

Outline of the Act on the Partial Revision of the Act on Self-reliance Support for Needy Persons to Promote Independence of Needy Persons (No. 44 of 2018)

Purpose of revision

To further promote the independence of needy persons, the Ministry of Health, Labour and Welfare will take the following measures: strengthening a comprehensive support system for needy persons, helping children from families on welfare obtain higher education at universities or other schools, increasing the number of payments of child-rearing allowance and limiting welfare recipients receiving medical assistance to the use of generic drugs.

Outline of revision

1. Strengthen support for needy persons to become independent (the Act on Self-reliance Support for Needy Persons)

(1) Strengthen a comprehensive support system for needy persons

- ① Promoting integrated implementation of support projects (counselling services to support needy persons' independence, assistance in preparation for employment and support for the improvement in household finances)
 - Require local governments and other organizations to make efforts to implement support projects on employment preparation and improvement in household finances
 - Increase the national subsidy to a local government from half the cost of the project to improve household finances to two-thirds the cost when the both projects above are implemented effectively and efficiently
- ② Require relevant local authorities to make efforts to encourage needy persons to use counselling services that help them become independent
- ③ Set up support projects run by prefectural governments for city governments, such as training programs for city officials, etc.

(2) Expand the learning support project for children living in poverty

- ① Strengthen assistance through giving children and parents advice on how to improve children's lifestyle and create a better environment for children to grow (this new project is called the "Learning and Living Support Project for Children Living in Poverty.")

(3) Strengthen living support (expansion of the temporary living assistance project)

- ① Visit people who moved out public welfare facilities and those isolated from the community at their home to see how they are doing, and support their lives

2. Step up support in helping welfare recipients become independent, and provide appropriate support services under the public assistance system (Public Assistance Act, Social Welfare Act)

(1) Assist children in receiving secondly or higher education to help break a cycle of child poverty in families on welfare

- ① Provide a lump-sum allowance for children who start going to school for secondary or higher education to cover the cost for starting a new life

(2) Step up efforts to prevent lifestyle diseases, and curb rising medical assistance costs

- ① Establish a "health management support project" and promote efforts to help people on welfare maintain their health including the use of data for life-style disease prevention
- ② Require people on welfare to use generic drugs in principle unless their doctors object.

(3) Take measures to regulate "poverty businesses" and provide living support for people who have difficulty living independently

- ① Strengthen regulations on free or low-cost housing facilities: advanced notification, minimum standards and improvement orders
- ② Offer support to people having difficulties finding a place to live independently and provide them with a housing facility in good condition for free or at low-price.

(4) Determine the amount of money that welfare recipients need to pay back when they obtain benefits even though they have means

Make exceptions in determining domicile for the coverage of long-term care insurance: to those who have moved to fee-based nursing care facilities covered by the domicile exception provision, nursing care services will be provided by the local government that has jurisdiction over the insured's prior place of residence

3. Promote financial stability and independence of single-parent households (Child Rearing Allowance Law)

- (1) Increase the number of payments of child-rearing allowance from the current three times (April, August, December) to six times (January, March, May, July, September, November)

Enforcement Date

October 1, 2018 (April 1, 2019 for 1. (2) (3), the publication date for 2. (1), January 1, 2021 for 2.(2) ①, April 1, 2020 for 2. (3), September 1, 2019 for 3. ※ and so on)

※ Applicable from payment in November 2019

Strengthen the comprehensive support system for needy persons (1)

1. Clarify the basic principles and definition

- Clarify the basic principles on support in helping needy persons become independent
 - ① Preserve the dignity of needy persons
 - ② Provide comprehensive assistance, before it is too late, according to the circumstances faced by needy persons such as employment status, mental and physical conditions, and relationships with local communities
 - ③ Establish a support system including close collaboration with relevant bodies and private organizations in the community
(Promote the support for needy persons to create a society in which people in the community help with each other)
- Change in definition of needy persons : an individual who is living in poverty and is likely to be unable to maintain a minimum standard of living due to employment status, mental and physical conditions, relationship with local communities and others.

Develop appropriate and effective support by sharing the basic principles and definitions among stakeholders in various fields who are involved in support for needy persons

2. Require relevant local authorities to make efforts to encourage needy persons to use counselling services that help them become independent

- Require relevant local authorities' departments in charge of welfare, employment, education, taxation, housing, etc. to make efforts to recommend the use of counselling services to needy persons

Strengthen cooperation among relevant authorities to ensure that all needy persons have access to counselling services, and provide appropriate assistance

3. Set up meetings to share information among relevant organizations

- Local governments carrying out support projects for needy persons may set up meetings that comprise (*) members of related organizations, etc. in order to exchange information and discuss support systems.
- (*) possible members include local government officials (including staff in related fields), counselors of the counselling services for needy persons, support staff for projects stipulated by law (projects on assistance in preparation for employment, and support for the improvement in household finances), consulting organizations in each field and welfare commissioners, etc.
- The confidentiality obligation will be imposed on members of the meetings so that the related parties involved in support for needy persons can share information appropriately .

Information-sharing, etc. at the meetings will enable relevant authorities to obtain information about poverty level as households at large and provide appropriate assistance to those in severe poverty as well as persons who are highly likely to fall into poverty traps before it is too late.

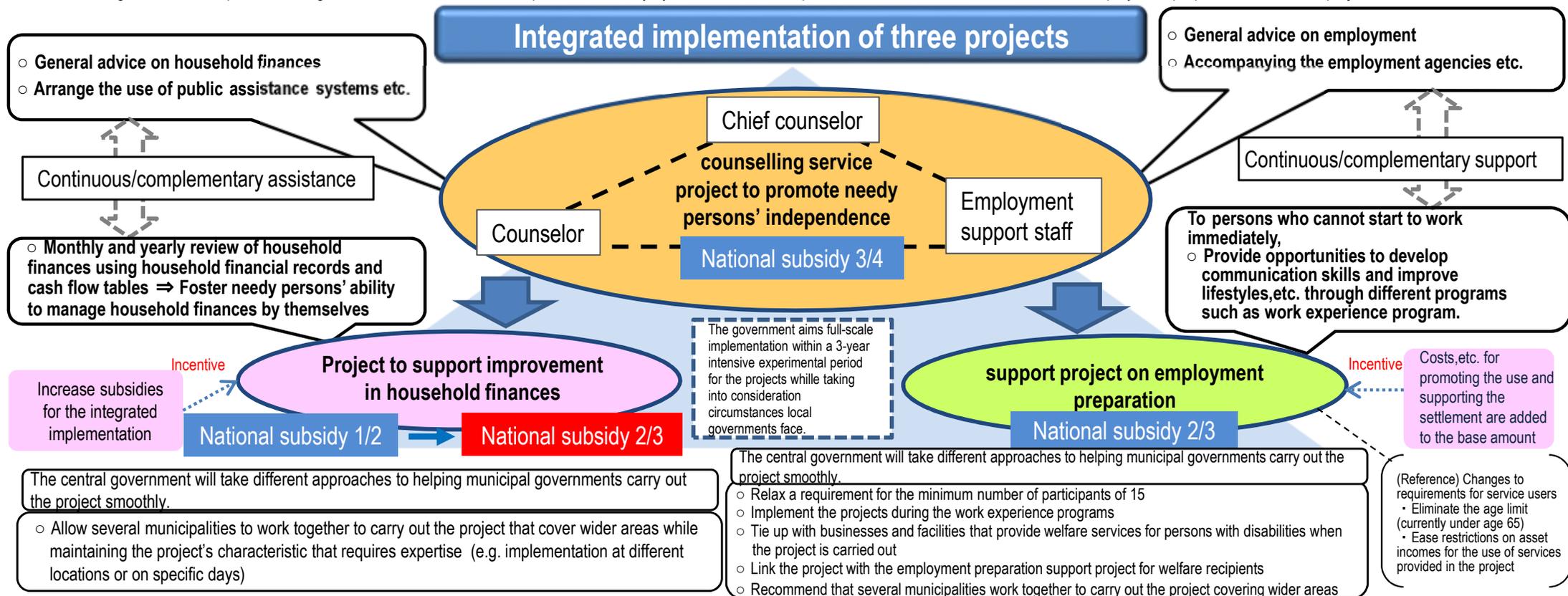
Strengthen the comprehensive support system for needy persons (2)

4. Promote the integrated implementation of support projects for needy persons (counselling services to promote needy persons' independence, assistance in preparation for employment and support for the improvement in household finances)

To promote integrated implementation of the support projects(counselling services to promote needy persons' independence, assistance in preparation for employment and support for the improvement in household finances), the MHLW takes the following measures:

- ① Require local governments and other organizations to make efforts to implement support projects on employment preparation and improvement in household finances
- ② Draw up guidelines necessary to properly promote the said projects, and take different approaches to helping municipal governments carry out the projects smoothly
- ③ Increase the national subsidy to a local government from half the cost of the project to improve household finances to two-thirds the cost when the both projects above are implemented effectively and efficiently

※ The central government will provide local governments with incentives as part of its subsidy system. The aim is to promote the use of services offered in the employment preparation assistant project .



5. Set up support projects run by prefectural governments for city governments, such as training programs for city officials, etc. , and allow towns and villages that have no welfare offices to provide consultation services

- Prefectural governments shall strive to implement support projects for city governments, etc. including training programs for city officials, support for the project implementation system and building of a network beyond municipal boundaries, while the government subsidizes the cost for such projects. (the ratio of subsidy to the total cost is 1:2)
- The revised law allows towns and villages that have no welfare offices to provide primary consultation services, etc. to needy persons while the current law doesn't allow to do so. The government will subsidize the cost for the services. (the ratio of subsidy to the total cost is 3:4)

Expand the learning support project for children in poverty and strengthen living support (expansion of the temporary living assistance project)

1. Expand the learning support project for children living in poverty

- Expand the current learning support project by adding the following assistance under the new project name of the “Learning and Living Support Project for Children Living in Poverty” :
 - ① give needy children and parents advice on how to improve life-styles and create a better child-rearing environment
 - ② provide information and suggestions to those seeking advice on education and work opportunities (including career choices, etc.) for children from needy families, and facilitate coordination with organizations concerned

Major challenges facing children in needy households, etc.

Learning

- Wishing to study more to go to high school
- Unable to find advantage in studying, graduating from high school and finding a job, etc.

Living

- No place to be at home
- Lack of opportunity to acquire social skills and basic lifestyle habits

Parents

- Poor relationship with children
- Caring less about child-rearing

Comprehensive response to the above challenges

Learning / living support project for children

Learning support

(Incl. efforts to prevent high school dropouts)

- Make learning a daily habit, help children catch up in their classes, etc.
- Help children go on to high school
- Prevent high school dropouts and etc. (Provide assistance such as regular interviews and etc.)



Improving children's lifestyle and creating a better environment for children to grow

- Create places to stay other than schools/homes
- Build an ideal lifestyle /improve the current lifestyle
- Support an entire family through a child-rearing assistance for parents such as visiting families with children of elementary school age



Support for education and job placement (career choices, etc.)

- Strengthen the following support for high school students, etc.
- Provide information to inspire students to think about what they are going to do after graduation
 - Give students advice about various options for their future through collaboration with relevant organizations, etc.



2. Strengthen the living support (expansion of the temporary living assistance project)

- Expand the current temporary living assistance project and strengthen living support by adding necessary assistance for the needy persons to lead daily lives including regular visits and life support

Those covered by the project are:

- ① Persons who used to use shelters, etc.
- ② Persons who have difficulties finding a place to live independently and are isolated from the community

(*) Closely related to the "Housing Safety Net Law" revised in 2017 (the law to promote the supply of rental housing to secure a place to live for people who tend to be shunned by landlords)

Enhanced living support will help build ties between persons who need assistance or relationships between needy people and local residents, and contribute to mutual support, enabling people in need to secure stable housing that allows them to live continuously in the community .

Support children in households on welfare in going on to higher education, etc.

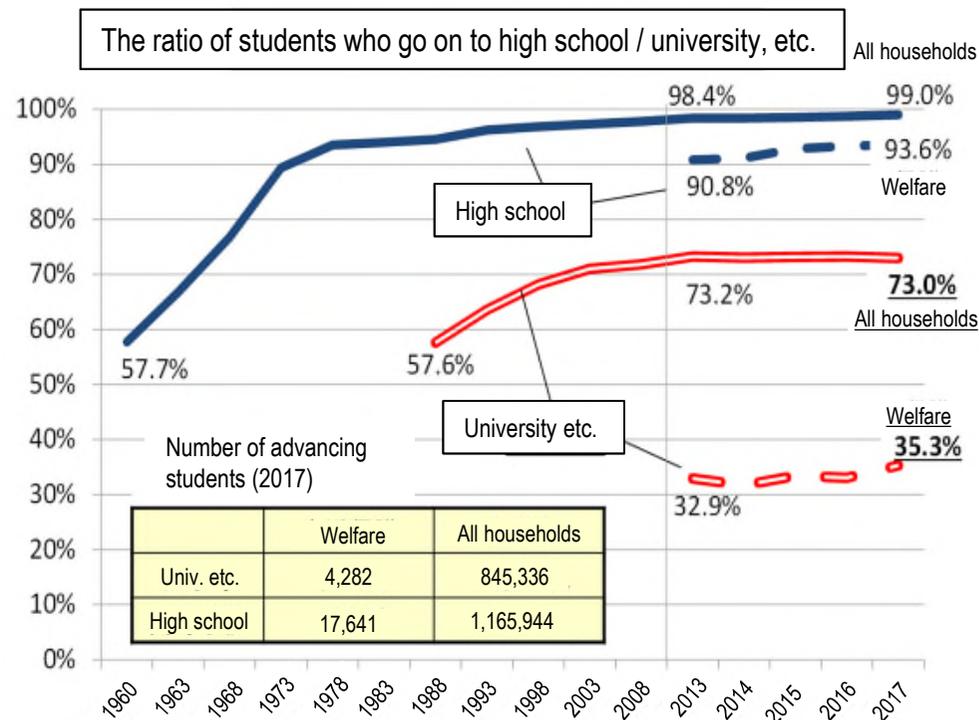
Given the fact that the college enrollment rate is much lower for children in households on welfare than those in all households, the ministry will take support measures to address issues arising from the public assistance system in order to break a cycle of poverty and encourage children from families on welfare to become independent.

Lump-sum allowance for children going on to college

Provide a lump-sum allowance for children in households on welfare who are going on to college to start a new life (those commuting from their homes: 100,000 yen, those commuting from other than their homes: 300,000 yen)

(Reference) Implement measures not to reduce housing allowances for families on welfare while children are enrolled in universities, etc.

Housing allowances for families on welfare will not be reduced if their children continue to live with them while enrolled in college.



Example of the basic welfare package in Tokyo's 23 wards (1 of the class 1 area) for a household comprising three persons (a mother and two children), before and after the first-born child starts university

In case of a household with a mother (aged 20 to 40), a first-born child aged 18 (graduated from high school) and a second child aged between 15-18, part of welfare benefits allocated for the first child will be subtracted from the benefits amount that the household used to receive before the first child starts university, etc.

	Before starting university, etc.	After starting university, etc.	Difference
Living assistance allowance	189,120 yen	145,100 yen	▲ 44,020 yen
Housing allowances (ceiling)	69,800 yen	64,000 yen	▲ 5,800 yen
Expenses for high school, etc. (second child)	10,600 yen	10,600 yen	0
Total	269,520 yen	219,700 yen	▲ 49,820 yen

* Amounts as of April 1, 2018

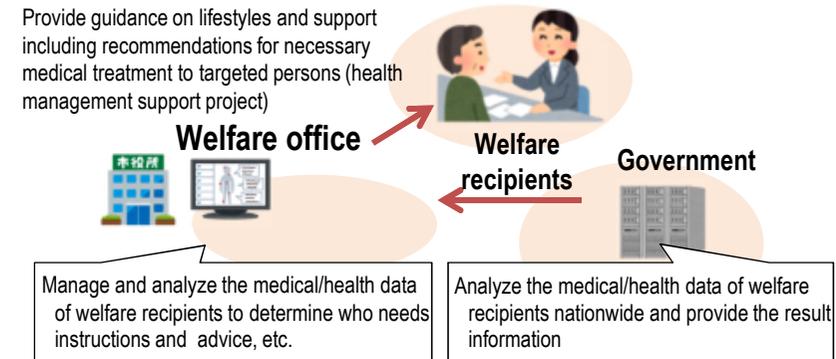
(Reference) Total benefits to a single-parent household will be reduced by about 60,000 yen when the first child graduates from high school. Details on reduction is as follows: child allowance for single-parent households (22,790 yen for one child, +1,800 yen for the second child) and the benefits to cover the costs that the first child needs while enrolled in high school (10,600 yen per child)

Strengthen efforts to prevent lifestyle-related diseases and provide appropriate medical assistance

1. Strengthen efforts to prevent lifestyle-related diseases

Welfare recipients tend to suffer from lifestyle-related diseases more than those who have health insurance. But the government has yet to collect data on benefit recipients' medical checkups, etc., failing to take measure to prevent lifestyle-related diseases or further deterioration of the diseases.

Set up the "Health Management Support Project" that promotes the prevention of lifestyle-related diseases, etc. based on data. In order to support the project, the government will analyze disease prevalence data, provide information to welfare offices and take other assistance measures.

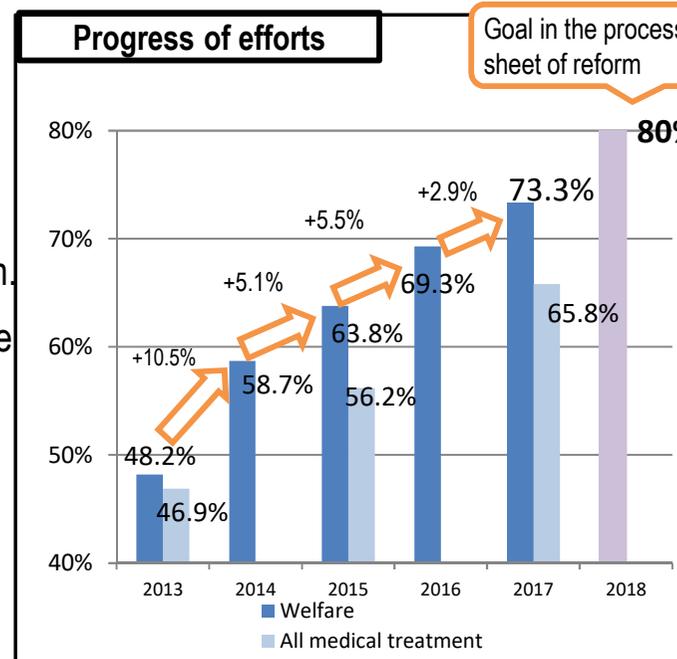


2. Limit welfare recipients receiving medical assistance to the use of generic drugs in principle

○ The revised Act stipulates that people on welfare should use generic drugs in principle (revision of Article 34, paragraph 3 of the Public Assistance Act)

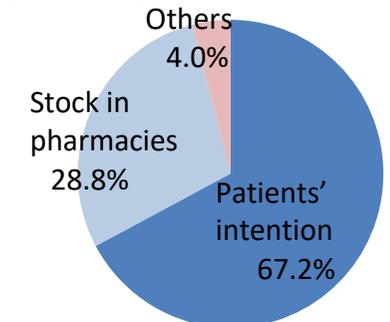
Limit welfare recipients to the use of generic drugs in principle when doctors approve of doing so based on their medical knowledge.

- The proportion of the use of generic medicines by welfare recipients was about 70% in fiscal 2017.
- "Request from welfare recipients" accounts for 67.2% of the reasons why pharmacies dispensed brand-name drugs to them.
- Local governments also call for limiting people on welfare to the use of generic drugs in principle. They are of the opinion that this is necessary to achieve the goal of boosting the share of the use of generic drugs by welfare recipients to 80%.
- Welfare recipients shall be prescribed generic drugs unless otherwise specified by doctors.



Challenges for efforts

Pharmacies cite "requests from welfare recipients" as the major reason for not having dispensed generic drugs.



※ Survey on the reasons why pharmacies did not dispense generic drugs, even though doctors, etc. prescribed medicines under common names.

Take measures to regulate “poverty businesses” and provide living support for people who have difficulty living independently

1. Tighten regulations concerning free or low-cost accommodations (regulations concerning businesses that cater to the poor)

- Revise the Social Welfare Act and tighten regulations under the Act in order to ensure an appropriate environment to promote support in helping the needy (those who use the accommodations) become independent
- ① Introduce the advance notification system for free or low-cost accommodation businesses
- ② Develop the standards on facilities and business operations stipulated in the guidelines (notification) into legally binding minimum standards
- ③ Allow local governments to issue improvement orders to businesses failing to meet the minimum standards

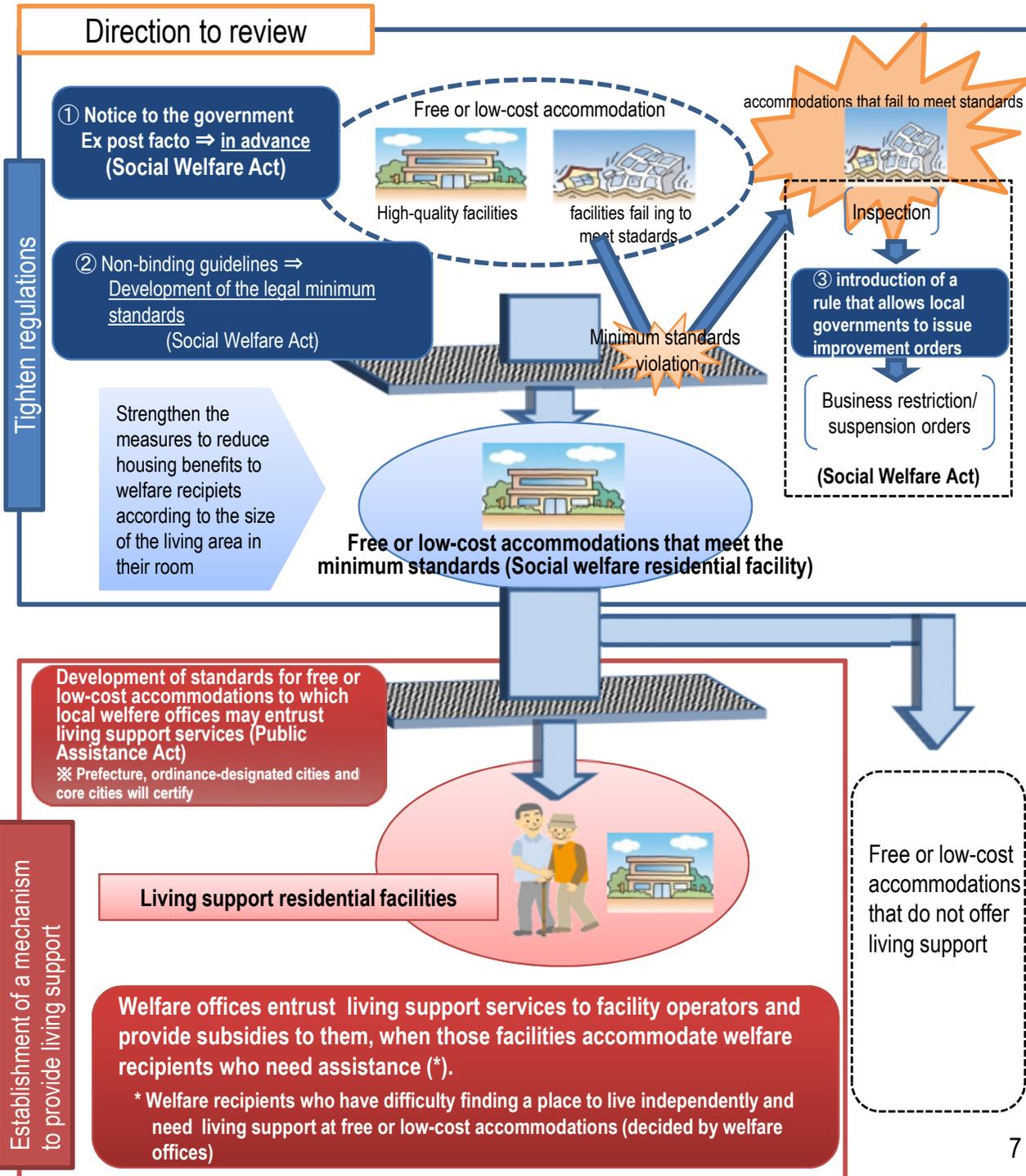
2. Living support for persons who have difficulty living independently

- Revise the Public Assistance Act and establish a mechanism to provide necessary living support at facilities offering high-quality services to welfare recipients who have difficulty living independently
- ◆ The welfare offices may entrust living support services to operators of free or low-cost accommodations that meet quality standards in services or other similar facilities.

Present state of free or low-cost accommodations (as of June 2015)

- Number of facilities: 537, Number of residents 15,600 (including 14,143 welfare recipients)
 - Living area in a room : less than 7.43 m² at 200 facilities (43%)
7.43 or more, but less than 15 m² at 217 facilities (47%)
 - Number of facilities urging users to pay for food and charging other fees (utilities, services, etc.)
- Average monthly costs:
- Cost for food: 28,207 yen in 453 facilities (84%)
 - Other costs: 15,597 yen in 469 facilities (87%)

At 86% of the facilities, welfare recipients have less than 30,000 yen left after paying the monthly costs.



Increase the number of payments of child-rearing allowance

- Increase the number of payments of child-rearing allowance from the current three times (April, August, December) to six times (January, March, May, July, September, November)

<Current>

Payment in April 2018				Payment in August				Payment in December			
Dec. 2017	Jan. 2018	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.



<After revision>



Change to payments in odd-numbered months

Payment in April 2019				Payment in August				Payment in November			Payment in January 2020		Payment in March	
Dec. 2018	Jan. 2019	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 2020	Feb.

- ※ The first allowance after the revision will be paid in November 2019 for three months (August – October). After the second payment, two months' allowances will be paid in odd-numbered months.
- ※ Municipalities make changes to the amount of child-rearing allowance based on a status report submitted by recipients in August every year. Currently, the revised allowance is paid from December. But it will be paid from January after the amended law comes into effect, taking into account administrative procedures at municipal offices.

<Reference> Excerpt from the supplementary resolution (House of Representatives, April 20 2016) attached to the draft bill for legislation revising part of the Child Rearing Allowance Act

- The Lower House passed a supplementary resolution calling for discussions about necessary improvement measures for allowance payment methods, including changes to the number of payments. This is to make it easier for single-parent families to use the allowance when they need it, and help them become financially stable. The resolution also calls on the government to take into consideration the burden municipal offices have to bear in order to deal with changes to allowance payment methods. The aim is to help single-parent families become financially independent by promoting support for household financial management.

<Reference> Excerpt from the supplementary resolution (House of Councilors, April 28 2016) attached to the draft bill for legislation revising part of the Child Rearing Allowance Act

- The Upper House passed a supplementary resolution calling for discussions about necessary measures for allowance payment methods, including changes to the number of payments. This is to make it easier for single-parent families to use the allowance when they need it, and help them become financially stable. The resolution also calls on the government to do research on the burden municipal offices have to bear in order to deal with changes to allowance payment methods and other related work. The aim is to help single-parent families become financially independent by promoting support for household financial management.