TATA TRUSTS

REPORT ON OLD AGE FACILITIES IN INDIA

BACKGROUND

India has been classified as an 'ageing country' by the United Nations, with 8.6% of the total population over 60 years of age. This number is expected to triple by 2050, thereby constituting 20% of the population.

Changing socio-economic patterns, such as women becoming economically active and participating in the workforce, and increasing mobility are all leading to more nuclear households, altering social norms of elder care in the family. Despite the dire need, elder care in India is still largely neglected and the development of the ecosystem is primitive[1].

Secondary research and practitioners from the sector estimate 600 to 1,700 operational facilities for senior citizens in India. However, the research and data are not comprehensive enough to completely portray ground reality.

This study by Tata Trusts, Samarth and United Nations Population Fund (UNPFA) took a fact-based approach to develop a reasonably robust estimate of available supply to help understand the nature and scale of challenge and the required capacity to support implementation of any framework that is adopted.

SURVEY PROCESS

The study looked at both old age homes and senior living developments in India, built an extensive sample set of **480+ old age homes and 60+ senior living developments in 84 cities, towns and districts** cutting across geographies, size, cost, facilities offered, ownership and management.

It projected the sample set to countrywide population data extracted from 2011 census of India, and **arrived at an estimate of around 1,150 facilities and the capacity to house around 97,000 elderly residents.**

Forecasting likely demand driven by increasing elderly population and change in preferences owing to availability of new products and socio-economic norms, **the study pointed towards a crying need to enhance the capacity almost eight to ten-fold over the next decade.**

ESTIMATING SUPPLY OF OLD AGE HOMES

Old age home listings published by Samarth including both urban and rural facilities were used to prepare a sample of 532 old age homes across 84 towns and districts in India. These included all types of old age homes in terms of location, ownership, management, size and facilities thus providing a rich cross-section and sample. The data on capacity and utilization was also collected.

As part of this research, 60 operational senior living community projects were enumerated across India. These had, in total, 12,695 units comprising of apartments, row houses, cottages and villas.

[1] As per the data published by Helpage India in 2009, in India, there are 1,176 senior living facilities in the country. Kerala had the highest number of senior living facilities (182), whereas West Bengal stands at the second position with 164 senior living facilities, followed by Tamil Nadu (151), Maharashtra (133), Andhra Pradesh (114), Karnataka (91), and Gujarat (77). Our sample validation found that since then, many of these facilities have closed or are operating only in name.

Assuming that 10% of the total capacity could not be enumerated for various reasons, and each unit contributing 2 beds, the estimated capacity in senior living communities adds up to 27,900. **The total capacity across both types of senior living facilities is, thus, estimated at 97,000 beds (rounded).**

DEMAND FORECAST IN FUTURE YEARS FOR SENIOR HOUSING FACILITIES

Taking into account the drivers of future demand, this study estimated the demand for senior living facilities over the next 10 years. For this purpose, data was analyzed for India and 24 other countries with a wide range of economic development indicators and demand for senior living facilities.

Correlation between GDP per capita in PPP terms and the number of beds per thousand elderly above 60 years of age indicates that the **need for senior living may rise to around eight to ten lakh beds in the next 10 years, which is an eight to ten-fold increase over the current base** implying a compounded increase of ~25 % annually each year.

BASELINE OF STANDARDS AND PREVAILING NORMS

The study looked at the experience of states as well as the norms and practices prevalent at the facilities currently. The study included states/UTs such as Tamil Nadu, which has laid out basic minimum standards and norms in recent years, Madhya Pradesh and Daman & Diu; interviews with experts, practitioners and government officials and visits to actual facilities, to understand the experience and reasons behind the current situation.

Given the variety of facilities present, the sample covered different types of facilities including those in major cities like Delhi and Mumbai, old age homes in tier-2 cities like Coimbatore and Pune, old age homes for the destitute/lower-economic class, old age homes for middle-class and upper-middle class and senior living developments ranging from economy to luxury in different parts of India.

FINDINGS:

- Study revealed a yawning gap between expectations and delivery of services at most elder care facilities
- Despite provisions in the National Policy, there is nothing substantial implemented to address elder care needs
- Senior Citizen Homes run by private organizations and charity homes only address the needs of a fraction. There is no way of evaluating the quality and appropriateness of the services
- Not only does it leave elderly residents at these homes vulnerable, it also provides no incentive for the facility owners and managers to improve

EMERGING STANDARDS AND IMPLEMENTATION FRAMEWORK FOR INDIA

Based on global experience and best practices, discussions and inputs from experts in developed eldercare markets, consultations with experts and practitioners in India as well as an understanding of the baseline, the study has **identified 5 key result areas and 28 performance metrics** which offer a set of comprehensive, measurable and practical standards.

The study recommends that minimum standards should be made mandatory, and implemented through compulsory registration, annual filings and periodic inspections. Certification for higher than mandatory ratings through an accreditation type process is recommended to be kept voluntary. This will ensure that while every facility meets the minimum standard, the cost of detailed certification and accreditation, however small, is not imposed on everyone. Higher ratings would help participating facilities communicate their value proposition effectively and even be able to command a premium where desired.

DEVELOPMENT OF DRAFT STANDARDS AND IMPLEMENTATION FRAMEWORK

Data collected from the site visits coupled with expert interviews and study of benchmarks were used in the selection of design principles, to develop frameworks for implementation of standards. Based on the desired outcomes, the key performance areas were defined and validated. The minimum standards have been developed with sensitivity to India's unique context of affordability, variety, ownership, regulatory sophistication and experience with implementation.

OPERATIONS AND NORMS PREVALENT AT SENIOR LIVING FACILITIES

As part of the study, 27 senior living facilities were visited. These included 23 facilities in India and 4 facilities in US. In order to develop a robust understanding, in-depth interviews were conducted along with observation and further probing on areas of interest. The general situation of senior living facilities (both government and private run) reveals several shortcomings like lack of hygiene, little or no emphasis on safety, dignity and privacy of elders and skewed staff to resident ratio that require immediate attention.

Following were some of the key observations:

- The differences between elder care facilities are often a result of multiple factors viz. general apathy for well-being of elders, lack of funds, absence of any geriatric care training, no regulations or minimum standards, no awareness of best practices, lack of any oversight and even diverse cultural practices.

- While some facilities and management are interested in improving the quality of care they provide, there is no source of knowledge or guidance for them in the form of standards and best practices.

- There is a huge difference in the way shelters for destitute, privately owned senior living facilities and premium senior living developments run and implement elder care practices. Even within each category, there are significant variations.

- Absence of standards and any form of credible rating creates opacity for prospective users on one hand and reduces any incentive for a facility to improve its services and positioning.

- While some basic infrastructure and space was necessary, it was not the biggest determinant of care and satisfaction of residents. Rather, aspects such as attitude of staff, opportunity to exercise choice even if with small things such as what time to have a meal, ability to interact with people from outside contribute much more to their satisfaction and happiness.

Examples of Good Practices in India

Case 1 - One of the senior living facilities has created a voluntary advisory committee which works with the management and residents are also encouraged to meet the members to identify, and resolve any care-related issue.

Case 2 - Initiatives like hosting daily satsang, allowing school students to play and engage with elderly residents to facilitate community interaction of elder residents takes care of their emotional and recreational needs effectively.

However, effective methods of enabling interaction between residents and community through "open door" policies are more of an exception rather than the rule and were found only at a few facilities.

COUNTRY COMPARISON CHART OF STANDARDS FOR SENIOR LIVING FACILITIES

Observations and common emerging ideas from the comparison:

- Seven broad themes that are relatively comprehensive and cover the standards across all countries, albeit with different emphasis.
    - Choice of home
    - Health & Personal care
    - Daily life & Social activities
    - Complaints & Protection
    - Environment
    - Staffing
    - Management & Administration)

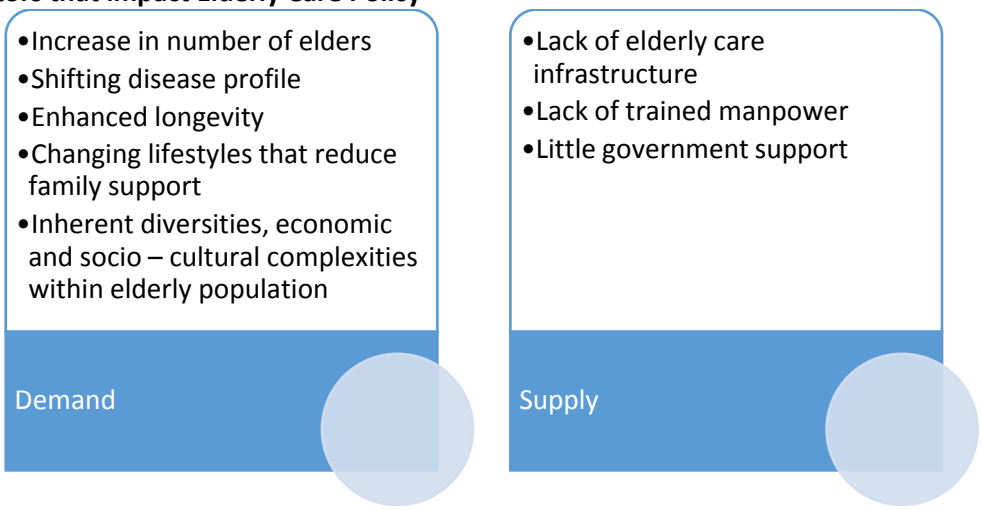
- The elder care systems in China and the state of Tamil Nadu in India are extremely focused on infrastructure (easily measurable aspect of the elder care).

- Hong Kong has an institutionalized elder care system with more focus on staffing and less emphasis on independence of elder residents.

- The systems in developed nations emphasize more on the qualitative aspects of care like dignity, independence etc. whereas in the developing nations focus is higher on the physical aspects of elder care like environment, staffing etc.

FRAMEWORK FOR STANDARDS AND IMPLEMENTATION

Factors that impact Elderly Care Policy



The development of the proposed framework of standards and implementation for senior living facilities was based on three key components:

- What should the **standards** be?
- Should the **implementation** be mandatory or voluntary?
- Who should be **responsible** for implementation?

RECOMMENDATIONS

1. **Standards** which carefully combine input-oriented and output-oriented measures are recommended.

Explanation – UK has evolved a highly outcome-oriented system of standards for senior living and eldercare which is a benchmark in many ways. They focus on delivery to the residents and use measures such as satisfaction with care. In China, and for most attempts in India so far, the focus has been on input-oriented measures reflecting the nascence of the system. These, such as space per resident, are generally easier to measure.

2. **Implementation** is recommended that meeting minimum standards be made mandatory for all facilities, while a voluntary accreditation be offered which will likely be availed by management of living facilities who wish to exceed the minimum and utilize a transparent and credible way of communicating this to potential residents, users and even funding organizations.

Explanation – Standards should be an instrument for compliance or to enable quality improvement at the facilities. The recommendation is made considering the current state of senior living sector, effort involved in reviews and regulatory capacity and the need to safeguard the interests of elderly using the senior living facilities of all kinds.

3. **Responsible** - recommended that an independent agency, much like QCI in India which runs accreditations programs in healthcare and related areas, be established / asked to run

mandatory checks and accreditation programs. In addition, an online registry for annual filing and self-reporting is recommended to be setup.

Explanation - Independent regulators have been found to be the most effective by far based on analyses of the respective advantages and shortcomings of various options and actual impact in different countries and sectors.Such data reporting systems play a critical role in the maintenance of standards in both USA and UK.

RECOMMENDED STANDARDS FOR SENIOR LIVING FACILITIES

Quality of care and affordability are two key factors considered in developing the standards. For example, elements such as developing linkages with local community that contribute to better care but do not add cost in implementation have been emphasized. This is in recognition of the fact that funds are scarce in this sector and a large number of facilities will find it difficult to bear additional burden of compliance or to pass it on to consumers.

The report has identified 28 performance areas to cover the five areas, including both qualitative and quantitative criteria. For each of the 28 performance areas, the minimum standards were defined which are proposed to be mandatory irrespective of the type and class of senior living facility.

RECOMMENDED MECHANISM FOR IMPLEMENTING STANDARDS

The report recommends the following for an effective implementation process:

- A set of minimum standards to be mandatorily implemented across all senior living facilities – through a compulsory registration, annual filings and periodic inspections.
- Beyond the minimum standards, an accreditation process for higher standards must be kept voluntary.
- Shelters for destitute, which are resource constrained, should be provided a relaxation period to improve facilities and upgrade their service quality to recommended minimum standards with necessary help from the government.
- Implementation and review through a combination of a third party independent regulator and voluntary ombudsmen or equivalent from civil society.
- Training and certification of sector workers.
- Training of ombudsmen through accreditation body.
- Establishment of model old age homes.

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