

Outline of the revision of the Long-Term Care Insurance System, etc. to strengthen the Community-based Integrated Care System in 2017-18

By promoting independence support and prevention of serious condition of need for long-term care of the elderly and realization of regional cohesive society, and by giving consideration to maintain sustainability of the Long-Term Care Insurance System, necessary services are to be provided with whom requiring.

I Deepening and promoting the Community-based Integrated Care System

1 Promotion of initiatives for strengthening insurers' function, etc. toward independence support and prevention of serious condition (Long-term Care Insurance Act)

Institutionalizing of initiatives for independence support and prevention of serious condition by demonstrating insurers' function of municipalities.

- Formulating Insured Long-Term Care Service Plans, based on analysis of data provided by the state government. Putting contents of initiatives and objectives regarding independence support and prevention of serious condition into the Plan.
- Creating support projects for municipalities by prefectures. - Developing legislation for providing financial incentives for municipalities/prefectures.

(Others)

- Strengthening functions of Community General Support Centers (Obliging municipalities to evaluate services by Community General Support Centers, etc.)
- Strengthening involvement of insurers to designate in-home service business providers, etc. (Introducing a system to refuse designation, etc., from a view point to familiarize Multifunctional Long-Term Care in a Small Group Home)
- Promoting dementia measures (Stipulating basic concepts of the New Orange Plan in the Long-term Care Insurance Act (Comprehensive promotion of related measures such as dissemination and enlightenment, etc.))

2 Promotion of coordination between Medical Care and Long-term Care (Long-term Care Insurance Act and Medical Care Act)

- Establishing a new type of facility covered by long-term care insurance which combines functions of "daily healthcare administration" and "end-of-life care", etc. as well as "residential space".

* Extending transitional period for elimination of Sanatorium Medical Facility for the Elderly Requiring Long-Term Care for 6 years (It was supposed to be eliminated as of 31st of March 2017). In case of conversion from hospitals or clinics, names of those medical institutions can be used continuously.

- Developing regulations to provide necessary information from prefectures to municipalities and other supports in terms of medical care and long-term care coordination.

3 Promotion of initiatives to realize regional cohesive society (Social Welfare Act, Long-term Care Insurance Act, Act on Comprehensive Support for Persons with Disabilities, and Child Welfare Act)

- Obliging utmost efforts to each municipality to facilitate integrated support system cooperated among community residents and administrative bodies by municipalities and to develop Community Welfare Plan which include common issues in welfare sector.
- Establishing Inclusive-type Service in long-term care and welfare services for persons with disabilities so that elderly people and children/persons with disabilities can use services at the same facilities.

(Others)

- Strengthening measures for residents protection at Fee-Based Homes for the Elderly (Creation of order to suspend the business, and expansion of coverage of obligation for preservative measures of deposit (facilities established before 31st March 2006 to be added to coverage), etc.)
- Revision of insurers in case users admitted in facilities covered by long-term care insurance after leaving support facilities for persons with disabilities, etc. (the municipality where before a user was admitted in support facilities for persons with disabilities becomes the insurer for this user.)

II Maintaining Sustainability of the Long-term Care Insurance System

4 Increasing co-payment rate to 30% for whom with particularly high income among persons bearing 20% co-payment (Long-term Care Insurance Act)

5 Introducing income-based payment system of long-term care levy (changing from capitation-based payment system) (Long-term Care Insurance Act)

- Introducing income-based payment system (burden proportional to income) among employee's insurance, in terms of long-term care levy (premiums of persons aged 40 - 64) which medical insurers collect.

* Those acts shall enter into force on 1st of April 2018 (II 5 applying from payment of the levy in August 2017, and II4 entering into force on 1st of August 2018).

1. Promotion of initiatives for strengthening insurers' function, etc. toward independence support and prevention of serious condition

Contents of Amendment - Strengthening Insurers' Function -

- Insurers should analyze issues that communities face and play an active role in supporting the elderly to lead independent lives. This will help promote the Community-based Integrated Care System and maintain the sustainability of the system in this aging society.
- Following systems are established by law:
 - ① Issue analysis based on data and response to the issues (details of efforts and goals shall be stated in long-term care insurance service plans.)
 - ② Evaluation by proper indicators
 - ③ Providing incentives

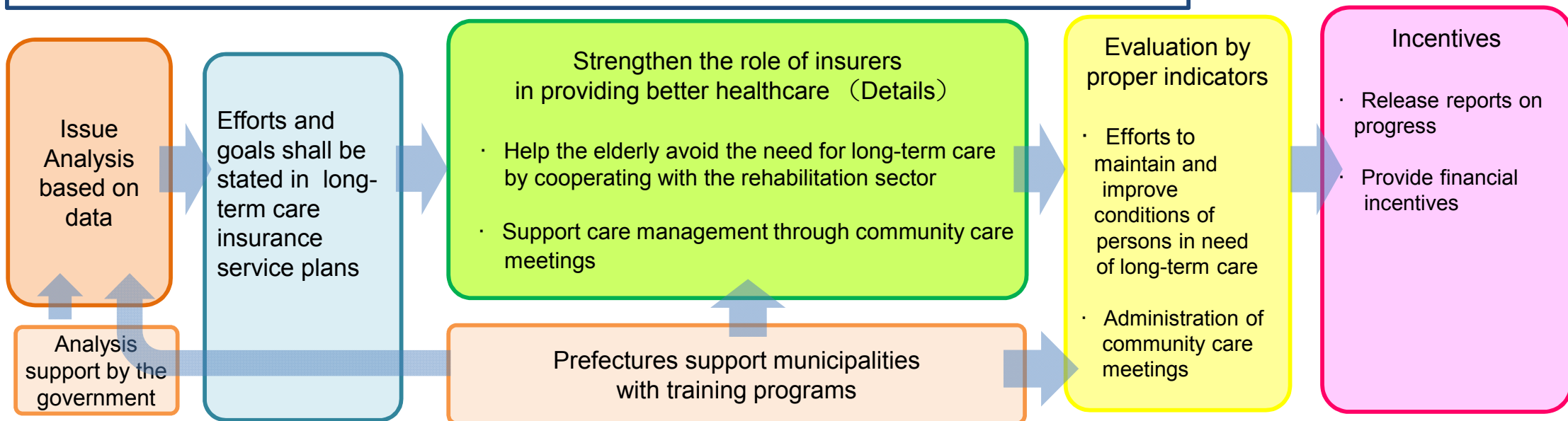
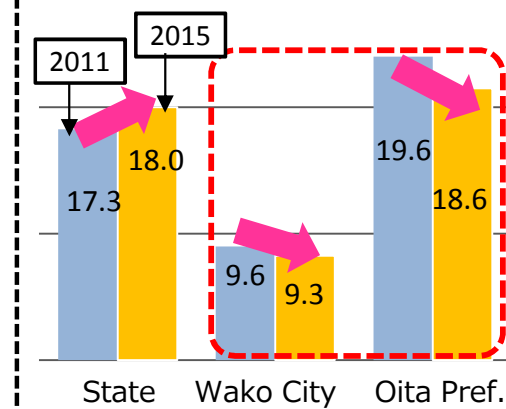
※Major legal matters

- Analysis of data provided by the government when formulating long-term care insurance service plans
- Putting contents of initiatives and objectives regarding independence support and prevention of serious condition into long-term care insurance service plans.
- Provision to requires prefectures to support municipalities
- Report the progress toward the goals set in the plans and release the reports
- Provision to provide financial incentives

What happened in Wako City and Oita Prefecture where advanced measures have been taken:

- Fall in the percentage of people who were certified as being in need of long-term care
- Control premium hike

Trends in the percentage of people who were certified as being in need of long-term care



2. Establish a New Type of Facility Covered by Long-Term Care Insurance

Contents of Amendment

- Establishing a new type of facility covered by long-term care insurance which combines functions of “daily healthcare administration ” and “end-of-life care”, etc. as well as “residential space”, to respond to increasing demand for medical care and long-term care services for people in chronic phase of illness.
- Hospitals and clinics are allowed to retain their original names even after they are converted into a new type of facility.

<About a New Type of Facility Covered by Long-Term Care Insurance>

Name	<p>Integrated Facility for Medical and Long-term Care (facilities that provide both medical and long-term care)</p> <p>※ Hospitals and clinics are allowed to retain their names even after they are converted into Integrated Facility for Medical and Long-term Care.</p>
Function	<p>Provide persons requiring long-term care with integrated services(long-term medical care and daily care)</p> <p>Legal status: the facility is defined as a facility covered by long-term care insurance under the Long-term Care Insurance Act, but also defined as a medical institution under the Medical Care Act.</p>
Bodies in charge of establishment	<p>Local governments, medical corporations, non-profit enterprises including social welfare corporations, etc.</p>

☆ **Current transitional period for the elimination of Sanatorium Medical Facility for the Elderly Requiring Long-Term Care is extended for 6 years to the end of FY2023.** (Sanatorium Long-term Care Beds was supposed to be eliminated as of 31st of March 2017).

※ **Long-term care fees, guidelines and measures to support conversion will be discussed in subcommittee meetings.**

3. Promote Efforts to Build the Regional Cohesive Society

Community Building Efforts and Integrated Support Systems

1. Concepts for enhancing community welfare

Residents and welfare personnel shall collect and share various and combined welfare issues in the community and work together with organizations and institutions in charge of those issues, seeking ways to solve them.

2. Integrated support system by municipalities to realize above concepts

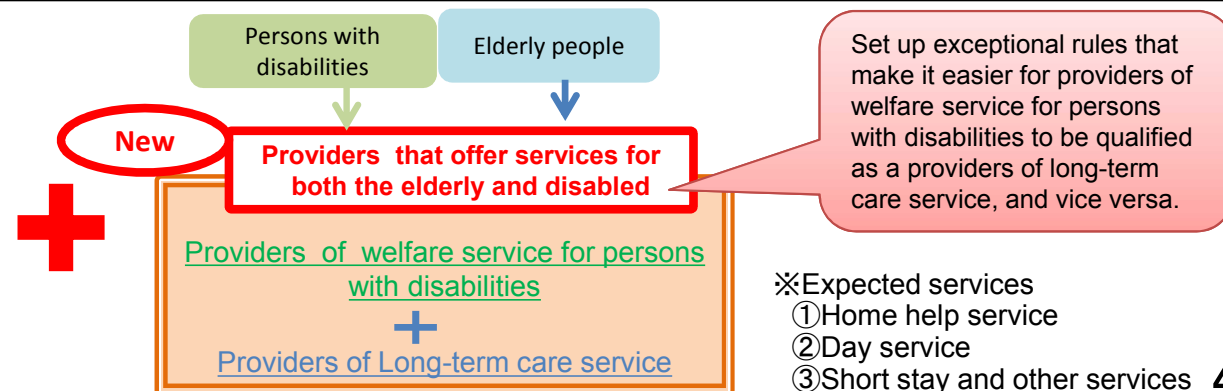
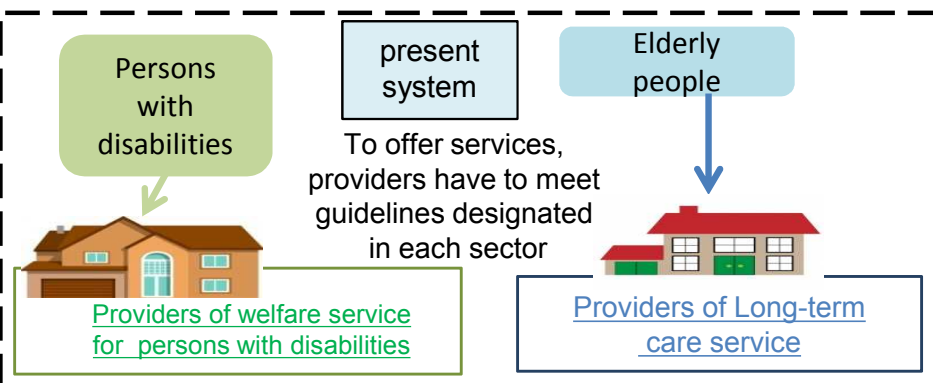
- Create an environment that enhances residents' participation in community welfare activities
- Build a cross-organizational integrated cooperation system in the community beyond sectors where general consultation can be held. (*)
(*) Examples of involved organizations and institutions are municipal social welfare councils, community general support centers, consultation support centers, non-profit organizations etc.
- Promote cooperation in problem solving among different organizations such as self –support assistance institutions for the needy

3. Better community welfare plans

- Municipalities shall endeavor to develop community welfare plans, set common goals for different fields of social work and put as superior plans. (The same initiative is required to prefectures.)

Newly introducing Inclusive-type Service

- An Inclusive-type Service is added to the Long-term Care Insurance System and the welfare system for persons with disabilities. This enables both the elderly and disabled, in particular elderly people with disabilities, to continue to receive services from the same service providers. (Guidelines for designation will be discussed at the time of revision of fees(long-term care fee and welfare service fee for persons with disabilities) for FY 2018)



4. Amendment to Contributions Paid by High Income Long-Term Care Users

Contents of Amendment

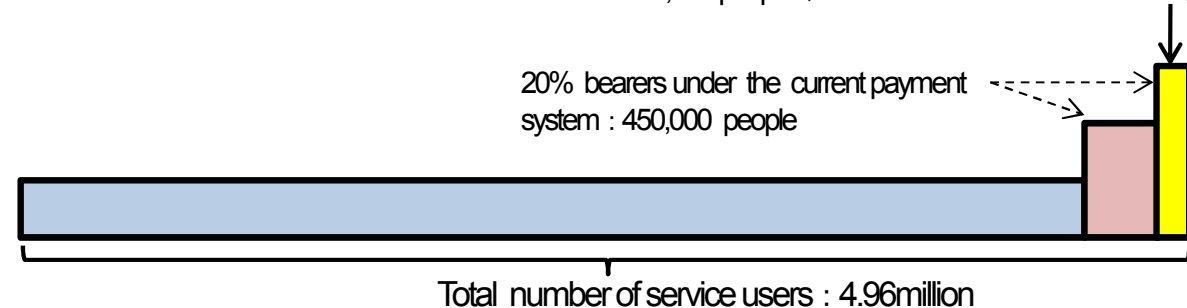
The amendment is aimed at maintaining the equality between/within generations and promoting the sustainability of the system. Co-payment rate is increased to 30% for users with particularly high income, among users bearing 20% co-payment. However, there is an upper limit of co-payment of 44,400yen per month. 【The amendment will take effect in August 2018】

【User contribution】

	Users' contribution for service fee
3.4 million yen or more from pension and other income sources	20% ⇒ 30%
2.8 million yen or more from pension and other income sources	20%
less than 2.8 million yen from pension and other income sources	10%

【Number of service users】

Those who are expected to bear 30% of service fees and see an actual increase in contribution :
About 120,000 people (about 3% of the total service users)



(unit 10,000)

	In-home service	Residential / In-facility Services	Intensive Care Home for the Elderly	total
Service users (actual figure)	360	136	56	496

30% Bearers (estimated figure)	approx.13	approx. 4	approx. 1	approx.16
Those who will see an increase in payment (per recipients)	approx.11 (3%)	approx.1 (1%)	approx. 0.0 (0.0%)	approx.12 (3%)

20% Bearers (actual figure)	35	10	2	45
10% Bearers (actual figure)	325	126	54	451

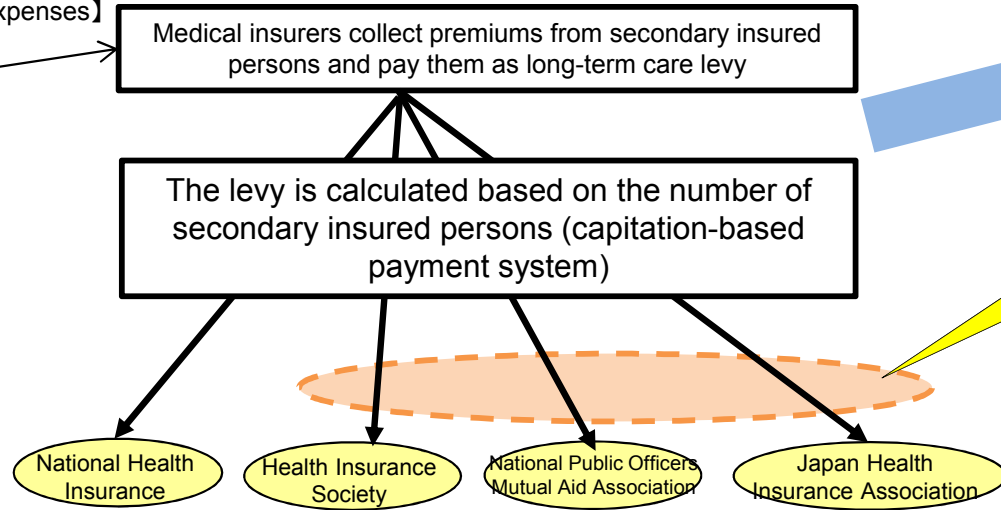
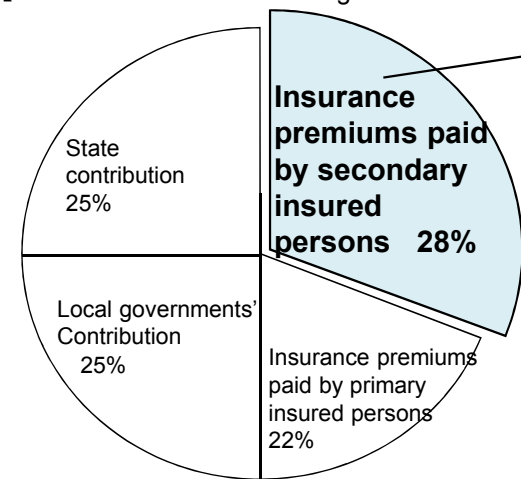
※Report on long-term care insurance (Monthly report for Apr.2016)
 ※Most of users of Intensive Care Homes for the Elderly will not have to pay more even after the amendment, since the amount of their 20% co-payment hits the upper limit of 44,400 yen per month.

5. Introduction of Income-based payment System of Long-term Care Levy

Contents of Amendment

- Medical insurers collect premiums from secondary insured persons (aged 40- 64) and pay these premiums as long-term care levy to the Social Insurance Medical Fee Payment Fund.
- Medical insurers bear long-term care levy, based on the number of secondary insured persons. After August 2017, the levy to be paid will be calculated based on insured persons' income levels. (Income-based payment system will start in August 2017 and will be phased in over the next three years to avoid rapid shifts)

【Sources of Revenue for Long-term Care Benefit Expenses】



Introduce an income-based payment system to long-term care levy by employees' insurance

【Schedule for introduction of the income-based payment system】

	FY2017		FY2018	FY2019	FY2020
	until July	From August			
Ratio of Income-based payment	none	1/2	1/2	3/4	100%

【Number of insured persons who are expected to be affected by the income-based payment system】

Insured persons who will pay increased premiums	approx. 13 million
Insured persons who will pay reduced premiums	approx. 17 million

※ Base on FY 2014 data