Policies on population ageing:
Long-term care insurance system in Japan and international cooperation on Active Aging in ASEAN

31 May 2016

Ministry of Health, Labour and Welfare
Contents

1. Introduction of LTCI

2. Current challenges of LTCI

3. Active Aging in ASEAN
## Development of welfare policies for the elderly

<table>
<thead>
<tr>
<th>Era</th>
<th>Major Policies</th>
<th>Aging rate (year)</th>
<th>Major Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960s</td>
<td><strong>Beginning of welfare policies for the elderly</strong></td>
<td>5.7% (1960)</td>
<td><strong>1963</strong> Enactment of the Act on Social Welfare Services for the Elderly</td>
</tr>
<tr>
<td></td>
<td>◇ Intensive care homes for the elderly created</td>
<td></td>
<td>◇ Legislation on home helpers for the elderly</td>
</tr>
<tr>
<td>1970s</td>
<td><strong>Expansion of healthcare expenditures for the elderly</strong></td>
<td>7.1% (1970)</td>
<td><strong>1973</strong> Free healthcare for the elderly</td>
</tr>
<tr>
<td>1980s</td>
<td><strong>“Social hospitalization” and “bedridden elderly people” as social problems</strong></td>
<td>9.1% (1980)</td>
<td><strong>1982</strong> Enactment of the Health and Medical Services Act for the Aged</td>
</tr>
<tr>
<td></td>
<td>◇ Adoption of the payment of co-payments for elderly healthcare, etc.</td>
<td></td>
<td>◇ Establishment of the Gold Plan (10-year strategy for the promotion of health and welfare for the elderly)</td>
</tr>
<tr>
<td></td>
<td>◇ Promotion of the urgent preparation of facilities and in-home welfare services</td>
<td></td>
<td>◇ Promotion of the urgent preparation of facilities and in-home welfare services</td>
</tr>
<tr>
<td>1990s</td>
<td><strong>Promotion of the Gold Plan</strong></td>
<td>12.0% (1990)</td>
<td><strong>1994</strong> Establishment of the New Gold Plan (new 10-year strategy for the promotion of health and welfare for the elderly)</td>
</tr>
<tr>
<td></td>
<td>◇ Improvement of in-home long-term care</td>
<td></td>
<td>◇ Improvement of in-home long-term care</td>
</tr>
<tr>
<td></td>
<td><strong>Preparation for adoption of the Long-Term Care Insurance System</strong></td>
<td>14.5% (1995)</td>
<td><strong>1997</strong> Enactment of the Long-Term Care Insurance Act</td>
</tr>
<tr>
<td>2000s</td>
<td><strong>Introduction of the Long-Term Care Insurance System</strong></td>
<td>17.3% (2000)</td>
<td><strong>2000</strong> Enforcement of the Long-Term Care Insurance System</td>
</tr>
</tbody>
</table>
Problems before introducing the Long-Term Care Insurance System

Welfare system for the elderly

**Services provided:**
- Intensive Care Home for the Elderly, etc.
- Home-help service, Day service, etc.

(Problems)
- Users could not choose services:
  Municipal governments decided services and service providers.
- Psychological resistance:
  Means test was required when applying services.
- Services tended to be unvarying without competition:
  Services were basically provided by municipalities or organizations entrusted.
- Service fee could be heavy burden for the middle/upper income group:
  The principle of ability to pay according to income of the person/Supporter under Duty.

Medical system for the elderly

**Services provided:**
- Health center for the elderly,
  Sanatorium medical facility, general hospital, etc.
- Home-visit nursing, day care, etc.

(Problems)
- Long-term hospitalization to be cared in hospitals ("social hospitalization") increased:
  Hospitalization fee is less expensive than welfare services for middle/upper income group, as well as basic maintenance of the welfare service was insufficient.
  → Medical cost increased:
  Hospitalization fee was more expensive comparing with Intensive Care Home for the Elderly and Health center for the elderly.
  → Facilitation of hospital was not sufficient enough for long-term care with staff and living environment:
  Hospitals are expected to provide "cure" (e.g. Limited room area for care, dining hall or bathrooms)

These systems had limitations for solving problems.
As society ages, needs for long-term care have been increasing because of more elderly persons requiring long-term care and lengthening of care period, etc.

Meanwhile, due to factors such as the trend towards nuclear families and the aging of caregivers in families, environment surrounding families has been changed.

Introduction of the Long-Term Care Insurance System

(a mechanism to enable society to provide long-term care to the elderly)

【Basic Concepts】

○ Support for independence: The idea of Long-Term Care Insurance System is to support the independence of elderly people, rather than simply providing personal care.

○ User oriented: A system in which users can receive integrated services of health, medicine, and welfare from diverse agents based on their own choice.

○ Social insurance system: Adoption of a social insurance system where the relation between benefits and burdens is clear.
Outline of difference between previous systems and present

**Previous Systems**

① Municipal governments decided services, after users’ application.

② Separated applications were required for each service of medical and welfare systems.

③ Services were provided mainly by municipal governments and other public organizations (e.g. Council of Social Welfare).

④ Co-payment was heavy burden for the middle/upper income group, which kept them from applying to services.

**the Long-Term Care Insurance System**

- Users themselves can choose services and service providers.
- By making use plans of care service (Care Plan), integrated medical and welfare services can be utilized.
- Services are provided by various associations such as private companies and NPOs, etc..
- Regardless of income, co-payment is set as 10% (20% for persons with income above certain level, after August 2015).
Primary Insured Persons  - aged 65 or over  
(32.02 million people)

Secondary Insured Persons  - aged 40-64 
(42.47 million people)

Service providers
- In-home services
  - Home-visit care
  - Outpatient Day Long-Term Care, etc.
- Community-based services
  - Home-Visits at Night for Long-Term Care
  - Communal Daily Long-Term Care for Dementia Patients, etc.
- Facility Services
  - Welfare facilities for the elderly
  - Health facilities for the elderly, etc.

Use of the services

Application

National pool of money

Individual municipality

National Health Insurance, Health Insurance Society, etc.

Certification of Needed Long-Term Care

In-home services
- Home-visit care
- Outpatient Day Long-Term Care, etc.

Community-based services
- Home-Visits at Night for Long-Term Care
- Communal Daily Long-Term Care for Dementia Patients, etc.

Facility Services
- Welfare facilities for the elderly
- Health facilities for the elderly, etc.

Tax
50%

Premiums
50%

Municipalities (Insurer)

Fiscal Stability Funds

Withdrawn from pensions, in principle

Users pay 10%(20%) of long-term care services in principle, but must pay the actual costs for residence and meals additionally.

Pay 90% (80%) of the costs

Note: The figure for Primary Insured Persons is from the Report on Long-Term Care Insurance Operation (provisional) (April, 2009), Ministry of Health, Labour and Welfare and that for Secondary Insured Person is the monthly average for JFY2008, calculated from medical insurers' reports used by the Social Insurance Medical Fee Payment Fund in order to determine the amount of long-term care expenses. Burden ratio for persons with income above certain level is 20:80, after Aug 2015.
Municipal governments (sections in charge)

Investigation for Certification

Doctor’s written opinion

Certification of Needed Support/Long-Term Care

Care levels 1-5

Support levels 1 & 2

Not certified

Care plan for the use of long-term care

Care plan for preventive long-term care

○ Facility services
  • Intensive care home for the elderly
  • Long-term care health facility
  • Sanatorium medical facility for the elderly requiring long-term care

○ In-home services
  • Home-visit long-term care
  • Home-visit nursing
  • Outpatient day long-term care
  • Short-stay admission service, etc.

○ Community-based services
  • Multifunctional long-term care in small group homes
  • Home-visit at night for long-term care
  • Communal daily long-term care for dementia patients (group homes), etc.

Long-term care benefits

○ Preventive long-term care services
  • Outpatient preventive long-term care
  • Outpatient rehabilitation preventive long-term care
  • Home-visit service for preventive long-term care, etc.

○ Community-based services for preventive long-term care
  • Multifunctional preventive long-term care in small group homes
  • Preventive long-term care for dementia patients in communal living, etc.

Preventive long-term care benefits

Those likely to come to need long-term care/support in the future

○ Long-term care prevention projects

Community support projects

○ Services which cope with the actual municipalities’ needs (services not covered by the long-term care insurance)
Varieties of Long-term Care Insurance Services

**Home-visit Services**
Home-visit Care, Home-visit Nursing, Home-Visit Bathing Long-Term Care, In-Home Long-Term Care Support, etc.

**Day Services**
Outpatient Day Long-Term Care, Outpatient Rehabilitation, etc.

**Short-stay Services**
Short-Term Admission for Daily Life Long-Term Care, etc.

**Residential Services**
Daily Life Long-Term Care Admitted to a Specified Facility and People with Dementia etc.

**In-facility Services**
Facility Covered by Public Aid Providing Long-Term Care to the Elderly, Long-Term Care Health Facility, etc.
Major Contents of Revision of Long-term Care Insurance

(1) Establishing the Community-based Integrated Care System
Enriching long-term care, healthcare, support and preventive services in order for elderly people to continue their lives in their accustomed areas.

Enriching Services
Enriching Community Support Projects towards establishing the Community-based Integrated Care System:
① Enhancing coordination between In-home Medical Care and In-home Long-term Care
② Promoting measures against dementia
③ Enhancing Community Care Meetings
④ Improving the Livelihood Support Services

Making Services More Focused and Efficient
① Transferring nationally-unified Preventive benefits (Home-visit Care and Out-patient Long-term Care) to Community Support Projects of municipalities, and diversifying them.

② Restricting users of in-facility services of Special Long-term Care Health Facilities to people whose care level is 3 or higher in principle.

(2) Making Contribution Equitable
Expanding reduction of premiums of people with low-income, and reviewing co-payments of those who have certain income or assets in order to suppress increase of premiums.

Expanding Reduction of Premiums of People with Low-income
Expanding the reduction rate of premiums of people with low-income:
(An example of reduction of premiums)
For people with pension income lower than 800,000 yen per year, the reduction rate will expanded from 50% to 70%.

Review of Co-payments etc.
① Increasing co-payments of users with income more than a certain level.

② Adding assets to the check list of requirement for “Supplementary Benefits,” which provides money for food and residence to in-facility users with low income.
“Comprehensive Strategy to Accelerate Dementia Measures”

1. **Early Support**
   (Initial Phase Intensive Support Team, etc.)

2. **Improving Ability of Care Providers**
   (Training Programs)

3. **Coordination of Medical Care and Long-term Care**
   (Dementia Coordinator)

4. **Risk Reduction**
   (Nationwide Prospective Dementia Cohort)

5. **Cure**
   (Project for Psychiatric and Neurological Disorders)

6. **“Dementia Supporters”**
   already 6.34 million ⇒ 8 million

7. **Safety**
   (Cross-ministerial support: watching system in the community, etc.)
people of every generation, every occupation are becoming “Dementia Supporters”

already **7.5 million** aiming at **8 million** in FY 2017
Cooperation for Active Aging

**<Thailand>**
- 2007-2011 CTOP (The Project on the Development of a Community Based Integrated Health Care and Social Welfare Services Model for Older Persons in the Kingdom of Thailand)
- 2013-2017 LTOP (The Project of Long-term Care Service Development for the Frail Elderly and Other Vulnerable People in the Kingdom of Thailand)
- Conference on Health Policy under Aging Challenges (July 2014)

**<Malaysia>**
- Seminar on Aging Society by JICA
- Technical Cooperation “The Project on Successful Ageing: Social Support System and Community Based Programmes” will start in 2015.

**<Indonesia>**
- Workshop on long term care human resource development (SEPT. 2014)

**<Laos, Cambodia, Myanmar>**
- Tripartite cooperation with the support of Thailand

**<Viet Nam>**
- Seminar on Social Security by JICA (Apr. 2014)
- LTOP site visit of the director of Vietnamese Ministry of Health (JUN. 2014)
- Technical Cooperation on Active Aging

**<Philippines>**
- Technical Cooperation on support for elderly in devastated areas

**<Singapore, Brunei>**
- Policy Dialogues on aging, including care services, utilizing assistive devices, and human developing for professional care

**<Cooperation Framework>**
- ASEAN+3 Health Ministers and Senior Officials Meeting
- ASEAN+3 Ministers and Senior Officials Meetings on Social Welfare and Development
- ASEAN & Japan High Level officials Meeting on Caring Societies
- 2013.11 ASEAN-Japan Seminar The Regional Cooperation for the Aging Society
- ASEAN-Japan Regional Conference on Active Aging
- JICA Training and Dialogue Program “Policy on Aging in Asia”
- “Universal Health Coverage in Asia”

※Completed Programs or Programs in progress are shown with underlines

Study Group for Japan’s International Contribution to Active Aging, MHLW
Project on Long-term Care Service Development for the Frail Elderly and Other Vulnerable People

Project on the Elderly Persons in Thailand: LTOP

【Period】 14 January 2013 ～ 31 August 2017
(4 years 8 months)

【Summary of the project】
Long-term care system for the frail elderly people which is financially sustainable will be proposed by making use of the integrated community-based services, which is a result of the “Project on the Development of a Community Based Integrated Health Care and Social welfare Services Model for Thai Older Persons (2007 – 2011)”. “Model services” will be developed in pilot project sites (6 areas: Chiang Rai, Khon Kaen, Nonthaburi, Surat Thani, Nakhon Ratchasima and Bangkok) and implemented in the efficient and sustainable way. Training programs for care workers and care coordinators will be developed.