Long-Term Care Insurance System and the Community-based Integrated Care System of Japan

June 28, 2017

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By examining changes in Japan’s demographic makeup, it can be seen that the current social structure consists of 2.6 persons supporting each elderly person. In 2060, with the progression of the aging population and decreasing birthrate, it is estimated that 1.2 person will be supporting one senior citizen.

1990 (Actual figures)
- Total population: 123.61 million
- Age 0–19: 3,249 (26%)
- Age 20–64: 7,590 (61%)
- Age 65–74: 892 (7%)
- Age 75 & older: 597 (5%)

2010 (Actual figures)
- Total population: 128.06 million
- Age 0–19: 2,287 (18%)
- Age 20–64: 7,497 (59%)
- Age 65–74: 1,517 (12%)
- Age 75 & older: 1,407 (11%)

2025
- Total population: 120.66 million
- Age 0–19: 1,849 (15%)
- Age 20–64: 6,559 (54%)
- Age 65–74: 1,479 (12%)
- Age 75 & older: 2,179 (18%)

2060
- Total population: 86.74 million
- Age 0–19: 1,104 (13%)
- Age 20–64: 4,105 (47%)
- Age 65–74: 1,128 (13%)
- Age 75 & older: 2,336 (27%)

Changes in Japan’s Population Pyramid (1990–2060)

<table>
<thead>
<tr>
<th>Period</th>
<th>Major Policies</th>
<th>Aging Rate (Year)</th>
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<tbody>
<tr>
<td>1960s</td>
<td>Beginning of welfare policies for the elderly</td>
<td>5.7% (1960)</td>
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<td>1963 Enactment of the Act on Social Welfare Services for the Elderly</td>
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<td></td>
<td>◇ Intensive care homes for the elderly created</td>
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<td>◇ Legislation on home helpers for the elderly</td>
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<td>1970s</td>
<td>Expansion of healthcare expenditures for the elderly</td>
<td>7.1% (1970)</td>
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<td>1973 Free healthcare for the elderly</td>
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<tr>
<td>1980s</td>
<td>“Social hospitalization” and “bedridden elderly people” as social problems</td>
<td>9.1% (1980)</td>
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<td>1982 Enactment of the Health and Medical Services Act for the Aged</td>
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<td></td>
<td>◇ Adoption of the payment of co-payments for elderly healthcare, etc.</td>
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<td>1989 Establishment of the Gold Plan (10-year strategy for the promotion of</td>
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<td></td>
<td>health and welfare for the elderly)</td>
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<tr>
<td></td>
<td>◇ Promotion of the urgent preparation of facilities and in-home welfare</td>
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<tr>
<td></td>
<td>services</td>
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<tr>
<td>1990s</td>
<td>Promotion of the Gold Plan</td>
<td>12.0% (1990)</td>
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<tr>
<td></td>
<td>1994 Establishment of the New Gold Plan (new 10-year strategy for the</td>
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<tr>
<td></td>
<td>promotion of health and welfare for the elderly)</td>
<td></td>
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<td></td>
<td>◇ Improvement of in-home long-term care</td>
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<td>1997 Enactment of the Long-Term Care Insurance Act</td>
<td>14.5% (1995)</td>
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<td>2000s</td>
<td>Introduction of the Long-Term Care Insurance System</td>
<td>17.3% (2000)</td>
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<td></td>
<td>2000 Enforcement of the Long-Term Care Insurance System</td>
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</table>
As society ages, needs for long-term care have been increasing because of more elderly persons requiring long-term care and lengthening of care period, etc.

Meanwhile, due to factors such as the trend towards nuclear families and the aging of caregivers in families, environment surrounding families has been changed.

Introduction of the Long-Term Care Insurance System (a mechanism which enables society to provide long-term care to the elderly)

【Basic Concepts】

- **Support for independence:**
  The idea of Long-Term Care Insurance System is to support the independence of elderly people, rather than simply providing personal care.

- **User oriented:**
  A system in which users can receive integrated services of health, medicine, and welfare from diverse agents based on their own choice.

- **Social insurance system:**
  Adoption of a social insurance system where the relation between benefits and burdens is clear.
Outline of difference between previous systems and present

**Previous Systems**

1. Municipal governments decided services, after users’ application.
2. Separated applications were required for each service of medical and welfare systems.
3. Services were provided mainly by municipal governments and other public organizations (e.g. Council of Social Welfare).
4. Co-payment was heavy burden for the middle/upper income group, which kept them from applying to services.

**the Long-Term Care Insurance System**

- Users themselves can choose services and service providers.
- By making use plans of care service (Care Plan), integrated medical and welfare services can be utilized.
- Services are provided by various associations such as private companies and NPOs, etc.
- Regardless of income, co-payment is set as 10% (20% for persons with income above certain level, after August 2015).
Primary Insured Persons - aged 65 or over
- (32.02 million people)

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

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 FY2008, 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. Burden ratio for persons with income above certain level is 20:80, after Aug 2015.
Varieties of Long-term Care Insurance Services

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

Day Services
Outpatient Day Long-Term Care, Outpatient Rehabilitation, etc.

Short-stay Services
Short-Term Admission for Daily Life Long-Term Care, etc.

Residential Services
Daily Life Long-Term Care Admitted to a Specified Facility and People with Dementia etc.

In-facility Services
Facility Covered by Public Aid Providing Long-Term Care to the Elderly, Long-Term Care Health Facility, etc.
By 2025 when the baby boomers will become age 75 and above, a structure called ‘the Community-based Integrated Care System’ will be created that comprehensively ensures the provision of health care, long-term care, prevention, housing, and livelihood support. By this, the elderly could live the remainder of their lives in their own ways in environments familiar to them, even if they become heavily in need for long-term care.

As the number of elderly people with dementia is expected to rise, creation of the Community-based Integrated Care System is important to support community life of the elderly with dementia.

The progression status differ region to region; large cities with stable total population and rapidly growing population of over 75, and towns and villages with decrease of total population but gradual increase of population over 75.

It is necessary for the municipalities and prefectures that serve as insurers to create the Community-based Integrated Care System based on the regional autonomy and independence.

* The Community-based Integrated Care System is conceived in units of every-day living areas (specifically equivalent to district divisions for junior high-schools) in which necessary services can be provided within approximately 30 minutes.
Reference Materials
Changes in the Percentage of the Population Over Age 65

% of population aged 65 & older

For other countries – United Nations, World Population Prospects 2010
Problems before introducing the Long-Term Care Insurance System

Welfare system for the elderly

Services provided:
・Intensive Care Home for the Elderly, etc.
・Home-help service, Day service, etc.

(Problems)
○Users could not choose services:
  Municipal governments decided services and service providers.
○Psychological resistance:
  Means test was required when applying services.
○Services tended to be unvarying without competition:
  Services were basically provided by municipalities or organizations entrusted.
○Service fee could be heavy burden for the middle/upper income group:
  The principle of ability to pay according to income of the person/Supporter under Duty.

Medical system for the elderly

Services provided:
・Health center for the elderly, Sanatorium medical facility, general hospital, etc.
・Home-visit nursing, day care, etc.

(Problems)
○Long-term hospitalization to be cared in hospitals (“social hospitalization”) increased:
  hospitalization fee is less expensive than welfare services for middle/upper income group, as well as basic maintenance of the welfare service was insufficient.
→Medical cost increased:
  Hospitalization fee was more expensive comparing with Intensive Care Home for the Elderly and Health center for the elderly.
→Facilitation of hospital was not sufficient enough for long-term care with staff and living environment:
  Hospitals are expected to provide “cure” (e.g. Limited room area for care, dining hall or bathrooms)

These systems had limitations for solving problems.
The insured under the Long-Term Care Insurance System are (1) people aged 65 or over (Category 1 insured persons) and (2) people aged 40-64 covered by a health insurance program (Category 2 insured persons).

Long-term care insurance services are provided when people aged 65 or over come to require care or support for whatever reason, and when people aged 40-64 develop aging-related diseases, such as terminal cancer or rheumatoid arthritis, and thereby come to require care or support.

<table>
<thead>
<tr>
<th>Eligible persons</th>
<th>Primary insured persons</th>
<th>Secondary insured persons</th>
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<tbody>
<tr>
<td>Number</td>
<td>32.02 million</td>
<td>42.47 million</td>
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<td></td>
<td>aged 65-74:15.74 million</td>
<td></td>
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<tr>
<td>Requirement for service provision</td>
<td>- Persons requiring long-term care (bedridden, dementia, etc.)</td>
<td>Limited to cases where a condition requiring care or support results from age-related diseases (specified diseases), such as terminal cancer and rheumatoid arthritis</td>
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<td></td>
<td>- Persons requiring support (daily activities requires support)</td>
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<tr>
<td>Percentage and number of persons who are eligible for services</td>
<td>5.69 million (17.8%)</td>
<td>0.15 million (0.4%)</td>
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<td></td>
<td>aged 65～74: 0.72 million (4.4%)</td>
<td></td>
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<tr>
<td>Premiums collection</td>
<td>Collected by municipalities (in principle withheld from pension benefits)</td>
<td>Collected together with medical care premiums by medical care insurers</td>
</tr>
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Figures as of 2014.
Procedure for Use of Long-term Care Services

Users → Municipal governments (sections in charge)

Investigation for Certification → Doctor’s written opinion

Certification of Needed Support/Long-Term Care

Care levels 1-5
- Care plan for the use of long-term care
  - Facility services
    - Intensive care home for the elderly
    - Long-term care health facility
    - Sanatorium medical facility for the elderly requiring long-term care
  - In-home services
    - Home-visit long-term care
    - Home-visit nursing
    - Outpatient day long-term care
    - Short-stay admission service, etc.
  - Community-based services
    - Multifunctional long-term care in small group homes
    - Home-visit at night for long-term care
    - Communal daily long-term care for dementia patients (group homes), etc.

Support levels 1 & 2
- Care plan for preventive long-term care
  - Preventive long-term care services
    - Outpatient preventive long-term care
    - Outpatient rehabilitation preventive long-term care
    - Home-visit service for preventive long-term care
    - Home-visit service for preventive long-term care, etc.
  - Community-based services for preventive long-term care
    - Multifunctional preventive long-term care in small group homes
    - Preventive long-term care for dementia patients in communal living, etc.
  - Preventive long-term care benefits

Not certified
- Long-term care prevention projects
  - Services which cope with the actual municipalities’ needs (services not covered by the long-term care insurance)

Long-term care benefits

Preventive long-term care benefits

Community support projects

Those likely to come to need long-term care/support in the future
Increase in number of persons who are eligible for LTC insurance and users

While the number of insured persons aged 65 or older has increased by approximately 1.5 times over 16 years since 2000, when the Long-term Care Insurance System was established, that of care service users has increased by approximately 3.5 times over the same period. The surge in the number of in-home care users accounts for the threefold increase of the care service users.

1. Increase in number of insured persons aged 65 and older

<table>
<thead>
<tr>
<th></th>
<th>End of April,2000</th>
<th>End of April,2016</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>Number of first insured persons</td>
<td>21.65 million</td>
<td>33.87 million</td>
<td>1.6 times</td>
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2. Increase in number of persons with care needs & support needs certification

<table>
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<tr>
<th></th>
<th>End of April,2000</th>
<th>End of April,2016</th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>Number of persons with care needs &amp; support needs certification</td>
<td>2.18 million</td>
<td>6.22 million</td>
<td>2.9 times</td>
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3. Increase in number of service users

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<tr>
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<th>End of April,2000</th>
<th>End of April,2016</th>
<th>Increase</th>
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<tbody>
<tr>
<td>Service Users</td>
<td>1.49 million</td>
<td>4.96 million</td>
<td>3.3 times</td>
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</table>

(Source: Report on Long–Term Care Insurance Service)
1. The no. of seniors over age 65 is predicted to reach 36.57 million by 2025 and reach a peak of 38.78 million in 2042. Additionally, the percentage of seniors over age 75 is expected to grow, surpassing 25% by 2055.

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<tbody>
<tr>
<td>2010</td>
<td>0.765 mil. people &lt;10.6%&gt;</td>
<td>0.717 mil. people &lt;11.6%&gt;</td>
<td>1.016 mil. people &lt;11.1%&gt;</td>
<td>0.817 mil. people &lt;10.9%&gt;</td>
<td>1.070 mil. people &lt;12.1%&gt;</td>
<td>1.473 mil. people &lt;11.0%&gt;</td>
<td>0.267mil. people &lt;16.2%&gt;</td>
<td>--</td>
<td>0.188mil. people &lt;18.4%&gt;</td>
<td>0.190mil. people &lt;17.0%&gt;</td>
<td>--</td>
<td>16.458 mil. people &lt;13.0%&gt;</td>
</tr>
<tr>
<td>&lt; &gt; = Ratio</td>
<td>1.177 mil. people &lt;16.8%&gt; (1.58×)</td>
<td>1.082 mil. people &lt;18.1%&gt; (1.51×)</td>
<td>1.485 mil. people &lt;16.5%&gt; (1.46×)</td>
<td>1.166 mil. people &lt;15.9%&gt; (1.43×)</td>
<td>1.528 mil. people &lt;18.2%&gt; (1.43×)</td>
<td>1.977 mil. people &lt;15.0%&gt; (1.34×)</td>
<td>0.295mil. people &lt;19.4%&gt; (1.10×)</td>
<td>--</td>
<td>0.205mil. people &lt;23.0%&gt; (1.09×)</td>
<td>0.207mil. people &lt;20.6%&gt; (1.09×)</td>
<td>--</td>
<td>21.786 mil. people &lt;18.1%&gt; (1.32×)</td>
</tr>
</tbody>
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2. Among seniors over age 65, seniors with dementia will increase.

3. Individual/ couple-only households with householders over age 65 will increase.

4. The no. of seniors over age 75 will rapidly grow in cities and gradually grow in rural areas with originally high senior population. Tailored response according to regions is necessary as aging circumstances differ according to region.
5. Changes in the Population Over Age 75
(Age group with high percentage of persons requiring care)

○ Since the establishment of the long-term care insurance system in 2000, the population over age 75 has increased rapidly and such increase will continue for 2025.
○ From around 2030, the rapid growth of the population over age 75 will level off but the population over age 85 will continue to increase for another 10 years.

6. Changes in the Population Over Age 40
(Age group paying for long-term care insurance system)

○ The population over age 40, who pay for the long-term care insurance, has increased since the establishment of the long-term insurance system in 2000 but will start to decrease after 2021.

Sources:
Future population estimates were taken from the National Institute of Population and Social Security Research’s “Population Projections for Japan (January 2012): Medium-Fertility (Medium-Mortality) Assumption.”
Actual past figures were taken from the Population Census by the Statistics Bureau of the Ministry of Internal Affairs and Communications (population with proportional corrections for those of unknown nationality/age).
“Dementia Supporters” Training Program

- Voluntarily
- with proper knowledge and understanding
- in communities and work places

8.8 million supporters have been trained as of March 2017.

People in every generation and every occupation are becoming “Dementia Supporters”.

![Image of training sessions and support programs]