

**Request for Aid in Financing Nursing Home Placement
for Needy Shoah Survivors**

**Application from the World Jewish Restitution Organization (WJRO)
for Funding from the Swiss Bank Claims
(Holocaust Victims Assets Litigation, No. CV-96-4849 (ERK)(MDG))**

Executive Summary

Some 47 percent (508,100) of all Holocaust survivors live in Israel, according to Prof. S. DellaPergola (2003). The magnitude of the needs of needy Shoah survivors is very great and will remain significant even up to the year 2010. Among these needs is nursing home care.

Long-term nursing home care for the elderly in Israel is subsidized by the government; the level of government funding is considerable¹ and increasing. Nevertheless it is insufficient to meet the rising needs of the country's elderly population due to multiple factors, including increased longevity, immigration of elderly, particularly from the former Soviet Union, rise in disability and changing social forces. Therefore, people requiring subsidized nursing home placement, over half of whom are Shoah survivors², must take their place on a long waiting list. The waiting period is currently about eight months on average. This leads to much suffering for the patients themselves – and their families.³ Most of these patients are bedridden, many are cognitively impaired, and they require 24-hour care for their basic needs.

It is projected that though the absolute number of Shoah survivors in Israel will decrease between 2004-2009, their rate of institutionalization will increase as they age, this offsetting their diminishing number. Therefore, the projected absolute number of Shoah survivors in institutions will in fact remain stable over that period of time. This means that the number of new patients who require nursing home placement in any one year will equal the number of those who have died there.

¹ About NIS 1.2 billion for nursing home placement in 2004, which subsidizes over 70 percent of licensed beds (Ministry of Health data).

² According to the "wide" definition, including people who lived in countries under Nazi rule or that of their allies.

³ Currently, at any given moment, there is a waiting list of 2,800 people for subsidized nursing home placement, of whom about 1,400 have completed all required procedures, yet must wait over six months on average, in situations of great suffering.

Our goal is to provide accommodation and the full gamut of care in nursing homes for needy Shoah survivors during the waiting period for government funding, in order to minimize the suffering of the neediest and the most helpless of this population group. It is estimated that during a year about 1,800 needy Shoah survivors pass through the waiting list; it is anticipated that this number will be stable for the period 2005–2010 – the period for which we request funding.

The requirement is for US \$21.7 million a year for six years. This will finance an eight-month waiting period for the estimated 1,800 needy Shoah survivors who will be newly registered each year on the waiting list for government funding for nursing home placement. This calculation takes into account that patients on this program (and their families) will pay an average co-payment of 25 percent (as is the case for the Ministry of Health subsidy system, based on current data). Altogether, over six years, this program will ensure that there is no waiting period for the 10,000 and more needy Shoah survivors who are expected to require subsidized nursing home placement during that period.

This aid to needy Shoah survivors will be administered by the World Jewish Restitution Organization (WJRO), according to an agreement between WJRO and the Ministry of Health. Specifically, assistance granted by WJRO during the waiting period will in no way affect a person's placement on the waiting list for a Ministry of Health subsidy. The WJRO has a proven track record in administering support to needy Shoah survivors, and was the implementing partner with the Swiss Fund for Needy Victims of the Holocaust for distribution to Jewish beneficiaries worldwide.

These services will complement those which will expand social care in the community to those needy Shoah survivors who are still able to live in their natural home environment but do not yet benefit from these services because of budgetary restrictions, and for which a separate application for funding has been submitted to the Court.

Together, these two applications will supplement and expand existing vitally important services in Israel for the most needy Shoah survivors, thereby significantly enhancing their quality of life.

Background

1. Immigration of Holocaust Victims to Israel: Health and Welfare Implications

Prior to 1948, and during the first years of the State of Israel, tens of thousands of refugees from countries occupied by the Nazis and their allies arrived as new immigrants; many of them were suffering from the shocking affects of their experiences in the Holocaust, whether in the ghettos, concentration camps, labor camps, as partisans or sufferers from various atrocities and deprivations. Most of them arrived in the country with little more than the clothes on their back, and the state had to provide them with all of life's necessities, including health care. Some required immediate hospitalization for mental and physical conditions, including long-term medical and psychiatric care, while others developed health problems years later, due to the extreme physical and mental hardships they had endured.

In the 1990s, a second wave of Holocaust survivors arrived to Israel, this time from the Former Soviet Union (FSU). A substantial number of the new immigrants were elderly (121,000 of them were aged over 65 years of age), and now account for almost a quarter of Israel's elderly citizens⁴. Many of them either experienced the Holocaust directly or were veterans who had fought in World War II against the Nazis and consequently suffered physical or mental harm. Most of these immigrants had no property or monthly income, and the state has had to provide for their every need. Moreover, many of them arrived in poor health.

Analysis of demographic data reveals that over 50 percent (359,600 people) of Israeli residents over 65 years of age were born in Europe (including the European parts of the Former Soviet Union) prior to, or during, World War II. Examination of this data shows that a little over 40 percent of those aged over 60 in Israel are, in fact, Holocaust survivors. Their share in nursing homes and psychiatric hospitals is even higher than their percentage in the general population, due to familial and cultural structures, and the fact that many of them have no living relatives in Israel who can take care of them.

2. Demographic Changes – Ageing of the Population

Since the birth of the state in 1948, the number of elderly (over 65 years of age) in the country has multiplied twelve-fold (1,200 percent increase), due to both immigration and aging of the population. While in 1948, the percentage of older people in the general population was five percent, it is now ten percent and growing (656,200 people in the year

⁴ Clarfield AM, Care of the Elderly in Israel: Present and Future. Clinical geriatrics, Special Issue 2000, 8-5

2002⁵). The number of people aged 75+ has grown significantly, increasing 11.2 times since 1955.

- **Life expectancy**⁶ from birth is 76.7 for men and 80.9 for women. For those aged 65, life expectancy averages 16.4 for men and 18.7 for women; thus, on average, a 65 year-old man will live to 81.4 and a 65 year-old woman till 83.7. At 75, life expectancy is 10.2 years for men and 11.3 years for women (living, on average, up to 85.3 and 86.3, respectively), and at 80 it is 7.6 for men and 8.2 for women (87.6 and 88.2, respectively).
- **The projected number of elderly** (aged 65 and over) for 2010 is 721,000, with an estimated increase to 1,023,000 in 2020. Compared to 647,000 in 2002 this represents a growth of 11 percent by 2010 and 58 percent by 2020⁷. By comparison, the projected growth of the total population (all ages) by 2020 is only 32 percent (approximately half). By then, the anticipated growth rate of Israel's elderly will significantly outnumber that of the general population. Elderly currently make up 10 percent of the general population, will remain so until 2010 and will increase to 12 percent by 2020.
- Because of a lack of specific data on **longevity of Holocaust survivors**, the estimates of Brodsky, Be'er and Schoor, (JDC-Brookdale Institute, October 2003), regarding the future number of Holocaust survivors living in Israel until the year 2020 are based on the mortality rates of the general European and US-born population. According to this estimation model, but based on the 2003 number of Holocaust survivors in Israel as suggested by DellaPergola (511,000), this population would decrease to about 300,000 in 2010 and to about 90,000 in 2020.
- Israel's elderly use **health services** more than any other segment of the population, with doctor visits double those in the overall population. In addition, the rate of hospitalization is an estimated three times that of the total population.
- The number of **disabled elderly** who need daily assistance (ADL: washing, dressing, eating and mobility) has grown rapidly. The recent massive immigration from the FSU has contributed to an overall increase in the number of disabled elderly. Currently the

⁵ Statistical Abstract of Israel 2003, no.54, Central Bureau of Statistics, Table 2-10

⁶ Sources: Central Bureau of Statistics; National Insurance Institute; Ministry of Health; Ministry of Labor and Social Affairs; ESHEL-Computerized Data Base on Services for the Elderly; and MASHAV - Planning for the Elderly: A National Data Base, JDC-Brookdale and Eshel.
www.jointnet.org.il/brookdale/pages/aging/aging_spreports.html.

⁷ The latter due to aging of the baby boom generation.

estimated number of disabled elderly in the community is about 110,000⁸, comprising about 15 percent of Israel's elderly, of these about 25,000 are severely disabled⁹. This is in addition to the 18,000 persons in nursing homes and some 12,000 in homes for the frail (through the Ministry of Welfare). The projected number of disabled elderly is expected to increase by 23 percent over the years 2000-2010.

3. Poverty

Recent statistics indicate that “two-thirds of [Israel's elderly] fall into the lowest 30 percent of income.”¹⁰ Those elderly who worked receive employment pensions that supplement a minimal monthly social security old age pension paid by the National Insurance Institute (NII). Unfortunately, there are many elderly, particularly those who immigrated from the FSU in the past decade, who live solely on social security pensions, which provide “a minimal level of existence.”¹¹ About one third of all elderly receive minimum income payments from the National Insurance Institute to supplement their income as they have insufficient income for their livelihood.

These statistics have been strengthened by recent research by the Brookdale Institute (“The Consequences of Financial Difficulties for the Lives of the Elderly,” September 2003), according to which one in every five elderly person in Israel is hungry and 32 percent of the elderly complain of cold in the winter months because they cannot afford to heat their homes. Of those who have children, 18 percent do not telephone their children because they cannot afford the telephone bill and 17 percent do not visit their children, other family members or friends because they cannot afford the costs of transportation.

4. Government Support for the Elderly – General

Since its inception, the State of Israel has set among its goals to be a welfare state, supporting the weak, poor and needy sectors of the population. However, due to social factors, including employment history, the financial self-sufficiency of the older population in Israel is significantly less than that of the general population, and more than 18 percent fall below the poverty line¹². With the current economic situation in Israel, their situation is deteriorating even more.

⁸ According to the number of recipients of the Nursing Insurance Benefit in the community (Nursing Insurance Law 1988).

⁹ Receiving the maximum benefit under that law.

¹⁰ “Pensioner Power,” Jerusalem Report, December 15, 2003, page 13.

¹¹ “Report: NII benefits lower than Western European Standards,” Haaretz, December 21, 2003.

¹² Clarfield AM, Paltiel A, Gindin Y et al. Country profile: Israel. J Amer Geriatr Soc 2000; 48:980-984

Among the services currently provided by the state for the elderly, are old-age pensions, additional income allowance for those elderly who do not have a work-related pension, at-home personal nursing and care services for disabled elderly in the community (according to the National Insurance Law¹³), and additional community services through the social system (administered by the Services for the Elderly of the Ministry of Social Affairs). Health care is universal, through the National Health Insurance Law. Institutional services subsidized by the state include institutions for the frail elderly (administered by the Ministry of Social Affairs), nursing homes for the elderly who are severely disabled and/or cognitively impaired (administered by the Geriatric Division of the Ministry of Health), specialized wards in mental institutions (administered by Mental Health Services in the Ministry of Health), and more.

With the young state was fighting for its life, funding was scarce, and the Conference of Jewish Material Claims Against Germany helped considerably in financing the establishment and development of these facilities for the elderly. The financial support provided by the Claims Conference was under the condition that at least 40 percent of the patients in such facilities would be needy Shoah survivors¹⁴, and indeed that is the way it has been.

For the majority of Holocaust survivors there are no specific social safety nets available. The few exceptions are benefits provided for a relatively small number of needy Shoah survivors who have been individually recognized as having a specific disability directly caused by Nazi actions. These benefits are administered by the Bureau for Rehabilitation of Holocaust Survivors of the Finance Ministry.

Fields of Activity of the Bureau for Rehabilitation of Holocaust Survivors

The Bureau serves three categories of invalids:

1. Approximately 41,400 disabled victims of Nazi persecution;
2. 8,500 disabled victims of the war against the Nazis;
3. 3,500 disabled victims who resided on German soil as of January 1, 1947.

These invalids are entitled to a series of rights and benefits including:

- A lifetime, monthly, fixed annuity according to the level of disability, which is subject to increase according to needs as determined by test of income.

¹³ National Insurance Law [integrated version] 5755-1995, published in *Sefer HaChukim (Book of Laws)* 5755, p. 210.

¹⁴ The Public Committee for checking the conditions of Holocaust Survivors in Psychiatric Hospitals.

- Free medical treatment for all ailments proven to be the outcome of events and deprivation during the war, over and above what is included within the National Health Insurance Law; these, however, do not include nursing home costs.
- Ex-gratia benefits, grants and allowances.

Budget Cuts in Government Support for the Elderly

Since the onset of the second Intifada in October 2000, Israel has faced economic and security crises. National security expenses, which have always been high in Israel, have increased to meet the growing security needs. In addition to a worldwide economic recession, Israel has experienced a decrease in the tourism industry due to on-going security threats. As the security situation and local economy became less stable, Israel experienced a significant decrease in foreign investments and a decline in GNP per capita of six percent. The Government of Israel also faced a shortage of twelve billion NIS in income tax, which has translated into major cuts in government ministries and services provided to the public, including social security allowances and various subsidies to new immigrants. In short, the past three years have had a devastating impact on Israeli's national economy and social safety net, specifically for the elderly. This has caused a relative shortage of services for the elderly, including needy Shoah survivors.

5. Geriatric Hospitals (Nursing Homes for the Elderly)

Nursing homes, known as geriatric hospitals or geriatric institutions, are a central component of aid for the disabled elderly – specifically those who can no longer be cared for in the community. There are over 300 geriatric hospitals across Israel that are licensed by the Ministry of Health¹⁵, comprising about 18,000 beds, 60 beds per 1,000 persons 75 years and older. These hospitals provide care for patients who are severely disabled, physically and/or cognitively, and can no longer remain in the community; 81 percent of these patients are 75 years and older.¹⁶ The geriatric hospitals, in order to maintain their Ministry of Health license, are required to meet specific standards regarding design and structure of facilities, manpower, equipment, quality of care, etc. The Geriatric Division of the Ministry of Health, in cooperation with local public health units, supervises these institutions continually to ensure a high quality of professional care. Currently there is no lack of geriatric nursing beds across the country – but a lack of financing for the stay there.

6. Financing of Care in Geriatric Hospitals

¹⁵ Public Health Ordinance, 1940 article 25.

¹⁶ According to patient database of Geriatric Division, Ministry of Health (2001)

6.1 State Budget

The cost of nursing home placement for the disabled elderly who can no longer be cared for in the community is very high¹⁷. The state helps the patients and their families by paying part of the fee on a sliding scale based on socio-economic criteria of the individual and his/her family. On average, the state pays 75 percent of that cost, thereby funding over 70 percent of licensed nursing beds. Ministry of Health data show that the state budget allocated to subsidizing nursing home care has continually increased over recent years, and the number of people subsidized increased by 6.7 percent annually on average during the period 1990-2004¹⁸. The current budget for nursing home subsidies in 2004 is over NIS 1.2 billion (about US \$270 million), comprising 5.8 percent of the Ministry of Health budget and 3.9 percent of the total health care budget (which includes the budget for the National Health Insurance Law).

Despite budget cuts in numerous social services, the budget for nursing home subsidies has been increased for 2004. Nevertheless, increased demand and rising costs of nursing home care have led to an increase in the waiting list for subsidized nursing home placement.

The average length of stay in nursing homes for people eligible for government subsidies is about three years, and increasing. The majority of patients in nursing homes stay there till their death. New patients are admitted based on bed availability.

¹⁷ The price of nursing homes in Israel ranges between NIS 8,500-11,000 (US \$1,900-2,400), monthly.

¹⁸ Details of government funding of subsidized nursing home placement according to Ministry of Health budget:

YEAR	NUMBER OF PEOPLE RECEIVING SUBSIDIZED NURSING CARE IN GERIATRIC HOSPITALS	% INCREASE FROM PREVIOUS YEAR
1991	4,400	10.0%
1992	4,650	4.5%
1993	4,990	5.9%
1994	5,456	7.7%
1995	5,781	5.0%
1996	5,781	0.0%
1997	7,100	19.2%
1998	7,900	9.8%
1999	8,750	9.4%
2000	9,450	7.1%
2001	10,050	5.7%
2002	10,300	2.2%
2003	10,900	5.3%
2004	11,200	2.5%

Currently, at any given moment, there is a waiting list of 2,800 people for subsidized nursing home placement, of whom about 1,400 have completed all required procedures yet continue to wait over six months on average, in conditions of great suffering. Currently, during a year, there are some 3,600 new patients who require subsidized nursing home placement (300 persons per month on average), at least half of them are needy Shoah survivors – an estimated 1,800 per year.

There are almost 18,000 disabled elderly suffering from both physical and age-related mental disabilities (such as dementia) and receiving nursing care in geriatric hospitals in Israel; approximately 12,000 of them receive some level of financial support from the state. However, the remaining 30 percent of people in these institutions do not receive any subsidies to help finance their hospitalization. A considerable percentage of these are waiting for state-subsidized placement and in the interim must pay out-of-pocket for their stay. It should be noted the cost of geriatric hospitalization, some NIS 10,000 per month (about US \$2,200) is more than the average Israeli salary, and far more than the income of the majority of the elderly, and is thus a great financial burden on patients and their families, even for a few months. The result is that those who can afford to do so, pay the institutions privately, while more often than not, others wait their turn at home for subsidized placement, relying on the assistance of lay care-givers¹⁹ and family members, who fulfill this heavy burden to the best of their abilities.

6.2 Procedure for Receiving State Subsidy

The subsidy for nursing home placement is given to the individual patient based on both medical and socio-economic criteria. In the first stage of the process, an interdisciplinary team of a geriatrician, nurse and social worker establish that the patient requires full assistance in the basic activities of daily living, and cannot receive the necessary help at home. Then the financial situation of the patient, spouse and children is investigated: the subsidy from the Ministry of Health is progressive, the highest being for those with the lowest income and no savings²⁰. The Ministry of Health pays the full cost to the nursing home for those eligible, and collects the progressive co-payment from the patients and their families. The Ministry of Health has an appeals committee that deals with appeals concerning co-payment on a national level. A separate appeals procedures reassesses applicants through the Geriatric Long-Term Care Team at the local health unit level.

¹⁹ State finances a maximum of 15 hours per week of personal care in the community, based on the Nursing Insurance Law (1988).

²⁰ Family co-payment national average is approximately NIS 2,400 (US \$530) monthly.

6.3 Growing Need

The budget necessary for this vitally important aid is, thus, always insufficient, and there is a constant waiting list for nursing home funding, which is lengthening as the population grows older and the number of elderly disabled people increases. The situation is further exacerbated by current socio-economic trends. The number of people requesting subsidized nursing home care is expected to continue rising at an estimated six percent per year.

The specific nursing home needs of Shoah survivors has been studied recently²¹. The number of survivors who would be living in institutions was estimated using the institutionalization rates of people born in Europe, as found in the census of the residents of institutions, carried out by the JDC-Brookdale Institute in 1999-2000. Assuming these specific rates (by gender and age) for the years 2005-2010, it is projected that though the absolute number of Holocaust survivors will decrease, their rate of institutionalization will increase as they age, this offsetting their diminishing number. Therefore, the projected absolute number of Holocaust survivors in institutions will in fact remain stable over that period of time. This means that the number of new patients who require nursing home placement will equal the number of those who have died there, during each year. According to this, we have assumed a constant number of about 1,800 needy Shoah survivors per year, for the period 2005–2010 – the period for which we request funding – who will newly require nursing home placement, and will be on a waiting list for an average of eight months, unless additional funds to meet their particular needs become available.

7. Request for Support to Increase Service

There is an urgent need to improve solutions for people awaiting government subsidies for nursing home placement, particularly given the growing waiting list, the length of time people must wait, and the suffering involved. This is particularly important for needy Shoah survivors, who have endured much suffering. It is only just that additional suffering be minimized in their old age and sickness.

Given that government funding cannot provide prompt nursing home solutions, we request support from Holocaust-era communal property of Jews in Europe, in order to increase services by alleviating this shortage of subsidized nursing beds for needy Shoah survivors.

We request US \$21.7 million for six years, totaling US \$130 million, to be distributed over that time period, to finance nursing home placement for needy Shoah survivors while they

²¹ Holocaust survivors in Israel: Current and projected needs for home nursing care, Jenny Brodsky, Shmuel Been, Yitschak Schnoor, JDC- Brookdale Institute, October 2003

are on the waiting list for government funding (generally around eight months). This sum will, at current rates, enable about 1,800 people to receive this aid per year, taking into account an average co-payment by patients and families of 25 percent, based on current Ministry of Health data. Over the six-year period a total of over 10,000 needy Shoah survivors will be served by this program. This aid will allow them to receive immediate nursing home treatment once they have been assessed as requiring this care, instead of waiting, as is the case now, for government funding to become available.

If the funds allocated by the Court do not suffice to cover full expenses of nursing home placement during the waiting period, they will be used to fund the most needy of the needy Shoah survivors on the waiting list, as determined by socio-economic criteria.

This aid to needy Shoah survivors will be allocated by the World Jewish Restitution Organization (WJRO) or another constituent organization to be determined, according to the outline of a proposed agreement between WJRO and the Ministry of Health.

Disabled needy elderly Shoah survivors (according to the definition presented at the beginning of this document) will be assessed according to medical and socio-economic criteria of disability and neediness that indicate their need for nursing home placement with financial support. Those found eligible will be accepted into the program and provided with places in nursing homes on program funding, with progressive co-payment according to their financial status.

The duration of program funding will be set according to the average waiting period for government subsidized placement, so that after the program-funded period in a nursing home, these needy Shoah survivors will immediately, with no additional waiting period, be transferred to nursing home placement with government support.

Specifically, assistance granted by the WJRO during the waiting period will in no way affect a person's placement on the waiting list for a Ministry of Health subsidy. The agreement with the Ministry of Health will ensure that people benefiting from this program will be admitted on government funding after exhausting their eligibility to program funding or when it is their turn according to the government waiting list, whichever comes first. It should be emphasized that there will be full collaboration between WJRO and the Ministry of Health to ensure smooth transfer from program funding to government funding, without additional wait time or delay on program funding beyond the time frame defined.

In order to use these resources in the best way to the full benefit of needy Shoah survivors, the Ministry of Health will take on itself the overhead expenses of the program, through its own administration, so that the program does not incur any overhead costs from its own budget.

In submitting this request to the Court, WJRO commits itself that any funds provided will be used solely for providing nursing care of high quality to needy Shoah survivors awaiting subsidized government placement. These funds will not replace government existing budgets but will support programs otherwise not available, thus preventing suffering during the waiting period.

The WJRO has a proven track record in helping needy Shoah survivors in Israel and throughout the world. It was the implementing partner with the Swiss Fund for Needy Victims of the Holocaust for distribution to Jewish beneficiaries worldwide of funds, and distributed some US \$175 million to 255,000 people.

These services will complement those which will expand social care in the community to those needy Shoah survivors who are still able to live in their natural home environment but do not yet benefit from these services because of budgetary restrictions, and for which a separate application for funding has been submitted to the Court.

Together, these two applications will supplement and expand existing vitally important services in Israel for the most needy Shoah survivors, thereby significantly enhancing their quality of life.