

# 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

Elderly Population and Percentage to Total Population

1970 About 7.4 million (7.1%) → 1990 About 14.9 million (9.1%)

Projected Numbers of frail Elderly (Projection in 1990s)

1993 About 2 million → 2025 About 5.2 million

## Elderly Living Arrangement and Family Caregiving

Increase of the elderly living alone or couples only

1970 22.5% → 1990 36.9%

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)

## 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

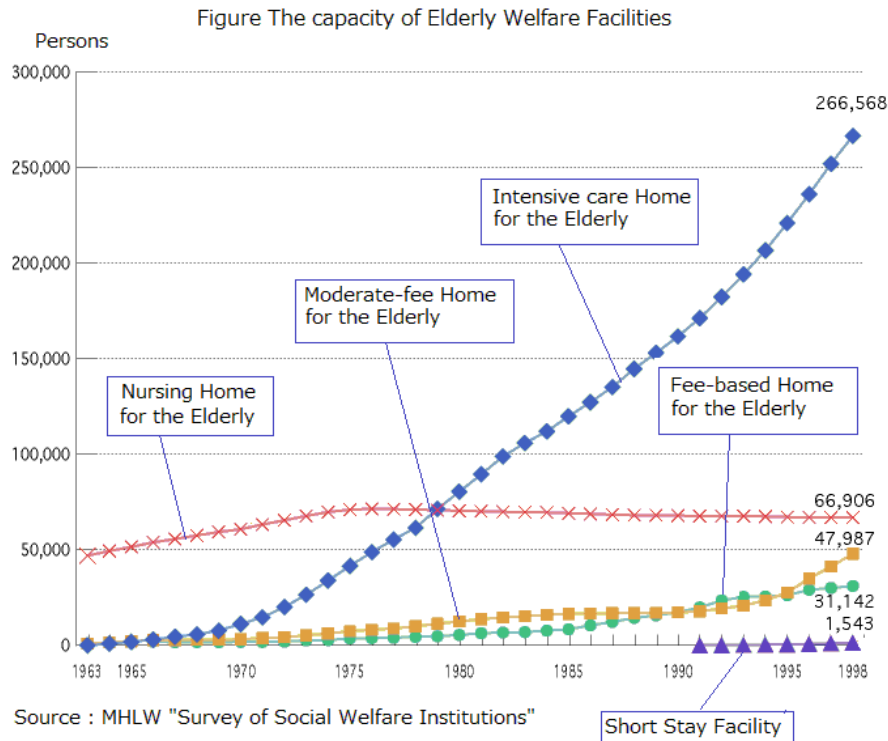
(ex. “Gold Plan”(1989-1999) “New Gold Plan”(1994-2004))

Planning of Long-term Care Insurance

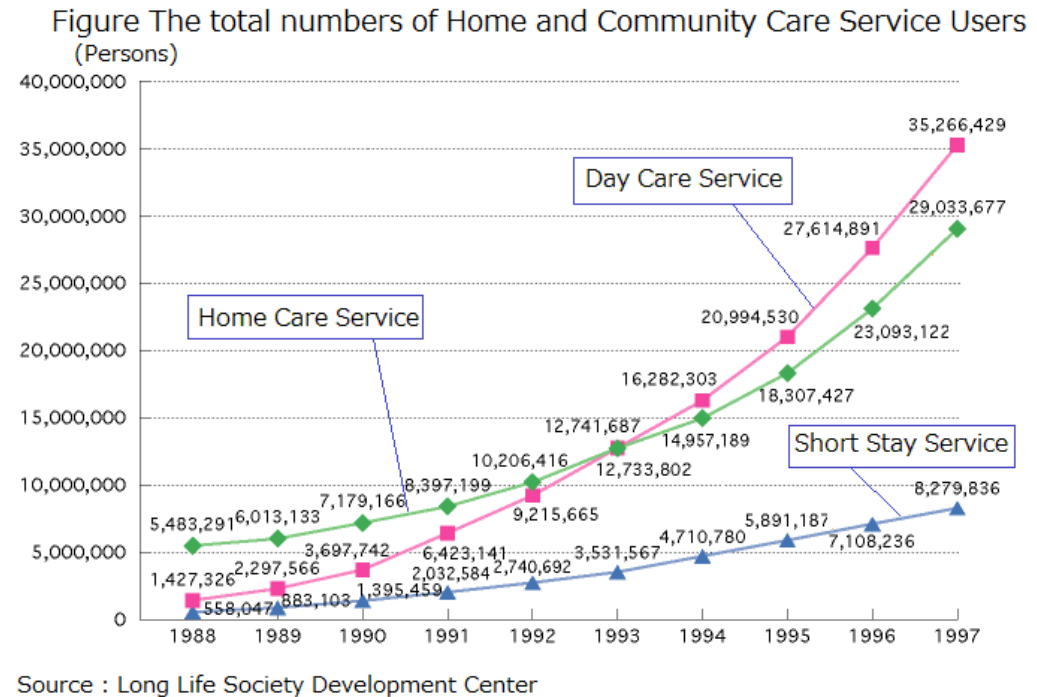
# 3. Development of Welfare for the Elderly in Japan

## Numbers of Facility, Home and Community Care

Development of Facility Care from 1960s to 1990s



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



## 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%)

LTC Expenditure in 2015(Budget)

10.1 trillion JPY

LTC Insurance Premium for Elderly

Monthly 5,514JPY (Average)

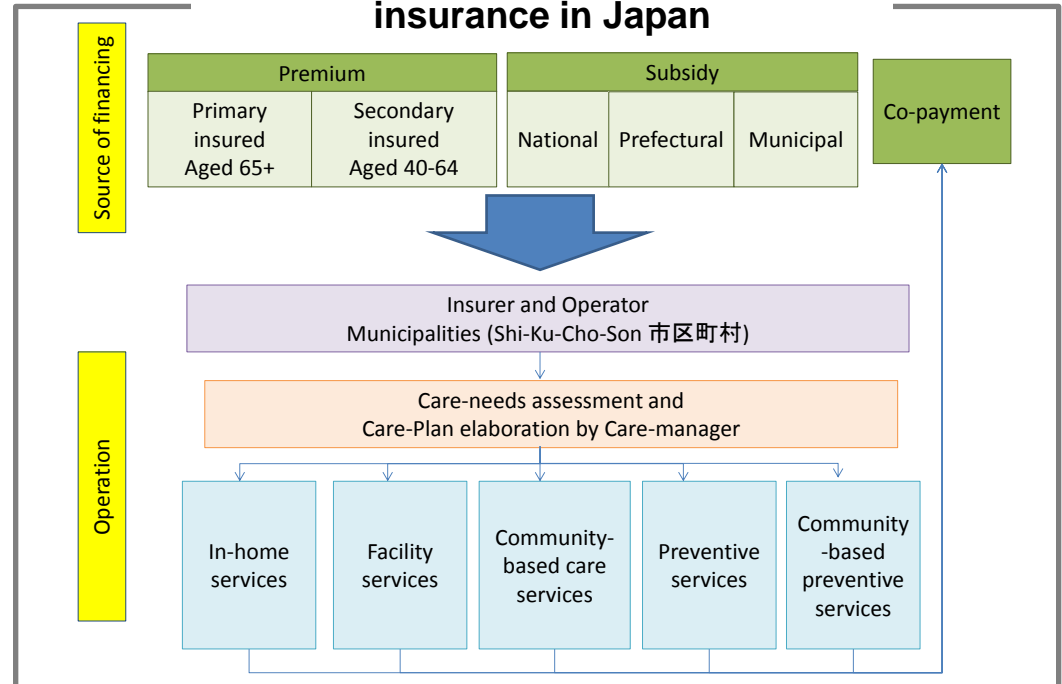
LTC Insurance Benefits

Approved as "Care-needs" : 5,859 thousands in 2014

Numbers of LTC users : 4,927 thousands in 2014

(about 74% is home care service)

## The Overview of Long term care insurance in Japan



### 3. Long term care service provider

(1) Organizations : Public or private

(2) Human Resources : Care workers, Care managers, Doctors, nurses etc.

# 5. Before and After LTCI Implementation in Japan

Before 2000

After 2000

Service Use

- (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

- (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

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

- (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

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

- (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

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

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



# 7. Revisions of Act on LTCl

April 2000 Act on Long-term Care Insurance implemented

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 LTCl 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)

# 8.LTC System in Japan and Taiwan(Comparison)

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



# 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 LTCL 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

9,833(2000) → 34,992 (2014)

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.)

# 10. Challenges of Japan LTC system and Implications to Taiwan (2)

## Japan LTC System Challenges

### 3. Long-term Care Workers

LTC workers have increased.

549 thousands (2000) → 1,765 thousands (2013)

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 LTCl 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.

# 12. The Image of “Integrated Community Care System”

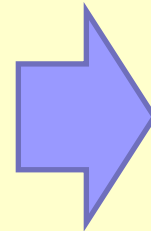
## 1. Background

### (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) Health care and Long term care needs would increase dramatically.

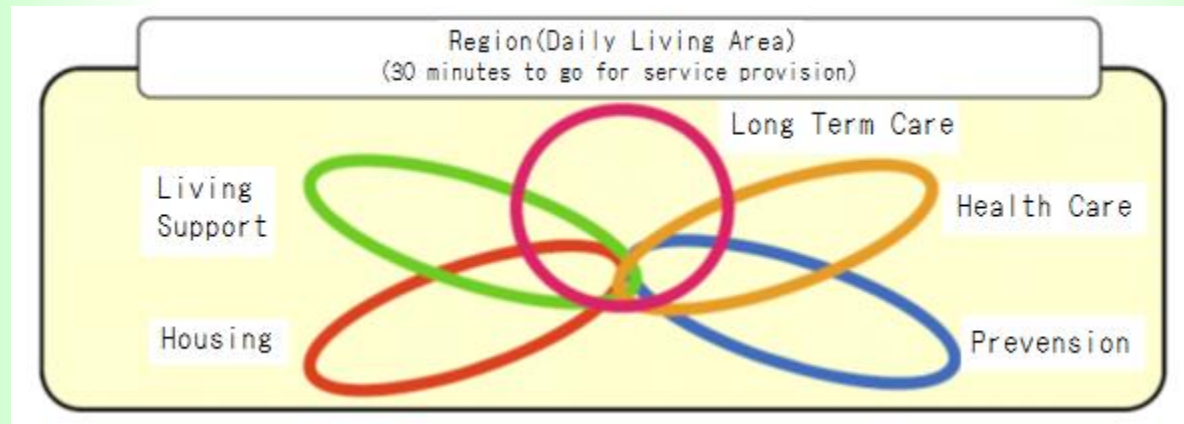
## 2. Direction of Policy

To construct the system of continuous service provision based on needs of the elderly



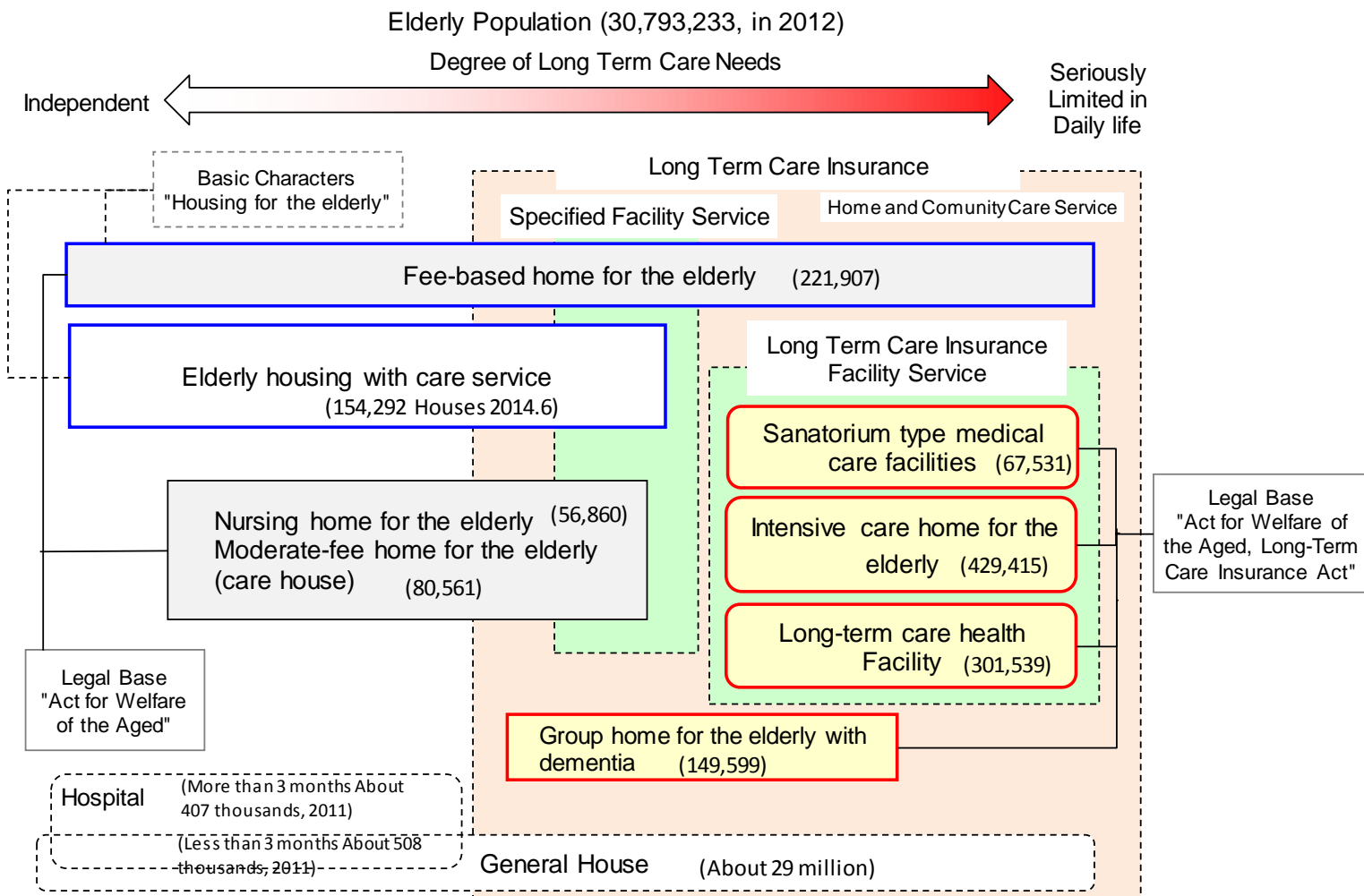
The elderly can use various kinds of welfare services from health care, long term care, housing, other welfare services in the region where they live.

## 3. Image of “Integrated Community Care System”



Main Player : Integrated Community Care Support Centers  
Services needed (example) : 24hour home visit care

# 13. Where do the elderly live in the Integrated Community Care System?



Source: By Katsuhisa KOJIMA (NIPSSR) with MHLW "Survey of Social Welfare Institutions", "Survey of Institutions and Establishments for Long-term Care" "Patient Survey" and Statistics Bureau "Population Estimates" and data of Federation of Housing & Community Centers.  
 Note : Data are 2012 (except for Elderly housing with care service and "Patient Survey"). "Patient Survey" does not cover Ishinomaki and Kesenuma 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 (長期照顧保險), 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.

謝謝您

Thank You!

ご清聴ありがとうございます



Tokai-do and Tohoku Shinkansen at Tokyo Station  
Photo : Katsuhisa Kojima

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