

Projekt: The Rise of Person-centered Care: Effects of Single-Room Nursing Home Quotas on Long-Term Care

Project stakeholders

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Link to Working Paper: https://diskussionspapiere.wiwi.uni-hannover.de/pdf_bib/dp-734.pdf

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Project goals

The study aims to answer the following research questions:

- a) Does a state-level policy mandating the conversion of multiresident rooms into single room affect access to nursing home care?
- b) Where do individuals with severe care dependency resort to for care?

Background and project description

One reason for nursing home access limits might be the transition to the person-centered care model and more single rooms. Specific to person-centered care is its emphasis on providing more privacy in nursing homes. This trend toward more single rooms is reinforced by the introduction of regulatory requirements for single-room shares in approximately half of the German federal states. German state regulators have gradually introduced mandatory single-room quotas, beginning in 2008. North Rhine Westphalia, the first German state implementing this reform, stated its aim was to “enable elderly, disabled, and care dependent people to live a life that respects their self-determination and dignity.”

This study examines the implications of the rising person-centered care model on the long-term care market, focusing on the promotion of higher single-room occupancy in nursing homes. We analyze the staggered implementation of a state-level policy that mandates single-room nursing home quotas. Our difference-in-differences analyses draw on data from the German Care Statistics from 2007 to 2019. They offer detailed insights into the universe of care recipients and all nursing homes. The policy significantly decreases the likelihood of individuals in severe need of care securing a nursing home bed. Instead of a shift to professional home health care, we observe a significant increase in the utilization of informal care following the policy implementation. The policy generates substantial direct net fiscal gains for long-term care insurance and local communities, which likely outweigh the potential indirect fiscal costs, such as lower income tax revenues from reduced labor supply among informal caregivers.

