

Revised cost projections for Swedish LTC 2005 - 2040

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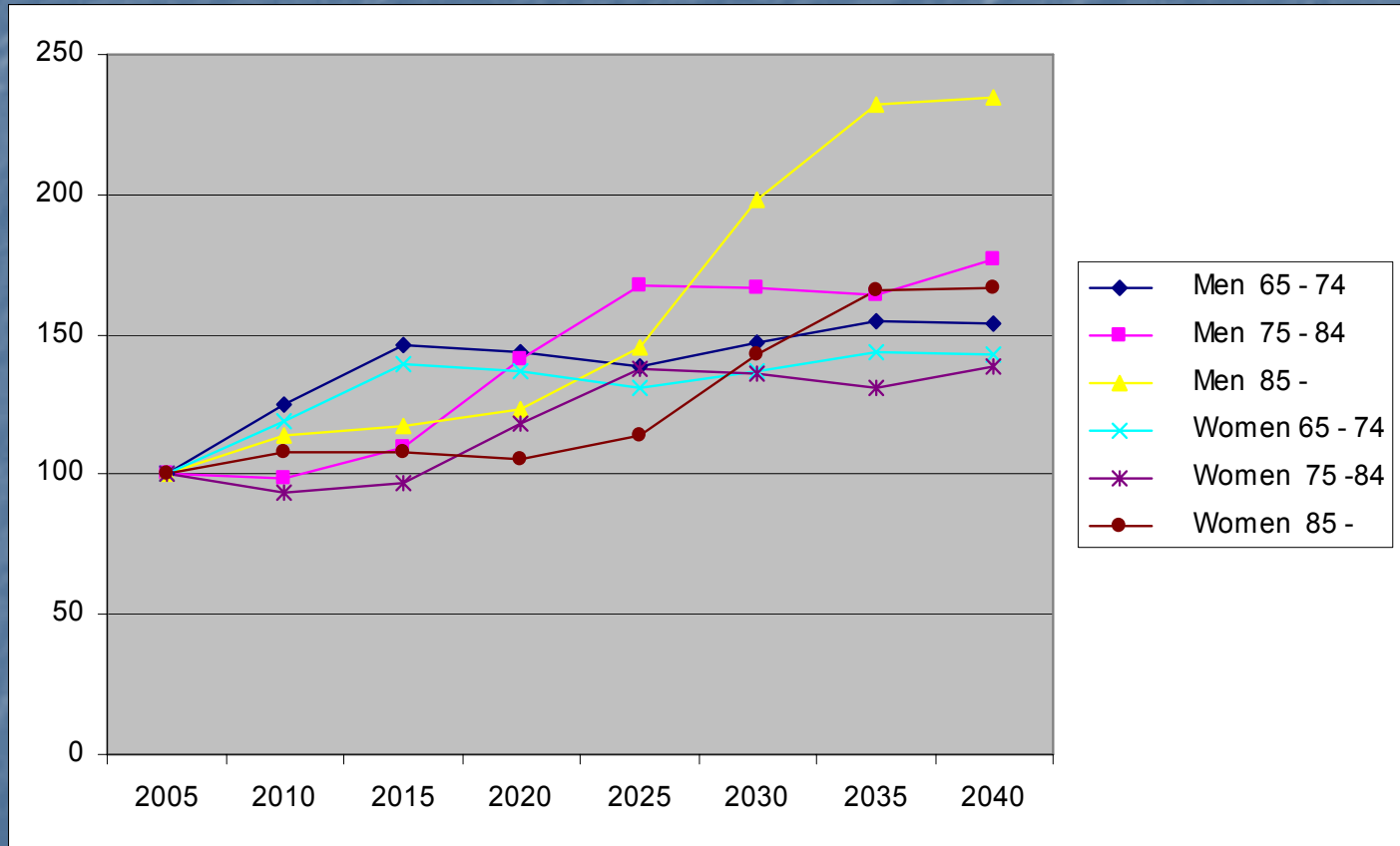
The calculations have been based upon

Statistics Sweden population forecast incl. mortality

Statistics Sweden Survey of Living Conditions (ULF) 1980-2006

Costs for LTC in relation to degree of dependency (ADL-dependency or Statistics Sweden health index) per age-group and gender according to surveys in 8 Swedish municipalities (1994, 2002 and 2007)

Population forecast 2005 - 2040



Indicators of need for LTC in the ULF-surveys

Self-reported general state of health

Reduced functioning due to illness

Mobility disability

Dependency in instrumental ADL (laundry, cleaning etc.)

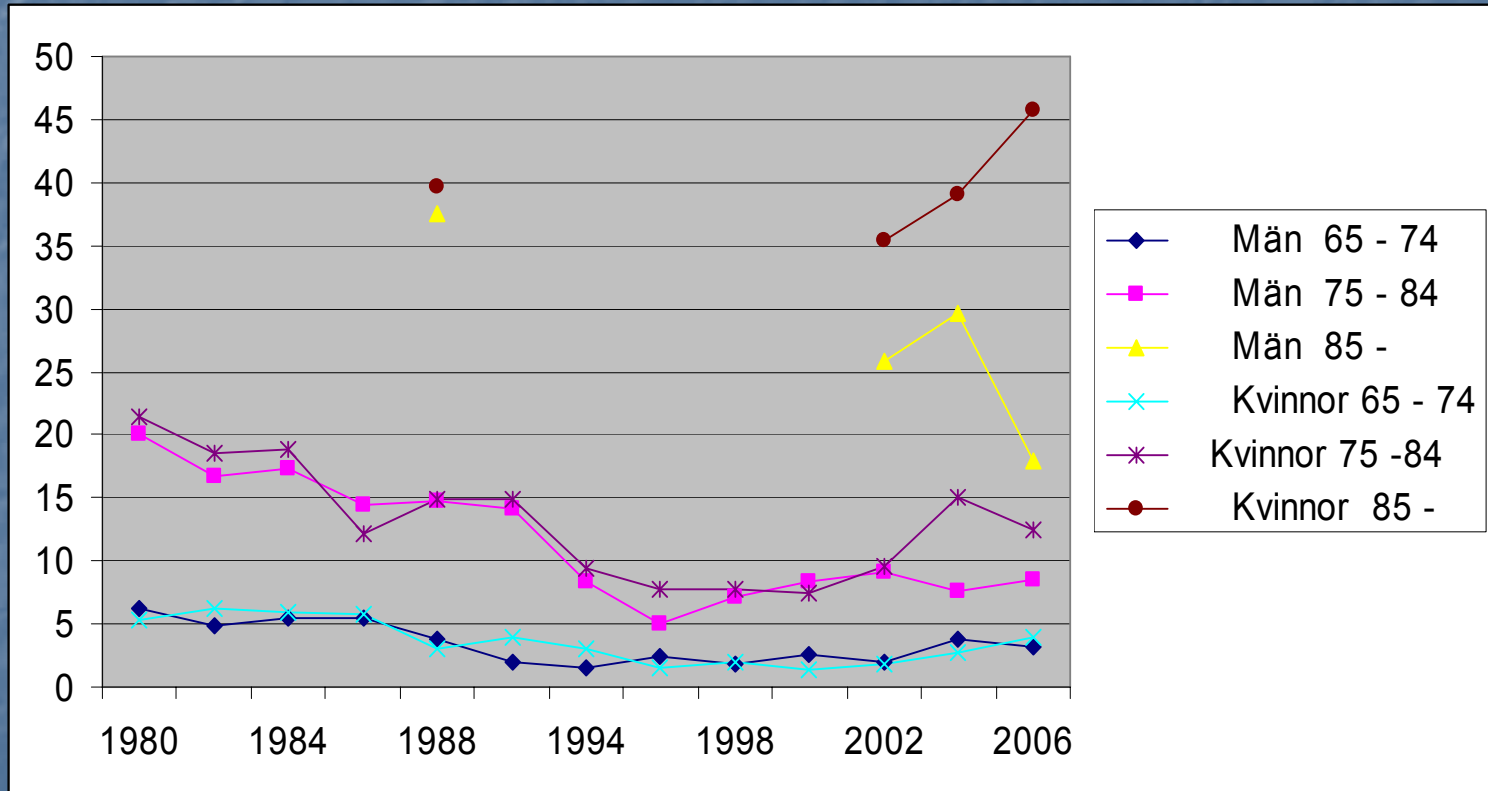
Statistics Sweden Index of health

Dependency in personal ADL (bathing, dressing, toilet etc.)

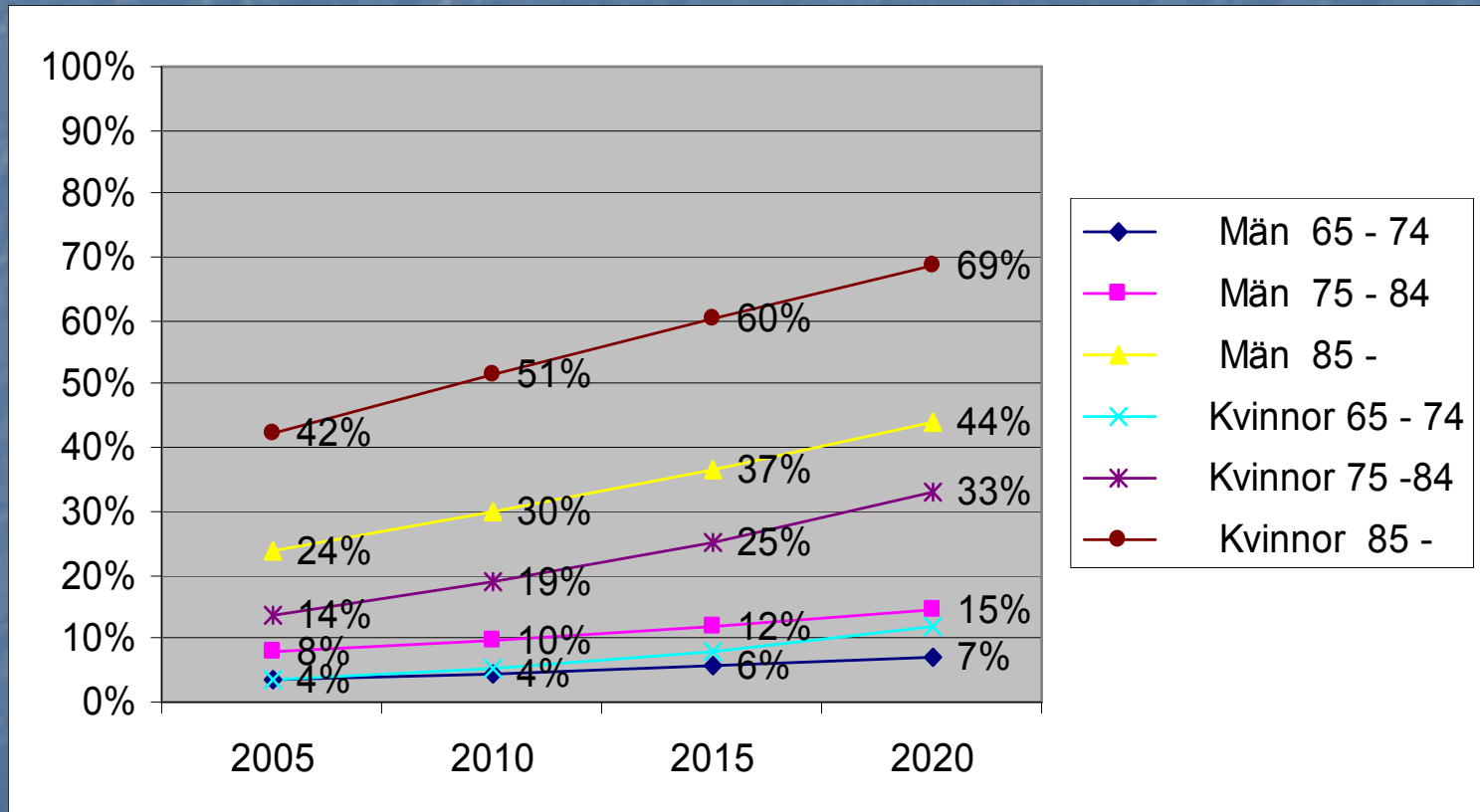
Proportion with LTC and costs per person (SEK)

	Proportion with LTC	LTC costs per person
Not severe ill-health	9.2%	20 455
Severe ill-health	45.0%	176 578
No ADL-dependency	4.6%	4 205
ADL-dependency	77.9%	300 552

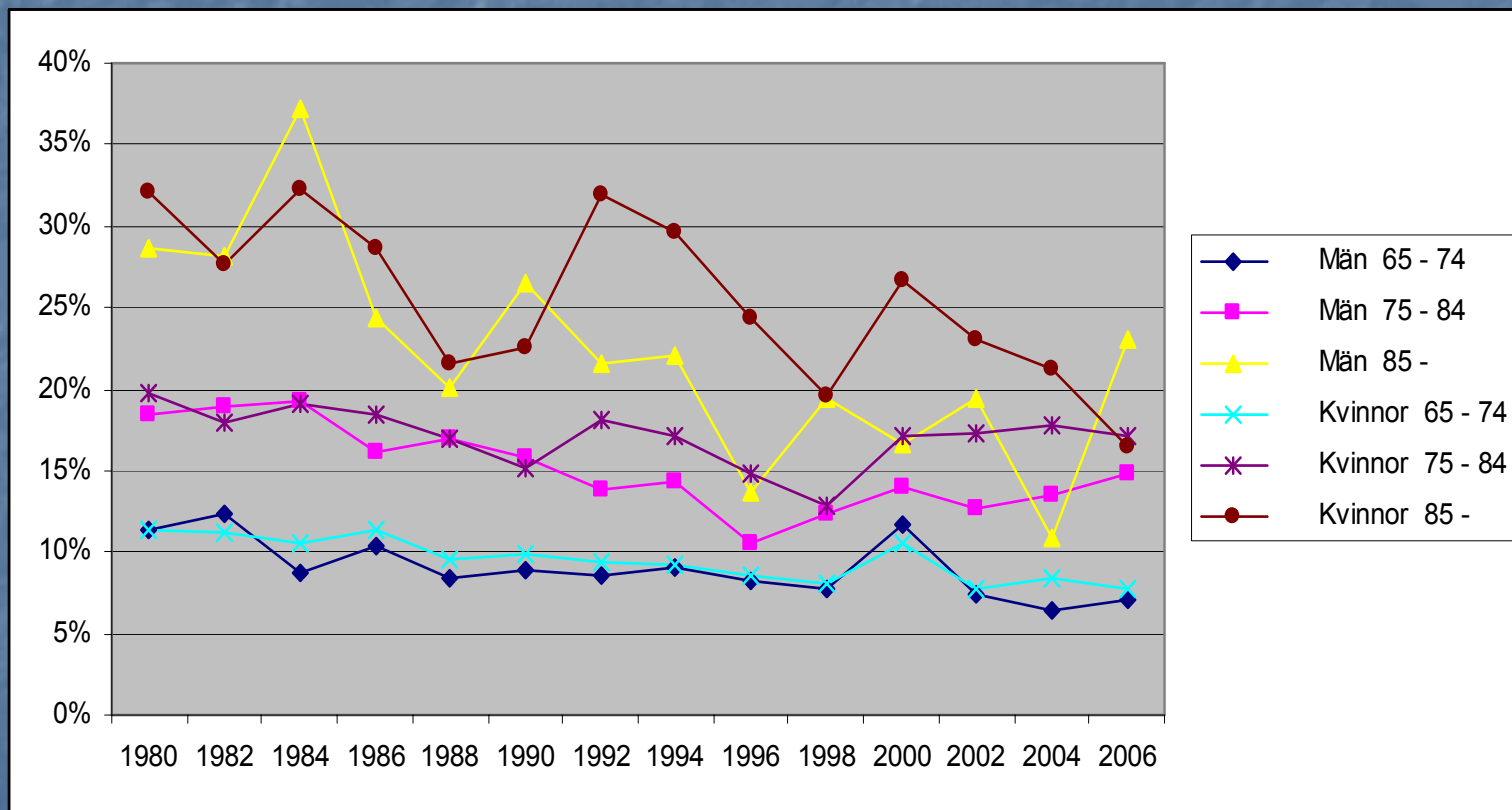
Proportion of elderly persons with at least one ADL-dependency according to ULF percent



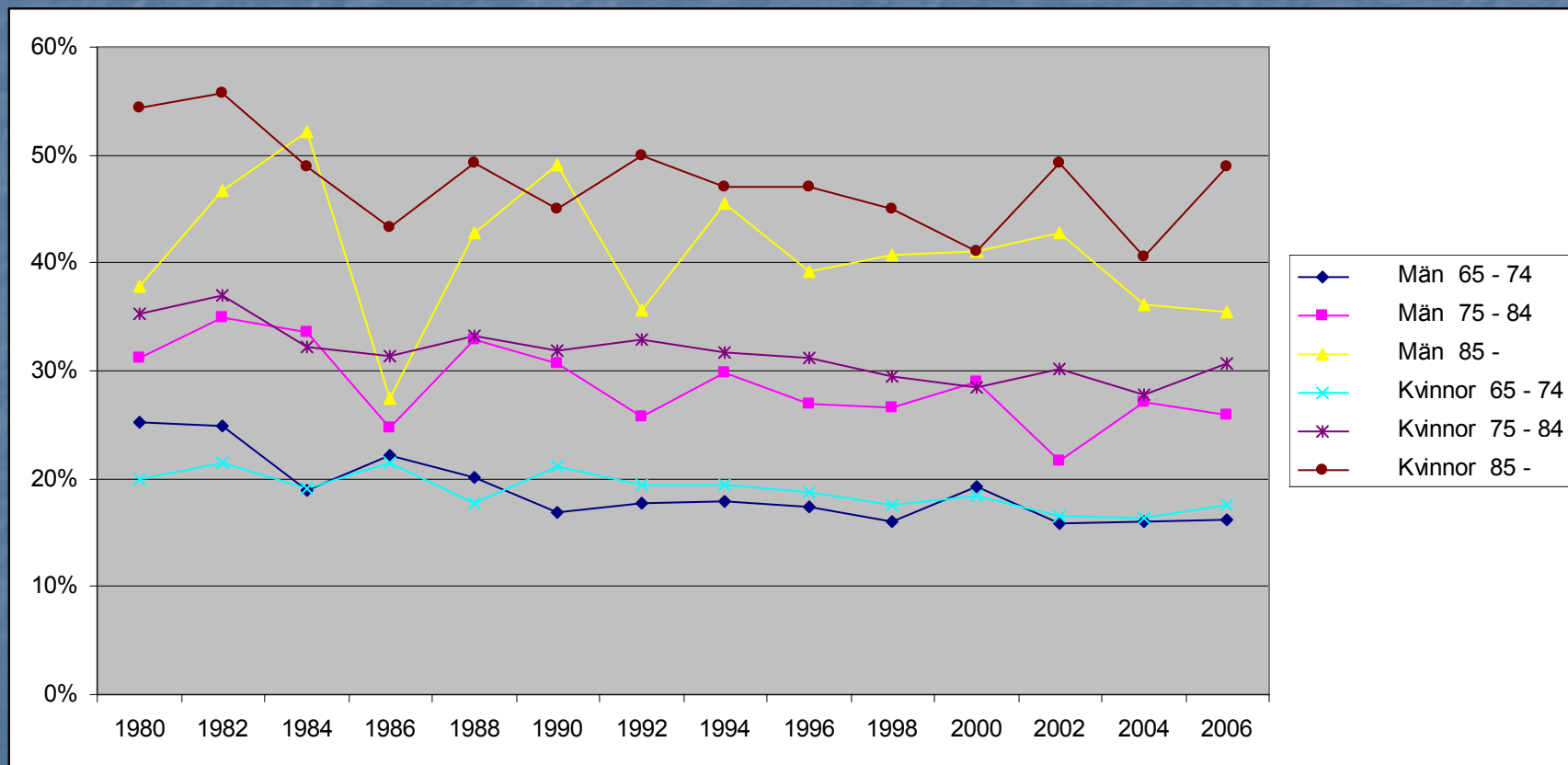
Projections of proportions of ADL-dependent persons for the period 2005 - 2020 per age.- group and gender – base-period 1996 - 2006



Proportion of persons reporting bad health per age-group and gender 1980 - 2006

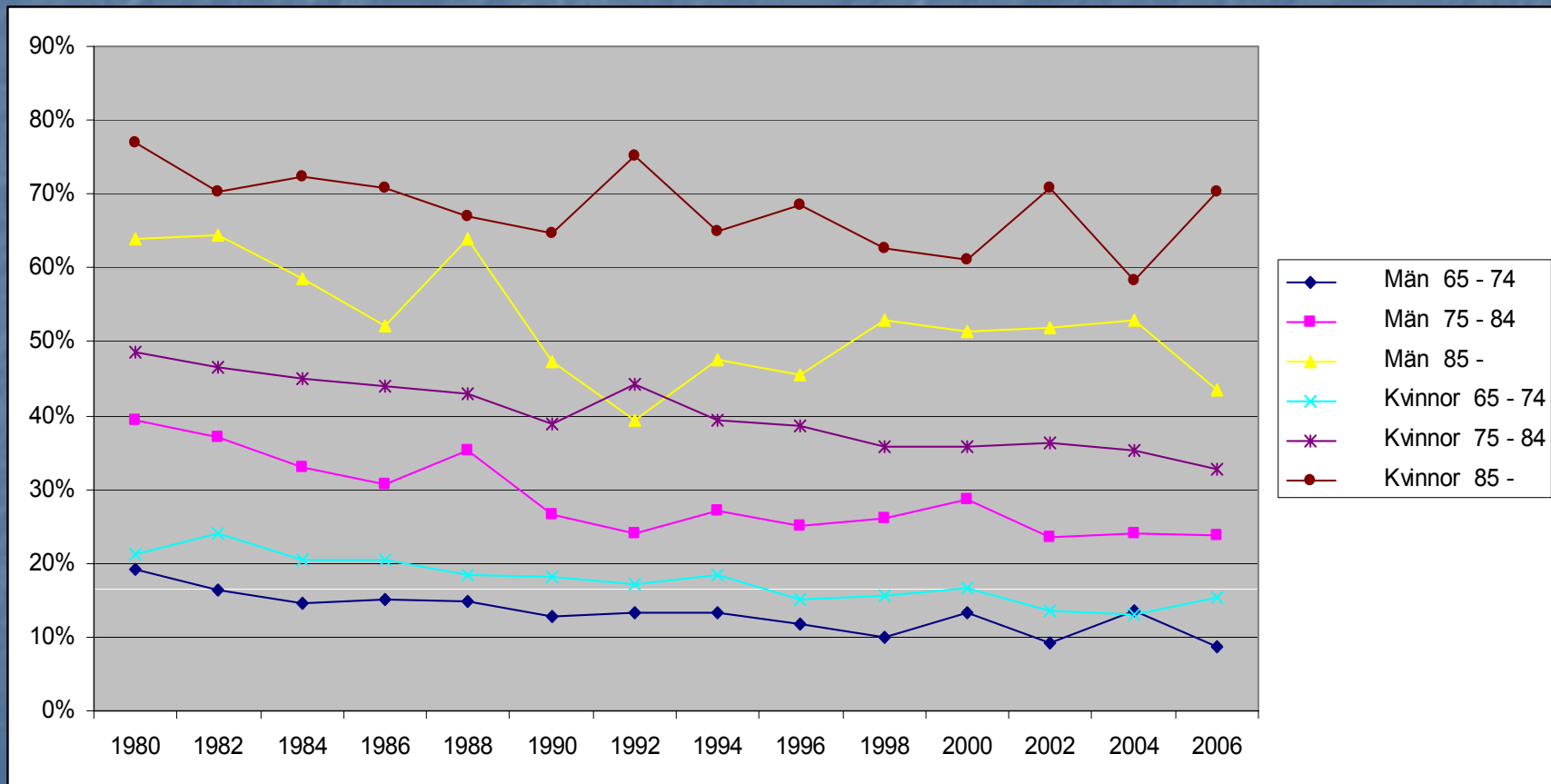


Proportion of persons reporting reduced functioning depending on chronic illness per age-group and gender - 1980 - 2006



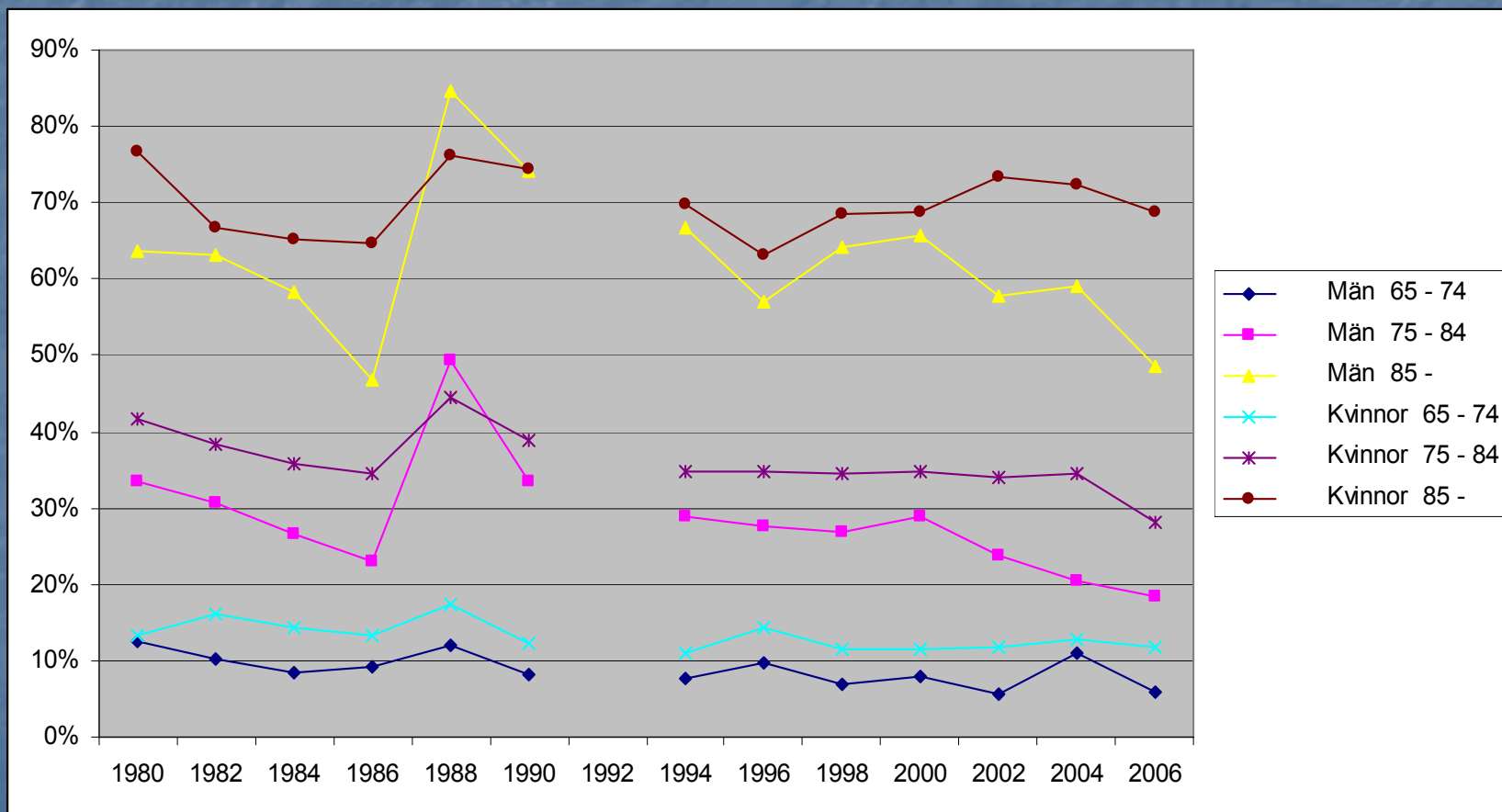
Proportion of persons with mobility disability per age-group and gender

1980 - 2006



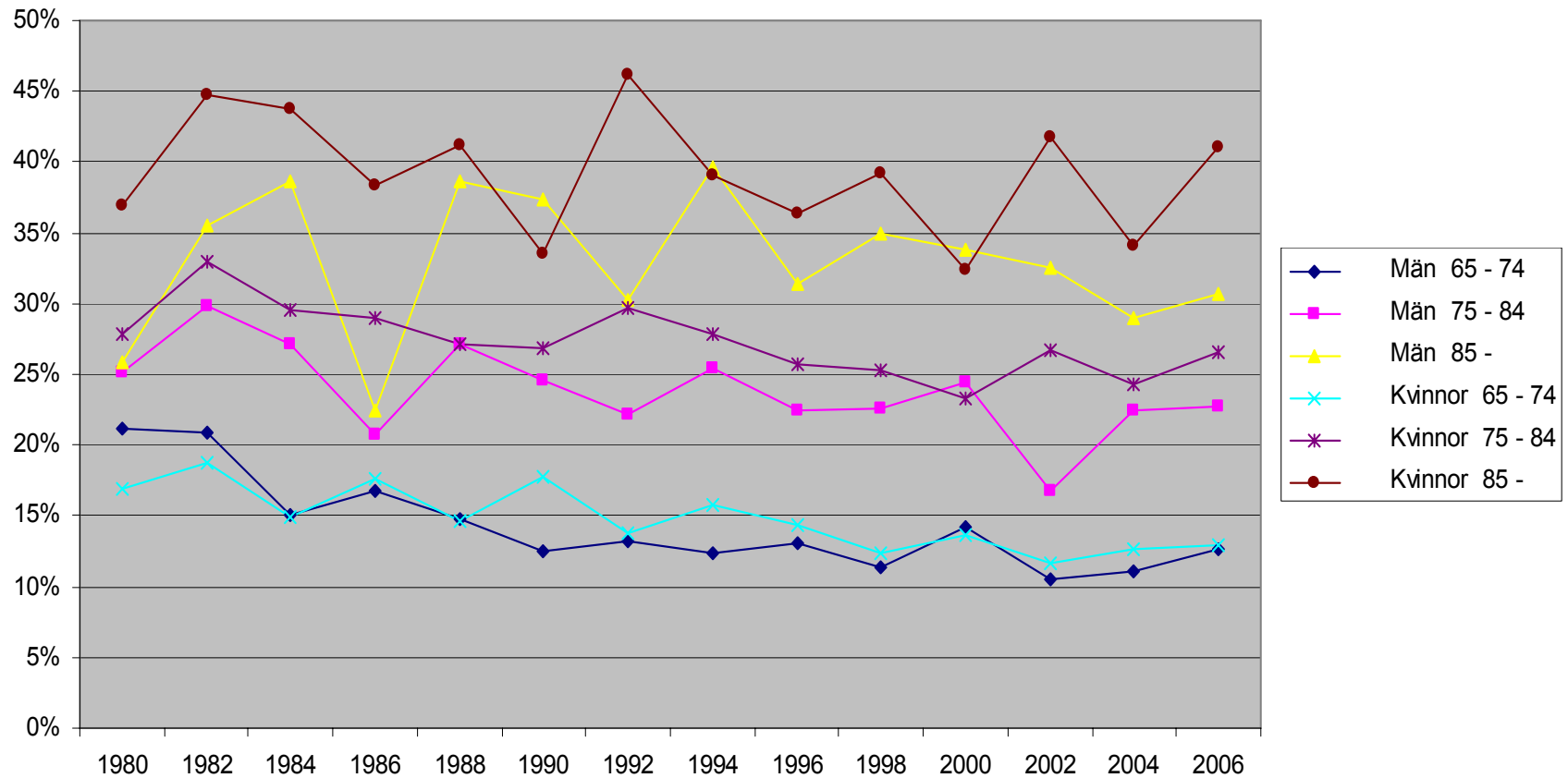
Proportion of persons with at least one dependency in instrumental ADL per age-group and gender

1980 - 2006



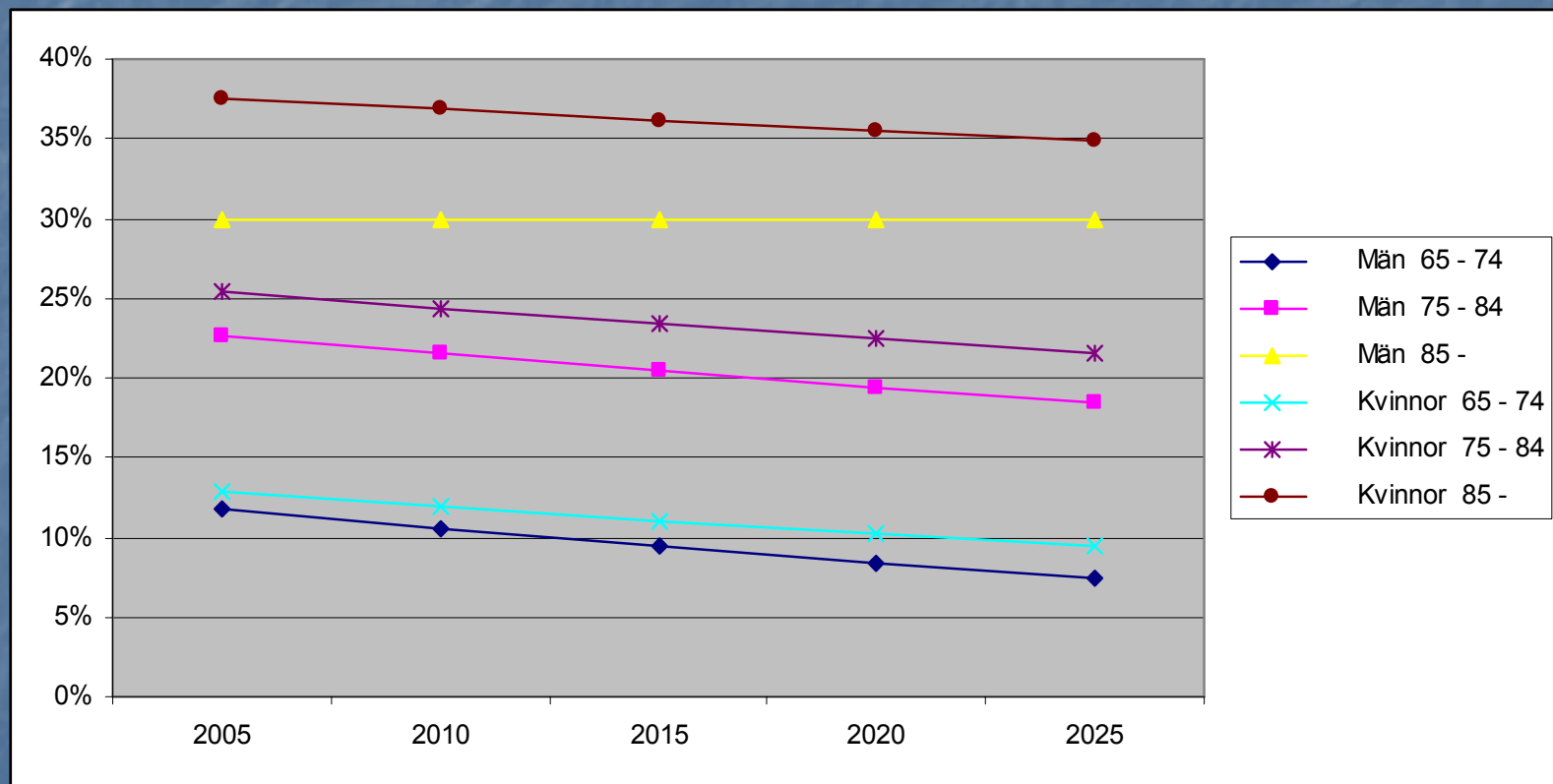
Proportion of persons with severe ill-health according to Statistics Sweden health index per age-group and gender

1980 - 2006



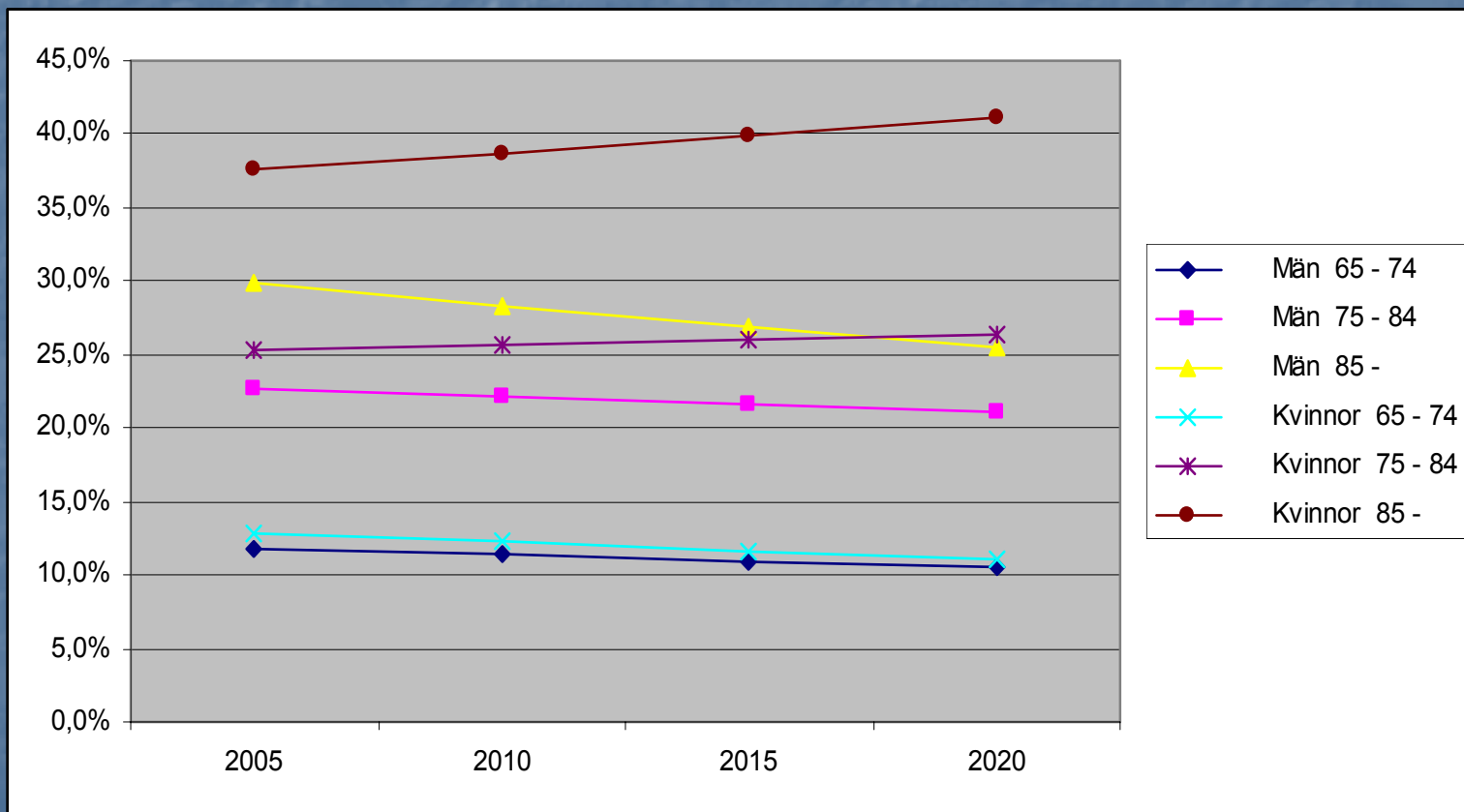
Projected proportion of persons with severe ill-health according to the Statistics Sweden Health index per age-group and gender 2005 -2025

base-period 1980 - 2006



Projected proportion of persons with severe ill-health according to the Statistics Sweden Health index per age-group and gender 2005 -2025

Base-period 1996 - 2006



Cost calculations 2005 – 2040 according to four different health assumptions

(Statistics Sweden Health index)

Unchanged health (per age-group and gender)

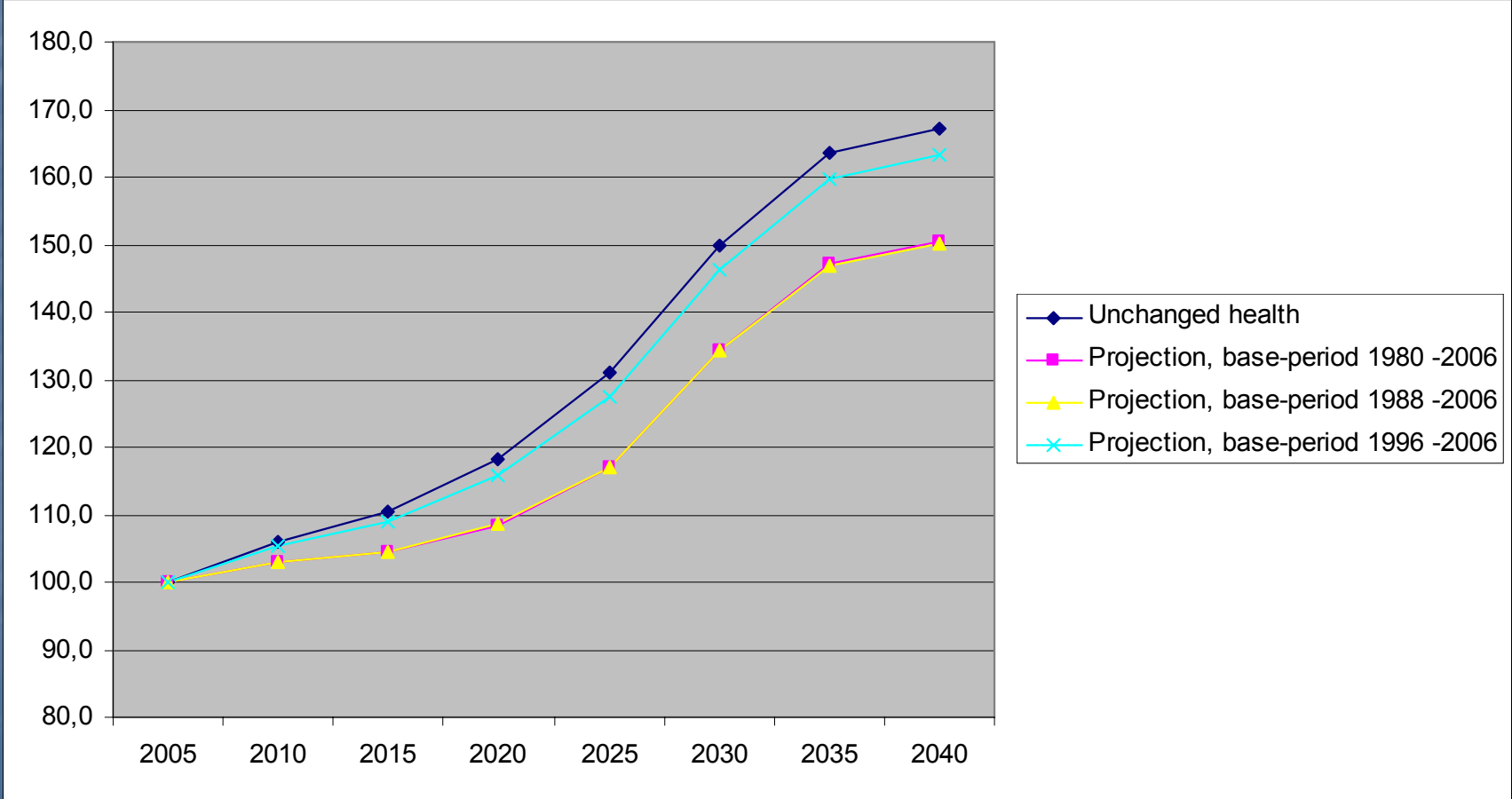
Health trend 2005 -2025 based upon the development **1980 – 2006**, unchanged health 2025 - 2040

Health trend 2005 -2025 based upon the development **1988 – 2006**, unchanged health 2025 - 2040

Health trend 2005 -2025 based upon the development **1996 – 2006**, unchanged health 2025 - 2040

Summary of LTC cost development in percent in the four cases

(index, 2005 = 100)



Cost projection assuming
constant cost per age-group,
gender and remaining years of
life

Mortality per age-group and gender and future development according to Statistics Sweden

Men

Age-group	65-69	70-74	75-79	80-84	85-89	90-
	0.015	0.026	0.044	0.078	0.140	0.296

Assumed yearly
reduction (percent)

2006/15	2.25%	2.00%	2.00%	2.00%	1.00%	0.50%
2016/40	1.69%	1.50%	1.50%	1.50%	0.75%	0.38%

Women

Age-group	65-69	70-74	75-79	80-84	85-89	90-
	0.009	0.015	0.027	0.051	0.100	0.234

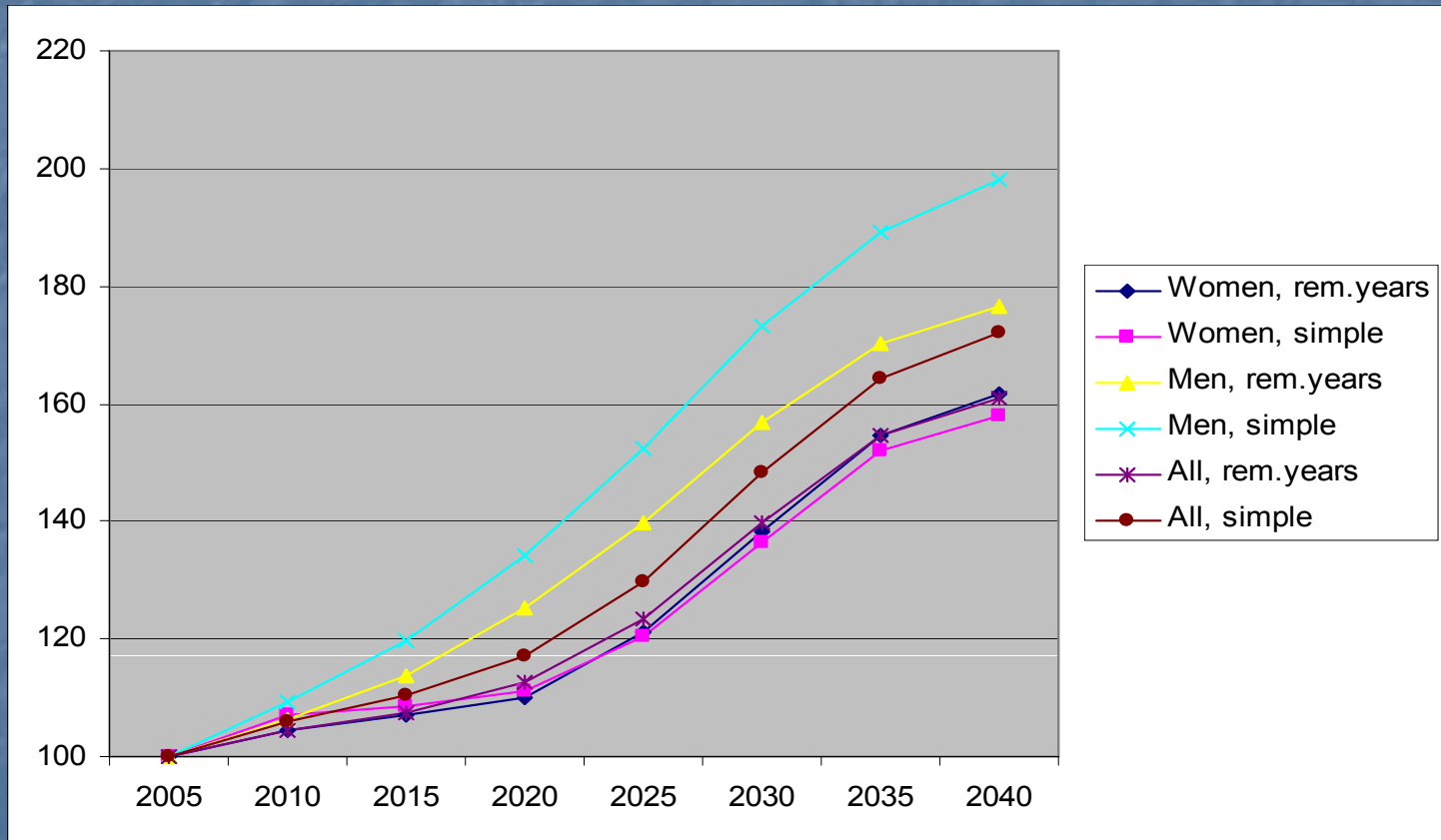
Assumed yearly
reduction (percent)

2006/15	1.40%	1.40%	1.40%	1.40%	1.00%	0.50%
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Costs for LTC per person depending on remaining years of life per age-group and gender

		65 -74	75-79	80-84	85-89	90+
Men	Dying year 0	51.5	161.2	78.6	196.5	165.0
	Dying year 1	34.8	113.7	73.1	166.8	151.8
	Dying year 2	31.6	69.9	70.1	119.0	99.4
	Dying year 3	31.3	39.2	54.1	43.7	49.9
	Dying year 4	12.4	11.6	27.9	32.8	59.6
	Survivor after 5 years	8.4	17.0	21.5	32.9	229.4
Women	Dying year 0	37.7	59.0	153.8	192.7	354.4
	Dying year 1	34.9	88.5	191.6	241.4	382.5
	Dying year 2	58.3	73.2	146.2	177.3	284.5
	Dying year 3	21.0	45.8	131.7	135.4	224.8
	Dying year 4	33.3	47.8	76.8	148.1	187.7
	Survivor after 5 years	6.1	12.8	46.0	96.7	350.0

Cost increase in percent 2005 -2040 assuming unchanged costs per remaining years of life compared to projections based upon age-group and gender only (alt. simple)



Summary

Assuming unchanged costs per age-group and gender the total costs for LTRC in Seden will increase by **65 - 70% in the period**

2005 - 2040 of unchanged costs per age-group, gender and remaining years of life results in somewhat lower cost increase – **60 - 65%**

If projections are based upon the health trends in the period 1996 -2006 (Statistics Sweden health index) the projected cost increase stays about the same – **60 - 65%.**

Assuming instead a health development according to the trend 1980 -2006 results in an even lower projected cost increase - around **50%**

Conclusions

The costs in fixed prices for providing public LTC in Sweden on the same level as today will increase by 50 - 70% during the period 2005 - 2040

The cost increase will be less if ill-health and dependency among the elderly continues to develop in a positive way as observed in recent decades – though hardly much lower than 50%.