term Care Services by Type of Service, December 2012

Type of service	Number of recipients	Percentage of recipients	
		Out of all benefit recipients	As a sole item among all recipients of this service
Total	**215,221**	-	-
Personal care at home	151,324	98.2	68.8
Personal care at a day center	11,136	7.2	9.0
Absorbent products	33,616	21.8	0.3
Distress transmitter	18,659	12.1	0.4
Laundry services	486	0.3	0.8

* A person entitled to the benefit can receive more than one type of service, therefore the total of all recipients of long term care services in the Table is greater than the number if benefit recipients (excluding those refusing the services) in December 2012 – 154,049.

receiving personal care at home received it as the sole item from the basket of services. Only 9% of those receiving care at a day care center received it as the sole item, while the rest combined it with other services. It must be remembered that anyone entitled to a benefit can receive more than one service, and therefore the total of all recipients of care services is greater than the number of people entitled to the benefit.

Introducing the long-term care program under the National Insurance Law in 1988 encouraged the creation of a long-term care industry, according to the definition of Prof. Hillel Schmid[14]. In addition to care companies, an important element of this industry are the care workers, both Israeli and foreign. Israeli men and women account for about 2/3 of home care providers. The Israeli carers have quite clear characteristics: (1) they are nearly all women (more than 90%); (2) they are fairly old, and their average age is gradually rising; (3) many of them are new immigrants who arrived in the 1990s or afterwards. These characteristics and their possible implications for the future of Long-term Care Insurance are shown in Box 2.

Box 2
Israeli Carers in Long Term Care Insurance – Numbers and Demographic Features[1]

Long-term care at home is the most widespread service in the basket of services in the care benefit – nearly everyone eligible for the benefit receives this service, and more than 2/3 receive this service only (Table 5 in this chapter). The care is given by Israeli or foreign carers, and the common assumption is that half or more of the carers are foreign[2]. In fact the reality is different: about 2/3 of carers are Israelis, and more than

Long-term care at home is the most widespread service in the basket of services in the care benefit – nearly everyone eligible for the benefit receives this service

Table 1
Entitlement to Care Benefit by Benefit Level, and Holders of Permits to Employ a Foreign Carer, December 2012

Benefit Level	Total entitled		Have permit to employ foreign carer		No permit to employ foreign carer	
	Numbers	Percentages	Numbers	Percentages	Numbers	Percentages
Total	**155,131**	**100.0**	**36,554**	**23.6**	**118,577**	**76.4**
45.5%	4,675	100.0	603	12.9	4,072	87.1
91%	78,438	100.0	2,022	2.6	76,416	97.4
75%	2,664	100.0	1,578	59.2	1,086	40.8
150%	36,367	100.0	14,198	39.0	22,169	61.0
84%	2,550	100.0	1,744	68.4	806	31.6
168%	30,437	100.0	16,409	53.9	14,028	46.1

1 Gabriella Heilbrun participated in the preparation of this box.
2 See for example: Colombo, F., at al. (2011). Help wanted? Providing and paying for long-term care, Paris, OECD, p. 174.

¾ of eligible persons receive services from Israeli carers. The proportion of Israeli carers out of the total depends on the benefit level (which in turn is a function of the dependence level[3], expressing the extent of the need for care) and is influenced by the economic ability of the eligible person and his family: the rate of Israeli carers rises as the level of benefit declines, and is higher among recipients of full benefits compared to recipients of half the benefit[4] – evidence of the link between economic ability and the resources required to employ foreign carers (Table 1).

In December 2012, 73,186 Israeli carers[5] looked after 115,008 persons who were entitled to the long-term care benefit[6]. On average, each carer looked after two people for 79.7 hours a month (median: 74.5 hours per month)[7]. Almost half the carers looked after only one eligible individual, while about a tenth looked after four or more people (Table 2).

In December 2012, 73,186 Israeli carers[5] looked after 115,008 persons who were entitled to the long-term care benefit. On average, each carer looked after two people for 79.7 hours a month

In December 2012 the overwhelming majority of Israeli carers were women: 67,779 out of 73,186 – 92.6%. The average age of the carers (both men and women) was 48.2. Various studies conducted by different methods of collecting data show a rise in the average age since the 1990s[8]. The average age of female carers was 48.1 and of male

Table 2
Israeli Carers by the Number of Eligible Persons Cared For By Them, December 2012

	Carers	
Number cared for	Number	Percentage of all carers
Total	**73,186**	**100.0**
1	36,130	49.4
3-2	28,570	39.0
6-4	7,690	10.5
7 or more	796	1.1

3 Persons entitled to the benefit at the level of 150% and 168% are eligible for a permit, while those receiving the benefit at the level of 91% are eligible for a permit for a foreign carer if they received a score of 4.5-5.5 points in the dependence test.

4 45.5%, 75% and 84% are half the benefits at the levels of 91%, 150% and 168% respectively, based on the means test used in care insurance.

5 The figure includes Israeli carers for whom payment for their work in December 2012 was transferred by the NII to the care agencies employing them.

6 Does not include persons receiving the benefit in cash under the pilot program or otherwise (due to a lack of available services), or persons not receiving care at home as part of the care benefit.

7 The care agencies move carers between patients if the recipient asks to replace his/ her carer or when a replacement carer is needed. Sometimes an Israeli carer looks after someone who for part of the month was looked after by a foreign carer, when at the start or end of the month.

8 Schmid, H. & Borowski, A. (2000), Selected issues in the supply of home care services for the elderly, marking ten years since the introduction of the Long-Term Care Insurance Law, Social Security 57: 59-81; Asiskovitch, S. (2013). The Long-Term Care Insurance Program in Israel : .Solidarity with the Elderly in a Changing Society. Israel Journal of Health Policy Research. 2:3.

Table 3
Carers by Age and Sex, December 2012

	Numbers			Percentages		
Age group	Women	Men	Total	Women	Men	Total
Total	**67,779**	**5,407**	**73,186**	**100.0**	**100.0**	**100.0**
Up to 24	5,797	610	6,407	8.6	11.3	8.8
25-34	7,493	622	8,115	11.1	11.5	11.1
35-44	11,673	554	12,227	17.2	10.2	16.7
45-54	15,905	855	16,760	23.5	15.8	22.9
55-64	19,750	1,550	21,300	29.1	28.7	29.1
65 and over	7,161	1,216	8,377	10.6	22.5	11.4

carers: 50.1. The age of carers ranges from 17 (22 carers) to 81 (2 carers), but most (more than 60%) are aged 45 or over (Table 3).

Most carers (both men and women) immigrated to Israel after 1990 Table 4): about 42.7%. The average age of carers born in Israel or who immigrated before 1990 is lower than the average age of those who immigrated after 1990 (Table 5). In addition, the average age of carers who immigrated during 1990-1999 is higher than the average age of those who immigrated in 2000 and thereafter; this is further evidence of the rise in the average age of carers over the years.

Table 4
Carers by Date of Immigration to Israel and Sex (numbers), December 2012

Date of immigration	Total	Women	Men
Total	**73,186**	**67,779**	**5,407**
Born in Israel or immigrated before 1990	41,927	39,054	2,873
Immigrated in the period 1990-1999	23,815	21,861	1,954
Immigrated in the period 2000-2009	6,479	5,988	491
Immigrated since 2010	965	876	89

Table 5
Average Age of Carers by Sex and Date of Immigration to Israel, December 2012

Date of immigration	Total	Women	Men
Total	**48.2**	**48.1**	**50.1**
Born in Israel or immigrated before 1990	44.6	44.6	44.3
Immigrated in the period 1990-1999	53.6	53.3	57.1
Immigrated in the period 2000-2009	52.0	51.6	56.6
Immigrated since 2010	46	46.0	49.4

About 12.5% of carers of working age, both men and women, receive income supplement – three times as high as the proportion of the whole population of working age

About 12.5% of carers of working age, both men and women, receive income supplement – three times as high as the proportion of the whole population of working age. About 52.9% of those who are over retirement age receive additional income supplement (in their own right, as dependents of a spouse who receives an old-age pension with income supplement, or as women who are not defined as dependent on a spouse for the purpose of receiving an old-age pension, but their spouse receives an old-age pension with income supplement) – more than double the proportion of the general population above retirement age. In all, 19.9% of carers receive income supplement or additional income supplement.

Long-term care providers are one of the weakest groups in Israeli society. Their employment is characterized by its temporary nature, with part-time positions and quite low pay. Over the years the NII has been aware of their low status compared to their employers, the care agencies, and has worked to secure a lower threshold for their working conditions and pay. Since 1995, the NII has worked to publish tenders to select care agencies that will ensure proper working conditions, pay and social rights[9]. After lengthy legal struggles, the tender in 2008 for the first time enshrined the rights of carers to the minimum wage (plus 4%) and social conditions (sick days, vacation days, recuperation days, gifts on holidays, and payment of travel expenses, as well as contributions to severance pay and provident funds)[10].

To sum up, the discussion in this box raises an important issue that must be addressed – the rise of the average age of Israeli carers. The part played by older carers, some over retirement age, is not discounted. As the number of elderly people eligible for care benefit rises, and bearing in mind the government policy not to increase the number of foreign carers[11], the question of the availability of Israeli carers arises in view of their demographic characteristics, especially the increase in their average age.

9 For the chain of events, see: Administrative Petition 1003/09 et al. Association of Providers of Care Services in Israel et al. v. the National Insurance Institute (not yet published: Ruling given on February 4, 2009).

10 National Insurance Institute, Tender no. m(2038) 2008 for the creation of a pool of care services providers for the care of the elderly in their homes for those eligible for a long term care benefit.

11 See procedures of the Immigration & Population Authority in the Interior Ministry regarding the increase of the number of permits issued to employ foreign carers since mid-2010.

F. Volume of Payments

Concurrent with the direct payments of benefits, the National Insurance Law mandates that payments be made for additional items associated with long-term care insurance. 15% of annual receipts are allocated to the Health Ministry and to the Welfare and Social Services Ministry to fund the growing number of persons hospitalized in institutions. In fact, the Health Ministry usually utilizes its entire allocation, while the Ministry of

Welfare 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 2012, the total volume of payments transferred to fund Long-term Care Insurance under the National Insurance Law reached approximately NIS 4.678 billion (at 2011 prices): about NIS 4.46 billion for the provision of services to those entitled, and the balance for developing services in institutions and in the community and for conducting ADL tests (Table 7). The sum of NIS 92.6 million was transferred to the Ministry of Health and to the Ministry of Welfare and Social Services to help cover expenses of the growing number of those hospitalized in long-term-care institutions. Additionally, the sum of NIS 97.7 million was transferred to the Ministry of Welfare and Social Services, to the sick funds and to assessors, for preparing treatment plans for eligible persons and for conducting ADL tests.

In 2012, the total volume of payments transferred to fund Long-term Care Insurance under the National Insurance Law reached approximately NIS 4.678 billion: about NIS 4.46 billion for the provision of services to those entitled, and the balance for developing services in institutions and in the community and for conducting ADL tests

In 2012, the volume of payments under Long-term Care insurance increased by 9.2% at constant prices (2012 prices). Benefit payments increased by 9.7% 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 the benefit[15] in constant prices rose in 2012 by 1.9% in real terms.

Table 7
Total Payments Under Long Term Care Insurance by Type of Payment (NIS million, 2012 prices), 2008-2012

Year	Total	Long-term care benefit	Transfer to external entities*	Service development	Hospitalized in institutions	On account of agreements with the Finance Ministry
2008	3,684.1	3,483.2	88.3	23.1	87.0	2.5
2009	3,975.3	3,689.8	87.6	23.6	85.2	89.2
2010	4,204.8	3,975.2	89.6	46.1	90.4	3.6
2011	4,284.9	4,064.2	91.6	30.9	95.7	2.5
2012	4,678.9	4,460.0	97.7	25.8	92.6	2.8

* Transferred to the Ministry of Welfare and Social Services and to Clalit Health Services for including care programs for the eligible, and transfers for performing dependence tests.

In 2012, the volume of payments under Long-term Care insurance increased by 9.2% at constant prices. Benefit payments increased by 9.7% as a result of an increase in the number of persons eligible for the benefit, particularly those eligible for the highest level of benefit