



Nursing & Long-Term Care Services

NESsT Empowers Industry Profile

About the Research

High-growth industries of Poland – including the manufacturing, aviation, food processing, logistics and warehouse market, nursing and long-term care, and retail industries – will create thousands of jobs in the next five years. Many of the available positions in these industries provide dignified employment, yet do not require a university degree or long-term experience. Is this an opportunity for labour inclusion of underserved communities? NESsT believes it is.

NESsT conducted the following research as part of its NESsT Empowers initiative, which tackles the lack of quality, skilled jobs available for under-served communities in emerging market countries. The NESsT Empowers program invests in social enterprises that prepare people from these communities for dignified employment. Read all the NESsT Empowers industry profiles, at www.nesst.org/nesst-empowers-poland.

CREDITS

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Poland

Growth senior and long-term nursing care was one of the nine key trends in Polish healthcare in 2017 as per a study conducted by PwC.¹ The increasing demand for long-term care services is a fact in every ageing society around the world, but due to demographic changes, this growth could be notably more dynamic in Poland: “Poland’s demographic outlook is unfavourable: with an ageing population, the birthrate will drop and life expectancy will increase. The prime working-age population (15 to 59) is expected to decline by 2.7 million by 2025, and the old-age dependency ratio (population older than 59 to working-age population) will jump from around 29 percent in 2012 to 42 percent in 2025.”²

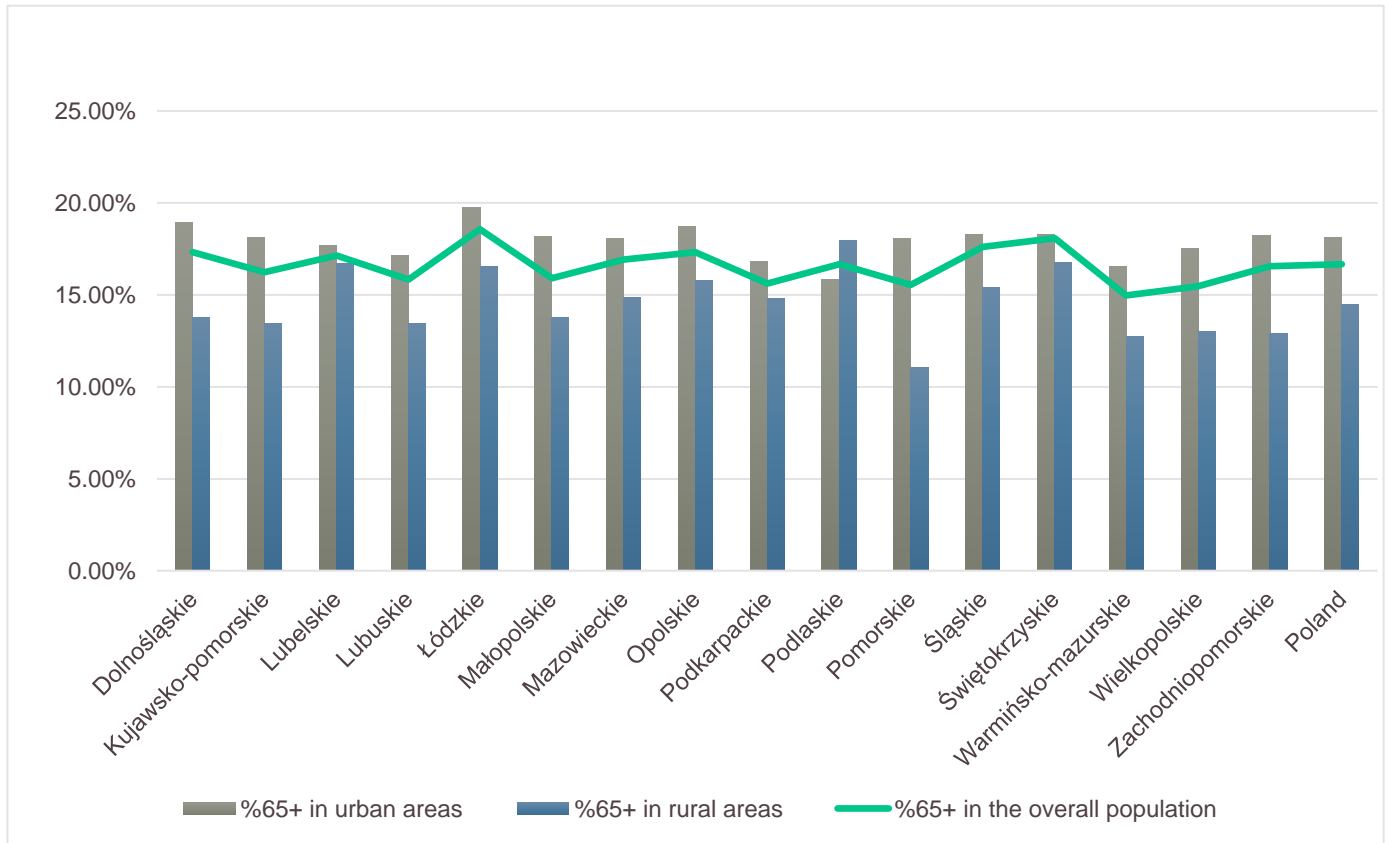
According to 2017 data of the Central Statistical Office, the overall population of persons aged 65 years and older represents in Poland is nearly 17%.

Chart 1 (page 3) presents the share of this group in the overall population of Poland, broken by regions and urban and rural areas. In general, urban areas are aging much faster, people are living there longer and they are more in need of quality elderly care. There are also slight differences between regions: Łódzkie and Świętokrzyskie are among those with the highest share of 65+ persons in the overall population. It is expected that these disproportions will deepen in the future due to out migration and negative natural increase rate.

¹ Trends in Polish healthcare 2017, www.pwc.pl/ochronazdrowia.

² Poland 2025: Europe’s new growth engine, Bogdan W., Boniecki D., Labaye E., Marciniak T., Nowacki M., McKinsey & Company, January 2015.

Chart 1. Percentage of 65+ people in the overall population (by regions)



Source: NESsT, based on data of Central Statistical Office of Poland as per June 30, 2017

According to a Central Statistical Office, in 2050, the overall population of persons aged 65 years and older will increase by 5.4 million and will represent almost 33% of the overall population (30% in rural areas and 35% in urban).³ This means that two times more seniors will live in Poland than now. What is even more important, from an elderly care perspective, is the rapidly ageing of the population (i.e. as of June 2017, the percentage of people aged 80 years or more in Poland was 4%;⁴ by 2050, it will exceed 10%.⁵)

The other important driver contributing to the growth in the senior and long-term nursing care industry is the higher rate of morbidity from chronic diseases, i.e. Alzheimer, Parkinson, diabetes, osteoporosis and others. Currently in Poland there are 400,000 persons suffering from Alzheimer or any other dementia syndrome and it's estimated that this number will triple during next 15 years. 80,000 persons in Poland are diagnosed with Parkinson and annually 4,000 – 8,000 are registered to have the disease. Forty percent of people in their 60s are suffering from diabetes and more than half from osteoporosis. Seniors are suffering also with hypertension (75% of the population aged 65+ years old) and different kind of cancer (60% of oncological patients are persons 65+).⁶ These groups of persons will need specialized long-term nursing care to assist them in their every-day activities.

³ Central Statistical Office of Poland, Population projection 2014-2050.

⁴ Central Statistical Office in Poland, Population in Poland. Size and structure by territorial division. As of June 30, 2017, Warsaw 2017.

⁵ Szweda-Lewandowska Z., "Rynek usług opiekuńczych – perspektywy rozwoju w kontekście starzenia się populacji", Optimum. Studia Ekonomiczne nr 2 (68) 2014.

And the third important phenomenon in the growth of the nursing and care service industry is a decrease in the caring potential of families. Less young people, huge depopulation and out migration are the main reasons leading to a lower capacity of family members to meet the needs of their aged relatives. In 2012, 63% of the seniors declared that their children are supporting them in everyday activities, like shopping, housework, dealing with administrative matters, care in case of sickness etc.⁷ As Polish society moves from a model of big families to one-person households, this kind of assistance will have to be institutionalized and provided by professional providers. Experts predict that due to this factor, expenditures for elderly care will grow from PLN 5.2 billion (USD 1.6 billion) in 2015 up to PLN 8 billion (USD 2,4 billion) in 2020⁸ (close to 60% of this amount is covered by the public resources). This amount includes costs of hospitalization, treatment, long-term care services and governmental subsidies for medicines.

Public services providing long-term care require a co-payment by the patient. Individual care recipients in the residential facilities of the health sector pay only the cost of accommodation and board. Medical treatment and nursing are financed by public health insurance. The monthly payment of care recipients is established at the level of 250 percent of the lowest pension. However, this fee cannot be higher than the amount equivalent to 70 percent of the monthly individual income of the care recipient. The government covers the difference. The poorest patients must rely on support from social assistance system sources.

⁶ Source of data: The Ministry of Health in Poland, 2013-2015.

⁷ Source of data: CBOS 2012.

⁸ Piątkowski Sz., PwC:

<https://www.pwc.pl/pl/media/2015/2015-11-04-wzrastawartosc-rynku-opieki-dlugoterminowej-w-polsce.html>.

In the case of long-term care services provided within the social assistance system, the cost of residential stay in social assistance homes is divided into four parts, financed by different payers: (1) state subvention (according to the estimate – 75 percent of the cost of welfare homes), (2) care receivers (70 percent of individual income), (3) family (if its income per person is higher than 300% of the threshold of the social intervention⁹) and (4) local social budget provided by the local authorities.

The government provides also financial support to care-receivers and family caregivers. There are three main types of this support:

- extra care benefit for pensioners (dodatek pielęgnacyjny) - universal allowance for persons aged 75 and more or for younger disabled dependent persons; amount PLN 209,59 // USD 58,7 (from March 2017) monthly financed by social insurance, paid with pension
- nursing benefit (zasitek pielęgnacyjny) - for persons with disabilities and elderly aged 75 and more, who don't receive extra benefit for pensioners; amount PLN 153 // USD 42,85 monthly financed by local self-government

- nursing allowance for caregivers (świadczenie pielęgnacyjne) - for caregivers in poor families who gave up jobs to care for elderly family members, inter alia for person aged 75 and more or person with disability; amount in 2017 was PLN 520 // USD 165,64 monthly for taking care of elderly person and PLN 1,406 net // USD 394 monthly to take care of disabled child¹⁰.

Despite the boom in services provided by the senior and long-term nursing care market, there is still a huge gap between the demand and supply in Poland and it's only going to expand. It is estimated that in 2030 approximately 50% of the population of 65+ (over 5 million people) will need care and nursing due to considerable limitations in activities.¹¹ According to the Ministry of Family, Labour and Social Policy data, there were, in 2016, 78,813 beds available in all types of nursing homes in Poland, while 78,954 persons were living permanently in nursing homes. Almost 70% of them were people aged 61 and older.¹² These facilities are already overcrowded and there are more candidates waiting for a place than are available beds. It is important to highlight that in these statistics the Ministry tracks only the persons in need of long-term care and without family or relatives that could potentially take care of them.

⁹ At the moment of creating this fact sheet – December 2017 - the income criterion was PLN 634 net // USD 177 (300% x 634 = PLN 1902 // USD 533 per person) for 1-member household and net PLN 514 // USD 144 (300% x 514 = PLN 1542 // USD 432 per person) for 2- and more members household. Only families receiving income equal or higher than 300% of income criterion are obliged to pay for the long-term care services.

¹⁰ Golinowska S., The system of long-term care in Poland, June 2010 with further updates of amounts.

¹¹ Szukalski P., Projekcja liczby niepełnosprawnych seniorów do 2030 r. (Projection of disabled the elderly 2030), Łódź 2004.

¹² The Ministry of Family, Labor and Social Policy, Sprawozdanie MPiPS 05 za 2016, <https://www.mpips.gov.pl/pomoc-spoeczna/raporty-i-statystyki/statystyki-pomocy-spoecznej/statystyka-za-rok-2016>.

Table 1. Admission to nursing homes in Poland vs persons still waiting for their place – 2016

Region	People admitted in 2016	People waiting for a place in 2016
Dolnośląskie	807	726
Kujawsko-pomorskie	513	424
Lubelskie	640	228
Lubuskie	406	298
Łódzkie	1055	178
Małopolskie	1192	446
Mazowieckie	1204	556
Opolskie	361	201
Podkarpackie	716	65
Podlaskie	285	192
Pomorskie	532	371
Śląskie	1451	1775
Świętokrzyskie	446	233
Warmińsko-mazurskie	511	282
Wielkopolskie	961	694
Zachodniopomorskie	599	455
Total	11679	7124

Source: Ministry of Family, Labour and Social Policy, December 2016

The situation differs through regions. Table 1 (left) shows the number of persons admitted to nursing houses (public and non-public) in 2016 and the number of persons still waiting for a place.

Although the most dramatic situation is in Śląskie region, the overall system is inefficient and Poland is not prepared for the demographic changes that are already happening. Across the country, there are more than 7,000 people demanding long-term care service, without being provided with any alternative. This gap could be filled by increasing the number of nursing homes or by providing in-home long-term care assistance—an interesting opportunity for social enterprises.

Given the many factors influencing the decision on how to take care of senior people (including their character and personality), different kinds of services are needed: day care homes, residential 24/7 care homes, health care and treatment facilities, in-home services. A key focus is therefore to adjust the service to individual needs and to keep the senior person active for as long as possible. This translates into recommending different alternatives: offering smaller facilities – up to 30 beds, providing in-home services, being with family and friends for as long as possible, promoting an active approach to care services (physical activities, involving elderly persons in daily activities like shopping, going to church, simple household works and others), accompanying the person in sickness, relief from suffering and conscious preparation for death. All of these options are helping to address the needs of seniors and to support them through a process of calm and conscious senility.

Long-Term Care System in Poland

The residential LTC in Poland is included in both the health care and the social assistance systems. Public and private institutions can offer such services, being eligible for state subventions.

Within the health care system, there are three types of institutions offering long-term care services: care and treatment facilities (zakład opiekuńczo – leczniczy ZOL), nursing and care facilities (zakład pielęgnacyjny – opiekuńczy ZPO), palliative care homes. Their residents are people with chronic disease and /or people with disabilities not able to function independently. These facilities offer both social and health care services.

Within the social system there are two types of social welfare homes: the adult day care homes (DDPS) and the residential social welfare home (DPS). The adult day care homes are for people living with their families, without the possibility of providing in-house care for the older relative, as the family members are carrying out professional activities (most often women: wives, daughters or daughters-in-law). During the working hours (five days a week, for up to 12 hours a day), the dependent person can go to an adult day care centre, which provides all the necessary living and care services.

A residential social welfare home (DPS) is defined as an institution that provides round-the-clock living conditions, protection as well as supportive and educational services at the level of current standards defined by educational and social law. Residents of such homes are usually: elderly people, chronically ill, mentally ill, intellectually and physically disabled persons (any age),¹³ in some cases persons that never leave the institutional care. It is recommended that such homes should not exceed 100 beds and for the newly constructed ones this is obligation.

There are also private residential long-term care homes, operating based on the national regulations and on permission of voivode (the regional representative of the state). They can compete for contracts with state and are evaluated by the public authorities on annual basis.

Privately run home-based services are rather limited in Poland, offering a new market niche. The DDPS are fully provided and financed by local authorities (no private funds involved). But this public care services may be granted only to people who need help and have no family or the family is unable to ensure such help (due to the economic reasons). People with certain level of income and with families need to pay for such services on their own.

¹³ Golinowska S., The system of long-term care in Poland, June 2010.



Employment Opportunities

The tendency of having family members care for relatives who are elderly and chronically ill is unlikely to continue in the future, both because of demographic and social development reasons. As a result, the need for professional nursing and long-term care services is a growing market niche that will need to be filled in the near future and that will no doubt create new jobs opportunities.

There are three types of professions in the industry:

- Elderly person assistant – demand constantly increasing since 2014. In 2016, in Pomorskie region alone, there were 400 positions that needed to be filled. This profession does not need a medical education, but rather strong soft competences including: patience, empathy, mindfulness,

resistance to stress, strong communication skills and availability to work in flexible working hours. These Assistants often work in long-term care residential units (private or public) and in the homes of the elderly themselves. Almost 85% of these assistants in Poland are women, and the median of their monthly gross income is PLN 2,194 (USD 617).¹⁴

- Medical assistant – demand growing systematically since 2010. A diploma from vocational medical schools is required. The employee supports the elderly or ill person in his/ her daily activities, compensating for the sickness related limitations, and cooperating closely with the nursing and therapeutic teams. Basic medical knowledge is needed, but also soft competences are crucial: communication skills, empathy, patience, and strong team work. More than 80% of medical assistants are women and their median monthly gross income in 2016 was PLN 1,919 (USD 540).¹⁵

¹⁴ Data of Sedlak & Sedlak, www.wynagrodzenia.pl, March 2017.

¹⁵ Data of Sedlak & Sedlak, www.wynagrodzenia.pl, March 2017.

- **Social welfare home employee** – this job opportunity is not as popular as two mentioned above. The Polish government strictly regulates this profession: for the entry-level position, at least secondary school is needed; for senior positions, a university diploma is required. Depending on the kind of welfare home, the candidate might need to have additional experience: working with disabled persons, working with children and youth, therapeutic competences and others. Employees of social welfare homes are taking care of residents, delivering different therapies for them or workshops, organizing the daily life of residents. The monthly salary can vary between PLN 1400 and PLN 2100 net (USD 394-590), depending on the position and region.

The wages in the industry are not very high, especially taking into account the complexity of the job. It is very common for Poles to migrate and do this work in Germany, Netherlands, United Kingdom, and Norway. In these countries, they can earn at least two times more than in Poland, plus they are eligible for non-financial benefits: private medical insurance, reimbursement of transportation costs, and sometimes free accommodation and meals.

AT-RISK GROUPS

The nursing and long-term care industry in Poland provides employment opportunities to many at risk-groups, including retired women (to increase their low household pensions), people with disabilities as well as the long-term unemployed. Migrants – also mostly women – from Ukraine, Belarus, Moldova, and Armenia are also involved in this industry. The majority work in private houses, as housekeepers or assistants, and usually work illegally. Therefore, it is very important to facilitate the process of legalizing their stay and work in Poland and to simplify the related administrative procedures. It could be also a task for social enterprise to support migrants in legalizing their work as medical or/and elderly person assistants.

SIEDLISSKO

A model of providing long-term services to elderly persons is [Siedlisko](http://siedlisko.org.pl) – the social enterprise from NESsT's portfolio. Siedlisko runs a nursing home providing full-time care for seniors and people with chronic illnesses, and also delivers catering and laundry services to local companies, individuals and public institutions. Siedlisko first opened its doors to clients in July 2015 and a year later, it has become home for 23 residents receiving full-time care, with 15 people on the waiting list.

The company also sells daily catering services to 18 institutional and 10 individual clients (for private events, like weddings), serving more than 10,000 meals per month. In first months of 2017, Siedlisko achieved break-even point. In the next few years, the enterprise is planning to expand the facility to create more places for elderly residents and also to share their model with other local communities.

A unique aspect of Siedlisko's model is that the enterprise offers vocational training to youth with intellectual disabilities and employs them as kitchen assistants, cleaning assistants, and personal assistants for the elderly. The jobs they occupy are well suited to their skills, involving repetitive tasks, such as assistance in the kitchen or house cleaning. Provided with clear instructions and individually tailored support, they are able to fulfil their responsibilities, learn and increase their self-confidence levels.

Besides people with disabilities, Siedlisko offers employment opportunities for the long-term unemployed from rural areas. Currently, Siedlisko employs 15 young people with intellectual disabilities (out of the 41 that received vocational training) and created 17 jobs for people from the local, rural community, including women 50+. Beyond this, the enterprise has provided coaching and assistance to more than 100 family members of program participants. Altogether, Siedlisko has impacted 548 people since its inception.

► <http://siedlisko.org.pl>



Summary

- Polish society, like all societies in Europe, is aging very rapidly – by 2050, a third of the population will be 65 or more years of age.
- There is huge gap in the elderly care services – limited available services and few employees prepared to fulfil this work versus huge market need.
- There are not enough beds for elderly persons in long-term care homes, both health and social care. Already social care homes are crowded and there are more residents than available beds. The situation will worsen in the future.
- Currently there are 4,400 job vacancies in long-term care institutions¹⁶ and according to estimations by 2022 demand for labour may reach 350,000 for the whole industry (both institutional and home-based services) in Poland.
- Public expenditures for elderly care will increase significantly by 2020.
- The nursing and long-term care industry generates employment opportunities mostly for women aged 45-54 years, for unqualified youth, retirees and migrants. That may mean taking a hard look at work-life balance issues.
- Currently, the job candidates are missing most of the soft skills needed by employers.
- New technologies will become significantly more important, and this should be reflected in the vocational training programs for the sector.

¹⁶ Central Statistical Office for Poland, December 2017.

ABOUT NESsT

NESsT has been working for 20 years to provide dignified employment to lift people out of poverty in emerging markets. NESsT achieves its mission by raising philanthropic capital to invest in and develop social enterprises that create employment and viable income opportunities for the poorest communities facing isolation, discrimination, lack of job skills and poor education. To date, NESsT has invited 176 social enterprises to enter its portfolio providing them with an average of four years of support and investing more than USD 14 million in capacity building and direct funding. Through this investment, NESsT has contributed to creating more than 49,000 dignified employment and sustainable income opportunities.

SUPPORT

J.P.Morgan

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