Long-Term Care Insurance System of Japan

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Changes in the Percentage of the Population Over Age 65

For other countries – United Nations, World Population Prospects 2010
# Development of welfare policies for the elderly

<table>
<thead>
<tr>
<th>Period</th>
<th>Aging rate (year)</th>
<th>Major policies</th>
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<tbody>
<tr>
<td>1960s</td>
<td>5.7% (1960)</td>
<td>1963 Enactment of the Act on Social Welfare Services for the Elderly</td>
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<td>1970s</td>
<td>7.1% (1970)</td>
<td>1963 Intensive care homes for the elderly created</td>
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<tr>
<td>1980s</td>
<td>9.1% (1980)</td>
<td>1963 Legislation on home helpers for the elderly</td>
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<td>1980s</td>
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<td>1973 Free healthcare for the elderly</td>
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<td>1980s</td>
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<td>1982 Enactment of the Health and Medical Services Act for the Aged</td>
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<td>1980s</td>
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<td>1982 Adoption of the payment of co-payments for elderly healthcare, etc.</td>
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<td>1980s</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>health and welfare for the elderly)</td>
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<td>1989 Promotion of the urgent preparation of facilities and in-home welfare</td>
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<tr>
<td></td>
<td></td>
<td>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</td>
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<td></td>
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<td>promotion of health and welfare for the elderly)</td>
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<td>1994 Improvement of in-home long-term care</td>
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<td>Preparation</td>
<td>14.5% (1995)</td>
<td>1997 Enactment of the Long-Term Care Insurance Act</td>
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<td>for adoption</td>
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<tr>
<td>of the Long-</td>
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<tr>
<td>Term Care</td>
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<tr>
<td>Insurance</td>
<td></td>
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<tr>
<td>System</td>
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<tr>
<td>2000s</td>
<td>17.3% (2000)</td>
<td>2000 Enforcement of the Long-Term Care Insurance System</td>
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</tbody>
</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 to enable 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.
### Structure of the Long-Term Care Insurance System

#### Premiums

- **Municipalities (Insurer):**
  - Tax: 50%
  - Premiums: 50%

- **Fiscal Stability Funds:**
  - Premiums witheld from pensions, in principle

#### Users

- **Insured persons**
  - Primary Insured Persons: aged 65 or over
    - (32.02 million people)
  - Secondary Insured Persons: aged 40-64
    - (42.47 million people)

#### Pay 90% (80%) of the costs

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<tr>
<th>Municipalties</th>
<th>Prefectures</th>
<th>State</th>
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<tbody>
<tr>
<td>12.5%</td>
<td>12.5% (*)</td>
<td>25% (*)</td>
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</table>

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

**Application**

- Fiscal Stability Funds
- National pool of money
- Individual municipality
- National Health Insurance, Health Insurance Society, etc.

**Use of the services**

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

**Certification of Needed Long-Term Care**

**Structure of the Long-Term Care Insurance System**

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.

Private Home → Home-visit Services → Day Services → Short-stay Services → Residential Services → In-facility Services → Long-term Care Facility
Establishing ‘the Community-based Integrated Care System’

○ By 2025 when the baby boomers will become age 75 and above, a structure called ‘the Community-based Integrated Care System’ will be established that comprehensively ensures the provision of health care, nursing care, prevention, housing, and livelihood support. By this, the elderly could live the rest 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 estimated to increase, establishment of the Community-based Integrated Care System is important to support community life of the elderly with dementia.

○ The progression status varies place to place; 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 municipalities as insurers of the Long-term Care Insurance System as well as prefectures to establish the Community-based Integrated Care System based on regional autonomy and independence.

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* 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.