Table 1: Comparison of Funding Systems of Different Models of Social Care and Associated Challenges to Long-Term Financial Sustainability

Model	Funding Source(s)	Challenges to Long-Term Financial Sustainability
Australian Model	Tax Revenue and User Charges. Users pay between 4 and 10 per cent of community care costs and user charges are means tested. The basic daily fee payable by users in residential care covers accommodation and living costs. For those accessing residential and home care, this is set at 85% and 17.5% respectively of the single-person state pension.	Ongoing financial instability and increased pressure from population ageing means that user contributions will likely need to increase further. Changing patterns of care needs, with more people requiring care at home, means more individuals will be required to pay more for their care in the future because individuals with incomes higher than the full state pension pay more towards their care.
US Model	Private Funding by Individuals. Social care costs are not covered by Medicaid per se	Sustainability of the model is dependent on the wider economy.
Alaskan Models	Alaska has its own version of Medicaid, which covers some of the health-related costs associated with home care.	Like with the US model, financial sustainability is dependent on the wider economy.
Canadian Model	Provincial governments provide programs that cover part of the costs of care services. About 78.4% of funding for social care comes from governments, 3.3% from private insurers, and 18.3% from out-of-pocket spending by individuals. The Federal Parliament relies on its spending power inferred from sections 91(1A), 91(3) and 106 of the Canada Health Act to provide the Canada Health Transfer to the provinces under the Federal-Provincial Fiscal Arrangements Act.	Short political cycles (2-4 years) may negatively affect the potential of funding reforms.
Japanese Model	Consists of a mandatory social insurance scheme. Half the revenue comes from general taxation, with one-third coming from premiums from people aged 40–64 and one-sixth from people over 65. User co-payments account for the rest.	Rapid growth of an aging population means that sustaining the system depends on willingness to expand welfare and insurance schemes.

EU Countries (Netherlands, Germany, and France)	In the Netherlands and Germany, mandatory social care insurance schemes are funded by general taxation at central government level. In France, it is funded by taxation at central government level and at the regional government level.	These social insurance-based schemes are coming under increased pressure from ageing populations. Schemes relying on a single source of funding are more vulnerable to economic fluctuations.
Swiss Model	Financed directly by contributions from taxation and a compulsory health insurance system that also provides for social care services. Personal contributions account for a high proportion of total financing in Switzerland compared with other countries (30%, while the average internationally is only 13.5%).	The financial burden on those in need of care and on the municipalities will reach the limits of feasibility in the near future.
Nordic Models (Sweden, Norway, Denmark, and Finland)	The state and local authorities heavily subsidise care services, financed through income and local taxes.	Universality of future provision is increasingly coming into question given the aging populations of the Nordic countries.
New Zealand Model	Social care services are part of a health board's allocation, funded through tax revenue.	Financial sustainability of the integrated system is dependent on increased spending on community-based services.
UK Countries (Scotland, England, Wales, and Northern Ireland)	Each of the four National Health Services are funded primarily from general taxation gathered at a UK level. Funds are distributed to the devolved governments through the Barnett formula.	Social care in all four countries is experiencing pressure from population aging. Growing rates of health inequality suggest that demands for long-term care will likely increase further in the future.