

PANORAMA

# COSTA RICA



## Demand for Support Services for functional dependence

### Process of Demographic Aging

Costa Rica is in an advanced stage of the demographic transition where the population growth rate is low, as well as mortality and birth rates. The life expectancy of its inhabitants has increased considerably in recent decades and is expected to continue this trend. Life expectancy at birth was 79 years in 2015 and is expected to reach 85 years in 2050 (WHO 2018). In this scenario, the relative importance of the population of older adults, that is, of people over 60 years of age, is growing rapidly. In 2015, about 13% of the Costa Rican population were older adults, according to the [United Nations](#) that percentage would rise to 31% in 2050.

### Dependency, disability and chronic diseases

Around 280 thousand people in Costa Rica, that is 8% of the adult population, experience difficulties in carrying out basic activities of daily living, according to data from the National Survey on Disability conducted in 2018 (ENADIS, only available in Spanish). This figure does not consider people living in long-term residences for older adults, estimated at seven thousand people in the country<sup>1</sup>.

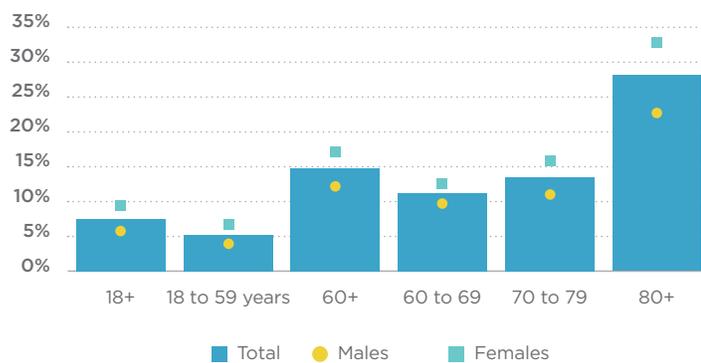
It is expected that this population that demands long-term care services will continue to grow in the coming decades, as a result of population aging and given

<sup>1</sup>Population living in institutions is excluded because ENADIS is only applied to traditional households. This estimation assumes that the proportion of people living in long-term care residences for older adults identified by the 2011 Census in relation to the total of the elderly population remains constant.



the prevalence of chronic diseases. Care dependence is a situation three times more prevalent among older adults than in younger adults (see Figure 1). If the current care dependence rate is maintained, the percentage of people with dependency who are sixty years of age and older will increase from 46% in 2018 to 62% in 2050. However, the care dependence rate could rise due to the increasing prevalence of chronic conditions.

**Figure 1. Percentage of adult population with care dependence in Costa Rica, 2018**



Source: Author's calculations based on ENADIS.

Noncommunicable diseases represent the biggest health problem in the population of Costa Rica. Its prevalence is especially high among older adults and among people with care dependence. According to the [Global Burden of Disease](#), 77% of the years of healthy life lost (or disability-adjusted life years, DALY)<sup>2</sup> of the Costa Rican population in 2017 are explained by noncommunicable diseases. Among adults 60 years of age and older, this percentage is even higher and reaches 91%. This reflects that noncommunicable diseases are not only the main causes of death, including premature deaths, but also trigger situations of disability and care dependence. On the other hand, the years of healthy life lost by the elderly represent one third of the total years that the country loses due to ill-health, disability or early death, even when they only represent 13% of the national population.

<sup>2</sup>Disability-Adjusted Life Year (DALY) are an aggregated measure of the burden of disease of a population. DALYs are the sum of the years of life lost (YLL) due to early death and the years lived with disability (YLD). In this context, disability is measured as some health condition that affects the functioning of the individual (Chen et al. 2015). For an explanation of the Global Burden of Disease study and the situation in Latin America, see box 1 in Aranco et al. (2018).

Cardiovascular diseases are the main cause of loss of healthy life years by the population over 60 in Costa Rica and represent 24% of the loss of DALYS. The main causes of years lived with disabilities are different from the main causes of years of healthy life lost. The diseases of the senses are the main causes of years of life with disabilities in the elderly population. In contrast, mental disorders are the first cause in the younger population. Musculoskeletal disorders are the second cause for both age groups.

The vast majority of care-dependent people also face a situation of disability and/or chronic conditions. However, it should be noted that the majority of people suffering from chronic diseases (86%) are not dependent, and that a considerable percentage (37%) of people with disabilities are also autonomous.

There is a strong relationship between care dependence, disability and chronic diseases. In Figure 2 the size of the circles represents the size of each of those three populations and the rectangle represents the size of the national population. It can be seen that the size of the care-dependent population is smaller than the population of people with disability and the population with chronic diseases.

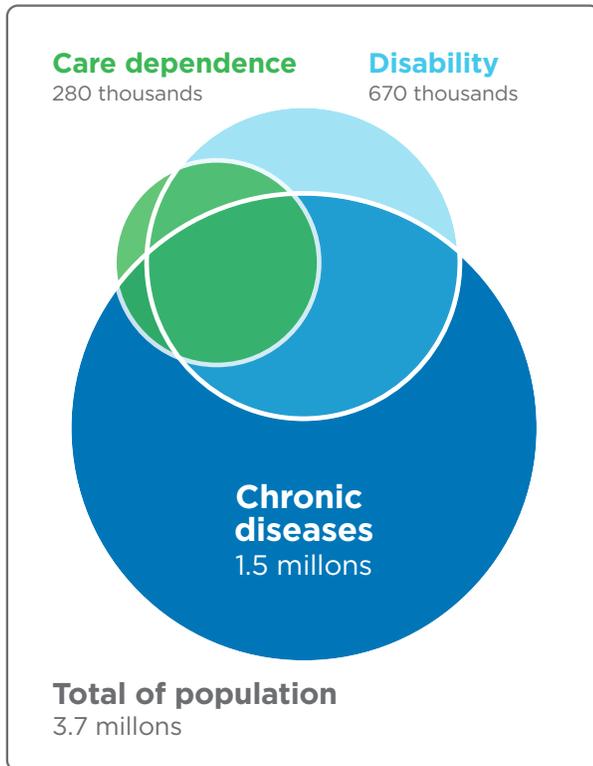
Five out of ten people with care dependence in the age range between 18 and 59 also face disability and chronic diseases. In the case of care-dependent older adults, the superposition of the three situations is even greater: 85% in the case of people over 60 years and 94% in the case of people over 80 years. See more detail in Medellín, Jara-Maleš and Matus-López (2019).

## The Role of the Government in Long-term Care

In recent years, institutional efforts have been made in Costa Rica to form a national system of long-term care. However, the system has not been formalized. The government has policies and programs that finance long-term care services for the elderly and for people with disabilities, and a significant proportion of this target population faces a situation of functional dependence. In addition, the country has strong institutions, broad health coverage, a favorable regulatory framework and, above all, a vision of social rights that make the adoption of care



**Figure 2. Diagram of the Costa Rican adult population with care dependence, disability and chronic diseases**



**Note:** The size of the circles and the rectangle represent the number of people. **Source:** author's estimation based on ENADIS 2018.

feasible, especially in old age and in a condition of care dependence, which are priority areas of its social welfare system.

That regulatory framework includes the Comprehensive Law for the Elderly (No.7935), the Equal Opportunity Law for Persons with Disabilities No.7600 and the Law for the Promotion of Personal Autonomy of Persons with Disabilities No. 9379.

Regarding policies and programs, the Consejo Nacional de la Persona Adulta Mayor (CONAPAM, National Council of the Elderly) facilitates, by providing subsidies to nonprofit organizations, access to long-term residential services, day centers and home care visits for persons of 65 years and more<sup>3</sup>. In 2018, the government expended 36.3 million dollars, equivalent to 0.06% of the Costa Rican GDP, to subsidize the access of 18 thousand people to long-term care

services. Most of the people served (77%) participated in the modality of home care called the Care Network ([Consejo Nacional de la Persona Adulta Mayor 2019](#)).

Additionally, the Consejo Nacional de las Personas con Discapacidad (CONAPDIS, National Council of Persons with Disability) provides benefits to people with disabilities under 65 years in poverty situation and including long-term care services. The 2019 operational plan contemplates delivering 1,442 subsidies to procure access to residential alternatives for a total of 7.8 million dollars. These alternatives include access to private dwellings for people with disabilities, foster families, multi-family homes, as well as long-term care residences ([Consejo Nacional de Personas con Discapacidad 2019](#)). Additionally, the budget considers a program to finance personal assistants to provide home care, although it has not yet been implemented.

The Social Development and Family Allowances Fund (FODESAF) is the main source of funding of CONAPAM and CONAPDIS. The FODESAF fund is a blend of general and payroll taxes. In addition, both institutions receive funds from taxes on liquors, beers and cigarettes. The Junta de Protección Social, the institution organizing public lotteries, also provide resources. In 2017, the Junta de Protección Social provided 20.6 million dollars to specific projects of long-term residences and day centers, in addition to the resources channeled to the Costa Rican Gerontological Association (AGECO) and the Raúl Blanco Cervantes Geriatric Hospital ([Junta de Protección Social n.d.](#)).

Public, private and mixed establishments that provide long-term care services to the elderly must obtain a permit from the Ministry of Health and be accredited in accordance with the General Health Law. In addition, periodic inspections are carried out to ensure compliance. The regulation is more specific in the case of residential care for adults, as it establishes clear rules on human resources, physical plant, documentation, registration, management and information management, as well as safety and hygiene<sup>4</sup>.

<sup>3</sup> People between 60 and 65 years are eligible to receive benefits if they are in a situation of abandonment.

<sup>4</sup> See the Regulation [37165-S](#) regarding the requirements to obtain a health permit to operate long-term residences for older adults and the [inspection guidelines](#).



## Supply of Long-term Support Services

Most of the care for people with care dependence in Costa Rica is provided by unpaid relatives, mainly by women. However, a growing demand for long-term care services is facing a situation where families have fewer resources to provide care. On the one hand, families are smaller. On the other hand, more women participate in the labor market, so they have fewer hours available to support family members.

In addition to care provided by families, there is a small but growing market of paid long-term care services provided by non-profit organizations with a community base as well as a growing number of services provided by private firms aimed for high-income populations and foreigners. This includes long-term services in institutions, day centers, home care and more limited, training services for unpaid caregivers and telecare. The government's role has focused on facilitating access to services based on subsidies aimed at families or non-profit service providers. See Table 1.

Some administrative and statistical instruments give some clues about the dimension of the supply of paid services. For example, in 2017, CONAPAM gave subsidies to 144 non-profit institutions. In 2018, the Directory of Companies and Establishments 2018, carried out by INEC, identified around 40 institutions for services for the elderly including institutions with accommodation, day centers and nursing homes<sup>5</sup>. Finally, ENADIS identified that at least 28,000 non-family caregivers receive a regular payment (including cash and in-kind payments) for providing personal assistance at home.

Based on ENADIS data, it is estimated that more than 300 thousand people frequently provide care to a family member or friend to perform basic or instrumental activities of daily living without receiving a payment. In most cases, the caregiver attends to their father or mother (43%) or their spouse (32%). Most of the people who provide care are women. On average, family caregivers spend seven hours a week to support care-dependent people (James and Rhee 2019). Women spend twice as many hours as men.

**Table 1. Participation of the sectors in the provision of paid long-term care services**

Type of service	Public sector	For-profit sector	Non-profit sector
Services in residential care settings		✓	✓
Home care (personal assistance)	✓ (municipalities)	✓	✓
Services at day centers	✓ (municipalities)	✓	✓
Telecare services		✓	
Services for caregivers (respite and training)	✓	✓	✓

Source: Medellín, Jara-Maleš and Matus-López (2019).

## Assessment and Perspectives of Long-term Care Services

There is a considerable room for improvement in the definition and identification of the target population to advance in the construction of a long-term care system in Costa Rica. The offer of programs currently funded by the government, particularly those of CONAPAM and CONAPDIS, are not targeted to the population with care dependence. Eligibility criteria revolve around the situation of poverty or social vulnerability, highlighting the condition of abandonment. In that sense, the most important thing is to develop and implement a definition of the concept of care dependence. In addition, there are areas for improvement in terms of prioritization and implementing a mechanism to reach the most vulnerable populations with care dependence.

<sup>5</sup> This number may include some nonprofit institutions, although this would be expected to be a small number, since the directory excludes institutions in which more than half of the resources come from the state.



The challenge regarding the provision of services, towards the construction of a care system that is not limited to people in poverty or social vulnerability, is to expand the coverage of personal assistance and long-term care services to unpaid caregivers, who are currently assuming most of the care responsibilities. On the other hand, long-term care services are a growing niche in the Costa Rican silver economy, and it would be pertinent to analyze how favoring the development of this niche can be a generator of quality jobs in the private sector.

Regarding the quality of services, the challenge is to create a unique mechanism that is responsible for promoting and safeguarding the application of quality standards in the provision of long-term care services.

In the current scenario of relative uncertainty about the sustainability of public finances, it is imperative for the State to diversify sources of financing to procure a budget that allows to meet the spending commitments without sacrificing the scope and quality of public services that are delivered to citizens (State of the Nation Program 2018). Even more in an area such as aging and care dependence where a sustained rise in demand is projected with strong pressure on the supply of social and health services. Therefore, diversification options for the sources of financing services, including the copayment, may be a viable option. Particularly, if introducing copayments as a principle of solidarity, allows the government to expand the current coverage of long-term care services. On the other hand, given the importance of the private sector as a public sector partner that adds capacity for action for the development of services offered in priority sectors for citizens, it would seem convenient to explore other options such as public-private partnerships to impulse to those areas of services that are still less developed.

In a nutshell, Costa Rica has elements to advance in the development of a long-term care system. It has robust institutions, a large-coverage public health insurance, a favorable regulatory framework and a vision of social rights that make it possible to foster the agenda of long-term care. The challenge is to develop a formal long-term care system that organizes and integrates

the efforts that currently constitute important bases but are still segmented and dispersed. Adding greater rationality to the system, creating a new rectory and an articulating framework that gives greater sense to coordination efforts, would allow to meet the double objective of making the system more efficient as a whole and make it easier for care-dependent people to access quality care.



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