

Characteristics of the Policy-Making Process in establishing the Japanese Long-Term Care Insurance system

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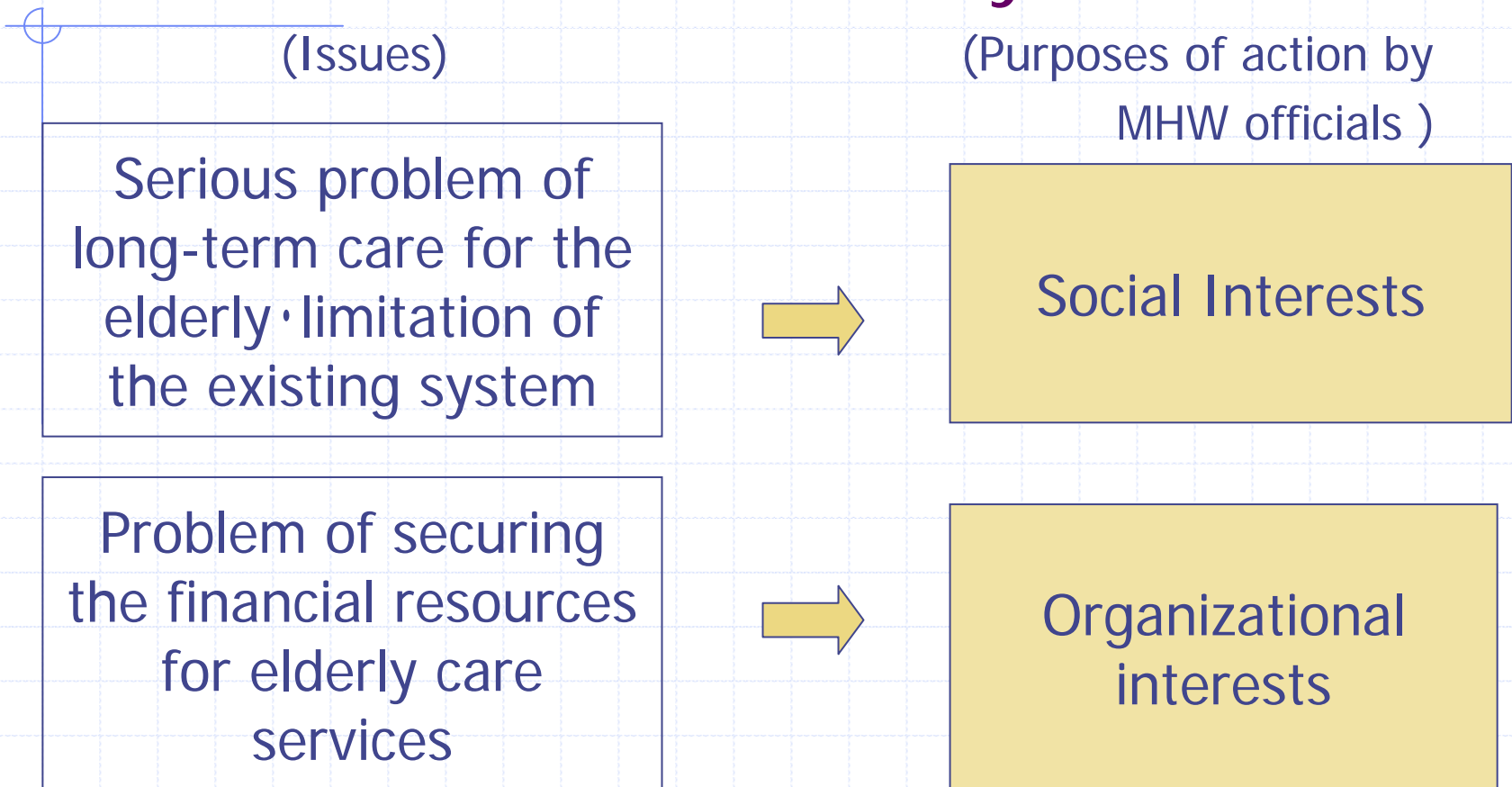
History of the Enactment of the Long-Term Care Insurance Law

- 1994.4 A task force long-term care for the elderly was established in the Ministry of Health and Welfare
- 1994.12 A report was presented by the study group long-term care and assistance for independent living for the elderly.
- 1996.4 The final report was completed by the Commission for the Health and Welfare for the elderly.
- 1996.11 The draft for long-term care insurance law was submitted to the Diet
- 1997.12 The Long-term Care Insurance Law was enacted.
- 2000.4 The Long-term Care Insurance Law was enforced.

Significance of the New System

- (1) The fifth insurance program in Japan
- (2) New social insurance mechanism
- (3) Incentive to a reform of social welfare system
- (4) Promotion of decentralization
- (5) Expansion of the private sector in the area of social welfare

The Background of the Long-term Care Insurance System



Serious problems of the long-term care for the elderly, Limitation of the Existing System

- Increase sense of insecurity about long-term care
- Limitation of care provided by the family members (the old takes care of the old, care by the long-distance commuter)
- Increased in the number of people requiring long-term care due to the rapid increase of the elderly
- Difficulty in using the previous system (called Sochi-seido)
- Imbalance between the welfare system and the medical system



- Solution by the introduction a new social insurance system
 - (1) User-centered, service options, competition among the service providers, etc.
 - (2) German long-term care insurance system as a model

Securing the Financial Resources for Elderly Care Services

- Decrease in tax revenues after the burst of the Bubble Economy
- Increase in governmental subsidies accompanied by the Gold Plan
- Avoidance of budgetary constraints



- Securing financial resources through the social insurance system
- Modification on the governmental subsidies
- Public recognition of the social insurance

Major issues in planning the long-term care insurance

- (1) System: system financed with tax revenues vs. social insurance system
- (2) Insurer: municipality vs. prefecture. National government
- (3) Insured: all vs. 20 or over vs. 40 or over
- (4) User's fee: fixed amount vs. fixed proportional rates
- (5) Business owners' share: decided by labor-management negotiations vs. decided by law
- (6) Evaluation of care provided by family members: cash benefit vs. services only
- (7) Enforcement: two stages from in-home to institutional services vs. simultaneous enforcement

Actors

- ◆ **Bureaucracy** (Ministry officials)
- ◆ **Party Politicians, Coalition Parties**
- ◆ **Local Governments**
- ◆ **Interested Groups** (medical organizations, etc)
- ◆ **Public** (opinion)

Opinions Interest Groups

Local Governments: Fear of the “second national insurance”

Labor unions: Approval of establishing the public long-term care insurance

Business organization: Business owners' financial responsibility should be decided by labor-management negotiations.

Medical organizations: Concern about the official evaluation process and, payment for care services

Welfare groups: Fear of a new system

Conditions for the establishment of the Long-Term Care Insurance Law

- ◆ **Timing:** German long-term care insurance started in 1995. Increasing seriousness of problems about long-term care for the elderly and limitation of the existing system
- ◆ **Political Situation:** Coalition cabinet by LDP, Socialist Party, and Sakigake Party. Active welfare project teams of the coalition parties
- ◆ **Cooperation:** Secretariat of the task force on long-term care for the elderly. Active discussion among interested groups

Characteristics of Policy-making Process

- (1) **Success and limitation of a ministry-centered policy-making process**
 - A turning point to a party-centered or cabinet-centered process
- (2) **Policy-making process under the coalition government**
 - Role of coalition by LDP, Socialist Party, and Sakigake Party
- (3) **Public opinion**
 - the socialization of the long-term care, user-centered, service options

Future Issues

- (1) General coordination of social security programs
- (2) Administration of the system as social insurance
- (3) Revision in 5 years after the enforcement
 - Extent of the insured, methods to increasing in-home services, allowance for family care, etc