

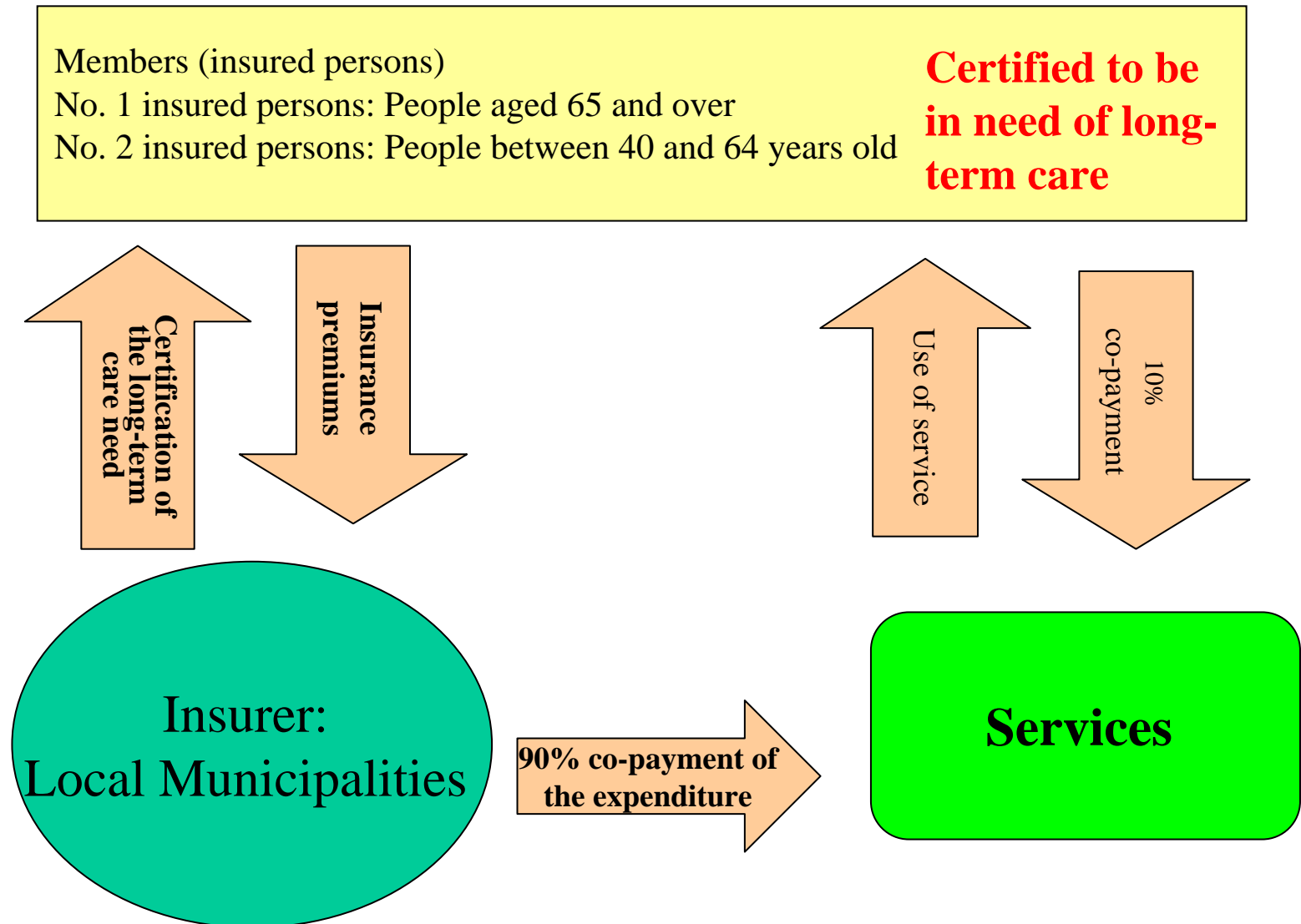
to be confirmed

# Welfare policy for the elderly

With a focus on Long-term care insurance system

July 2007

# Outline of the use of long-term care insurance services



# The Aim of Long-term care insurance system

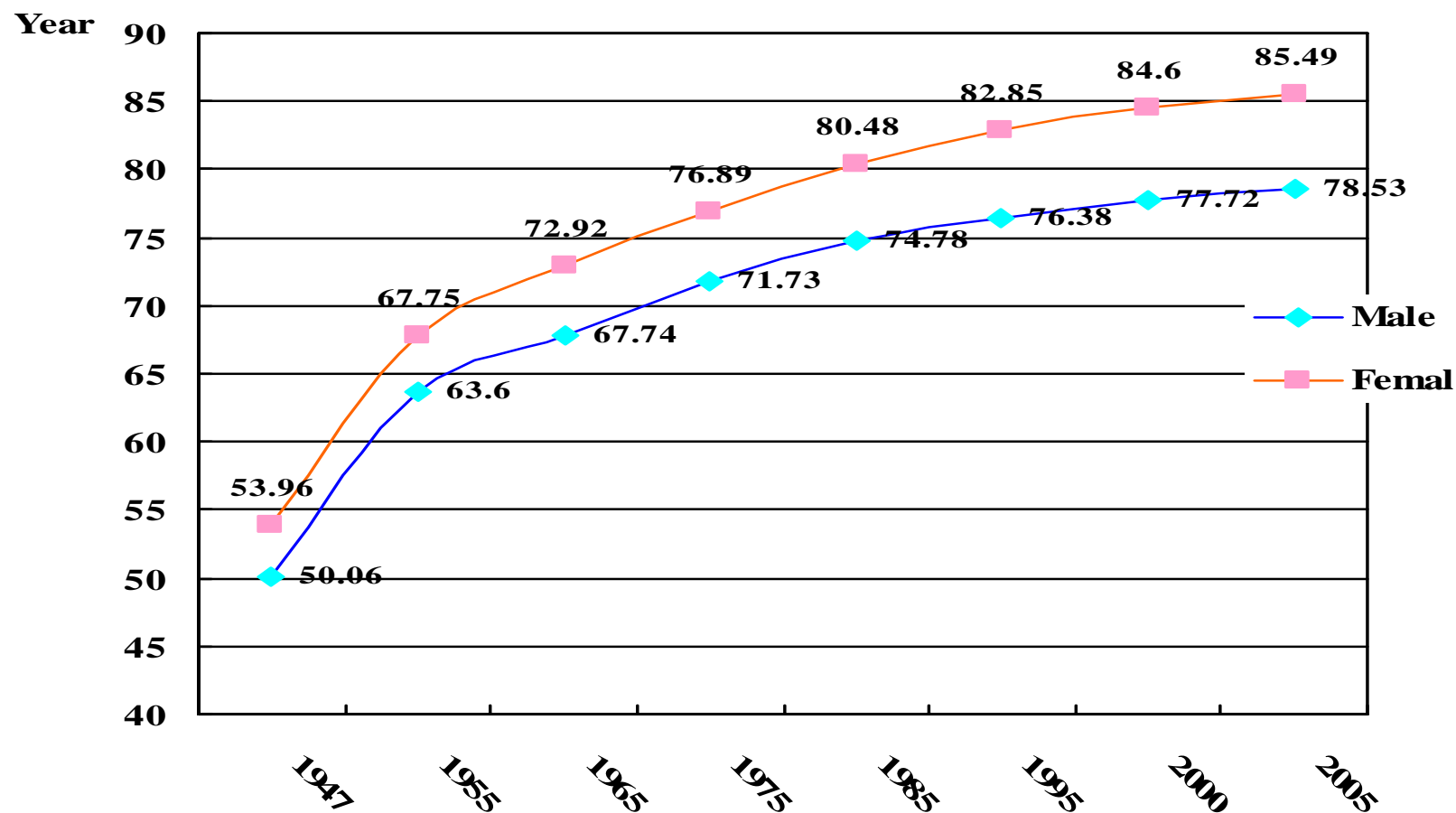
- **Implement society-wide nursing-care support which is the major factor for concern in old age.**
- **Specified the linkage between benefits and burdens by social insurance system**
- **A variety of comprehensive healthcare and welfare services can be provided by users' own choice.**

## Changes in average life expectancy at birth and average life span

- The average life expectancy at birth in Japan has recorded a remarkable increase in less than sixty postwar years.

1947 ... male: 50 years old, female: 54 years old

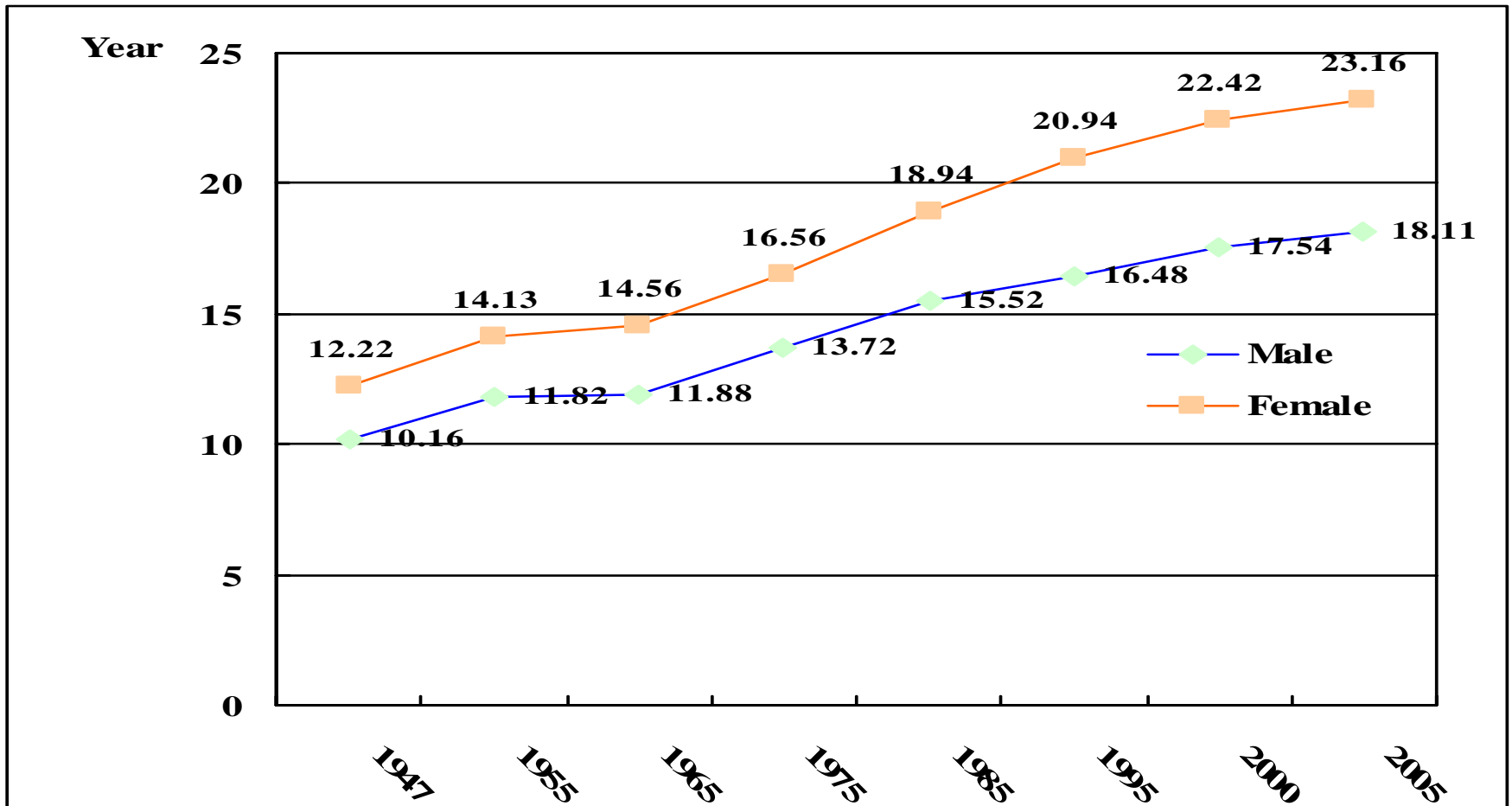
2005 ... male: 79 years old, female: 85 years old



[Average life span at age 65]

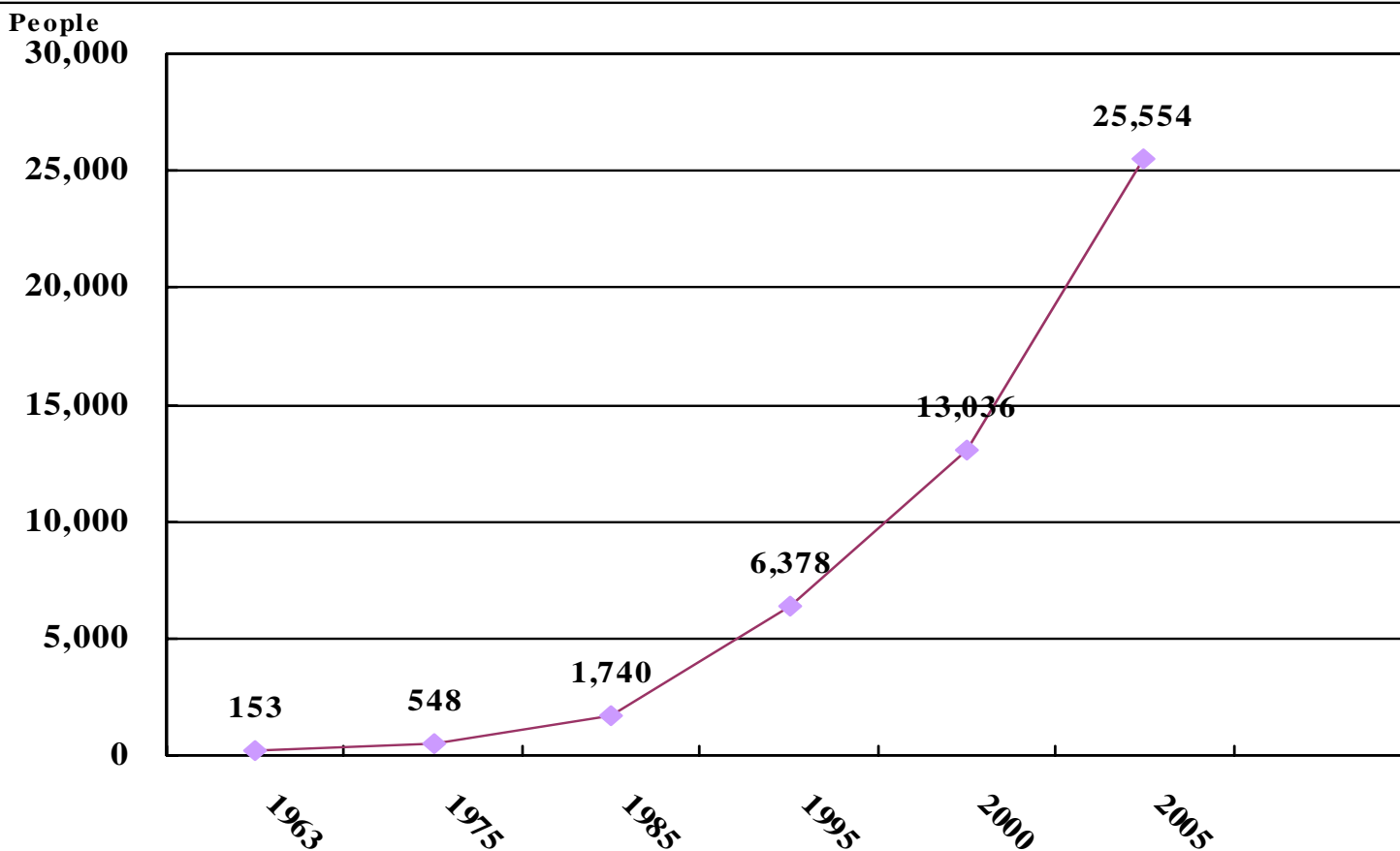
1947 ... male: 10 years, female: 12 years

2005 ... male: 18 years, female: 23 years



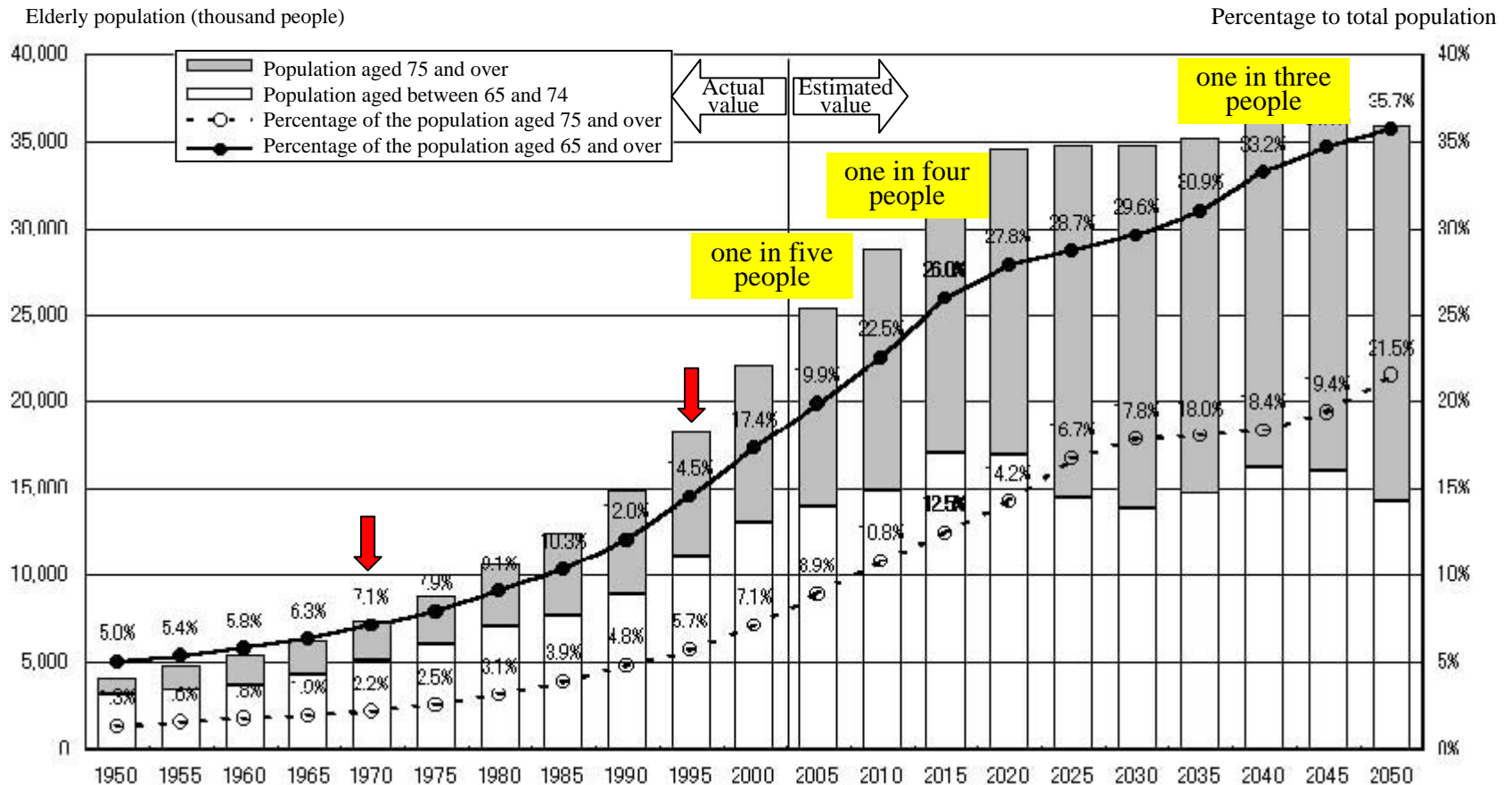
## Change in the number of elderly people aged 100 or older: Significantly increased

- The number of elderly people aged 100 or older
  - 1963 ... 153 people
  - 2005 ... 25,554 people



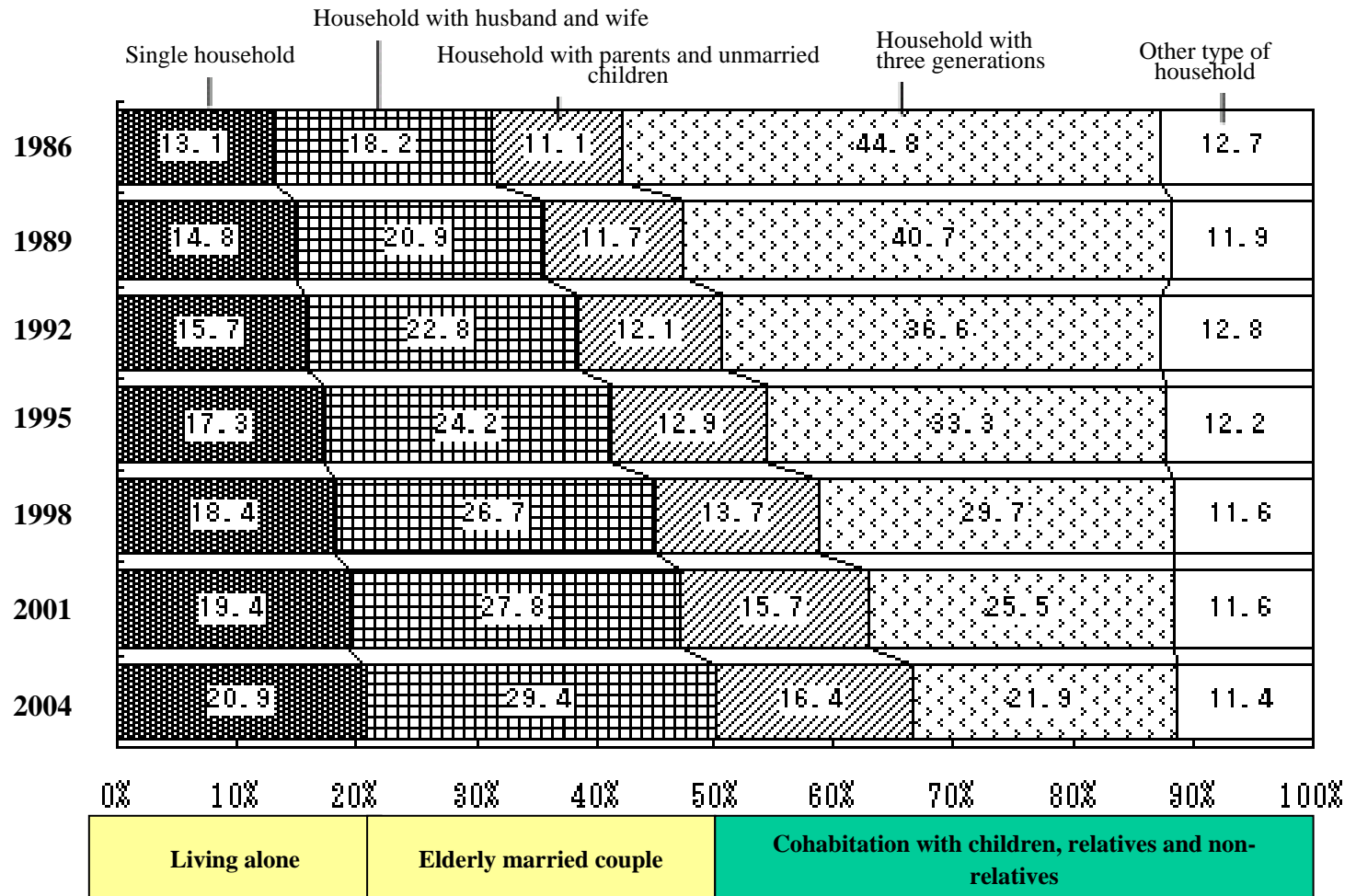
# Change in the elderly population and future prospects

- Increased percentage of elderly population (aged 65 and over)  
 1970... 7.39 million people (7.1% of the total population)  
 1995... 18.26 million people (14.5% of the total population) ➤ 24 years  
 2005... 25.39 million people (19.9% of the total population)
- It is forecasted that the Japanese society will be rapidly aging in the next ten or twenty years



# Change in the ratio of cohabitation of elderly people with their children

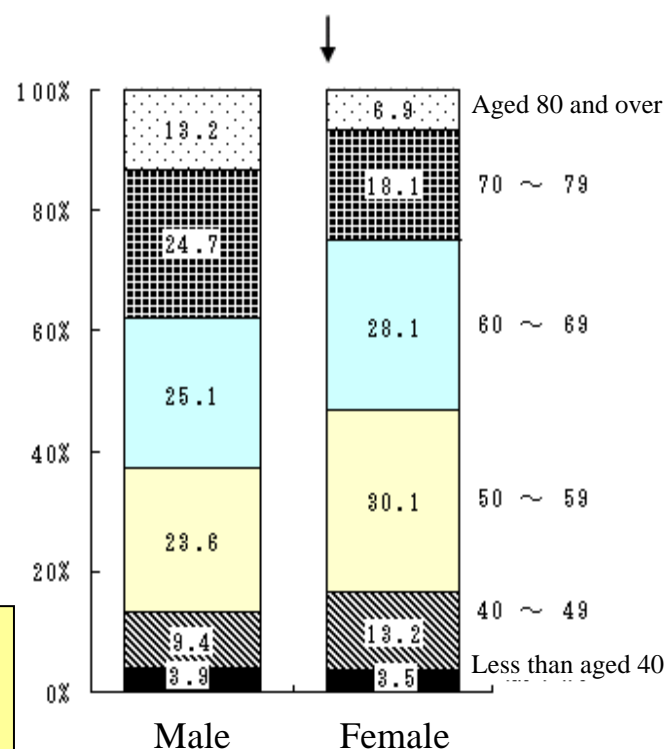
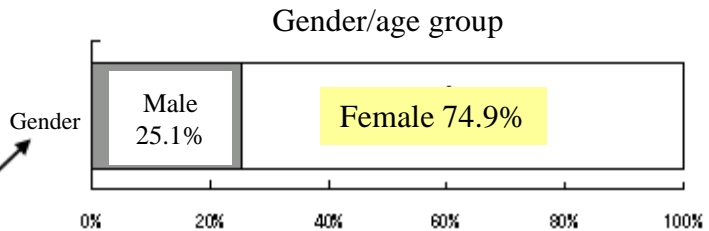
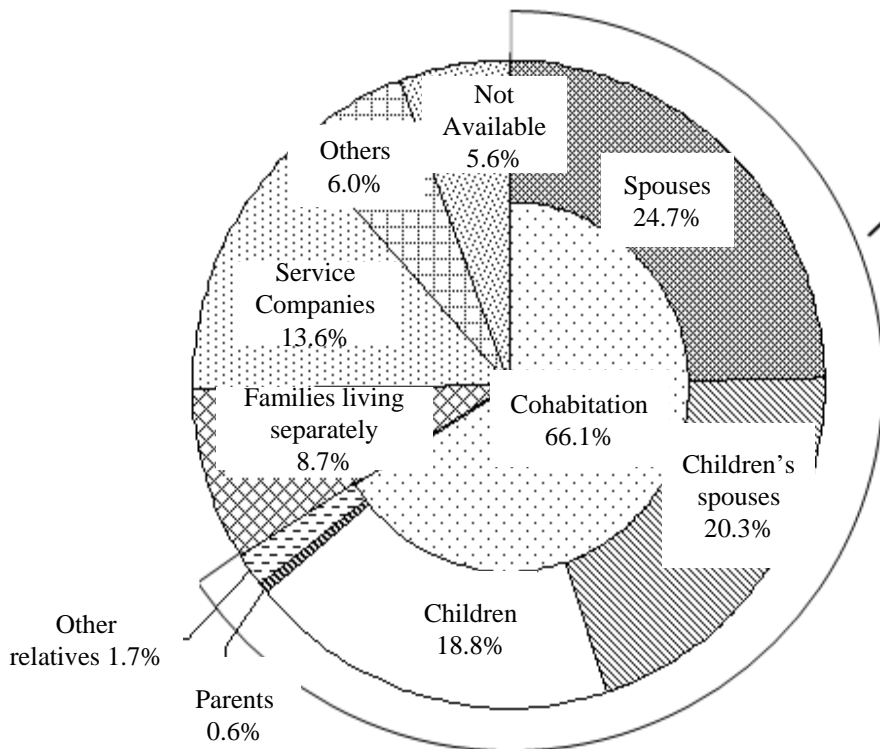
Annual change in the ratio of households with the elderly aged 65 and over by household structure





# Gender and age of caregivers

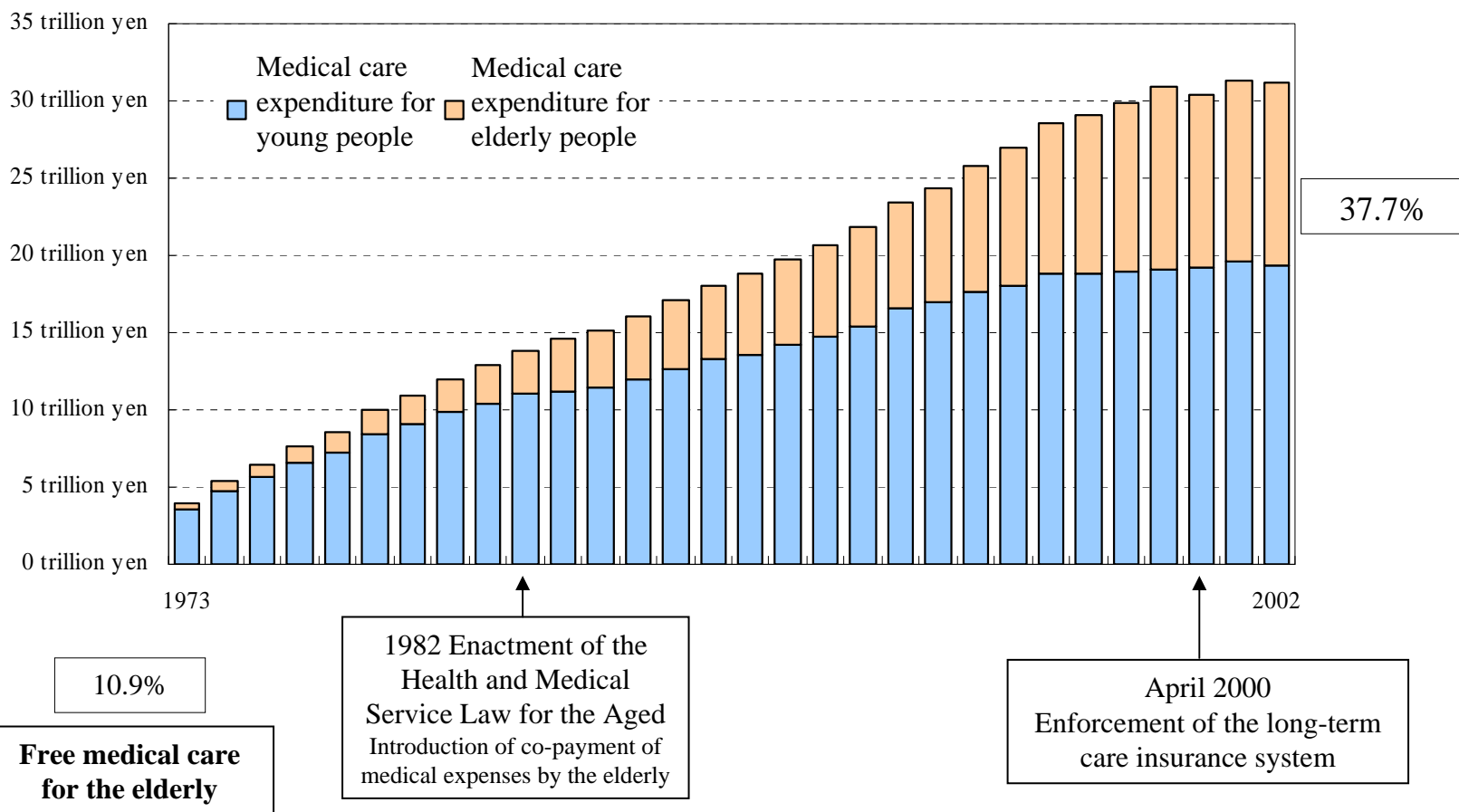
Relationship between major care-givers and people in need of nursing care and the composition ratio of cohabitation and separate habitation



- More than 50% of the caregivers are aged 60 and over
- Young people are forced to resign, change jobs or take granny leaves.

# Change in the medical care expenditure for the elderly

○ The national medical care expenditure now amounts to approximately 31.1 trillion yen. The medical care expenditure for the elderly amounts to approximately 11.7 trillion yen (37.7%)



# Problems of the welfare system for the elderly and medical care system for the elderly

## Welfare for the elderly

### Major facility services

Special nursing homes for the elderly (living facility)

### Major in-home services

Home help services  
Day services, etc

A user cannot choose  
Service freely

Income examination is  
necessary

Local municipalities  
offer uniform service

## Medical care for the elderly

### Major facility services

Healthcare facilities for the elderly  
(rehabilitation, middle facility)

### Major in-home services

Visiting nursing care  
Day care (commuting rehabilitation), etc.

A hospitalization burden is cheaper  
than institution entrance

Problems of imbalanced usage process and burden on users.

# 1. History of the Development of Nursing-care for the Elderly in Japan

- 1963:** **Enactment of the Old-age Persons' Welfare Law**
- 1973: Free medical care for the elderly
- 1982:** **Enactment of the Health and Medical Service Law for the Aged** (introduction of co-payment of medical expenses)
- 1989: Formulation of the Gold Plan (Ten-year General Strategy for the Promotion of Health and Welfare for the Elderly)
- 1990: Revision of the Old-age Persons' Welfare Law
- 1994: Formulation of the New Gold Plan (New Ten-year General Strategy for the Promotion of Health and Welfare for the Elderly)
- 1997:** **Enactment of the Long-term Care Insurance Law**
- 1999: Gold Plan 21 (direction of health and welfare measures for the elderly for the next five years)
- April 2000: Enforcement of the long-term care insurance system
- April 2003: Revision of nursing-care benefits / review of long-term care insurance premiums
- November 2005: Enactment of the Elder Abuse Prevention Law
- April 2006: Enforcement of the revised long-term care insurance system/ revision of the nursing-care benefits

# Background of the creation of the long-term care insurance system

- 1) Fast aging population**
- 2) Long-term and severe nursing-care**
- 3) Decreased nursing-care functions by families/burden of nursing-care on families**
- 4) Social nursing-care problems**
- 5) Problems of the welfare system for the elderly and medical system for the elderly**

# Fundamental principle of long-term care insurance

**Support for self-reliance**

(Service)

**Enhancement of nursing-care service**  
(Accessibility - user-friendliness)

Selection and competition

Care management

Emphasis on in-home care

(System)

**Introduction of a social insurance system**  
(Accountability - responsibility to explain)

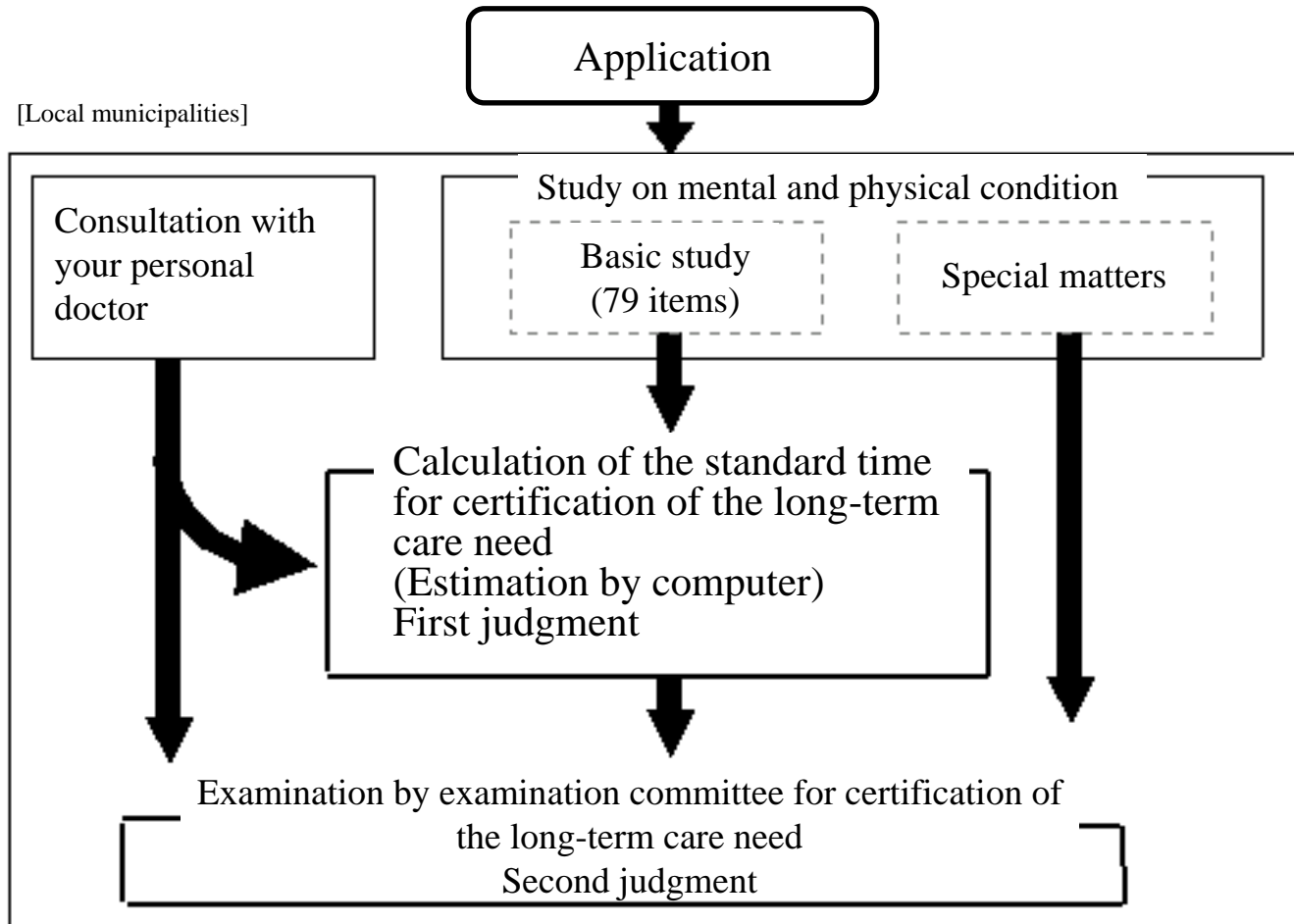
Linkage between benefits and burdens

Objectivity and fairness

Decentralization of power from the central government to local governments

# Certification of the long-term care need

- Examination committee for certification of the long-term care need established at local municipalities (insurers) is in charge of determining if the person is eligible.
- As to the standard of certification of the long-term care need, it is established objectively and uniformly throughout the country.



# Changes in the condition according to care levels

2000 Long-term care insurance system

Support required

Care level 1

Care level 2

Care level 3

Care level 4

Care level 5

■ Standing up ■ Getting up ■ Standing on one foot

■ Walking ■ Washing your body ■ Money management  
■ Nail clipping

■ Putting on and taking off your pants ■ Moving  
■ Daily decision making

■ Washing your faces ■ Grooming your hair  
■ Cleaning your mouth  
■ Urination/bowel movement ■ Getting on

■ Food intake  
■ Communications

■ Swallowing  
■ Remembering, understanding

Characteristic items by care level



It's important to offer timely and adequate services that are suited to the condition of each elderly person.



# Nursing care benefits

Characteristics of nursing care benefits

**1. Cost**

**2. Incentive of the service companies**

**3. Price**

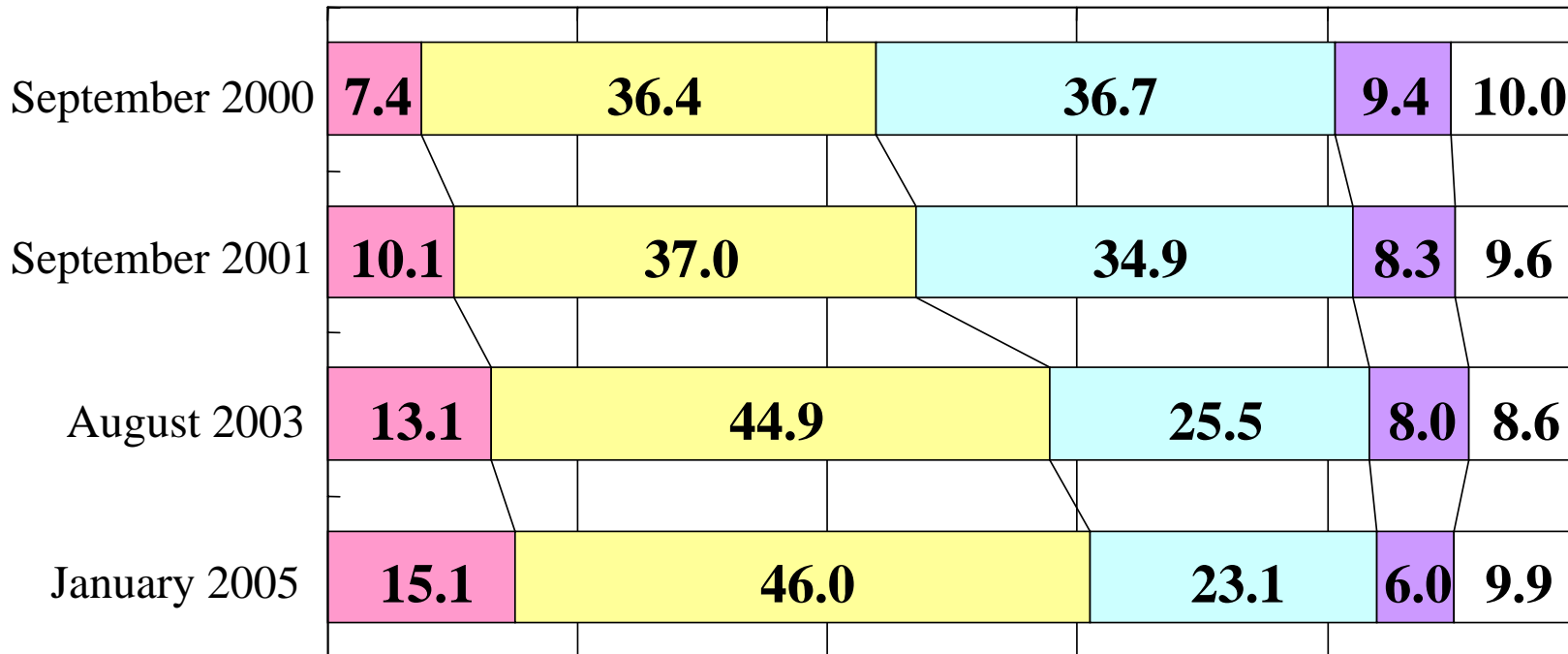
**The maximum price of the services available with insurance is determined according to the care levels.**

Public opinion research on the long-term care insurance system

**“Do you value the long-term care insurance system?”**

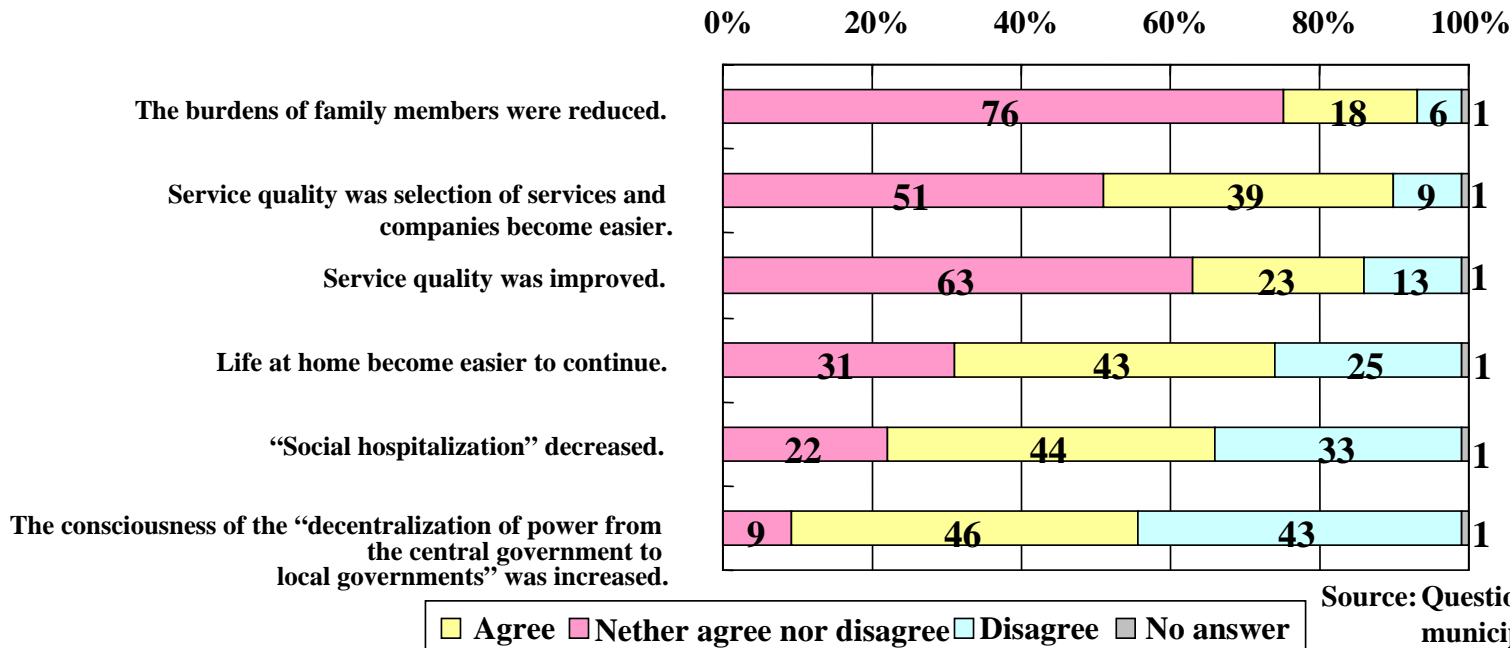
Public opinion research by Yomiuri Shimbun: Morning Edition dated January 28, 2005.

0%                      20%                      40%                      60%                      80%                      100%



Highly value it     
  Value it to some extent     
  Do not value it very much  
 Do not value it at all     
  No answer

## Changes due to the long-term care insurance system (evaluation of local municipalities)



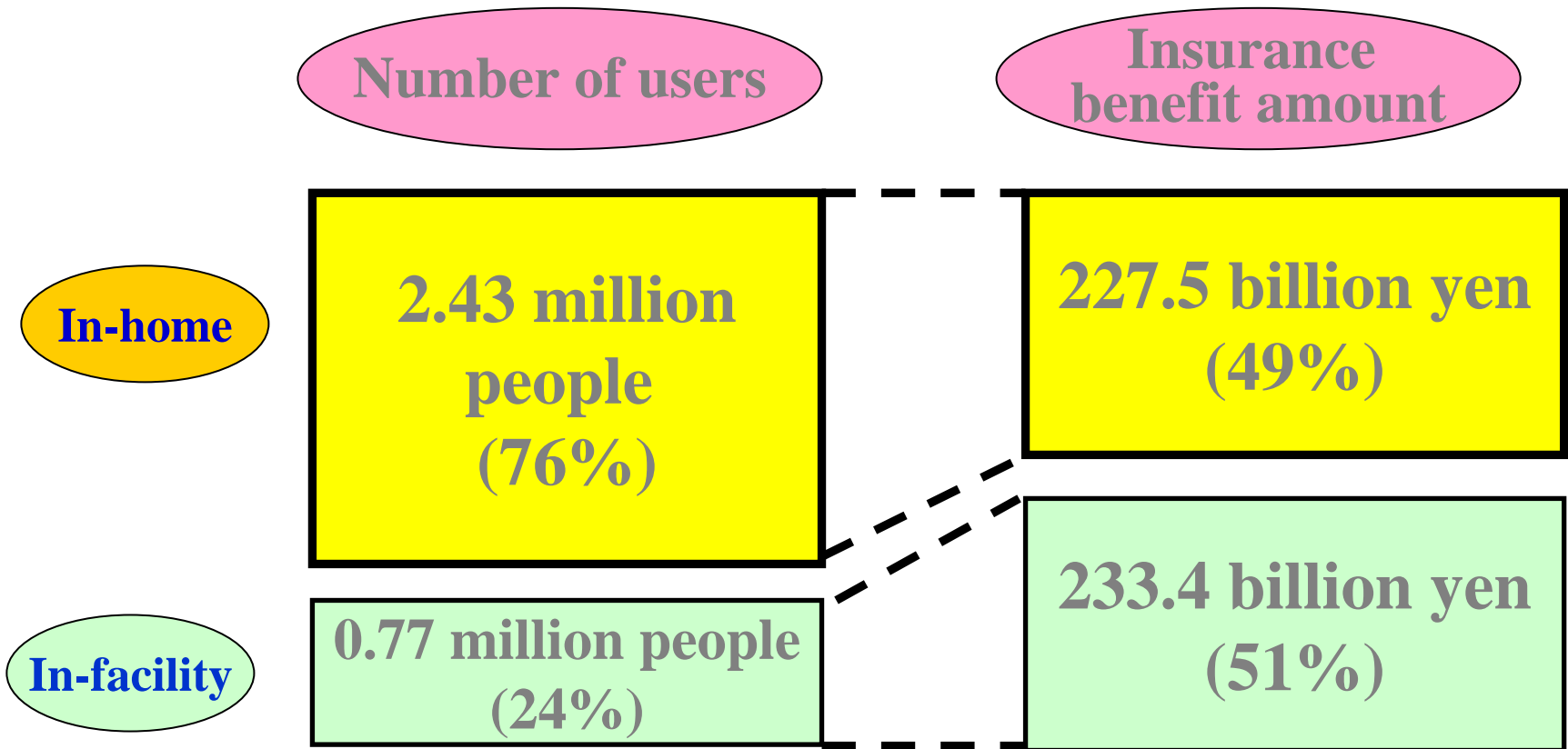
Source: Questionnaire survey on local municipalities in Japan by Yomiuri Shimbun

Local municipalities surveyed:  
 3,204 municipalities in Japan  
 (valid responses 2,898 municipalities)  
 Survey period: September 2003

# Composition ratios of users and insurance benefits

2000 Long-term care insurance system

- Approximately 24% of the total users make use of in-facility services, and spend approximately 51% of insurance benefits.



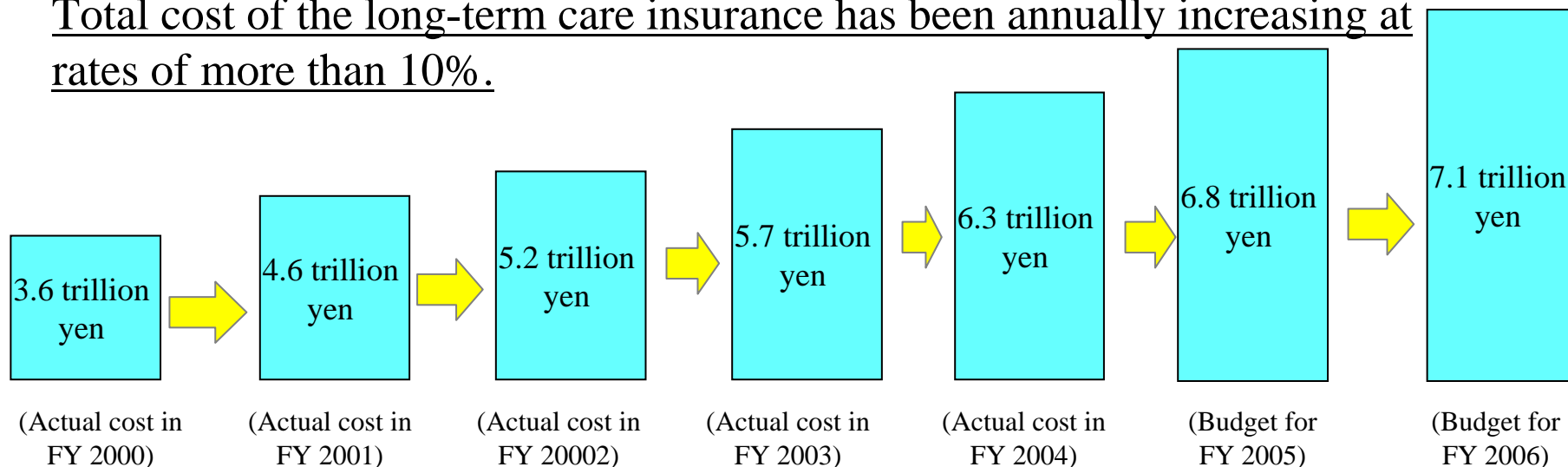
Source: Report on the Status of Long-term Care Insurance Services (for November 2004)

# Current financial position of the long-term care insurance

2000 Long-term care insurance system

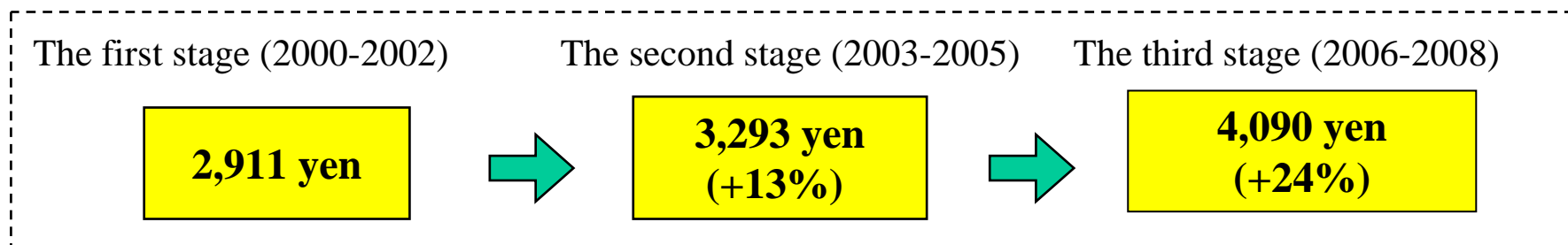
## ○ Increase in total cost

Total cost of the long-term care insurance has been annually increasing at rates of more than 10%.

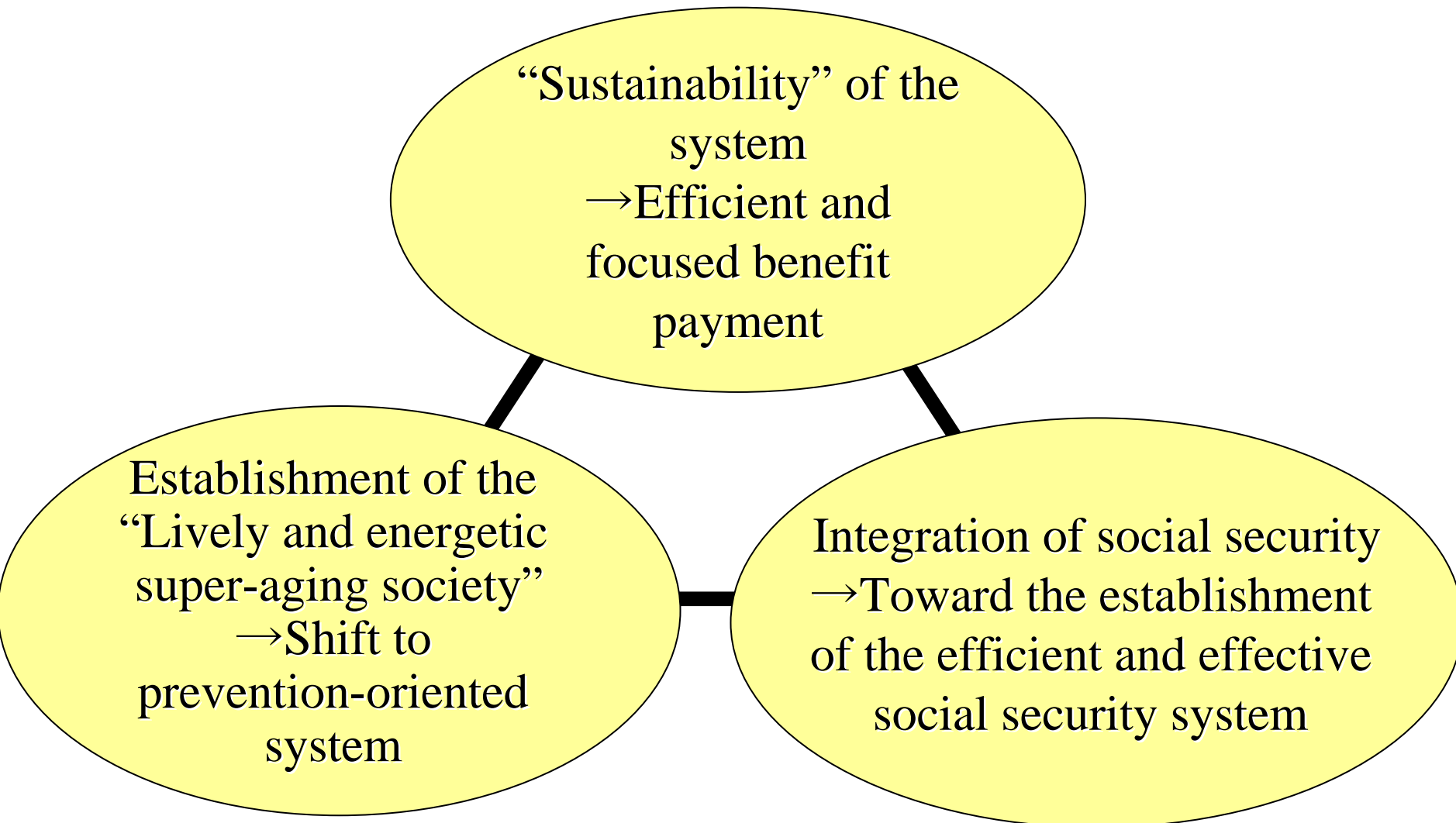


## ○ No.1 insurance premium (weighted average)

No.1 insurance premium increased by approximately 40% from the first stage (2000-2002) to the third stage (2006-2008).



## 2005, Basic perspective on review

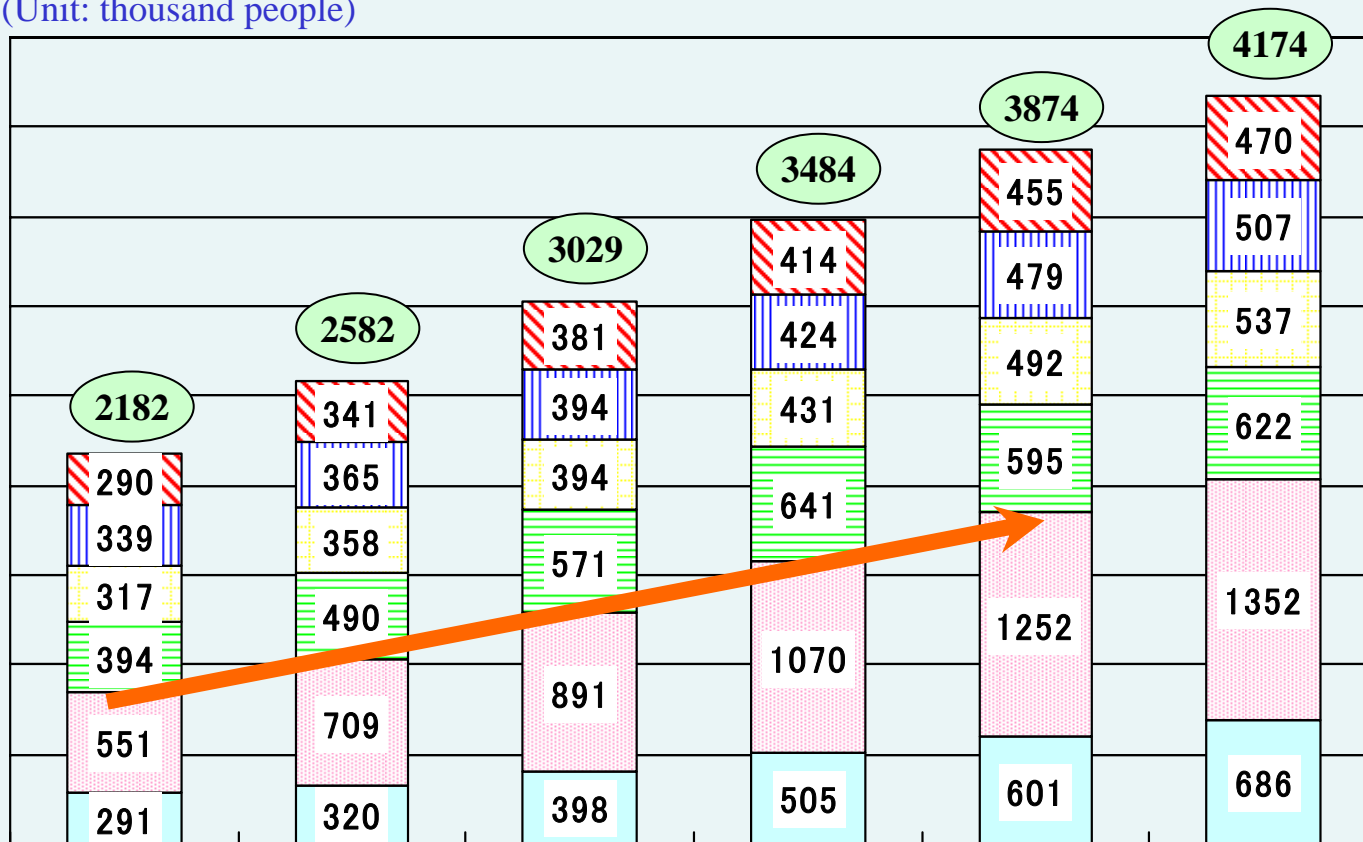


# Contents of the review

1. Put an emphasis on prevention
2. Introduction of self-payment for food and housing expenses at facilities
3. Create local services
4. Improve service quality

# Change in the number of people who are certified to be in need of long-term care by care category

(Unit: thousand people)



The number of people certified to be in need of long-term care has increased by 91%.  
Increase rate from the end of April 2000

Total	91%
5	62%
4	50%
3	69%
2	58%
1	145%
Support required	136%

In particular, the number of people certified to be in need of "support required" and "Care level 1" has increased by 130 – 150%

**People in need of low-level of care in the category "Support required" and "Care level 1" are on the increase.**



# Ratios of causes by care level

**Conditional image of the elderly people who are in need of long-term care**

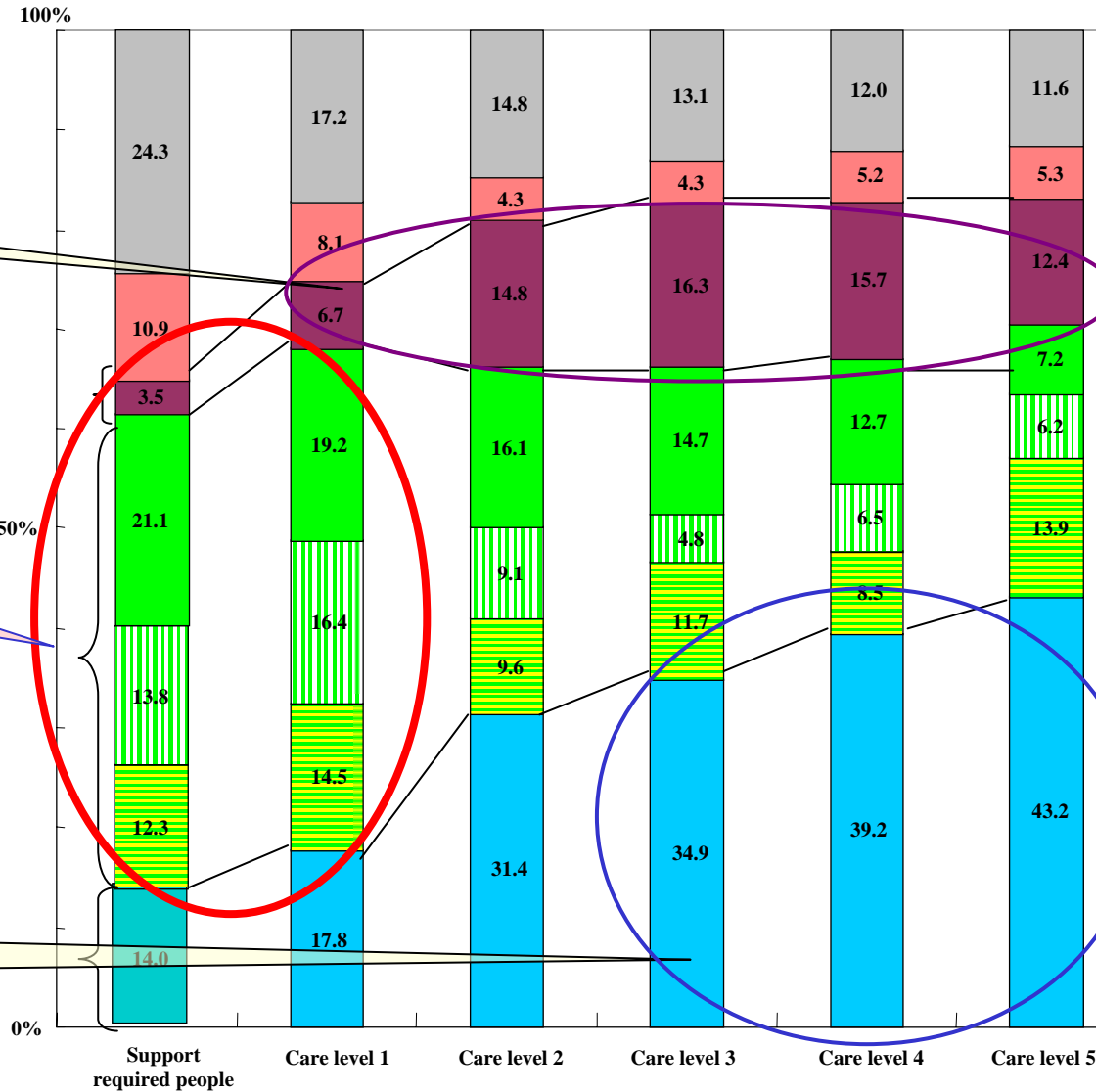
**Dementia**

**Disuse syndrome**

→ **After seen in people in need of low-level care, such as “support required” and “Care Level 1”**

**Revise the services for people in need of low-level care in terms of prevention and improvement of disuse syndromes.**

**Apoplexy**



- Cerebrovascular diseases (such as apoplexy)
- Fracture, falling
- Arthritic disorder (such as rheumatism)
- Weakness by aging
- Dementia
- Parkinson's disease
- Others

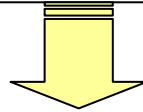
(Source: Based on “National Livelihood Survey(2001)” Ministry of Health, Labour and Welfare, specially edited by Division of Healthcare for the Elderly, Health and Welfare Bureau for the Elderly” (respondents for the survey: 4,534 people)

# Principle of the Long-term Care Insurance Law

**“Care prevention” is fundamentally stressed in the Long-term Care Insurance Law.**

**(Article 1) Provide necessary benefits in relation to health, medical and welfare services to those who are in need of nursing care so that they may be independent in daily life according to their remaining capabilities (=provide support to help people become self-reliant)**

**(Article 4) The Japanese people, for the purpose of preventing themselves from becoming in need of nursing care, shall make efforts to maintain and improve their remaining capabilities by positively making use of rehabilitation services and other appropriate health care and welfare services. (Obligation of the Japanese people)**



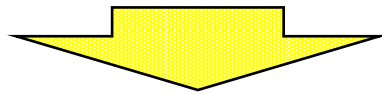
**As part of insurance benefits to “people in need of support”, provide insurance benefits to “prevention”-related services.**

**⇒ “Prevention benefit”**

# Ideas of preventive care

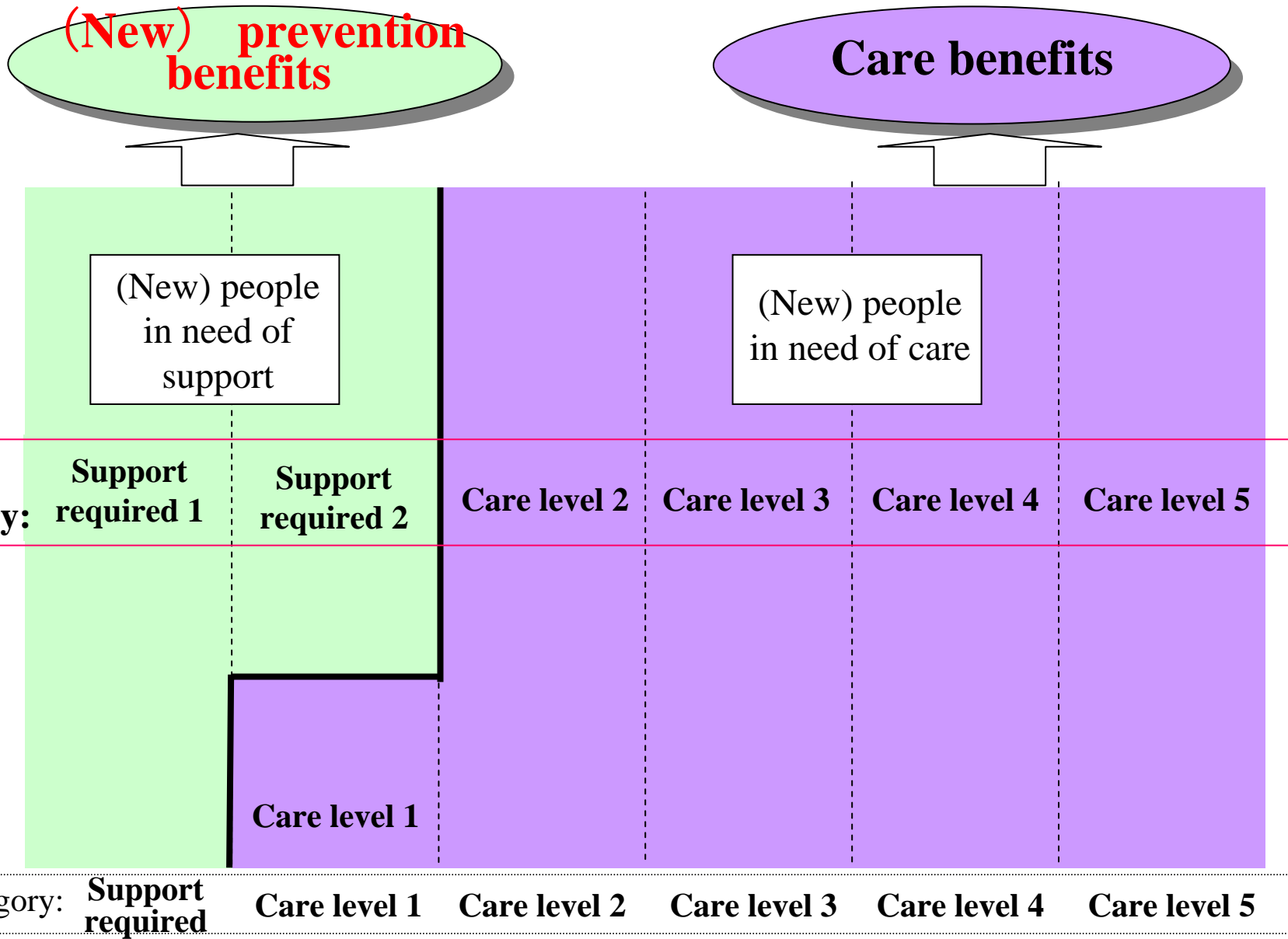
- (1) prevention of occurrence
- (2) effort for maintenance and improvement)

**It's important for people regardless of their conditions to make active efforts to maintain and improve their living functions.**

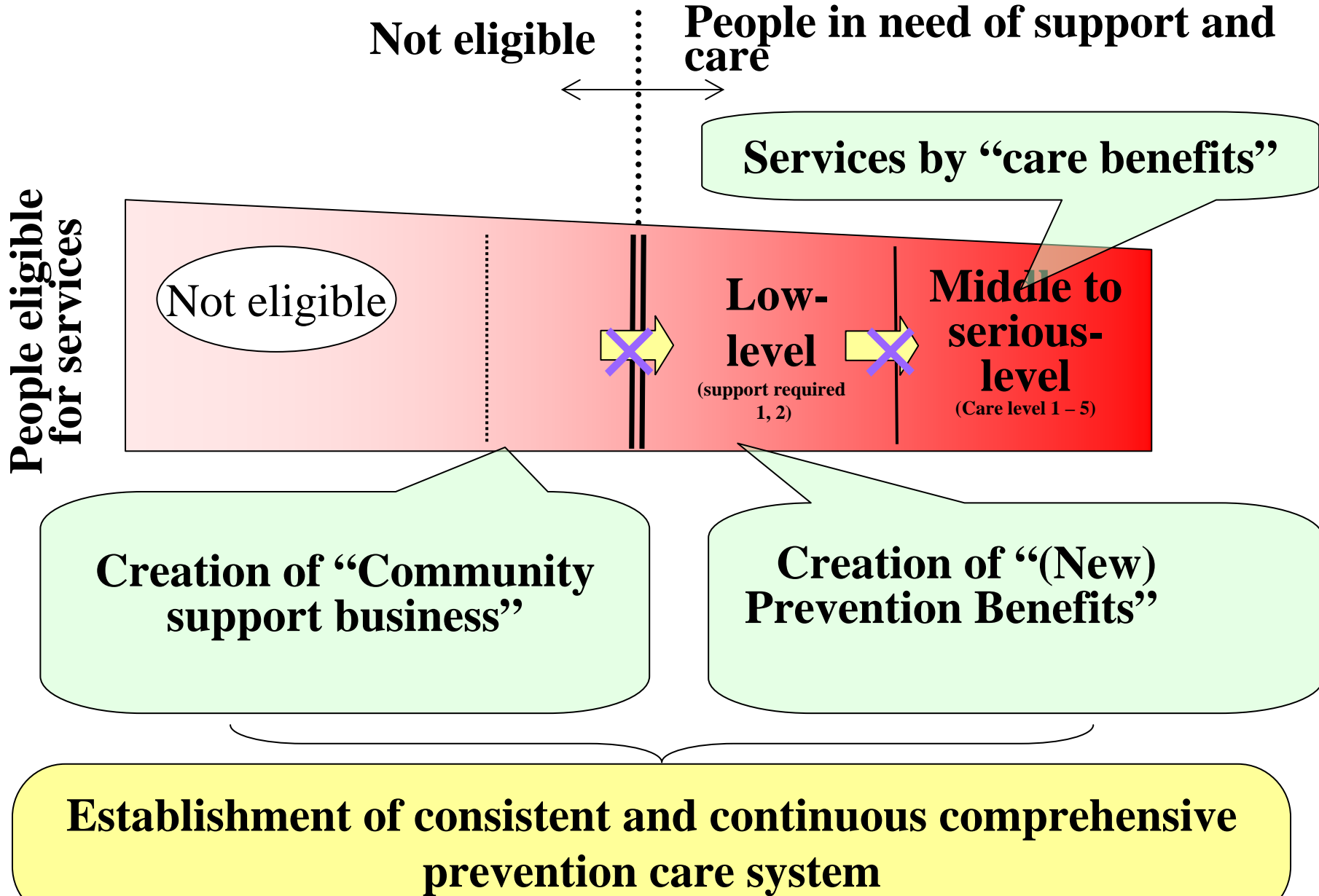


**“Self-reliance support”**  
**(= Basic Principle of long-term care insurance)**

# Image of the insurance benefits and the care levels by category



# Whole image of the prevention-oriented system



# Revision of the benefits for in-facility services

**○ Hosing and food expenses are not covered by insurance (co-payment by users) as in the case of in-house services.**

**<Living expenses> Individual room: room fee +  
equivalent to utility**

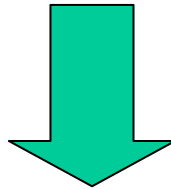
**Multiple bed room: equivalent to  
utility fee**

**<Food expenses> Food and ingredient cost+ cost  
equivalent to cooking**

# Establishment of comprehensive “local care systems”

## ◎ What is the comprehensive local care system?

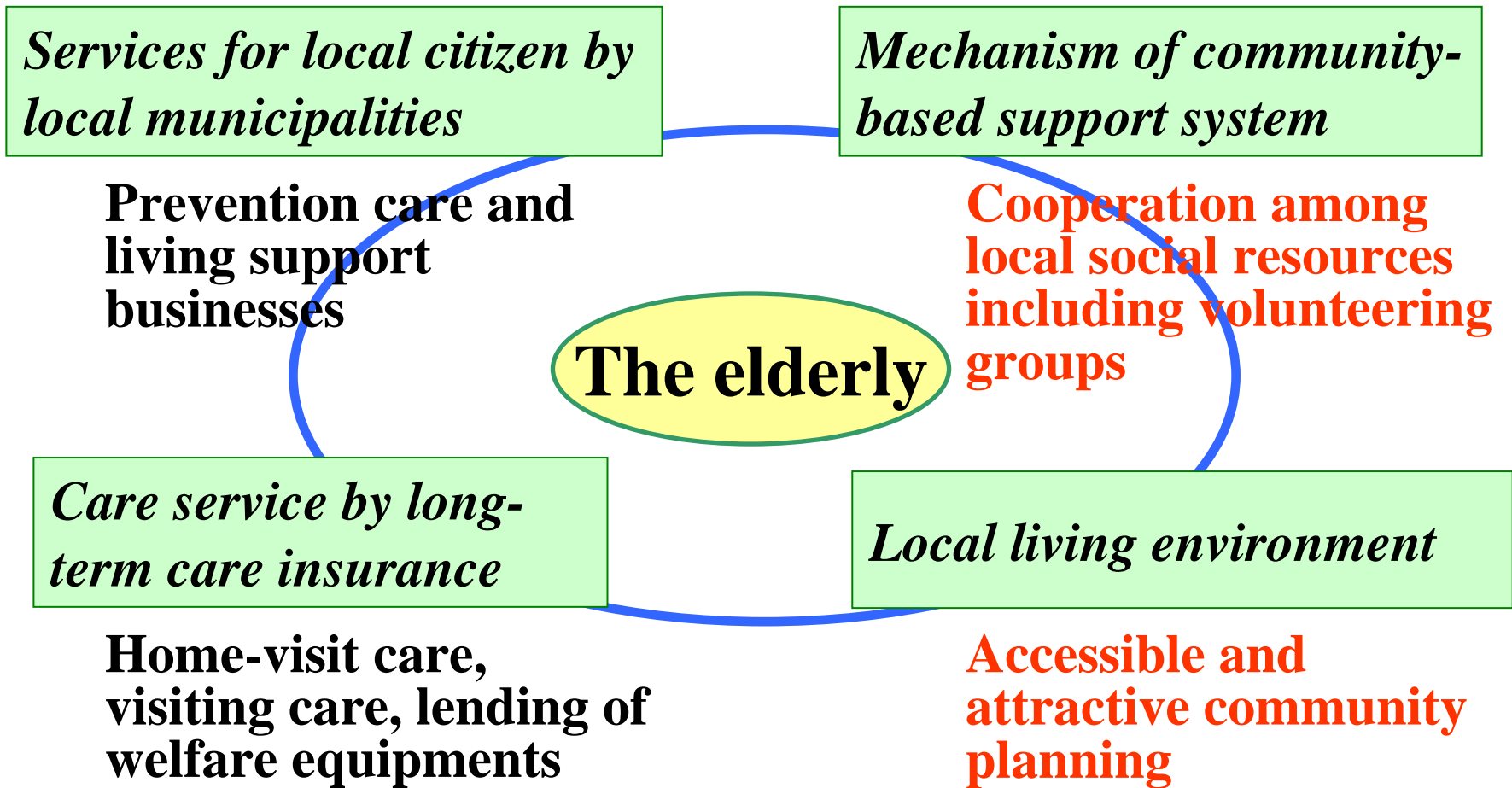
- In order to provide effective assistance to the elderly in continuing to live in places where they have lived for a long time, it is necessary to provide effective services and diverse supports according to the condition of each elderly person and its changes.



- To realize this, with a focus on long-term care insurance system based on the elderly self-supporting efforts by individual person, it is necessary to promote collaboration among specialized agencies including healthcare, welfare and medical agencies, and integrate and network various regional resources including informal volunteering activities by the local residents and provide continuous and comprehensive services to the elderly.

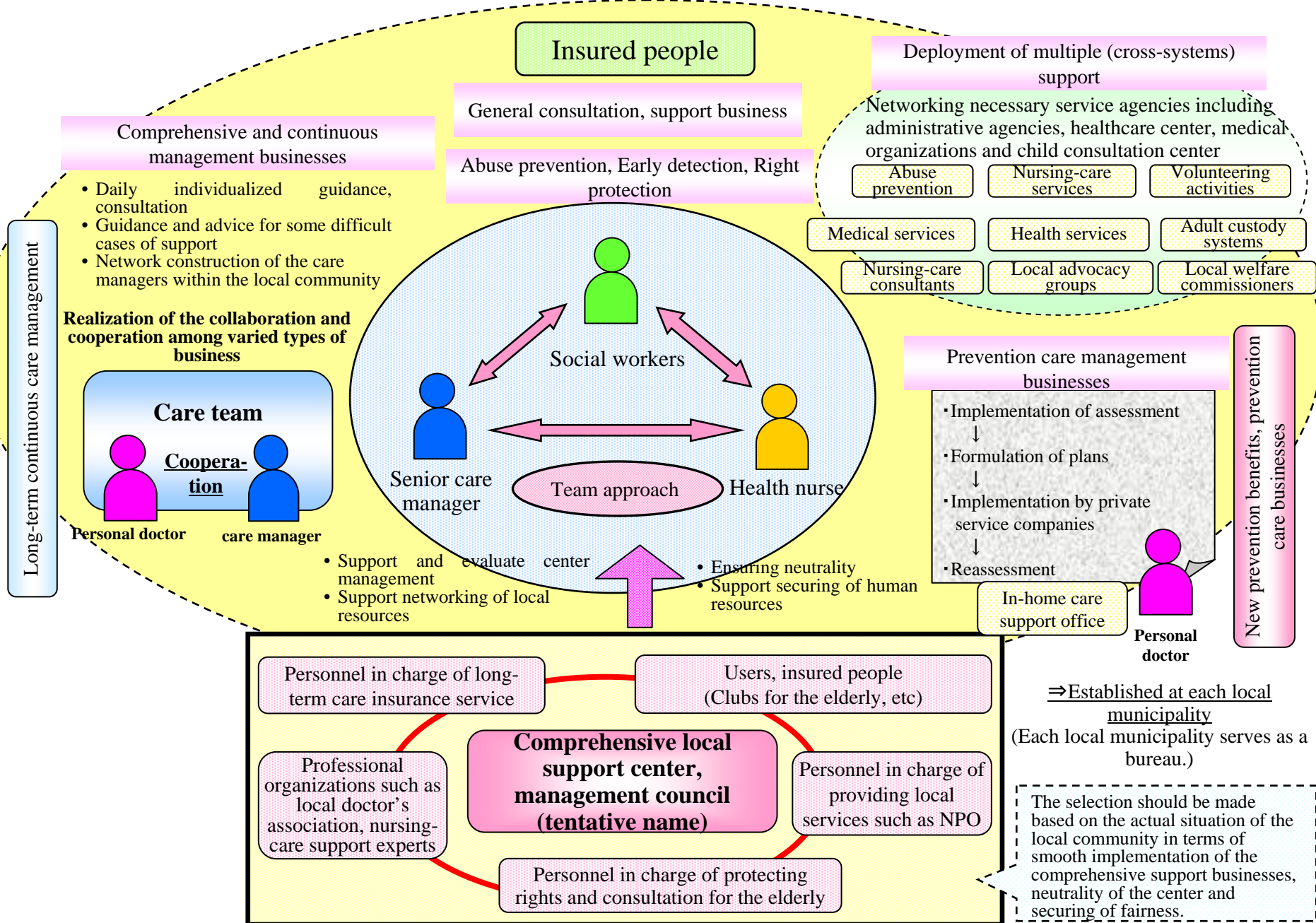
⇒ In other words, this is called ***“comprehensive local care”***.

# Mechanism supporting the life of the elderly





# Image of the comprehensive local care center (comprehensive local care system)



# Revision of care management

**It's the core of the long-term care insurance**

**Direction of the revision of  
care management**

**<Reinforcement of comprehensive and continuous management, creation of the comprehensive local support center>**

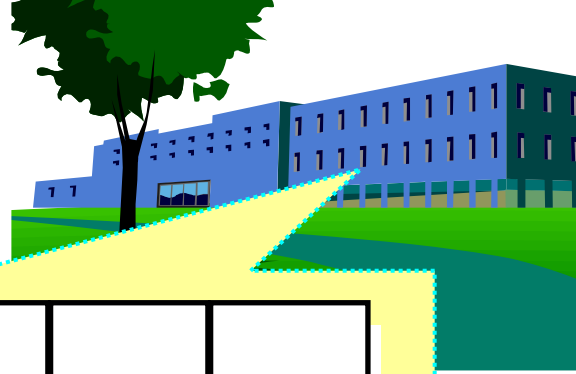
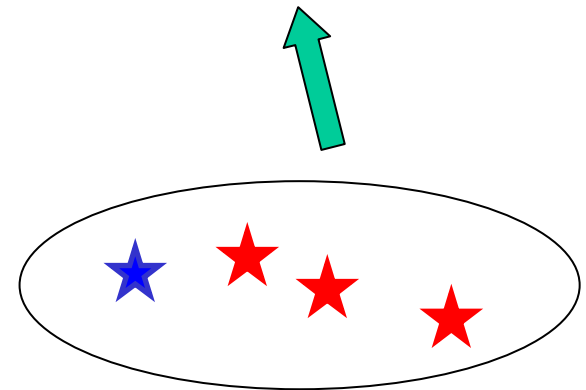
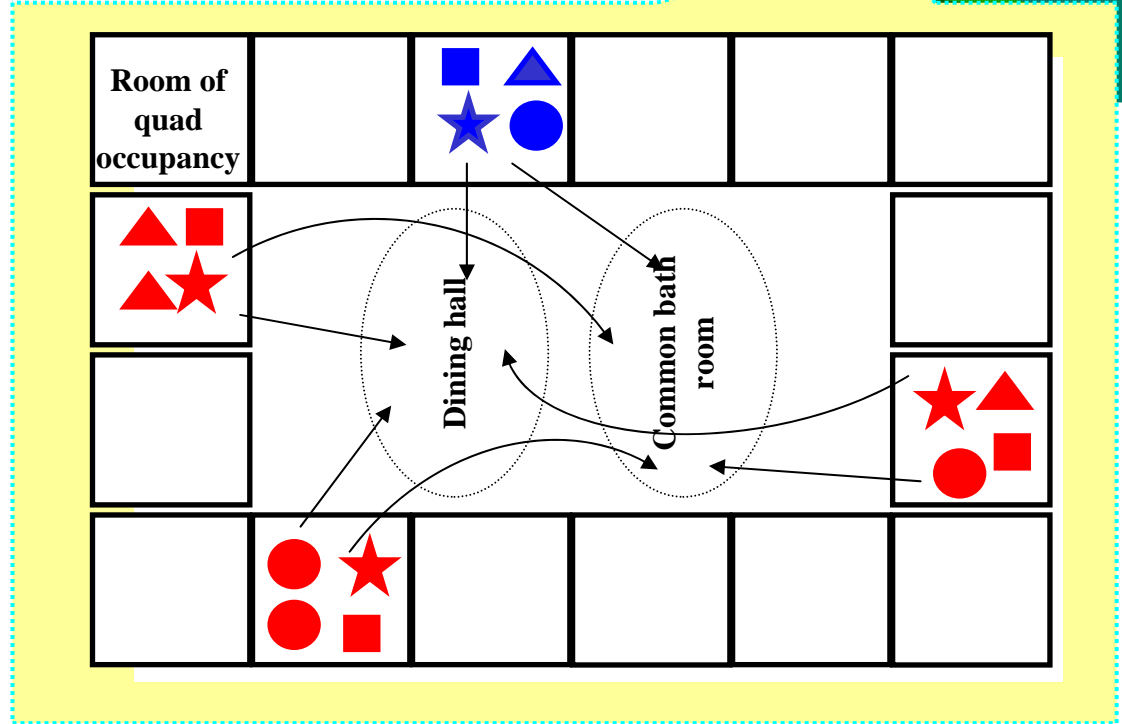
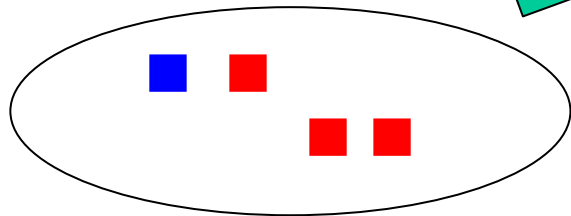
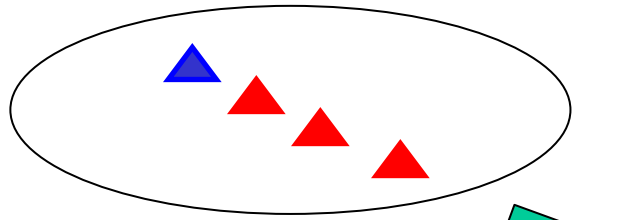
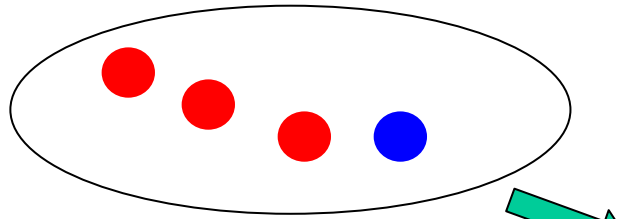
**<Improvement of the quality and expertise of care managers>**

## Purposes from the current reform of the long-term care insurance system

- Restructuring of the facility types
  - It's necessary to reconsider relationship among nursing-care, living place and local community.

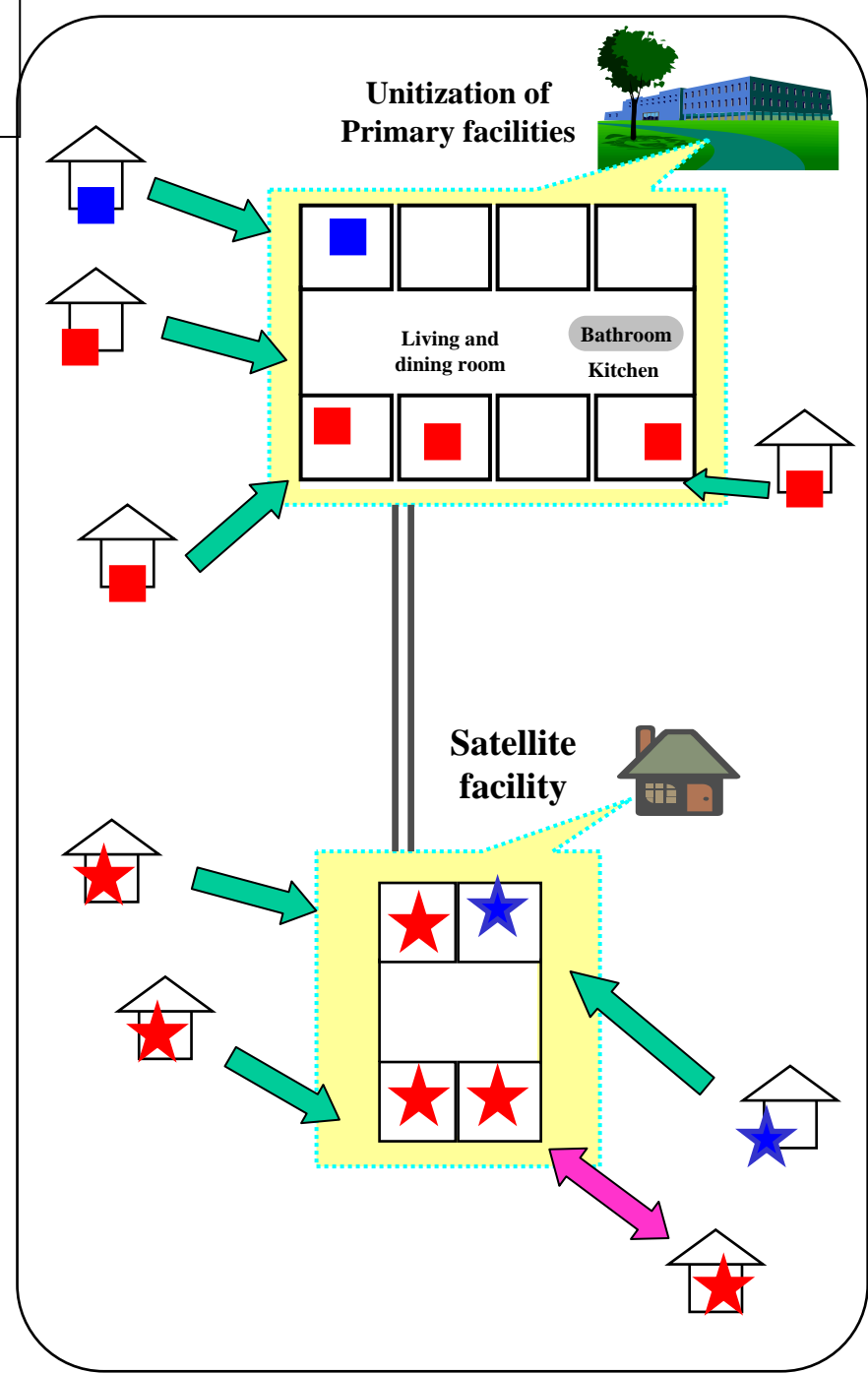
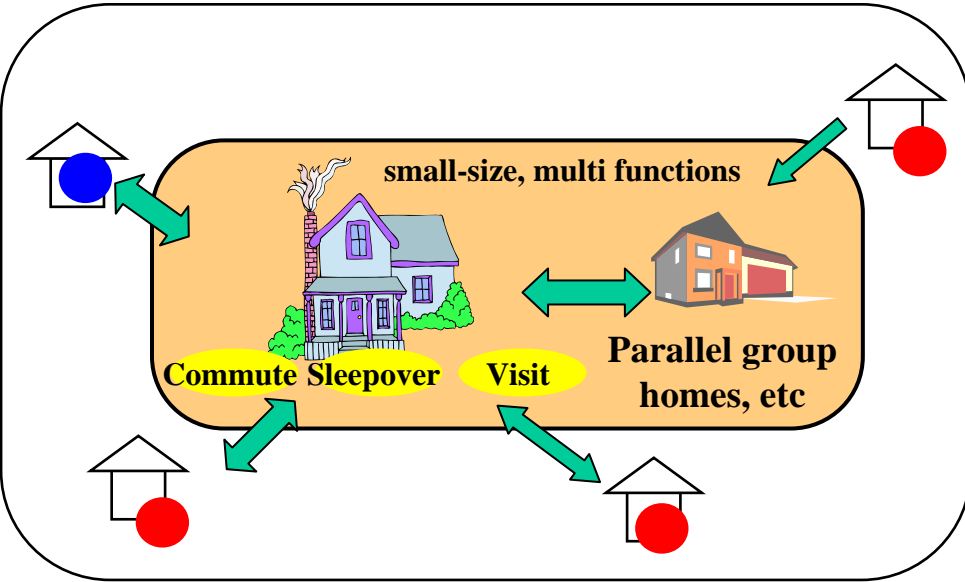
# Conventional type

Home → facility (group treatment)

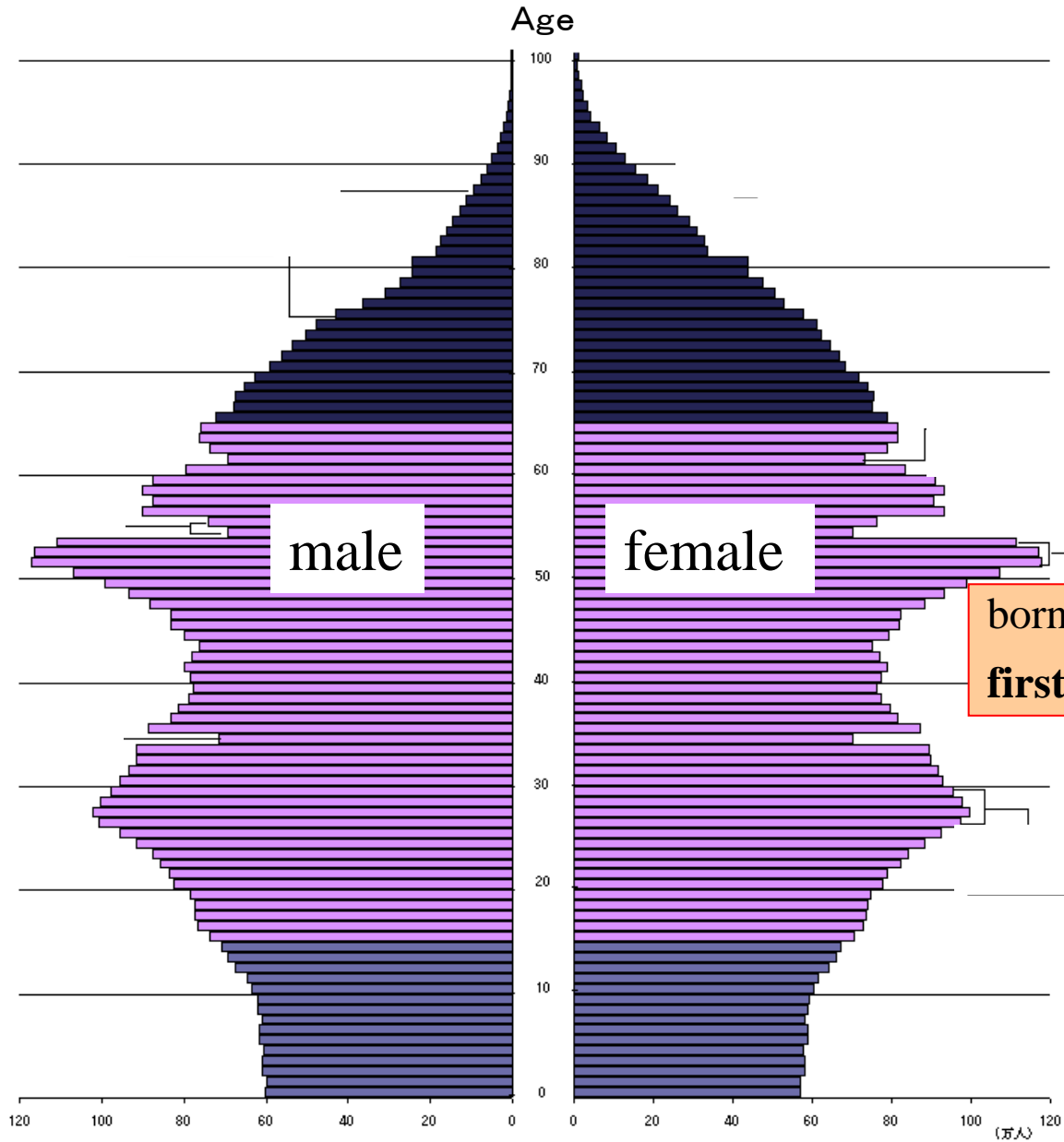


# Local care

Local community you have lived for a long time, individualized care, community-based care, relocation



A population pyramid (October, 2000)



born in 1947~1949  
**first baby boomers**

# Image of elderly people in 2015

2015 is the year of “entrance” to a full-scale super-aging society

## ○ To the “eve of the peak” of the elderly population

→ The “first baby boomers” will become aged 65 and over in 2015. Ten years later (in 2025), the elderly population will reach a peak (approximately 35 million).

## ○ The population of elderly people with cognitive deficits will increase to 2.5 million.

→ The current population of elderly people with cognitive deficits is estimated to be approximately 1.5 million, but it is forecasted that the population will rapidly increase to 2.5 million in 2015.

## ○ The number of households of elderly people living alone will increase to 5.7 million.

→ The number of households with elderly people will increase to approximately 17 million in 2015, and the number of households of elderly people living alone will be approximately 5.7 million (approximately 33%).

Support for the dignity and lifestyles  
of elderly people