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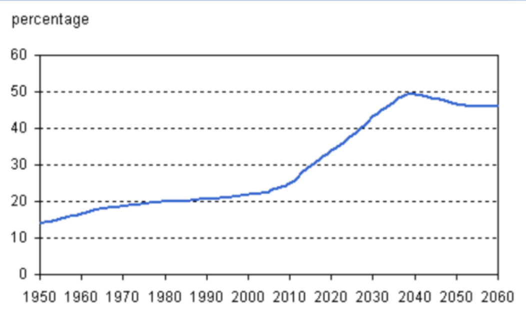
European Next Generation
Ambient Assisted Living
Innovation Alliance

AAL Markets

AALIANCE2 is a Coordination Action funded by the European Programme
FP7-ICT-2011.5.4 (Project reference: 288705)

Ageing population projection



- Aging population is increasing
  - Baby boom
  - Living longer
- Ratio of carers to aging is decreasing
  - Demand is growing at 1.4% a year
  - Supply is decreasing 0.2% a year
  - 1.6% a year gap with the absolute population growing 3.5% a year – through 2030!
- Government spending – e.g. Netherlands is growing at 6.8% a year – unsustainable
- Demand for care will out strip ability to support, new solutions and investments are needed
- In the future, demand for support services for the elderly is likely to exceed the potential population of carers

Key learning

IN THE FUTURE, DEMAND FOR SUPPORT SERVICES FOR THE ELDERLY IS LIKELY TO EXCEED THE POTENTIAL POPULATION OF CARERS

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PREVENTION
Tasks supporting and maintaining cognitive and motor abilities before severe diseases (i.e. health periodic

COMPENSATION & SUPPORT
Tasks supporting cognitive and motor abilities after severe diseases (i.e. smart walker, pedestrian

INDEPENDENT & ACTIVE AGEING
Tasks supporting independence of elderly (i.e. social inclusion, work, leisure and entertainment, etc.)

ICT technology will contribute to addressing the “carer gap”

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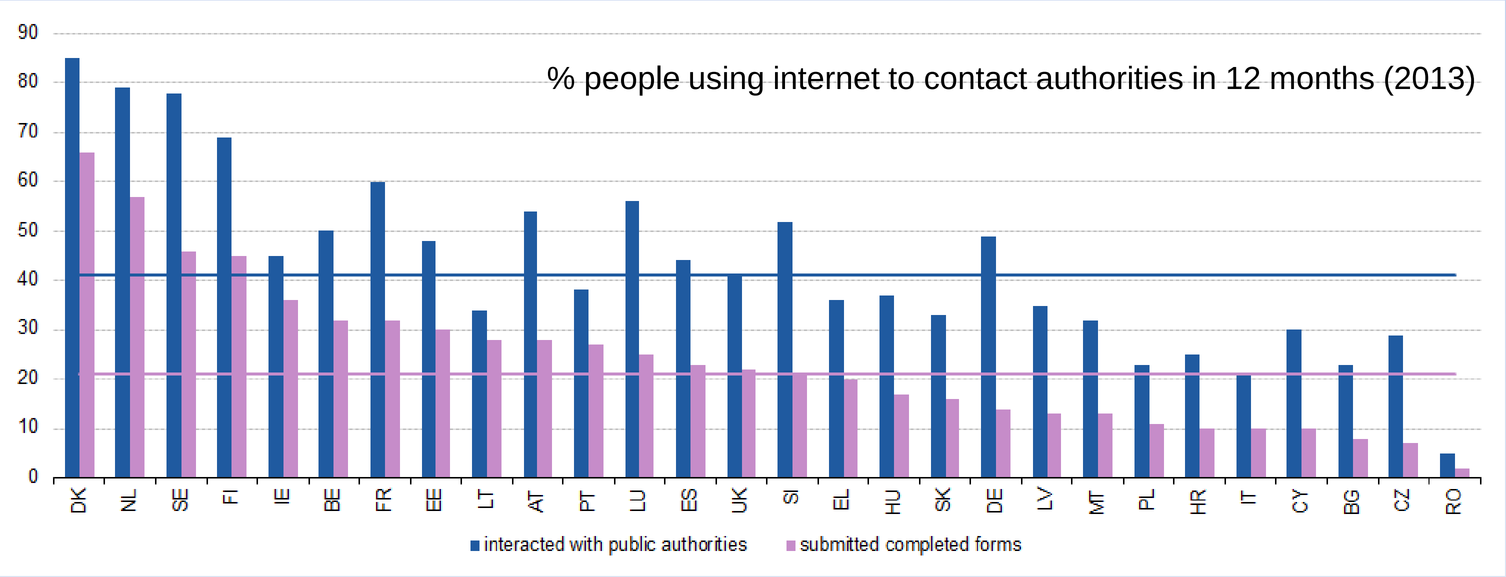
ICT Challenge

- Connected devices are the focus on ICT
- Without affordable coverage to data services, ICT solutions will be limited
- In 2013 over 40% of Romanians have never used the internet
- Tools that are common and readily available in some member states are uncommon in others



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Key learning

USAGE OF ICT SERVICES IS NOT UNIFORM ACROSS MEMBER STATES

Government support

European eldercare regime context

	Characteristics	Care regime examples
Formal	▶ Provision 'in-kind' and 'tied' monetary transfers as cash benefits not for free disposition ▶ Can lead to more vibrant market with skilled and professional workers and appropriate pay and career structures	▶ Scandinavia: 'in-kind' provision ▶ Anglo-Saxon: contracting-out ▶ Continental: France, NL: 'tied' cash
Mixed	Shows a mix of both formal and informal eldercare markets	Continental, Germany: through mandatory care insurance paid 'in-kind' (can also be paid in unconditional cash)
Informal	▶ Unconditional cash transfers, tend to be for free disposition ▶ Can lead to 'grey' market dominated by informals and/or a low-skilled and low-paid workforce	▶ Continental, Austria and Germany: unconditional cash benefits (e.g. through mandatory care insurance paid in unconditional cash) ▶ Mediterranean: unconditional monetary transfers, e.g. Italy with attendance allowances to recompense the family carer

Adapted and updated from Simonazzi (2009/)

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Total care funding

- Government Support
  - Formal
  - Mixed
  - Informal
- Non-governmental
  - Private Insurance
  - Household “out-of-pocket” payments
    - Range from a low of 6% in NL to over 25% in LT

GEO/ICHA_HF	General government except social security funds	Social security funds	Private social insurance	Private insurance enterprises (including private social insurance)	Private household out-of pocket expenditure
Netherlands	8.13	77.47	:	5.58	5.96
France	3.74	73.46	:	14.40	7.73
Germany	6.88	70.08	0.25	9.72	12.38
Sweden	81.59	:	:	0.30	17.16
Estonia	10.73	69.44	0.00	0.26	17.78
Belgium	10.47	65.45	1.95	4.21	19.68
Romania	12.71	66.15	0.00	0.13	20.67
Spain	68.21	4.72	0.00	5.67	21.07
Poland	6.34	64.53	:	0.74	23.95
Hungary	8.45	56.05	0.00	2.67	26.81
Lithuania	9.52	61.34	0.00	0.64	28.24

Percentual share of total current health expenditure (CHE) 2011

Key learning

THE METHOD OF PAYING FOR SERVICES VARIES GREATLY ACROSS THE EU

Business models

- Three constituent markets
  - Telecare
  - Telehealth
  - Smart Home
- One trend stands out - “Managed Service”
  - Combine social and medial care to address both prevention and support systemically
  - Shift focus on populations’ wellbeing, from post-event care
  - Basque, UK (Scotland/North Ireland) and Denmark
  - ICT Technolage
- Focused on countries with a “Formal” benefits structure

Mixed and Informal markets

- Unlikely to use managed service approach
- Direct to consumer marketing
  – Commercial model (B2C)
  – Networked business model (peer to peer)
  – Advertising based business model (Google, Facebook)
  – Issues:
    - Favours media dense locations (may disadvantage rural users)
    - Favours technology savy users (may disadvantage lower internet use countries)

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Key learning

EU MARKETS ARE DIVERSE BASED ON SOCIAL SPENDING STRUCTURE AND USE OF TECHNOLOGY

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Summary of learning

- In the future, demand for support services for the elderly is likely to exceed the potential population of carers
- Usage of ICT services is not uniform across member states
- The method of paying for services varies greatly across the EU
- EU markets are diverse based on Social spending structure and use of technology

Additional Question

THERE MAY BE A MISALIGNMENT BETWEEN MARKETS THAT NEED DIRECT-TO-CONSUMER SOLUTIONS AND INTERNET USAGE

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