

The comparison of Long-term care insurance system and the revelation:

Hebei Province for example

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Abstract—Began in 2000, Hebei Province ran into an aging society, in this situation, the demanding of sharing the medical costs with the government is being more and more essential. But how to solve the problem in Hebei Province is the task for the government. This paper is trying to find out one of the solution. In the process of researching from the domestic and foreign countries experiences, the author suggests setting up long-term care insurance system. First this paper analyzes the present situation and trend of aging population in Hebei Province, second is the comparison of the long-term care insurance system between Germany and Japan, then research domestic exploration of satisfying the demand of the long-term nursing, finally author puts forward some suggestions of how to set up long-term care insurance system in Hebei Province.

Keywords—the aging; social security; the long team care insurance; aging; fiscal

I. INTRODUCTION

With the development of aging, the demand of sharing the the medical costs with the government is being more and more essential. Compared with the commen people, the older people tend to suffer from chronic diseases, thus long-term care is suitable for them, that is to say the older people need long-term care insurance in addition. Because the traditional medical insurance system can only solve the problem of treating the disease, but can do nothing of shareing the care cost, precisely the care cost is high. This paper is trying to find out one of the solution of setting up the long-term care insurance in Hebei province.

II. THE PRESENT SITUATION AND THE TREND OF HEIBEI PROVINCE

Began in 2000, Hebei province stepped into an aging society, the population structure has been developed from light through the adult to the aging. In 2013, 65 - years - old older, constituting 9.17% of the total population. With the development of economic and medical technical level , the rate of aging in the further will accelerate in Hebei province, and the elderly population and the proportion will rise greatly. Under the fertility level, the aging rate will be 12.13% in 2020,

and in 2030 the rate will be 16.4%, 18.96% in 2040. It is expected to be 20.52% in Hebei province in 2050. Hebei province will come into a period of severe aging rate society²(Han zhaohua, 2012). There will be huge changes in population structure. Meanwhile how to satisfy the demand of sharing the medical costs with the government is the issue for the whole society.

III. THE COMPARISON OF THE LONG-TERM CARE INSURANCE SYSTEM BETWEEN GERMANY AND JAPAN

A. The long-term care insurance system operating characteristics between Germany and Japan

Funding sources: Germany raise the fund through long-term care insurance pay taxes. Since July 1, 1996 Germany fixed the tax rates at 1.7%, half paid by policy-holder, half paid by the employer. Since early 2008, premium rate increased to 1.9%³. Japan take the method of multilateral financing, insured insurance premium of pay 50%, in addition to public burden of 50%. At public expense, the central government accounted for 25%, prefectures and official 12.5% each. Insurance premium, 33% comes from 40 ~ 64 - year - old people, more than 17% from the 65 - year - old⁴.

Long-term care insurance object aspects: Germany care insurance objects for all citizens, but except for the following people: state officials, judges, and professional soldiers; work for the longest time no more than two months, or weekly work time less than 15 hours, monthly income under 610 mark or monthly income below 520 mark in the new federal states of people; the student's temporary work also do not need to pay

² Han Zhaohua., "Hebei province population aging trend research," Master's thesis of Hebei normal university, 2012. PP13-14. (In Chinese)

³ Dai Weidong, "Long-term care insurance system abroad, analysis, evaluation and revelation," Journal of population and development, 2011, 17 (5), PP 80-85. (In Chinese)

⁴ Liu Yanbin Zhao Yongsheng, "the comparison of the long-term care insurance system architecture among Germany Japan America Israel," Journal of China medical insurance 2011, 6, PP 60-62. (In Chinese)

the insurance premium⁵. Implementation of long-term care insurance of Japan, main body is from official area and the special district where the people are over 40, 65 years old and over belong to the no. 1 schemes, 40 ~ 64 - years - old to the no. 2 schemes. Treatment of no. 1 enterprise enjoy rights with the care needs of produce and automatically generated; while the care needs of no. 2 schemes will be limited to 15 kinds of diseases such as dementia, cerebrovascular scope.

Long-term care insurance benefits: Germany care insurance treatment difference with nursing service content and different grades. The treatment of residential real nursing service is divided into three classes, the first, the second and the third. The corresponding monthly respectively is 750 mark, 1800 mark, 3750 mark. Nursing treatment is divided into the first class, the second class and the third. The corresponding treatment is 400 mark, 800 mark, 1300 mark; the care treatment in hospital range is from 2500 to 3000 mark, and nursing homes and accommodation should be paid by oneself, average level is 1500 mark a month. The budget level of Japan is made by the demanding level. "Support" is 60000 yen, "care 1" is about 170000 yen, "care 2" is about 200000 yen, "care 3" is about 260000 yen, "care 4" is about 310000 yen, "care 5" is 350000 yen. 90% fees are from care insurance fund, 10% are paid by the patient⁶.

Care insurance service providing aspects: the service in Germany is depended on the level of nursing and divided into three categories: the first kind of patient care is mainly refers to the individual diet, health, daily action requires at least a few times a week, at least 90 minutes a day, more 45 minutes than the basic care for; the second type of the patient's care is mainly refers to at least three different time services 3 times one day, and need the housework service several times 1 week; the third type of the patient's care need service day and night and the housework several times 1 week, at least five hours of caring a day, more 4 hours than basic medical. Japan's long-term nursing service can be divided into two types: one is that occupy the home care, the other is the special institution care. Home care is provided at the older's home. The main nursing contents as follows: 1 time each week 1 access to nursing, 1 time access to care, rehabilitation training facilities; specialized agencies nursing service is for the old man in specific institutions. Specialized agencies have "the old man care and health institutions", "nursing rehabilitation model of medical institution", etc., in a special institution endowment of the old man can enjoy in six different levels of nursing service, namely, "support", "care 1", "care 2", "care 3", "care 4", "care 5". Each nursing level has a specific nursing cost.

B. Long-term care insurance operation effect

1) The life quality of old people is generally improved

⁵ Liu Yanbin Zhao Yongsheng, "the comparison of the long-term care insurance system architecture among Germany Japan America Israel," Journal of China medical insurance 2011, 6, PP 60-62. (In Chinese)

⁶ Liu Yanbin Zhao Yongsheng, "the comparison of the long-term care insurance system architecture among Germany Japan America Israel," Journal of China medical insurance 2011, 6, PP 60-62 (In Chinese)

The implementation of the care insurance in Japan, relieve the pressure of families to take care of the older, less than one year, the effect of the implementation in Japan won the 85% supporting rate of the people in society.

2) Reduce the economic burden of the government and individuals and families

Care insurance system have joined the individual pay cost, to a certain extent reduce the government financial pressure and personal economic burden. Through the separation of the disease and nursing, the medical insurance premium is significantly reduced. In 1997, the per capita medical expenses in Germany is \$2753, but dropped to \$2412 in 2001. After the implementation of the care insurance in Japan, central government saved money up to 4 trillion yen, most of the insurance object enjoyed due to the care services.

3) Increased employment and promote the development of the nursing industry

Due to the particularity of care insurance, to safeguard the quality of the elderly life objectively also created a lot of jobs, alleviate the employment pressure steady. According to German insurance company's estimation, the care of the insurance law promulgated added 20000 new jobs. Japan only fiscal revenue in 2000 of 420 million yen from care industry, and rising unemployment at 5% speed to Japan has played a relief. Thus, care insurance has a significant role in absorbing labor force.

IV. DEMESTIC EXPLORATION OF SATISFACTION THE DEMAND OF THE LONG-TERM NURSING

In 2010 Liaoning province carried the "rural perennial disease managed project", provincial capital construction investment of 70.5 million yuan at the corresponding level, lottery ticket public welfare fund subsidies facilities capital of 25 million yuan, to ensure that conform to the qualifications for hosting 5200 patients at daycare centers. The cost of living per capita subsidies is 200 yuan a month that managed from province finance. Institutions operating expenses and the the wage of staff are managed from provincial, city and county finance, managed object medical expenses according to the current new rural cooperative medical care and rural medical assistance policy implementation.

In July 2012, Qingdao Human resources and social security bureau issued the notice for long-term care insurance way to Qingdao. The regulations requiring care insurance is mainly through adjusting account structure and arise, unit of employers and individual need not pay. Moderately fiscal subsidies Qingdao finance in accordance with the standards of annual 200 million yuan, from lottery welfare fund transfer to fund care insurance for urban residents. Link the system with the basic medical insurance system, according to the medical diagnosis three types of people are joined into the long-term care insurance service coverage range. Fixed-point agencies service and home care services are availed, home care treatment by long-term care insurance fund pays 96%, fixed-point hospital care treatment tentatively by long-term care insurance fund pays 90%, and no starting line. This is the first

try in China to join the long term care insurance and the basic medical insurance system together.

V. THE FEASIBLE SUGGESTIONS OF LONG-TERM CARE INSURANCE SYSTEM IN HEBEI PROVINCE

Setting up a long-term care insurance system in Hebei province is imperative. The author thinks that long-term care insurance system in Hebei province is not appropriate in the form of commercial insurance, combined with the experience of Germany and Japan, considering from the actual situation of Hebei province, the author suggests that long-term care insurance joining into the basic medical insurance system, taking the role of basic medical insurance system.

First, make the policy by the government, set up patients need care level standard, and make the medical cost to be payed from the basic medical insurance reimbursement scope. Make the long term care insurance comply with the law, ensure and safeguard the rights and interests of the elderly, meanwhile help each other in all aid, regulating the function of the income gap of social security.

Second, at the same time join the private pension institutions and medical institutions in the operation mode of cooperation in Hebei province. The government should be included in the basic medical insurance system, but due to the characteristics of the rising medical cost, part of the operation should have the composition of private participation, such as encourage private capital into the medical field to provide long-term care insurance services in Hebei province, integrated private nursing homes and welfare institutions, this can not only solve the personal management of pension agency problem of hunger for government investment, but also can hold more private capital support.

Third, transfer a certain proportion actuarial appropriate account fund of insurance of primary medical treatment to the commercial insurance related account, this is mainly due to the

long-term health care primarily for maintenance of body function in the elderly, and the characteristics of the high cost, considering the realistic characteristics of social security fund weakly value-added ability , so the basic medical insurance and commercial insurance should be linked up with each other in order to enhance the security of the sustainable development ability.

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