International Policy Symposium

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

7 June 2003
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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

(Issues)

Serious problem of long-term care for the elderly

Limitation of the existing system

Problem of securing the financial resources for elderly care services

(Purposes of action by MHW officials)

Social Interests

Organizational interests
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 LGP, 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