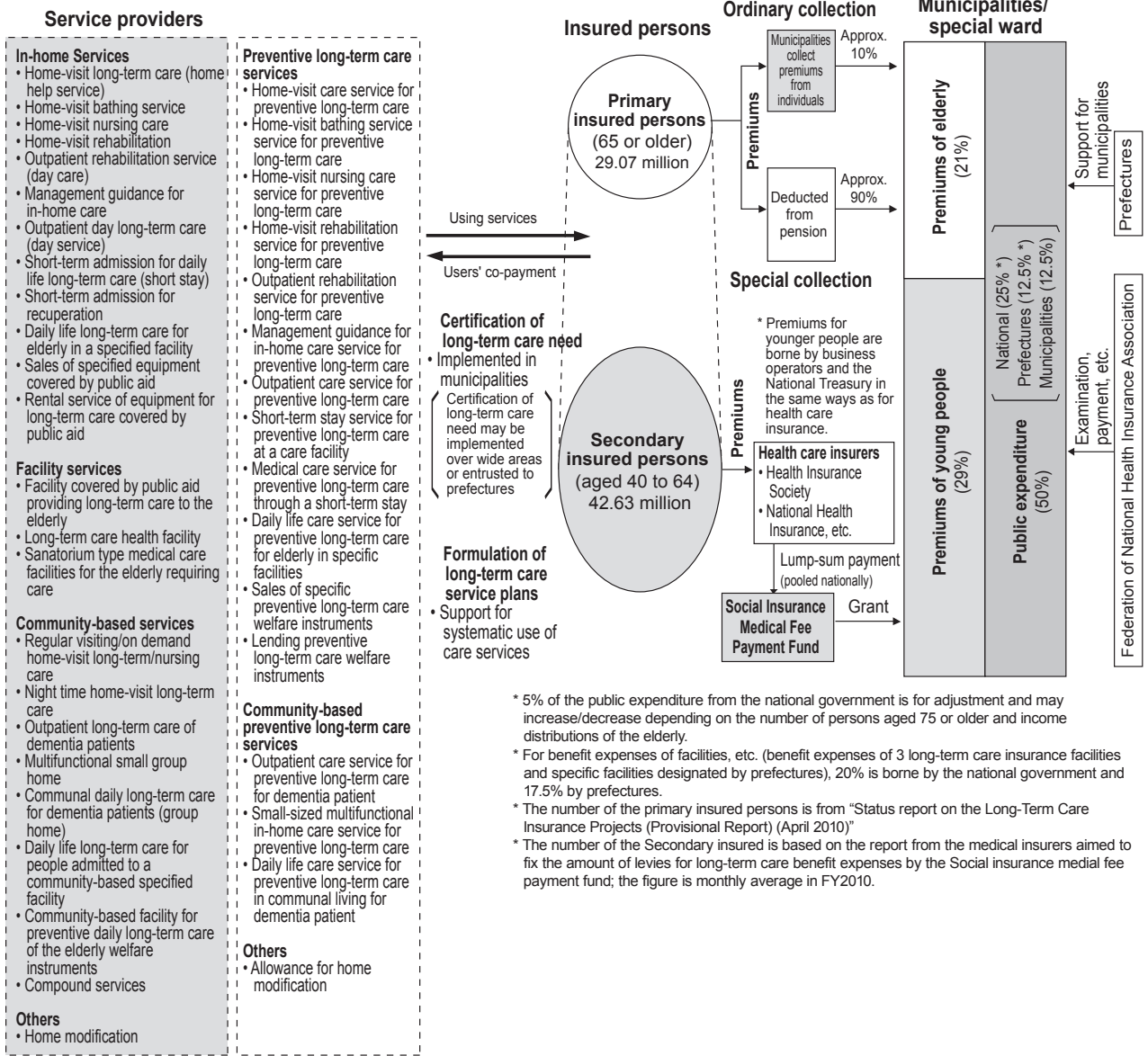


[10] Health and Welfare Services for the Elderly

Outline of Long-Term Care Insurance System

Overview Long-Term Care Insurance System Diagram



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	2.7%
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	17.0%
Level 3	The insured in the municipal-tax exempt household who is not in the Level 2 category	Standard amount x 0.75	13.2%
Level 4	The insured exempt from municipal-tax	Standard amount x 1	30.2%
Level 5	The insured subject to municipal-tax (total income of the insured is less than ¥1.90 million)	Standard amount x 1.25	21.1%
Level 6	The insured subject to municipal-tax (total income of the insured is ¥1.90 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.

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 ¥11.26 (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"> • Regular visiting/on demand home-visit long-term/nursing care • Night time home-visit long-term care • Outpatient long-term care for dementia patients • Multifunctional small group home • Communal daily long-term care for dementia patients • Daily life long-term care for people admitted to a community-based specified facility • Community-based facility for preventive daily long-term care of the elderly welfare instruments • Compound services
Others	Home modification	Home modification

* After partial enforcement of the “Act on Arrangement of Relevant Acts to Promote Reform for Improving Regional Autonomy and Independence”, the authority of services designated/supervised by prefectures has been transferred to designated/core cities.

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.

Development of Infrastructure for Long-Term Care Insurance

Overview

Development of Infrastructure

1. In order to develop long-term care service infrastructure systematically, municipalities and prefectures formulate the municipal insured long-term care service plans and prefectural insured long-term care service plans respectively in accordance with the basic guidelines formulated by the government.
2. Municipalities take required measures to reflect opinions of the insured at the time of formulating or revising the municipal insured long-term care service plans.
3. The government support municipalities in developing long-term care service infrastructure through providing grants for community care and welfare space developments, etc. In addition, support shall be provided using the temporary exceptional fund for urgent long-term care infrastructure establishment in prefectures (the implementation period of the fund was extended another year until FY2012) to promote the establishment of small-scale service bases for use in daily living areas within municipalities such as community-based services.

Detailed Information

Grant for Community Care and Welfare Space Development, etc.

1. Purpose

To enable the people to continue living in the region where they have lived for a long time, subsidizing cities, towns and villages to support establishment of long-term care service centers on the basis of the local situation utilizing the discretion and independency, improvement work for preparation of private rooms and unitization in the existing special nursing homes for the elderly, installment of sprinklers for existing small scale welfare facilities and implementation of advanced plans

2. Contents

- (1) Grant for promoting community care and welfare space development

Grant for expenses required for establishment of facilities and development of a system to introduce community-based services and promotion of co-existence services for elderly, people with disabilities, and children.

- (2) Special grant for advanced services support

Grant for establishment of facilities in accordance with the sanatorium type medical care facilities conversion plan, reform of existing special nursing homes for the elderly into private/unit rooms, establishment of emergency short stay rooms, etc.

3. Implementing entities: Municipalities

4. Rate of grant: Fixed amount

5. FY2012 budget: ¥5.7 billion

Detailed Information

Urgent Establishment of Infrastructure of Long-Term Care Facilities

1. Purpose

To support the establishment of long-term care service infrastructures by municipalities in order to promote the urgent establishment of regional long-term care facilities and regional care centers needed in the future by FY2011. (Implementation period of the fund was extended one year until FY2012)

2. Contents of the projects

The fund established in each municipality is used as capital to implement the following projects

- (1) The provisional and exceptional fund for an urgent establishment of long-term care infrastructure

- a) The project of special measures for an urgent establishment of long-term care infrastructure

Support to establishments of small-scale service centers used for daily life in the entire areas of municipalities such as community-based service

- b) The project of special measures for installment of sprinklers in the existing facilities

Expenses support to the existing special nursing homes for the elderly with a capacity of 30 people or more that are obliged to install sprinklers from April, 2009 according to the revised Fire Service Act

- (2) The provisional and exceptional fund to improve the treatment of nursing care staff (the project of special measures for new facility preparation, etc.

Support to the expenses for preparation of new facilities and establishment of leasehold for acquisition of land for facilities in order to promote establishment of special nursing homes for the elderly, etc.

3. Organizations responsible for the operation: Cities, wards, towns and villages

4. Subsidy ratio: Fixed (part of the project of 2 (2) is 1/2)

5. Project scale: Approx. ¥359.6 billion

(FY2009 first supplementary budget of approx. ¥329.4 billion
FY2010 first supplementary budget of approx. ¥30.2 billion

Implementation Status of Long-Term Care Insurance System

Detailed Data 1 Changes in Number of Primary Insured person (person)

As of the end of April of each year

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
21,654,769	22,473,297	23,223,722	23,981,379	24,528,385	25,160,699	25,935,454	26,822,941	27,566,882	28,384,166	28,945,267	29,069,219

Source: "Status Report on the Long-term Care Insurance Projects", Health and Welfare Bureau for the Elderly, MHLW

Detailed Data 2 Changes in Number of Persons Requiring Long-Term Care/Needed Support

As of the end of April of each year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Support needs 1	290,923	319,595	398,322	504,835	601,258	673,542	58,678	527,027	551,720	574,997	603,560	662,247
Support needs 2	-	-	-	-	-	-	45,414	521,549	629,071	661,881	653,899	668,629
Transient long-term care needs	-	-	-	-	-	-	654,952	39,557	1,460	0	-	-
Long-term care needs 1	551,134	709,493	890,772	1,070,191	1,252,269	1,332,078	1,386,738	876,240	769,388	788,133	852,325	909,673
Long-term care needs 2	393,691	489,560	571,012	640,574	594,806	614,040	651,370	755,749	806,110	822,691	854,158	900,892
Long-term care needs 3	316,515	357,797	393,646	430,709	492,195	527,329	560,602	652,255	711,337	737,951	712,847	699,763
Long-term care needs 4	338,901	365,352	393,783	423,846	478,585	496,616	524,989	547,175	578,873	589,512	629,757	641,178
Long-term care needs 5	290,457	340,662	381,472	414,169	455,021	464,550	465,350	488,753	500,255	514,758	563,671	593,228
Total	2,181,621	2,582,459	3,029,007	3,484,324	3,874,134	4,108,155	4,348,093	4,408,305	4,548,214	4,689,923	4,870,217	5,075,610

Source: "Status Report on the Long-term Care Insurance Projects", Health and Welfare Bureau for the Elderly, MHLW

(Note) Those who are certified for support need at the time of revision of the Long-Term Care Insurance Act (enforced on April 1, 2006) are in the category of "Transient long-term care needs" until the end of the certified period.

Detailed Data 3 Changes in Number of Long-Term Care Service Users

Services provided in April of each year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
In-home services (including preventive long-term care services)	971,461	1,419,344	1,723,523	2,014,841	2,314,883	2,505,636	2,546,666	2,573,797	2,685,115	2,782,828	2,941,266	3,062,232
Community-based services (including preventive long-term care services)	-	-	-	-	-	-	141,625	173,878	205,078	226,574	253,769	273,247
Facility services	518,227	650,590	688,842	721,394	757,593	780,818	788,637	814,575	825,155	825,835	838,279	843,016
Total	1,489,688	2,069,934	2,412,365	2,736,235	3,072,476	3,286,454	3,476,928	3,562,250	3,715,348	3,835,237	4,033,314	4,178,495

Source: "Status Report on the Long-term Care Insurance Projects", Health and Welfare Bureau for the Elderly, MHLW

Detailed Data 4 Changes in Amount of Long-Term Care Benefits Expenses (¥1 million/service type/month)

Services provided in April of each year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
In-home services (including preventive long-term care services)	57,001	118,500	153,214	182,507	216,783	236,804	214,366	229,147	246,922	265,488	287,004	304,065
Community-based services (including preventive long-term care services)	-	-	-	-	-	-	28,287	34,383	40,065	44,455	49,568	55,181
Facility services	144,874	200,177	212,586	214,033	227,927	234,326	198,493	205,154	207,915	214,115	218,512	219,492
Total	201,875	318,677	365,800	396,540	444,709	471,130	441,146	468,684	494,903	524,058	555,084	578,739

Detailed Data 5
Individual Service Expenses

	Expense (unit: ¥1 million)	Percentage (unit: %)
Total	668,010	100.0
In-home services (including nursing care preventive services)	319,228	47.8
Home-visit/outpatient	251,360	37.6
Home-visit long-term care	65,949	9.9
Home-visit bathing service	4,925	0.7
Home-visit nursing care	13,260	2.0
Home-visit rehabilitation	2,546	0.4
Outpatient day long-term care	108,105	16.2
Outpatient rehabilitation service	37,587	5.6
Rental service of equipment for long-term care covered by public aid	18,988	2.8
Short-term institutionalization	33,787	5.1
Short-term admission for daily life long-term care	28,952	4.3
Short-term admission for recuperation (in long-term care health facilities)	4,445	0.7
Short-term admission for recuperation (in hospitals, etc.)	391	0.1
Management guidance for in-home care	4,402	0.7
Daily life care for elderly in specified facility	29,678	4.4
In-home care support services	33,008	4.9
Community-based services	66,267	9.9
Night time home-visit long-term care	184	0.0
Outpatient long-term care for dementia patient	6,809	1.0
Multifunctional small group home	11,081	1.7
Communal daily long-term care for a dementia patient (excluding short-term use)	42,957	6.4
Communal daily long-term care for a dementia patient (for short-term use)	18	0.0
Daily life long-term care for a person admitted to a community-based specified facility	834	0.1
Community-based facility for preventive daily long-term care of the elderly	4,383	0.7
Facility services	249,508	37.4
Facility covered by public aid providing long-term care to the elderly	122,303	18.3
Long-term care health facility	96,212	14.4
Sanatorium type medical care facilities for the elderly requiring care	30,993	4.6

Source: Prepared by the Health and Welfare Bureau for the Elderly, MHLW based on the "Survey of Long-term Care Benefit Expenditures" (examined as of December 2011), Statistics and Information Department, Minister's Secretariat, MHLW

(Note) 1. The figure of individual categories may not add to totals due to rounding.

2. The figures include long-term prevention benefits.

Detailed Data 6

Changes in Total Amount of Long-Term Care Expenses (¥100 million/Year)

(FY)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (Budget)	2012 (Budget)
36,273	45,919	51,929	56,891	62,025	63,957	63,615	66,719	69,497	74,306	78,204	83,223	89,217

Source: "Status Report on the Long-term Care Insurance Projects", Health and Welfare Bureau for the Elderly, MHLW
The figures for FY2011 and FY2012 are estimated from the budget amount.

Detailed Data 7

Changes in Number of Long-Term Care Service Providers (service provider)

As of the end of April of each year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
In-home Services												
Home-visit long-term care	11,475	13,620	15,260	17,592	20,849	24,795	26,599	27,602	26,955	26,741	27,476	28,782
Home-visit bathing service	2,431	2,838	2,846	2,887	2,945	2,916	2,837	2,695	2,449	2,407	2,391	2,434
Home-visit nursing care	31,984	57,836	59,765	62,774	65,264	67,458	69,581	62,440	64,003	64,955	66,391	67,922
Home-visit rehabilitation	22,491	44,460	46,396	49,440	52,029	54,356	56,562	50,059	51,885	53,105	54,693	56,289
Management guidance for in-home care	72,970	133,366	137,049	141,566	145,142	147,967	151,606	150,343	153,510	154,870	156,895	158,074
Outpatient day long-term care	7,133	8,787	10,131	11,670	14,041	17,245	19,973	21,615	22,844	24,188	26,261	28,949
Outpatient rehabilitation service	4,594	5,591	5,691	5,828	5,969	6,238	6,330	6,591	6,659	33,447	38,094	38,797
Short-term admission for daily life long-term care	4,080	4,825	5,077	5,330	5,649	6,115	6,530	7,019	7,395	7,653	7,871	8,174
Short-term admission for recuperation	5,031	6,585	6,667	6,797	6,823	6,884	6,588	6,298	5,972	5,789	5,710	5,659
Daily life care for elderly in specified facility	235	313	412	551	800	1,285	1,744	2,585	2,896	3,047	3,281	3,551
Rental service of equipment for long-term care covered by public aid	3,241	5,067	5,968	6,902	7,937	8,692	9,043	8,743	8,053	7,319	7,166	7,316
Community-based services												
Night time home-visit long-term care	-	-	-	-	-	-	-	86	121	107	118	140
Outpatient long-term care for dementia patient	-	-	-	-	-	-	-	3,087	3,385	3,569	3,771	3,994
Multifunctional small group home	-	-	-	-	-	-	-	703	1,547	2,056	2,438	2,994
Communal daily long-term care for a dementia patient	418	1,030	1,839	2,944	4,787	6,645	7,666	8,938	9,576	9,946	10,404	11,180
Daily life long-term care for a person admitted to a community-based specified facility	-	-	-	-	-	-	-	51	81	117	146	176
Community-based facility for preventive daily long-term care of the elderly	-	-	-	-	-	-	-	61	155	261	347	514
Welfare facilities for the elderly requiring long-term care	20,995	22,180	23,590	25,290	27,481	30,390	31,996	32,462	31,973	31,907	32,346	33,564
Facility services												
Welfare facilities for the elderly requiring long-term care	4,085	4,592	4,792	4,978	5,204	5,478	5,677	5,898	6,054	6,134	6,207	6,303
Health care facilities for the elderly requiring long-term care	2,160	2,739	2,838	2,942	3,078	3,270	3,353	3,461	3,526	3,603	3,688	3,763
Sanatorium type medical care facilities for the elderly requiring care	2,898	3,909	3,925	3,992	3,888	3,758	3,413	2,961	2,550	2,329	2,137	1,982
Preventive long-term care services												
Home-visit care service for preventive long-term care	-	-	-	-	-	-	-	25,817	25,654	25,757	26,644	28,047
Home-visit bathing service service for preventive long-term care	-	-	-	-	-	-	-	2,296	2,136	2,141	2,167	2,220
Home-visit nursing care service for preventive long-term care	-	-	-	-	-	-	-	55,576	57,391	59,290	60,950	62,615
Home-visit rehabilitation service for preventive long-term care	-	-	-	-	-	-	-	43,996	46,337	48,414	50,172	51,909
Management guidance for in-home care service for preventive long-term care	-	-	-	-	-	-	-	120,344	124,353	128,407	131,671	134,036
Outpatient care service for preventive long-term care	-	-	-	-	-	-	-	20,374	21,961	23,345	25,232	27,662
Outpatient rehabilitation service for preventive long-term care	-	-	-	-	-	-	-	6,353	6,473	33,395	38,168	38,866
Short-term stay service for preventive long-term care at a care facility	-	-	-	-	-	-	-	6,436	6,947	7,241	7,469	7,779
Medical care service for preventive long-term care through a short-term stay	-	-	-	-	-	-	-	5,956	5,688	5,578	5,518	5,470
Daily life care service for preventive long-term care for elderly in specific facilities	-	-	-	-	-	-	-	2,454	2,751	2,895	3,113	3,370
Lending preventive long-term care welfare instruments	-	-	-	-	-	-	-	7,602	7,179	6,893	6,944	6,116
Community-based preventive long-term care services												
Outpatient care service for preventive long-term care for dementia patient	-	-	-	-	-	-	-	2,920	3,192	3,326	3,510	3,994
Small-sized multifunctional in-home care service for preventive long-term care	-	-	-	-	-	-	-	539	1,215	1,663	2,002	2,994
Daily life care service for preventive long-term care in communal living for dementia patient	-	-	-	-	-	-	-	8,502	9,299	9,379	10,200	10,941

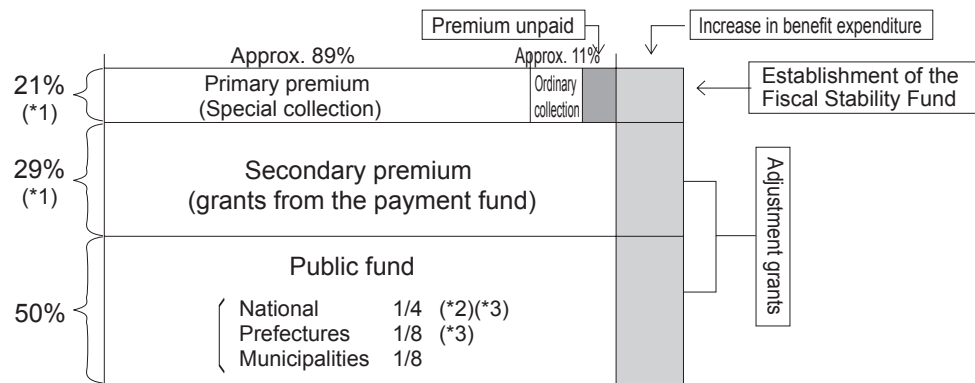
(Note) Community-based services, community-based nursing care prevention services, and nursing care prevention services have been introduced since April 2006.

Source: "WAMNET"

Financial Status of Long-Term Care Insurance System

Overview

Financial Status of Long-Term Care Insurance System



*1 The percentages are based on the statistical proportion of the primary and secondary insured persons from FY2012 to FY2014 (the corresponding percentages from FY2000 to FY2002 were 17% and 33%; from FY2003 to FY2005, 18% and 32%; from FY2006 to FY2008, 19% and 31%; and from FY2009 to FY2011, 20% and 30%, respectively).

*2 5% of the national fund shall be appropriated for the adjustment of gaps of municipalities' finance (grant proportions differ depending on municipalities).

(Rational for adjustment)

[1] Different proportion of later elderly person's participation.

[2] Different burden bearing capabilities of the elderly (numbers of insured people by income level)

[3] Reduction or exemption of premium and users' fees at the time of disasters (special adjustment)

3 The burden bearing ratio of benefit expenditure concerning Long-Term Care facilities, etc. () since FY2006 is as follows.

(*) 3 types of the Facilities Covered by Long-Term Care Insurance and the Specified Facility Designated by prefecture

National 25% → 20%

Prefecture 12.5% → 17.5%