The Development of Long-term Care System in China

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## Contents

- Introduction to background
- Needs for care services of the Chinese elderly
- Care resources of the elderly
- Guidelines of Chinese government to LTC development
- Development of LTC system in China
- Practices in Social LTCI and Commercial LTCI in China
Background

Huge elderly population in China

The old population aged 60+ amounted to 212.42 Million in China, and is 15.5% of whole population by the end of 2014.

---- National Statistical Bureau of China

Distribution of old population in 2015

- Population aged 60+ in more developed regions: 23.23%
- Population aged 60+ in less developed regions excluding China: 33.16%
- Population aged 60+ in China: 42.94%

Data source: world population prospect 2015 projection, UN Department of Economic and Social Affairs, Population Division.
The prevalence of disability in Chinese elderly people

- LE_{60} of Chinese elderly is 19.76 years in 2010
- The average life duration with BADLs disability is about 2.53 years.

Needs of the elderly for daily care support in China

The proportion of the elderly needing care services in rural and urban China was rising in recent years.

The percentage of the elderly needing daily care in rural and urban China

Data sources: survey of “Status of the elderly in rural and urban China” 2006. 2010, weighted
Family care resources of the elderly in China

Family support are predominant aging support resources in China

- Most of the elderly rely on their family members (spouses, children etc.) providing care services.

- Chinese old people prefer living with or close to their children when they grown older.

The first care givers of the Chinese elderly in 2010

<table>
<thead>
<tr>
<th></th>
<th>urban</th>
<th>rural</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouses</td>
<td>57.16</td>
<td>53.57</td>
<td>53.02</td>
</tr>
<tr>
<td>Children &amp; others</td>
<td>49.11</td>
<td>42.56</td>
<td>45.73</td>
</tr>
<tr>
<td>Home worker</td>
<td>4.64</td>
<td>0.47</td>
<td>2.57</td>
</tr>
<tr>
<td>Friends &amp; neighbors</td>
<td>0.17</td>
<td>0.05</td>
<td>0.11</td>
</tr>
<tr>
<td>Institutions</td>
<td>0.12</td>
<td>0.42</td>
<td>0.42</td>
</tr>
</tbody>
</table>

Family care resources of the elderly in China

the function of families acting as aging support resources is weakened

- shrinking family size
  4.36 persons in 1990, 3.94 in 2000, 3.45 in 2000 and 3.10 in 2010

- High competition in society decreasing the capability of adult children taking care of their old parents

- Deteriorating effect of the filial piety reduced children’s willingness to provide ageing support for the elderly
Family care resources of the elderly in China

The proportion of the elderly living alone is increasing since 1990

The possibility of Chinese elderly living separated from children is higher than ever before

<table>
<thead>
<tr>
<th>Type of family</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1982</td>
</tr>
<tr>
<td>Nuclear Family</td>
<td>27.05</td>
</tr>
<tr>
<td>Stem family</td>
<td>58.58</td>
</tr>
<tr>
<td>Extended family</td>
<td>1.37</td>
</tr>
<tr>
<td>Live alone</td>
<td>12.44</td>
</tr>
<tr>
<td>Pure elderly family</td>
<td>25.95</td>
</tr>
</tbody>
</table>

Family types of the elderly aged 65+ (% in China 1982-2010
Social care service system for the elderly

- Home-based ageing support is advocated to be the predominant form
  “9073”—90% of the elderly living at home and supported by families and social forces, 7% of the older people being taken care in the communities and 3% of the aged people living in the institutions.

- Community-based ageing support system is fundamental component of social service system for the elderly
  Stamps for community-based care services have been provided for aged and disabled people since 2009 by local governments to promote the development of community-based social care system.

- Specific care for the disabled elderly are the most urgent and important aids in social services for aged people
  “Long-Term Care” system— is proposed to cope with challenges in social support for disabled elderly.
### Social care services for Chinese elderly

<table>
<thead>
<tr>
<th>Social services</th>
<th>Accessible</th>
<th>Been used</th>
<th>In demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care at home</td>
<td>21.9</td>
<td>2.7</td>
<td>36.9</td>
</tr>
<tr>
<td>Visiting doctor at home</td>
<td>52.1</td>
<td>19.9</td>
<td>54.9</td>
</tr>
<tr>
<td>Help in visiting hospital</td>
<td>16.9</td>
<td>1.1</td>
<td>17.8</td>
</tr>
<tr>
<td>Rehabilitation nursing</td>
<td>18.7</td>
<td>1.7</td>
<td>36.5</td>
</tr>
<tr>
<td>Help in daily shopping</td>
<td>18.4</td>
<td>1.0</td>
<td>15.2</td>
</tr>
<tr>
<td>Help in housework</td>
<td>30.9</td>
<td>4.1</td>
<td>41.7</td>
</tr>
<tr>
<td>Food supply in community/delivery at home</td>
<td>67.4</td>
<td>8.9</td>
<td>49.0</td>
</tr>
<tr>
<td>Day care center</td>
<td>66.8</td>
<td>3.1</td>
<td>41.1</td>
</tr>
</tbody>
</table>

Data sources: survey of “Status of the elderly in rural and urban China”, 2010, weighted
Social services for the elderly

- Medical services, health and daily care are predominant needs of the elderly with disability.

- Services and facilities for the elderly are wildly provided by the society and governments, but few of the elderly in need had used them.

- Worries about the quality, price, safety, convenience and suitability decreased the probability of the elderly to access and use them.
Guidelines of Chinese government to LTC development

• “Medical care combined with ageing care” has been put forward to dealing with the urgent needs of the elderly with disability and chronic disease by the government

• “LTCI” has been recommended by the central government to improve the support of social services for the disabled elderly and their purchasing capacities
Guidelines of Chinese government to LTC development

- Special policies such as financial subsidies, tax incentives are provided to the organizations and corporations being engaged in ageing care

- Institutions including Rest home, nursing home and care center in the community are encouraged to providing professional nursing cares for the disabled elderly.
Implication and practice in LTC development

Orientation of LTC in China:

- Since 1950, the disabled ageing people covered by traditional welfare relief enjoying ageing support including free health and daily care services from institutions of local governments.

- Those groups are elderly of no families, parents of martyred soldiers, old disabled soldiers as well as other elderly who had made special contribution to the country.
Development in LTC system of China

expansion in recent years:

- Disabled elderly of vulnerable group has been covered by LTC system. More and more older people with low income, living alone, aged 80+ or old family planning couples are receiving care assistances purchased by local governments or subsidies to get services from social facilities, organizations and market.
Development in LTC system of China

Directions of development in the future:

● Enlarge coverage in the vulnerable elderly with Disabilities, and mainly supported by fiscal income of local governments.

● Expand types of services from professional health and nursing care to comprehensive daily care as well as emotional support.

● Encourage the local governments to make pilot implication in Social LTCI.

● Promote insurance companies to provide commercial LTCI products to Chinese consumers.
Practices in Social LTCI development

Beijing

Shandong

Jiangsu
Practices in Social LTCI development

Social LTCI in Shandong

- The Pilot practice in Social LTCI was launched in 2012
- In 2014, the pilot project has extended to other four cities of Shandong
- The practice in Shandong province is covering local urban old residents with severe disabilities
- The cost in medical care and nursing services is refunded by the Social LTCI:
  - 96%*60 Yuan per day in local community hospitals (second or third class);
  - 90%*170~200 Yuan per day in hospitals of first class
- 20% of the payment comes from the account of medical insurance and 80% of the reimbursement supports by incomes of welfare lotteries and taxes.
Practices in Social LTCI development

Social LTCI in Beijing

- Commercial LTCI is proposed to be provided to the local residents of Haitian district.
- This project combines the commercial product with social form and is initiated to be implemented in 2016.
- 10% to 50% of the LTCI premium is paid by the local governments.
- Comprehensive nursing and daily care services are provided to the disabled elderly mainly in the form of door to door.
- The quantity and types of services received by the disabled elderly are based on the evaluation results of function status, and the maximum payment for comprehensive care is 2500 per month.
Practices in Social LTCI development

Social LTCI in Jiangsu province

- Social LTCI is come into practice in Wuxi at the beginning of 2015.

- Local old residents with disability or dementia is funded by the medical insurance to cover their payment for medical care and treatment in professional nursing facilities.

- Recently, commercial LTCI is proposed to be provided to local residents in Wuxi, Nanjing and Changzhou, LTCI premium is shared by individuals, governments and employers.
Practices in Social LTCI development

Problems

- The sustainability of Social LTCI is highly related to the sufficiency of fiscal income and funds of medical care insurance.
- The beneficial group is restricted to local residents with severe disabilities.
- The coverage of the reimbursement is mainly focused on costs of medical care and nursing services.
Development in Commercial LTCI

Development of the Commercial LTCI market

- The first commercial LTCI product is provided in 2005

- By the end of July 2014, 98 commercial products were available to the Chinese consumers; and one year later, 163 projects appeared on the market.

--- www.sinoins.com
Development in Commercial LTCI

Types of Commercial LTCI

Statistical results from 126 commercial LTCI registered in website of Chinese Insurance Association in Oct 2015 indicates that:

- 89 (70.6%) products are separate insurances and 37 (29.37%) of them are supplemental insurances
- 47 (37.3%) projects require lump sum payment for LTCI premium
- 11 (8.7%) products adopt divide payment form, and 87 (69.5%) employed lump sum payment form for LTCI compensation
- All support and payment of those insurances for beneficiaries are provided with cash
Development in Commercial LTCI

Problems

● Due to the less development in ageing care service system, it is difficult to convert cash payment into services.

● Most of the projects adopt lump sum payment form for LTCI compensation, which decreased the mutual aid effects among population with different life spans.

● Most of the products are supplemental item to health insurance and their capacity for compensation is highly affected by the sufficiency of fund in health insurance account.
Challenges in LTC development

- Great regional diversity in ageing process and social development
- Scarcity in skilled nurses and care servicers
- Shortage of professional nursing institutions or services to fill up the gap between homes and hospitals
- Neutral system for data collection and evaluation
Thanks for your attention