A Comparative Analysis and Reference of Long - term Care Patterns in Foreign Countries

Xiaoying Chen

Tianjin University of Traditional Chinese Medicine
Tianjin
1194898345@qq. com

Xiaofang Wang

Tianjin University of Traditional Chinese Medicine
Tianjin
1468630344@qq. com

Abstract—In order to solve the problems of aging, disability and half-disability, most countries have established and implemented a well-established long-term care insurance system. As a country with a relatively aging population and a population pattern of '421', China has set up 15 long-term care pilot programs. It can solve the problems caused by aging. Besides, it can also improve its social security system. It has conducted for purposes of exploring models, improving systems and accumulating experience. In order to make the type comparable, this paper divides long-term care modes overseas into four types. They are social long-term care insurance model, subsidy (welfare) system long-term care model, commercial long-term care insurance model and care treatment model within medical insurance system. Through a comparative analysis of these four types and descriptions of the actual implementation of their representative countries, we will find some long-term care systems that fit our national conditions. Therefore, we can propose perfect methods and schemes for each pilot of the long-term care system that is being piloted.

Keywords—*long-term care; social security; foreign comparison; insurance model*

I. INTRODUCTION

It can be seen from the UN data, the demographic structure of the world tends to be aging. It is predicted that the national average life expectancy will be 76 years by 2050, and the proportion of 60-year-old will increase by over 24% in 2050 compared with 12% in 2015. The proportion of 60-year-old of the world population will exceed almost doubled. [1]

Long-term care is the provision of a range of health care, personal care and social services to those who have been incapacitated or have never had some degree of activity over a period of time. Long-term care insurance system is a way to define the welfare of the elderly in different countries.

II. COMPARATIVE ANALYSIS OF DIFFERENT TYPES OF LONG-TERM CARE MODELS IN FOREIGN COUNTRIES

At present, foreign countries have a variety of long-term care modes, but the most widely used long-term care model is the social insurance model. This model is the first choice for developed countries and middle countries. With the aging of the population, the local humanistic environment, and the basic national conditions, the commercial insurance model and the care treatment model within the medical insurance system are gradually developing. This paper divides the long-term care

system into four categories: social insurance long-term care model, subsidy (welfare) system long-term care model, commercial insurance long-term care model and long-term care treatment model within the medical insurance system.

A. Social Insurance Long-term Care Model

The long-term social insurance care model is a kind of national legislation and mandatory insurance mode that are provided by the state with certain financial assistance and the remaining social workers themselves are paid by their own income. The social insurance model is a non-profit, compulsory and universal insurance model. Various kinds of care services can be obtained provided if the social insurance conditions are met. For instance, Germany's long-term care system essentially covers the entire German population. Care is provided as long as the insured is physically, psychologically and mentally ill and requires access to daily and instrumental daily life within at least six months[3]. South Korea is a social insurance model. The standard of care available is: people aged 65 and above and people under 65 who suffer from a particular geriatric disease. [4]And the Netherlands covers all legal residents as long as the fee is paid. [5]

Subsidies for the social insurance mode include cash allowance, equipment allowance, family allowance, disability aid, etc. Germany's subsidies include: subsidies in kind, cash subsidies, day or night care and institutional care. However, the levels of subsidies are divided into three levels, the classification of the levels of benefits to enjoy the difference. South Korea's subsidies are: special cash assistance, equipment subsidies, family benefits these four ways. The cash subsidy is very rare. It is determined by the level of beneficiaries. Family benefits may not exceed US \$1, 015 per month, and public agency benefits may not exceed US \$1298-1824 per month. The subsidy is divided into five levels, which are determined by 52 kinds of mental and physical determinants. Benefits in the Netherlands are in kind, cash and mixed benefits.

The insurance fund of social long-term care model is paid jointly by government and individual. German is jointly funded by the government, employees and employers. Employers and employees occupy the remaining two-thirds and the government takes 1/3. Soldiers, court leaders and government officials are funded by state. South Korea has four sources of funding: the employer and employee co-commitment, fund tax, state and local government, co-insurance. Funds in Japan come from individuals, central and local taxes, Bailiwick taxes, and

state taxes, of which the proportion of payments is revised every three years according to state spending. Germany's long-term care system, after 22 years of practice has achieved tremendous results, in 2016, the long-term care insurance was insured about 70 million people, or 90% of the total population. In January 1st, 2015, the number of long-term care has reached 2.7 million. The long-term care insurance passed the Federal Assembly in December 2015 and will be implemented on January 1, 2017. The implementation of this system is estimated to increase the long-term care insurance income by 2.5 billion Euros. [6] In 2015, South Korea has established 1,882 public long-term care institutions and 201443 private long-term care institutions. Among them, 12917 are public family care institutions, 42075 are private family care institutions. There are 2,935 facilities institutions in public and 140,778 in private.

B. Allowance (Welfare) Long-term Care Insurance Mode

Allowances (Welfare) long-term care insurance model is a scheme for low-income earners, funded by government finance, to provide welfare or welfare care, and subsidized care services. Such a model puts a lot of pressure on the country's own finances, but it is a big benefit for those who enjoy long-term care. They do not need to spend any money on their own to enjoy long-term care services. Austria is a subsidized (Welfare) model. People covered by long-term care in Austria are disabled and have a care-grounded population of more than 50 hours for at least 6 consecutive months.

The subsidy (welfare) long-term care insurance model is funded by the government. Austria grants treatment through disability ranks. At the end of the last century, the allowances for Austrian grants ranged from \$160 to \$1,686 per month. The beneficiaries can receive this allowance whether they choose either family care or institutional care. However, this allowance does not fully cover the cost of care. It is only enough to cover part of the care service. The types of services in the allowance (welfare) model are family care, home care, day care and institutional care. Sweden and Austria all have these care services. In Italy, there are three types of assistance for long-term care: community care, charitable services and cash subsidies.

In 2015, total long-term care expenditures in Austria increased by 3.3% to 3.4 billion euros (2.6 billion euros in 2014), net spending on all services was up to €2 billion, of which 57% of total expenditure were borne by the cantons and municipalities of the Federation, 38% is made up of income (with €1.4 billion, most of which falls in the Inpatient Services Department). 65% of hospital and outpatient services are covered by 56% of social assistance or test income schemes. As of 2015, long-term residential facilities for hospitalized patients have been invested 26.27 million euros, long-term care daily long-term residential facilities invested 410,000 euros. Outpatient health care providers spent 5.46 million euros on home care, 5.46 million euros on support facilities and 20 million euros on family care. The long-term care service provided in the form of outpatient service and hospitalization in Austria has formed a good supply mode, and has been strictly managed in its care facilities, which makes the care service system of Austria more perfect. [8] The allowance (benefit) long-term care model is a system in which a complete

cash strategy is not held accountable for providing in kind. It can lead to a heavier burden on family carers, and relatives may lose their jobs as a result of caring for the insured.

C. Commercial Long-term Care Insurance Mode

Commercial long-term care insurance model is a flexible insurance covering a small area, high risk and high per capita income level. Anyone can buy, such as the United States. However, according to statistics, 60% of the insured persons are seniors aged 65 and above. Insured persons are covered by long-term care insurance at any time and for any place (except hospital emergency) for at least 12 hours of personal care.

The forms of commercial insurance are group and individual. Long-term care insurance services can be divided into professional long-term care and non-professional long-time care services. Some planned services may include certain types of informal coverage (home or non-professional) care. Besides, the commercial insurance model also provides care coordinators to help insureds and their carers find and identify the care best suited to them. In the United States, the mainly important care way is cash. [9]

As of March 2016, more than 7 million people in the United States were covered by long-term care insurance. In recent years, the United States has taken the lead in developing long-term care institutions, which occupy 15% of the population in need of care. There are about 65,000 parent care institutions. [10]

According to the AHIP report, the development of commercial long-term care insurance has great economic value, and the firm development of commercial care insurance will meet the growing demand for high-quality infrastructure services. This AHIP report found that less than 5% of people with long-term care policies spent Medicaid living in nursing homes. [11] It appears that private long-term care insurance helps Medicaid beneficiaries keep their savings and allows them to choose the better system they receive.

D. The Mode of Care Treatment in the Medical System

The mode of care treatment in the medical system is a kind of long-term medical insurance which provides care services for the disabled and disabled elderly and pays the long-term care fee with the medical insurance fund. This model can not only protect people's interests but also resist the issue of government co-ordination, which is conducive to the long-term care system. The National Health Service is one of the largest publicly funded medical institutions in Europe and one of the most complete medical service systems in the world and has been recognized by the World Health Organization.

The care mode of care system in the medical system mainly includes home care, day care, hospitalization care, community health care; life care and nursing care, home care institutions, etc. The United Kingdom mainly focuses on community medical care and involves many forms of care. Local governments in the UK evaluate families based on their income needs and the health status of their beneficiaries and can be serviced through appraisals. 1.2 million people over the age of 60 received disability allowance (APA) in 2013. Nine out of ten beneficiaries will be 75 years old or older. In many sectors, the rate of high-benefit elderly people goes hand-in-hand with

the high poverty rates in these age groups. The percentage of APA beneficiaries living in their own homes ranges from 6% to 37%, with APA beneficiaries from the organization 3% to 16%. [12] APA is paid to people 60 and over who are unable to take care of themselves, regardless of their financial status and geographic location. However, only those low-income part-time exemptions can account for 80% of the total costs. [13]

The source of funding in the UK is national or local taxation. In 2001, the LTC plan improved the UK's long-term care insurance system. Like the UK, France's health services are "directionally free" in the national health service. Social security services are arranged by the local political authorities. In 2017, the Department of Health, Department of Community

and Local Affairs of the United Kingdom prepared an integrated and better care fund document that mainly provides a set of integration models and indicators for resource integration to help achieve local and national people-oriented and coordinated care aims. The policy is developed by DH, DCLG, LGA and ADASS and NHS. This framework describes how to improve health and locals health from an integrated system and to pave the way for greater consolidation. Apart from that, the government hopes consolidation, prevention and personal-centric care become commonplace. Such an integrated system fills the gap with this model of care. [14]

E. Comparison of Four Modes

TABLE I. COMPARISON AND ANALYSIS OF FOUR MODES

mode	Implement body	Financing Model	Coverage range	compulsory or not	Profitable or not
Social insurance mode	Gov.	employer, employee, state	wide	Yes	yes
Commercial insurance mode	private insurance company	individual or employer	narrow	No	no
care treatment model within medical insurance system	Gov.	social insurance funds	wide	NO	no
Allowances (welfare) mode	Gov.	tax	wide	NO	no

The mode of care in the medical system, the main body of the social insurance mode and the allowance and welfare mode is the government. The main body of the commercial insurance mode is the insurance company. The main body of the medical treatment is the medical insurance department. The financing model of social insurance and American commercial insurance have one thing in common, that is, there are individuals, but in the social insurance model, the individual only bears 25%, and the other is paid jointly by the employer and the state.

The pattern of care and allowances within the health care system is also different (see Table I for details). The size of coverage is closely related to whether it is mandatory. If it is mandatory, the coverage of insurance is large. Of course, when a model is non-profitable and individuals are cared for without paying a fee, it also has a large size of coverage. If a model has both profitability and high fees, the coverage of the model must be small. The social insurance model is more stable than the commercial insurance model, and the coverage area is larger, so the equity is greater. By contrast, the care model in the health care system is more relaxed in terms of government burden funds and does not have too much financial burden.

III. DOMESTIC STATUS AND DEVELOPMENT TRENDS

A. Pilot Project Construction

In several pilot projects established in our country, there are different types of models. The model of Changchun is the care model in the medical system. The current pilot situation in Changchun is as follows. As of December 2016, Changchun City has paid more than 48 million Yuan for long-term care insurance, with an average reimbursement ratio of 85%. There are 33 designated agencies in the city providing care services to nearly 2, 000 people. [15]

On April 6, 2017, Shandong Province decided to pilot the long-term care insurance system for workers and staff. The scope of their insurance covers the employees and retirees who participate in the basic medical insurance for employees. The fund-raising are the employees' health insurance co-ordination fund and individual contributions, among which the individual contributions withholding from medicare account. This insurance system is similar to the one care mode in medical care insurance system. [17]

Nantong, in Jiangsu Province, is implementing the social insurance model that also implemented in German. According to statistics, by the end of August 2016, Nantong's care insurance covered 1. 1 million insured persons in Chongchuan District, Port Gate area and Development Zone. [18] Most families in China do not accept old-age care institutions, so Jiangsu Province is planning to introduce a policy that will guarantee home care for the aged and take paid leave for the children to care of the disabled. The general contents are: building a family home for the aged, establishing suitable family facilities for the elderly, and establishing supportive policies to guarantee care services. [19]Shanghai Xuhui District implements the social mutual aid way to raise funds, then carries on the care. The Shanghai Xuhui district payment as well as the care grade pattern is similar to the social insurance pattern. So the model of Shanghai Xuhui District is the integration of social insurance model and subsidy welfare model. It is predicted that by 2020, Shanghai will be able to provide 400, 000 square meters of standard home-based service for community-based elderly home care services and will build 160, 000 beds for the elderly. As of January 2017, 73 institutions have been set up in Shanghai with the goal of completely covering the streets and towns in the core urban and suburban urban areas by the end of 2017.

B. System construction

In order to respond to the 13th Five-Year Plan, the basic requirements of the Community Day Care Center for the elderly will be issued soon, and the introduction of this system can improve the care service system for the elderly. Not only can the hospital bed pressure be reduced, but the elderly will also receive more pro-citizen care services.

At the same time, "Thirteen Five-year national aging and pension system construction plan" has also been released, and will be implemented soon. By the end of 2016, there were 28, 000 nursing homes in our country with 3. 64 million beds, and the state implemented the "basic norms of pension institutions". In order to reduce the poor quality pension institutions and the not standardized pension services. In order to reduce the burden on the elderly and encourage older people to participate more in home care and community care services, the State has promulgated 'the Measures for the Administration of Funds for Pilots Subsidy Reform Supported by the Central Government in Home and Community Care Services'[20].

IV. SUMMARY

Our country's total population in 2015 is about 1.375 billion, of which 14. 3% are aged 65 years and over. Compared with 12. 3% in 2011, it increased 2%. The number of disabled and partially disabled seniors has increased, with 11. 358 million disabled persons being certified in 2015, and 40. 63 million disabled and partially disabled seniors. It seems that our country's long-term care system Implementation is in urgent. As of March 9, 2017, the "13th Five-Year Plan for Healthy Aging" was promulgated to raise the life expectancy of the elderly and provide a comfortable life in old age. At present, most pilot areas draw more from the social insurance system. Of course, the social insurance model is more in line with the basic national conditions of our country in the mode of fund-raising. However, because of its remote poverty-stricken areas in China, more consideration should be given to the mode of allowance benefits.

TABLE II. GDP RANKINGS IN 2016

Per capita GDP ranking	Country	Per capita GDP(\$)	Per capita GDP(¥)
No. 5	The United States	\$57765. 512	¥ 361034. 45
No. 13	The United Kingdom	\$46719. 862	¥ 291999. 1375
No. 15	Austria	\$44944. 072	¥ 280900. 45
No. 19	German	\$42388. 479	¥ 264927. 99375
No. 69	China	\$8865. 999	¥ 55412. 49375

From: (http://www.8pu.com/gdp/per_capita_gdp_2016.html)

According to the GDP rankings of these countries, we can see that although China's GDP rankings have risen greatly from the previous ones. Our country is still behind in these four countries. From GDP, we can also see that the commercial insurance system can develop for a long time in the United States because of its abundant capital. Therefore, in comparison, the per capita GDP in China is too low and the commercial insurance system can not change this situation.

A. Premium Collection

It is worth our country's way of reference that Germany's premium collection method has fairness, public welfare and embodies the principle of social mutual benefit. The collection of long-term care insurance premiums must take into account the low-income groups and the empty nesters in poor areas. Premium collection or should be the main state finance, through the country's tax revenue to give the people in need of care. Premium collection Realized tripartite payment of individuals, employers and countries. Such premiums also meet the public welfare and social equity.

B. Integration of Markets with Government

Our country has a large population base. Urban-rural differentiation is more prominent. The gap between rich and poor is more disproportionate. Although the U. S. business model has a limited income, the social assistance model in the United States is relatively perfect. Therefore, the U. S. care

model is worth learning from. Commercial insurance can meet the insurance needs of high-income people, while social benefits can meet the needs of low-and middle-income people. At present, for our country, the problem is how to draw lessons from the balance of the two insurance modes in the United States.

C. Legal System Protection

As the old saying goes, no rules, no standards. Because the long-term care system belongs to the welfare system and prevalent, many greedy people will find out the loopholes in the long-term care during the implementation process, which is often said that the "insurance fraud". If we impose laws on this system of insurance, and if there is a corresponding punishment when we violate the law, then there should be few cases of "insurance fraud".

D. Integration of Urban and Rural Resources

At present, there are 592 poverty-stricken counties in our country and more impoverished areas. If only the social insurance mode is implemented, it is unfavorable to social fairness. At the same time, because our country's basic medical insurance basically covers the whole country, the combination of the care mode in the medical system and social insurance mode can not only solve the problem of both urban and rural resources, but also play a fundamental role of urban and rural

communities. Only in this way, can urban and rural resources achieve integration and social equity.

REFERENCES

- [1] Zhou Chunshan, Li Yixuan. Enlightenment of Long-term Care Service System Model of Developed Countries (regions) to China[J]Social Security Studies. 2015(2):83-89 (In Chinese)
- [2] C A, W R, C J, G C, MA Di, Future long-term care expenditure in Germany, Spain, Italy and the United Kingdom[J]Ageing & Society, 2006, 26(2): 285-302
- [3] Emi Sato, Long-term care insurance in Germany: analyzing its progress from the perspective of economic indicators[J]. J public Health, 2016, (14): 7-14
- [4] Jong Chul Rhee, Nicoloe. Done, Gerard F. Anderson, Considering long-term care insurance for middle-income countries: comparing South Korea with Japan and Germany[J]. Health Policy, 2015, (119):1319-1329
- [5] Schut E, S. Sorbe, Health Care Refrom and Long-Term care in the Netherlands[J]. OECD Economics Department Working Papers, 2013: 1010
- [6] German Federal Ministry of Health Selected facts and figures about long-term care. insurance(<http://www.bmg.bund.de/fileadmin/dateien/Englische-Dateien/Selected-Fact-and-Figures.pdf>): 2014(2014-6-12)
- [7] National Health Insurance Corporation, state of long-term care Institution by District, Type OF benefits. 2016-08-19[2017-03-01]. (http://kosis.kr/eng/search/search01_List.jsp)
- [8] Rublisch M, Philipp. S, Prvision for long-term care in Austria. Austrian Federal Ministry of Lzbour, Health and social Affairs, 1998
- [9] RN Adler, PJ Strauss, R Kiperman, America's Long-Term Care Crisis [J]. Trusts & Estates, 2015
- [10] RH Frank, Individual and Social Responsibility: Child Care, Education, Medical Care, and Long-Term Care in America: Consumption Externalities and the Financing of So[J]. National Bureau of Economic Research, , 1996, 5(1): 130-134
- [11] AHIP. Guide to Long-Term Care Insurance(<http://www.ahip.org/Issues/Long-Term-Care-Insurance.aspx> 2012-4-30)
- [12] Marie-Dominique Minne, Insee, Isabelle Leroux, Drees, Beneficiaries of the allowance for loss of autonomy in the departments, 2016-9-12(2016-12-31)<https://www.insee.fr/en/statistiques/2593249>
- [13] The Long-Term Care System for the Elderly in France ENEPRI Research Report No. 77/June 2010 Marie-Eve Joël, Sandrine Dufour-Kippelen, Catherine Duchêne and Mathilde Marmier
- [14] Social Care, Ageing and Disability / Integration, Local Devolution and Policy Improve,e: Integration and Better Care Fund Policy Framework 2017-19, 2017-3-17 (2017-3-31) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf
- [15] Li Tong, For disabled elderly, Changchun pilot long-term care insurance started[N]. China Daily, 2016-12-13(In Chinese)
- [16] Opinions of the General Office of the people's Government of Shandong Province on the trial of the long term Nursing Insurance system for employees. ,2017-4-6(2017-4-30)<http://baike.sogou.com/v164528371.htm?fromTitle> (In Chinese)
- [17] Ji Xiaohan. Nantong is officially included in the National pilot City of Care Insurance system.[N]China Daily. 2016-7-22 (In Chinese)
- [18] China long-term care. Jiangsu plans to introduce policies to protect the aged at home and to care for the disabled and their children to enjoy paid leave[N]. Nanjing Morning Post. 2017-3-31 (In Chinese)
- [19] Qian Bei. Shanghai pilot long-term nursing insurance system, Xuhui Putuo Jinshan first started. [R]. Shanghai. Eastday. 2017-1-11(In Chinese)
- [20] The Ministry of Finance. Notice of the Ministry of Civil Affairs on Printing and Distributing the Measures for the Administration of Funds for Pilots Subsidy Reform Supported by the Central Government in Home and Community Services. 2017-3-17(2017-3-31)(http://mp.weixin.qq.com/s/NTif0KFtsJMQtLv6vG_iQ)(In Chinese)