Allocative efficiency of health spending on older people

Additional information

Understanding variation in the use of publicly-funded hospital care services among older people

This strand of work examined whether there is variation in the use of publicly-funded hospital services among the older population that is not explained by differences in medical need. Administrative data from Hospital Episode Statistics (HES) was used to quantify how use of health care, and the associated cost to the NHS, varies across age, sex and local area deprivation. It also used a new dataset – HES records linked to survey responses from the English Longitudinal Study of Ageing (ELSA) – to explore how hospital use varies across individuals with different characteristics, such as education, and to analyse health care inequalities across groups.

The main findings were:

- Average spending on publicly-funded health care begins to rise after the age of 50, before rapidly increasing beyond the age of 70.
- Health care spending is highly concentrated, with 1% of the population receiving 32% of health care spending in any given year.
- After taking into account individual health needs, the highly educated aged 65 and above use considerably more NHS outpatient care than their less educated peers. This is driven by greater use of routine and follow-up care. However, there is no such gap for either elective or emergency inpatient care, or in A&E visits.

Further information:

- Public hospital spending in England: evidence from National Health Service administrative records
- The distribution of healthcare spending: an international comparison
- Educational Inequalities in Hospital Use Among Older Adults in England, 2004–2015
- Socioeconomic inequalities in use of NHS outpatient care emerged after 2010

How does the use of health care services change in the final years of life?

This strand of work examined how patterns of hospital use change in the final years of life. It used the linked HES-ELSA dataset and Office for National Statistics mortality statistics.

The three main findings were:

- Hospital spending increases sharply in the last two years of life, and in particular the final four quarters.
- Even when taking into account the conditions that people go to hospital to be treated for, spending still rises in the final years of life.
- The relationship between time to death and spending varies across sociodemographic characteristics; for example, those who lived alone rather than with a partner, and those with no compulsory qualifications rather than those with higher educational attainment, had lower spending in the last 18 months of life.

Further information:

- Variation in end-of-life hospital spending in England: Evidence from linked survey and administrative data
- How does spending on NHS inpatient care change in the last years of life?

Relationship between publicly-funded formal, privately-funded formal and informal social care

This strand of work used ELSA to examine how social care is used by the non-institutionalised older population. It explored who receives each of the three types of care, how persistent use of different forms of care is, and how these forms of care substitute for one another.

The main findings were:

- The receipt of care is a dynamic process, with people starting and stopping receiving care over time.
- Changes in the receipt of care over time are strongly linked to a number of factors, in particular a change in the prevalence of difficulties with daily activities and the loss of a partner. These changes include both switching between not receiving and receiving care, and shifts between types of care.
- There is some evidence of increasing prevalence of care at a given age among women born in later birth cohorts.

Further information:

- The prevalence and dynamics of social care receipt
- A peek behind the figures: The future of social care in the UK
- Public spending on adult social care in England

Impact of variations in social care provision on hospital use

This strand of work used local authority spending data to examine how variation in the level of local area public spending on social care impacted use of A&E, inpatient and outpatient services by residents in the same local area.

The main findings were:

- Cuts to local authority spending on social care for adults aged 65 and over between 2009/10 and 2017/18 substantially increased the use of A&E by older people.
- There was both an increase in the number of different people using A&E at least once in a year, and an increase in the number of visits per patient.
- The increase in A&E use is mostly seen among those presenting with relatively low severity conditions.
- The impacts of the cuts to social care are most noticeable among older people, and those living in the most deprived areas. These groups include those most likely to be using social care in the first place.

Further information:

- The impact of cuts to social care spending on the use of A&E departments in England
- Cuts to spending on social care and the use of NHS A&E services in England
- What do we know about the effects of cutting public funding for social care?
- Long-term care spending and hospital use among the older population in England
- What impact did cuts to social care spending have on hospitals?

Tensions between national standards and local funding for social care

This strand of work considered whether having national eligibility criteria for publicly funded social care is consistent with funding through local taxation, and how social care could be funded outside the business rate revenues system.

The main findings were:

- There is significant tension between national standards for social care and increasing the reliance of local authorities' funding on local taxation
- Ongoing reforms to local government finance risk increasing the funding gap for adult social care in England.
- Delivering consistent access to high-quality social care across England could be difficult, and would be very hard to deliver without reversing recent reforms to local government finances and reintroducing general grant funding.

Further information:

- Adult social care funding: a local or national responsibility?

- Government policy on councils' finances risks inconsistent and insufficient adult social care funding
- How should we pay for social care in the long term?
- Equalisation, incentives and discretion in English local public service provision
- English council funding: what's happened and what's next?

Validating self-reported health diagnoses with administrative hospital records

This strand of work compared self-reported diagnosis data in ELSA with hospital records in HES. Self-reported data are widely used by researchers and therefore understanding the accuracy of whether these events happened is very important in establishing the accuracy of results.

The main findings are:

- There is substantial disagreement between self-reported diagnosis data and the diagnoses recorded in hospital records.
- Of those with a hospital admission where a heart attack was recorded as a diagnosis, 67% did not report the condition when surveyed in ELSA. The equivalent figures for cancer and stroke were 59% and 54%, respectively.
- Much of this disagreement seems to be driven by patients either being unaware of, or misunderstanding, their diagnosis.
- Researchers should exercise caution in using survey data alone to examine the incidence of particular conditions.

Further information:

- How accurate are self-reported diagnoses? Comparing self-reported health events in the English Longitudinal Study of Ageing with administrative hospital records