Social Isolation
A major cost to the healthcare budget and older Australians

What is social isolation?

Social isolation can be defined as the absence of relationships with family or friends on an individual level, and with society on a broader level. Objective measures of social isolation consider the extent, range and depth of a person’s social networks. A ‘social network’ is the structure of linkages or relationships among a particular group of people. An important resource provided by social relationships and networks is social support, including ongoing support and support in a crisis.

Social Isolation vs. Loneliness

Social isolation refers to the objective state of having minimal contact with other people; while loneliness refers to the subjective state of negative feelings associated with perceived social isolation, a lower level of contact than that desired, or the absence of a specific desired companion. It suggests that isolation is related to: limited opportunity to establish social contacts; lack of established networks and reduced ability to communicate and a corresponding lack of awareness of available resources.

Individuals who lack social connections are more likely to feel lonely. However, some people who have many social connections still feel lonely, whereas others who have very few social connections do not feel lonely at all.

The key factors used to identify and measure social isolation and loneliness include:

**Social Isolation**
- Social Network Size
- Social Network Diversity
- Frequency of interaction
- Attendance at group events
- Socialising with friends and family
- Volunteering
- Learning/ Sharing New experiences

**Loneliness/Perceived Isolation**
- Feeling isolated
- Feeling left out
- Feeling that you lack companionship
- ‘Opening up’ to others with meaningful interactions
The Impact of Social Isolation on Health

“Socially isolated people were 26% more likely to die than people who had some form of meaningful social engagement.”

DR ANDREW STEPTOE (UNIVERSITY OF COLLEGE LONDON, 2013)

Social isolation can have a severe impact on the health and well-being of older people. It leads to higher health and social care service use, and lonely and socially isolated people are more likely to have early admission to residential or nursing care. The prevailing belief, one that is espoused by the World Health Organization (2003) is that social isolation and exclusion are associated with “increased rates of premature death, lower general well-being, more depression, and a higher level of disability from chronic diseases”.

Social isolation is a particular problem at older ages, when decreasing economic resources, mobility impairment, and the death of contemporaries conspire to limit social contacts. Socially isolated individuals are at increased risk for the development of cardiovascular disease, infectious illness, cognitive deterioration, and mortality. Social isolation has also been associated with elevated blood pressure, C-reactive protein, and fibrinogen and with heightened inflammatory and metabolic responses to stress.

Figure 1 - The experience of socially isolated older people in accessing and navigating the health care system
Extent of Social Isolation in Older Australians

“Studies had estimated that 7 to 8 per cent of people over 65 reported were socially isolated. This means in 2010 54,000 older people living in Victoria were socially isolated, and this figure will rise to 74,860 in 2020, 95,590 in 2030, and 115,460 in 2040.”

Anne Pate (COTA 2014)

Social isolation and loneliness is becoming increasingly widespread throughout the community for groups of people of all ages. It has become evident that for older people in Australia, who have become housebound and isolated due to frailty/disability/illness - it can be intense15.

A number of targeted Australian studies have been completed to determine the extent of social isolation in older Australians. A national study of veterans, most of whom were over 70, found that 10% were socially isolated, and another 12% were at risk of social isolation 16. A survey of 353 Perth residents over the age of 65 of found that 7% reported severe loneliness, with higher levels of loneliness reported by single participants, those who lived alone, and those with poor self-reported health17.

This figure becomes much higher for more elderly clients or those who are receiving home care services. Social inclusion and emotional support is becoming an increasing problem affecting 20% of this population segment18, a result consistent with the number of elderly clients currently receiving social support services19.

At 30 June 2012 there were 420,300 people aged 85 years and over in Australia. This age group is projected to more than double within 20 years (to 842,500 people in 2031), to double again by 2045 (1.7 million), and to double once more by 2069 (3.5 million). Over the second half of the century the number of people aged 85 and over will continue to grow strongly, reaching 5.5 million people by 2101.

The population aged 65 years and over will increase rapidly throughout the first half of the projection period, in terms of both numbers and proportions of the total population. This age group is projected to increase from 3.2 million at 30 June 2012 to between 5.7 million and 5.8 million in 2031. Taking the most conservative estimate that 7% of this population is socially isolated means that today there are already 224,000 Australians living in social isolation. If nothing is done, this will increase to nearly 400,000 by 2030.
Tackling Social Isolation

Demand for Social Inclusion Solutions

A rapidly growing number of aged citizens are living at home alone. Lack of social inclusion and emotional support is becoming an increasing problem affecting 20% of this population segment. Loneliness of aged citizens has far reaching consequences contributing to dementia, depression and even reduced success in the treatment of chronic diseases.

Presently, social inclusion and emotional support services are delivered face-to-face by home care providers. A total of 15.2% of all HACC clients receive either social or emotional support services. The services are costly, not scalable for the care provider and touch points with the older clients are relatively infrequent. They also give the aged citizen limited choice as to with whom they can connect and when. Generally these services do not help older Australians remain in touch with their families or personal networks of friends.

On the other hand, existing consumer technology is scalable and engaging. Skype, Facebook, e-mail and messaging could offer some of the right functionality to help older Australians stay in touch, but they are not adapted for users with limited technology literacy and operational capability. Importantly these tools also do not offer means to expand ones social network.

Emerging digital social inclusion services bridge the gap between traditional and consumer services, and allow care providers to more efficiently reach out to their clients. Care providers can remotely facilitate emotional support and social integration. They can provide a broader spectrum of related social inclusion services, with more frequent interaction points for older Australians at a significantly lower cost. Initial trials have shown that an hour of digital social inclusion service can be delivered at approx. 60% of the cost of traditional face-to-face emotional support services.

inTouch Digital Social Support

inTouch Living, an Australian company, have a commercial digital care solution and program designed to facilitate interaction between older Australians and their carer, family, friends and community. The inTouch social support program enables care providers to deliver a personalised social inclusion service to home care clients.

Clients use a portfolio of tools to communicate, share, stay informed and generally remain socially engaged, including:

- Video calls
- Messaging
- Photo sharing
- Noticeboards
Care providers use the inTouch solution to manage and facilitate social interactions to ensure that all of their clients are socially connected. Care givers may connect with clients on a multiparty video call, entertain them with a video or upload a new topic for group discussion. inTouch enables care providers to deliver programs that help clients build and activate a social network to overcome social isolation.

Provisioning, installing, training, managing and supporting thousands of clients and devices across the country requires a unique platform and new processes. The inTouch solution supports these tasks to minimise cost of delivery and enable care provider’s staff can focus on the core functions of delivering quality care.

By leveraging the latest technology, the inTouch social support program is able to provide a deliver an effective, low cost solution to older Australians at scale. For this reason, the inTouch social support program can have a dramatic effect in significantly reducing the cost that social isolation has on elderly Australians and the overall health budget.
Monetising the Health Care Benefits of Tackling Isolation

As Australia’s population rapidly ages, the issue of acute loneliness and social isolation is one of the biggest challenges facing our society – and it must be addressed, for the sake of both the individuals concerned and the wider community. Health issues arising from loneliness and isolation add pressure on statutory health and social care services. By intervening in this issue, we can improve older people’s quality of life, while limiting dependence on more costly services.

Major Savings

Home Care Clients

Although previous studies have estimated social isolation may be as high as 20% for elderly Australians, a conservative estimate would be 15%. This number is aligned with the percentage of clients who currently receive social support services.

Number of community aged care older clients, by program, 2013-14

<table>
<thead>
<tr>
<th>Home Care</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>ACT</th>
<th>NT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levels 1-2</td>
<td>22,2265</td>
<td>16,191</td>
<td>11,350</td>
<td>5,514</td>
<td>5,590</td>
<td>1,671</td>
<td>958</td>
<td>818</td>
<td>64,312</td>
</tr>
<tr>
<td>Levels 3-4</td>
<td>5,232</td>
<td>3,939</td>
<td>4,266</td>
<td>3,988</td>
<td>1,218</td>
<td>440</td>
<td>657</td>
<td>218</td>
<td>19,942</td>
</tr>
<tr>
<td>Total</td>
<td>227,497</td>
<td>20,130</td>
<td>15,616</td>
<td>9,502</td>
<td>6,808</td>
<td>2,111</td>
<td>1,615</td>
<td>1,036</td>
<td>84,254</td>
</tr>
</tbody>
</table>

Governments’ expenditure on selected community aged care programs, 2013-14 ($million)

<table>
<thead>
<tr>
<th>Home Care</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>ACT</th>
<th>NT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levels 1-2</td>
<td>220.4</td>
<td>170.7</td>
<td>110.1</td>
<td>51.6</td>
<td>53.3</td>
<td>15.4</td>
<td>9.0</td>
<td>11.0</td>
<td>641.4</td>
</tr>
<tr>
<td>Levels 3-4</td>
<td>162.7</td>
<td>129.1</td>
<td>136.6</td>
<td>123.2</td>
<td>35.4</td>
<td>13.7</td>
<td>20.5</td>
<td>8.2</td>
<td>629.5</td>
</tr>
</tbody>
</table>

As of 2014, a total of 84,254 older Australians are currently on a Home Care Package, with 64,312 and 19,942 on Levels 1-2 and Levels 3-4 respectively.

Looking only at clients on Level 1 and 2 packages, this means that 9,647 would be classed as socially isolated and experiencing severe negative health impacts as a result.
Analysing the Government expenditures for community aged care programs, the Average Cost of a community aged care client per annum is:

**Level 1-2 Package:** $641,400,000/64,312 = $9,973

**Level 3-4 Package:** $629,500,000/19,942 = $31,567

The cost for the government of a client deteriorating further and moving from an average Level 1-2 client to a Level 3-4 package is therefore $21,594 per annum.

The delivery of the inTouch social support program is costs $2,160 per annum. If, as expected, the inTouch digital support service could postpone a transition from Level 1/2 to Level 3/4 for these clients by one year, the savings (net of service cost of $2.400p.a.) would be approx. $19,434 per client.

Multiplying this saving across just those socially isolated clients currently on Level 1-2 packages leads to a cost saving of $187.5m.

As mentioned however, the problem extends much wider and deeper than those currently on formal home care package. As of 30 June 2012, 3.2 million Australians were 65 years or older. Taking the most conservative estimate that 7% of this population is socially isolated means that today there are already 224,000 Australians living in social isolation. These Australians are already experiencing the negative health impacts and creating health costs that are incurred by the broader Australian society through informal, formal or health care. Projecting the formal care savings to this broader group would result in an opportunity size running into the billions.

**Conclusion**

There is no question in either the research or aged care community that social isolation is one of the largest challenges associated with Australia's ageing population. The cost of social isolation is measurable and is already having a detrimental impact on hundreds of thousands of Australia's. The savings for implementing a digital, scalable social support program to clients receiving level 1 and level 2 packages would be $187.5m alone. Extending the digital service to the broader community suffering from social isolation would lead to a saving opportunity for society worth billions.

2 COTA Social Isolation: Its impact on the mental health and wellbeing of older Victorians, COTA Victoria Working Paper Number 1, Anne Pate Feb, 2014


11 Loucks, EB. Berkman, LF. Gruenewald, TL. Seeman, TE. Relation of social integration to inflammatory marker concentrations in men and women 60 to 79 years. *Am J Cardiol* 97(7):1010–1016, 2006


14 Greaves, M., Rogers-Clark, C. The experience of socially isolated older people in accessing and navigating the health care system, Australian Journal of Advanced Learning, Vol. 27 (2), 2010


18 Worse than Cigarettes and Drink: The Impact of Social Isolation on Older Australians Professor Andrew Beer Centre for Housing, Urban and Regional Planning, The University of Adelaide


20 Worse than Cigarettes and Drink: The Impact of Social Isolation on Older Australians Professor Andrew Beer Centre for Housing, Urban and Regional Planning, The University of Adelaide


23 Australian Productivity Commission, Report on Government Services, Chapter 13- Aged Care Services, 2015

24 Australian Productivity Commission, Report on Government Services, Chapter 13- Aged Care Services, 2015