Long-term Care System in Japan - Implications to Taiwan Policy

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Conflict of Interest (COI) of the Presenter: No potential COI to disclose
1. Background to introduce Long-term Care Insurance

**Population Aging**

<table>
<thead>
<tr>
<th>Year</th>
<th>Elderly Population</th>
<th>Percentage to Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>About 7.4 million</td>
<td>(7.1%)</td>
</tr>
<tr>
<td>1990</td>
<td>About 14.9 million</td>
<td>(9.1%)</td>
</tr>
</tbody>
</table>

**Projected Numbers of frail Elderly (Projection in 1990s)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>1993</td>
<td>About 2 million</td>
<td></td>
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<tr>
<td>2025</td>
<td>About 5.2 million</td>
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</table>

**Elderly Living Arrangement and Family Caregiving**

Increase of the elderly living alone or couples only

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>22.5%</td>
</tr>
<tr>
<td>1990</td>
<td>36.9%</td>
</tr>
</tbody>
</table>

Many family caregivers are female or elderly

In 1992: 85.3% is female, 49.0% is aged 60+

**LTC Service for the Elderly (Before LTCI Implementation)**

Developed since 1960s, but targeted to mainly low-income elderly

LTC Services are divided in Welfare and Health Care

LTC Services has developed since 1980s

For the future, Stable Scheme of LTC cost finance was needed

→ Discussion of new LTC scheme from mid 1990s
→ “Long-term Care Insurance Act” (Legislated in 1997)

Source: By Katsuhsa KOJIMA (IPSS) with Annual report of Health and Welfare 2000 etc.
## 2. Development of Welfare for the Elderly in Japan

### Before 1945
Poor Relief Policy (Targeted persons were severely limited)

### From 1945 to 1950s (After WWII)
Elderly Welfare was as a part of Public Assistance (Care home for the poor and lone elderly).

### 1960s (Rapid Economic Growth and Change in Person’s life)
- “Act on Social Welfare for the Elderly” *(1963)* - > Start of Elderly Welfare Policy
  - Service provision: Targeted to the elderly with low income.
  - Procedure: Needs and Means test were required.  * Universal Health Coverage

### 1970s (End of Rapid Growth Economy with Oil Crisis)
- Development of Facility for the Elderly Care, Increase of Elderly Health Care Cost

### 1980s (Stable Growth Economy with the Bubble Economy)
- Development of Home and Community Care Services
- Reform of Health Care for the elderly

### 1990s (Global Economy After the Bubble)
- Further Development of LTC service provision under National Plan
- Planning of Long-term Care Insurance

Source: By Katsuhisa KOJIMA (IPSS)
3. Development of Welfare for the Elderly in Japan

Numbers of Facility, Home and Community Care

Development of Facility Care from 1960s to 1990s

- Intensive care Home for the Elderly
- Moderate-fee Home for the Elderly
- Nursing Home for the Elderly
- Fee-based Home for the Elderly

Figure: The capacity of Elderly Welfare Facilities

Development of Home and Community Care from last 1980s to last 1990s

- Day Care Service
- Home Care Service
- Short Stay Service

Figure: The total numbers of Home and Community Care Service Users (Persons)

4. Long term care Insurance

1. Insured and Insures
   (1) 2 Categories
       Persons 65+, Persons 40 to 64
   (2) All insured have to pay premium.
   (3) Insures: Municipalities
       with support from Prefectures and Central government

2. Benefit
   (Procedure) Care-needs assessment -> Care-plan -> Service use
   (Type of Service) Home care, Community care, Facility care etc.
       No Cash benefit
   (Co-Payment) 10% (High Income 20%)

3. Long term care service provider
   (1) Organizations: Public or private
   (2) Human Resources: Care workers, Care managers, Doctors, nurses etc.

LTC Expenditure in 2015 (Budget)
10.1 trillion JPY
LTC Insurance Premium for Elderly
Monthly 5,514 JPY (Average)

LTC Insurance Benefits
Approved as “Care-needs” : 5,859 thousands in 2014
Numbers of LTC users : 4,927 thousands in 2014
    (about 74% is home care service)

Source: By Katsuhisa KOJIMA (IPSS), Figure is cited from IPSS “Social Security in Japan 2014”.
5. Before and After LTCI Implementation in Japan

### Service Use

**Before 2000**
- (1) Apply to Local Government
- (2) Needs Assessment and **Means test** are required
- (3) Service use was decided by Local Government (without any choices by users)
- (4) Health care is provided from Health insurance

**After 2000**
- (1) Apply for Care-needs assessment
- (2) The assessment relates **only to care needs**
- (3) LTC Service use plan（ケアプラン）is based on the care-assessment and users choices made by care-manager（ケアマネジャー）
- (4) Uses can be mixed with Welfare and Health related LTC services.

### Service Provider

**Before 2000**
- (1) LTC Service Provider was limited to Local Government and Social Welfare Organization **(Limited to non-profit sector).**

**After 2000**
- (1) **Public and Private(for-profit and non-profit)** Organizations can provide LTC services.
- (2) Home and Community care services has increased dramatically.

### Cost Sharing

**Before 2000**
- (1) Tax funded
- (2) Low income persons were exempted from co-payment.
- (3) Some other persons paid co-payment too much.

**After 2000**
- (1) All insureds have to pay **LTCI premium** based on the income.
- (2) Tax subsidies to LTCI are also available.
- (3) **Co-payment is 10%** for all services (with the ceiling). *High Income Elderly : 20%*

### Relation to Health Care

**Before 2000**
- (1) Welfare and Health Care Scheme had been divided

**After 2000**
- (1) In LTC service use, we can mix welfare and health related LTC services in care-plan.

Source: By Katsuhisa KOJIMA (IPSS)
## 7. Revisions of Act on LTCI

### April 2000 Act on Long-term Care Insurance implemented

<table>
<thead>
<tr>
<th>Year</th>
<th>Revision</th>
<th>Changes</th>
</tr>
</thead>
</table>
| 2005 | Revision | (1) Care prevention benefits have started to provide to care support level persons  
      (2) Facility benefits have been adjusted.  
      Housing and meal costs are excluded from facility benefits.  
      Supplemental support to low income residents in the LTC facility provided  
      (3) Community-based Care service, Information of LTC service |
| 2008 | Revision | (1) To empower the management LTC service provider by local governments  
      (2) In advance report by LTC providers that want to stop service provision  
      (They must provide users alternative LTC services) |
| 2011 | Revision | (1) Promotion of “Integrated Community Care System”  
      24 hours visit home care service, multi function care service facility etc.  
      (2) Aspiration of sputum is allowed to LTC personnel. Consumer protection about deposit refund of fee-based elderly homes  
      (3) Reversal of LTC finance stability fund |
| 2015 | Revision | (1) Promotion of home care and home medicine  
      Care prevention benefits will be moved from LTCI to local governments welfare service  
      Intensive care home for the elderly users are basically limited to LTC grade 3+ persons  
      (2) More premium subsidy(to low income persons) 20% co-payment(high income persons) |

Source: By Katsuhisa KOJIMA (IPSS) with documents of Ministry of Health, Labour and Welfare
### 8. LTC System in Japan and Taiwan (Comparison)

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<thead>
<tr>
<th></th>
<th><strong>Japan</strong></th>
<th><strong>Taiwan</strong></th>
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<tbody>
<tr>
<td><strong>Scheme</strong></td>
<td>Long-term Care Insurance (From 2000)</td>
<td>Long-term Care Ten Years (From 2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long-term Care Insurance (Now Planning)</td>
</tr>
<tr>
<td><strong>Insurer</strong></td>
<td>Municipality (Region Insurance)</td>
<td>Prefecture</td>
</tr>
<tr>
<td></td>
<td></td>
<td>National Health Insurance Bureau (Insurer of NHI)</td>
</tr>
<tr>
<td><strong>Targeted Persons</strong></td>
<td>(1) Aged 65+ (2) Aged 40-64 years old (Beneficiaries are mainly the elderly)</td>
<td>Aged 65+ etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All Persons living in Taiwan (NHI joined persons)</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>Home, Community, Facility Care Services etc.</td>
<td>Home, Community, Facility Care Services etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Home, Community, Facility Care Services etc.</td>
</tr>
<tr>
<td><strong>Procedure</strong></td>
<td>Care Needs Certification → Care Plan</td>
<td>Care Needs Certification</td>
</tr>
<tr>
<td></td>
<td>Needs Support level 1,2, Care Needs 1~5</td>
<td>Heavy, Intermediate, Light</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Degrees?</td>
</tr>
<tr>
<td><strong>Co-Payment</strong></td>
<td>10% (High Income Elderly: 20%)</td>
<td>30% (Low income persons are exempted)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15% (Exemption will be available)</td>
</tr>
<tr>
<td><strong>Cash benefit</strong></td>
<td>Not Available</td>
<td>Elderly Care Special Allowance (Independent Scheme)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Care Allowance</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>LTCI Premium, Tax and Co-Payment</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>LTCI Premium, Tax and Co-Payment</td>
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</tbody>
</table>

**Source:** By Katsuhisa KOJIMA (IPSS) based on Japan and Taiwan documents
9. Challenges of Japan LTC system and Implications to Taiwan (1)

Japan LTC System Challenges

1. Increased Cost of Long-term care
   The cost of LTCI has increased
   3.6T JPY (FY2000) → 10.6T JPY (FY2016) → 18-21T (FY2025)
   How to Control the cost?
   To Increase Revenue or To Cut Expenditure

2. LTC Service Provider
   LTC service providers have increased.
   ex. Home visit care
   Private (for-profit) company has entered into mainly home visit care.
   % of Private (for-profit) company
   30.3% (2000) → 64.4% (2014)
   Our Challenge includes Quality of care, Compliance.

Implications to Taiwan

1. To secure LTC cost finance and Cost Control
   (1) Premium Collection
       From Who, How much, How to do
   (2) Government Subsidy
   (3) Co-Payment
   (4) Effective Service Provision without waste

2. To increase LTC service
   Entry by Private organizations is necessary to increase LTC service.
   We can expect efficiency and creativity in service provision.
   But….
   How to secure Quality of Care, User Protection, Compliance etc.
   Relation with non-profit service providers (Service Entry, Public Subsidy etc.)

Source: By Katsuhisa KOJIMA (IPSS)
10. Challenges of Japan LTC system and Implications to Taiwan (2)

**Japan LTC System Challenges**

3. **Long-term Care Workers**
   LTC workers have increased.
   Turnover rate is higher than Japan average.
   16.6% ←→ All industry 15.6% (2013)

   **Our Challenge includes Working Condition, Education and Training, Quality of Worker.**
   New issue: Attract Foreign-born Care Workers

4. **Elderly with Dementia**
   The numbers of elderly with dementia will increase.
   2.8 millions (2010) → 4.7 millions (2025)

   **Our Challenge includes those below.**
   (1) Prevention (2) Early Diagnosis
   (3) Care and Treatment (4) Support Family
   (5) To cope with Mild Cognitive Impairment
   *We should respect dignity of elderly with dementia.*

**Implications to Taiwan**

3. **The points of LTC Worker Policy**
   (1) Education, and Training
   (2) Certification (Licensee)
   (3) Working Conditions
   (4) Image of Care Workers among Persons

   Foreign-born Care Workers (外籍看護工)
   What kinds of Policies does Taiwan take?
   → Japan can learn from Taiwan.

4. **Dementia Policy in Taiwan**
   Taiwan also has basic policy measures for dementia (失智症防治照護政策綱領).

   **Main Points in Taiwan Policy**
   (1) Education and Training
   (2) Construct Service Provision
   ex Group Home (團體家屋)
   (3) Support Family (4) Enlightenment
   (5) Cooperation with Society
11. Challenges of Japan LTC system and Implications to Taiwan (3)

Japan LTC System Challenges

5. LTC Service based on Community

World Trends: “Aging in place” (在地老化)
In Japan: 95% Elderly lives in their own house.
Facility care needs high cost
Per Beneficiary LTCI expenditure
- Nursing Home: 250 thousands JPY
- Home visit care: 49 thousands JPY

To Continue the life in their house, LTC, health care and other social services should be provided based on elderly needs with continuity

Construction of “Integrated Community Care System” (地域包括ケアシステム) for 2025

Continuous service from health care, long term care, other welfare services in the region where the elderly live (Junior high school district area)

There is No single solution, because of regional diversity

Implications to Taiwan

5. Recent Policy in Taiwan

Taiwan has various policy measures.
- 「長照十年計画」、「長期照顧服務網計画」、「長照2.0」(Now planning) etc.

Main Points in Taiwan Policy
(1) Promote Increase LTC Service
(2) Promote Reduction of Regional Inequality in LTC Service
(3) Consideration to Diversity of the Elderly (Urban vs. Rural, Between Ethnicity etc.)
(4) Cooperation with Health care and other sectors
(5) Cooperation with Society Persons, NPO, Company etc.

Source: By Katsuhisa KOJIMA (IPSS)
12. The Image of “Integrated Community Care System”

1. Background
   (1) Population Aging
   75 years old + population would increase
   In 2020 “Baby Boom Generation” would reach at the age 75.
   In the Metropolitan area, population aging would proceed rapidly.

2. Direction of Policy
   To construct the system of continuous service provision based on needs of the elderly
   The elderly can use various kinds of welfare services from health care, long term care, housing, other welfare services in the region where they live.

3. Image of “Integrated Community Care System”
   Main Player: Integrated Community Care Support Centers
   Services needed (example): 24 hour home visit care
   
Source: By Katsuhisa KOJIMA (IPSS)
13. Where do the elderly live in the Integrated Community Care System?

Elderly Population (30,793,233, in 2012)

Degree of Long Term Care Needs

Independent

Seriously Limited in Daily life

Basic Characters

"Housing for the elderly"

Long Term Care Insurance

Specified Facility Service

Home and Community Care Service

Fee-based home for the elderly (221,907)

Elderly housing with care service (154,292 Houses 2014.6)

Nursing home for the elderly (56,860)

Moderate-fee home for the elderly (care house) (80,561)

Legal Base

"Act for Welfare of the Aged"

Hospital

(More than 3 months About 407 thousands, 2011)

(More than 3 months About 308 thousands, 2011)

General House (About 29 million)

Sanatorium type medical care facilities (67,531)

Intensive care home for the elderly (429,415)

Long-term care health facility (301,539)

Group home for the elderly with dementia (149,599)

Legal Base

"Act for Welfare of the Aged, Long-Term Care Insurance Act"


Note: Data are 2012 (except for Elderly housing with care service and “Patient Survey”). “Patient Survey” does not cover Ishinomaki and Kesennuma area in Miyagi prefecture and Fukushima prefecture.
14. Conclusion

1. Japan Experience (Background of LTCI, History of LTC Policy)
2. Japan Long-term care insurance
3. The situation of LTCI in Japan
4. Challenges of Japan LTCI and Implications to Taiwan

Taiwan has a plan of Long-term Care Insurance (長期照顧保険), and new policy plan to develop LTC services (長照2.0).

Taiwan could make good LTC systems, Japan will be able to learn from Taiwan. We can study from each other policy experience.
Thank You!

ご清聴ありがとうございました

Please do not hesitate if you are interested in my research.
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