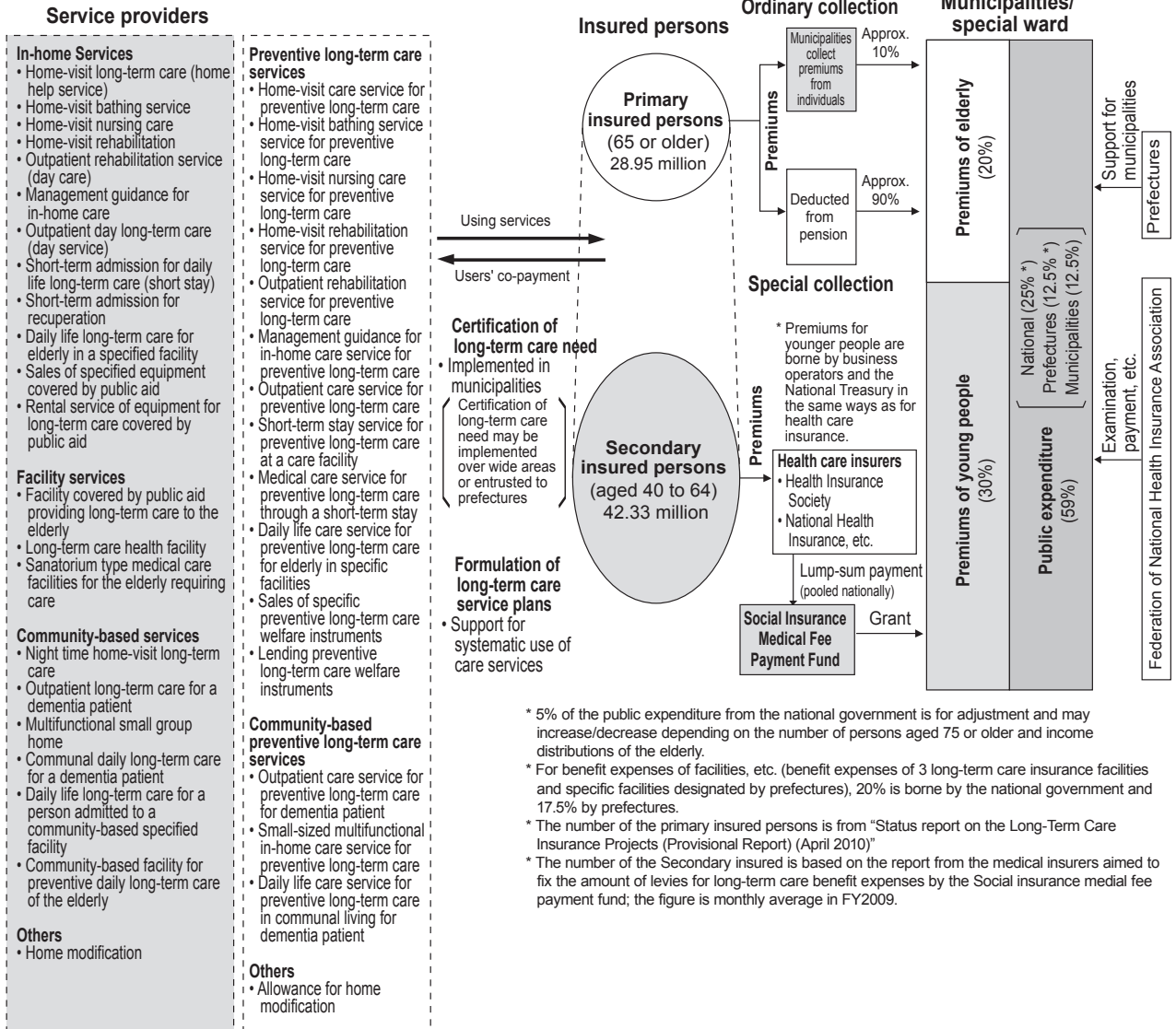


[1] Health and Welfare Services for the Elderly

Outline 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 persons aged 75 or older and income distributions of the elderly.

* For benefit expenses of facilities, etc. (benefit expenses of 3 long-term care insurance facilities and specific facilities designated by prefectures), 20% is borne by the national government and 17.5% by prefectures.

* The number of the primary insured persons is from "Status report on the Long-Term Care Insurance Projects (Provisional Report) (April 2010)".

* The number of the Secondary insured is based on the report from the medical insurers aimed to fix the amount of levies for long-term care benefit expenses by the Social insurance medical fee payment fund; the figure is monthly average in FY2009.

Detailed Information 1

Insured Person, Eligible Person, Premium Burden, Levy, and Collection Methods

	Primary insured	Secondary insured
Covered	Persons aged 65 or older	Persons aged 40-64 who are participants of health care insurance
Eligible	<ul style="list-style-type: none"> Persons requiring long-term care (such as bedridden, dementia) Persons requiring support (such as infirmity) 	The case is limited where a condition of need for Long-Term Care or for a Needed Support Condition is due to disease (specified disease) caused by aging such as terminal cancer and rheumatoid arthritis, 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 methods	<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, ordinary collection. 	<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. In order to require the burden bearing according to the ability to bear for the premium of the primary insured persons, 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 persons.

Level	Eligible persons	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	2.4%
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	16.1%
Level 3	The insured in the municipal-tax exempt household who is not in the Level 2 category	Standard amount x 0.75	11.1%
Level 4	The insured exempt from municipal-tax	Standard amount x 1	32.1%
Level 5	The insured subject to municipal-tax (total income of the insured is less than ¥2 million)	Standard amount x 1.25	22.5%
Level 6	The insured subject to municipal-tax (total income of the insured is ¥2 million or more)	Standard amount x 1.5	15.8%

* The table above shows standard levels. Municipalities can flexibly set the number of levels by Municipal 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 persons, 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, in addition residence/meal costs are basically borne by the elderly in hospitals and institutions
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	Individual ¥15,000
(b) Recipients of Old-age Welfare Pension in the municipal-tax exempt household	Individual ¥15,000
(3) [1] Recipients of public assistance	[1] Individual ¥15,000
[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 the time being.

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 per month 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 ¥11.05 (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	<p>Preventive long-term care services</p> <ul style="list-style-type: none"> • Home-visit care service for preventive long-term care • Home-visit bathing service service for preventive long-term care • Home-visit nursing care service for preventive long-term care • Home-visit rehabilitation service for preventive long-term care • Management guidance for in-home care service for preventive long-term care • Outpatient care service for preventive long-term care • Outpatient rehabilitation service for preventive long-term care • Short-term stay service for preventive long-term care at a care facility • Medical care service for preventive long-term care through a short-term stay • Daily life care service for preventive long-term care for elderly in specific facilities • Lending preventive long-term care welfare instruments • Sales of specific preventive long-term care welfare instruments 	<p>In-home Services</p> <ul style="list-style-type: none"> • Home-visit long-term care • Home-visit bathing service • Home-visit nursing care • Home-visit rehabilitation • Management guidance for in-home care • Outpatient day long-term care • Outpatient rehabilitation service • Short-term admission for daily life long-term care • Short-term admission for recuperation • Daily life care for elderly in specified facility • Rental service of equipment for long-term care covered by public aid • Sales of specified equipment covered by public aid <p>In-home care support services</p> <p>Facility services</p> <ul style="list-style-type: none"> • Facility covered by public aid providing long-term care to the elderly • Long-term care health facility • Sanatorium type medical care facilities for the elderly requiring care
Services designated/supervised by municipalities	<p>Preventive long-term support services</p> <p>Community-based preventive long-term care services</p> <ul style="list-style-type: none"> • Outpatient care service for preventive long-term care for dementia patient • Small-sized multifunctional in-home care service for preventive long-term care • Daily life care service for preventive long-term care in communal living for dementia patient 	<p>Community-based services</p> <ul style="list-style-type: none"> • Night time home-visit long-term care • Outpatient long-term care for dementia patient • Multifunctional small group home • Communal daily long-term care for a dementia patient • Daily life long-term care for a person admitted to a community-based specified facility • Community-based facility for preventive daily long-term care of the elderly
Others	Home modification	Home modification

Detailed Information 6 Consideration for Stable System Operation

<Financial consideration>

The Fiscal 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 of needed long-term care and support may be entrusted to prefectures.
2. Prefectures are supporting municipalities in joint establishment of the Certification Committee for Long-term Care Need.