FINANCING LONG-TERM CARE FOR OLDER PEOPLE IN BULGARIA: PUBLIC RESPONSIBILITY, PRIVATE PARTICIPATION AND FAMILY SUPPORT IN A BALKAN CONTEXT

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Abstract: Population ageing is one of the most significant demographic and social policy challenges facing Bulgaria and the wider Balkan region. The growing share of older people creates an increasing need for long-term care services that are accessible, affordable, financially sustainable, and effectively coordinated across the health and social sectors. In Bulgaria, the development of long-term care remains situated between public responsibility, private participation and family support, while the boundaries between formal services and informal care are often insufficiently defined. The purpose of this paper is to analyse the financing of long-term care for older people in Bulgaria, with a particular focus on the interaction between public funding, private service provision, household expenditure and family-based care. The study applies a narrative review and policy analysis approach, based on scientific literature, demographic trends, national strategic documents and comparative observations from European and Balkan long-term care systems. The methodological framework includes document analysis, comparative interpretation and conceptual assessment of the main financing mechanisms relevant to the Bulgarian context. The analysis indicates that the Bulgarian model of long-term care remains fragmented and insufficiently developed, with limited integration between health care, social services and community-based support. Public financing has a central role in guaranteeing equity, solidarity and protection of vulnerable groups, but its effectiveness is constrained by insufficient resources, institutional fragmentation and uneven regional availability of services. Private participation may contribute to additional capacity, service diversity, managerial flexibility and innovation, particularly in larger urban areas, but it also raises important concerns regarding affordability, regulation, quality control and equal access. At the same time, families continue to carry a substantial part of the real financial, social and emotional burden of care. This dependence on informal support creates hidden costs for households and may contribute to reduced labour market participation, gender inequalities and increased social vulnerability. The paper concludes that sustainable long-term care in Bulgaria cannot be achieved through a single source of financing. A balanced model is needed, combining predictable public investment, regulated private participation, targeted financial support for households and stronger coordination between health and social care institutions. In a Balkan context, the Bulgarian case reflects a broader regional challenge: how to develop quality long-term care systems in societies with ageing populations, limited public resources and strong traditions of family-based support. Recommendations include the development of mixed financing mechanisms, expansion of home-based and community-based care, clearer quality standards, improved data collection and stronger public-private cooperation under transparent state regulations.
Keywords: long-term care, older people, public financing, private participation, family support

1. INTRODUCTION

Population ageing has become a structural challenge for European health systems, social policy and public finance. It changes not only the volume of demand for care, but also the way in which responsibility for care is distributed between public institutions, private providers and families. In the European Union, people aged 65 years and over represented 22.0% of the population on 1 January 2025, and Bulgaria was among the member states with the highest shares of older people, at about 24.0% (Eurostat, 2026). National statistics confirm the same trend: by the end of 2025, persons aged 65 and over in Bulgaria numbered 1,557,851, or 24.3% of the population (National Statistical Institute, 2026).

The Bulgarian case is particularly important because ageing is combined with population decline, regional depopulation, migration of working-age people and persistent inequalities in access to health and social services. The OECD reports that Bulgaria had around 6.5 million inhabitants in 2023, that the working-age population declined by 8.5% after 2011, and that the number of people aged over 65 increased by 26.2% over the same period (OECD, 2026). This means that the country faces a simultaneous increase in care needs and a narrowing base of potential contributors, care workers and informal caregivers.

Long-term care differs from acute medical care because it responds to prolonged limitations in functional capacity rather than to isolated episodes of illness. Older people may need support with daily activities, home assistance, rehabilitation, nursing care, social inclusion, palliative care or residential care. In Bulgaria, 24% of people aged 65 and over reported severe or some limitations in daily activity in 2021, and the share of the population aged 65 and over is expected to reach 30% by 2050 (OECD, 2026). These data show that long-term care is not a marginal social service, but a central component of population health and social protection.

In a Balkan context, the Bulgarian situation has broader relevance. Many countries in the region combine ageing populations, limited fiscal capacity, uneven territorial service coverage, developing private care markets and strong norms of family responsibility. For this reason, the key question is not whether long-term care should be financed by the state, the market or the family. The more important question is how these sources can be combined in a way that is socially fair, financially sustainable and institutionally coherent. The aim of this paper is to analyse the financing of long-term care for older people in Bulgaria through the interaction between public responsibility, private participation and family support.

2. MATERIALS AND METHODS

The paper applies a narrative review and policy analysis approach. The analysis is based on scientific literature, European and international reports, demographic data, national strategic documents and policy materials related to ageing, health systems, social services and long-term care. The review includes sources from Eurostat, the National Statistical Institute of Bulgaria, the European Commission, the Organisation for Economic Co-operation and Development, the World Health Organization and the Ministry of Labour and Social Policy of the Republic of Bulgaria.

The methodological framework includes three complementary steps. First, document analysis is used to examine the institutional and policy framework for long-term care in Bulgaria, including the National Strategy for Long-Term Care and the Action Plan for 2022-2027. Second, comparative interpretation is used to position Bulgaria within European and Balkan trends in ageing and care financing. Third, conceptual analysis is applied to assess the relationship between public financing, private participation, household expenditure and informal family support.

The study does not present primary empirical research. Its contribution is an analytical synthesis of existing evidence and a policy-oriented interpretation of the financing problem. This approach is appropriate because long-term care in Bulgaria remains a developing policy field in which responsibilities, service models and financing instruments are still evolving. The focus is therefore placed on structural relationships rather than on a single programme or institution.

3. RESULTS

The analysis identifies three main financing pillars of long-term care for older people in Bulgaria: public responsibility, private participation and family support. These pillars are not separate alternatives. They coexist in everyday practice, but they are not yet organised within a sufficiently integrated financing architecture. This creates gaps in access, uneven quality and a significant transfer of costs from formal systems to households.

Public financing remains the foundation of equitable access. It is particularly important for older people with low income, chronic illness, disability, reduced functional capacity or limited family support. However, public responsibility in Bulgaria is distributed across different institutional channels: health care financing, social assistance, municipal services, European funds and targeted programmes. Older people often need a combination of medical and social support, but the financing and management of these services remain divided. The result is a system in which families frequently become the practical coordinators of care.

The national strategic framework recognises this problem. The National Strategy for Long-Term Care and the Action Plan for 2022-2027 emphasise deinstitutionalisation, support in the community, home-based services and prevention of institutionalisation (Ministry of Labour and Social Policy, 2014, 2022). The European Commission also identifies Bulgaria's reform of social services as part of the transition from institutional to community-based care and links it to the principles of independent living and freedom of choice (European Commission, 2024). At the same time, the implementation gap remains visible. The European Commission's 2026 country analysis notes that Bulgaria's shift towards community- and home-based services is advancing, but requires a sustained approach until 2035; it also reports that 29.4% of people in need of long-term care go without professional homecare services for financial reasons, around three times the European Union average (European Commission, 2026).

Private participation has become increasingly relevant, especially in larger urban areas. Private providers can add service capacity, investment, managerial flexibility and diversity of choice. They may also respond more quickly to unmet demand in areas such as residential care, home assistance, rehabilitation and palliative support. Yet private financing produces a clear social medicine dilemma: it may increase the supply of services while simultaneously limiting access for people with low pensions, poor health or weak family networks. If private provision develops without transparent regulation, quality standards and affordability safeguards, it may deepen the very inequalities that long-term care policy should reduce.

Family support remains the third and often least visible financing pillar. In Bulgaria, as in many Balkan societies, families continue to provide practical, emotional and financial care for older relatives. This support has strong cultural and social value, but it also carries hidden costs. Informal caregivers may reduce working hours, withdraw from employment, postpone their own health needs or assume direct household expenses for medicines, transport, home adaptation and paid help. The burden is often gendered, because women are more

frequently involved in unpaid caregiving. These costs rarely appear in public budgets, but they shape the real economic burden of long-term care.

The results show that the Bulgarian model is not only underfinanced; it is insufficiently integrated. Public, private and family resources already form a mixed system, but the mix is often informal and uneven. The central weakness is not the existence of several financing sources, but the absence of a coherent framework that defines their roles, protects vulnerable users and measures outcomes.

4. DISCUSSIONS

The central policy challenge for Bulgaria is to move from fragmented assistance to an integrated long-term care system. Public financing is indispensable because long-term care is closely related to vulnerability, dependency, disability, poverty and social isolation. However, demographic ageing makes it unlikely that public financing alone can cover all future needs. Private participation can contribute capacity and innovation, but it cannot replace public responsibility. Family support remains important, but it should not be treated as an unlimited and cost-free resource.

A sustainable financing model should therefore be mixed, but deliberately designed. It should combine predictable public funding, regulated private provision, income-sensitive co-payments, targeted support for households and expansion of home-based and community-based services. The policy objective should not be the expansion of residential care alone. A mature system requires a continuum of services: prevention, rehabilitation, home assistance, day care, respite care, integrated health and social support, residential care when necessary and palliative care at the end of life.

The need for integration is also supported by the health system evidence. The OECD notes that Bulgaria has taken steps toward deinstitutionalisation, but long-term care and palliative care remain uneven, insufficiently coordinated and not well integrated across the health system (OECD, 2026). This has direct financial implications. When home and community services are unavailable, families either provide unpaid care or pay privately. When primary care, hospitals, social services and municipalities are not connected, older people may enter more expensive and less appropriate forms of care. Fragmentation is therefore not only an administrative problem; it is also a financing problem.

The Balkan context should be considered carefully. Western European models based on high levels of taxation and extensive formal care infrastructure cannot simply be copied. Bulgaria and neighbouring countries need context-sensitive reforms that respect family traditions while reducing excessive dependence on them. A realistic approach would strengthen formal services gradually, support informal carers, improve municipal capacity and use private providers under clear public rules. In such a model, the family remains a partner in care, not the default financing mechanism of last resort.

Quality and data are decisive. Long-term care financing should not be assessed only through expenditure levels or number of places. Relevant indicators include affordability, waiting time, territorial coverage, continuity of care, user satisfaction, caregiver burden, safety and avoidance of unnecessary hospitalisation. Better data collection would make visible the needs that are now hidden in households and would allow public money to follow assessed need rather than institutional habit. Without such information, policy remains reactive and families continue to absorb system failures.

5. CONCLUSIONS

Long-term care for older people in Bulgaria is becoming an increasingly important issue for social medicine, health policy and public finance. Demographic ageing increases the need for continuous care, while the existing financing and organisational model remains fragmented between public institutions, private providers and families.

The analysis shows that public financing is necessary for equity and social protection, but it must become more predictable, better coordinated and more closely linked to integrated care. Private participation can contribute to capacity and innovation, but it requires transparent regulation and quality standards. Family support remains central in the Bulgarian and Balkan context, but its hidden economic and social costs should be recognised and addressed through policy measures.

The future development of long-term care in Bulgaria requires a balanced financing model based on mixed funding, stronger integration between health and social services, expansion of home-based and community-based care, improved quality control and better data collection. The Bulgarian case illustrates a broader Balkan challenge: how to build care systems that respect family solidarity, but do not rely on it as the main mechanism for financing and delivering long-term care.

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