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Pensions, Health and Long-term Care

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1 Executive Summary

This report deals with old-age pensions, health policies and long-term care schemes in Austria. It highlights system characteristics, recent reforms and political discourses as well as current challenges.

The system of old-age pensions underwent large scale structural reforms in 2003 and 2004. These reforms are likely to contribute to long-run financial sustainability of the system. At the same time, these reforms did not make the system less complicated. In this context gradual and stepwise implementation, special regulations, rules on the capping of losses and long transition periods coming along with multiple accounting (so-called “parallel accounting”) contravene the aim of transparency which was originally intended when introducing “personal accounts” in 2004. Problems of low benefits and risk of poverty at old age have up to now been addressed in a more or less ad-hoc mode (increasing minimum pensions to a larger degree than price indexation would suggest) but not in a structural way. Apart from that, the problem of large numbers of early exits from the labour market has not been solved up to now, although it has been on the agenda for several years now. It appears that politicians currently hesitate to address this problem in a more pro-active way, avoiding unpopular decisions to be taken. The problem has now (again) been handed over to a working group and results in this respect are pending.

A related development is evident in health care. On the one hand, the Austrian system of health care does without any doubt provide rather high quality of services, and access is comparatively equal (at least from an international comparative point of view). On the other hand, there is still room to improve quality management and efficiency – apart from other things – via more integrated planning. This goal is to some degree hampered by rather complex structures of decision making and financing, but no explicit reform programme is currently on the agenda regarding these points. However, the most pressing problem at the moment appears to be the very unfavourable financial situation of the health insurance funds. A reform programme presented in 2008, which would have included some structural steps of reform and aimed to ease these problems to some degree, failed to be decided on in summer 2008. On the whole, it seems as if health reform in Austria has got kind of stuck now and that relevant political players are diffident to address the topic in more detail, due to potential large scale disagreement. Against this background reform is, if it takes place at all, of an incremental and not of a structural nature at the moment. However, it is questionable if this is a feasible way to deal with the evident problems, especially regarding the budgeting of the health insurance funds.

The sector of long-term care shows rather large scale structural reform since 2007. This is especially true in the light of the newly introduced model of (legal) “24-hour care” at home. Gradual reform (to some degree accelerated by the election campaign in summer 2008) came along with increasing cash benefits for people in need of care and higher public subsidies in the context of the new model of “24-hour care”. Most important challenges are access to and quality of outpatient care services, quality in case of care performed by family members and in case of “24-hour care” (by privately hired nurses), the long-term feasibility of the model of “24-hour care” at home as well as the financial sustainability of the whole system. These points are on the agenda to some degree, however with more concrete measures and decisions pending.

2 Current Status, Reforms and the Political and Scientific Discourse during the Previous Year

2.1 Old-age pensions

2.1.1 Old-age pensions: system characteristics and reforms

The most important source for the provision of retirement income in Austria is the so-called “statutory pension system” (see BMSK 2008). It provides old-age pensions, surviving dependants’ pensions as well as invalidity pensions. The statutory pension system includes – in principle¹ - all people in gainful employment, with the exception of civil servants, who are covered by their own systems. However, under the Act on the “Harmonisation of Austrian Pension Systems”, which took effect on 1 January 2005, uniform pension laws were created for all gainfully employed people, including federal civil servants. This means that pensions for newly employed federal civil servants are calculated according to the same rules as those of other persons (for those younger than 50 on that date, pension entitlements are calculated as a mix of old and new provisions on a pro rata temporis basis, while those older than 50 are exempted from the new system).

The system is primarily financed as a pay-as-you-go system (PAYG), but financial shortfalls have to be covered by the federal budget. In 2008, the share coming from the federal budget (so-called *Bundesbeitrag*) amounted to about 2.55% of GDP or 21.85% of overall spending for old-age pensions.² Benefits are granted as a percentage of the earlier contributory income from work (calculated as an average contributory income – the so-called contribution base). In other words: in general, the benefit is the higher, the longer the insurance record, and the higher the preceding contributory income from gainful employment.

At the same time, the Austrian pension insurance system does not provide for an unconditional minimum pension for persons beyond a certain age. However, the so-called means-tested equalisation supplement may (on a partly means-tested basis) apply for persons who are in principle eligible to a pension. This means that low pensions under the statutory pension insurance may be raised to the so-called “equalisation supplement reference rate” in case of financial indigence. Thereby, apart from the pensioner’s income, the income of spouses or partners is taken into account (but not other property). The monthly reference rate (2009) is EUR 772.40 for singles, EUR 1,158.08 for married couples, and a supplement of EUR 80.95 per child is granted (all numbers gross, 14x a year).

The statutory pension system in Austria underwent large-scale structural reforms in 2000, 2003 and 2004 (see e.g. Knell et al. 2006). In principle, the contribution base to be taken into account for the calculation base was expanded from the best 15 years (or the best 18 years in case of early retirement) to lifetime earnings. Apart from that, the accrual rate was reduced from 2% to 1.78% per year. This means that the maximum replacement rate of 80% of the assessment base will be reached after an insurance history of 45 years (instead of 40 years before the reform).

However, these regulations are only fully applied to those who had not acquired any pension entitlements before 1 January 2005. For other groups, different benefits are calculated as a mix of old and new provisions on a pro rata temporis basis, whereby different regulations apply for different age groups. This modus operandi makes the whole system extremely

¹ Employees with wages below the so-called marginal earnings threshold (currently EUR 357.57 per month gross) may opt in to the old-age insurance on a voluntary basis.

² See Kommission zur langfristigen Pensionsversicherung, 2009.

confusing for (future) benefit claimants,³ but also complex and time-consuming for social insurance bodies (when it comes to the calculation of benefits).⁴ The latter problem is further increased by the fact that different regulations apply regarding the (temporary) cap on pension losses. Hereby, the most important one is that reductions of benefits stemming from the reform in 2004 are capped at 5% at first instance. The maximum of possible losses will be increased stepwise to 10% in 2024 (by 0.25 percentage points per year). However, these regulations on capping only apply for people with insurance records before the respective reforms. In other words: people who joined the labour market after 1 January 2005 will face (in most cases) much lower benefits than those already employed.

The statutory retirement age is 65 for men and 60 for women, in the context of which the latter is planned to be gradually raised to 65 years as from 2024 to 2033. Early retirement due to “reduced capacity to work” and “on account of unemployment” was abolished under the reform of 2000 and 2003, and minimum retirement age in case of “early retirement on account of long-term insurance contributions”⁵ is subject to be increased stepwise until 2017 to the statutory retirement age (decided as part of the reform 2003) (here, minimum retirement age is currently – in July 2009 - 62 years and 11 months for men and 57 years and 11 months for women). Gradual changes due to the 2004 reform include the reintroduction of the possibility of early retirement through the establishment of a *pension corridor* (in the age between 62 and 68 years), with discounts/credits of 4.2% of the assessment base per annum.⁶ Here, the entitlement is restricted to persons with at least 37.5 years of pensionable service. This pension corridor is intended to substitute the “early retirement on account of long-term insurance contributions” (which will be completely abolished by 2017; see above). Regarding another form of early retirement, “pensions subject to very long insured periods” (so-called *Hacklerregelung*), men may retire without deductions (!) at the age of 60 and women at the age of 55 if their insured periods total 45 contributory years (men) or 40 contributory years (women), respectively. This form of early retirement has recently gained some popularity (see below), whereas the so called “heavy labour pension” is only of minor significance. The latter allows for retirement at the age of 60 for men and women,⁷ subject to a deduction of 1.8% for each year of retirement prior to the regular pension age. The prerequisite is that insurance periods total 45 years and that out of the last 20 years before retirement at least 10 years were spent working in jobs defined as heavy labour (this is determined according to detailed criteria). Apart from that, it is worth mentioning that the invalidity pension may serve as a substitute for other forms of early exit from the labour market (see subsequent chapters of this report for more detail).

In the course of the pension reform of 2004, several measures were decided upon to soften the possible negative consequences of the pension reforms for women (especially the extension of the assessment base from the best 15 years to lifetime earnings) and to compensate for the disadvantages of women on the labour market to a certain extent: The minimum number of contribution years due to gainful work required for an old-age pension was reduced to 7 years (formerly: 15 years) and times spent for bringing up children, which are credited as pensionable years, were raised from 2 years to 4 years per child. The assessment basis for

³ See for a “userfriendly” compendium on respective regulations e.g.: <http://www.arbeiterkammer.at/bilder/d25/0205.pdf>.

⁴ See e.g. Institute for Advanced Studies, 2008.

⁵ Access is possible after 35 years with insurance contributions or 37 years of insurance contributions and other substitute qualifying periods.

⁶ The discount was later reduced to 2.1% per annum, as dual deductions would have culminated in a reduction in retirement pension of up to 22% in specific cases.

⁷ Up to now this form of early retirement is de facto of some relevance for men only, as the general statutory retirement age for women amounts to 60 years anyway and will not before 2024 be subject to be raised stepwise to 65 years as well.

times spent for bringing up children was raised from EUR 650 per month to EUR 1,350 per month.

As mentioned above, the most important source for the provision of retirement income in Austria is the PAYG statutory pension system, whereas other pillars of the pension scheme are – up to now – only of minor de facto importance. Funded company pension schemes have for a long time been a phenomenon to be found at large firms only. They are not mandatory, and in 2007 about 540,000 persons, or slightly less than 20% of the Austrian workforce, held a pension account of a funded company pension scheme. The average pension granted by such schemes amounted to approx. EUR 480 per month.⁸ Another part of the “second pillar” of the Austrian pension scheme is the so-called “new severance pay scheme”, in force since 1 July 2002. According to the “new severance pay scheme”, every employer has to transfer 1.53% of the monthly salary of an employee to a staff provision fund (*Mitarbeitervorsorgekasse / MVK*) set up especially for this purpose. All employees starting a new job after 31 December 2002 are part of this system on a mandatory basis. This means that the second pillar (funded schemes) has now become partly mandatory. When benefits become due (this may be the case when an employee is changing his/her job after a specific minimum period or when retiring) employees may choose between receiving the entire severance pay or a lifelong pension. Yet, most employees (when changing their jobs and meeting other respective criteria) decide for the paying out of their severance payment⁹, which may contradict the political intention to extend the significance of benefits from funded schemes in old-age insurance.

The “third pillar” entails private life insurance and private pension insurance. Here, the so-called “premium-aided pension savings scheme” (*Prämienbegünstigte Zukunftsvorsorge*), which is sponsored by the state, has been available since early 2003. A main incentive to sign a contract according to the premium-aided pension savings scheme is the public subsidy, in the context of which currently 9.5% of the respective insurance premium (up to a ceiling of insurance premiums of EUR 2,214.22 per year) are covered by the state.¹⁰ This instrument appears to be rather well targeted, as it does also set incentives for people with low personal income (which would not apply in the case of tax deductions).

Against the background of the large impact of the pension reforms of 2000, 2003 and 2004 as well as due to the fact that the implementation of these reforms is an ongoing step-by-step process, no other major large scale structural reforms have been decided since the beginning of 2008. However, some gradual changes have been decided within the scope of the *Sozialrechtsänderungsgesetz 2008* (BGBl. Nr. I XX/2008). This way, the opportunity for early retirement without deductions (in case of very long insurance records, so-called *Hacklerregelung*), that was originally planned to expire in 2010, was prolonged by three years, i.e. until 2013. At the same time, periods to be taken into account as contributory periods for this scheme were extended regarding times with sick pay. Apart from that, it was decided that benefits for new recipients of old-age benefits will have to be valorised on a yearly basis right from the beginning and not only starting after having received benefits for one full year. Furthermore, it was decided to valorise old-age pensions as early as on 1 November 2008 (instead of 1 January 2009) and pensions were upgraded to an amount exceeding consumer price inflation.¹¹ These decisions, resulting in perpetuated access to early retirement without deductions and higher public expenditure due to rather generous

⁸ Data provided by Fachverband der Pensionskassen, 2008.

⁹ See 4APA181 WI 24.07.2006.

¹⁰ See e.g. <http://finanzbildung.bmask.gv.at/bmsk/praemienpension/verstehen.html>.

¹¹ Applying rather complicated rules, see for details: <http://www.help.gv.at/Content.Node/27/Seite.270300.html>.

indexation (even for beneficiaries with higher pensions) took place during the final stage of the election campaign of 2008 (and had to some degree the character of “election sweets”; see below chapter 2.1.4.).

2.1.2 Old-age-pensions: debates and political discourses

Debates and political discourses in 2008 regarding old-age pensions focused on three main topics: a) discussions about the introduction of an automatic trigger to secure the financial sustainability of the old-age insurance system, b) the reform of early retirement and in this context especially regarding the schemes of early retirement due to very long insurance contributions (so-called *Hacklerregelung*) and invalidity pensions and c) debates regarding possible financial problems of old-age pensioners due to the (up to late 2008) high inflation.

Ad a) The goal of modifying the sustainability factor (introduced by the pension reform of 2004) was explicitly announced in the government programme 2007-2010. In this context the plan was to modify the sustainability factor in the direction of an automatic trigger, taking into account changed life expectancy. However, when the topic actually appeared on the agenda, the option of an automatic trigger turned out to be opposed by the Social Democrats (SPÖ), whereas their coalition partner – the Austrian Peoples Party (ÖVP) – favoured such a model. Enduring disagreement on this point was one of the causes for the early termination of the governing coalition in early summer 2008. The new government programme (decided among the same two parties after early elections) does not announce the goal of an automatic trigger any more. It only says that the pension system should be closely monitored and that decisions should be taken according to clearly defined indicators and respective evaluations by the “Commission for the long-term sustainability of the pension system” (*Kommission zur langfristigen Pensionssicherung*).

Ad b) The government programme 2007-2010 included the agreement to prolong the opportunity for early retirement without deductions (in case of very long insurance records, so-called *Hacklerregelung*) until the end of 2010 (it was originally planned to be abolished as early as by the end of 2007).

Apart from that SPÖ and ÖVP agreed to establish a working group (formed by Government, social partners and independent experts) on a reform of invalidity pensions. The main declared goals were: to provide equal access to invalidity pensions for all (former) wage earners (given the substantial differentiations in eligibility criteria between blue collar and white collar workers in the current system), a general reform of access to invalidity pension (probably according to a more flexible model, given that the one in place operates according to an “all or nothing” principle¹²), and a revision of respective procedures to verify health status etc. Some results of this working group were presented in July 2007. However, these results did not include consensus on future steps of reform, but, at first instance, an analysis of current problems.¹³ The main conclusions drawn by the Minister of Social Affairs, Erwin Buchinger, were that instruments for prevention and rehabilitation should be enhanced and that access to invalidity pension should be reformed. Regarding the latter, it was discussed to facilitate access for former blue collar workers to some degree (who currently face very tight respective eligibility criteria), and tighten access for white collar workers to some degree (whereas a common understanding regarding a complete harmonisation regarding these two groups could not be reached).¹⁴ However, no decisions in this respect were taken in 2008,

¹² The current system does not address partial invalidity.

¹³ See e.g. APA0366 II 22.07.2008, OTS0148 II 22.07.2008 and for more details Stefanits/Mayer-Schulz, 2008.

¹⁴ See e.g. APA0366 II 22.07.2008.

given the early termination of the grand coalition of SPÖ and ÖVP in the summer of 2008. But the topic continued to be on the agenda, and the new government programme 2008-2013 (agreed upon by SPÖ and ÖVP, forming a coalition government again), announces the plan that invalidity pensions should be reformed together with so-called “heavy labour pensions” (*Schwerarbeiterpension*), which is another form of early retirement, but of minor factual importance up to now (see chapter 2.1.1. above). However, the respective results of ongoing consultations with social partners and independent experts as well as of negotiations within the Government are still pending at the time of writing.

As sketched out above, it was decided in autumn 2008 that the opportunity for early retirement without deductions (in case of very long insurance records, so-called *Hacklerregelung*), that was originally planned to expire in 2010, will be prolonged by three years, i.e. until 2013. This topic gained some relevance during the elections campaign 2008, and in September 2008 all parties in Parliament, generally speaking, were in favour of a prolongation of the respective rules (however, with some minor differentiation regarding details). The new government programme 2008-2013 addresses the topic again. SPÖ and ÖVP have agreed that the new government should map out a new model, serving as an “affordable” substitute for the respective current model which is subject to expire by end of 2013. The deadline to agree on such a new model is the end of 2009, and respective results are pending at the time of writing.

Ad c) The topic of financial problems of old-age pensioners in the light of high inflation rates was rather extensively discussed during the election campaign in 2008. In the end, all political parties in Parliament voted for a rather generous indexation of old-age pension (to be implemented in November 2008, whereas the regular date for indexation would have been January 2009). However, the respective discussion at first instance had its focus on ad-hoc and gradual measures only (i.e. at first instance the indexation for 2009 only), and not on potential structural shortfalls of the Austrian pensions system regarding e.g. general distributional justice within the system etc. Furthermore, the government programme 2008-2013 does not address such questions in more detail and it appears that no respective structural reforms are planned.

Yet, another point worth to be mentioned in this context is the plan to introduce a so-called “means-tested guaranteed minimum income scheme” (*Bedarfsorientierte Mindestsicherung*).¹⁵ Current plans for developing domiciliary social assistance (i.e. social assistance for people living at home) into a means-tested guaranteed minimum income would not only have the potential to improve the situation of specific groups below retirement age but also for elderly people over the statutory retirement age. The means-tested guaranteed minimum income is planned to be adjusted to the amount of the equalisation supplement. All in all, this would mean that a truly “universal means-tested” benefit for people at pensionable age would be introduced at the level of the equalisation supplement (at a level of 100% for singles and 150% for couples). However, the implementation of this scheme, originally planned for 1 January 2010 at the latest, has been postponed.¹⁶ Reasons are the refusal of one federal province (Carinthia) to sign the respective agreement and “technical problems” (regarding the setting-up of joint data networks of the federal provinces and the Employment Service). The delay in implementing the respective scheme caused considerable criticism by the federal provinces that have already signed the respective agreements, by some of the opposition parties and by charity organisations of the so-called third sector.¹⁷

¹⁵ See <http://www.bmsk.gv.at/cms/site/liste.html?channel=CH0098> for more details.

¹⁶ OTS0256 II, CI 10.03.2009.

¹⁷ APA0343 II, CI 11.03.2009.

2.1.3 Pensions: overview of published impact assessment

Financial sustainability

In Austria, the most important sources providing impact assessment on financial sustainability are the reports by the “Commission for long-term sustainability of the pension system” (*Kommission zur langfristigen Pensionssicherung*). This commission published long-term-projections for 2007-2050 in February 2008 (see Kommission 2008), a detailed, rather short-term review dealing with current financial sustainability and questions on indexation in September 2008 (see Kommission 2008a) and then again long-term projections in March 2009 (see Kommission 2009). The latter comes to the conclusion that expenditures for old-age insurance will rise from currently about 10.1% of GDP to a maximum of 13.5% in 2050 and will then fall to a level of 13.2% in 2060. Funds coming from the federal budget will rise from currently approx. 2.2% of GDP to 5.0% in 2050 and will decrease to 4.8% in 2060. These forecasts are – at least from an international point of view – rather favourable. However, the estimates will only apply – apart from other insecurities¹⁸ - if a) the factual retirement age will be managed to be raised to statutory retirement age, and if b) indexation in the future will take place according to inflation only (this means: indexation may, in contrast to the recent development – see above, chapter 2.1.1., not exceed inflation). Moreover, expenditures for the means-tested equalisation supplement (i.e. the conditional minimum pension in the Austrian pension system; see above, chapter 2.1.1.) are not covered by the respective forecasts.

It was in particular the Institute for Advanced Studies/IAS (*Institut für Höhere Studien*) that emphasised that these rather favourable projections will only hold if a number of preconditions are met. Hereby, according to IAS, it is of vital importance to increase the employment rates of people aged 55+ and apply rather defensive rules of indexation (strictly according to inflation) (see Institute for Advanced Studies 2008). Own forecasts by IAS show that the overall expenditure for old-age pensions would rise up to more than 18% of GDP in the case that employment rates would not rise, indexation would be too generous, and benefit reductions of the pension reforms 2003/2004 would be revoked.

Recent estimates by the “Commission for long-term sustainability of the pension system” show that their earlier forecasts regarding the financing of old-age insurance need to be changed for 2009. Revenues from contributions will be lower than expected earlier (by approx. EUR 270 million, due to the economic crisis) and expenditures will be higher than originally estimated (by approx. EUR 140 million), due to indexation exceeding inflation (as decided in autumn 2008; see above).

Other topics of assessment

It is worth noting that impact assessment in Austria relates to financial sustainability in the first instance, and that other possible subjects are covered to a much lower degree and / or in a much less systematic way. Yet, a rather comprehensive analysis of recent social policy in Austria and respective outcomes and impacts is given in the Social Report 2007-2008 (see BMSK 2009) which was published in January 2009.¹⁹ Regarding old-age pensions, this report provides, amongst other things, information on budgeting and respective expenditures, the development of the number of beneficiaries according to different types of pensions, the

¹⁸ See for a discussion of the impacts of different assumptions on demographic and labour market trends Mayrhofer, 2008.

¹⁹ Such a report is published by the Austrian Ministry of Social Affairs every two years, however under changing names. Earlier respective reports may be found here:
<http://www.bmask.gv.at/cms/site/liste.html?channel=CH0107>.

actual retirement age, and the average levels of benefits. On the whole, the Social Report is a very useful source for (rather compressed) information, but it does not provide a critical assessment in a sense that it would draw conclusions regarding the impacts of earlier reforms, problems, and need for reform. The same holds for a special chapter in invalidity pensions, which is also part of the Social Report 2007-08 (see Obermayer et al. 2009), and for another earlier report on invalidity pensions by the same authors (see Stefanits/Mayer-Schulz 2008).

Other impact analyses deal with the factual outcomes of the pension reforms of 2000, 2003, and 2004. Hereby, one very informative series of articles by Stefanits/Hollarek and Stefanits/Bauernberger has been published in the journal "Soziale Sicherheit". Stefanits/Hollarek (2007) deal with the question whether the measures taken in the pension reforms of 2000, 2003, and 2004 have reached their goals regarding a reduction of early exit from the labour market (see also Guger et al. 2007). The answer is yes and no. The average factual retirement age has been rising, but abolished forms of early retirement have to some degree been substituted by others (especially invalidity pension and early retirement due to very long insurance records (so-called *Hacklerregelung*). The employment rates of older persons have been rising to a significant degree but are, from an international comparative point of view and also in the light of the Stockholm and Barcelona goals, still rather low (see Stefanits/Hollarek 2007a). Unemployment for older people has not been increasing in the context of the pension reforms of 2000, 2003, and 2004 but has somewhat decreased. However, the latter may be explained for some part by the fact that the group of persons covered by some "special social benefits"²⁰ has grown from 15,000 in 1999 to 30,000 in 2005. These people are neither counted as employed or unemployed nor are they pensioners according to definitions of respective reporting.

In a third paper Stefanits and Hollarek (2008) assess the impacts of the pension reforms of 2003 and 2004 at the level of individual pensions newly granted in 2006. All in all, the conclusion is as follows: Reductions are most significant for low income deciles, but in comparison between men and women reductions are higher for men than for women. For women the highest three deciles are, in average, even better off under the new regulation (for men the highest decile only). The latter is caused by the option for early retirement due to very long insurance records (so-called *Hacklerregelung*), introduced with the pension reform of 2003, which does not come along with any deductions. This suggests that the respective reforms have shown rather unfavourable results in terms of distributional effects in the short run. However, it must be stressed that respective data merely provide a kind of a snapshot, and that an abolishment of early retirement due to very long insurance records would lead to considerably higher reductions in higher benefit deciles as well.

Current benefit levels and risk-of-poverty at old age are assessed by Stefanits/Bauernberger (2007). This analysis shows that the additional raise of the means-tested equalisation supplement (*Ausgleichszulage*) up to the then latest available at-risk-of-poverty threshold according to EU-SILC (at-risk-of-poverty threshold of 2004), as well as the repeated indexation of minimum pensions exceeding inflation, have had positive effects on social inclusion at old age (especially by reducing the respective poverty gap). However, major challenges are still evident. This includes e.g. the fact that the level of the means-tested equalisation supplement is indexed (if political parties do not agree on another procedure) based on the inflation and not in accordance with the wage development (meaning that there is a tendency that the in-risk-of-poverty rate will be increasing to a larger extent than the level of the means-tested equalisation supplement). Another example is the fact that invalidity

²⁰ Respective social benefits are e.g. "advance payment on old-age pensions" granted by the Employment Service, and people getting sick pay in case of long-lasting unemployment (see Stefanits/Hollarek 2007a, 416f.).

pensioners – and this is a currently growing group – show a substantially above average risk to gain only rather low benefits (which then will have to be increased up to the level of the means-tested equalisation supplement).

Assessments on the long-term effect of the reforms 2003 and 2004 on benefit levels are still rare. Still, the most important source in this respect is an assessment by Mayrhuber (2006). It shows that the effects of these pension reforms, which result in a reduced income replacement ratio, can only be offset through continued employment up to the statutory retirement age for the individual income earner. At the same time, due to the higher valuation of credited substitute periods (especially childcare) (decided in the context of the reform of 2004), for women with less stable employment records income replacement ratios may even rise in comparison with the previous system. The latter will again be especially the case if women manage to work up to the statutory pension age of 65 which will apply in the far future (see for details: Mayrhuber 2006).

2.1.4 Critical assessment of reforms, discussions and carried out research

Gradual reforms decided in 2008 included, in the first instance, as discussed above, the prolongation of early retirement until 2013 and the indexation of benefits to a higher degree than consumer inflation would have indicated (moreover pre-drawn by two months). Both are ad-hoc measures, aiming at short-term problem solving but not addressing the structural problems within the two respective problem areas.

The first one is related to still rather low employment rates in persons aged 55 and over, and the fact that different forms of early retirement still play a major role in the Austrian system of old-age schemes (irrespective of the reform steps taken in 2001, 2003, and 2004). In this context it is evident that, to some extent, invalidity pension was used as a substitute for other forms of early retirement (abolished in the course of the already mentioned reforms) and that early retirement “due to very long insurance records” is increasingly used by benefit claimants (see as well Guger et al. 2007; Stefanits/Hollarek 2007; Institute for Advanced Studies 2008; Guger et al. 2008).

Both problems have made it on the political agenda to some extent. But decisions on measures in this respect have been deferred by handing over both topics (invalidity pensions and the so-called *Hacklerregelung*) to “working groups”. The background of these developments is characterised by a disaccord between the two government parties on how to handle the respective problems, and obviously also by dilatoriness to decide for unpopular measures (which might come along with decreasing support from voters).

The problem of – in some cases – low benefit levels was addressed in a rather short-dated way (via pre-drawn indexation exceeding the rate of inflation).²¹ Evidently, such a strategy may be classified as applying a kind of ex-post repair-mechanism, whilst it would be more sustainable to prevent against benefits below the at-risk-of poverty rate ex-ante (see Stefanits/Bauernberger 2007, 265). However, at a general level (and by addressing more fundamental questions of inter and intra-generational justice) this would include a major change of the calculation formula for old-age pensions, which is not on the agenda at the moment. Hereby, the situation that the average level of newly granted (!) individual old-age pensions for women only amounts to about 60% of the respective benefit level for men (see

²¹ However, it is worth mentioning that the so-called “means-tested equalisation supplement” (Ausgleichszulagenrichtsatz) has been substantially raised in 2007, up to the then latest available at-risk-of poverty threshold according to EU-SILC. However, to keep the means-tested equalisation supplement in line with the at-risk-of poverty threshold it would be necessary to valorise it on the basis of wages and not according to price development, as is the case currently.

BMSK 2009, 38) often appears to be accepted as a mere fact. In other words: A substantial discussion on such questions is currently not taking place.

More specifically, such a more foresighted strategy should also focus on the problem of invalidity pensions, as recipients of such benefits face the problem of low benefits (which then are to be increased up to the level of the means-tested equalisation supplement) substantially more often than other recipients of pensions (see Stefanits/Bauernberger 2007). Yet, questions of invalidity pension have been, as sketched out above, handed over to a working group and results are still pending.

The so-called “means-tested guaranteed minimum income scheme” would improve the situation of people over retirement age who do not have access to pension benefits and currently have to draw on traditional social assistance. However, the implementation of the respective scheme, originally planned to be launched at 1 January 2010 at the latest, has been postponed.

Another major problem is the complexity of the current system in place, which is to a large degree stemming from the reforms of 2003 and 2004: Gradual and stepwise implementation, exceptional rules, rules on the capping of losses, and long transition periods proceeding with multiple accounting (so-called “parallel accounting”) contravene the aim of transparency which was originally intended when introducing “personal accounts” in 2004. Some observers even say that against the background of these reforms pension law in Austria developed to a kind of “hermetism” (Türk/Panhözl 2004). Consequently, transparency is very low for future beneficiaries. At the same time, this also comes along with extremely high administrative costs on the part of social insurance bodies (as they, next to other things, have to carry out multiple accounting in a large number of cases). Yet, these problems hardly appear on the agenda - but have produced critical comments e.g. by the Institute for Advanced Studies (2008) and Knell et al. (2006).

Another problem is the lack of data modelling dealing with supposable long-term effects of the reforms of 2003 and 2004 regarding future benefit levels and different sorts of employment and careers etc. This situation may have to do with the complexity of the rules in place, but is, nonetheless, unsatisfying (for some more analysis on this topic see Stefanits/Bauernberger 2007, 266ff.).

More monitoring and data would also be necessary regarding the development of occupational pensions, the new severance pay scheme and premium-aided pension savings scheme (i.e. the second and the third pillar of old-age security in Austria). Decision makers in the field of old-age security apparently suppose that additional savings from these schemes will (at least to some degree) compensate for losses in the first pillar (according to the reforms of 2003 and 2004). Evidently, the latter is more likely to be the case for those who are better off in terms of income from gainful employment anyway. However, more detailed analysis on (likely) impacts on distribution and (in)equality of income are largely missing.²²

2.2 Health

2.2.1 Health: system characteristics and reforms

The health system is under the responsibility of the Federal Republic, yet with one very important exception: the system of hospitals. Regarding the latter the Federal Republic enacts

²² But see for some basic data e.g. Austrian Financial Market Authority, 2007 and Austrian National Bank, 2007.

only basic laws, whereas their implementation and enforcement is under the responsibility of the federal provinces (Laender). Therefore, the Federal Republic and the Laender conclude mutually binding agreements to ensure health care provision within their respective competences. Apart from that, it is important to note that social insurance providers are supposed to be self-governing bodies in Austria (so-called *Selbstverwaltungsträger*). This implies that they have important regulatory functions, especially in respect of outpatient health service.

The Austrian health sector has a system of “mixed financing” (see Statistik Austria 2008 for more details). About one quarter of health expenses is covered by private households and about three quarters are financed by the public sector. Regarding the latter, about 60% come from health insurance contributions, about 40% from the tax yield.²³ The total expenditure on health care (excluding expenditure on long-term care) in percent of GDP rose from 7.4% in 1990 to 8.8% in 1999 and 9.1% in 2004. Since then a slight reduction has become evident (8.8% in 2007).²⁴ Public health expenditure corresponded to 76.4% of the total expenditure in 2007. The public share increased during the 1990s (starting at 73.4% in 1990) but has remained largely stable since 2000.

Reasons for the long-run growth of expenditure for health are to be found, as in many other countries, in a) demographic factors; b) technological developments in the health sector resulting in an extension of the range of medical ailments that can be treated; and 3) – partly caused by the first two factors - the rising relative price of health care. The recent cut in health care spending is likely to be an effect of reforms aiming at cost containment, starting from the late 1990s. Yet, irrespective of such measures to control rising costs, the financial situation of the health insurance funds remained tense and more recently some of them even turned out to be close to bankruptcy (see below for more details). In this context it is worth noting that their enduring financial problems appear to be not least of a structural nature, as these bodies are primarily financed through insurance contributions - and the wage share in percent of GDP has been decreasing significantly over the past two decades (see Hofmarcher/Rack 2006; Hofmarcher 2008).²⁵

About 98.5% of the Austrian population are covered by the social health insurance, organised as a compulsory insurance for people in gainful employment.²⁶ However, health insurance in Austria goes far beyond the scope of an insurance for employed persons since, in addition to the directly insured parties, it also covers dependent members of their families. About one third of the persons covered by the statutory health insurance are co-insured family members who do not pay contributions of their own (e.g. children, housewives/househusbands). Periods without insurance appear to be a short-time phenomenon in most cases and people who are not covered by health insurance may opt in to the system at their own expense (however, some waiting periods may apply here.). Furthermore, people without insurance may have access to health care services via Social Assistance (means-tested).

²³ For financing of the health system in Austria according to different sources of funding see http://www.statistik.at/web_de/static/laufende_gesundheitsausgaben_nach_leistungserbringer_und_finanzierungsquelle_030008.xls.

²⁴ Data according to System of Health Accounts (OECD), see: http://www.statistik.at/web_de/static/gesundheitsausgaben_in_oesterreich_laut_system_of_health_accounts_oecd_199_019701.xls.

²⁵ Furthermore, insurance funds are claiming that they do not get adequate compensation from the state for providing benefits not directly related to health insurance in the narrow sense (like maternity allowance, health provision for unemployed, students and asylum seekers). But a more detailed discussion on these topics within Government is pending.

²⁶ See BMSK, 2008 and Hofmarcher/Rack, 2006 for more details.

The Austrian health care system underwent large scale structural reform in the course of the health care reform of 2005 (for more details see Hofmarcher/Rack 2006). Given the substantial structural changes and the respective measures they imply, this reform is still in the state of gradual implementation and stepwise realisation with a focus on more integrated nation-wide planning, assuring and improving the quality of the health system throughout Austria, and ensuring financial sustainability of the health care system. This is a complicated task, as the overall architecture of the Austrian health system remains a rather complex one, entailing a decentralisation of powers and multiple financing instruments (irrespective of the reforms of 2005, which were aimed at improving integrated planning by the introduction of a Federal Health Agency, a Federal Health Commission and a Structural Healthcare Plan at the national level and of State Health Funds and Health Platforms at the Laender level).

In this context, it is worth noting that the long-term objective of a “one-stop financing”²⁷ has so far not been reached (due to resistance by different players and stakeholders within the system, fearing for their autonomy) (see Czypionka et al. 2008 for a detailed discussion). In fact, the new agreement between the Federal Republic of Austria and the federal provinces (Laender) pursuant to Article 15a of the Federal Constitution Act (*Bundesverfassungsgesetz/B-VG*), which became effective on 1 January 2008, has all in all prolonged the financing structures as fixed by the reform of 2005.²⁸ This development is not in line with recommendations repeatedly made by organisations like the OECD (2005) or national experts (Hofmarcher/Rack 2006) proposing the assignment of financing and spending responsibilities for both the hospitals and practising physicians to one government institution.

No major *structural* reforms were decided regarding the Austrian health system throughout 2008 and the first quarter of the year 2009. Yet, this does not imply that a reform of the health system is not on the agenda. On the contrary, a rather broad reform discussion took place in 2008 (see chapter 2.2.2. below), but appropriate plans for a health reform have not been achieved against the background of fierce opposition, especially by the medical profession and their interest groups, and the early termination of the former governing coalition of SPÖ and ÖVP.²⁹ This, next to other things, meant that the leaving government left urgent actual problems of financing within several Austrian health insurance providers (*Krankenversicherungsträger*) largely unsolved when the coalition government collapsed in early summer 2008. All in all, the debt of all health insurance funds currently amounts to approximately EUR 1.2 Billion and some of them appeared to be close to bankruptcy at the end of 2008 / early 2009.³⁰

²⁷ Currently, structures regarding responsibilities on financing on the one hand, and provision of services on the other hand, are not organised in a coherent way (overlapping responsibilities and shared financing). “One-stop financing” in the Austrian case would mean that control over spending regarding all “public funds” (financed by insurance contributions and taxes) as well as all major decisions regarding provision of services etc. would be administered by one institution (i.e. the Federal State or the federal provinces or the health insurance funds via their umbrella organisation, the Federation of Austrian Social Insurance Providers).

²⁸ But see Maksimovic/Felix, 2008 for more details and information on gradual changes.

²⁹ For a brief outline of the development in this respect and the failure in pushing through a health care reform in 2008 see e.g. APA0328 II, CI 6 July 2008. See for a more detailed discussion Hofmarcher, 2008.

³⁰ In 2008 the deficit of the health insurance funds amounted to EUR 131.6 million, which was lower than the 238 million expected according to earlier estimations. This was a consequence of lower increases in the costs of drugs (due to the bisection of value added tax on drugs and an agreement with the pharmaceutical industry on cost containment) and the favourable employment situation lasting until end of 2008. The Federation of Austrian Social Insurance Institutions is expecting an even lower deficit of EUR 48.3 million for 2009, followed by a sharp increase to a deficit of EUR 300 million in 2010 (without the financial subsidies in discussion). Main reasons are anticipated higher unemployment rates and a related decrease of contributors to health insurance.

Against this background, the new Government (in office since late 2008) agreed on a “package on debt relief” for the health insurance funds. In principle, this consists in additional financial support from the federal budget. Approx. EUR 45 million have already been granted as a kind of “ad-hoc emergency subsidy”, another EUR 450 million are planned to be disbursed to the health insurance funds as from 2010 (EUR 150 million each in 2010, 2011, and 2012), and another EUR 100 million per year will be used to finance a so-called structural fund.³¹ Yet, to get access to money from the structural fund, health insurance providers will have to provide their own plans for cost containment. These plans are expected for June 2009, but their content is widely unclear at the time of writing.

One gradual adaptation worth mentioning is the limitation of prescription charges to 2% of the income for patients suffering from chronic diseases. This measure was decided in 2007 and came into effect as from 1 January 2008.³² Another measure, which improves the financial situation of health insurance providers, was the bisection of value added tax on drugs, decided upon in September 2008.

2.2.2 Health: debates and political discourses

The government programme for 2007-2010 included a rather extensive chapter on health (p. 112-122). At the same time much of the content of this chapter of the government programme had the character of a general and rather abstract definition of goals, coming along with a lack of concreteness regarding possible reforms to be carried out (e.g. regarding the then already evident tense financial situation of the health insurance funds).

However, in May 2008 the Government presented a draft legislation aiming at a reform of parts of the health system. This draft legislation was based on a paper drafted by the social partners (Association of Trade Unions and the Chamber of Commerce), which was presented in April 2008. This paper aimed at bringing the financial situation of health insurance funds to public attention and proposed measures to pay off accumulated debts and control for cost increases. Interestingly, the proposals made by the social partners focused primarily on costs of outpatient services and the administration of dispensing drugs, whereas questions of hospital care were largely left out of the reform agenda. In this context it is worth noting that hospital care amounts to about 40% of overall expenditure for health care in Austria and that health insurance funds cover about 45% of these costs (irrespective of the fact that hospital care falls within the responsibility of the federal provinces).

The draft legislation presented by the Government included the following main points (see Hofmarcher 2008):

In the case that no collective agreement were to be reached between doctors and health insurance funds, health insurance funds were planned to be allowed to offer contracts to all medical providers willing and able to contract. This would have implied that health insurance funds would have been enabled to “shop around” under specific circumstances and in doing so to exert more pressure on doctor fees.

Existing or newly issued contracts with doctors providing outpatient health care were planned to be subject to re-certification after five years. This re-certification was planned to be done on the basis of quality indicators (with the latter subject to be defined).

Third, doctors inside and outside hospitals would have been required to prescribe substances rather than specific drugs produced by a specific manufacturer. Then, the pharmacy would

³¹ See e.g. APA0015 II, CI 15.02.2009.

³² See <http://www.help.gv.at/Content.Node/169/Seite.1693902.html> for more details.

have had the competency to decide on the brand or generic drug to be delivered. In the case that patients insisted on getting a specific drug from a specific manufacturer they would have had to pay the price difference between that drug and the generic substitute.

Apart from that, the executive powers of the umbrella organisation of health insurance funds would have been enhanced by introducing a new self-governing body (the so-called *SV-Holding*). This new self-governing body was planned to get far-reaching strategic power on decision making, coming along with a more centralised monitoring and controlling.

Apart from these issues, the reform package would also have included that doctors would have had the duty to hand out a bill to the patient for every service provided (to improve transparency). Furthermore, direct subsidies from the federal budget were planned to be granted to the health insurance funds, to pay off existing debts (at least to some part). For the latter, EUR 450 million were budgeted for 2008 and 2009. Furthermore, it was planned that health insurance funds should receive a 100% value-added-tax refunding, amounting to about EUR 120 million per year.

All in all, this reform would have led to structural changes, because the power of one important player on the demanding side (i.e. health insurance funds) would have been enhanced, whereas the power of suppliers (i.e. the medical professions and their interest groups) would have been reduced to some degree. Furthermore, the introduction of the *SV-Holding* would have come along with a gradual centralisation of the rather fragmented system of (regional) health insurance funds. However this – as mentioned above - would have come along with a structural rise of the strategic power of the (regional) health insurance funds vis à vis the service providers. At the same time it is evident that this reform would not have been a reform covering all strands of the health care system, because the hospital sector was – as already mentioned above – left out to a large degree.

The latter was criticised by different experts (see Hofmarcher 2008).³³ However, a compromise on a health reform would probably have been even less likely if the hospital sector had been included, because this would have come along with an even more complex set of relevant political players (by adding the federal provinces). Yet, even the proposed reform, addressing outpatient care and some reform regarding first and foremost the co-ordination and quality management of the health insurance funds, led to fierce criticism by different players.

The strongest opposition came from the doctors and their interest groups (i.e. the medical chambers). Arguments were that this reform would endanger the autonomy of medical professions and jeopardise the quality of the Austrian health care system by forcing the doctors to provide sub-optimal service (via potential price competition) in the field of outpatient care. Furthermore, it was argued that it should remain in the responsibility of the respective doctor which drug they prescribe and that it would not be feasible to prescribe active substances only (instead of specific medication in course of the *aut-idem* regulation discussed). Furthermore, doctors rejected patient billing for reasons of expected additional administrative costs.³⁴ Parts of the reform package were opposed as well by most regional health insurance funds which, in the first instance, criticised the measures planned regarding the *SV-Holding*, which would have meant stronger control of the (regional) health insurance funds at a centralised level.³⁵

In June 2008, doctors even organised strikes against the reform and negotiations got largely stuck. By the beginning of July the reform was discussed in Parliament, but the two government parties (SPÖ and ÖVP) were unable to agree upon the topic, so that the health

³³ For identical opinions, e.g. by the president of the court of auditors, see: OTS0186 II 24 June 2008.

³⁴ See e.g. APA0320 II, CI 05.06.2008; APA0067 II, CI 06 June 2008.

³⁵ See APA0442 II, CI 12 June 2008.

reform was, as a first step, postponed (on 6 July 2008) to autumn 2008. However, the day after the ÖVP recalled the coalition with SPÖ and asked for new elections.³⁶ This meant that the health reform came to naught either.

In October 2008, the social partners agreed on another programme to reform the Austrian health system (see Die Sozialpartner 2008). This one would have been even more far-reaching than the one presented in April 2008, including the proposal to assign financing and spending responsibilities for both hospitals and practising physicians to *one* government institution, which is in line with recommendations repeatedly made by organisations like the OECD (2005) or national experts (Hofmarcher/Rack 2006). However, this paper was not widely discussed in the public and it appears that the social partners themselves did not circulate it in a pro-active way (probably against the background of ongoing negotiations for a new government).

As its predecessor, the new government programme for 2008-2013 again includes a rather extensive chapter on health (p. 179-186). Yet, the goals listed are again of a rather general nature and the measures to reach them are, in most cases, left to further negotiations between the new (and old) coalition partners. On the whole, it appears that the current Health Minister (Alois Stöger) is not in favour of any large-scale structural reforms.³⁷ The current state is that one is waiting for the proposals dealing with improved efficiency and measures for cost-containment to be delivered by the health insurance funds (and their umbrella organisation - The Federation of Austrian Social Insurance³⁸) by the end of June 2009.

2.2.3 Health: overview of published impact assessment

Literally speaking, it is impossible to give a sound overview of published impact assessment regarding the health system in Austria. This is due to the fact that no encompassing and *systematic* monitoring and evaluation of the Austrian health care system takes place.

Yet, information in this respect is available from a variety of sources. Important statistical data are provided by Statistik Austria via “Yearbook of Health Statistics 2007“ (see Statistik Austria 2008). Yet, this publication does – generally speaking – include an extended variety of data on the Austrian health system and appropriate impacts and outcomes but not an analysis of underlying causal relations.

Apart from a recent report by Merkur et al. (2008, see below) the most comprehensive analysis of the Austrian health system is available from “European Observatory on Health Systems and Policies”, organised by the WHO (see Hofmarcher/Rack 2006).³⁹ Although this publication is not up-to-date, it still gives a broad picture and analysis of the rather fragmented (given the role of the Federal Government, the federal provinces and different health insurance funds) Austrian system of health care. This fragmentation leads, according to Hofmarcher/Rack (2006), to regional inequalities regarding access and – generally speaking – to some degree to inefficiency and problems of integrated governance (also see Hofmarcher 2008).

More detailed (and up-to-date) information and assessments on specific policies and reform plans (like the stranded health reform 2008) is available from Health Policy Monitor (sponsored by *Bertelsmann-Stiftung*).⁴⁰ The national experts, providing analyses for this

³⁶ See OTS0087 II 07.07.2008.

³⁷ See e.g. OTS0360 II 05.03.2009.

³⁸ Hauptverband der Österreichischen Sozialversicherungsträger, see: <http://www.sozialversicherung.at>.

³⁹ See <http://www.euro.who.int/observatory> and <http://www.euro.who.int/Document/E89021.pdf>.

⁴⁰ See <http://www.hpm.org/en/index.html>.

network, are – by and large – the same persons as those authoring European Observatory by WHO. These experts are located at the Institute for Advanced Studies (IAS, Institut für Höhere Studien), forming a research group on “Health Economics and Health Policy”.⁴¹ They do as well produce the series “Health System Watch”, which is produced as a supplement to the Journal “Soziale Sicherheit”, published by the Federation of Austrian Social Insurance Providers (*Hauptverband der Sozialversicherungsträger*).⁴² Topics covered in 2008 were e.g. “one-stop financing” (instead of funding from different sources) (Czypionka et al. 2008) or quality management and evaluation/monitoring in the hospital sector (Czypionka et al. 2008a). These assessments come, generally speaking, to the conclusion that, given the still very complex organisational structure, there is need for further reform of the Austrian health care system. This applies regarding essential questions of the decision making and funding structure (with a high probability of interlocking effects due to multiplicity of relevant actors and inter-organisational transfers of funds). Secondly, this is also true with regard to the de-facto implementation of instruments for monitoring, evaluation and quality management. Regarding the latter, the health care reform of 2005 announced the development and expansion of respective measures, but de-facto improvements appear to be limited. For this reason, the appropriate aims are still on the agenda (see the chapter on health in the government programme for 2008-2013). Such a need for further improvement of the organisational structure and quality management was also claimed by a rather comprehensive assessment provided by the London School of Economics and Political Science in February 2008 (see Merkur et al. 2008).

Another assessment, published in 2008, draws less critical conclusions than those mentioned above: Leopold/Habl (2008) analyses the Austrian health system according to macro-indicators usually used according to OECD methodology applied for the Euro Health Consumer Index. They come to the conclusion that the Austrian health care system is one of the best and most efficient health systems in Europe. From their point of view, the main potential for further improvement regarding efficiency lies in a reduction of the very high frequency of visits to the doctor, a reduction of the share of inpatient treatment, which comes along with comparatively long stays at acute care hospitals. However, at the same time Leopold/Habl emphasise that both the subjective health status and the satisfaction with the health system among the population are high in Austria and that concerns regarding social equity have a high priority among decision makers.

For sure, the latter is true in the Austrian case, as there has always been a broad political consensus that a widely market-based provision of health care services is incompatible with the aims of the Austrian welfare state. However, this does not mean that the health status of individuals is not linked to their socio-economic status. Analyses by Statistik Austria (2008a) or Sting (2008) and Habl (2009) come to the conclusion that general socio-economic disadvantages translate into higher health risks and higher mortality. However, Habl (2009) argues that these considerable inequalities in health outcomes do not primarily stem from the structure of the health system per se, but mainly from social factors related to low income, like low valuation of one’s own health, low educational background, long-term unemployment and little social participation. The most effective and efficient solution to minimise health inequalities would therefore be to reduce social exclusion at a more general level.

⁴¹ See <http://www.hpm.org/en/index.html>.

⁴² See <http://www.hauptverband.at/> and <http://www.ihs.ac.at/index.php3?id=1190>.

2.2.4 Critical assessment of reforms, discussions and carried out research

As sketched out above, one main challenge of the Austrian health care system is the complexity of its organisation, coming along with a multitude of relevant decision makers (apart from other players the federal state, the federal provinces and the health insurance funds) and a very complex and ramified system of financing.

In this context, the situation occurs that those making decisions are not always those that have to finance the respective measures at the end of the day. For the hospital sector, the health reform of 2005 tried to address these problems by establishing new institutions, such as the Federal Health Agency (*Bundesgesundheitsagentur*), the Federal Health Commission (*Bundesgesundheitskommission*) and the Structural Health Care Plan (*Österreichischer Strukturplan Gesundheit*) at the national level and State Health Funds (*Landesfonds*) and Health Platforms (*Gesundheitsplattformen*) at the Laender level). Yet, this reform is still in the stage of stepwise implementation. One important point is that it was planned to have the effects of the health care reform of 2005 evaluated by 2007 at the latest. However, this task has not been fully accomplished by now. Thus, it is rather unclear if and to what extent the respective measures actually helped to improve the quality of health care in Austria. At the same time, it is evident that the topic of quality of health care is on the agenda – but factual effects of earlier and more recent efforts are largely unclear.

Structural problems regarding the financing of outpatient care were planned to be a subject of the health reform of 2008. However, as sketched out above, this reform has not been decided on in the end, given the fierce opposition by doctors and their interest groups, some opposition by health insurance funds and the fact that the Government failed to find a common position on the issue. The new Government only safeguarded the short-term financial liquidity of the health insurance funds, however without proposing any further structural reform to improve the sustainability of the system in the long run. The topic has now been handed over to the health insurance funds themselves (and their umbrella organisation, the Federation of Austrian Social Insurance Providers), which were supposed to make proposals on how to enhance efficiency and on cost control by the end of June 2009.

On the whole, it seems as if the health reform in Austria has got stuck and that relevant political players are diffident to address the topic in more detail due to potential large scale disagreement. Against this background the reform is, if it takes place at all, of an incremental and not of a structural nature at the moment. However, it is questionable if this is a feasible way to deal with the evident problems, especially regarding the budgeting of the health insurance funds.

Regarding research carried out, it is evident that no *encompassing* and *systematic* monitoring and evaluation of the Austrian health care system takes place for the time being. Respective assessments are more of an ad-hoc nature and rather fragmented (exceptions are Hofmarcher/Rack 2006 and Merkur et al. 2008). In this context it is worth mentioning that the Austrian Federal Institute for Public Health (*Österreichisches Bundesinstitut für Gesundheitswesen*)⁴³, which is governed by public law and financed by taxes, could in principle serve as an institution to fill this gap. However, up to now they deal with a wide variety of particular issues and problems within the Austrian health system, however in doing so omitting large-scale structural questions for the most part.

⁴³ See <http://www.oebig.org/>.

2.3 Long-term care

2.3.1 Long-term care: system characteristics and reforms

As in health care, the system of long-term care in Austria is of federal nature as well. Here, the most relevant players are the central state and the federal provinces (and to a lesser degree the municipalities). The so-called long-term care benefits (*Bundespflegegeld*; introduced in 1992) are cash benefits and fall within the competency of the central state and (to a lesser degree) the Laender (financed via taxes). In addition, the Laender (pursuant to Article 15a of the Federal Constitution Act (*Bundesverfassungsgesetz / B-VG*, endorsed in 1993) are responsible for establishing and upgrading a decentralised and nationwide delivery of ambulatory, outpatient, semi-outpatient and inpatient care services (see e.g. Hofmarcher/Rack 2006, 138ff.). However, more than 80% of the people in need of care receive it at their own homes from family members or privately hired nurses (de facto mainly women from the new EU Member States). The latter, termed as the problem of “24-hour care”, has been a major topic during 2007 and 2008 and progress has been made in creating a legal and state sponsored model to deal with this topic. The background regarding the issue of “24-hour care” is that people started hiring private carers from the new Member States (especially from Slovakia and the Czech Republic) due to the comparatively high costs of inpatient services and outpatient services (by private and public service providers alike) as well as the increasing preference of many old people to stay at their homes (see Prochazkova/Schmid 2006 for more information). These arrangements had de jure the character of illegal employment. In reaction to this development, the Government created a framework to legalise such arrangements in 2007 and introduced an additional benefit to cover extra costs due to integration to social insurance etc. (see e.g. Ruddy et al. 2008; Rupp/Schmid 2007).

Still, long-term care turned out to be a widely discussed topic during the election campaign in summer 2008 and generally speaking all political parties supported an increase in benefits etc. Decisions taken were to increase supplements by the state in case of “24-hour care” at home, in the context of which people in need of care employ nurses privately. Supplements have been increased from EUR 225 per month to EUR 550 in the case of self-employed nurses, and from EUR 800 to EUR 1,100 in the case of dependent employment.⁴⁴ Long-term care benefits were increased between 4% and 6%, depending on the level of long-term care benefit (with higher increases in case of higher benefits, which at the same time means in case of a greater need for care).⁴⁵

Apart from that, all parties at the national level agreed that regulations regarding recourse on income of family members in case of intramural care (at public nursing homes etc.) should be abolished. The federal provinces where such rules were still valid in autumn 2008 followed this position, and recourse on income of family members has now been abolished in all federal provinces (some of them had cancelled them even earlier).

One more recent measure (decided in late April 2009) is that in the future the state will cover for contributions to old-age insurance of caring family members who decide to opt-in to old-age insurance as from level three of long-term care benefits. Hitherto, this only applied in case of long-term care benefits of level five and above. This means that the group of caring family members whose contributions for old-age insurance are covered by the state (if they opt in to old-age insurance) got expanded.

⁴⁴ See e.g. OTS0311 II 24.09.2008.

⁴⁵ Long-term care benefit is a seven-levels-category, needs-compliant benefit. It is granted at seven different benefit levels.

2.3.2 Long-term care: debates and political discourses

As stated above, the question of long-term care was quite present on the political agenda in 2008, and during the election campaign political parties seemed to overtake each other with proposals for raising benefits etc.

The new government programme for 2008-2013 addresses more structural questions, in the first instance the goal to establish a “care fund” (*Pflegefond*) at the federal level to safeguard the financial sustainability of long-term care schemes in place, as well as the introduction of a leave-scheme for caring family members (*Pflegekarenz*). Regarding the latter, the social partners are expected to work out a model. However, both subjects are still pending and it is unclear when more detailed proposals in this respect will be put on the agenda.

Another point is the question of quality and access to long-term care services (to be organised by the federal states), which has so far not been evaluated and monitored in a systematic way. For example, up to now the yearly report of the working group for long-term care (*Arbeitskreis für Pflegevorsorge*) (BMSK 2008b) did not include any information regarding the actual situation in respect of the quality of care in Austria. However, this situation is now planned to be changed, as this yearly report will be complemented by a report on quality issues (according to the government programme for 2008-2013).

2.3.3 Long-term care: overview of published impact assessment

The development regarding long-term care is subject to the above mentioned yearly report of the working group for long-term care (*Arbeitskreis für Pflegevorsorge*) (BMSK 2008b). However, this report is to a large degree of a merely descriptive nature and does not provide an assessment in the narrower sense. The latter, up to recently, especially holds true for questions of the quality of long-term care services (but this situation is likely to change; see above).

One other important impact assessment, published in 2008, was the evaluation on the newly introduced model of “24-hour care” (Rupp/Schmid 2008), which led to a rise in respective subsidies (see above).

A research report provided by WIFO deals with the long-term financial sustainability of care policies in Austria (Mühlberger et al. 2008; 2008a). According to projections given in this report, overall public spending for long-term care (including benefits in kind) will rise from 1.13% of GDP in 2006 to 1.96% in 2030 (upper-bound scenario: from 1.13% to 2.31%; lower-bound scenario: from 1.12% to 1.25%; Mühlberger et al. 2008, 34). In this context, WIFO suggested the creation of a long-term care fund (*Pflegefond*), fed, amongst others, from property taxes.

2.2.4 Critical assessment of reforms, discussions and carried out research

Governance regarding long-term care has for sure improved during the last three years. The latter is especially true regarding the problem of (formerly illegal) “24-hour care” at home, the level of cash benefits (which had not regularly been valorised since the introduction of long-term care benefits in the early 1990s) and the abolishment of the recourse on income of family members in the case of intramural care.

However, several challenges still appear to be evident.

First, it is necessary to further improve the access to information, guidance, help and relevant training for people informally caring for other people at home (both to improve the quality of informal health care and to ease the situation of informal carers) (see Vogler 2007). The same applies with respect to privately hired carers according to the model of “24-hour care”. In this context it would be necessary to analyse the real demands and needs of people in need of care as well as of informal carers in more detail to optimise outpatient and semi-outpatient benefits in kind organised by the Laender (but see for some information on such questions Freiler 2008; Freiler/Bieringer 2008).

Furthermore, it would be necessary to examine inequalities in access to outpatient and semi-outpatient services in more detail and adapt the respective systems according to the findings (possibly introducing increased subsidies for people with low income when purchasing such services). However, the now planned report on quality issues, to be provided with the yearly report of the working group for long-term care (*Arbeitskreis für Pflegevorsorge*) will hopefully deal with exactly such questions.

From a mid-term perspective it would be necessary to discuss alternatives to the current model of 24-hour care, as this is, apart from other problems, likely to become “unaffordable” for private households in the near future (given rising living standards and wages in countries providing carers, making such arrangements less interesting for potential carers) (see as well Prochazkova/Schmid 2006).

3 Impact of the Financial and Economic Crisis on Social Protection

3.1 Impact on labour market developments and social inclusion

Effects of the economic crisis on the Austrian labour market became visible in the fourth quarter of 2008, in spite of the then still growing employment numbers (mainly due to a growth in part-time employment).

By March 2009 the number of unemployed persons registered with the Employment Service (*Arbeitsmarktservice Österreich; AMS*) had increased by 28.8% in comparison to March 2008. At the same time, the number of registered vacancies declined by 30.5% during this period.

Female unemployment rose by 15.7%, male unemployment by 38.6%. Unemployment has been increasing in all branches and age segments, but the highest growth has taken place within the group of young people aged between 15 to 24 (+39.9%), whereas unemployment of older workers (aged 50 years and over) has increased below average (+20.8%). Sectors most affected by rising unemployment were manufacturing (+60.9%), temporary employment (+47%), construction (+40.8%), tourism (+22.0%) and retail (+18.5%). This increase in unemployment was not of uniform character across federal provinces of Austria. Interestingly, those federal provinces that showed the lowest unemployment rates before the crisis have been hit hardest now (Salzburg +60.5%; Upper Austria +44.8%), whereas in Vienna (showing the highest unemployment rate of all federal provinces one year ago) the number of registered unemployed has increased by 7.1% only.

Unfortunately, no up-to-date data are available regarding direct impacts of this rise in unemployment with respect to income poverty levels or depth of poverty. However, we know that the adjusted household income will decrease considerably in the case that unemployment were the “main activity” (to 74% of the adjusted median income, whereas it amounts to 114%

in case of full-time employment and to 102% in case of part-time-employment; see Statistics Austria 2009, 28). However, at-risk-of-poverty rates are much higher in case of long-term unemployment than in case of short-term-unemployment. This is due to the fact that benefits in unemployment assistance and social assistance are considerably lower than unemployment benefits. For that reason, the full impact of the current crisis on income poverty levels will become visible only after long-term unemployment starts to rise. The latter has not been the case up to now (at least according to data on registered unemployed), but – given the extent of the current crisis – a most likely future development.

Inflation, which was high throughout 2008, is now declining (consumer price inflation 0.8% in March 2009 when compared to March 2008). This may have some positive effect on the situation of those with low income. However, prices for food (+1.4%), housing costs (+2.2%) and clothing (+2.3%) have been rising above average. This above average price increase for articles of daily use has evidently adverse affects on people with low incomes.

3.2 Impact on public finances, including social protection

The international economic crisis started to affect the Austrian economy by the end of last year. In the first quarter of 2009 the GDP growth rate was negative (-1,5% according to Austrian National Bank, OENB). Overall, public revenues can be expected to decline in the course of 2009, and the rising unemployment will impose additional costs for the national budget, whilst at the same time reducing revenues from social insurance contributions.

To what extent the financial and economic crisis will affect the financial situation of social security systems (and overall public finances, with the state providing a kind of contingent liability in several branches of social insurance) has not yet been analysed in detail. Recent forecasts expect that reductions in tax revenues will reach “high one-digit percentage figures” in 2009 (Austrian Institute of Economic Research - WIFO).

Regarding old-age insurance a new expertise presented by the Ministry of Social Affairs in March 2009 concludes that the costs covered by the general budget will rise to 2.85% of GDP in 2012 (2008: 2.67%), instead of 2.12% according to earlier forecasts. For that, costs covered by the general budget will amount to EUR 8.9 billion instead of EUR 7.44 billion expected earlier. The main reasons for this development are: losses in contributions due to the higher unemployment; additional costs of the recent mark-ups on pension benefits (decided during last year’s election campaign); and a rise in the number of retirees.

According to the expert commission on pensions the revenues of pension insurance contributions will decrease by about EUR 20 million per annum when the employment rate declines by 0.1 percentage points. According to recent forecasts the employment rate in Austria will drop by about 1.5 percentage points in 2009, resulting in a loss of about EUR 300 million in pension contributions in 2009. This means that the state will have to subsidise the old-age insurance system with an additional amount of approx. EUR 300 million in 2009.

In health insurance, according to our own calculations, a drop of the employment rate by 1.5 percentage points would result in a reduction in revenues from social insurance contributions of about EUR 90 million. Furthermore, some regional health insurance funds have already been reporting delays in contribution payments by companies (due to limited access to bank credits) and rising requests for paying by instalments.

In unemployment insurance, according to our own calculations, a reduction of the employment rate by 1.5 percentage points would come along with a loss of insurance contributions amounting to about EUR 70 million.⁴⁶

3.3 Impacts on pension funds of the second pillar

It is the second pillar of the pension system (supplementary occupational pension schemes) where impacts of the financial crisis are already evident.

The occupational pension funds (*Betriebspensionskassen*) faced losses of 13% last year. Around 42,000 of 63,000 actual recipients of occupational pensions will obtain reduced levels of benefits this year. The exact amount of reduction is not yet known, but it is expected to amount to no less than about 10% to 20% of the actual benefit level.

Against this background the Federation of Pension Funds proposed switching for people close to retirement to so-called “security pensions”, coming along with more conservative assessment. The association of occupational pension beneficiaries (*Schutzverband der Pensionskassenberechtigten*) called its members to protest in front of the building of the Federal Chancellor in January 2009 and demanded state guarantees for occupational pensions, tax reductions, and the reintroduction of the earlier abolished so-called “minimum return guarantee”. Vice Chancellor Josef Pröll commissioned a working group, consisting of representatives of the social partners, retiree organisations and the Ministries of Social Affairs and Economics, to give a topical evaluation of the existing pension fund law. The working group is expected to make proposals to the Government in May 2009, and a reform of occupational pension funds is planned to be decided before summer 2009. The main issues of negotiation are a minimum return reserve to cushion pension reductions, possibilities to change from a pension fund to a company collective insurance (*Betriebliche Kollektivversicherung*) and different assessment and risk sharing communities (*Veranlagungs- und Risikogemeinschaften*). Other issues are e.g. measures to guarantee more transparency of financial conduct of the funds and a discussion about the creation of a pension security fund.

3.4 Measures decided or envisaged to tackle the crisis

General measures decided by the Government to manage the crisis include the introduction of a rescue programme for the banking system amounting to EUR 100 billion (EUR 15 billion of direct capital contributions and EUR 85 billion for contingent liabilities), and two programmes for economic stimulation for 2009 and 2010, with a budget of approx. EUR 3 billion. These programmes include the promotion of investment of small and medium-sized enterprises (through expansion of credit facilities and liability), pre-drawing of infrastructure investments as well as investments in research and development and expansion of active labour market policy.

Apart that, in March 2009 the Parliament agreed on a tax reform amounting to EUR 3.2 billion. Main components of this reform are tax reliefs for employees and self-employed as well as higher tax credits for freelance professionals and families. Individuals with earned income below EUR 10,000 gross per year (with the exception of families with children) do

⁴⁶ These figures on decreasing revenues from social contributions could turn out to be even too optimistic, as employment rates will most likely drop by more than 1.5 percentage points in 2009 (given the enduring increase in unemployment).

not benefit from this reform, given the fact that earnings below this threshold have been exempted from income tax even before. However, the respective level has now been raised to EUR 11,000 gross, with some positive effects for people with earnings just above the old threshold.

Overall, it appears that the Government up to now has been following the plan to tackle problems of social exclusion, which are likely to increase during the current crisis, with labour market policy measures at first instance. The tenor is: “employment is the most important key to tackle poverty”.⁴⁷ The currently most dominant measure to reduce unemployment is the instrument of short-time work. The number of workers concerned continues to rise: in April 47,158 people in 231 companies have been working short-time and the Labour Market Service (AMS) expects at least 52,338 persons in 279 companies for May (but respective numbers may turn out to be even more than 50,000). In January, Parliament agreed to extend budgets for short-time work and to enhance possibilities of alongside training.

Other measures decided include e.g. easier access to partial retirement, an expansion of the educational leave and of labour foundations (*Arbeitsstiftungen*, e.g. for temporary agency workers but as well for other groups), extended training for hard to place long-term unemployed and an expansion of special measures for young unemployed. Hereby, the budget for active labour market policy is planned to rise from EUR 853 million in 2008 to ca. EUR 1 billion in 2009, and an additional EUR 220 million are budgeted for short-time work.⁴⁸

The impact of the crisis on poverty and social exclusion has increasingly become part of the public and political discourse since the beginning of 2009. Especially labour unions, the Green opposition party, and NGOs of the social sector claimed for a speedy implementation of the means-tested minimum income scheme, and/or an increase of the net wage replacement rate regarding unemployment benefits (and subsequent unemployment assistance). However, the Austrian Peoples’ Party (ruling together with the Social Democrats in a grand coalition) has so far rejected such claims and it appears that the recently presented draft bill for the federal budget 2009/2010 does not comprise additional funds for such a measure. Furthermore, a discussion has emerged recently on the topic of a (re-)introduction of taxes on property (most of them were abolished during the 1990s), as a possible source for re-financing rising public debt. But the Austrian Peoples’ Party is currently opposing such plans as well and Social Democrats appear to be divided on this topic.⁴⁹

Another important point is the implementation of the planned “means-tested minimum income support” (*Bedarfsorientierte Mindestsicherung*) which is currently delayed due to the fact that one province (Carinthia) refuses to endorse the respective agreement (see chapter 2.1.2 of this report).

Recent discussions concerning mid and long-term financial sustainability of the old-age pension system started with the presentation of a respective report by the expert commission on pensions in March 2009 (see chapter 2.1.3.). However, the Government decided not to undertake a pension reform now (after major reforms in 2003 and 2004) and affirmed that the means for the indexation of pension benefits during the next years are already budgeted and therefore guaranteed.

⁴⁷ Rudolf Hundsdorfer, Minister for Social Affairs, Labour and Consumer Protection, see: OTS0060 CI, II 16.03.2009.

⁴⁸ OTS0265 2009-04-21.

⁴⁹ See e.g. APA0001 II, WI 27 April 2009.

The impact of the economic crisis on the already delicate financial situation of the public health insurance funds (*Krankenkassen*) have not yet been analysed in detail. Anyway, easing the situation for the highly indebted insurance funds has been a long-standing issue and it is subject of current political debate (see chapter 2.2.1. and 2.2.2. of this report).

The impact of the economic crisis on long-term care has not yet become a big issue in public and political discussion. Yet, more recently some experts stressed the fact that the sector of long-term care might turn out to be an important source of future employment in spite of the economic crisis. In this context and to improve the financial sustainability of the Austrian system of long-term care the Austrian Institute of Economic Research – WIFO proposed recently the creation of a long-term care fund (*Pflegefond*), fed, amongst others, by property taxes. Yet, this issue does not appear to be a major topic of current political debates.

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Press releases:

OTS = press release original text – Service by Austrian Press Agency

APA = press release via Austrian Press Agency

4 Abstracts of Relevant Publications on Social Protection

[R] Pensions

[R1] General trends: demographic and financial forecasts

[R2] General organisation: pillars, financing, calculation methods or pension formula

[R3] Retirement age: legal age, early retirement, etc.

[R4] Older workers activity: active measures on labour market, unemployment benefit policies, etc.

[R5] Income and income conditions for senior workers and retired people: level of pensions, accumulation of pensions with earnings from work, etc.

[R1, R2, R3, R5] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ, Sozialbericht 2007 – 2008. Ressortaktivitäten und sozialpolitische Analysen, January 2009, 289 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/4/5/5/CH0107/CMS1232705650368/sozialbericht_mitcover.pdf

“Social report 2007-2008. Department activity and socio-political analyses”

This report of the Ministry of Social Affairs and Consumer Protection informs about activities in the areas of the statutory Social Insurance, consumer protection, long-term care provision, disabled persons' affairs, social compensation, means-tested minimum income and social assistance, pensioners' affairs, international and EU social policy and others. It provides data on social spending, invalidity pensions, alternative forms of financing of social security, risk of poverty, development and distribution of incomes and financial assets. It includes a chapter on long-term care provision (25 pp.) which informs about the number of recipients of long-term care benefits, legal amendments, quality assurance, provisions for caring relatives, expansion of social services, employment in long-term care of old and disabled people, arrangements concerning care professions, legal matters concerning residential care and the working group on restructuring of the long-term care provision.

[R1, R4, R5] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ (ed.), Hochaltrigkeit in Österreich. Eine Bestandsaufnahme, October 2008, Vienna, 506 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/8/5/7/CH0166/CMS1218112881779/hochaltrigen_bericht_ende1.pdf

“Advanced old age in Austria – A review”

This book, edited by the Ministry of Social Affairs and Consumer Protection, brings together the findings of renowned researchers in sociology, economics, social medicine, long-term care and others about the phenomenon of “advanced old age”. It covers a wide range of topics regarding living conditions of old people in Austria, including habitation, economic situation, security, mobility, health and long-term care, as well as the situation of older migrants and older people with disabilities. It also informs about demographic developments, inter-generational solidarity and legal aspects. The book concludes with a range of recommendations for researchers and policy makers referring to each of the 20 chapters.

[R5] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ, Österreichischer Pflegevorsorgebericht 2007, 2008, 160 p., retrieved from: http://www.bmsk.gv.at/cms/site/attachments/6/0/1/CH0099/CMS1219747620838/oesterr.pflegevorsorgebericht_2007.pdf

“Austrian report on long-term care provision”

This is the 14th annual report of the working group on long-term care provision, founded in 1993 to facilitate joint provisions of the Federal State and the Laender and secure the sustainability of affordable care provision. It covers the period from 1 January to 31 December 2007 and informs about general developments, quality assurance, cash and in-kind benefits. Current topics are: a legal, affordable and quality assured “24-hour-care” at home; mid and long-term developments in financing; analysis of alternative funding models and economic implications; long-term care benefits and caring relatives and harmonisation of benefits in kind.

[R4] BOCK-SCHAPPELWEIN, Julia/EPPPEL, Rainer/MÜHLBERGER, Ulrike, Sozialpolitik als Produktivkraft, February 2009, Austrian Institute of Economic Research, commissioned by the Office of the Federal Chancellor.

“Social policy as a production force”

This recent study analyses the impact of social policy (mainly distribution, family and care, education and labour market policies) on economic growth and employment. It argues that social policy can increase the productivity of a national economy through various transmission channels (social stability, creation of employment, improvement of the distribution, stabilisation of consumption, investment in human capital and integration of excluded groups), not only through social transfers, but also through the tax system, the public provision or promotion of infrastructure and regulations in the labour market and family policy. The study contains amongst others a chapter on the effects of long-term care on the labour market participation of women.

[R5] DIETHART, Marlene, Armut im Alter, in: KNAPP, Gerald/PICHLER, Heinz (eds.), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Wien, p. 568-583.

“Poverty and old-age”

This article provides an overview of the financial situation of older people in Austria, based on recent official data. It outlines differences between men and women regarding access to pensions and benefit levels as well as the impacts of the latest pension reforms. The author argues that the biggest financial risks for older people lie in health. Illness and the need for long-term care frequently lead to poverty. Important actions to combat poverty in old age should not only include measures like health promotion but also enhance the possibilities of older people to participate in society and engage in meaningful activities that prevent isolation.

[R5] DIMMEL, Nikolaus/PFEIL, Walter J., Armutsbekämpfung durch Transferleistungen, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 464 – 511.

“Poverty reduction via monetary transfers”

The authors undertake a functional analysis of the guiding principles of the main monetary transfers in the Austrian welfare system. They distinguish between social insurance benefits, universal benefits and means-tested benefits and analyse risks, subjective and objective benefit eligibility, level and duration of benefit, enforcement of entitlements etc. Universal or insurance benefits make up the biggest share of monetary transfers in Austria and have poverty preventive functions. Means-tested social transfers seek, as a primary function, to reduce poverty, but play a minor role in Austria’s

welfare system (about 7% of social spending). In total, the importance of monetary transfers for prevention and reduction of poverty is significant: No less than 42% of Austrian population would fall under the risk-of-poverty threshold without social transfers; by receiving transfers “only” 13% fall under this threshold.

[R1, R2, R4] GUGER, Alois/KNITTLER, Käthe/MARTERBAUER, Markus/SCHRATZENSTALLER, Margit/WALTERSKIRCHEN, Ewald, Analyse alternativer Finanzierungsformen der sozialen Sicherungssysteme, Austrian Institute of Economic Research, commissioned by the Ministry of Social Affairs and Consumer Protection, June 2008, 104 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/5/4/1/CH0184/CMS1229091777409/sozialstaatsfinanzierung_kurzfassung_final.pdf

“Analysis of alternative ways of funding social security systems”

Ongoing economic and social changes like globalisation and individualisation will have deep impacts on the institutions of the welfare state. Particularly continental welfare states like Austria, organised around the “male-breadwinner model” with a strong employment focus in entitlement and financing, will face serious structural problems. This paper discusses various possibilities of making the funding scheme more flexible, like shifting and broadening the contribution base, using the aggregate value added as assessment basis for employer contributions and payroll taxes or financing through taxes. The analysis concludes with an overview of welfare state financing in international comparison. The authors argue that a comprehensive pension reform would be necessary, including a reform of the invalidity pensions, the abolition of the early retirement for long-term insured persons without deductions (Hacklerregelung) and an adjustment of the pension levels not higher than the consumer price index. Additionally, they suggest the introduction of a “Sockelpension”(basic pension) to improve transparency and simplification in contrast to the current “Parallelrechnung” (parallel calculation).

[R2, R3] HAUPTVERBAND DER ÖSTERREICHISCHEN SOZIALVERSICHERUNGSTRÄGER, Handbuch der österreichischen Sozialversicherung 2008, April 2008, Vienna, 176 p.

“Handbook on the Austrian Social Security System 2008”

This handbook informs about the development of Austria’s Social Security in 2007 and includes comprehensive data in the areas of health, pension and accident insurance, maternity benefits and long-term care benefits. It also gives an overview of legal modifications in social security law enacted until March 2008. Data about the conduct of the social security institutions for 2007 is still preliminary, final data can be found in “Statistisches Handbuch der österreichischen Sozialversicherung 2008”, published in October 2008.

[R2, R3] HAUPTVERBAND DER ÖSTERREICHISCHEN SOZIALVERSICHERUNGSTRÄGER, Statistisches Handbuch der österreichischen Sozialversicherung 2008, October 2008, Vienna, 238 p., retrieved from:

http://www.hauptverband.at/mediaDB/MMDB136296_Statistisches%20Handbuch%20d.%C3%B6st.SV-2008.pdf

“Statistical Handbook of the Austrian Social Security”

The statistical handbook contains the final data of the year 2007 regarding labour market and contributory income, health insurance, pension insurance, and accident insurance (data on insurees and benefits), long-term care benefits as well as financial conduct of the social security institutions and administration of the social security system.

[R5] HEITZMANN, Karin/SCHENK, Martin, Soziale Ungleichheit und Armut: Alter(n) und Pflegebedürftigkeit, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 138-144.

“Social inequality and poverty: Age(ing) and the need of long-term care”

This short article gives a summary of the social situation of older people in need of care in Austria. The first part analyses the status of age, ageing and the need of long-term care in the Austrian welfare system while the second part gives an empirical overview over the risk of poverty and apparent poverty of older people in Austria. The authors conclude that older people face a range of heterogeneous risks; their material situation is determined by factors like sex, age, family status as well as prior professional and income careers.

[R1,R3,R4,R5] INSITUT FÜR HÖHERE STUDIEN, Handlungsbedarf im österreichischen Pensionssystem, Press Information, 10 October 2008, retrieved from:

http://www.ihs.ac.at/publications/lib/presseinfo%20pensionen_211008.pdf

“Need for action in the Austrian pension system“

In a press conference in October 2008 the Institute of Advanced Studies informed about the current need for action in the pension system. It was argued that although the new modifications in pension law made funding of the Austrian pension system sustainable in the longer term, the Government introduced a range of measures which will endanger this financial sustainability like the implementation of the early retirement-scheme for the long-time insured (“Hacklerregelung”) and the corridor pension. In addition, the still high number of invalidity pensions and the latest adjustment of pension levels above the consumer price index will impose high costs on the pension systems. In spite of the latest pension reforms’ ambition to keep people in employment as long as possible the retirement age has remained low.

[R5] KNAPP, Gerald/KOPLNIG, Dietmar, Altersarmut im ländlichen Raum. Eine empirische Studie zur Lebenssituation alter Menschen, in: KNAPP, Gerald/PICHLER, Heinz (eds), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Vienna, p. 385-418.

“Old-age poverty in rural areas. An empirical study regarding the life situations of old people”

This article examines the phenomenon of old-age poverty in rural areas and summarises the main findings of a recent research project at the University of Klagenfurt. It argues that rural poverty is mainly hidden poverty, especially among older people and therefore hard to capture. The study uses a combination of quantitative and qualitative methods, including interviews with experts and persons concerned to approach the social dimensions of poverty in this context. It is based on a combination of resource-based views of poverty and the multidimensional “livelihoods-approach”. The main findings are that the information base about old-age poverty in rural areas is still limited and views of experts, mainly based on income-aspects, differ from actual living conditions of the persons concerned. More research, especially guided by the “livelihoods-concept” would be necessary. The authors propose measures to improve the living situation of old people in rural areas which should not concentrate on monetary transfers alone but include aspects like building of social networks and fostering the active participation of old people in civil society.

[R1, R2] KOMMISSION FÜR LANGFRISTIGE PENSIONSSICHERUNG, Bericht über die langfristige Entwicklung der gesetzlichen Pensionsversicherung für den Zeitraum 2007 bis 2050, February 2008, Vienna, 73 p., retrieved from: http://bmsgk.cms.apa.at/cms/site/attachments/1/2/1/CH0030/CMS1056348239487/langfristgutachten_02_08.pdf

“Report on the long-term development of the statutory old-age insurance for the period 2007 to 2050”

This report was written by the “Experts commission on long-term sustainability of the Austrian pensions system”, established by the Government. It provides long-term projections on demographic changes and financial development / sustainability of the statutory old-age insurance in Austria. Main results are: Overall spending for old-age pensions will rise from currently 10.3% of GDP to 11.6% of GDP in 2050. At the same time, the share of tax-financed public funds will rise from 2.3% to 2.9% only. For that, financial sustainability is assessed to be rather high. However, this result is based on the assumption of a comparatively favourable development of the labour market and rising employment rates.

[R1, R2] KOMMISSION FÜR LANGFRISTIGE PENSIONSSICHERUNG, Gutachten der Kommission zur langfristigen Pensionsversicherung für das Jahr 2009, September 2008, Vienna, p.98 (Part I and II), 52 p. (Part III), retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/8/3/2/CH0188/CMS1218191928087/gutachten_2009_teil_1_und_2.pdf

http://www.bmsk.gv.at/cms/site/attachments/8/3/2/CH0188/CMS1218191928087/gutachten_2009_teil_3.pdf

“Expertise of the Experts commission on long-term sustainability of the pensions system for the year 2009”

In this expertise the members of the “Experts commission on long-term sustainability of the Austrian pension system” calculate the benchmark for the adjustments of the pension levels based on the consumer price index of the year 2009; they forecast developments in conduct of the pension system for the years 2009 to 2013, completed by alternative projections based on recent economic data. The authors argue that the pension levels should be increased by 3.2% in 2009 to adjust them to the inflation rate; nevertheless, the Minister for Social Affairs enacted an increase of 3.4% and preponed the enhancement to November 2008. Regarding financial conduct the expert commission foresees a rise of the federal contribution for the pension system from EUR 5.9 million in 2007 to EUR 7.4 million in 2013 (+23.2%). Using the most recent economic data (part III of the expertise) an even larger increase to EUR 8.0 million (34.2%) can be expected.

[R1, R2] KOMMISSION FÜR LANGFRISTIGE PENSIONSSICHERUNG, Darstellung der EPC-Szenarien über die langfristige Entwicklung der gesetzlichen Pensionsversicherung für den Zeitraum 2007 bis 2060, 17 March 2009, Vienna, 54 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/8/3/2/CH0188/CMS1218191928087/langfristgutachten_vom_17.3.2009.pdf

“Presentation of the EPC scenarios regarding the long-term development of the statutory old-age insurance for the period 2007 to 2060”

This report combines the newest projections of the Economic Political Committee and the “Expert commission on long-term sustainability of the Austrian pensions system” for the years 2007 to 2060. Main findings include: The revenues in the pension system will rise from 8.5% of GDP to 8.9% in 2060 (due to an increase in the assessment basis and a slight increase in the numbers of insurees). At the same time, expenditure will rise

from 10.1% to 13.2% of GDP in 2060 (due to an increase in benefit levels and the predicted increase in the number of persons over 65 from 1.4 million to 2.62 million). The old-age dependency rate will rise from 554 pensioners per 1,000 insured persons to 900 (taking into account only the full-time insured). As a consequence of the recent pension reforms the global net replacement rate will decline from 0.6 to 0.45 in 2060. In total, the federal contribution, which consists in the difference between revenues and expenditures of the pension system, is expected to rise from 1.6 % of GDP to 4.4% in 2060.

[R1, R2] MAYRHUBER, Christine, Arbeitsmarktperspektiven und Pensionsfinanzierung bis 2050 auf der Grundlage der Bevölkerungsprojektion 2007, in: Soziale Sicherheit, April 2008, pp. 193-206, retrieved from:

http://www.hauptverband.at/mediaDB/MMDB131842_Mayrhuber_Artikel-Arbeitsmarktperspektiven.pdf

“Labour market perspectives and funding of old-age pensions until 2050 based on demographic projections of 2007”

This article updates a study published in 2001 by the Austrian Institute of Economic Research about the future developments in the funding of the pension system. Using newest demographic projections the author forecasts the development of the dependency ratio and the gap between insurance revenues and expenditures while considering changes in demographic projections, developments on the labour markets and recent pension law modifications. The author calculates a “status-quo” scenario with unaltered labour market participation rate to demonstrate demographic effects and a more realistic scenario with a rising participation rate. In the first scenario the revenues of the old-age insurance system would only cover two thirds of the expenditures in 2050; with rising employment rates about 90% could be covered by insurance revenues (without considering part-time insured persons). The study argues that the financial sustainability of the Austrian pension system depends highly on the developments on the labour markets. Not only is there a direct relation between the labour market participation and the access to pension benefits. The employment situation and the development of wages will have a high impact on the contribution revenues of the old-age insurance. Wage policy is therefore a decisive instrument in the area of old-age security.

[R2, R5] SCHMID, Josef, KLENK, Johannes, & WISSMANN, Daniel, Österreich “Modell eines erfolgreichen Wohlfahrtsstaats?”, Working Paper Nr. 38, 2008, Institute of Political Science, University of Tübingen, retrieved from:

http://tobias-lib.ub.uni-tuebingen.de/volltexte/2008/3222/pdf/wip38_oesterreich.pdf

“Austria – Prototype of a successful welfare state?”

Coming from the perspective of German political science the Austrian welfare system is, despite all differences, an interesting example, because it has the reputation of a highly successful conservative regime. Therefore, this WiP paper deals with two important policy fields of Austria’s welfare regime. Employment policy and its organisation through the Public Employment Service are discussed first. The second part of the paper deals with the Austrian pension system. It says that the reforms were comparatively comprehensive and that they came along with considerable benefit cuts. However, given the fact that the level of benefits used to be rather high before respective reforms, the paper concludes that the Austrian pension system will in future be able to secure a high standard of living (irrespective of the considerable cuts decided).

[R2, R5] STEFANITS, Hans/HOLLAREK, Franz, Die Pensionsreformen der Jahre 2000, 2003 und 2004 – Auswirkungen auf die individuellen Pensionshöhen, in: Soziale Sicherheit, April 2008, pp. 178-192.

“The pension reforms of the years 2000, 2003, and 2004 – Impact on the individual level of pension benefits”

This article analyses the short-term impacts of the latest pension reforms on the individual level of pension benefits based on data from 2000 to 2005/6 with a focus on the winners and losers of the reforms. The pension reforms changed the computation of pension benefit levels and altered the terms of access to pension benefits (especially changes in early retirement). In 2006 pension losses in males accounted to an average of 2.9%, losses in females 0.4%. Winners of the reforms are persons retiring early with high benefits, mostly long-time insured persons (“Hacklerregelung”). This form of early retirement will be abolished in 2013. Losers of the reform are persons with short insurance periods, especially women, although some improvements were made in regard to acknowledging parenting times.

[R2, R3, R5] STEFANITS, Hans/MAYER-SCHULZ, Michaela, Fakten und Trends bei den Invaliditätspensionen, 2008, Bundesministerium für Soziales und Konsumentenschutz, Vienna, 86 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/6/6/3/CH0185/CMS1218442571151/fakten_und_trends_bei_den_ip.pdf

“Facts and trends in invalidity pensions”

This overview, authored by officials of the Ministry of Social Affairs and Consumer Protection, informs about recent developments in the area of invalidity pensions. It provides data about the number of applications for invalidity pensions, the number of new entrants (disaggregated in groups of illnesses), the number of recipients in retirement age, the level of benefits and measures of rehabilitation undertaken. Of all new entrants to the pension system 35% receive invalidity pension benefits. Average retirement age for invalidity pensions is 53 years. Among males obtaining invalidity pension benefits 30% received sickness benefits before, and more than 40% received benefits from unemployment insurance immediately before entering invalidity pension. Illnesses of the skeleton and the muscles as the cause for receiving invalidity pensions declined from 47% (1995) to 33%, while cardiovascular diseases and cancer remained constant or increased only slightly. Psychiatric illnesses increased strongly from 10.7% (1995) to 28.7% (2007), especially in women.

[H] Health

[H1] Health expenditures: financing, macroeconomic impact, forecasting, etc.

[H2] Public health policies, anti-addiction measures, prevention, etc.

[H3] Health inequalities and access to health care: public insurance coverage, spatial inequalities, etc.

[H4] Governance of the health system: institutional reforms, transfer to local authorities, etc.

[H5] Management of the health system: HMO, payments system (capitation, reimbursement, etc.)

[H6] Regulation of the pharmaceutical market

[H7] Handicap

[H1] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ, Sozialbericht 2007 – 2008. Ressortaktivitäten und sozial-politische Analysen, January 2009, 289 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/4/5/5/CH0107/CMS1232705650368/sozialbericht_mitcover.pdf

“Social report 2007-2008. Department activity and socio-political analyses”

This report of the Ministry of Social Affairs and Consumer Protection informs about activities in the areas of the statutory Social Insurance, consumer protection, long-term care provision, disabled persons' affairs, social compensation, means-tested minimum income and social assistance, pensioners' affairs, international and EU social policy and others. It provides data on social spending, invalidity pensions, alternative forms of financing of social security, risk of poverty, development and distribution of incomes and financial assets. It includes a chapter on long-term care provision (25 pp.) which informs about the number of recipients of long-term care benefits, legal amendments, quality assurance, provisions for caring relatives, expansion of social services, employment in long-term care of old and disabled people, arrangements concerning care professions, legal matters concerning residential care and the working group on restructuring of the long-term care provision.

[H6] BITTSCHI, Benjamin/HOFMARCHER, Maria/KRAUS, Markus, Pharmaceutical Price Policy – Follow-up Report, Health Policy Monitor, April 2008, retrieved from: <http://www.hpm.org/survey/at/a11/3>

There are ongoing efforts to contain cost growth in the pharmaceutical sector. This article aims to report about the latest developments in this area especially in view of the introduction of a new system of pharmaceutical price policy in 2005. In addition, this report aims to evaluate the outcome of these measures by looking at expenditure growth trends. It further summarises recent developments in this area.

[H1, H4, H5] CZYPIONKA, Thomas/RIEDEL, Monika/RÖHRLING, Gerald/EICHWALDER, Stefan, Jahresthema: Finanzierung aus einer Hand, Reformgeschehen in Österreich und Europa unter dem Blickwinkel der „Finanzierung aus einer Hand“, in: Health System Watch IV/2008, retrieved from: http://www.ihs.ac.at/index.php3?in=http://www.ihs.ac.at/departments/fin/HealthEcon/watch/volume4d08_abstract.html

“Topic of the year: One-stop funding, reform processes in Austria and Europe from the perspective of ‘One-stop funding’ ”

“One-stop funding”, i.e. funding from a single source has been a long-standing demand in Austrian health policy, yet a comprehensive concept is still missing. The authors seek to create such a concept based on theory, empirical insights and case studies of international reforms, building on the model of WHO 2008 for health financing. In this first article they represent a summary of their analysis of streams of finance in the Austrian Health System. By examples of reforms in the Netherlands, Germany, and the United Kingdom they show how different concepts of health financing have been designed and implemented. In the Netherlands and Germany, with their competitive systems, reforms mainly seek to improve pooling. In England reforms aim at setting efficiency incentives and a better “strategic purchase” of services in a system without insurance competition. Although there are still questions one would wish to have answered, a lot could be learned for reforming health financing in Austria.

[H4, H5] CZYPIONKA, Thomas/KRAUS, Markus/RÖHRLING, Gerald, Qualität im Spitalswesen: Mehr oder weniger transparent?, in: Health System Watch III/2008, retrieved from: http://www.ihs.ac.at/index.php3?in=http://www.ihs.ac.at/departments/fin/HealthEcon/watch/volume3d08_abstract.html

“Quality in hospital care: more or less transparent?”

(Measuring) Efficiency does not play a major role in Austrian hospital care although productivity indicators in national and international comparison suggest efficiency

problems. Data Envelopment Analysis – an internationally renowned and proved benchmarking instrument for health systems – could offer valuable insights on inefficiencies and their causes. In recent years the instrument has become an important part of performance evaluation in hospitals in USA and Europe. The authors present case studies from Germany, Denmark, UK and USA and show how evaluation systems can improve transparency and productivity in hospital care. They claim that the Austrian hospital care should undergo a comprehensive internal monitoring process to improve quality and transparency.

[H4, H5] CZYPIONKA, Thomas/KRAUS, Markus/RÖHRLING, Gerald/STARKA, Heidemarie, Case Management in Österreich und Europa, in: Health System Watch I/2008 http://www.ihs.ac.at/index.php3?in=http://www.ihs.ac.at/departments/fin/HealthEcon/watch/volume1d08_abstract.html

“Case management in Austria and Europe”

The concept of case management was originally introduced in the USA and aims to accompany patients individually and continuously through various healthcare settings. In the Austrian health system, case management has increased in importance over the past few years. A number of social security institutions offer patients case management as a service or initiate projects in this context. The literature indicates that, although evidence of a general cost cutting effect is lacking, case management can raise quality of care.

[H5] CZYPIONKA, Thomas/KRAUS, Markus/RÖHRLING, Gerald/STARKA, Heidemarie, Gesundheitsökonomische Evaluation: politische Implikationen und nutzentheoretischer Outcome, in: Health System Watch I/2008, retrieved from: http://www.ihs.ac.at/index.php3?in=http://www.ihs.ac.at/departments/fin/HealthEcon/watch/volume1d08_abstract.html

“Health-economic evaluation: political implications and utility-theoretic outcome”

Utility-based outcome measures have a firm place in health-economic evaluation. Despite some continued methodological flaws, health-economic evaluation is essential as long as the outcomes are valued as one of several criteria. Given the far-reaching consequences of decisions on, e.g., reimbursement, decision and assessment makers have to consider the limitations of the underlying method. Health systems more and more have to ask themselves how to distribute the collected means optimally to existing and newly arising technologies. Today's understanding of politics demands such an economic assessment and the allocation of funds by a planner not to be solely oriented towards objective and technical criteria, but also to the people's preferences. However, there are some reservations against methods using utility-based outcome measures; and some overview studies of recent years do not give the use of economic evaluation the best marks. Therefore, intensive efforts are being made to pursue quality assurance in health-economic evaluation.

[H3, H7] DIETHART, Marlene, Armut im Alter, in: KNAPP, Gerald/PICHLER, Heinz (eds.), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Wien, p. 568-583.

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combat poverty in old age should not only include measures like health promotion but also enhance the possibilities of older people to participate in society and engage in meaningful activities that prevent isolation.

[H3] DIMMEL, Nikolaus/PFEIL, Walter J., Armutsbekämpfung durch Transferleistungen, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 464 – 511.

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[H3, H4] DIMMEL, Nikolaus/SCHMID, Tom, Soziale Dienste, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 579 – 609.

“Social Services”

Social services are generally understood as services of public interest and in Austria their provision falls usually in public responsibility regulated by law. After addressing the meaning and main functions of social services, the authors analyse providers and institutional structures, schemes of funding and the legal framework of social services in Austria as well as the socio-political purpose of providing social services. They discuss the functional principles of social services according to selected risks, especially regarding long-term care, unemployment and disability. They conclude with pointing out the main challenges in designing and implementing social services, especially the continuing “economisation” of social services and finding of the right institutional mix between the Federal State, the Laender, and local governments.

[H4, H5] EICHWALDER, Stefan/HOFMARCHER Maria, Failure to improve care outside hospitals, Health Policy Monitor, April 2008, retrieved from:

<http://www.hpm.org/survey/at/a11/2>

In attempts to improve ambulatory care a proposal was made to create another pillar for care delivery outside hospitals: Ambulatory care centres aimed at making care more patient-centred and at introducing more flexibility in management and contracting. This proposal was turned down within one week as opposition, in particular from doctors, was fierce. Now a working group consisting of all stakeholders seeks to resume the discussion and is expected to come up with new proposals at the end of 2009.

[H3, H4] HABL, Claudia, Gesundheit und soziale Ungleichheit, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 172-183

“Health and social inequality”

Socio-economic disadvantages translate into higher health risks and higher mortality. This holds true for many economically advanced countries, also for Austria, as the

authors demonstrate on the basis of recent health data. The authors argue that these considerable inequalities do not stem from the structure of the health system per se but mainly from social factors related to low income, like little appreciation of one's own health, low educational background, long-time unemployment, and low social participation. The most effective and efficient solution to minimise health inequalities should therefore be to reduce social exclusion. The authors suggest raising the educational level as the most effective measure, as well as the promotion of special low-threshold health services for target groups.

[H1] HAUPTVERBAND DER ÖSTERREICHISCHEN SOZIALVERSICHERUNGSTRÄGER, Handbuch der österreichischen Sozialversicherung 2008, April 2008, Vienna, 176 p.

“Handbook on the Austrian Social Security System 2008”

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[H1] HAUPTVERBAND DER ÖSTERREICHISCHEN SOZIALVERSICHERUNGSTRÄGER, Statistisches Handbuch der österreichischen Sozialversicherung 2008, October 2008, Vienna, 238 p., retrieved from:

http://www.hauptverband.at/mediaDB/MMDB136296_Statistisches%20Handbuch%20d.%C3%B6st.SV-2008.pdf

“Statistical Handbook of the Austrian Social Security”

The statistical handbook contains the final data of the year 2007 regarding labour market and contributory income, health insurance, pension insurance, and accident insurance (data on insurees and benefits), long-term care benefits as well as financial conduct of the social security institutions and administration of the social security system.

[H5, H6] HOFMARCHER, Maria, Pharmaceutical Safety Belt: e-health kicks, in: Health Policy Monitor, October 2008, retrieved from:

<http://www.hpm.org/survey/at/a12/2>

To improve patient safety in drug use, a regional pilot project, “Pharmaceutical Safety Belt”, was launched in February 2007. While the sample size of this pilot is rather small, first results nevertheless indicate potential that e-medication can improve patient safety and efficiency of drug use. A nationwide roll-out is planned for 2009. However, uncertainty remains with regard to the acceptance on the part of doctors who up to now seem rather reluctant towards this initiative.

[H4, H5] HOFMARCHER, Maria, Electronic Health Record: developments and debates, Health Policy Monitor, October 2008, retrieved from:

<http://www.hpm.org/survey/at/a12/1>

The Government has made progress in implementing electronic health records in Austria (ELGA). ELGA aims at improving health care quality and economic efficiency. Currently, preparations are underway to tender for investments in the basic architecture. Issues of interoperability and patient access are not completely resolved,

probably wanting better regulations. In addition, acceptance and implementation costs may be underestimated. Resistance of many providers is still an important barrier.

[H1, H4, H5] HOFMARCHER, Maria, Ensuring financial sustainability for health care, Health Policy Monitor, May 2008, retrieved from: <http://www.hpm.org/survey/at/a11/1>

With a new draft legislation the Government seeks to ensure sustainability of social health insurance and plans to implement new standards for contracting with doctors and for dispensing drugs. Proposed measures in concert with attempts to improve governance in health care have created strong opposition from providers but also from individual sickness funds. The outcome of debates is uncertain as it is claimed that the proposal is incomplete and as some issues addressed remain ambiguous.

[H1, H3, H4, H5] LEOPOLD, Christine/HABL Claudia, Leistungsfähigkeit des österreichischen Gesundheitssystems im internationalen Vergleich, Gesundheit Österreich GmbH, commissioned by the Ministry of Health, Family and Youth, 2008, 35 p., retrieved from:

http://www.oebig.org/index.php?set_language=de&ccpage=publikationen_detail&set_z_publicationen=184&set_kategorie_detail_gespeichert=5

“The performance of Austria’s health system in international comparison“

The performance of the Austrian health system has repeatedly been evaluated positively. This study aims to investigate whether this positive international reception can be proved using the latest data on selected health indicators. Following OECD methodology the authors assess five dimensions: health outcome (1); sustainability (2); responsiveness (3); efficiency/input/productivity (4); and equity (5). They find that health outcome (measured on the basis of life expectancy and child mortality) in Austria is at EU-15 average. Sustainability (measured on the basis of health expenditure ratio and average yearly increase of health expenditure) is even above average: expenditures increased on average 2.4% in the past 10 years (EU-15: 3.8%; OECD: 4.3%). The authors outline the relatively free accessibility of the Austrian health care system: the subjective health status and satisfaction with the health care system among the population are high; social equity concerns are given high priority among decision makers. The main potentials for an enhanced efficiency lie in decreasing the very high frequency of doctor visits and the large share of inpatient treatment, combined with relatively long stays in acute care hospitals. Still, expenditures on health in relation to the economic situation and the comprehensive health provision are low in OECD comparison. The authors conclude that Austria’s health care system is one of the best and most efficient health care systems in Europe.

[H1, H3, H4, H5] MERKUR, Sherry/MOSSIALOS, Elia/LADURNER, Jo/LEAR, Julia, Quality in health care systems – with emphasis on policy options in Austria, February 2008, London School of Economics and Political Science

Chapter 1 – International Part, retrieved from:

http://www.hauptverband.at/mediaDB/MMDB134627_01_Chapter%201_Quality%20report.pdf

Chapter 2 – Austrian Part, retrieved from:

http://www.hauptverband.at/mediaDB/MMDB134631_02_Chapter%202_Quality%20report.pdf

Chapter 3 - Policy options for quality of care in Austria, retrieved from:

http://www.hauptverband.at/mediaDB/MMDB134633_03_Chapter%203_Quality%20report.pdf

This comprehensive study was commissioned by the Main Association of the Austrian Social Insurance Institutions. It is based on an extensive literature review and various expert and stakeholder interviews. Chapter 1 presents international case studies and examples of best practice in health care. Chapter 2 assesses the situation of quality in

the Austrian health system. Chapter 3 outlines a range of policy options for quality of care in Austria. Although the Austrian health care system enjoys high public satisfaction and trust, there is still room for improvement: the health system is fragmented in terms of funding and decision making. The authors offer a range of policy options to improve the quality of the Austrian health care system, ranging from an overall health care system quality improvement, to improved usage of medications, comprehensive patient care management, physician training and participation in quality improvement measures, data availability and various additional policy options.

[H1, H3, H4, H5] OECD, Health Data 2008: Statistics and Indicators for 30 Countries, June 2008, retrieved from: www.oecd.org/health/healthdata

OECD health data offers a comprehensive source of comparable statistics on health and health care systems across OECD countries and contains briefings on all countries. In Austria, total health spending accounted for 10.1% of GDP in 2006, spending per capita of over USD 3,600. Spending increased, in real terms, by 2% per year between 2000 and 2006, with 76% of health spending being funded by public sources. Austria has 3.6 practising physicians and 7.3 nurses per 1,000 population. The number of acute care hospital beds in Austria stood at 6.1 per 1,000 population in 2006. As in most OECD countries, the number of hospital beds per capita in Austria has fallen over time, coinciding with a reduction of average length of stays in hospitals. In 2006, life expectancy at birth stood at 79.9 years, infant mortality at 3.6 deaths per 1,000 live births. Smoking rates among adults stood at 23.2%, obesity rates have increased in recent decades to 12.4% in 2006.

[H7] SCHMID, Tom, Armut und Behinderungen, in: KNAPP, Gerald/PICHLER, Heinz (eds.), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Vienna, p. 536-554

“Poverty and disability”

An exact and detailed account of numbers of disabled people in Austria is impossible, as there are neither universally agreed definitions of disability nor uniform methods of data collection. The author therefore tries to approach the phenomenon by means of different criteria used in surveys and censuses like “impairment” (used in microcensus surveys) or “obtaining of long-term care benefit”. The author continues to analyse the responsiveness of the Austrian welfare state regarding the needs of disabled people with special emphasis on the long-term care problem. He argues that the introduction of the need-based long-term care benefit in 1993 was an important step towards the social protection of disabled people. Challenges still exist, starting from the valorisation of the benefits to the inclusion of mental illnesses and problems regarding “24-hour care”.

[H3] STATISTIK AUSTRIA, Sozio-demographische und sozio-ökonomische Determinanten von Gesundheit – Auswertungen der Daten aus der Österreichischen Gesundheitsbefragung 2006/2007, commissioned by the Ministry of Health, Family and Youth, 2008, retrieved from:

http://www.statistik.at/web_de/dynamic/statistiken/gesundheit/publdetail?id=4&listid=4&detail=458

“Socio-demographic and socio-economic determinants of health – interpretation of Austrian National Health Survey data 2006/2007”

What influence do socio-demographic and socio-economic factors have on health status and health behaviour in Austria? Based on representative data of the Austrian National Health Survey 2006/2007 the authors analyse factors like income, education, occupation, unemployment, migration in relationship with health status and health

behaviour. As some of these characteristics tend to correlate, the authors calculate the impacts of each of them while controlling the others by means of a regression model. Central health indicators considered are daily smoking, adipositas, diabetes, chronic anxiety attacks and depressions, allergies, no valid protection by vaccination, non-attendance of preventive checkups and subjective health status. By keeping all other attributes constant the authors come to the conclusion that especially age, the type of livelihood (employment/unemployment) and migration are decisive demographic and socio-economic risk factors for health status and health behaviour.

[H1, H3, H4, H5] STATISTIK AUSTRIA, Jahrbuch der Gesundheitsstatistik 2007, 2008, 460 p., retrieved from:

http://www.statistik.at/web_de/services/publikationen/4/index.html?id=4&listid=4&detail=495

“Yearbook of Health Statistics 2007”

The yearbook of health statistics provides important data and basic facts of the Austrian health system. It considers the core sectors of the health system, like hospital care, social insurance and health expenditures from a national perspective as well as in international comparison. Extended tables inform about relevant demographic data (fertility, mortality and causes of death), health status of society, facilities and personnel of the health system and health expenditure.

[H3] STING, Stephan, Gesundheitliche Ungleichheit. Zum Zusammenhang von Armutgefährdung, sozialer Benachteiligung und Gesundheit, in: KNAPP, Gerald/PICHLER, Heinz (eds.), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Vienna, p. 419-439.

“Health inequality. About the relation between risk of poverty, social disadvantage and health”

This article examines the connection between poverty and health disadvantages and argues that an unfortunate social situation means higher risks of illness and premature mortality. It outlines different possible explanations, ranging from the thesis that ill health produces poverty and that poverty produces ill health, to the influence of health behaviour and lifestyle, the varying utilisation of medical provision, but also the health impacts of social-psychological factors connected with individual coping capacities (“feeling of coherence”). Taking into account these multi-dimensional explanation attempts, it concludes with a discussion of various approaches to combat health disadvantages of people at risk of poverty and to improve health equality.

[L] Long-term care

[L] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ, Sozialbericht 2007 – 2008. Ressortaktivitäten und sozial-politische Analysen, January 2009, 289 p., retrieved from:

http://www.bmsk.gv.at/cms/site/attachments/4/5/5/CH0107/CMS1232705650368/sozialbericht_mitcover.pdf

“Social report 2007-2008. Department activity and socio-political analyses”

This report of the Ministry of Social Affairs and Consumer Protection informs about activities in the areas of the statutory Social Insurance, consumer protection, long-term care provision, disabled persons’ affairs, social compensation, means-tested minimum income and social assistance, pensioners’ affairs, international and EU social policy and others. It provides data on social spending, invalidity pensions, alternative forms of financing of social security, risk of poverty, development and distribution of incomes and financial assets. It includes a chapter on long-term care provision (25 pp.) which

informs about the number of recipients of long-term care benefits, legal amendments, quality assurance, provisions for caring relatives, expansion of social services, employment in long-term care of old and disabled people, arrangements concerning care professions, legal matters concerning residential care and the working group on restructuring of the long-term care provision.

[L] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ, 15 Jahre Pflegevorsorge - Bilanz und Ausblick, October 2008, Vienna, 48 p., retrieved from: http://www.bmsk.gv.at/cms/site/attachments/7/6/7/CH0062/CMS1218114744041/bmsk_15_jahre_pflegevorsorge_rz_web.pdf

“15 years of long-term care provision – balance and outlook”

This brochure, edited by the Ministry of Social Affairs and Consumer Protection, gives an overview over 15 years of long-term care provision in Austria. It outlines major steps in improving the situation for people in need of care and their relatives. It informs about the long-term care benefit, social services regarding long-term care, information initiatives, support for caring relatives, legal matters, quality assurance in home care and the 2008 amendment of the Long-term Care Act (effective since 1 January 2009), which brings an increase in long-term care benefit and other improvements.

[L] BUNDESMINISTERIUM FÜR SOZIALES UND KONSUMENTENSCHUTZ, Österreichischer Pflegevorsorgebericht 2007, 2008, 160 p., retrieved from: http://www.bmsk.gv.at/cms/site/attachments/6/0/1/CH0099/CMS1219747620838/oesterr.pflegevorsorgebericht_2007.pdf

“Austrian report on long-term care provision”

This is the 14th annual report of the working group on long-term care provision, founded in 1993 to facilitate joint provisions of the Federal State and the Laender and secure the sustainability of affordable care provision. It covers the period from 1 January to 31 December 2007 and informs about general developments, quality assurance, cash and in-kind benefits. Current topics are: a legal, affordable and quality assured “24-hour-care” at home; mid and long-term developments in financing; analysis of alternative funding models and economic implications; long-term care benefits and caring relatives and harmonisation of benefits in kind.

[L] BOCK-SCHAPPELWEIN, Julia/EPPPEL, Rainer/MÜHLBERGER, Ulrike, Sozialpolitik als Produktivkraft, February 2009, Austrian Institute of Economic Research, commissioned by the Office of the Federal Chancellor.

“Social policy as a production force”

This recent study analyses the impact of social policy (mainly distribution, family and care, education and labour market policies) on economic growth and employment. It argues that social policy can increase the productivity of a national economy through various transmission channels (social stability, creation of employment, improvement of the distribution, stabilisation of consumption, investment in human capital and integration of excluded groups), not only through social transfers, but also through the tax system, the public provision or promotion of infrastructure and regulations in the labour market and family policy. The study contains amongst others a chapter on the effects of long-term care on the labour market participation of women.

[L] DIETHART, Marlene, Armut im Alter, in: KNAPP, Gerald/PICHLER, Heinz (eds.), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Wien, p. 568-583.

“Poverty and old-age”

This article provides an overview of the financial situation of older people in Austria, based on recent official data. It outlines differences between men and women regarding access to pensions and benefit levels as well as the impacts of the latest pension reforms. The author argues that the biggest financial risks for older people lie in health. Illness and the need for long-term care frequently lead to poverty. Important actions to combat poverty in old age should not only include measures like health promotion but also enhance the possibilities of older people to participate in society and engage in meaningful activities that prevent isolation.

[L] DIMMEL, Nikolaus/SCHMID, Tom, Soziale Dienste, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 579 – 609.

“Social Services”

Social services are generally understood as services of public interest and in Austria their provision falls usually in public responsibility regulated by law. After addressing the meaning and main functions of social services, the authors analyse providers and institutional structures, schemes of funding and the legal framework of social services in Austria as well as the socio-political purpose of providing social services. They discuss the functional principles of social services according to selected risks, especially regarding long-term care, unemployment and disability. They conclude with pointing out the main challenges in designing and implementing social services, especially the continuing “economisation” of social services and finding of the right institutional mix between the Federal State, the Laender, and local governments.

[L] HEITZMANN, Karin/SCHENK, Martin, Soziale Ungleichheit und Armut: Alter(n) und Pflegebedürftigkeit, in: DIMMEL, Nikolaus/HEITZMANN, Karin/SCHENK, Martin (eds.), Handbuch Armut in Österreich, 2009, Innsbruck, p. 138-144.

“Social inequality and poverty: Age(ing) and the need of long-term care”

This short article gives a summary of the social situation of older people in need of care in Austria. The first part analyses the status of age, ageing and the need of long-term care in the Austrian welfare system while the second part gives an empirical overview over the risk of poverty and apparent poverty of older people in Austria. The authors conclude that older people face a range of heterogeneous risks; their material situation is determined by factors like sex, age, family status as well as prior professional and income careers.

[L] MÜHLBERGER, Ulrike/ GUGER, Alois/KNITTLER, Käthe/SCHRATZENSTALLER, Margit, Alternative Finanzierungsformen der Pflegevorsorge, Study of the Austrian Institute of Economic Research, commissioned by the Ministry of Social Affairs and Consumer Protection, June 2008, 92 p., retrieved from:

http://www.wifo.ac.at/www/jsp/index.jsp?fid=23923&id=33620&typeid=8&display_mode=2

“Alternative funding of long-term care provision”

The study looks into several options to organise and finance long-term care provision in Austria. An analysis of the economic effects produced by tax and contribution-based approaches found a preference for a tax-based solution in view of its effects on distribution, growth and employment. If tax-based financing should be inadequate, a

mixed system could be considered. From an organisational point of view it appears necessary to continue efforts to harmonise the systems in the Laender. The administrative expenditure involved in tapping the assets of care receivers could be compensated by property taxes. If the federal and Laender governments were able to agree on simplifying the organisational structure and if several channels were used for financing, a practical solution would be the setting up of a fund to cover monetary benefits and benefits in kind, which can be optimised in terms of yield, volatility, distribution effects and other economic effects and adjusted to a changing framework.

[L] MÜHLBERGER, Ulrike/ GUGER, Alois/KNITTLER, Käthe/SCHRATZENSTALLER, Margit, Langzeitpflege in Österreich, in: WIFO-Monatsberichte, October 2008, S. 771-781, retrieved from:

http://www.wifo.ac.at/www/jsp/index.jsp?fid=23923&id=33983&typeid=8&display_mode=2&pub_language=2

“Long-term care in Austria”

Public expenditure for long-term care in Austria increased by 50% to roughly EUR 3.3 billion between 1994 and 2006. However, financing long-term care has become increasingly difficult due to demographic developments and societal changes. Estimates of future expenditure for long-term care show that there will be significant increases until 2030, ranging from a low of 66% to a high of 207%. To finance these rising costs, the authors recommend funding long-term care from general taxes while supplementing the financial gap from social security contributions. Establishing a long-term care fund would be suitable as an organisational umbrella to bring together the different financial streams.

[L] MÜHLBERGER, Ulrike/KNITTLER, Käthe/GUGER, Alois, Mittel- und langfristige Finanzierung der Pflegevorsorge, Study of the Austrian Institute of Economic Research, commissioned by the Ministry of Social Affairs and Consumer Protection, March 2008, 76 p., retrieved from:

http://www.wifo.ac.at/www/jsp/index.jsp?id=33621&typeid=8&display_mode=2&fid=23923

“Medium and long-term financing of long-term care provision”

The aim of this study is the assessment and forecast of cost development in the Austrian long-term care provision. Total spending in Austria on long-term care provision made up about EUR 3.3 billion in 2006. Between 1994 and 2006, expenditure for long-term care rose by about 50%. This study gives an outlook of the long-term cost developments based on demographic (age, sex, household structure, health status) and non-demographic factors (labour market participation rate of women as proxy of magnitude of informal care and cost trends in the health sector). The authors calculate three scenarios for the development of costs in long-term care until 2030, ranging from 66% (lower bound scenario) to 207% (upper bound scenario). The middle scenario shows an increase of about 160%.

[L] NEMETH, Claudia/BERGMANN, Franz/HLAVA, Anton/POCHOBRADSKY, Elisabeth, Beschäftigte im Alten- und Behindertenbereich im Jahr 2006, Gesundheit Österreich, commissioned by the Ministry of Social Affairs and Consumer Protection, February 2008, 200 p.

“Employees in long-term care of elderly and disabled people in 2006”

The objective of this study was the determination of up-to-date employment figures in the area of long-term care of elderly and disabled people and their development as a basis for estimating future developments. The survey included approximately 4,000 facilities. Findings include amongst others that 82% of employed persons in this part of

the labour market are female, 54% work part time, 42% full time (on average 30 hours per week). In total, the number of personnel is rising.

[L] RUDDA, Johannes/FÜRSTL-GRASSER, Margarethe/RUBISCH, Max, Neue Tendenzen der Pflegevorsorge in Österreich, in: Soziale Sicherheit, June 2008, 20 p., retrieved from: http://www.hauptverband.at/mediaDB/MMDB134004_Rudda%20et%20al_Pflegevorsorge-Artikel.pdf

“New trends in long-term care provision in Austria“

This journal article gives an overview over recent measures in long-term care provision and an outlook of future trends including demographic developments, health sector developments, rising labour market participation rates of women and real increases in costs for care provision. It also assesses the affordability of legal care, prevention and rehabilitation measures, sustainability of long-term care funding, long-term care benefit and caring relatives, benefits in kind.

[L] RUPP, Bernhard/SCHMID, Tom, Die Förderung nach § 21b BPGG – Ergebnisse einer ersten Evaluierung, Sozialökonomische Forschungsstelle, July 2008, 29 p., retrieved from: http://www.bmsk.gv.at/cms/site/attachments/1/0/7/CH0158/CMS1225788342730/kurzfassung-g-evaluierung_1.pdf

“Subsidies according to Article 21b Federal Long-term Care Act (BPGG) – Results of a first evaluation”

The Federal State and the Laender agreed on joint subsidies for “24-hour care“. The evaluation in 2008 concerned the legality of the provision of “24-hour care“, its affordability and issues of quality assurance. New regulations facilitated activities of domestic and foreign caretakers, including some activities in the area of nursing and medical services under certain conditions. Registration of freelance and dependent caretakers was simplified, which translated into an increasing registration especially of freelance caretakers in the months before abolition of the amnesty regulation for illegal employment of foreign caretakers. The legalisation brought comprehensive social security for “24-hour caretakers“, which is covered by about 80% by the assistance benefit established in pursuance of Article 21b. The price level of care services offered by freelancers – mostly foreigners – is lower than that of employed caretakers. Article 21b of the Federal Long-term Care Act specified regulations for the formation of caretakers and other quality regulations.

[L] SCHMID, Tom, Armut und Behinderungen, in: KNAPP, Gerald/PICHLER, Heinz (eds.), Armut, Gesellschaft und Soziale Arbeit. Perspektiven gegen Armut und soziale Ausgrenzung in Österreich, 2008, Klagenfurt/Ljubljana/Vienna, p. 536-554

“Poverty and disability”

An exact and detailed account of numbers of disabled people in Austria is impossible, as there are neither universally agreed definitions of disability nor uniform methods of data collection. The author therefore tries to approach the phenomenon by means of different criteria used in surveys and censuses like “impairment” (used in microcensus surveys) or “obtaining of long-term care benefit“. The author continues to analyse the responsiveness of the Austrian welfare state regarding the needs of disabled people with special emphasis on the long-term care problem. He argues that the introduction of the need-based long-term care benefit in 1993 was an important step towards the social protection of disabled people. Challenges still exist, starting from the valorisation of the benefits to the inclusion of mental illnesses and problems regarding “24-hour care“.

5 List of Important Institutions

Arbeitsgemeinschaft Sozial- und Gesundheitsforschung, Institut für Gesellschafts- und Sozialpolitik, Universität Linz – Working Group on Social and Health Research, Institute of Social and Societal Policy, University of Linz

Contact person: Mag.a Angela Wegscheider
Address: Altenberger Str. 69, 4040 Linz, Austria
Webpage: <http://www.gespol.jku.at/>

Main objectives: interdisciplinary research (social and health politics, medicine, sociology, gender studies, business administration, statistics), connecting science and practice.

Areas of expertise: Social and health care systems, Gender medicine, Contract research (e.g. market research), Consulting, Development and Evaluation of social and health projects, Development of evaluation instruments. Recurring publications: Gesundheitswissenschaften (Journal), Gesellschafts- und Sozialpolitische Texte (an occasional series of monographs and edited volumes).

Armutskonferenz – Austrian Network against Poverty and Social Exclusion

Address: Gumpendorferstraße 83, 1060 Vienna, Austria
Webpage: <http://www.armutskonferenz.at>

Network of the main civil society organisations: welfare organisations, umbrella organisations of social initiatives, church and trade union organisations, etc. Member of the European Anti Poverty Network (EAPN).

Main objectives: Broaching the issue of poverty and social exclusion in Austria and improving the living conditions of those concerned.

Areas of expertise: economic, legal and socio-political issues and matters related to life situations.

Bundesministerium für Arbeit, Soziales und Konsumentenschutz – Federal Ministry of Labour, Social Affairs and Consumer Protection

Address: Stubenring 1, 1010 Wien
Webpage: <http://www.bmsk.gv.at>

The main objectives of the Federal Ministry of Labour, Social Affairs and Consumer Protection are in the fields of general social policy, labour market and law, occupational health and safety, means-tested minimum income, nursing and long-term care, social insurance, social compensation and senior citizens as well as people with disabilities.

Bundesministerium für Gesundheit – Federal Ministry of Health

Address: Radetzkystraße 2, 1030 Wien
Webpage: <http://www.bmgfj.gv.at>

The Federal Ministry of Health's main tasks are in the fields of health and health insurance legislation, public health service and drug service, consumer health and prevention as well as coordination of health affairs.

European Centre for Social Welfare Policy and Research

Contact person: Prof. Dr. Bernd Marin
Address: Berggasse 17, 1090 Vienna, Austria
Webpage: <http://www.euro.centre.org>

UN-affiliated intergovernmental research institute.

Main objectives and areas of expertise: to provide expertise in the fields of welfare and social policy development in a broad sense – in particular in areas where multi-or interdisciplinary approaches, integrated policies and inter-sectoral action are called for, especially health, pensions, long-term care, labour market & social policy.

Main recurring publications: Book series “Wohlfahrtspolitik und Sozialforschung”, Book series “Public Policy and Social Welfare”, Eurosocial Report Series, Policy Briefs (provides a synthesis of issues of research and policy advice on which the European Centre researchers had been working recently).

Forschungs- und Beratungsstelle Arbeitswelt – Working Life Research Centre

Contact person: Univ. prof. Dr. Jörg Flecker
Address: Aspernbrückengasse 4/5, 1020 Vienna, Austria
Webpage: <http://www.forba.at/de/>

Private research institute

Main objectives: interdisciplinary and international research, knowledge transfer aimed at translating research findings into social practice.

Areas of expertise: social science research on work and employment: Work, Organisation, Transnationalisation, Work, Gender and Politics, Sustainable Working Life, Information system design and data protection. Main recurring publications: Forba Discussion Papers (3-5 times per year), Forba Research Reports.

Gesundheit Österreich GmbH

Address: Stubenring 6, 1010 Vienna, Austria
Webpage: <http://www.goeg.at/>

The Gesundheit Österreich GmbH (GÖG) was established by federal law on 1 August 2006 as the national research and planning institute for health care and the national center of competence and funding for health promotion. Two institutions were integrated into GÖG as business units: Österreichisches Bundesinstitut für Gesundheitswesen (ÖBIG; Austrian Federal Institute for Health Care) and Fonds Gesundes Österreich (FGÖ; referred to below as Fund for a Healthy Austria). GÖG is the universal successor of both.

On 1 July 2007 the Bundesinstitut für Qualität im Gesundheitswesen (BIQG; Federal Institute for Quality in Health Care) was established, representing the third business unit. This arrangement will allow improved coordination of structural planning, health promotion and quality assurance activities. The resulting synergies will benefit all stakeholders in Austrian health care and thus, all Austrians.

GÖG has one sole shareholder, the Federal Government, represented by the Federal Minister for Health and Women. In its scientific work, GÖG is not subordinate to the shareholder. GÖG has two subsidiaries: ÖBIG Forschungs- und Planungsgesellschaft mbH is a contractor for local and regional authorities and for public customers. ÖBIG Beratungs GmbH was formed as a service provider for private customers and contract awarders.

Hauptverband der österreichischen Sozialversicherungsträger – Main Association of Austrian Social Security Institutions

Contact person: Dr. Hans-Jörg Schelling
Address: Kundmanngasse 21, 1031 Vienna, Austria
Webpage: <http://www.sozialversicherung.at>

Umbrella organisation of the 22 insurance companies (health, accident and pension insurance). Independent administration.

Main objectives: Coordination of activities of its members, Representation of its members regarding common affairs (e.g. treaties with hospitals, doctors, etc.), Managing of a central information and data system, Guidelines for uniform implementation of laws, etc. Areas of

expertise: Information on the social security system, legal reforms etc. Main recurring publications: Journal "Soziale Sicherheit", Recent data on employment and social security.

HealthEcon, Department of Economics and Finance, Institute for Advanced Studies

Contact person: Thomas Czypionka, Maria M. Hofmarcher
Address: Stumpergasse 56, 1060 Vienna, Austria
Webpage: <http://www.ihs.ac.at/index.php3?id=311>

Multi-disciplinary research group.

Main objective: research concerning economic, demographic, epidemiological, and political issues in the provision of health services. Areas of expertise: estimation of future demand, health insurance problems, efficiency measurement, development of benchmark systems, evaluation of interventions, comparative studies of health care and social security systems.

Main recurring publications: Health System Watch.

Institut für Höhere Studien – Institute for Advanced Studies

Contact person: Dr. Bernhard Felderer
Address: Stumpergasse 56, 1060 Vienna, Austria
Webpage: <http://www.ihs.ac.at>

Private non-profit organisation. Post-graduate research and training institute.

Main objectives: offer a platform for critical discussion, a possibility for consensus formation, and an open and interdisciplinary place for scientific research and critical scientific expertise. Areas of expertise: Economics and finance, Political science, Sociology. Main recurring publications: Economic Forecast, see: <http://www.ihs.ac.at/index.php3?id=1070>, Economics Series, see: <http://www.ihs.ac.at/index.php3?id=330>, Political Science Series, see: <http://www.ihs.ac.at/index.php3?id=450>, Sociological Series, see: <http://www.ihs.ac.at/index.php3?id=550>

Institut für Sozialpolitik, Wirtschaftsuniversität Wien – Institute for Social Policies, Vienna University of Economics and Business Administration

Contact person: Univ-Prof. Dr. Ulrike Schneider
Address: Nordbergstrasse 15, 1090 Vienna, Austria
Webpage: <http://www.wu-wien.ac.at/sozialpolitik>

University Institute. Theoretical and empirical research of economic and social policy issues.

Areas of expertise: Theory of social policy, Poverty and social exclusion, Health and long-term care, The social economy – function & changes, Interlinking topics: gender, Europe, and ageing. Recurrent Publications: Working papers.

L&R Sozialforschung – L&R Social Research

Contact person: Ferdinand Lechner
Address: Liniengasse 2A/1, 1060 Vienna, Austria
Webpage: <http://www.lrsocialresearch.at>

Private social research institute.

Main objectives: L&R reports aim to serve Austrian ministries, state authorities, communities, the public employment service, organisations and associations, as well as international organisations and the European Commission as a decisive base. Main activities: research, consultancy and development, networks, lectures, seminars, workshops and conferences. Areas of expertise: Labour market policy, Regional and social policy, Education training and job qualification, Equal opportunities, Structural fund interventions in Austria and the Eastern European neighbour states.

Österreichisches Institut für Wirtschaftsforschung – Austrian Institut of Economic Research

Contact person: Prof. Karl Aiginger
Address: Arsenal, Objekt 20, 1030 Vienna, Austria
Webpage: <http://www.wifo.ac.at>

Private not-for-profit research institute

Main objectives: Analysis of economic developments in Austria and internationally. Areas of expertise: Macroeconomics and European economic policy, Labour market, income and social security, Industrial economics, innovation and international competition, Structural change and regional developments, Environment, agriculture and energy. Main recurring publications: Monthly reports (analysis of current economic developments in Austria and the major OECD countries, quarterly economic forecast), Austrian Economic Quarterly (European economic integration – Economic cooperation with Eastern European countries – International policies for competitiveness – Economic outlooks from an international perspective).

Zentrum für Soziale Innovation – Centre for Social Innovation

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Private social research institute.

Main objectives: aims to bridge knowledge generation and knowledge application processes by socio-scientific research, education, advisory and networking services to reduce the gap between social needs and potentials of the knowledge based information society.

Areas of expertise: Work and equal opportunities (configuration of labour markets, local governance implemented, innovative employment policies and new forms of work, international migration, ethnic economies, gender equality, an ageing society, social integration), Technology and knowledge, Research policy & development.