



Report of the State Comptroller of Israel | May 2022

National Insurance Institute

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# **State Treatment of Elderly requiring Nursing Care while Living at Home – Follow-Up Audit**





## State Treatment of Elderly requiring Nursing Care while Living at Home – Follow-Up Audit

### Background

The increase in life expectancy and corresponding in the elderly population is typical of all developed countries worldwide, and in Israel, they are among the highest. An actuarial forecast by the National Insurance Institute (NII) found that by 2060 there are expected to be over 780,000 recipients of a Nursing Insurance benefit, 3.7 fold their number in 2021. Nursing Insurance is designed to assist the elderly to continue living in the community as long as possible by providing personal care to those requiring assistance in day-to-day functioning or supervision, thereby helping the families caring for them. A person entitled to a Nursing Insurance benefit is a resident of Israel who has reached the entitlement age<sup>1</sup>, and who lives in the community (in his own home, with a family member, in sheltered housing, or a department for independent or frail persons in a nursing institution), limited in his physical or cognitive functioning and passes the income test (where only the income of the elderly and his spouse is examined). The benefit is given in services or money or a combination of services and money (combined benefit). An amendment to the National Insurance Law was published in March 2018 and included in the national nursing program (the nursing reform)<sup>2</sup>. Until November 2018, when the nursing reform entered into force, the NII provided Nursing Insurance benefits to the vast majority of the persons entitled to a benefit in services. Since November 2018; as part of the new reform, the possibility of converting the services into money, completely or partially, was expanded.

1 The age of entitlement to a nursing care benefit in 2022 is the retirement age: 62 for women and 67 for men.

2 Within the framework of the Economic Efficiency Law (Legislative Amendments for Attaining Budgetary Objectives for 2019), an amendment to the National Insurance Law, Chapter Ten, was published in March 2018: "Nursing Care Law". The amendment to the Law was included in the national care program decided upon by the Government to expand, improve and streamline the nursing care services for nursing care elderly – Government Decision 3397 (10.1.18).



### Key figures

**over 780,000**

according to the NII's actuarial forecast, the anticipated number of recipients of the Nursing Insurance benefits in 2060. 3.7 fold their number in 2021

**about NIS 57 billion**

the anticipated future payments in 2060 in the Nursing Insurance industry according to the NII's actuarial forecast; 5.3 fold compared to 2021

**16%**

the increase rate in the number of elderlies entitled to Nursing Insurance benefits from October 2018 to October 2019, after the reform, compared to 3.5% – the inclusive increase rate of the population of senior citizens in such year

**30 hours**

the maximum entitlement to home care hours by an Israeli caregiver after the Nursing reform, compared to 22 hours before the reform

**3 million home care Hours**

that elderly were entitled to in 2019 and were not provided – 3.1% of the total care hours

**86% of the nursing care companies**

which were paid in 2018 reported that the rate of caregivers who had undergone professional training and who were employed in the company was less than 30%




## Audit actions



In 2017 the Office of the State Comptroller published a report on State Treatment of Elderly requiring Nursing Care while Living at Home (the Previous Audit). From July to September 2021, the Office of the State Comptroller conducted a follow-up audit of the extent of rectifications of deficiencies raised in the Previous Audit, including the State's treatment method for the elderly who receive a Nursing care benefit (Nursing Care for Elderly Persons or Entitled Persons), focusing on the NII's engagement agreement with the nursing care companies and examining the quality of the home care treatment and the control over it. The audit was conducted at the NII.



## Key findings

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**The NII's engagement with the nursing care companies** – the Previous Audit found that in August 2016, the Government decided to establish an inter-ministerial tenders committee (the Inter-Ministerial Tenders Committee), with the participation of representatives from the Accountant-General at the Ministry of Finance (the Accountant-General), the Budgets Division and the NII. Its role was to draft a new tender for the provision of nursing care services, including home care, no later than September 2017. Accordingly, it was recommended in the Previous Audit that the NII and the Accountant-General integrate into the new tender and the contract with the nursing care companies' quality indices for home care and methods to ensure that the selected companies will comply with these quality care indices. The follow-up audit found that the deficiency had not been rectified: even though over five years had passed since the Government's decision to formulate a new Nursing care tender, and even though the NII had understood the need for a new tender that would allow, among other things, to determine the quality indices and means of ensuring the compliance of the nursing care companies with these indices, as of the date of the follow-up audit's completion, no new tender for the provision of nursing care services has yet been formulated.
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**Maintaining the dependency level of the Nursing Care Elderly within the contract care** – the Follow-up Audit found that 7% and 8% of all the elderly who received a Nursing care benefit at the low level in 2016 and 2017 (respectively) received within six months from their benefit receiving date, a higher benefit level, and a further 6% between seven months to one year in each of these years. After the reform, from 2019 to 2020, 18% and 19% of all the elderly who received their nursing care benefit at the low level (respectively) transferred within six months to a higher benefit level, and between seven months to one year, the rate of the change was 18% and 12%<sup>3</sup>. I.e., more than twice as much as the period preceding the reform. The changes in the dependency level of the Elderly Nursing Care who was diagnosed with a low dependency level over one year from the date the dependency level was determined may have resulted because the agreement with the nursing care companies has no financial incentive to maintain the elderly at the low dependency levels.
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**Regulation of control over the caregivers' training** – the Previous Audit found that the NII had not fulfilled its responsibility for ensuring the home care, defined indices for the care quality it requires, or determined the control over the implementation

3 During the surveyed years, a change occurred in the definition of the dependency level from 3 levels before the reform to 6 levels after. Therefore, in the data analysis the change was examined from the low dependency level from level 1 to level 2 before the reform, while after the reform dependency level 1, 2 and 3 collectively and then a move to another high level.



manner of the home care quality. The Previous Audit also found that the NII did not have all the information about the control exerted by the control bodies and hence was not able to evaluate the home care quality provided to the Entitled and locate deficient care cases. The NII did not determine the areas and subjects in need of supervision by the control bodies, nor did it determine comparable indices regarding the care quality, and it did not prepare a uniform supervision form containing such indices. The follow-up audit found that in December 2018, an amendment to the National Insurance Law had been published, transferring the inclusive responsibility for the care quality to the NII. Still, the NII had not developed an alternative supervision and control mechanism over the service quality provided by the nursing care companies. The NII does not have an orderly control mechanism over the care quality of the nursing care companies; in fact, the supervisory mechanism over the care quality has even weakened, as it is based on clarification of complaints.



**Referral of suitably trained caregivers to Nursing Care for Elderly with high dependency levels** – the Previous Audit found that the NII had not determined priorities in referring caregivers who had undergone special professional training for the nursing care of Elderly according to their characteristics. It had not given instructions to refer them, first and foremost to elderly with high dependency levels. An examination conducted in the Previous Audit found that most nursing Care Elderly with high dependency levels had been cared for by caregivers who had not undergone professional training. The follow-up audit found that the deficiency had not been rectified: no change had occurred in the determination of priorities in referring the caregivers who had undergone professional training according to the characteristics of the elderly. An examination conducted in the follow-up audit from 2017 to 2019 found that no change had occurred in the number of care hours since the Previous Audit and that 67% to 70% of the caregivers of nursing Care for Elderly with high dependency levels had not undergone professional training.



**Compliance with the rate of professional training** – the Previous Audit found that the NII does not control the nursing care companies' compliance with their contractual commitment. It does not examine the training data it received from the companies – it does not verify them, nor does it analyze them to ascertain that the companies comply with the conditions prescribed in the tender: 30% of the caregivers undergone professional training. The follow-up audit found that the deficiency had not been rectified: from 2017 to 2019, there had been a 1.4-fold increase in the rate of companies who reported that they were not complying with the conditions of the nursing care contract in each of the examined years.



**Remote attendance reporting system** – the Previous Audit found that 12 years after the NII had begun to try out the telephone attendance system; it had not yet started to be used and was still in the pilot stages. The Previous Audit further found that the NII had not demanded the caregivers' work diaries from the nursing care companies, even though they are the basis for the computerized payment demand, which the companies



are required to send as a payment condition. The follow-up audit found that 16 years since the NII began an attempt to operate a remote attendance reporting system – the system is not used and that in a nursing care companies' petition to the High Court of Justice (Bagatz), the obligation of reporting in the system was revoked. It was also found that the NII does not demand a computerized report of the work diaries, and neither changed the computerized report structure to include the work diaries, to examine the reliability of the reports and increase the deterrence and thereby assist in reducing the phenomenon of "stealing hours." It should be noted that according to the NII report, about one-half the companies report via the system by their own free will.



**Allocation of care hours to Entitled Persons** – it was raised in the Previous Audit that from 2011 to 2015 the rate of the missing care hours was about 16 million hours, about NIS 680 million – about 3% of the total home care hours the nursing Care Elderly were entitled during those years. I.e. many elderly unjustifiably did not receive many care hours they were entitled to. The follow-up audit found that the deficiency had not been rectified: in 2019 – before the outbreak of the covid-19 pandemic – out of about 97 million care hours, about 3 million hours – 3.1% of the home care hours – were not provided. It should be noted that in 2020, the year the pandemic broke out, the scope of the home care hours was reduced, and the scope of other services, such as benefit in money, increased. The scope of the missing care hours was about 2 million hours, about 1.8% of the home care hours.



**Modifying the existing arrangement in the way the services are provided** – the Previous Audit found that notwithstanding the changes in the characteristics of the recipients of the nursing care benefit, and notwithstanding the conclusions arising from the studies funded by the NII and which dealt with alternative arrangements for the provision of the services, about thirty years after the enactment of the nursing Care Insurance Law, the NII had not yet examined the possibility of modifying the arrangement determined in the Law to improve the quality of life of the elderly and his family members. The follow-up audit found that the deficiency had been rectified: in March 2018 an amendment to the NII Law regarding the reform in nursing care was published, to expand, improve and optimize the nursing care services for the Elderly, allowing receipt of the benefit in money, thus in September 2021 about 34% of the Entitled Persons received a benefit in service, 52% received a combined benefit (a benefit in service and a benefit in money), and approximately 13% received a benefit in money.







**A heavier burden on the family the more restricted the elderly is in his functioning** – the Previous Audit found that even though the NII had agreed that more hours should be allotted for care for elderly with high dependency levels, this had not been done, thus adversely affecting the care of these elderly, and making the burden on their family members heavier. The follow-up audit found that the deficiency had been rectified: as part of the amendment to the NII Law and as part of the nursing care reform, weekly service units (home



care hours per week) were added to the care of elderly on the high levels: up to 30 hours a week for whoever is cared for by an Israeli caregiver and 26 hours for whoever is cared for by a foreign caregiver.

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## Key recommendations

-  It is recommended that the NII, in conjunction with the other representatives of the inter-ministerial committee (the Accountant-General and the Budgets Department), determine a schedule for updating and completing the staff's work for the preparation and publication of the new nursing care tender. It is further recommended that the NII, within the new tender, change the training program and its scope and assimilate it among the nursing care companies.
-  It is recommended that the NII examine the trend of the changes in the dependency levels and consider integrating into the new tender incentives which will encourage the nursing care companies to maintain, as far as possible, low dependency levels of the elderly and simultaneously ensure that they exhaust their proper right according to their essential medical needs to prevent additional deterioration in their condition.
-  It is recommended that the NII promote the control tender and the telephone survey engagement with the care quality control companies.
-  It is appropriate that the NII direct the nursing care companies to refer the caregivers who have undergone professional training to care primarily for the elderly with high dependency levels. The NII should observe that the nursing care companies comply, at the very least, with tender conditions insofar as the caregivers' training is concerned, particularly for elderly with high dependency levels, to ensure the care quality for the nursing Care Elderly.
-  It is recommended that the NII implement the recommendations of the inter-ministerial committee formed following the Government decision in May 2020<sup>4</sup> in the new agreement with the companies regarding the updated training program. It is further recommended that the NII examine ways of integrating the updated training program into the present agreement with the nursing care companies.
-  It is recommended that until the operation of the new tender, the NII request the work diaries from the nursing care companies in a computerized manner, to ensure control under the existing restrictions.

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4 Government Decision 43, "Road Map for the Israeli Caregivers of the Long-Term Care Elderly Persons Industry" (31.5.20).





It is recommended that the NII act proactively to clarify vis-à-vis the nursing Care Elderly entitled to care hours the reason they have not exhausted this right and that it would assist them in doing so.





### Extent of rectification of the main deficiencies noted in the Previous Audit

Audit chapter	Previous audit deficiencies	The extent of deficiencies rectification in the follow-up audit			
		Not rectified	Rectified to a small extent	Rectified to a large extent	Fully rectified
Modifying the existing arrangement of the services provision method	The NII did not examine the possibility of modifying the arrangement prescribed in the Law to improve the quality of life of the nursing Care Elderly and their family members.				
A heavier burden on the family the more the elderly is restricted in his functioning	Even though the NII had agreed that more hours should be allotted for care for elderly with high dependency levels, this was not done, thus adversely affecting their care and making the burden on their family members heavier.				
The NII's engagement with the nursing care companies	It was recommended that the NII and the Accountant-General integrate into a new tender and the a contract with the nursing care companies quality indices for home care and determine methods for ascertaining that the companies comply with these indices to ensure the care quality.				
The NII's inclusive liability for ensuring the home care quality	The NII did not fulfill its inclusive liability for ensuring the quality of home care.				



Audit chapter	Previous audit deficiencies	The extent of deficiencies rectification in the follow-up audit			
		Not rectified	Rectified to a small extent	Rectified to a large extent	Fully rectified
Regulating control over the caregivers' training	The NII did not define care quality indices in the contract with the Ministry of Labor, Welfare, and Social Services or Clalit Health Services. Neither did it determine the methods of controlling the implementation of home care and its quality. The NII does not have full information about the findings of the control conducted by the control bodies, and therefore it is not able to evaluate the quality of the home care provided to the Entitled Persons and locate defective care cases. The NII did not determine the areas and subjects the controlling bodies are required to track and control, nor did it determine comparable care quality indices, nor did it prepare a uniform supervision form containing such indices.				
Supervision and control over the caregivers' training	The NII contented itself with a determination in the contract that the nursing care companies would provide professional training, according to the defined training program, for only 30% of the caregivers employed. Regarding the remaining caregivers (70%), it determined that the nursing care companies must train them, but it did not define the scope and content of the required training.				
	The NII did not determine priorities in referring the caregivers who had undergone professional training according to the characteristics of the nursing Care Elderly and did not directly refer them first and foremost to care for elderly with high dependency levels.				



Audit chapter	Previous audit deficiencies	The extent of deficiencies rectification in the follow-up audit			
		Not rectified	Rectified to a small extent	Rectified to a large extent	Fully rectified
	The NII does not have control over the compliance of the nursing care companies with their commitments in the contract. It does not examine the training data it received from the companies – it does not verify them, nor does it analyze them to ascertain that the companies comply with the conditions prescribed in the tender: 30% of the caregivers undergone professional training.				
	The training program defined by the NII for training Israeli caregivers does not contain the necessary contents.				
Remote attendance reporting system	The NII had not developed a technological method to track the caregivers' reports "and thus for years remained exposed to over-reporting by caregivers and deviations from the care programs".				
Allotting care hours to Entitled Persons	From 2011 to 2015, the scope of the missing care hours was about 16 million hours – about NIS 680 million – approximately 3% of the total home care hours to which the nursing Care Elderly were entitled during those years.				



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## Summary

By 2060 there are expected to be over 780,000 recipients of a nursing care benefit, almost fourfold the number of recipients of the benefit in 2021. The payments in the nursing care industry are due to reach about NIS 57 billion, more than fivefold the payments in 2021. These considerable State resources are designed to ensure the nursing Care Elderly right to age with dignity, including receiving appropriate quality nursing care. The follow-up audit findings raised that some of the deficiencies noted in the Previous Report have been rectified, mainly following the care reform and the legislative amendments; however, deficiencies that have not been rectified also arise, the main one being the absence of a new engagement agreement with the nursing care companies. The NII should rectify the deficiencies detailed in this report.