

The costs & benefits of using private housing as the 'Home Base' for care for older people

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Research questions

1. What are the financial costs and benefits to individuals and governments of using private housing as the home base for the provision of care services for older people?
2. How do the different aspects of housing, such as tenure, dwelling type, location and access to support, contribute to the financial costs and benefits of using private housing as the home base for the provision of care services for older people?
3. How do different forms of housing assistance and related programs affect the costs and benefits of using private housing as the home base for the provision of care services for older people?

Background to research

- It is argued that providing care at home is directly substitutable for institutional care.
- It is generally believed that support in the home is cheaper than in institutional settings but this remains unclear.
- The Hogan report estimated that the demand for aged care services may rise from \$7.8 billion in 2002-2002 to \$106.8 billion by 2042-3.

Background to research

Cont...

- The costs and benefits of ageing in place are affected by a range of variables, including some housing characteristics such as tenure, dwelling type and house design.
- As people age, their housing and care needs change. Thus it is critical to consider issues as they apply to those 65-79 years of age (younger old) and those 80 years of age and older (older old).

Methods used in our analysis



Phase one

A **systematic review** was completed examining all the **current** and **available evidence** regarding cost/benefit of care in the home. The results of this review have been peer-reviewed and now available in our positioning paper from available from www.ahuri.edu.au

Methods used in our analysis

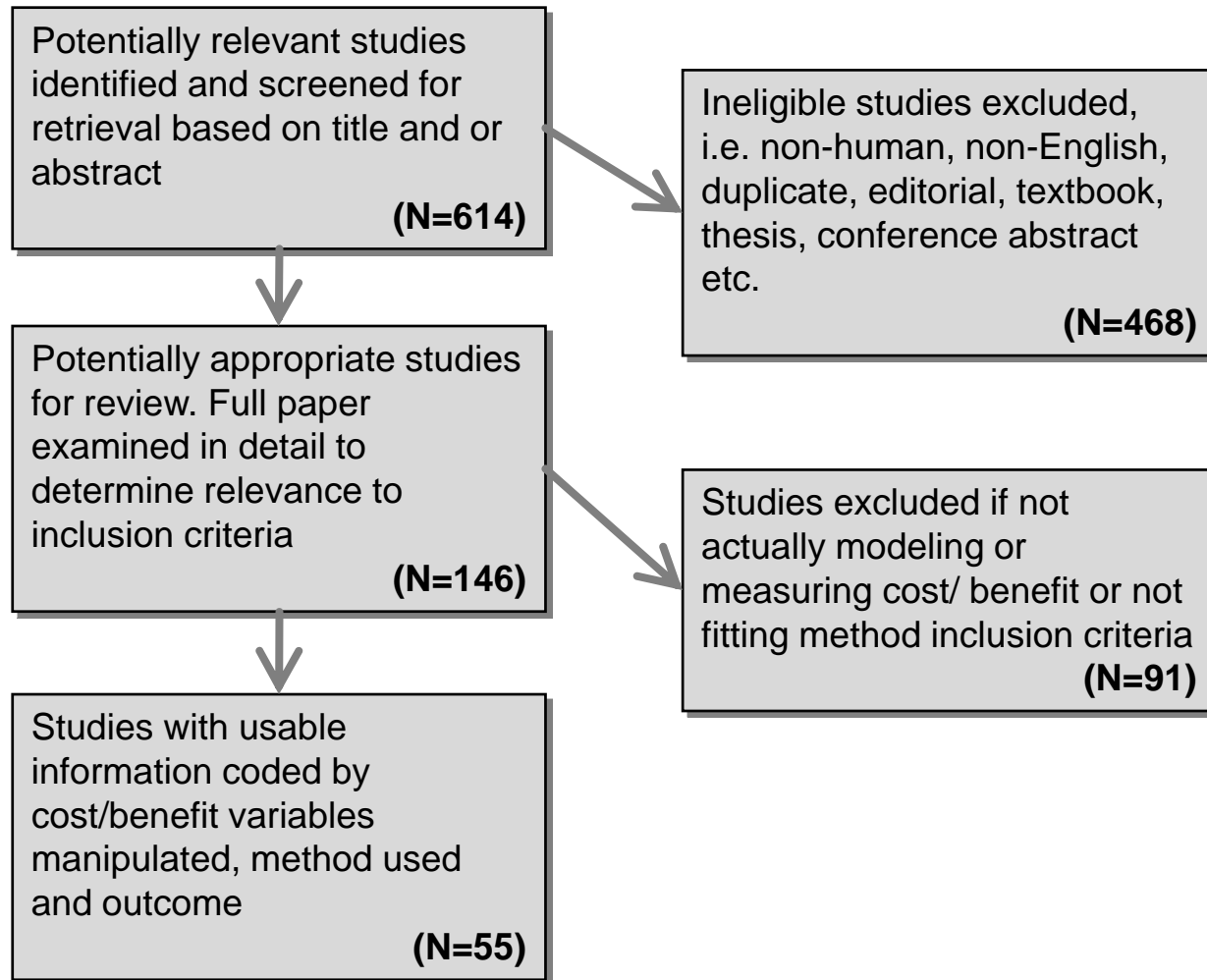
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Phase two

1. Secondary data analysis based on a **subset of persons 60+** from the **Disability, Ageing and Carers (DAC) Survey Confidential Unit Record Files**. This provided a data bank representative of the population of older people living in private households in the community detailing their dwelling and care types.
2. Data mining to explore relationships between housing and care within the DAC resulted in a **CHAID model**.
3. Secondary data analysis based on the **Melbourne Longitudinal Study on Healthy Ageing (MELSHA)** regarding housing, services, and entry to residential care.

Systematic review results



Housing as a variable in economic analysis of care costs

- Tenure rarely considered in quasi experimental work.
- Dwelling type NOT considered in quasi experimental work.
- Location and access to support occasionally considered but outcomes almost impossible to compare because of different cultures, climates and policy impacts.
- Often failure to consider the capital and maintenance costs adequately in housing comparisons.

Implications for housing researchers and policy makers from previous research

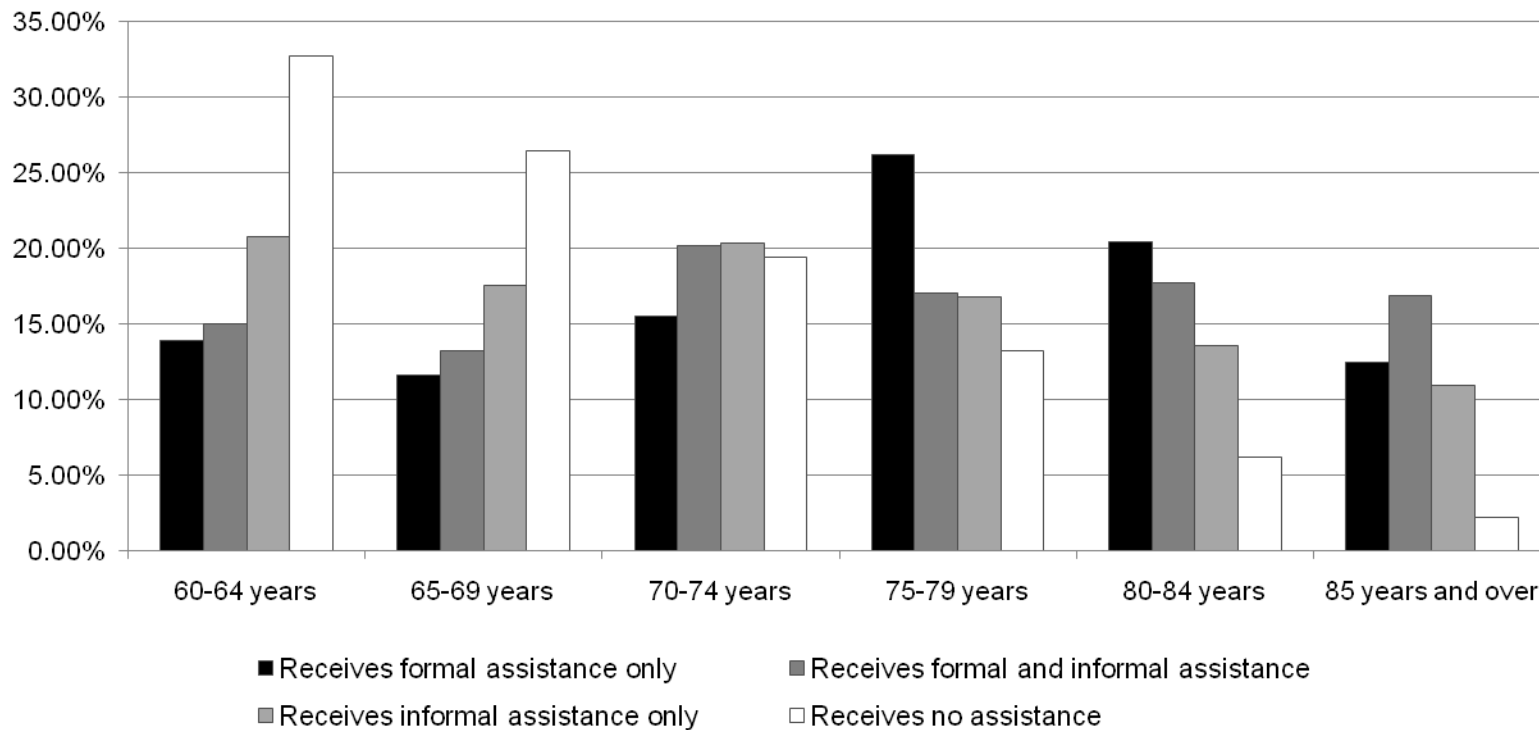
- The huge range of terms used to describe schemes makes comparison difficult (i.e. close care, sheltered housing, flexi-care etc.)
- Lack of conceptual clarity makes re independent and dependant variables included comparison difficult. (i.e. tenure, housing & support provider relationships etc.)

Implications for housing researchers and policy makers from previous research Cont...

- Different housing, health & social care finance systems, patterns of tenure and policy formation impact on resources available and dominance of different models in different countries at different times.
- Most prior work could be considered simplistic in its approach (i.e. most do not consider building type or design, independence, social; isolation or consumer costs etc.)
- Many cost models in use lack transparency

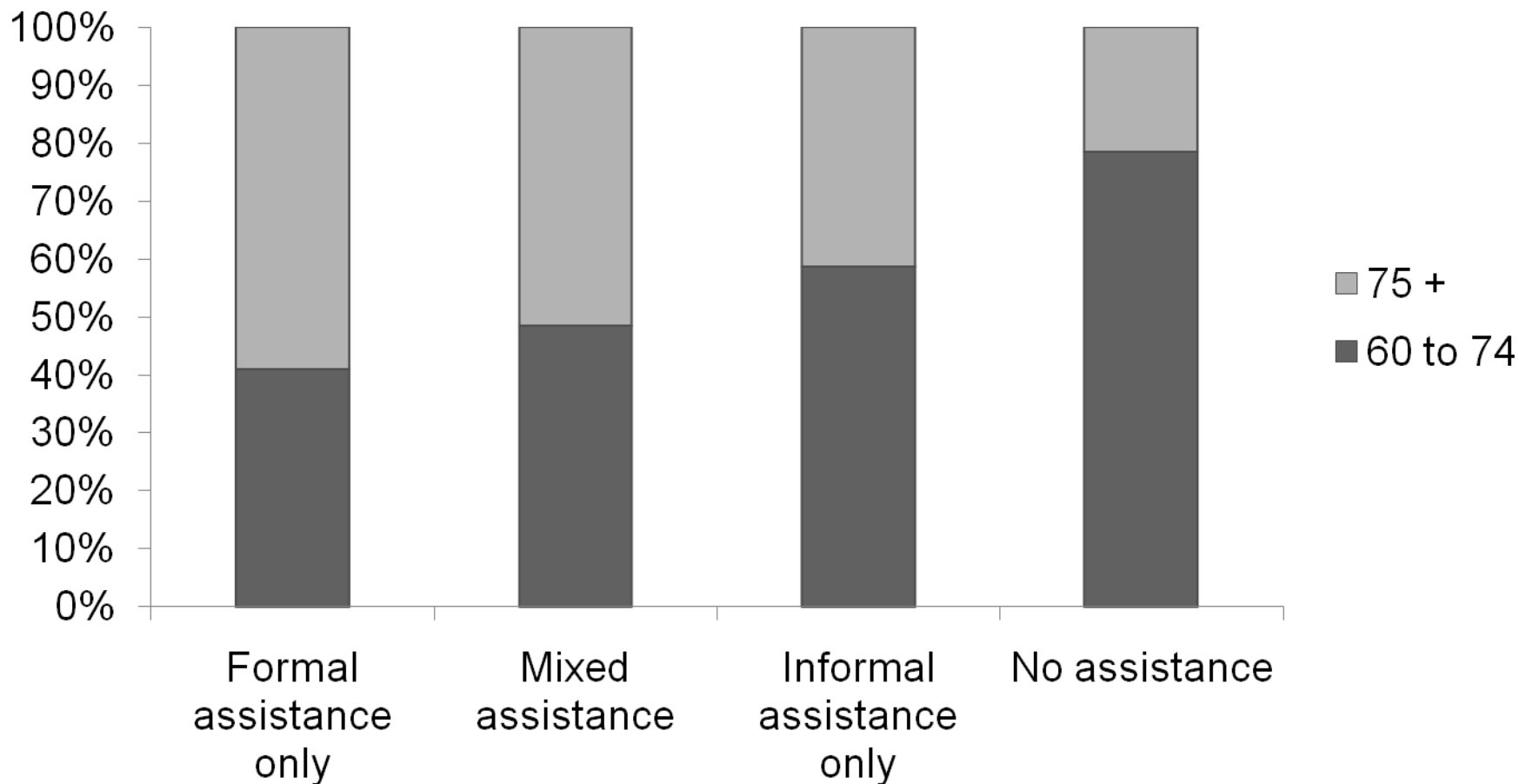
Age

by type of assistance



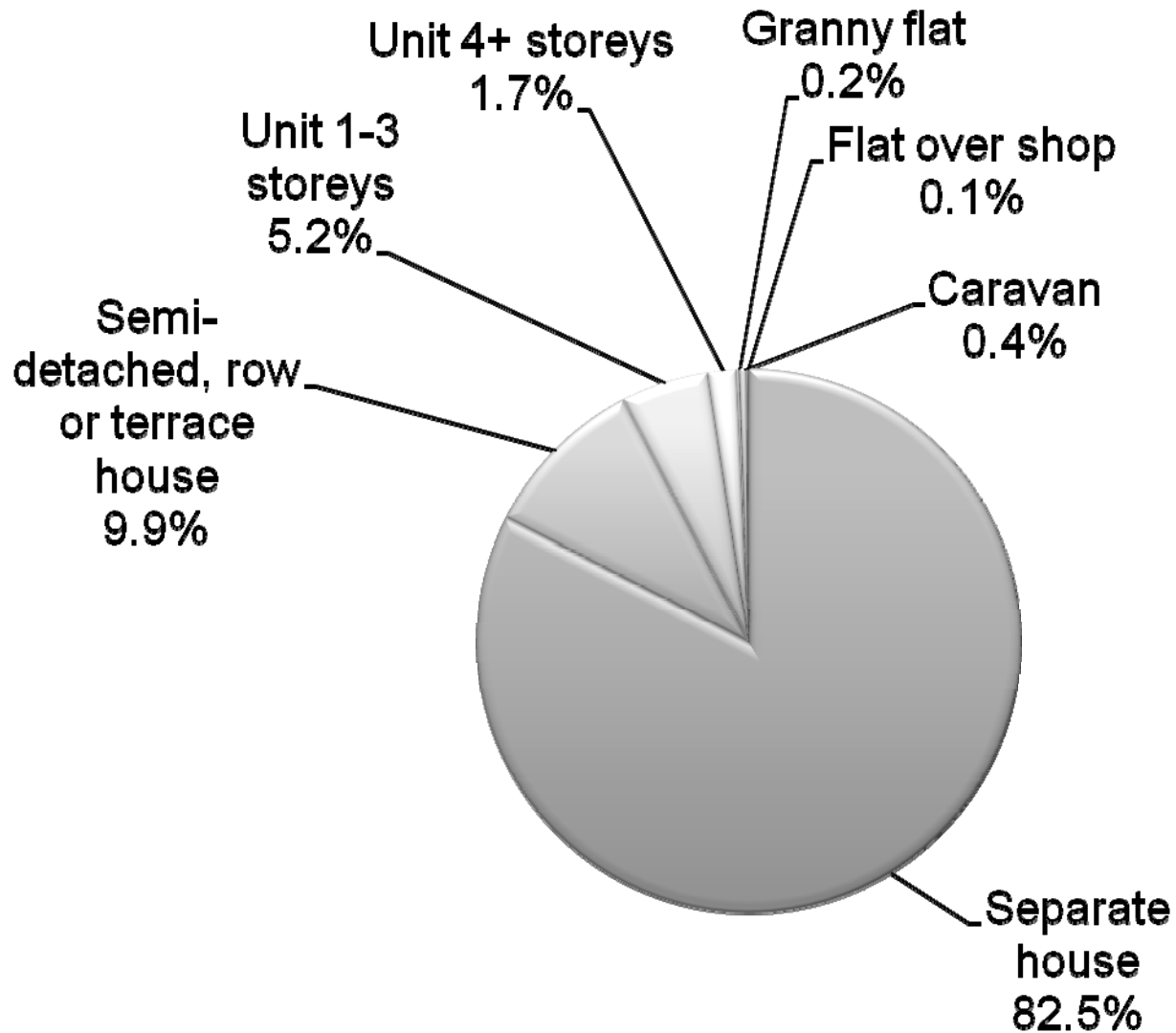
Care types

provided to older adults in Australia



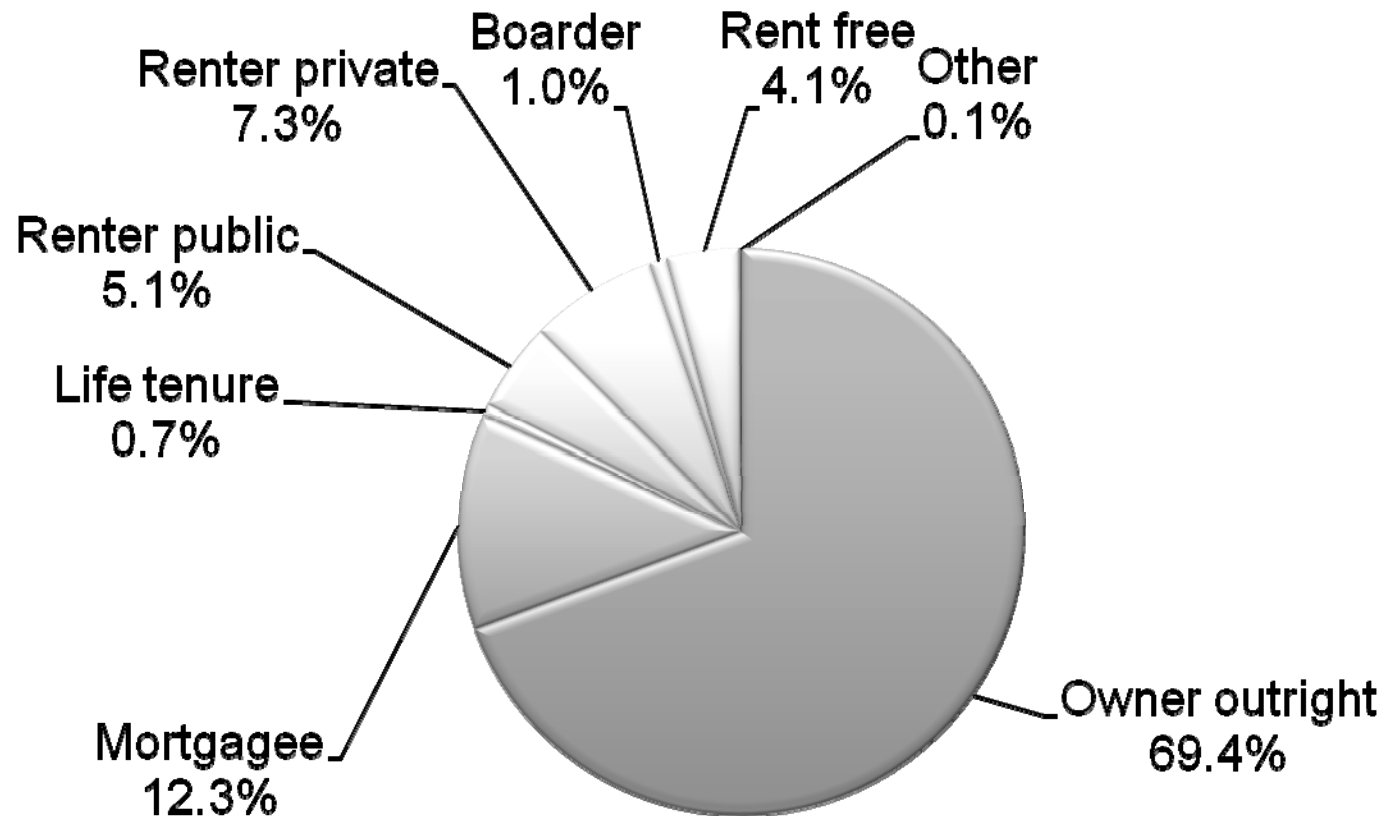
Housing types

occupied by older persons



Home ownership

amongst older persons



Cost of support

by assistance type

	Overall cost	
	<i>Mean</i>	<i>Sum</i>
Receives formal assistance only	\$7,520	\$2,200 million
Receives formal and informal assistance	\$11,370	\$2,020 million
Receives informal assistance only	\$10,880	\$6,758 million

Average annual cost

per recipient of different care streams

Type of Care	Average cost estimate	Public share
Formal care only	\$7,520 [*]	92%
Formal and informal care	\$11,370 [*]	na
Informal care	\$10,880 [*]	35%
Residential aged care	\$48,710	69%

* Authors estimates and Access Economics (2005) Table 4.3

Average annual cost of support by age

Age of persons	Mean cost of support		
	<i>Receives formal assistance only</i>	<i>Receives formal and informal assistance</i>	<i>Receives informal assistance only</i>
60 to 74	\$6,860	\$10,270	\$10,350
75 +	\$9,110	\$15,870	\$13,870

Cost of care

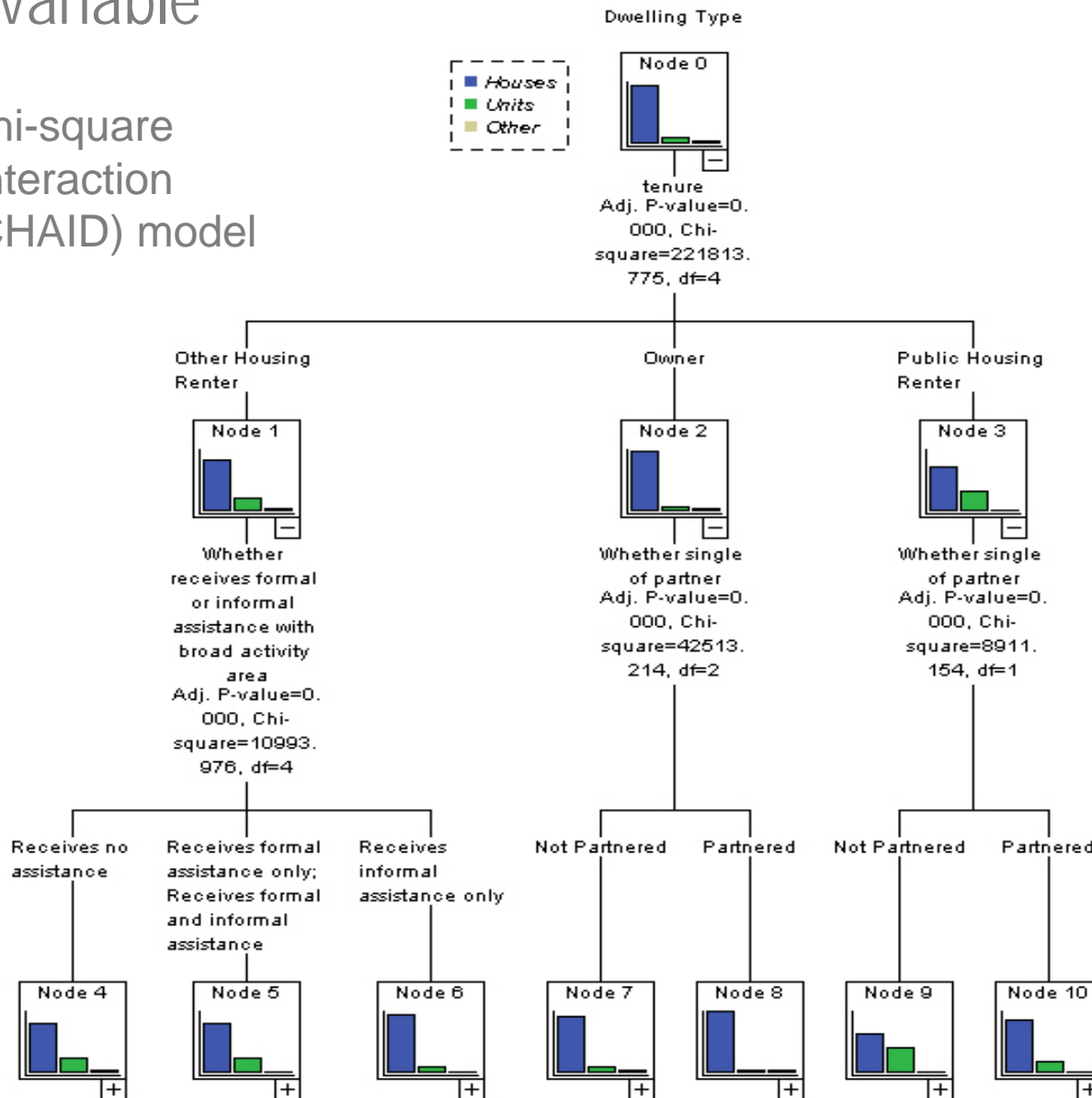
by tenure type

	Mean cost of support		
	<i>Receives formal assistance only</i>	<i>Receives formal and informal assistance</i>	<i>Receives informal assistance only</i>
Owner-purchaser	\$8,090	\$10,150	\$7,450
Public Housing renter	\$12,630	\$16,410	\$15,380
Other housing renter	\$11,360	\$12,570	\$13,300

Dwelling structure

as focus variable

Based on Chi-square
Automatic Interaction
Detection (CHAID) model

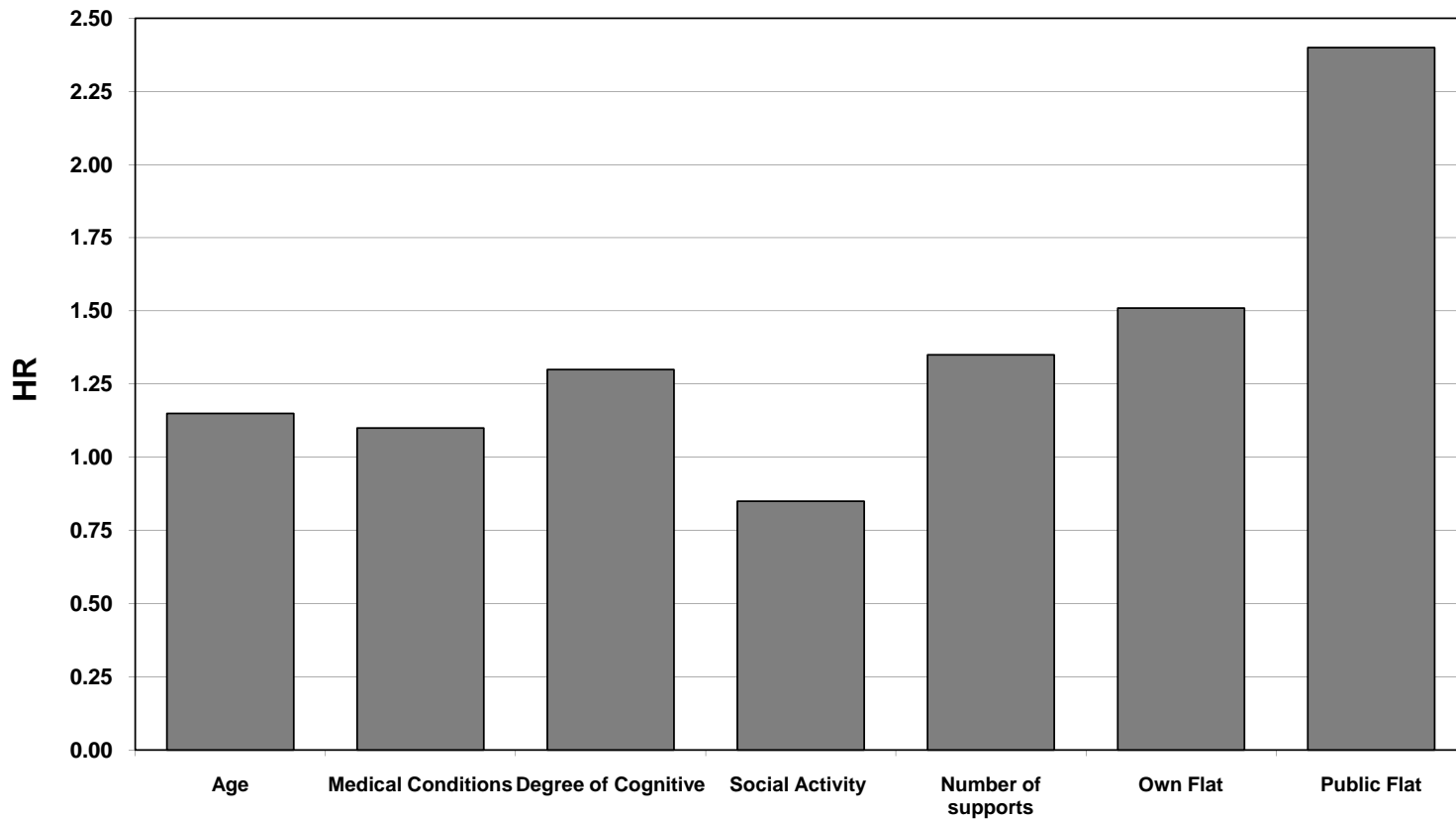


Evidence from longitudinal data

- Melbourne Longitudinal Studies on Health Ageing (MELSHA) program
- Baseline was 1,000 people 65 and over living in non-institutional setting in Melbourne in 1994
- An important finding of the study was that whilst a large proportion of the sample never lived in residential care it is interesting to examine the risk factors associated with entering residential care

How does housing type & tenure relate to nursing home admission rates?

Coxs Hazard Ratios (HR) for NH admission



Risk factors for nursing home admission

Age (10% with every additional year)

Medical condition

Cognitive impairment

But biggest risk factors are associated with housing
type/tenure

Note relatively small samples

Home design

- Overall design innovations for older persons in residential housing environments appear to have been pretty much neglected.
- Design features such as stairs or other inaccessible building elements, impact mortality and morbidity and places people with disabilities and their carers at risk of further injury
- Current housing practice is for multi story dwellings with the majority of new developments in high-density cities like Sydney, Melbourne and Brisbane being unit and high rise developments. While developments with more than 3 stories typically have lifts, access to the units themselves and their associated common area's remains problematic.

Conclusions

- Housing has a significant impact on the cost of the provision of care services for older people, especially tenure
- The decrease in home ownership could lead to increased costs for care services for older people
- More work is needed to try to explain/understand some of the broad trends highlighted in this study

Policy needed for the future

- Construction (e.g. ensuring more accessible housing features such as level entry).
- Occupational health and safety (e.g. maintaining carer safety and prevent home injuries).
- Taxation (e.g. offsets for retrofitting accessible features and providing longer-term home leasing options).
- Banking (e.g. increasing informal care rewards and safer home equity conversion options).

Policy needed for the future

Cont...



- Urban planning policy (e.g. supporting more affordable and diverse community based housing options for older persons).
- Health policy (e.g. maintaining older persons health by preventing and postponing functional decline and associated dependency).
- Housing policy (e.g. establishment of accessible and affordable property registers and examination of how density might be more flexibly interpreted to improve housing amenity and create more liveable communities).