The Role of National and Local governments in Japanese Long term care policy

Dec.5, 2013

Hideaki Nishizawa
Deputy-Director,
Long-term Care Insurance Planning Division,
Health and Welfare Bureau for the Elderly,
Ministry of Health, Labor and Welfare
## Development of welfare policies for the elderly

<table>
<thead>
<tr>
<th>Decade</th>
<th>Elderly population pct.</th>
<th>Major policies</th>
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<tbody>
<tr>
<td>1960s</td>
<td>5.7% (1960)</td>
<td>1963 Act on Social Welfare Services for the Elderly passed</td>
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<td><strong>Beginning of welfare policies for the elderly</strong></td>
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<td>✧ Intensive care homes for the elderly created</td>
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<td></td>
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<td>✧ Legislation on home helpers for the elderly</td>
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<td>1970s</td>
<td>7.1% (1970)</td>
<td>1973 Free healthcare for the elderly</td>
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<td><strong>Expansion of healthcare expenditures for the elderly</strong></td>
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<tr>
<td>1980s</td>
<td>9.1% (1980)</td>
<td>1982 Passage of the Health and Medical Services Act for the Aged</td>
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<td><strong>Social hospitalization and bedridden elderly become social problems</strong></td>
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<td>✧ Adoption of the payment of copayments for elderly healthcare, etc.</td>
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<td>1989 Establishment of the Gold Plan (10-year strategy for the promotion of health and welfare for the elderly)</td>
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<td></td>
<td></td>
<td>✧ Promotion of the urgent preparation of facilities and in-home welfare services</td>
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<tr>
<td>1990s</td>
<td>12.0% (1990)</td>
<td>1994 Establishment of the New Gold Plan (new 10-year strategy for the promotion of health and welfare for the elderly)</td>
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<tr>
<td><strong>Promotion of the Gold Plan</strong></td>
<td></td>
<td>✧ Improvement of in-home long-term care</td>
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<td></td>
<td>14.5% (1995)</td>
<td>1996 Policy agreement by the three coalition parties</td>
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<tr>
<td><strong>Preparation for adoption of the long-term care insurance system</strong></td>
<td></td>
<td>✧ Coalition party agreement on the creation of a long-term care insurance system</td>
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<tr>
<td></td>
<td></td>
<td>1997 Passage of the Long-Term Care Insurance Act</td>
</tr>
<tr>
<td><strong>Implementation of the long-term care insurance system</strong></td>
<td></td>
<td>2005 Partial revision of the Long-Term Care Insurance Act</td>
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</table>
Primary Insured Persons - aged 65 or over
(28.92 million people)

Secondary Insured Persons - aged 40-64
(42.33 million people)

Certification of Needed Long-Term Care

Application

Use of the services

Service providers
- In-home services
- Outpatient Day Long-Term Care, etc.
- Community-based services
- Home-Visits at Night for Long-Term Care
- Communal Daily Long-Term Care for Dementia Patients, etc.
- Facility Services
- Welfare facilities for the elderly
- Health facilities for the elderly, etc.

Pay 90% of the costs

Individual municipality

National pool of money

National Health Insurance, Health Insurance Society, etc.

Fiscal Stability Funds

Withheld from pensions, in principle

Premiums

50%

Tax
50%

Municipalities (Insurer)

Municipalities
12.5%

Prefectures
12.5%(*)

State
25%(*)

* As for benefits for facilities, the state bears 20% and prefectures bear 17.5%.

21%

29%

Determined based on the population ratio

(JFY2012-2014)

Insured persons

Note: The figure for Primary Insured Persons is from the Report on Long-Term Care Insurance Operation (provisional) (April, 2009), Ministry of Health, Labour and Welfare and that for Secondary Insured Person is the monthly average for JFY2008, calculated from medical insurers’ reports used by the Social Insurance Medical Fee Payment Fund in order to determine the amount of long-term care expenses.
The role of national and local governments

Municipal governments (1580)
- The introduction of the Long-term care was thought to be “the test of the local autonomy”
- As an insurer of the Long-term care system, settle the management plan of the insurance, decide premiums every three years and run the system.
- Manage local services.

Prefectural governments (47)
- Help and give advice to municipal governments. Manage a fund for maintaining stability of the insurance.
- Coordinate and manage larger facility services.
- Big cities have the same role as prefecture.

National governments (1)
- Settle the basic rule of the Long-term care insurance.
- Decide fees for services (every three years).
- Help and give advice to prefectural and municipal governments.
Status of implementation of the long-term care insurance system

(1) Number of insured persons age 65 and older

- The number of insured persons age 65 and older increased by about 7.42 million (34%) over 10 years.

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<tr>
<th></th>
<th>End of April 2000</th>
<th>End of April 2010</th>
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</thead>
<tbody>
<tr>
<td>No. of insured persons</td>
<td>21.65 million</td>
<td>29.07 million</td>
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(2) Number of persons requiring long-term care (or support)

- The number of persons certified as requiring long-term care increased by about 2.90 million (133%) over 10 years.

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<tr>
<th></th>
<th>End of April 2000</th>
<th>End of April 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of persons certified</td>
<td>2.18 million</td>
<td>5.08 million</td>
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</table>

(3) Number of applications for certification of the need for long-term care (or support)

- The number of applications for certification of the need for long-term care increased by about 2.27 million (84%) over 10 years.

Note: Renewals of the certification of needed long-term care were made valid for two years in 2004, so the number of applications was lower in 2010 than in 2003.

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<th></th>
<th>FY 2000</th>
<th>FY 2003</th>
<th>FY 2010</th>
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<tbody>
<tr>
<td>No. of applications</td>
<td>2.69 million</td>
<td>5.47 million</td>
<td>5.63 million</td>
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</table>
Transition of long-term care service costs and long-term care insurance premiums

○ Total expenditure

Total expenditure of long-term care insurance (*) is increasing year by year

(Note) Values of FY2000–2009 are actual values, those of FY2010–2012 are budgets at the beginning of the year

* Clerical work costs and employment costs concerning long-term care insurance are not included. (those are budgeted by the local allocation tax)

○ Premium people aged 65 and older pay (National average [monthly weighted average])

<table>
<thead>
<tr>
<th>1st term</th>
<th>2nd term</th>
<th>3rd term</th>
<th>4th term</th>
<th>5th term</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,911 yen</td>
<td>3,293 yen (+13%)</td>
<td>4,090 yen (+24%)</td>
<td>4,160 yen (+1.7%)</td>
<td>4,972 yen (+20%)</td>
</tr>
</tbody>
</table>
Matrix of Long-term Care Insurance Services

**Home-visit Services**
Home-visit Care, Home-visit Nursing, Home-Visit Bathing Long-Term Care, etc.

**Day Services**
Day Care Center, Day Rehabilitation Center, etc.

**Short-stay Services**
Short-Term Admission for Facilities, etc.

**Residential Services**
Group Home for People with Dementia etc.

**In-facility Services**
Intensive Care Home for the Elderly, Long-Term Care Health Facility, etc.
Transition in number of long-term care service users

- Number of service users increases by approx. 2.54 million (170%) in the ten years.
- Especially, increase in home-visit service users is large. (203% increase in ten years)

1.49 million persons (10 thousand persons)

- Home-visit service (users in April 2010 include those of long-term care prevention services)
- Community-based services (including community-based long-term care prevention services)
- In-Facility services

203% increase (home-visit services)
170% increase (total)
62% increase (facility services)

Users in April 2000

Services in April 2010

Source: Report of long-term care insurance services

* Long-term care prevention services, community-based services and community-based long-term care prevention services were established followed by amendment of long-term care insurance system in 2005.

* Total number of users of each service category and total number of service users are not the same due to rounding.
Future conditions surrounding long-term care insurance system

(1) Ratio of the elderly aged 75 and older to total population will increase year by year, exceeding 25% in 2055.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2015</th>
<th>2025</th>
<th>2055</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of the number of population aged 75 and older</td>
<td>11.1%</td>
<td>13.0%</td>
<td>18.1%</td>
<td>26.1%</td>
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</tbody>
</table>

(2) Among persons aged 65 and older, number of persons of level II and severer level of Independency in Daily Life of the Elderly with Dementia will be increasing.

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2015</th>
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<tbody>
<tr>
<td>Estimated number of persons of Level II and severer level of Independency in Daily Life of Elderly with Dementia (pct. to population aged 65 and over)</td>
<td>2.80 mill (9.5%)</td>
<td>3.45mill (10.2%)</td>
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</table>

(3) Among households with householders aged 65 and over, number of one-person households and couple-only households will be increasing.

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<tr>
<th></th>
<th>2005</th>
<th>2015</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated number of households of the aged (pct. of one-person or couple-only households to those of the aged)</td>
<td>13.55 million (62.8%)</td>
<td>18.03 million (64.4%)</td>
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(4) In metropolitan area and other city areas, aging will be rapidly advanced.

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<tr>
<th></th>
<th>Saitama</th>
<th>Chiba</th>
<th>Kanagawa</th>
<th>Akita</th>
<th>Yamagata</th>
<th>Kagoshima</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly population as of 2005</td>
<td>1,160,000</td>
<td>1,060,000</td>
<td>1,490,000</td>
<td>310,000</td>
<td>310,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Elderly population as of 2015 (Percentage of increase)</td>
<td>1,790,000 (+55%)</td>
<td>1,600,000 (+50%)</td>
<td>2,180,000 (+47%)</td>
<td>340,000 (+11%)</td>
<td>340,000 (+10%)</td>
<td>480,000 (+10%)</td>
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</tbody>
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Realization of an integrated community care system which provides housing, healthcare, long-term care, prevention, and livelihood support services in a unified manner enables the elderly to live in their community and familiar environment throughout their life even if they come to need advanced level care.

[Measures based on five perspectives]
Following measures based on five perspectives should be implemented comprehensively and consecutively to realize Integrated Community Care.

1. Cooperation with Healthcare Services
2. Improvement and Reinforcement of LTC Services
3. Promotion of Prevention Programmes
4. Ensuring various life support services such as watching over, meals-on-wheels and shopping, and Advocacy
5. Sufficient supply of Elderly Housings (Collaboration with MLIT)
The role of municipal governments will be more and more important in order to overcome the coming super population aging.

Local governments can and should learn each other.

We (national governments) also can and should learn from trials of progressive municipal governments.