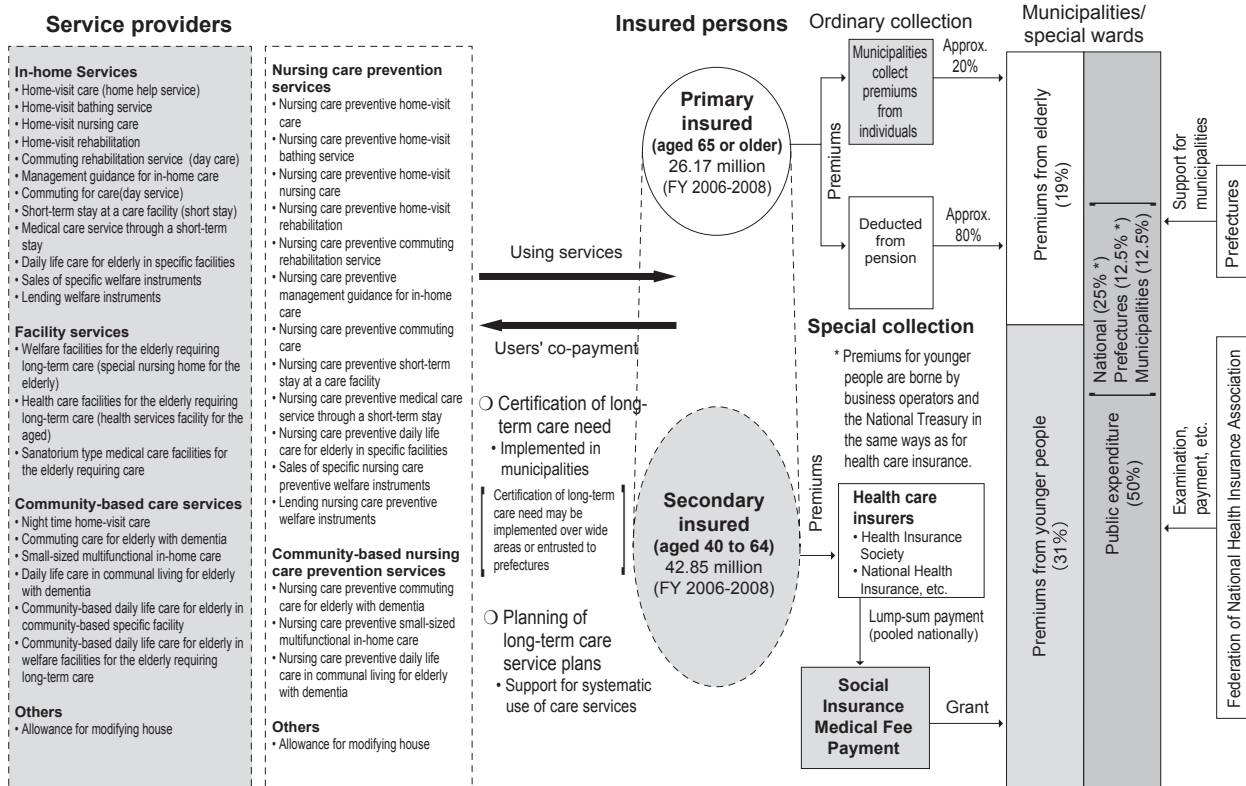


10. Health and Welfare Services for the Elderly

Overview of Long-Term Care Insurance System

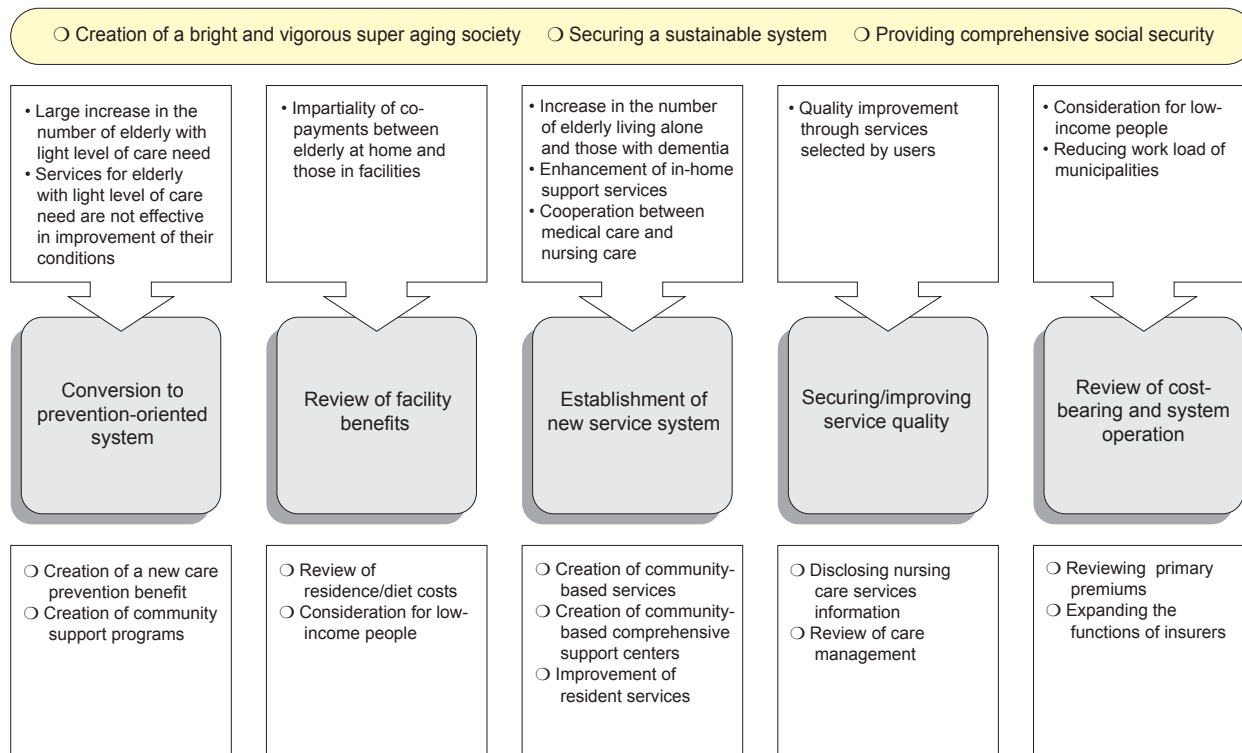
Overview

Long-Term Care Insurance System Diagram



* 5% of the public expenditure from the national government is for adjustment and may increase/decrease depending on the number of people aged 75 or older and income distributions of the elderly.
 * For benefit costs of facilities and such (benefit costs of 3 long-term care insurance facilities long-term care insurance facilities and specific facilities designated by prefectures), 20% is borne by the national government and 17.5% by prefectures.

Overview of the Law to Amend the Long-Term Care Insurance Act <Revised in 2005>



Detailed Data 1 Insured Person, Eligible Person, Premium Burden, Levy, and Collection Method

	Primary insured	Secondary insured
Covered	Primary insured	People aged 40 to 64 who are participants of health care insurance
Eligible	<ul style="list-style-type: none"> • People requiring long-term care (bedridden, dementia) • People requiring support (infirmity) 	People requiring long-term care or support due to diseases caused by aging such as presenile dementia or cerebrovascular disorder, etc.
Premium burden	Collected by municipalities	Health care insurers collect the premiums as health care insurance premiums and pay in lump-sum
Levy and collection method	<ul style="list-style-type: none"> • Fixed premium in accordance with income level (to ease the burden on the people with low income) • Special collection (deduction from the pension) for the insured receiving ¥180,000 or more benefits from the Old-Age Pension (*) annually. For others, municipalities collect the premiums. 	<ul style="list-style-type: none"> • Health care insurance: standard remuneration and standard bonus x long-term care insurance contribution (borne partly by business operators) • National Health Insurance: Divided proportionally by income or on a per capita basis (borne partly by the National Treasury)

* Disability Pension and Survivors' Pension are also included in subjects since April 2006.

Detailed Information 2 Premiums

1. To require the burden bearing according to the ability to bear for the premium of the primary insured, a fixed premium will be set by each municipality in accordance with the income level of the insured. The burden of the people with low income will be eased, while the burden of the people with high income will be incurred according to the income of the insured.

Level	Eligible	Premium	(Reference) Expected number of the insured
Level 1	<ul style="list-style-type: none"> • Beneficiary of public assistance • The insured receiving Old-age Welfare Pension in the municipal-tax exempt household 	Standard amount x 0.5	2.6%
Level 2	The insured with the total income including the pension income of ¥800,000 or less in the municipal-tax exempt household	Standard amount x 0.5	18.0%
Level 3	The insured in the municipal-tax exempt household who is not in the Level 2 category	Standard amount x 0.75	9.0%
Level 4	The insured exempt from municipal-tax	Standard amount x 1	30.5%
Level 5	The insured subject to municipal-tax (total income of the insured is less than ¥2 million)	Standard amount x 1.25	28.6%
Level 6	The insured subject to municipal-tax (total income of the insured is ¥2 million or more)	Standard amount x 1.5	11.3%

* Municipalities can set the number of levels flexibly by Prefectural Ordinance. In the meantime, municipalities can set the factors to be multiplied by the standard amount of the premiums for each level.

2. In case of secondary insured, the premium is calculated based on the calculation standard of the health care insurance system that they subscribe (the average amount of the burden per the secondary insured is the same).

Detailed Information 3 Users' Expenses

1. Fixed burden of 10% of the service cost, plus residence/meal costs are borne in principle by the hospitalized or institutionalized elderly
2. In case where the 10% burden bearing accounts for a large amount, high-cost long-term (preventive) care service benefits will be paid
3. Special care shall be paid to people with low income regarding 10% burden bearing and residence/meal cost burdens

<High-cost long-term care service benefits>

Income level	Ceiling amount for household
(1) Those not in (2) or (3) below	¥37,200
(2) ① Those in municipal-tax exempt household	① ¥24,600
② In case reduction to ¥24,600 does not make them ineligible for public assistance	② ¥24,600
(a) Those with total income including the pension income of ¥800,000 or less in the municipal-tax exempt household	¥15,000 (Individual)
(b) Recipients of Old-age Welfare Pension in the municipal-tax exempt household	¥15,000 (Individual)
(3) ① Recipients of public assistance	① ¥15,000 (Individual)
② In case reduction to ¥15,000 does not make them ineligible for public assistance	② ¥15,000

* Figures indicated as individual represent the ceiling amount for individuals in the households.

* For those in special nursing home for the elderly (subjects for measures in the old system) at the time of enforcement of the system, reduction and exemption measures according to their income level are taken for 5 years from April 1, 2005.

Detailed Information 4 Procedures for Using the System

1. Municipalities are responsible for certification of long-term care and support needs based on the evaluation results by the Certification Committee for Long-term Care Need

The Certification Committee for Long-term Care Need is responsible for the evaluation and judgement based on investigation results of the insured's mental and physical conditions and on family doctors' letters of opinions (evaluation and judgement can be entrusted to prefectures)

* The nationally uniform criteria for long-term care need certification are established objectively.

→ Benefits according to the levels of long-term care need are set (benefit limit standard amounts are set for in-home care)

- Benefit limits for in-home care benefits are approximately ¥50,000 to ¥358,000 according to the levels of long-term care need (7 levels including the levels of support need)

(Benefit limit standard amounts for in-home services)

Level of long-term care need	Benefit limit standard amounts
Requiring support 1	4,970 units/month
Requiring support 2	10,400 units/month
Requiring long-term care 1	16,580 units/month
Requiring long-term care 2	19,480 units/month
Requiring long-term care 3	26,750 units/month
Requiring long-term care 4	30,600 units/month
Requiring long-term care 5	35,830 units/month

* 1 unit: ¥10 to ¥10.72 (subject to regions and service types)

- Benefits amounts are set also for facility benefits by facility type, according to the levels of long-term care need

2. To provide comprehensive and systematic services suitable for the needs of users, it is fundamental to prepare long-term case service plans (care plans)

Detailed Information 5 Contents of Insurance Benefits

	Services of care prevention benefits	Services of long-term care benefits
Services designated/supervised by prefectures	Nursing care prevention services <ul style="list-style-type: none"> • Nursing care preventive home-visit care • Nursing care preventive home-visit bathing care • Nursing care preventive home-visit nursing care • Nursing care preventive home-visit rehabilitation • Nursing care preventive management guidance for in-home care • Nursing care preventive commuting care • Nursing care preventive commuting rehabilitation service • Nursing care preventive short-term stay at a care facility • Nursing care preventive medical care service through a short-term stay • Nursing care preventive daily life care for elderly in specific facilities • Lending nursing care preventive welfare instruments • Sales of specific nursing care preventive welfare instruments 	In-home Services <ul style="list-style-type: none"> • Home-visit care • Home-visit bathing service • Home-visit nursing care • Home-visit rehabilitation • Management guidance for in-home care • Commuting for care • Commuting rehabilitation service • Short-term stay at a care facility • Medical care service through a short-term stay • Daily life care for elderly in specific facilities • Lending welfare instruments • Sales of specific welfare instruments In-home care support Facility services <ul style="list-style-type: none"> • Welfare facilities for the elderly requiring long-term care • Health care facilities for the elderly requiring long-term care • Sanatorium type medical care facilities for the elderly requiring care
Services designated/supervised by municipalities	Nursing care prevention support Community-based nursing care prevention services <ul style="list-style-type: none"> • Nursing care preventive small-sized multifunctional in-home care • Nursing care preventive commuting care for elderly with dementia • Nursing care preventive daily life care in communal living 	Community-based services <ul style="list-style-type: none"> • Small-sized multifunctional in-home care • Night time home-visit care • Commuting care for elderly with dementia • Daily life care in communal living for elderly with dementia • Community-based daily life care for elderly in community-based specific facility • Community-based daily life care for elderly in welfare facilities for the elderly requiring long-term care
Others	Modifying houses	Modifying houses

Detailed Information 6 Consideration for Stable System Operation

<Financial consideration>

The Financial Stability Funds are established in prefectures (financed by the government, prefecture, and municipalities evenly by 1/3) and will be granted or loaned to supplement financial shortage due to unexpected increase in the amount of benefits and decrease in premium collection.

<Operational consideration>

1. Certification work of long-term care and support needs may be entrusted to prefectures.
2. Prefectures support municipalities in joint establishment of the Certification Committee for Long-term Care Need.